A man with a grey beard and a white and black patterned cap stands in a field of cassava plants. He is wearing a brown, long-sleeved tunic with intricate white embroidery down the front and on the pocket. The background is filled with lush green cassava leaves and red stems, with a cloudy sky visible in the distance.

# OXFAM NOVIB ANNUAL ACCOUNTS 2019-2020



# **OXFAM NOVIB ANNUAL ACCOUNTS 2019-2020**

In line with Oxfam International, our reporting period covers the fiscal year April 1, 2019 to March 31, 2020. The Annual Report and Annual Accounts are available online at [oxfamnovib.nl/jaarverslag](https://oxfamnovib.nl/jaarverslag).



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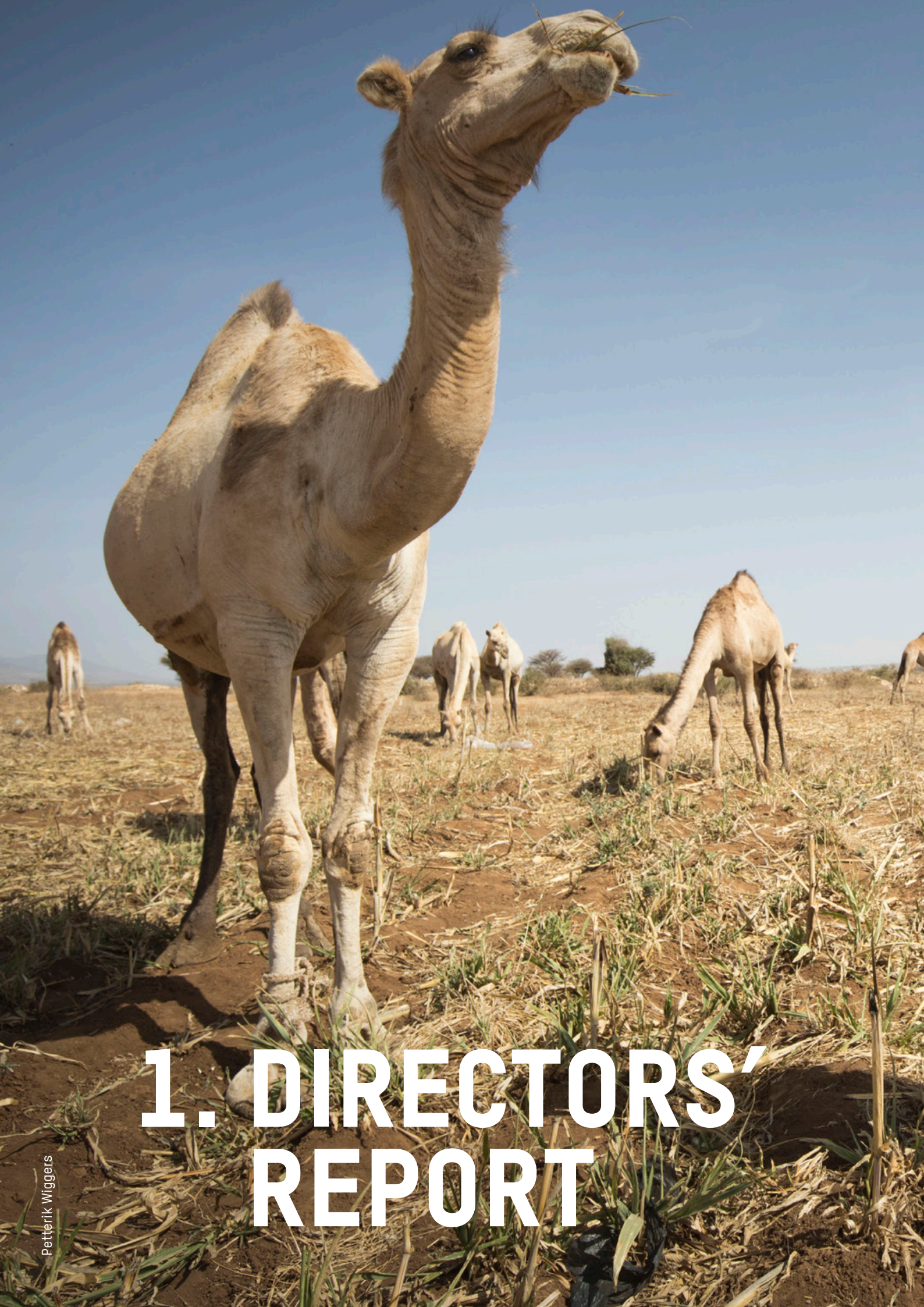
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# 1. DIRECTORS' REPORT





## 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. We are proud to be part of Oxfam as a global movement for justice. Around the globe, we work to find practical and innovative ways for people to lift themselves out of poverty and thrive, supporting them to raise their voices and hold governments and the private sector to account.

### 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. To this end, we believe that urgent, radical and systemic change is needed.

In just fifteen years, global extreme poverty has been halved. Billions of people are standing up to injustice, the trauma of war, and complex problems such as climate change and economic inequality. But much more still remains 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 values

By ensuring that everyone's basic rights are respected, we can rid the world of poverty and injustice. This is what we stand for:

- **Inclusiveness**

We are open to everyone and embrace diversity. We believe everyone has a contribution to make, regardless of visible and invisible differences.

- **Empowerment**

Everyone, from our staff and supporters to people living in poverty, should feel they can be a catalyst for change.

- **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

We believe sustainable development is about cooperating with people, enabling them to get what they need because they are entitled to it. That is why we help people around the world to stand up for their rights. Our practical, community-level work aims to demonstrate that alternatives are possible and that people can shape change. Working alongside our partners and allies, we create and implement programs and campaigns and provide humanitarian assistance, while at the same time advocating for systemic change as part of a worldwide influencing network.

We are committed to applying feminist principles to guide our work, and we ensure that the people impacted by our programs are involved in decision-making ('nothing about us without us'). We use the evidence delivered in our programs to accelerate our influencing work and adapt our strategies and working methods. We welcome and actively build new connections, expanding and deepening more equal partnerships. Adapting to new realities, we innovate and rigorously measure everything we do, in order to learn and to improve the quality of our work; we work with numerous partners, colleagues and donors to develop and share our knowledge and expertise.

Together we combat the root causes of poverty and promote social justice.

### Our goals

Oxfam Novib has defined four main goals for an inclusive (Equal), equitable (Fair), secure (Safe) and sustainable (Green) world.

- **EQUAL: We stand for an inclusive world.**

As a rights-based organization we

promote an inclusive society and communities, in which **EQUAL RIGHTS FOR ALL** are a reality. We support movements and activists fighting for every individual to have equal rights and opportunities, irrespective of gender, sexual identity, age, ethnicity, religion, or other characteristics. We support them to shape new narratives, raise their voices, design their own future, mobilize their members to campaign for equal rights and a life free of violence. We will foster solidarity and support between movements in the South and the Netherlands. In a world, where these values are increasingly under pressure, we will support **CHAMPIONING CIVIC SPACE**, supporting human rights defenders, civil society rights, creating safe (digital) spaces, supporting movements and activists to amplify the voices of the most marginalized.

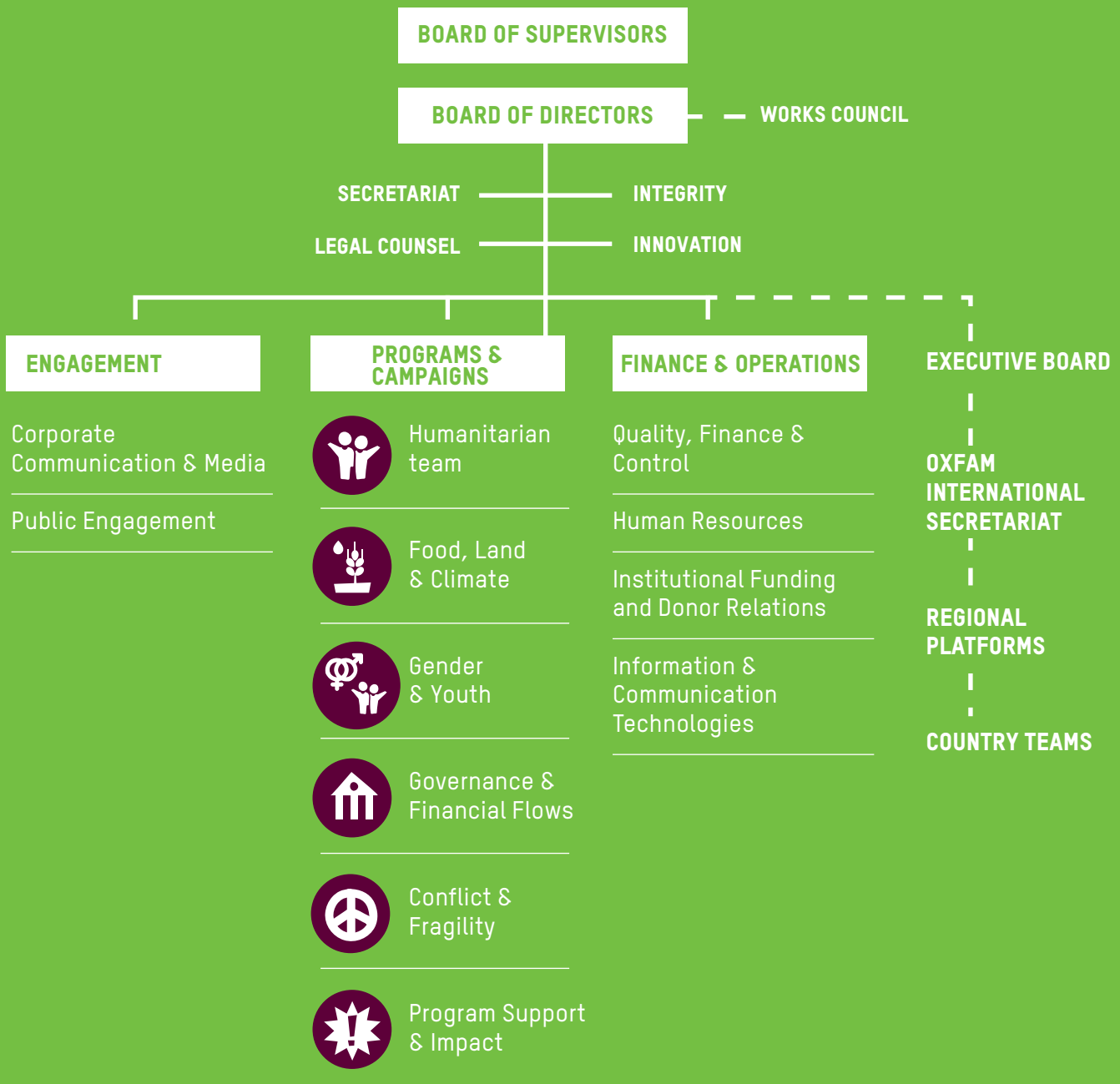
- **SAFE: We contribute to a secure world**

In a world with more localized and long-lasting conflicts and a record number of people on the move, caused by natural and human-made disasters, we will support efforts of actors who fight for the **RIGHTS OF PEOPLE ON THE MOVE**, especially along Europe's periphery. We will advocate for policies that put respect for humanitarian law, principles, and human dignity first. We will contribute to lasting solutions, give voice to migrants and displaced, bringing host and refugee communities together, and ensure safety for women leaders. We will campaign for their rights and counter intolerance and polarization. In specific crises areas, we will support efforts to build **SAFE & RESILIENT COMMUNITIES**, rebuilding governance, livelihoods, a peaceful and safe society, with innovative approaches promoting local (humanitarian) leadership. We do this through measures to avoid crisis, by accurate response mechanisms, promoting inclusive peacebuilding and build resilience to the impact of natural and human-made disasters

# OUR ORGANIZATION



**OXFAM**  
Novib



and conflicts. Further we bridge the humanitarian, peace-building and longer-term development divide.

- **FAIR: We fight for an equitable world**

To reverse the trend of growing inequalities, we press for fundamental changes to public and private sector policies and practices, so that wealth, profits, and welfare are shared more equally and transparently in a **HUMAN ECONOMY**. An economy, that includes and serves society, leaves no one behind, and gives people the power, choice and means to realize, and define their own well-being. We will contribute to reframe the current neoliberal model, with its focus on growth and shareholders. We will support alternative business models and a booming social SME sector for fair and circular production, local value creation, fostering women and youth entrepreneurship. Governments need to play a crucial role in ensuring **FISCAL AND FINANCIAL JUSTICE**, providing basic social services to all their citizens and ensure fair tax and budget systems to redistribute resources in a transparent way, and a financial system that is inclusive, responsible and fair. The private and financial sector should ensure that in **INCLUSIVE FOOD SYSTEMS & VALUE CHAINS**, power and profits are shared fairly between investors, companies, traders, and the people who produce or consume. We need to ensure a living income and decent work for everybody.

- **GREEN: We demand justice for a sustainable world**

The current climate crisis requires immediate action. We stand with the most vulnerable for the effects of climate change and support activism for **CLIMATE JUSTICE** by local leaders, support linkage worldwide, including the Netherlands and Europe. We support the smallholders to voice the needs of small-scale farmers, youth, and women to shape solid adaptation plans addressing their needs and

ensure sufficient and transparent financing. We will support movements to stand up for land rights. As we witness that those who contributed least to global warming, are faced with the biggest impact, like droughts and flooding, we will support their initiatives to build **CLIMATE RESILIENT COMMUNITIES**. We will support local solutions in protecting and using agro-biodiversity to adapt their food & production systems to a new climate and within ecological boundaries.

This also demands commitment from ourselves. We stand for providing a safe space for all staff, partners and local communities we work with; applying full transparency and accountability; creating diversity amongst our staff. Every day, we publish project data publicly. We monitor our direct environmental impact of our office in The Hague and air travel by employees. To reduce our indirect impact on the environment and the climate, we also introduced a new Supplier Code of Conduct to ensure we work with suppliers that also seek to reduce their environmental impact. The impact we aim to achieve, shows that we also take our own corporate social and ecological responsibility to heart.

#### **One Oxfam**

Oxfam Novib is an affiliate of the Oxfam confederation, in which 20 likeminded organizations join forces to defeat poverty and injustice. Together we are active in more than 90 countries. In accordance with the Oxfam 2020 plan, we have completed the One Oxfam initiative to become a stronger Oxfam with more affiliates in the global South: a confederation that is sustainable, accountable, and relevant.

In each of the countries we operate, we now have a single Oxfam program strategy and budget, as well as a single country team. Oxfam's regional platforms, each led by an Oxfam regional director, provide strategic leadership,

deliver regional impact, and facilitate connections between the people in the field. 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 also provide back office support.

The Oxfam Novib's remuneration regulation for all employees with Dutch employment contract is set in the Labor Collective Agreement (CLA). Whereas, the remuneration of Oxfam Novib's employees working in the countries under national labor law is based on the principles and standards of the Reward Shared Service of Oxfam International applicable in the whole Oxfam confederation.

Of course, change is an ongoing process within Oxfam. Following an inclusive 18-month process, in March 2020 Oxfam International approved a new Global Strategic Framework (2020-2030). A multi-stakeholder forum – 45% of the participants were from outside Oxfam, and 80% were from the global South – provided regular input, leading to a bold and future-oriented framework that is relevant to the people we work for, and work with.

In December 2019, Turkish women's organization *Kadın Emeğini Değerlendirme Vakfı (KEDV)* joined the Oxfam network as an affiliate. Not only does KEDV establish Oxfam's presence in a country that has a vast regional and global influence, its membership also underpins Oxfam's drive to be more diverse, globally balanced, and rooted in communities. KEDV has an outstanding track record in civil society in Turkey as well as in some other countries in the Middle East. We expect Oxfam in Colombia to join the Oxfam network at some point during 2020, in an observer role.

## Looking back

In recent years, Oxfam Novib has matured into a strong organization with a support role for country offices. Integrity and an open culture have been at the center of our work. A professional Integrity team has been set up, and awareness and procedures with regard to integrity have been improved and promoted. A renewed HR team has been introduced to further strengthen the organization. While these are important steps, we realize that creating a safe and inspiring working environment is a continuous process that requires new efforts every day, and that being transparent and open means being accountable for our behavior and our actions.

Over the past 12 months, Oxfam Novib has been looking to the future. We have been working in close partnership with all our colleagues to realize ambitious plans that will help solve the urgent problems of our time: extreme inequality, the climate crisis, and the rise of populism and xenophobia. The deeply rooted injustice keeping exclusion and poverty in place demands – now more than ever before – that we address the underlying political and economic systems. It requires us to mobilize the forces of change, both globally and here in the Netherlands. It requires us to work closely with everyone who is willing to help make the world a better place.

Our ambition is to have an even greater impact with our programs, and we have defined four main goals for an inclusive (Equal), equitable (Fair), secure (Safe), and sustainable (Green) world. This has been the starting point for a cohesive strategy for our future programs, for broadening our Dutch support, and for deciding how we will achieve our ambitions in terms of organization and finances.

Then COVID-19 hit. As the pandemic spread, the virus disrupted healthcare systems and brought the economy to a standstill. Lockdowns to control the virus

caused unprecedented societal and economic damage.

In the space of a few weeks, Oxfam published a series of reports mapping out the impact of the pandemic on the most vulnerable countries and people. We urged world leaders to free up financial aid, not just in their own countries, but also internationally, on a large scale. That aid is necessary to address the roots of the problems, which are making millions around the world extremely vulnerable to crises. The economy and our political system need to work for everyone. This is why we are joining forces with others from around the world, including scientists, policymakers, activists, and members of the public in general, as well as hundreds of thousands of donors and supporters who are prepared to stand up for a fair and sustainable world. It is time for a fair future.

## 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.

We bring humanitarian relief to the people affected by natural disasters. In 2019, Mozambique was struck by cyclones and droughts, and our humanitarian team provided support to local communities helping them rebuild their livelihoods to become more resilient.

#### 1.2.2 Key financials

The financial year 2019-20 was a period of stabilization in a difficult environment where fundraising activities were under pressure. Following the negative impact on income growth of the Haiti media incident in the previous financial year, cancellations from regular donors thankfully stabilized in 2019-20, and the institutional contracts awarded had reached almost 90% of the target by the end of the financial year. However, private donors acquisition numbers fell short of the target; this continues to be one of the major challenges ahead.

The net results were negative €3.0 million, which is €2.2 million more than the anticipated budgeted result of negative €0.8 million. The difference is mainly due to the foreign exchange losses of €0.9 million caused by currency fluctuations; and a €0.7 million gap in the net fundraising results mainly due to the drop in the planned Indirect Cost Recovery (ICR) income from donors in 2019-20.

The total income from fundraising activities in 2019-20 fell short of the budget by €27.8 million, and was €19.0 million lower than in the previous year. Most of the decline was in the institutional fundraising income, and included both effects, i.e., the lower than expected signed contracts and the drop in ICR income. Income from Institutional Funds is recognized when project expenditures are incurred, and therefore the income drop relates to the level of restricted program expenditure. The planned program expenditure for 2019-20 was high, on the assumption that the contracts signed are implemented over a

3-year period, and therefore it was based on the average of the income awarded over the past 2 years and the projected income awarded in the current year. In 2019-20, the total value of donor signed contracts was lower than projected, and most of it (60%) was only awarded in the last quarter. This left no time to implement these projects, and as a consequence resulted in a significant lower program expenditure than initially projected.

The total expenditure on goals was €26.6 million below budget, and €20.1 million lower than in the previous year due to the lower than expected project expenditure, as described above.

The management and administration costs remained constant, with a slight deviation from the budgeted amount. The costs of generating income were €0.7 million lower than the budgeted amount and €1.6 million higher than in the previous year due to investments in fundraising activities to recover the donor base. The balance of financial income and expenses was €1.9 million lower than budgeted as a consequence of the foreign exchange losses and the negative effects of the disinvestment in the Inclusive Impact Investments B.V. company.

In addition, by year-end 2019-20 Oxfam Novib had sufficient cash and cash equivalents to cover its current debts and project obligations.

Even though, the net result was lower than budgeted, the contingency reserve remained within the target range of €13 - €20 million in the financial year 2019-20.

## KEY PERCENTAGES

Amounts in thousands of Euros	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	BUDGET 2019-20	FY 2019-20
<b>Income from direct fundraising</b>	30,072	37,845	40,723	36,876	30,186	30,954	31,692
<b>Costs of direct fundraising</b>	6,283	7,310	6,821	6,929	4,774	6,717	6,178
as a % of income from direct fundraising	20.9%	19.3%	16.8%	18.8%	15.8%	21.7%	19.5%
<b>Management and administration</b>	2,452	2,099	2,539	2,234	2,126	2,337	2,193
as a % of total expenditure (own criterion max. 2%)	1.3%	1.2%	1.4%	1.1%	1.2%	1.2%	1.3%
<b>Expenditure on goals</b>	168,289	144,116	171,707	188,799	174,129	180,643	153,948
as a % of total income	87.0%	89.4%	95.4%	96.6%	95.2%	94.1%	93.6%

The costs of direct fundraising represented 19.5 percent of the income generated from direct fundraising. This percentage is lower than the budgeted percentage mainly due to the higher income and the lower costs than initially planned for.

The key figure 'Management and administration costs' represented 1.3 percent of total expenditure, which is below the 2 percent maximum set by Oxfam Novib's Board of Directors. The management costs allocated to management and administration are compliant with the *Erkenningsregeling* (seal of approval for fundraising organizations in the Netherlands), and as such in accordance with the guidelines of the Netherlands Fundraising Regulator (CBF) as well as those of *Goede Doelen Nederland*. The *Erkenningsregeling* has replaced the separate guidelines. For details, 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 93.6 percent of total

expenditure, which is below the budgeted 94.1 percent.

### 1.2.3 Engagement in the Netherlands and Fundraising

#### Our supporters

Oxfam Novib's most important stakeholders are the people we work with in the global South and our supporters in the Netherlands. As part of a global movement of millions, our worldwide influencing network, we campaign and advocate to end poverty and inequality.

Our Dutch supporter base helps us to influence the policies and practices of the Dutch government and Dutch companies, and contributes to financing our work. We invest in true engagement and activities that contribute to building trust with our supporters. In 2019-20 we saw a further decline in the number of individual supporters, from 308 to 292 thousand, mostly due to the aftermath of the Haiti misconduct case and the related media attention in the previous year. We place a high value on our supporters' opinion of Oxfam Novib, and so we constantly conduct surveys to measure their satisfaction; in 2019-20 supporter satisfaction showed an

improvement compared with the previous year.

#### Engaging tens of thousands

We share compelling stories about the people we meet and support, their challenges and solutions, and how our supporters enable them to bring about change, thus inspiring both existing and new supporters. Issue-based campaigns engaged supporters, potential supporters and a wider audience in 2019-20, inviting them to share our content and their opinions, and to take action. Our Fair Climate campaign, for instance, resulted in 137 new structural donors. More than 16,000 people signed our petition to the Dutch Parliament, urging the government to live up to their Paris Agreement commitments regarding the US \$100 billion Green Climate Fund. At Lowlands festival, one of our important donor contact moments, we engaged almost 3,200 people who committed to and shared our climate goals, participated in our climate competition, or posed for our climate pictures.

Through a multi-channel brand campaign, we continued to inform a wide audience about our work. Our commercial was broadcast on three major national

TV channels, reaching 74.2% of the target audience, who on average viewed the commercial 4.1 times. In total, we realized more than 30 million contact moments with people aged over 18 years in the Netherlands. We invite our audience to view and share our content and their opinions, and take action. Before the end of the year we launched our 'Living Room Quiz' on Facebook, TV and radio commercials; these were viewed by almost 3.8 million people. More than 11,700 quiz packages were distributed, enabling families and friends to play the informative tv-style quiz, presented by two quizmasters, at home. Research showed that the initiative was well appreciated, scoring 7 out of 10; people particularly valued the clarity and urgency of Oxfam Novib's messaging on climate impact and inequality.

In 2019-20 we ran a very successful online brand and influencing campaign on tax evasion, to raise awareness on the 'inequality gap'. Over 93,000 people signed our petition calling on the Dutch government to end the Netherlands' tax haven status, and 14,000 people promoted our message by ordering a tote bag. Another 1,300 people donated the price of a cup of coffee to support our ambassador Dolf Jansen's visit to Dutch parliamentarians to discuss fair taxes. Moreover, 950 people decided to support our work as structural donors.

### Online media presence

Mainly thanks to paid ads on Facebook, Google and YouTube, the number of visitors to our website almost doubled from 486,122 to 757,842. Facebook remains our largest online media channel, although the reach of regular posts decreased substantially to 1.3 million (2018-19: 2.8 million), due to changes in Facebook's algorithms. These now promote posts by individuals and groups at the cost of brands such as Oxfam Novib.

### Legacies and bequests

Although we raised interest in legacy-

giving from more than a thousand individual supporters in 2019-2020, the income from legacies and bequests was far below the 2018-19 level. However, more than twenty people pledged to leave gifts to Oxfam Novib in their wills, mostly unrestricted. We are immensely grateful for these important commitments to supporting our work.

### Major donors and private foundations

In 2019-20 we welcomed more, and very much appreciated, major donors and foundations, which contributed a higher total amount of donations than the previous year. Furthermore, we established a new Named Fund, a specific fund named by the donor who also determines the objective, and held by Oxfam Novib. We maintain regular contact via email newsletters and our supporters' magazine Close Up, providing information about the projects our donors support, and through visits and telephone calls from their Oxfam Novib contact people. We met with these important givers at the International Documentary Festival Amsterdam (IDFA) night showcasing the land rights movie *Máxima*, and regional events in Nijmegen, Arnhem, and Eindhoven.

The Dutch Postcode Lottery has supported Oxfam Novib's work for an impressive 30 years now, since 1990. In addition to the €13.5 million of unrestricted funding that the Postcode Lottery again granted us in 2019-20, we received one million euros for Oxfam's Impact SME Development program. The 'Money Trail' investigative journalism project by Oxfam Novib and Free Press Unlimited has been funded by the Postcode Lottery since 2018, and will now embark on its final year.

Among other donors, the Hans Geveling Foundation, our longstanding and loyal partner, enables us to support smallholder farmers in Africa and maintain our Oxfam Novib Fund, which provides funding to microfinance institutions. Vivace Foundation supports

our important program in Zimbabwe, in which smallholder farmers develop their own quality seeds. We are also very grateful for the funding from Soroptimist Club International and Books4Life, both of which support our project Marriage: No Child's Play, fighting child marriages in Pakistan, Mali, and Niger. Medium-sized entrepreneurs in Vietnam could count on the (ongoing) support of both the GSRD (G-star) Foundation and the 'De Leerschool' Foundation, while SanoRice is our highly appreciated partner in the Gender Transformative and Responsible Agribusiness Investments in South East Asia (GRAISEA) project.

### Entrepreneurs for entrepreneurs

Oxfam Novib's longstanding and engaged Entrepreneurs for Entrepreneurs network of more than 550 Dutch entrepreneurs is a large and inspiring corporate social responsibility network for small and medium-sized enterprises (SMEs) in the Netherlands. The entrepreneurs support microfinance and SME development worldwide, and aim to contribute to the Sustainable Development Goals (SDGs). Oxfam Novib supports them with workshops, inspirational dinners, and an intensive sustainability trajectory. We help companies discover opportunities to increase their positive social and sustainable impact by adapting business processes. Six Dutch entrepreneurs traveled with us to meet their Ugandan colleagues, inspiring and learning from each other, and working together to tackle local business challenges.

### Supporter contacts

Oxfam Novib handled a total of 52,530 inbound customer contacts in the form of emails, phone calls, letters, and social media messages. The reasons for contacting us ranged from administrative requests to questions about our work, and complaints to proposals for cooperation.

Oxfam Novib actively seeks to interact with our donors. In 2019-20 we launched an online chat pilot, which increased our



efforts to respond through social media, proactively reached out to donors, and invited them to several special events. These events included IDFA itself, a series of meetings around 'The Best of IDFA on Tour' in different Dutch cities, and the Oxfam Novib-PEN award at the Winternachten/Writers Unlimited festival in The Hague.

### Media

Oxfam Novib's actions to promote a more equitable world again gained more media attention than any other theme in 2019-20. Our press releases and reports on tax evasion, inequality, and supermarkets' corporate social responsibility all received very good coverage from the Dutch media. The same was true of Fair Finance Guide reports on Dutch banks, insurance companies, and pension funds. In keeping with tradition, our biggest media hit was the inequality report Oxfam launched ahead of the World Economic Forum in Davos in January 2020. All major Dutch media, such as NOS, RTL Nieuws, NU.nl, and all national newspapers used the Oxfam report 'Time to Care' for extensive reporting on the topic, including live interviews with Oxfam Novib's executive director.

Likewise, our 2019 report on the EU blacklist of tax havens and press releases about our Behind the Barcodes campaign received substantial Dutch media attention. With regard to our financial and economic reporting, Oxfam Novib is considered an expert. This means that we are able to actively approach media outlets and more or less determine when and where our reporting will become news. In contrast, our news and reporting on humanitarian crises are highly dependent on the external news agenda and on media interest in Oxfam Novib staff visiting countries hit by natural or human-instigated disasters.

We actively pitched Oxfam reports and information on refugees stranded on the Greek islands, the Rohingya refugees,

and war-torn Yemen, which contributed to the relatively good media coverage of these urgent crises. Oxfam Novib also managed to garner interest in and increase visibility on another big topic, climate change, most notably with the Oxfam climate report 'Forced from Home' that was launched during the UN Climate Summit in Madrid (December 2019).

### Policy influencing and advocacy

In November 2019, Oxfam Novib spoke out strongly against the proposed 'Criminalization of Residence in an Area Controlled by a Terrorist Organization' law during a Dutch senate hearing. This law has a very negative impact on humanitarian assistance and endangers aid providers. Also in 2019, Oxfam Novib supported a lobby tour by Palestinian farmers. The farmers came to Europe to share the threats and obstacles they face in their daily work due to the expansion of illegal settlements on the West Bank. We organized meetings with policymakers and politicians, and supported the farmers' call to the EU to keep investing in Palestinian agriculture and help them to stay on their land.

Supported by 93,000 signatures from Dutch citizens and our report 'Belastinglek Nederland', which reveals one of the many tax loopholes that the Dutch authorities have constructed to facilitate multinationals, we continued our lobby against tax injustice. In the report, we calculated that a specific tax loophole, known as 'informal capital structures', could lead to an annual tax avoidance of five to ten billion euros from 2020 onwards. As a result, Oxfam Novib discussed the report with former State Secretary for Finance Menno Snel, while politicians took part in our fair taxes campaign outside the Dutch Parliament, enjoying a cup of coffee with Dolf Jansen. In February 2020 we criticized the EU's tax haven blacklist, which lists only non-EU countries while letting tax havens such as the Netherlands off the hook.

In September the Dutch government presented the lowest Dutch development budget in fifty years, well below the international norm of 0.7% of GNI. In response, Oxfam Novib and other organizations used social media to remind political parties and politicians of their election promises regarding the level of the development budget, and spoke to politicians to discuss what should happen. These measures led directly to an adopted parliamentary motion to urge the Dutch government to try to increase the development budget. In the upcoming year, Oxfam Novib will continue to advocate and campaign for an increase to the Dutch development budget.

### 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. 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 25 percent of the total portfolio of the investee with a maximum of €2 million by investee;
- the exposure to a single country shall not exceed 15 percent of the invested portfolio;
- investments in any single local

currency may not exceed 7.5 percent of Oxfam Novib Fund (ONF)'s total microfinance portfolio with the exception of XOF, which shall not exceed 15 percent of the investments;

- 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 20 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 for MFIs 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, use of child labor 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 foreign exchange 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. 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.

In 2019-20 we invested in strengthening our measures to mitigate the risk of misconduct and unwanted behaviour in our work. One of our key joint achievements was the development of a new Improving Safeguarding and Culture Plan that will guide Oxfam's work over the next two year, which builds upon our ongoing anti-corruption, safeguarding and culture work; and it draws from and is strengthened by recommendations from the Independent Commission and UK Charity Commission. Additionally, in 2019-20 we have laid the foundations for the strategic plan 2020-2024 which address the risks related to current pressure on the income, as consequence of challenges on donor acquisition. By adjusting our fundraising, organizational and financial strategy we aim to become more resilient and have a healthy organization that can absorb the impact of unforeseen external factors, such as the COVID pandemic.

#### 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 comprehensive 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, capacity 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 very important. 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 counsellors, 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 behaviour 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 of the use and processing of personal data belonging to the people and organizations that we work with. People have the right of access to their personal data and the right to rectify it. 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. Following an assessment of the processing activities across the organization, we maintain a data processing register. Additionally, we enforce security measures with external parties which process personal data on behalf of Oxfam Novib, through Data Processor Agreements; and we continuously work on ensuring that the security of our systems are up to date and secured from external threats. Currently, Oxfam Novib is developing a privacy policy to further embed GDPR in our ways of working and to provide a clear governance framework.

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 2019-20 there were no changes to the Board of Directors and the Board of Supervisors. Michiel Servaes is Oxfam Novib's Executive Director, Pauline Mulder is our Director Finance & Operations, and Ton Meijers remains our Director Programs and Campaigns.

For remuneration details refer to section 3.7.9.2 'Salary and emoluments paid to directors'.

#### **Composition of the Board of Directors Michiel Servaes (1972)**

Michiel Servaes is the Executive Director and chair of the Board of Directors, and he has final responsibility for the strategic direction and organizational development of Oxfam Novib. Michiel

Servaes is also the director responsible for the Public Engagement Unit, the Corporate Communication Unit, and the 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. He 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 is the Director of Programs & Campaigns. He is responsible for the Thematic Units, the Program, Support & Impact Unit, and the Humanitarian Team.

Ton Meijers represents Oxfam Novib as shareholder in Triple Jump, which manages the Oxfam Novib Fund. Furthermore, he is a member of the CEO meeting of the Dutch Relief Alliance (DRA) and a member of the Board of Partos. Within Oxfam International, Ton Meijers is a member of the Long Term Development, Knowledge and Institutional Funding platform and of the Influencing platform.

#### **Pauline Mulder (1974)**

Pauline Mulder is the Director Finance & Operations. She is responsible for the Corporate Groups: Institutional Funding and Donor Relations, Human Resources, Information Communication Technology & Facilities, Quality Finance & Control, and the Integrity team. 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. She is also a member of the Board of Supervisors of Triple Jump.

Within Oxfam International, Pauline Mulder is a member of the Executing Affiliate Working Group and the Safeguarding Task Force. She is also Chair of the Board of Oxfam Sweden.

## 1.4 OUTLOOK

In the year ahead, we will continue to build the foundations for Oxfam Novib's future, reinforcing the alignment between tightening our strategic ambitions, further strengthening the organizational structure and culture, ensuring future-proof financial frameworks, and taking into account the implications of changes occurring within the Oxfam confederation. Our unrestricted income is under pressure, and with it our reserves. As part of our strategic review, therefore, we will implement both temporary and structural adjustments. After a transition period, the changes to our organization and the changes to the Oxfam model should lead to a financially healthy and future-proof Oxfam Novib.

Also in Oxfam Sweden the funding is under pressure, they have recently reviewed their income projections down, acknowledging that the initial planned growth rates for the coming years were too optimistic considering the current difficult circumstances. Hence, their future strategy is focused on consolidation while continuing to invest in their donor base. It is not just a matter of acquiring new donors but also upgrading existing donors by increasing their level or frequency of giving.

In terms of investments, in the next financial year we will continue to invest in engaging with our Dutch public, to increase our structural donor base, and to increase our numbers of younger supporters. We will focus on our mission, programs, and campaigns, to demonstrate that we are worthy of our public's trust, and at the same time we will invest in creating a safe and courageous working environment for the people we work with and work for, and ensuring that we provide visible proof that we are reliably, competently, and honestly committed to the highest standards of integrity.

In July 2020, as part of the Oxfam confederation's strategic process review in which the income projections were lower than previously estimated, the Board of Directors took the difficult decision to make temporary and structural adjustments representing a value between €5 and €8 million on an annual basis to realign the multiannual expenditure level with income and built up again the contingency reserve to ensure financial resilience in the future. These austerity measures will be put in place not only to reduce the current 2020-21 budget deficit, but also to rebalance the multiannual budget with a sustainable financial strategy for the medium term.

At year-end 2019-20, our contingency reserve remained just above the minimum target of €13 million. Together with the unrestricted income estimates for the coming year and beyond, this has forced us to consider adjusting the organization's cost structure.

The transitional multiannual budget 2020-25 is presented in the table below. The financial year 2020-21 budget shows a net loss of €1.4 million, which is €1.9 million higher than the budget published in the previous financial statements. The reason for this adjustment lies in the decline in the active structural donor base, which affects not only the income from companies but also the income from private donations in Sweden and the Netherlands. In March 2020, the Supervisory Board approved the transitional financial plan for 2020-25, on the understanding that it will be adjusted to reflect the outcome of the strategic organizational and financial review. While the COVID-19 crisis has delayed the overall process, a revised financial budget with cost-cutting measures will be submitted to the Supervisory Board for approval before the end of the financial year.

Our organization, as many others, is affected by the COVID-19 pandemic. We are closely monitoring the developments,

but it is very difficult to quantify at this stage all the implications. In the first half of 2020, the financial impact has been limited, however the medium-term consequences are uncertain. On the one hand, we have adjusted the campaign planning in The Netherlands in order to mobilize additional resources from private individuals to fund the emergency actions in the countries in need of help; and new projects have been awarded by donors to fight against the devastating consequences of the pandemic. On the other hand, in our microfinance work, we are at higher risk for the reimbursement of the loans due to the lockdown of the business worldwide. The pipeline deals were put on hold to avoid increasing the risks in the loan portfolio while the assessment of the impact on the current investees is the major priority. The intention is to ensure a coordinated response providing support to investees in need and increase their chances of longer-term survival, acting in line with portfolio's mission as a social investor.

## MULTIANNUAL BUDGET 2020-2025

Amounts in thousands of Euros	FY 2020-21 (March 2019)	FY 2020-21 (March 2020)	FY 2021-22 (March 2020)
<b>INCOME</b>			
Income from private individuals	23,119	21,635	22,256
Income from companies	6,342	9,849	6,723
Income from lottery organisations	19,000	16,800	18,500
Income from government subsidies	100,023	95,703	108,770
Income from affiliated non-profit organisations	28,307	36,231	32,426
Income from delivery of products / services	3,173	4,609	4,609
<b>Income from fundraising activities</b>	<b>179,965</b>	<b>184,827</b>	<b>193,285</b>
<b>EXPENDITURE</b>			
Food, Land and Climate	36,684	37,361	40,118
Governance and Financial Flows	47,779	48,544	53,330
Conflict and Fragility	11,747	10,449	12,491
Gender and Youth	14,325	15,939	15,974
Emergency	50,803	55,577	56,186
Public Engagement	7,595	7,642	7,721
<b>Expenditure on goal 'structural poverty alleviation'</b>	<b>168,933</b>	<b>175,511</b>	<b>185,820</b>
Direct fundraising	7,265	7,179	7,258
Third-party campaigns	501	510	523
Securing government grants	1,669	1,753	1,751
<b>Costs of generating income</b>	<b>9,436</b>	<b>9,443</b>	<b>9,533</b>
<b>Management and administration costs</b>	<b>2,298</b>	<b>2,449</b>	<b>2,459</b>
<b>Expenditure from fundraising activities</b>	<b>180,667</b>	<b>187,403</b>	<b>197,812</b>
<b>Balance of financial income and expenses</b>	<b>1,170</b>	<b>1,158</b>	<b>1,170</b>
<b>NET RESULT</b>	<b>468</b>	<b>(1,418)</b>	<b>(3,357)</b>
<b>APPROPRIATION OF NET RESULT</b>			
Added / charged to: contingency reserve	(721)	(1,250)	(2,586)
Added / charged to: project reserve	(1,655)	(1,712)	(2,690)
Added / charged to: other earmarked reserves	3,874	2,384	2,757
Added / charged to: funds	(1,029)	(839)	(837)
<b>NET RESULT</b>	<b>468</b>	<b>(1,418)</b>	<b>(3,357)</b>

	<b>FY 2022-23</b> (March 2020)	<b>FY 2023-24</b> (March 2020)	<b>FY 2024-25</b> (March 2020)
	22,755	23,537	24,381
	10,379	9,966	10,113
	18,500	18,500	18,500
	98,640	92,379	94,875
	36,245	36,570	36,845
	4,609	4,609	2,359
	<b>191,128</b>	<b>185,562</b>	<b>187,073</b>
	39,446	38,073	38,576
	52,511	50,842	49,395
	12,335	12,006	12,140
	15,704	15,138	15,367
	55,152	52,948	53,723
	7,844	8,062	8,248
	<b>182,991</b>	<b>177,068</b>	<b>177,448</b>
	7,353	7,664	7,880
	526	530	534
	1,785	1,819	1,854
	<b>9,664</b>	<b>10,013</b>	<b>10,267</b>
	<b>2,499</b>	<b>2,559</b>	<b>2,616</b>
	<b>195,154</b>	<b>189,639</b>	<b>190,332</b>
	<b>1,182</b>	<b>1,193</b>	<b>1,205</b>
	<b>(2,845)</b>	<b>(2,884)</b>	<b>(2,054)</b>
	(3,234)	(4,736)	(4,257)
	(1,939)	(486)	(534)
	3,183	3,202	3,601
	(855)	(864)	(864)
	<b>(2,845)</b>	<b>(2,884)</b>	<b>(2,054)</b>



# 2. BOARD OF SUPERVISORS' REPORT



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 in advance as well as retroactively.

The mandate and tasks of the Board of Supervisors are laid down in the statutes 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 statutory objectives and the strategy, and take the necessary decisions to this end.

In 2019-20, the Board of Supervisors met four times for the regular face-to-face meetings. Additionally, the Board of Supervisors had a multi-day strategy session together with the Board of Directors and members of other Oxfam Boards of Supervisors (England, Spain, and Belgium). The Supervisors, and the Chair in particular, also regularly act as a sparring partner and sounding board for the Board of Directors. All members often join meetings with stakeholders and events organized by Oxfam Novib.

### **Composition and functioning of the Board of Supervisors**

The statutes prescribe that the Board of Supervisors consists of three to seven members. The Board of Supervisors currently has seven members and is chaired by Peter Verbaas. There were no new members recruited this year, as the majority (four members) started in 2018-19. In the first quarter of 2020, the Board of Supervisors started the process of hiring new members to succeed members who will reach their final term in the next fiscal year. We expect these new members to take up their positions in October 2020 and March 2021 at the latest.

#### **Peter Verbaas (1959)**

Peter Verbaas was first appointed in November 2012, and his maximum period of tenure will end in 2021. He was appointed Chair of the Board of Supervisors in November 2018. He is also a member of Oxfam International's Board of Supervisors and of its Finance, Risk and Audit Committee (FRAC).

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 November 2020. She is a member of the program and project 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 Delft Institute for Water Education. She holds several other positions on the scientific steering committees of international programs. In 2019 Joyeeta Gupta was appointed Co-Chair of the Earth Commission (2019-2021), set up by the global network Future Earth.

#### **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.

As of 2017, Laurien Koster is 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 finance committee.

Christel de Lange works at the Inspectorate of the Budget of the Ministry of Finance. Until 2018, she was a member of the Advisory Council on Youth within the Council of Europe. Her prior experience includes strategic consultancy, and board membership of the Dutch National Youth Council, where she 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 Finance Committee.

Since the beginning of 2020, Kris Douma has been Director Corporate Engagement at Sustainalytics, an independent provider of research and ratings for companies to measure their environmental, social, and corporate governance performance. He is also a member of the Board of Supervisors of NV Schade, an enterprise for invalidity insurance. Before joining Sustainalytics, he was a director at the UN-supported initiative Principles for Responsible Investment (PRI). His prior experience includes being Director Responsible Investment and Governance

at MN, a fiduciary asset manager for pension funds, and a consultant and manager at FNV trade unions. From 2003 to 2006 he represented the PvdA (Social Democrats) in the Lower House (Tweede Kamer) of the 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, part of Erasmus University Rotterdam. She is also Professor of Participatory and Qualitative Research in Population and Development at ISS. Before joining ISS, she worked in the University of Groningen's Faculty of Spatial Sciences, most recently as Professor of Demography and Dean. In 1994 Inge Hutter was awarded her PhD cum laude by the University of Groningen, conducting research on women's nutrition during pregnancy and its effects on the wellbeing of women and children in South India. She conducted several (participatory) research projects in India, Cameroon, Malawi, and the northern Netherlands, and supervised PhD researchers from, or working in, India, Bangladesh, Pakistan, Tanzania, Uganda, Ghana, the Netherlands, and the 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 Program and Project Committee.

Martijn Dadema has been the mayor of Raalte, a municipality of 37,700 inhabitants in the east of the Netherlands, since 2014. He was previously a seasoned diplomat with extensive experience and knowledge of international peace and security, development cooperation, conventional arms control, and the environment, as well as with the United Nations, World Bank and IMF. From 2000 Martijn Dadema held various positions in 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, and First Secretary and deputy permanent representative to UNEP and UN-Habitat in Nairobi.

### **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 organizational development, operations, finance, the strategic direction of Oxfam Novib, and decisions relating to Oxfam International, amongst other things. Recurring topics include the Oxfam Global Strategic Framework 2030 development, confederation development (global operational and governance model reviews), major program developments

(e.g. the Power of Voices Partnerships with the Dutch Ministry of Foreign Affairs), 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 2018-19 Annual Accounts and Board Report, the Oxfam Novib 2018-19 Annual Report, and the 2019-20 Annual Plan and Budget. The 2019-20 quarterly reports on Internal Audits and on Integrity were also discussed with the Board of Supervisors.

The finance committee is responsible for overseeing the financial management of Oxfam Novib, preparing related agenda items for the Board of Supervisors, and advising the Board of Supervisors in its decision-making capacity. In 2019-20 the finance committee discussed issues including the 2018-19 Annual Accounts, the importance of having an adequate audit function related to funds received from diverse donors, and the progress made in the key performance indicators of the Balanced Scorecards. The finance committee is also taking into account the temporary and long-term consequences that the COVID-19 crisis will have for Oxfam Novib.

A second subcommittee is the program and project committee. Members of this committee monitor the achievements, challenges and lessons learned from Oxfam Novib's major programs and projects, and provide advice and guidance on emerging issues in the field of development cooperation. Key program and project leads regularly present their progress and innovations to the committee.

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 Oxfam Novib's activity. The Board of Supervisors also keeps abreast of events through the members' individual contacts within the organization, and via participation in events and activities. Moreover, the Board of Supervisors initiated in 2019-20 a new initiative to regularly inform all Oxfam Novib's staff about the highlights of its work.

### **The Board of Supervisors as an employer**

A third 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 the Board of Directors.

### **Oxfam International**

The Oxfam International Board of Supervisors usually holds 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, strategic plans, operational plans, budget, and governance in its meetings.

The Oxfam Novib Board of Supervisors participates in strategic discussions on Oxfam International's future. The Board of Supervisors was closely involved in the review of Oxfam International's global governance model in 2019-20.

### **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. A total of €5 thousand was paid out in reimbursements in 2019-20.

### **Closing remarks**

The Board of Supervisors would like to take this opportunity to thank all Oxfam Novib staff for their unceasing effort to defeat the root causes of poverty. Their intrinsic motives and inexhaustible personal energy inspire us. A final word of gratitude goes to all people and all organizations that support our work. You carry us and you extend our accomplishments and the reach of our message and mission. We thank you.

### **Peter Verbaas**

Chair, Board of Supervisors 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 2019-20	FY 2018-19	Section
<b>ASSETS</b>			
Tangible fixed assets	7,567	7,195	3.6.1
Financial fixed assets	49,888	58,050	3.6.2
Inventories	11	32	3.6.3
Receivables from governments			
Long-term	5,312	8,665	
Current	9,866	16,093	
	15,178	24,758	3.6.4
Receivables	47,320	43,464	3.6.4
Cash and cash equivalents	67,643	81,212	3.6.5
<b>TOTAL</b>	<b>187,606</b>	<b>214,712</b>	
<b>LIABILITIES</b>			
Reserves and funds			
Reserves			
Contingency reserve	13,251	14,854	3.6.6.1
Earmarked reserves	47,929	43,960	3.6.6.1
	61,179	58,814	
Funds	39,705	45,085	3.6.6.2
	100,884	103,898	
Provisions	2,347	2,321	3.6.7
Debts			
Long-term	852	1,436	
Current	16,757	16,193	
	17,609	17,629	3.6.8
Project liabilities			
Long-term	23,368	31,802	
Current	43,398	59,061	
	66,766	90,863	3.6.9
<b>TOTAL</b>	<b>187,606</b>	<b>214,712</b>	

## 3.2 CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19	Section
<b>INCOME</b>				
Income from private individuals	23,861	25,492	25,575	3.7.1
Income from companies	10,405	8,277	17,333	3.7.2
Income from lottery organisations	14,500	18,200	13,496	3.7.3
Income from government subsidies	63,423	92,077	82,620	3.7.4
Income from affiliated non-profit organisations	45,421	40,995	35,877	3.7.5
Income from other non-profit organisations	0	0	2,150	3.7.6
<b>Income raised</b>	<b>157,610</b>	<b>185,041</b>	<b>177,051</b>	
Income from delivery of products / services	4,524	4,987	4,044	3.7.7
Other income	64	0	68	3.7.8
<b>Income from fundraising activities</b>	<b>162,198</b>	<b>190,028</b>	<b>181,164</b>	
<b>EXPENDITURE</b>				
Food, Land and Climate	32,945	38,889	38,002	3.7.9
Governance and Financial Flows	43,314	52,032	49,522	3.7.9
Conflict and Fragility	9,920	12,283	11,971	3.7.9
Gender and Youth	13,435	15,297	14,850	3.7.9
Emergency	46,695	54,601	52,395	3.7.9
Public Engagement	7,639	7,541	7,392	3.7.9
<b>Expenditure on goal 'structural poverty alleviation'</b>	<b>153,948</b>	<b>180,643</b>	<b>174,131</b>	
Direct fundraising	6,178	6,717	4,774	3.7.9
Third-party campaigns	372	505	349	3.7.9
Securing government grants	1,717	1,772	1,620	3.7.9
<b>Costs of generating income</b>	<b>8,267</b>	<b>8,995</b>	<b>6,743</b>	
<b>Management and administration costs</b>	<b>2,193</b>	<b>2,337</b>	<b>2,124</b>	3.7.9
<b>Expenditure from fundraising activities</b>	<b>164,407</b>	<b>191,975</b>	<b>182,998</b>	
<b>Balance of financial income and expenses</b>	<b>(807)</b>	<b>1,114</b>	<b>11</b>	3.7.10
<b>NET RESULT</b>	<b>(3,016)</b>	<b>(832)</b>	<b>(1,823)</b>	
<b>APPROPRIATION OF NET RESULT</b>				
Added / charged to: contingency reserve	(1,603)	(1,889)	(1,180)	
Added / charged to: project reserve	(2,711)	(1,679)	1,440	
Added / charged to: other earmarked reserves	6,679	3,696	(13)	
Added / charged to: funds	(5,380)	(960)	(2,071)	
<b>NET RESULT</b>	<b>(3,016)</b>	<b>(832)</b>	<b>(1,823)</b>	
Costs of direct fundraising as a % of income from direct fundraising	19.5%	21.7%	15.8%	

### 3.3 CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of Euros	FY 2019-20	FY 2018-19
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating result</b>	<b>(3,016)</b>	<b>(1,823)</b>
Adjustments for:		
Amortization and depreciation	883	943
Changes to allowance for bad debts	596	1,400
Stock dividend/movements in value of participating interests	575	(40)
Movements in provisions	26	(423)
	<b>2,080</b>	<b>1,881</b>
<b>Changes in working capital:</b>		
Inventories	21	(13)
Receivables from governments	9,580	(7,045)
Receivables	(3,837)	1,612
Liabilities	(20)	1,322
Project liabilities	(24,097)	17,501
	<b>(18,353)</b>	<b>13,378</b>
<b>Cash generated from operations:</b>	<b>(19,287)</b>	<b>13,436</b>
Interest received	(19)	(16)
<b>Net cash generated from operating activities</b>	<b>(19,306)</b>	<b>13,420</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(1,314)	(571)
Acquisition of investment property	802	0
Committed loans	(4,180)	(9,702)
Disposal of property, plant and equipment (PPE)	59	0
Disposal of investment property	0	0
Repayment on loans	9,293	7,578
Write-off of loans	164	0
<b>Net cash used in investing activities</b>	<b>4,824</b>	<b>(2,695)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	100	67
<b>Net cash used in financing activities</b>	<b>100</b>	<b>67</b>
<b>NET CASH FLOW</b>	<b>(14,383)</b>	<b>10,791</b>
Exchange gains / (losses) on cash and cash equivalents	812	(1,455)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(13,570)</b>	<b>9,336</b>
Cash and cash equivalents at the end of the financial year	67,643	81,212
Cash and cash equivalents at the beginning of the financial year	81,212	71,876
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(13,570)</b>	<b>9,336</b>

### 3.3.1 Notes to the cash flow statement

The consolidated statement of cash flow shows how cash and cash equivalents have changed in the course of the year as a result of inflows and outflows of funds. Differentiation is made among cash flow from operating activities, from investing activities and from financing activities with a total net decrease in cash and cash equivalents of €13.6 million.

Cash flow from operating activities refers to all cash movements defined as other than investing or financing activities. In this category we observe a major decline of €24.1 million in project liabilities. This is due to the lower amount of subgrants approved and signed with third parties and the lower project expenditure during this financial year compared to the previous year. For further explanations refer to section 1.2.2. 'key financials'. Cash flow from investing activities is essentially influenced by the investment in tangible fixed assets, as well as in financial fixed assets. During this year, the repayments of loans have been higher than the new committed loans originating a positive cash flow from investing activities but reducing the end balance of the Oxfam Novib's loan portfolio.

Cash flow from financing activities includes loans used and paid back. In this financial year, an amount of €0.1 million loan has been repaid by Oxfam Italy, which is one of the affiliates in the Oxfam confederation.

## 3.4 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

### 3.4.1 General

Oxfam Novib's activities focus on realizing a 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 Foundation (in Dutch: Stichting) registered with the Chamber of Commerce (Kamer van Koophandel or KvK) in The Hague under number 27108436. 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 core thematic activities (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.

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, 2019 through March 31, 2020.

On each balance sheet date, Oxfam Novib assesses whether there are any indications that a fixed asset may be subject to impairment. An impairment

occurs when the carrying amount of an asset is higher than the recoverable amount. If there are such indications, the recoverable amount of the asset is determined and disclosed in the notes. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

### 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. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

### 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 grants, 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

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[\*] = 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.

which they are received. Gains arising from inheritances, legacies, bequests, etc. are recognized at fair value 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 grants 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 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 thematic areas:

- Food, land and climate;
- Governance and financial flows;
- Conflict and fragility;
- Gender and youth;
- Emergency/Humanitarian;
- 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. 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. The contract of the pension scheme with Zwitterleven was extended for 1 year until December 2021, under the same conditions as before.

The pension plan is a Defined Contribution Scheme with the following outline: 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
Amounts in thousands of Euros					
Acquisition cost at March 31, 2019	10,538	3,565	13,875	494	28,471
Depreciation through March 31, 2019	(5,323)	(2,750)	(12,709)	(494)	(21,276)
<b>Balance at March 31, 2019</b>	<b>5,215</b>	<b>814</b>	<b>1,166</b>	<b>0</b>	<b>7,195</b>
<b>Movements</b>					
Capital expenditure	383	292	639	0	1,314
Depreciation	(253)	(155)	(533)	0	(942)
<b>Disposals</b>					
Divestments	0	0	(59)	0	(59)
Depreciation	0	0	59	0	59
<b>Balance at March 31, 2020</b>	<b>5,345</b>	<b>951</b>	<b>1,271</b>	<b>0</b>	<b>7,567</b>
Acquisition cost at March 31, 2020	10,921	3,857	14,454	494	29,726
Depreciation through March 31, 2020	(5,576)	(2,905)	(13,184)	(494)	(22,159)

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

The capital expenditure on information systems relates to hardware and software costs incurred, including several improvements to the information sharing within the organization. The capital expenditure on furniture, fixtures, plant and equipment relates to repairs and upgrades at headquarters. The overall capital expenditure in this

financial year was higher than in the previous year due to the cost of painting and other maintenance on the building. The amount was lower than budgeted, as some of the capital expenditure on information systems investments was put on hold.

The total depreciation movement was similar to last year and remains low by reason that significant numbers of older assets are already fully depreciated.

In May 2018, the valuation of the headquarters building was reviewed. This review concluded that the market value is €7.5 million, which is €2.2 million higher than the carrying amount presented above.

## 3.6.2 FINANCIAL FIXED ASSETS

Amounts in thousands of Euros	LOANS TO OTHER OXFAMS	PARTICIPATING INTEREST TRIPLE JUMP	PARTICIPATING INTEREST IMPACT INVESTMENTS	TCX
<b>Nominal value at March 31, 2019</b>	217	1,920	653	2,626
Provision at March 31, 2019	0	0	0	0
<b>Balance at March 31, 2019</b>	<b>217</b>	<b>1,920</b>	<b>653</b>	<b>2,626</b>
<b>Positive movements:</b>				
Paid-up share capital	328	0	0	0
Movements in value of participations	0	185	0	201
Exchange rate differences	0	0	0	59
Changes in value of forward exchange contracts	0	0	0	0
Committed loans	0	0	0	0
	<b>328</b>	<b>185</b>	<b>0</b>	<b>260</b>
<b>Negative movements:</b>				
Paid capital	0	0	0	0
Movements in value of participations	0	0	653	309
Exchange rate differences	0	0	0	0
Repayments on loans	100	0	0	0
Write-off of loans	164	0	0	0
	<b>264</b>	<b>0</b>	<b>653</b>	<b>309</b>
<b>Nominal value at March 31, 2020</b>	<b>281</b>	<b>2,105</b>	<b>0</b>	<b>2,577</b>
Provision at March 31, 2020	0	0	0	0
<b>Balance at March 31, 2020</b>	<b>281</b>	<b>2,105</b>	<b>0</b>	<b>2,577</b>
Oxfam Novib's share in share capital		23%	41%	

## FINANCIAL FIXED ASSETS

### Participating interest

Oxfam Novib holds a 23 percent participation interest in Triple Jump's equity. Triple Jump B.V. is an impact-focused investment manager based in Amsterdam that provides meaningful and responsible investment opportunities in emerging markets. They believe that opportunities are not spread equally around the world, but talented people are. By providing financing and support to companies in emerging markets, they aim to empower individuals to improve their quality of life.

Oxfam Novib holds a 41 percent participation interest in Inclusive Impact Investments B.V. (Triple I). This is an

impact investing company based in The Hague specialized in financing and supporting small and medium sized enterprises (SMEs) in Africa and Asia.

### Other investments

In 2007, Oxfam Novib took an equity interest in the TCX Currency Exchange Fund. TCX is based in Amsterdam and is an initiative of Dutch Entrepreneurial Development Bank FMO. It is a guarantee fund with the object of minimizing the foreign exchange risks associated with loans provided in local currencies.

In 1996 Oxfam Novib invested in Oikocredit (Ecumenical Development Cooperative Society UA, EDCS), having its registered office in Amersfoort in the Netherlands. The ASN-Novib Fund was established in

partnership with ASN Bank, having its registered office in The Hague. The ASN-Novib Fund was opened to the public on January 1, 2000. The fund is managed by Triple Jump BV, 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 make it possible for them to develop into professional financial institutions within a short timeframe.

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

OIKOCREDIT	ASN-NOVIB FUND	TRIPLE JUMP INNOVATION FUND	LOANS ONF	FORWARD EXCHANGE CONTRACTS (POSITIVE)	TOTAL
323	1,141	7,130	46,689	548	61,247
0	0	0	3,197	0	3,197
323	1,141	7,130	43,491	548	58,049
0	0	0	0	0	328
3	0	0	0	0	390
0	0	153	0	0	212
0	0	0	0	351	351
0	0	0	4,180	0	4,180
3	0	153	4,180	351	5,460
0	0	1,130	0	0	1,130
0	2	0	0	0	964
0	0	0	1,375	0	1,375
0	0	0	9,293	0	9,393
0	0	0	0	0	164
0	2	1,130	10,668	0	13,026
326	1,139	6,153	40,201	899	53,681
0	0	0	3,793	0	3,793
326	1,139	6,153	36,407	899	49,888

growth potential. The fund's scheduled end date was October 15, 2020. In order to diminish the risk, therefore, Triple Jump preferred not to extend some of its exposures and proposed to make an early repayment to Senior Noteholders in the sum of approximately USD 2.5 million in January 2020. However, the TJIF's end date has since been postponed from October 15, 2020 to October 15, 2021, in view of the COVID-19 crisis and its severe impact on the TJIF's investees.

Oxfam Novib Fund (ONF) was established in 1998 by Oxfam Novib to support high-potential, high-impact microfinance institutions worldwide. The management of Oxfam Novib's loan portfolio was transferred to Triple Jump effective March 1, 2007. ONF seeks out financial

intermediaries that focus on underserved markets and target specific groups (rural communities, women borrowers, etc.). These institutions are often still young and small, but they have significant potential. In this financial year the invested portfolio financed 43 microfinance institutions supporting projects in 26 countries. The loan portfolio is monitored regularly and in case of any doubtful debt related to main capital or interest payments, the bad loan provision is adjusted accordingly to cover the identified risk.

The foreign exchange risk on outgoing loans (for microfinance in developing countries) is hedged by means of forward exchange contracts matching the duration and amount of the long-term microfinance contract in order to

avoid currency risk for our beneficiaries. However, in some cases hedging is impossible if there is no market for foreign exchange contracts in the local currencies.

In accordance with Guideline 290 of the Dutch Accounting Standards, the forward exchange contracts have been stated at fair value determined by their quoted market price at the balance sheet date since 2008. The fair value of the forward exchange contracts at year-end 2019-20 was zero. The contracts with a positive value of €0.9 million are included under 'Financial fixed assets', and the contracts with a negative value of €0.9 million are included under 'Long-term debts' in section 3.6.8 'Debts'.

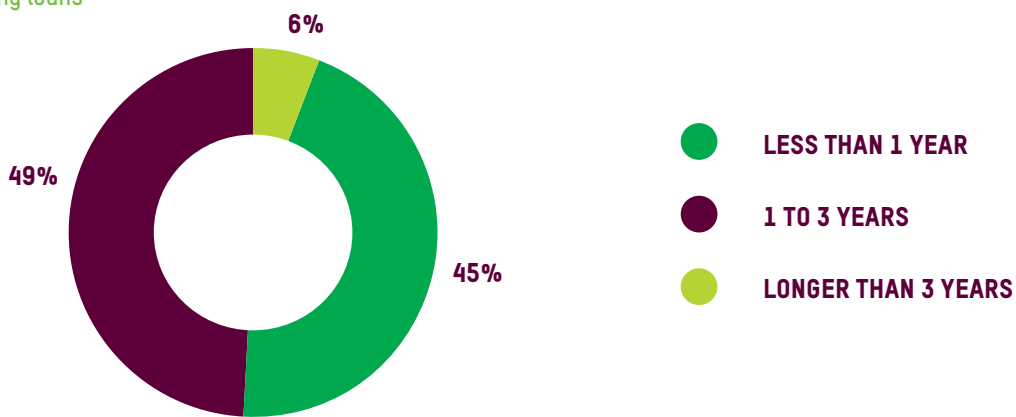
## SPECIFICATION OF PROVISION FOR BAD LOANS

Amounts in thousands of Euros	PROVISION FOR BAD LOANS
Balance at March 31, 2019	3,197
Plus: addition from net income	709
Less: write-off of loans	0
Less: release to net income	113
Balance at March 31, 2020	3,793

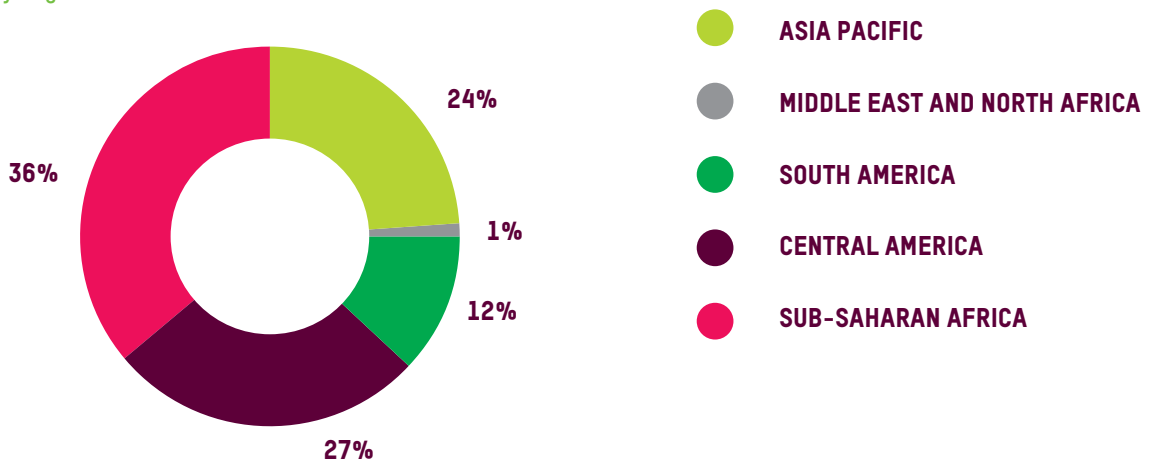
### Specification of provision for bad loans

On the basis of the estimated risk of non-repayment of the current loan portfolio, an addition of €0.7 million is recognized for bad and doubtful loans in the statement of income and expenditure, together with a release of €0.1 million. The increase in the bad loan provision is intended to cover, among other factors, the higher risk on the Nicaragua exposure due to the economic and political situation in the country. The total provision was €3.8 million at year-end 2019-20.

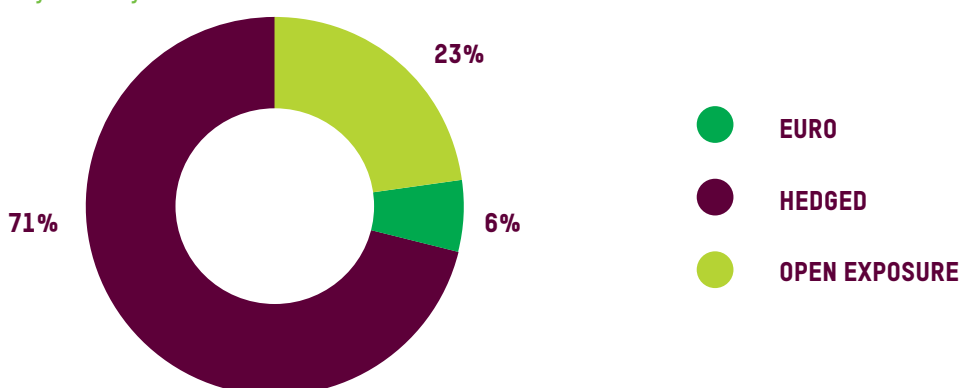
### Life of outstanding loans



### Loan Portfolio by Region



### Loan Distribution by Currency





### Impairments of fixed assets

At the end of the financial year, there are indications that the recoverable amount of the interest participations in Inclusive Impact Investment B.V. (Triple I) will be reduced. The recoverable amount of the asset has been determined in agreement with the other shareholder.

Triple I has not been able to generate enough income in the recent years

to cover the costs. In 2019 both shareholders provided a short-term loans to support the company. Now, in 2020, Triple I does not have enough cash to repay the loans and the financial situation has been even further deteriorated with the pandemic. Hence, Oxfam Novib has decided to disinvest in Triple I negotiating an agreement with the other shareholder in which the Oxfam Novib's shares in Triple I will be

sold for 1 Euro and Triple I will repay 50% of the outstanding loan. Therefore a total impairment loss of €0.7 million has been recognized in the profit and loss account while the carrying amount of Oxfam Novib's interest participations in Inclusive Impact Investment has been reduced to a zero amount. In addition, an amount of €0.2 million or 50% of the loan has been written off in this financial year.

## 3.6.3 INVENTORIES

Amounts in thousands of Euros	FY 2019-20	FY 2018-19
<b>Inventories publishing house</b>	<b>13</b>	<b>48</b>
Less: provision for obsolescence	2	16
<b>Total</b>	<b>11</b>	<b>32</b>
<b>Movements in provision for obsolescence</b>		
<b>Balance at March 31, 2019</b>	<b>16</b>	<b>11</b>
Plus: addition from net income	26	28
Less: charged to the provision	40	23
<b>Balance at March 31, 2020</b>	<b>2</b>	<b>16</b>

## 3.6.4 RECEIVABLES, RECEIVABLES FROM GOVERNMENTS AND PROJECT FUNDS OVERVIEW

Amounts in thousands of Euros	FY 2019-20	FY 2018-19
<b>Receivables from governments</b>	<b>15,178</b>	<b>24,758</b>
Other debtors	1,508	999
Debtors - Other Oxfam	2,068	2,233
Project funds Oxfam and other external organizations	30,097	26,683
Debtor Dutch National Postcode Lottery	3,365	3,375
Central overhead costs institutional funds	5,776	6,013
Fundraising proceeds receivable	1,016	1,488
Interest receivable	12	(7)
Prepaid pension	0	(18)
Other prepaid costs	470	255
Amounts to be received by field offices	3,010	2,700
Other prepayments and receivables	55	(213)
Less: provision for bad and doubtful debts	(56)	(43)
<b>Receivables</b>	<b>47,320</b>	<b>43,464</b>

Receivables from governments are approximately 35% long-term and 65% short-term. Non-governmental receivables are short-term in nature.

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 in the table above, and are stated less a provision for bad debts.

## PROJECT FUNDS OVERVIEW

MARCH 31, 2019

CHANGES IN 2019-20

	PROJECT OBLIGATIONS	RECEIVABLES/ PREPAYMENTS DONORS	COMMITMENT SPACE	TOTAL	APPROVED
Amounts in thousands of Euros					
DGIS Strategic Partnership	19,560	8,766	0	10,794	16,521
Dutch government	7,679	1,100	0	6,580	10,944
European Union	13,380	8,404	0	4,976	12,374
Bilateral donors	9,929	6,489	46	3,487	14,180
<b>Governments funds</b>	<b>50,548</b>	<b>24,758</b>	<b>46</b>	<b>25,836</b>	<b>54,019</b>
Oxfams	19,981	18,657	29	1,353	32,343
United Nations	887	251	0	636	3,812
World Bank	0	(8)	0	8	0
US Foundations	0	(101)	0	101	30
International Foundations	3,143	2,818	0	324	2,530
National Foundations	12,120	5,248	0	6,872	12,166
<b>External funds</b>	<b>36,131</b>	<b>26,865</b>	<b>29</b>	<b>9,295</b>	<b>50,880</b>
AIDS FUND	5	0	72	77	24
SHO CAMPAIGNS FUND	0	0	0	0	0
NPL FUND	1,103	0	743	1,846	188
<b>Third Party Campaigns</b>	<b>1,109</b>	<b>0</b>	<b>814</b>	<b>1,923</b>	<b>212</b>
Oxfam Novib Projects	3,076	0	14,876	17,952	7,312
<b>Own funds</b>	<b>3,076</b>	<b>0</b>	<b>14,876</b>	<b>17,952</b>	<b>7,312</b>
<b>TOTAL</b>	<b>90,863</b>	<b>51,623</b>	<b>15,765</b>	<b>55,006</b>	<b>117,046</b>

The table above discloses the movements in the project funds in 2019-20. The closing balances of the project funds are reported in the consolidated balance sheet at March 31, 2020:

- The total project obligations is €66.8 million, which is presented as total

project liabilities in the consolidated balance sheet.

- The total receivables/prepayments donors (from government funds) is €15.2 million, which is presented as total receivables from governments in the consolidated balance sheet.

- The total commitment space is €13.8 million, which is presented partly as funds in section 3.6.6.2 'Funds' and partly (€12.2 million) as an earmarked reserve for Oxfam Novib projects in section 3.6.6.1 'Reserves'.

### 3.6.5 CASH AND CASH EQUIVALENTS

Amounts in thousands of Euros	MARCH 31, 2020	MARCH 31, 2019
Savings accounts	23,416	25,162
Cash and current accounts	44,226	56,050
<b>TOTAL</b>	<b>67,643</b>	<b>81,212</b>

A total amount of €67.6 million in cash and cash equivalents is available on short notice. Out of this amount, €44.2 million consists of earmarked funds for projects and for microfinance operations; and €23.4 million is held in savings accounts.

### MARCH 31, 2020

	RECEIVED FUNDS	PROJECT TRANSFERS	FX AND INTEREST	BANK COST	PROJECT OBLIGATIONS	RECEIVABLES/ PREPAYMENTS DONORS	COMMITMENT SPACE	TOTAL
	20,325	25,801	0	0	10,280	4,963	0	5,317
	10,906	8,624	0	0	9,999	1,138	0	8,862
	15,676	17,133	0	0	8,621	5,102	0	3,520
	16,693	18,123	(46)	0	5,986	3,976	0	2,010
	<b>63,600</b>	<b>69,681</b>	<b>(46)</b>	<b>0</b>	<b>34,887</b>	<b>15,178</b>	<b>0</b>	<b>19,709</b>
	37,954	41,204	0	0	20,715	22,641	29	(1,897)
	4,202	5,206	0	0	985	1,353	0	(368)
	0	0	0	0	0	(8)	0	8
	46	54	0	0	0	(93)	0	93
	5,027	7,239	0	0	1,877	3,765	0	(1,888)
	4,286	9,223	0	0	5,129	3,194	0	1,935
	<b>51,515</b>	<b>62,927</b>	<b>0</b>	<b>0</b>	<b>28,707</b>	<b>30,852</b>	<b>29</b>	<b>(2,117)</b>
	0	29	0	0	0	0	47	47
	0	0	0	0	0	0	0	0
	1,000	888	(2)	0	403	0	1,552	1,956
	<b>1,000</b>	<b>917</b>	<b>(2)</b>	<b>0</b>	<b>403</b>	<b>0</b>	<b>1,600</b>	<b>2,003</b>
	5,584	7,618	(970)	13	2,769	0	12,165	14,934
	<b>5,584</b>	<b>7,618</b>	<b>(970)</b>	<b>13</b>	<b>2,769</b>	<b>0</b>	<b>12,165</b>	<b>14,934</b>
	<b>121,699</b>	<b>141,143</b>	<b>(1,019)</b>	<b>14</b>	<b>66,766</b>	<b>46,030</b>	<b>13,794</b>	<b>34,529</b>

## 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

Balance at March 31, 2019

Added

Withdrawn

Net movements

Balance at March 31, 2020

### CONTINGENCY RESERVE

14,854

0

1,603

(1,603)

13,251

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

The contingency reserve was €14.9 million at the start of the year and €13.3 million at year-end. The level of the contingency reserve remained within the target range of €13 - €20 million.

The contingency reserve has remained below 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 maximum is €137.8 million (refer to section 3.7.9 'Expenditure allocation' for details).

## EARMARKED RESERVES

	OXFAM NOVIB PROJECTS	LOANS / GUARANTEES	MANAGEMENT/ ADMINISTRATION COSTS	TOTAL
<i>Amounts in thousands of Euros</i>				
<b>Balance at March 31, 2019</b>	14,876	23,835	5,250	43,960
Added	4,601	13,256	5,468	23,324
Withdrawn	7,312	6,274	5,770	19,356
<b>Net movements</b>	<b>(2,711)</b>	<b>6,982</b>	<b>(303)</b>	<b>3,968</b>
<b>Balance at March 31, 2020</b>	12,165	30,817	4,947	47,928

The earmarked reserves are designated for purposes that have been approved by the Board of Directors and the Board of Supervisors. The approved purposes are: Oxfam Novib projects; loans and guarantees; and management and administration costs.

The total earmarked reserves increased by €4.0 million in 2019-20. The movements of the three earmarked reserves are explained on the next page.

## EARMARKED RESERVE FOR OXFAM NOVIB PROJECTS

Amounts in thousands of Euros	OXFAM NOVIB PROJECTS
Balance at March 31, 2019	14,876
Added: funds received	5,584
Interest less exchange differences	(984)
	<b>4,601</b>
Withdrawn: approved funds	7,312
	<b>7,312</b>
Balance at March 31, 2020	12,165

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 projects fell by €2.7 million in 2019-20.

## EARMARKED RESERVE FOR LOANS AND GUARANTEES

Amounts in thousands of Euros	LOANS AND INVESTMENTS	PARTICIPATING INTERESTS	TOTAL
Balance at March 31, 2019	10,042	13,793	23,835
<b>Added:</b>			
Repayments on loans and guarantees	9,293	0	9,293
Appropriation of net result from lending activities	3,362	0	3,362
(Stock) dividends and capital gains on part. interests	0	601	601
	<b>12,655</b>	<b>601</b>	<b>13,256</b>
<b>Withdrawn:</b>			
Loans and guarantees provided	4,180	0	4,180
(Stock) dividends and capital losses on part. interests	0	2,094	2,094
	<b>4,180</b>	<b>2,094</b>	<b>6,274</b>
Balance at March 31, 2020	18,516	12,300	30,817

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. Whenever 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. Whenever a loan is disbursed, conversely, 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 participations held in TCX, ASN-Novib Fund, Oikocredit, Triple Jump and Impact Investments, which

are financed from Oxfam Novib's own resources. These investments are made in order to enable the organization to carry out its lending activities as effectively as possible.

For more information about investments, refer to section 3.6.2 'Financial fixed assets'.

## EARMARKED RESERVE FOR MANAGEMENT AND ADMINISTRATION COSTS

Amounts in thousands of Euros	SHO CAMPAIGNS	GOVERNMENT	OTHER DONORS	TOTAL
<b>Balance at March 31, 2019</b>	125	1,332	3,793	5,250
Added: approved management and administration costs	0	4,132	1,335	5,468
Withdrawn: realized management and administration costs	50	3,348	2,372	5,770
<b>Balance at March 31, 2020</b>	75	2,116	2,756	4,947

The 'earmarked reserve for management and administration costs' is used to finance the cost of managing 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 fell by €0.4 million in 2019-20, as less Indirect Cost Recovery (ICR) income was received from grants than anticipated.

## 3.6.6.2 FUNDS

	Aids fonds	SHO CAMPAIGNS FUND	NPL FUND	PERSONALIZED FUNDS	LOANS FUND	Sida FUND	TOTAL
Amounts in thousands of Euros							
Balance at March 31, 2019	71	0	743	1,621	42,603	46	45,085
Added	0	0	1,000	84	4,180	0	5,264
Withdrawn	24	0	190	55	10,329	46	10,644
Balance at March 31, 2020	47	0	1,552	1,651	36,454	0	39,705

### Aidsfonds

Effective December 1, 2016, the organization formerly called STOP AIDS NOW!, a partnership between Aids Fonds, Hivos, ICCO, Cordaid Memisa, and Oxfam Novib, became Aidsfonds. The 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. During this financial year, there was no movements in the SHO fund. However, there has been some expenditure in the field through implementing organizations related to the Sulawesi action, the last SHO action in which Oxfam Novib participated. This action was initiated in 2018, after a devastating earthquake and tsunami struck the Sulawesi province of Indonesia, leaving behind numerous casualties and destruction which affected more than 2 million people. The partners in SHO organized a fundraising day in 2018 that not only raised awareness, but also collected more than €15 million donations for humanitarian aid. 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 €2.2 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 3.10 'SHO' provides more detailed information on the income and expenditure in 2019-20 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 €0.2 million was spent in 2019-20.

### 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 returned to the fund. At year-end the Personalized Fund's assets, which are managed by Oxfam Novib, consisted of the following:

### Loans Fund

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

### Sida Fund

This fund consists of the positive foreign exchange rate differences generated on the funds received from Sida projects, where the contract states that the exchange rate gains should be added to a fund. All provisions are, given as a whole, current in nature.

## PERSONALIZED FUND

	PERSONALIZED FUNDS
Amounts in thousands of Euros	
Hans Geveling Derde Wereld Fonds	1,073
Herman Schuurman Fonds	100
Douma-Hamers Onderwijs Fonds	90
Verboom-Pieterse Fonds	72
Hogerop Fonds	10
Voorhoeve Fonds	2
Fair Keys First Fund	102
Hilda Buma Fonds	6
Schroders Charity Fund	0
Kihle fonds	92
Martin Vliegenthart Fonds	99
Anne en Sterre fonds	3
<b>Balance at March 31, 2020</b>	<b>1,651</b>

## 3.6.7 PROVISIONS

	HYPOTAX	PROJECT COSTS	SENIOR STAFF	TOTAL
Amounts in thousands of Euros				
Balance at March 31, 2019	1,200	903	218	2,321
Withdrawn	593	187	87	867
	593	187	87	867
Reclassification	(449)	0	0	(449)
Changes charged to statement of income and expenditure	842	500	0	1,342
	393	500	0	893
Balance at March 31, 2020	1,000	1,216	131	2,347

### Hypo tax

Staff members who work abroad and who are non-Dutch residents or of non-Dutch origin are subject to a 'hypo tax'. This means that an amount is withheld from their gross monthly salaries which corresponds to the wage tax that Oxfam Novib would be required to withhold if the staff member in question were a tax resident in the Netherlands. Oxfam Novib adds these hypo tax withholdings 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.

At year-end 2019-20, the hypo tax provision remained at €1.0 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 €0.8 million was added to the provision in this financial year.

### Project costs

This provision is for realized project costs where there is a risk of agreed funds being uncollectible from donors. An additional provision of €0.5 million was added this year after €0.2 was utilized.

### 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 2020, Oxfam Novib still has obligations for an amount of €0.1million towards the employees who joined this retirement plan. The withdrawal in 2019-20 was €0.1million. This provision will be kept to cover the existing liabilities.



### 3.6.8 DEBTS

Amounts in thousands of Euros	FY 2019-20	FY 2018-19
<b>Long-term debts</b>		
Forward exchange contracts (Negative)	852	1,436
	<b>852</b>	<b>1,436</b>
<b>Current debts</b>		
Accounts payable	8,566	7,955
Taxes	634	818
Fundraising contributions received in advance	2,707	2,729
Other accruals and payables	4,849	4,691
	<b>16,757</b>	<b>16,193</b>
<b>TOTAL</b>	<b>17,609</b>	<b>17,629</b>

The €0.9 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 section 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, 2020 amount to €66.8 million (March 31, 2019: €90.9 million). Approximately 65 percent of these liabilities are current in nature and are payable by April 1, 2021. The other 35 percent are long-term

project liabilities, i.e. due after more than one year. There are no project liabilities with a remaining term to maturity of more than five years. For further details of these project liabilities please refer to table 3.6.4 'Project funds overview'.

### 3.6.10 ASSETS AND LIABILITIES NOT INCLUDED IN THE BALANCE SHEET

#### REMAINING PERIOD OF THE CONTRACT

Amounts in thousands of Euros	<1 YEAR	1-5 YEARS	>5 YEARS
Office rental contracts for country offices	83	184	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 switch at its office in The Hague for an

amount of €113 thousand next year and for an amount of €170 thousand until 2023.

The total value of contracts signed by donors in 2019-20 was €117 million, which is slightly lower than the €122 million signed in 2018-19.

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 2019-20	BUDGET 2019-20	FY 2018-19
Legacies	899	1,703	2,286
Donations and gifts	20,110	20,324	20,005
Oxfam Sweden	2,852	3,465	3,284
<b>TOTAL</b>	<b>23,861</b>	<b>25,492</b>	<b>25,575</b>

The fierce competition in the fundraising market continued in 2019-20. In the Netherlands, the income from legacies was €0.8 million lower than budgeted, and donations and gifts were €0.2 million lower than budgeted. In this financial year, the greatest differences compared with the previous year were in the income from legacies. However, in mid-March the face-to-face acquisition activities were put on hold for the COVID-19 lockdown period, and this will most likely have

a negative impact on the fundraising income from regular donations next financial year, with a smaller donor base delivering less structural income. In response to the public health crisis, Oxfam Novib launched a COVID-19 campaign multimedia channel, and will continue its multimedia campaigning efforts throughout the remainder of the calendar year.

#### Oxfam Sweden

On behalf of the entire Oxfam confederation, Oxfam Novib assumed the responsibility for setting up a fundraising office in Sweden. In 2019-20 the income from private individuals collected in Sweden was €0.6 million lower than budgeted, with fewer donors than expected.

### 3.7.2 INCOME FROM COMPANIES

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19
United States foundations	54	0	30
International foundations	6,086	3,624	2,574
Dutch non-governmental donor organizations	2,575	2,815	12,723
Public Fundraising income from companies	1,691	1,838	2,007
<b>TOTAL</b>	<b>10,405</b>	<b>8,277</b>	<b>17,333</b>

In 2019-20, income from companies was €10.4 million, which is €2.1 million above the budgeted amount and €6.9 million

lower than in the previous year. The greatest positive difference is in income from international foundations, which is

€2.5 million more than budgeted.

### 3.7.3 INCOME FROM LOTTERY ORGANISATIONS

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19
National Postcode Lottery - Extra Drawing	998	4,700	(4)
National Postcode Lottery	13,502	13,500	13,500
<b>TOTAL</b>	<b>14,500</b>	<b>18,200</b>	<b>13,496</b>

Income from lottery organizations was €3.7 million below the budgeted amount. This was due to the budgeted €4.7 million Extra Drawing income from the National Postcode Lottery (NPL) for the 'Money Trail' project, from which only €0.2 million was granted in this financial year.

**Dutch Postcode Lottery**  
Oxfam Novib received €13.5 million during the 'Goed Geld Gala' fundraising gala in February 2020. Based on the existing agreements, Oxfam Novib understands that €13.5 million will be awarded during the 'Goed Geld Gala' in February 2021.

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 2019-20	BUDGET 2019-20	FY 2018-19
DGIS - Strategic Partnership	11,980	15,568	16,702
Bilateral donors - Sida	14,122	28,706	19,008
European Union	13,049	26,460	20,057
Dutch government	18,621	17,690	22,849
United Nations	5,651	3,653	4,003
<b>TOTAL</b>	<b>63,423</b>	<b>92,077</b>	<b>82,620</b>

The total income from government subsidies dropped significantly compared with the previous year, and fell short of budget also. This type of income is recognized when the project expenditures are incurred, so the drop in income relates to the level of program expenditure. During the year 2019-20, the total value from contracted donors was lower than projected. Additionally, many of the contracts were awarded in the last quarter, leaving no time to implement these projects and resulting in a significantly lower program expenditure than initially projected.

A significant amount of the income from government subsidies has a contractual duration of 3 to 5 years. Each of these multi-year contracts is governed by its own contractual conditions, as result of negotiations based on donor-specific and program-specific requirements. Large long-term contracts stipulate reports that are subject to yearly auditing, and the financial settlement takes place at the end of the program, based on a final report to the donor and a project audit. The deliverables in the contracts and the corresponding

program objectives are in line with Oxfam Novib's Thematic Goals.

**DGIS - Strategic Partnership**  
Grant income from the Dutch Government Strategic Partnership for Lobby and Advocacy – 'Dialogue and Dissent' – was €12.0 million in 2019-20, which is €3.6 million lower than budgeted. This is mainly related to differences in the project approval timing compared with the budget.

**Bilateral donors - Sida**  
Grant income from non-Dutch governments, including the Swedish International Development Cooperation Agency (Sida), was €14.1 million in 2019-20, which is €14.6 million lower than budgeted. Significantly fewer contracts have been signed with Sida this year than in previous years. This is due to the fact that Sida allocated a 1-year bridging grant to the Fair Finance Guide project instead of a new multi-year grant, and to some opportunities that did not materialize in the Sahel.

**European Union**  
Grant income from the European Union was €13.0 million in 2019-20, which is €13.5 million less than budgeted and €7.0 million less than in 2018-19. Some contracts were expected to be signed with the European Union before March 31, 2020, but were delayed due to the COVID-19 crisis. Major European donors are DG ECHO (European Civil Protection and Humanitarian Aid Operations), DG DEVCO (International Cooperation and Development) and DG NEAR (Neighborhood and Enlargement negotiations).

**Dutch government**  
Grant income other than the Strategic Partnership from Dutch government bodies described above was €18.6 million in 2019-20, which is €0.9 million above budget. The income for 2019-20 includes €6.2 million linked to the VOICE fund.

**United Nations**  
Grant income from the United Nations was €5.7 million in 2019-20, which is €2 million higher than budgeted.

### 3.7.5 INCOME FROM AFFILIATED NON-PROFIT ORGANIZATIONS

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19
Oxfam South Korea	44	45	43
Other Oxfams	45,377	40,950	35,834
<b>TOTAL</b>	<b>45,421</b>	<b>40,995</b>	<b>35,877</b>

#### Other Oxfams

Grant income from other confederation members was €45.4 million in 2019-20, which is €4.4 million higher than budgeted, and €9.6 million higher than in 2018-19. 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 2019-20	BUDGET 2019-20	FY 2018-19
Samenwerkende Hulporganisaties	0	0	2,150
Stop Aids Now!	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>2,150</b>

#### Samenwerkende Hulporganisaties (SHO)

Refer to section 3.6.6.2 for further details on SHO campaigns.

### 3.7.7 INCOME FROM DELIVERY OF PRODUCTS / SERVICES

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19
Publishing House	1,518	1,359	1,655
VOICE	3,006	3,628	2,389
<b>TOTAL</b>	<b>4,524</b>	<b>4,987</b>	<b>4,044</b>

Income from deliveries of products and services was €0.5 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.

The publishing house publishes books, calendars, and other printed products. Its income was €0.1 million above budget. The public information relates to development cooperation in general and to Oxfam Novib's mission in particular. The publishing house's expenditure is included under 'Public information and marketing' (refer to section 3.7.9 'Expenditure allocation').

In 2016-17, Oxfam Novib was awarded a public service contract to implement the VOICE fund, in partnership with Hivos. The object of that fund is to improve the lobbying and advocacy capacity of civil society organizations and representatives of the most marginalized and discriminated people, in order to empower those groups and ensure that their voices are heard and respected.

### 3.7.8 OTHER INCOME

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19
Other income	64	0	68
<b>TOTAL</b>	<b>64</b>	<b>0</b>	<b>68</b>

Other income includes income not covered by the other categories described above.

## 3.7.9 EXPENDITURE ALLOCATION

### GOAL OF STRUCTURAL POVERTY ALLEVIATION

	FOOD, LAND AND CLIMATE	GOVERNANCE AND FINANCIAL FLOWS	CONFLICT AND FRAGILITY	GENDER AND YOUTH	HUMANITARIAN/ EMERGENCY	PUBLIC ENGAGEMENT
Amounts in thousands of Euros						
1. Grants and contributions	14,414	18,327	4,435	5,393	20,096	0
2. Fees and other payments	1,137	1,377	281	481	1,753	0
3. Publicity, communication, other	(276)	1,283	(63)	120	(759)	4,532
4. Staff costs	8,890	11,618	2,888	3,771	12,820	2,439
5. Housing costs	117	139	37	64	192	64
6. Office and general expenses	8,502	10,380	2,293	3,521	12,333	523
7. Depreciation	160	190	49	85	259	80
<b>TOTAL</b>	<b>32,945</b>	<b>43,314</b>	<b>9,920</b>	<b>13,435</b>	<b>46,695</b>	<b>7,639</b>
Publicity and communication (except if allocated to goals):						
Other internal operating costs	17,669	22,327	5,266	7,442	25,604	3,106
<b>Total internal operating costs</b>						

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

#### Notes to the expenditure allocation

Oxfam Novib uses various different 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 €62.7 million at year-end 2019-20 is lower than in the previous year, and lower also than the budgeted amount. This was mainly due to the drop in awarded income, with a concentration of contract signed in the last quarter, of

COSTS OF GENERATING INCOME			MANAGEMENT & ADMINISTRATION	TOTAL		
DIRECT FUNDRAISING	THIRD-PARTY CAMPAIGNS	GOVERNMENT GRANTS		FY 2019-20	BUDGET 2019-20	FY 2018-19
0	0	0	0	62,666	104,578	96,320
0	0	0	0	5,030	5,103	4,735
4,645	247	22	168	9,920	14,203	11,648
1,347	102	1,265	1,494	46,635	33,908	40,164
19	3	35	28	698	939	672
142	16	349	467	38,526	32,146	28,536
24	4	47	35	932	1,098	922
<b>6,178</b>	<b>372</b>	<b>1,717</b>	<b>2,193</b>	<b>164,407</b>	<b>191,975</b>	<b>182,998</b>
4,645	247	22	168	5,082		
1,533	125	1,696	2,024	86,792		
				<b>91,875</b>		

137,812

this financial year, which resulted in a postponement of project expenditure to the next financial year.

## 2. Fees and other payments

Fees and other payments mainly exist of a core contribution to Oxfam International. The contribution was €0.1 million lower than budgeted due to higher cost reallocations to projects than initially projected, and €0.3 million higher than last year.

## 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 €4.3 million below the budgeted amount, mainly due to lower than expected public

engagement costs linked to the lagging recruitment numbers for structural donors as a consequence of the difficult recovery from the previous year's media incident.

## 4. Staff costs

In 2019-20, staff costs were €12.7 million higher than budgeted, with the increase stemming from the staff costs for projects. The main reason is that the budgeted project staff costs were calculated as an estimated 10% of the total planned contract to be signed based on historical trends. However, in 2019-20, a shift occurred from 'other project costs' to 'Staff costs' as a result of budget changes in the project activities.

## Employees in The Hague

The total number of staff members working in The Hague at March 31, 2020 was 312 (April 1, 2019: 325).

## Employees at country offices

The number of field staff increased from 894 at March 31, 2019 to 1,027 at March 31, 2020, with the largest offices being Afghanistan, Mozambique, Nigeria, and Uganda. The number of expats working abroad at March 31, 2020 was 42, bringing the number of employees working in the countries down to 985.

## Staff pensions

The pensions of Oxfam Novib's staff are insured with Zwitterleven. Pension accrual under the pension plan is based on a defined contribution scheme.

## 5. Housing costs

The housing costs in 2019-20 were €0.2 million lower than budgeted, and at the same level as the housing costs for 2018-19.

## 6. Office and general expenses

This category is defined as including

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) and program-related costs other than grants and contributions or staff costs. For Oxfam Novib, around 83% of the costs in this category in the financial year 2019-20 were program-related.

The office and general expenses were €6.49 million above budget. These 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).

#### Auditor's fees

The fees specified below 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 2019-20, €0.1 million was paid to Mazars in fees for the audit of the financial statements; an additional €0.3

million relates to project compliance audits in accordance with donor agreements, which are included in the program costs; and the item of €0.1 million for other services includes assistance received from Deloitte during the financial strategy review.

#### 7. Depreciation

Depreciation costs in 2019-20 were €0.2 million lower than the budget, with some capital expenditure being put on hold, and at same level as in 2018-19, in result of a large number of older assets already being fully depreciated.

## AUDITORS' FEES

	AUDIT OF THE FINANCIAL STATEMENTS	OTHER AUDIT SERVICES	OTHER SERVICES	TOTAL
Amounts in thousands of Euros				
Mazars NV	137	249	0	387
SGS	0	0	9	9
KPMG	0	17	8	25
Deloitte	0	0	97	97
<b>TOTAL</b>	<b>137</b>	<b>266</b>	<b>114</b>	<b>518</b>

The composition of staff costs is as follows:

## STAFF COSTS

	FY 2019-20
Amounts in thousands of Euros	
Salaries The Hague	19,421
Salaries local contracts and ex-pats	20,982
Social security contributions	2,740
Pension costs	1,972
Temporary workers	574
Commuting costs	376
Other costs	571
<b>TOTAL</b>	<b>46,635</b>



### 3.7.9.1 Costs of direct fundraising

The costs of direct fundraising were €6.2 million in 2019-20, which is €0.5 million less than the budgeted amount. This difference is linked to delays in face-to-face fundraising campaigns affected by the COVID-19 crisis in February and March 2020.

### 3.7.9.2 Salary and emoluments paid to directors

Oxfam Novib applies 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 salaries for directors.

The Advisory Scheme defines criteria for determining the levels of skill, effort, and responsibility required for executive positions and sets maximum annual income standards. The Board of Supervisors assesses 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 other members. The *Basis Score Directiefuncties* (basic rating for executive positions, commonly abbreviated to 'BSD') for 2019 adds up to an organization score of 600 BSD points.

The position of Chair (the Executive Director) was rated at 522 points, which corresponds to a maximum annual income

for 2019 of €156,754 based on full-time employment. The positions of the other members of the Board of Directors were rated at 480 points each, which corresponds to a maximum annual income for 2019 of €138,020 based on full-time employment.

*Goede Doelen Nederland* publishes the BSD guidelines against which directors' actual annual incomes are assessed every year.

The table on the next page shows the remunerations paid to Board members in the period from January 1, 2019 to December 31, 2019.

## 3.7.9.2 SALARY AND EMOLUMENTS PAID TO DIRECTORS

Amounts in Euros

Name	M. SERVAES	P. MULDER	T. MEIJERS
Function	EXECUTIVE DIRECTOR	DIRECTOR FINANCE AND OPERATIONS	DIRECTOR PROGRAMS AND CAMPAIGNS
Employment			
Contract Type	permanent	permanent	permanent
Hours	36	36	36
FTE percentage	100	100	100
Period	01/01/19-31/12/19	01/01/19-31/12/19	01/01/19-31/12/19
Remuneration			
Gross Salary	115,428	88,776	92,214
Holiday Allowance	6,003	6,529	6,932
Fixed Year End Bonus	0	0	0
Payment of Unused Vacation Days	0	0	2,534
<b>Total income as BSD guideline</b>	<b>121,431</b>	<b>95,305</b>	<b>101,680</b>
Income	121,431	95,305	101,680
Social Security costs (Employer's Contribution)	10,760	10,760	10,760
Pension Premium (Employer's Contribution)	14,480	11,069	20,072
Other Deferred Remuneration	2,340	2,690	4,549
Compensation for Termination of the Contract	0	0	0
<b>TOTAL</b>	<b>149,011</b>	<b>119,824</b>	<b>137,061</b>

On October 1, 2018, Mr. Servaes was appointed as the new Executive Director. He continued in this position for the whole of 2019, while being also the Chair of the Board of Directors, which consists of the Executive Director and two Directors: Ms. Mulder and Mr. Meijers. 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.

Each member of the Board of Supervisors was appointed for the entire financial year. A total of €5 thousand was paid out in expense reimbursements in 2019-20. 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 2019-20 Oxfam Novib fell outside the purview of the Dutch 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 directors are disclosed above. In 2019, none of the directors or other officers of Oxfam Novib, nor any individuals employed on consultancy basis, received a taxable annual salary in excess of the maximum amount of €194 thousand as regulated by the WNT.

### 3.7.10 BALANCE OF FINANCIAL INCOME AND EXPENSES

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19
Interest income	3,722	3,546	3,354
Interest expenses	(51)	0	(75)
Bank costs	(55)	0	2
Dividend	49	0	80
Realized and unrealized foreign exchange results	(1,877)	0	(682)
Other financial income	(746)	0	293
Costs of investment	(1,850)	(2,432)	(2,961)
<b>TOTAL</b>	<b>(807)</b>	<b>1,114</b>	<b>11</b>

The balance of financial income and expenses for the financial year 2019-20 was negative €0.8 million, which is 0.8 million lower than in the previous year and €1.9 million lower than the budgeted amount. This shortfall is due to the €1.9 million realized and unrealized foreign exchange losses, of which €0.7 million was unrealized (mainly related to accounts receivable from donors); €0.9 million was realized (relating to program costs); and €0.3 million foreign exchange losses in the Oxfam Novib microfinance portfolio.

The interest income from the microfinance portfolio was €3.7 million, which is €0.2 million higher than budgeted and €0.3 million higher than in the previous year. The cost of investment was €1.9 million, which is €0.5 million lower than budgeted and €1.1 million lower than in the previous year. This is mainly due to lower than projected provisions for bad loans in the Oxfam Novib loan portfolio.

Other financial income and expenses includes the net movements in value of the participations in different investment vehicles at March 2020, including also

the €0.7 million impairment on the Inclusive Impact Investment participation and the €0.2 million write off of their loan.

The table on the next page presents the figures in the format specified by 'Goede Doelen Nederland' in its Financial Management Guidelines. The figures are based on the returns on savings and investments. Net income from cash and cash equivalents represents the interest received on current account deposits and 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	FY 2019-20
<b>Mission-related investments</b>						
Bond yields	67	242	305	298	284	320
Dividends	68	79	79	111	80	49
Realized price gains	1,720	69	600	691	41	(653)
Unrealized price gains	(642)	(538)	587	(1,322)	892	290
<b>Gross investment return</b>	<b>1,213</b>	<b>(148)</b>	<b>1,571</b>	<b>(222)</b>	<b>1,297</b>	<b>6</b>
Investment costs	0	0	0	0	0	0
<b>Net investment return</b>	<b>1,213</b>	<b>(148)</b>	<b>1,571</b>	<b>(222)</b>	<b>1,297</b>	<b>6</b>
<b>Investment performance</b>						
Average invested capital	9,943	11,721	13,490	12,859	13,792	12,299
Return on investments (%)	12.2%	-1.3%	11.6%	-1.7%	9.4%	0.0%
<b>Net income from cash and cash equivalents</b>						
Interest on current account and organization's own funds on savings accounts and deposits	12	(55)	39	(72)	(75)	(51)

## 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 2019-20	FY 2018-19
<b>ASSETS</b>		
Tangible fixed assets	7,505	7,195
Financial fixed assets	49,888	58,050
Inventories	11	32
<b>Receivables from governments</b>		
Long-term	5,312	8,665
Current	9,866	16,093
	15,178	24,758
Receivables	47,115	43,241
Cash and cash equivalents	67,283	80,819
<b>TOTAL</b>	<b>186,980</b>	<b>214,095</b>
<b>LIABILITIES</b>		
<b>Reserves and funds</b>		
Reserves		
Contingency reserve	12,979	14,737
Earmarked reserves	47,929	43,819
	60,907	58,556
Funds	39,705	45,085
	100,612	103,640
Provisions	2,347	2,321
<b>Debts</b>		
Long-term	852	1,436
Current	16,402	15,835
	17,254	17,271
<b>Project liabilities</b>		
Long-term	23,368	31,802
Current	43,398	59,061
	66,766	90,863
<b>TOTAL</b>	<b>186,980</b>	<b>214,095</b>

## 3.8.2 SEPARATE STATEMENT OF INCOME AND EXPENDITURE OF OXFAM NOVIB

Amounts in thousands of Euros	FY 2019-20	BUDGET 2019-20	FY 2018-19
<b>INCOME</b>			
Income from private individuals	23,841	25,492	25,124
Income from companies	10,405	8,277	17,333
Income from lottery organisations	14,500	18,200	13,496
Income from government subsidies	63,423	92,077	82,620
Income from affiliated non-profit organisations	45,421	40,995	35,877
Income from other non-profit organisations	0	0	2,150
<b>Income raised</b>	<b>157,590</b>	<b>185,041</b>	<b>176,601</b>
Income from delivery of products / services	4,524	4,987	4,044
Other income	64	0	68
<b>Income from fundraising activities</b>	<b>162,178</b>	<b>190,028</b>	<b>180,713</b>
<b>EXPENDITURE</b>			
Food, Land and Climate	32,945	38,889	38,002
Governance and Financial Flows	43,314	52,032	49,522
Conflict and Fragility	9,920	12,283	11,971
Gender and Youth	13,435	15,297	14,850
Emergency	46,695	54,601	52,395
Public Engagement	7,632	7,541	7,298
<b>Expenditure on goal 'structural poverty alleviation'</b>	<b>153,940</b>	<b>180,643</b>	<b>174,037</b>
Direct fundraising	6,161	6,717	4,552
Third-party campaigns	372	505	349
Securing government grants	1,717	1,772	1,620
<b>Costs of generating income</b>	<b>8,250</b>	<b>8,995</b>	<b>6,521</b>
<b>Management and administration costs</b>	<b>2,191</b>	<b>2,337</b>	<b>2,107</b>
<b>Expenditure from fundraising activities</b>	<b>164,382</b>	<b>191,975</b>	<b>182,665</b>
<b>Balance of financial income and expenses</b>	<b>(807)</b>	<b>1,114</b>	<b>11</b>
<b>NET RESULT</b>	<b>(3,010)</b>	<b>(832)</b>	<b>(1,940)</b>
<b>APPROPRIATION OF NET RESULT</b>			
Added / charged to: contingency reserve	(1,598)	(1,889)	(1,296)
Added / charged to: project reserve	(2,711)	(1,679)	1,440
Added / charged to: other earmarked reserves	6,679	3,696	(13)
Added / charged to: funds	(5,380)	(960)	(2,071)
<b>NET RESULT</b>	<b>(3,010)</b>	<b>(832)</b>	<b>(1,940)</b>

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

#### General

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 do not include the consolidated figures from Sweden. The accounting policies for the separate financial statements are the same as for the consolidated financial statements. Accordingly, see the notes to the consolidated financial statements except as otherwise specified below. Additional notes to policies regarding the consolidation are set out in section 3.4.2.

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

The consolidated result and equity are not identical to the corresponding figures as presented in the separate financial statements. Although it holds no equity interest in Oxfam Sweden, Oxfam Novib has significant control over it. For this reason, Oxfam Sweden's result and equity are included in the consolidated financial statements of Oxfam Novib but not in the separate financial statements.

Oxfam Sweden has a net result of €0.7 million and a positive equity balance of €0.3 million. After consolidation adjustments, Oxfam Novib's reserves add up to €60.9 million against €61.2 million in the consolidated financial statements. The receivables are €0.2 million less

and cash and cash equivalents are €0.3 million less than in the consolidated financial statements. Debts are €0.4 million less than in the consolidated financial statements. Reserves are €0.3 million lower than in the consolidated financial statements.

As a consequence of the intercompany eliminations of transactions, the separate statement of income and expenditure shows the following movements compared with the consolidated statement:

- Total income is €20 thousand less than stated in the consolidated statement of income and expenditure.
- Total expenditure is €26 thousand less than stated in the consolidated statement of income and expenditure.

The movements in the reserves are disclosed in the tables below.

### EARMARKED RESERVES

	OXFAM NOVIB PROJECTS	LOANS & GUARANTEES	MANAGEMENT & ADMINISTRATION COSTS	TOTAL EARMARKED RESERVES
Amounts in thousands of Euros				
Balance at March 31, 2019	14,734	23,835	5,250	43,819
Added	4,601	13,256	5,468	23,324
Withdrawn	7,170	6,274	5,770	19,215
<b>Net movements</b>	<b>(2,570)</b>	<b>6,982</b>	<b>(303)</b>	<b>4,110</b>
Balance at March 31, 2020	12,165	30,817	4,947	47,928

### CONTINGENCY RESERVE

	CONTINGENCY RESERVE
Amounts in thousands of Euros	
Balance at March 31, 2019	14,737
Added	0
Withdrawn	1,758
<b>Net movements</b>	<b>(1,758)</b>
Balance at March 31, 2020	12,979

## 3.9 SHO

### 3.9.1 SULAWESI ACTION

The table below discloses the income and expenditure of the Sulawesi Action in Oxfam Novib and in other implementing organizations in the countries. Refer to section 3.6.6.2 'SHO campaigns' for further details.

	FY 2019-20			UP TO FY 2019-20 (INCLUSIVE)		
Amounts in thousands of Euros			TOTAL			TOTAL
<b>INCOME</b>						
Public donations (SHO funds)			0			2,150
Interest						
<b>Total income</b>			<b>0</b>			<b>2,150</b>
<b>Cost of preparation and coordination (ICR)</b>						
ICR			0			150
<b>Total available for aid activities</b>			<b>0</b>			<b>2,000</b>
	EMERGENCY	REHABILITATION	TOTAL	EMERGENCY	REHABILITATION	TOTAL
<b>EXPENDITURE</b>						
Commitments, contractual obligations (D)						
- Expenditure through implementing organizations (field)	0		0	2,000		2,000
- Expenditure through international umbrella organization						
- Aid provided directly by the organization						
<b>Total available for commitments</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>OVERVIEW OF THE ORGANIZATION'S CASH TRANSFERS</b>						
Transfers						
- Expenditure through implementing organizations (field)	0		0	2,000		2,000
- Expenditure through international umbrella organization						
- Aid provided directly by the organization						
<b>OVERVIEW OF THE ORGANIZATION'S EXPENDITURE IN THE FIELD</b>						
- Expenditure through implementing organizations (field)	62	289	351	590	762	1,352
- Expenditure through international umbrella organization						
- Aid provided directly by the organization						



### 3.9.2 SHO ALLOCATION KEY

Amounts in thousands of Euros	FY 2017-18	FY 2018-19	FY 2019-20
<b>1. Volume of emergency aid and reconstruction activities</b>	42,064	20,479	30,209
<b>2. Income from own fundraising</b>	46,540	43,668	35,938

The key for allocating the income from fundraising activities of the SHO is based on 3-year average of the volume of emergency aid and reconstruction activities and the income from own fundraising of the participants of SHO.

The volume of delivered emergency aid and reconstruction activities is exclusive of SHO funds and exclusive of funds transferred to other organizations in the role of administrative lead agency/ horizontal lead agency (for example in the role of lead agency in the DRA).

The income from own fundraising for 2017-18 and after is calculated by the sum of: income from private individuals, income from companies, income from other non-profit organizations minus income from SHO and income from sale of goods and or rendering of services.

### 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 2019-20.

The Hague, October 14, 2020

#### Board of Directors

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

The Hague, October 14, 2020

#### 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 2020 included in the annual accounts

#### Our opinion

We have audited the financial statements for the year ended 31 March 2020 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 2020, 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 2020;
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.

Rotterdam, October 14 2020

**MAZARS N.V.**

Original has been signed by: E. de Prouw MSc RA





