



LISTENING AND LEADING

FINANCIAL ACCOUNT 2012



OXFAM
Novib



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CHAPTER 1

NOTES TO THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This chapter details the income, expenditure and financial position of Oxfam Novib in 2012. The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650). Compliance with this guideline is a requirement of the CBF (Central Bureau on Fundraising). Accordingly, all expenditure is committed to Oxfam Novib's goal of 'structural poverty alleviation', and to the generation of income, and management and administration. This goal is divided into five categories:

- Supporting projects run by partner organisations. In the financial statements this is referred to as 'Projects and Programmes'.
- Supporting and strengthening partner organisations themselves. This comes under 'Support provided to partner organisations'.
- Campaigning in the Netherlands to encourage people to commit to the movement towards a just world without poverty. This falls under the category 'Popular campaigning'.
- Influencing governments, companies and other organisations to work, either on their own or jointly with others, towards poverty alleviation and development. This falls under the categories 'Lobbying and advocacy by Oxfam Novib' and 'Lobbying and advocacy by partner organisations'.
- Conveying Oxfam Novib's vision – a just world without poverty – to a wide public and maintaining relationships with people who support Oxfam Novib. This falls under the category 'Public information and marketing'.

1.1.1 Income

In 2012 Oxfam Novib generated more income than in 2011 (156.4 million euros compared to 129.3 million euros). Income from direct fundraising accounted for 31.2 million euros of income. This is 12.4 per cent higher than in 2011 and 2.6 million more than budgeted. Revenues from third party campaigns accounted for 25.1 million euros, a raise of 28.8 per cent compared to 2011 and 10.8 million above budget. Government grants co-financing accounted for 59.6 million euros, 33.2 per cent more than 2011 and 3.5 million euros less than budgeted. Other government grants accounted for 33.1 million euros, 10.4 per cent more than in the year 2011 and 1.4 million euros more than budgeted. Donor diversification was higher than in 2011.

Income from direct fundraising

Income from direct fundraising increased from 27.7 million euros in 2011 to 31.2 million euros in 2012 (2.6 million euros more than budgeted). The higher income than budgeted was mainly caused by a re-classification of the income source 'foundations' (2.3 million euros), which used to be classified as 'share of revenues from joint campaigns', and by higher

donations by notarial deed (1.1 million euros) and lower income from companies (1.2 million euros). Also the revenues from private donors were higher (0.3 million euros) than budgeted.

Revenues from third party campaigns

Revenues from these sources increased from 19.5 million euros in 2011 to 25.1 million euros in 2012 (10.8 million euros more than budgeted). The sources include the Dutch Postcode Lottery, emergency relief umbrella group Samenwerkende Hulporganisaties (SHO), and Stop Aids Now!

Dutch Postcode Lottery:

Oxfam Novib receives a yearly standard support from the Dutch Postcode Lottery of 13.5 million euros. In addition, in February 2012 at the 'Goed Geld Gala' Oxfam Novib received, on top of the standard support, 7 million euros to finance a project called Internet Now!, This innovative project is bringing internet access to remote areas in Uganda, giving people the opportunity to start their own businesses and earn income.

Emergency relief 'Samenwerkende hulporganisaties' (SHO):

In 2012 no new emergency relief actions were undertaken as part of 'Samenwerkende hulporganisaties' (SHO). As income from SHO is recognised on the basis of cash received from SHO, income in 2012 amounted to 4.0 million euros. This relates to SHO actions in Haiti.

Stop AIDS Now!:

Stop AIDS Now! is a partnership of Aids Fonds, Hivos, ICCO, Cordaid Memisa, and Oxfam Novib. Each partner gets a part of the revenue to support HIV/AIDS projects. The share of Oxfam Novib was 0.5 million euros in 2012.

Government grants - co-financing

Income received from government grants (co-financing) increased from 44.7 million euros in 2011 to 59.6 million euros in 2012 (3.5 million euros less than budgeted). The IMPACT alliance, of which Oxfam Novib is lead party, has been granted 373.7 million euros by the Dutch Ministry of Foreign Affairs (Development Cooperation) as a block grant ('mede-financierings stelsel' II) for the period 2011-2015.

The increase in government grants (co-financing) in 2012 compared to 2011 is explained by the low level of contracts with partner organisations in 2011, which was due to the period for contracts being shortened from three years to one year, and Oxfam Novib withdrawing from the Latin America region and former Soviet Union.

Government grants - other

Government grants (other) includes grants from Dutch embassies, Dutch government tenders from the Netherlands Ministry of Foreign Affairs, the European Union, other governments (including the United Nations, Swedish government, and Finnida), and other Oxfam affiliates. Other Oxfam affiliates are classified in this category because the grants Oxfam Novib receives from other Oxfams are mainly derived from their government back donors.

Income realised from government grants (other) increased from 30 million euros in 2011 to 33.1 million euros in 2012 (1.4 million euros more than budgeted). The amount of contracts signed with back donors increased in 2012 to a level of 71.4 million euros. This growth is because of three main reasons. First Oxfam Novib adjusted its way of working in developing projects and programmes. Secondly there is a closer cooperation between Oxfams which extends the reach and scale of these programs. And as a consequence of Oxfam Novib's decentralisation process there is now a greater presence in countries which also gives a better reach, improved possibilities to scale up and more visibility. A good example is the joint Oxfam project for security in fragile states.

This grow of back donor contracts will translate into approvals with partner organisations in the coming years. New contracts with other Dutch government sources were signed for a total of 22.5 million euros. These contracts included a project of 2 million euros to support civil society in Mozambique in the area of governance, and a 5.2 million euros contract in Afghanistan and Pakistan in the area of human security. Also, new contracts were signed with the European Union in 2012, representing a total value of 11.8 million euros. One of the projects covered by these contracts is entitled 'protecting the rights and improving the resilience of vulnerable Palestinian communities in East Jerusalem' and accounts for 3.2 million euros. Another new contract, of 4.2 million euros, was signed with UNICEF on food access and nutrition support for vulnerable households in south central Somalia.

1.1.2 Expenditure

Total expenditure in 2012 amounted to 159.3 million euros (2011: 122.2 million). This is 10.8 million euros more than budgeted. This is caused by an increase in expenditure on the category 'goal of structural poverty alleviation'. The expenditures in the categories 'costs of generating income' showed a slight decrease and 'management and administration' showed a slight increase.

Expenditure on goal of 'structural poverty alleviation'

Oxfam Novib spent 146.3 million euros on activities in furtherance of the goal of 'structural poverty alleviation' (which is 10.9 million euros more than budgeted). The corresponding amount in 2011 was 109.3 million euros. The amounts spent on activities in furtherance of the organisation's goals (including loans granted less repayments received) accounted for 91.7 per cent of total expenditure (in 2011: 91.4 per cent). This percentage is explained in Section 1.2 ('Key CBF figures').

The amounts spent on activities in furtherance of the organisation's goals are divided into the five categories mentioned in Section 1.1:

- Supporting projects run by partner organisations. In the financial statements this is referred to as 'Projects and Programmes'.
- Supporting and strengthening partner organisations themselves. This comes under 'Support provided to partner organisations'.
- Campaigning in the Netherlands to encourage people to commit to the movement towards a just world without poverty. This falls under the category 'Popular campaigning'.
- Influencing governments, companies and other organisations to work, either alone or jointly with others, towards poverty alleviation and development. This falls under the categories 'Lobbying and advocacy by Oxfam Novib' and 'Lobbying and advocacy by partner organisations'.
- Conveying Oxfam Novib's vision – a just world without poverty – to a wide public and maintaining relationships with people who support Oxfam Novib. This falls under the category 'Public information and marketing'.

The increase is mainly caused by an increase in expenditure on projects and programmes (106 million euros as compared to a budgeted amount of 91.7 million euros). This is caused by higher approvals to partner organisations on projects funded by institutional donors (including other Oxfam affiliates, European Commission and other governments).

At the same time, expenditure on lobbying and advocacy by partner organisations decreased to 19.8 million euros (as compared to a budgeted amount of 23.1 million euros). This is not the desired development, but because there are few institutional funds for lobbying and advocacy.

In addition, loans and guarantees for a total amount of 11.8 million euros were granted to local micro-finance institutes in 2012, and the total amount received in repayment on previous loans was 11.9 million euros. The loan portfolio is 39.8 million euros.

Costs of generating income

The costs of direct fundraising amounted to 6.1 million euros in 2012. These costs were lower than budgeted. The costs of direct fundraising accounted for 19.7 per cent of income from direct fundraising.

Management and administration cost

Management and administration costs accounted for 3.4 million euros (0.3 million higher than budgeted and 0.1 million higher than 2011). This is mainly caused by higher financial administration costs for supporting the decentralisation process. This is 2 per cent of the organisation's expenditures (including loans granted less repayments received). This percentage is explained in Section 1.2 ('Key CBF figures').

1.1.3 The operating result

The operating result in 2012 was 3.0 million euros negative. That differs by 2.4 million euros from the budgeted result and 10.1 million from the result of 2011 (1.1 million euros positive). The causes are mainly incidental. The withdrawal from the Oxfam Novib project reserve is largely as budgeted (4.7 million euros). In addition, extra costs for decentralisation were incurred, and more own funds were spent on programme work. The results on the loans were positive with respect to the budget, due to higher interest results and a release of the provision instead of adding to the provision for loans. This results in an adding to the loans reserve. For the SHO funds there was a withdrawal mainly for the Haiti funds. The withdrawal from the contingency reserve is 0.6 million euros, and due to deviations of organisational costs (pension costs, costs country offices).

The result is earmarked for the following reserves and funds:

WITHDRAWAL RESERVE OXFAM NOVIB PROJECTS	-7.610
ADDING TO RESERVE AND FUNDS ON LOANS	3.037
WITHDRAWAL AND ADDING TO FUNDS (SHO, NPL, PERSONALISED FUNDS, SANI)	995
ADDING TO OTHER RESERVES	1.215
WITHDRAWAL FROM CONTINGENCY RESERVE	-600
TOTAL	-2.963

1.1.4 General notes to the balance sheet

Total assets and liabilities declined in 2012 compared to 2011 by 15.7 million euros. The most important decrease was the post receivables from governments, which was 28.5 million euros at the end of 2011 and 7.3 million euros at the end of 2012. This is a decrease of 21.2 million euros. The project liabilities short-term showed a decrease of 12.2 million euros. The other receivables showed also a decrease of 4.9 million euros. The cash and cash equivalent on the other hand, showed an increase of 10.2 million euro on the asset side of the balance sheet. On the liability side of the balance sheet the earmarked reserves decreased by 3.4 million euros. For further explanations please refer to notes to the balance sheet (chapter 2.6).

1.2 KEY CBF FIGURES

Amounts in thousands of euros

INCOME FROM DIRECT FUNDRAISING

Costs of direct fundraising

as a % of income from direct fundraising in the year

as a % of income from direct fundraising 3-year average (CBF criterion max. 25%)

MANAGEMENT AND ADMINISTRATION

as a % of total expenditure + loans granted (in the year) (own criterion max. 2%)

EXPENDITURE ON GOALS

as a % of total income

as a % of total expenditure

EXPENDITURE ON GOALS + LOANS GRANTED -/- REPAYMENTS

as a % of total income

as a % of total expenditure

The costs of direct fundraising amounted to 19.7 per cent of the income from direct fundraising. The three-year average is 21.8 per cent. The CBF criterion for organisations holding the CBF Seal of Approval is that the average costs over three consecutive years may not be higher than 25 per cent of the direct fundraising income. The key figure 'Management and administration costs' stood at 2.0 per cent. This is slightly above the budgeted level of 1.9 per cent, and equal to the 2.0 per cent target set by the Board of Directors of Oxfam Novib. The allocation of costs to management and administration is in accordance with the VFI guideline (see Section 2.4 'Accounting policies for the valuation of assets and liabilities').

The key figure 'Expenditure on goals' is stated inclusive and exclusive of loans granted and repayments received, as a percentage of total income and total expenditure. 'Expenditure on goals' exclusive of loans accounts for 91.8 per cent of total expenditure, which is higher than budgeted (91.2 per cent). 'Expenditure on goals' inclusive of the loans granted accounts for 91.7 per cent of total expenditure, which is higher than budgeted (91.4 per cent).

In addition to the key CBF figures, Oxfam Novib is also steered on the amount it has to contribute ('self-sourced income') under the financial rules of the MFS II co-financing system. In 2012 Oxfam Novib realised an increased diversification of income sources.

SELF-SOURCED INCOME

Amounts in thousands of euros

TOTAL INCOME

Other grants by Foreign Affairs (additional grants: included in other government grants)

Less all interest income

TOTAL INCOME AS PER DEFINITION FINANCIAL RULES MFS

MFS grant - based on RJ 650

MFS grant as a % of total income

Self-sourced income as a % of total income

	FINANCIAL STATEMENTS 2008	FINANCIAL STATEMENTS 2009	FINANCIAL STATEMENTS 2010	FINANCIAL STATEMENTS 2011	BUDGET 2012	FINANCIAL STATEMENTS 2012
	28.224	28.346	28.807	27.724	28.540	31.158
	6.142	6.420	6.391	6.590	6.540	6.147
	21,8%	22,6%	22,2%	23,8%	22,9%	19,7%
	21,9%	21,9%	22,2%	22,9%	22,9%	21,8%
	2.748	2.500	2.735	3.245	3.089	3.366
	1,4%	1,2%	1,6%	2,4%	1,9%	2,0%
	175.820	176.712	147.512	109.349	135.431	146.287
	91,0%	91,3%	82,9%	84,6%	94,6%	93,5%
	94,5%	94,2%	92,2%	89,5%	91,2%	91,8%
	177.616	184.156	154.608	111.663	135.757	146.107
	92,0%	95,1%	86,9%	86,3%	94,8%	93,4%
	95,5%	98,1%	96,7%	91,4%	91,4%	91,7%

	FINANCIAL STATEMENTS 2008	FINANCIAL STATEMENTS 2009	FINANCIAL STATEMENTS 2010	FINANCIAL STATEMENTS 2011	BUDGET 2012	FINANCIAL STATEMENTS 2012
	193.130	193.561	177.893	129.318	143.145	156.386
	2.471	2.305	730	2.251	-	6.873
	3.817	4.389	4.013	4.057	3.467	4.704
	186.842	186.867	173.150	123.009	139.678	144.809
	129.401	125.838	96.901	44.709	63.031	59.563
	69%	67%	56%	36%	45%	41%
	31%	33%	44%	64%	55%	59%

Under the Co-Financing System Policy Framework of the Dutch government, a recipient organisation must derive at least 25 per cent of its income from sources other than the MFS grant (self-sourced income). This rule was introduced on 1 January 2009. Oxfam Novib derives the income in question mainly from direct fundraising and from other donors (the Dutch Postcode Lottery, SH0, the European Union and other institutional donors). In recent years, this proportion of self-sourced income had been

around 33 per cent, but in 2010 it increased to 44 per cent and in 2011 to 64 per cent. In 2012 it was 59 per cent, which is lower than 2011 but higher than 2010. The reason for this is that in 2011 the income from 'co-financing' was lower compared to previous years and that increased in 2012, but remained under the level of 2010. On the other hand, income from direct fundraising and especially institutional fundraising was increasing from 2010 to 2012.



Photo: Charles Okerke

CHAPTER 2

FINANCIAL STATEMENTS

2.1 BALANCE SHEET AT 31 DECEMBER AFTER APPROPRIATION OF NET INCOME

Amounts in thousands of euros

	31-12-2012	31-12-2011	
ASSETS			
Tangible fixed assets	11.447	10.827	2.6.1
Financial fixed assets	43.734	44.256	2.6.2
Inventories	152	56	2.6.3
Receivables from governments			
Long-term	3.574	2.597	
Short-term	3.773	25.944	
	7.347	28.541	2.6.4
Receivables	11.626	16.549	2.6.4
Cash and cash equivalents	69.506	59.293	2.6.5
TOTAL	143.812	159.522	
LIABILITIES			
RESERVES AND FUNDS			
Reserves			
Contingency reserve	12.965	13.565	2.6.6.1
Earmarked reserves	34.319	37.687	2.6.6.1
	47.285	51.252	
Funds	41.602	40.597	2.6.6.2
	88.886	91.849	
Provisions	2.886	1.947	2.6.7
Debts:			
Long-term	1.163	2.389	
Short-term	11.336	12.549	
	12.499	14.938	2.6.8
Project liabilities:			
Long-term	7.014	6.097	
Short-term	32.526	44.691	
	39.540	50.788	2.6.4
TOTAL	143.812	159.522	

2.2 STATEMENT OF INCOME AND EXPENDITURE

Amounts in thousands of euros

	FIN STMNT. 2012	BUDGET 2012	FIN STMNT. 2011	
INCOME				
Income from direct fundraising	31.158	28.540	27.724	2.7.1
Revenues from joint campaigns	0	0	924	2.7.2
Revenues from third-party campaigns	25.086	14.275	19.483	2.7.3
Government grants - co-financing	59.563	63.031	44.709	2.7.4
Government grants - other	33.147	31.725	30.012	2.7.4
Income from interest	4.704	3.467	4.057	2.7.5
Other income	2.727	2.107	2.409	2.7.5
TOTAL INCOME	156.386	143.145	129.318	
EXPENDITURE				
Expenditure on goal of 'structural poverty alleviation'				
Projects and programmes	105.999	91.713	81.659	2.7.6
Lobbying and advocacy by partner organizations	19.844	23.062	10.286	2.7.6
Lobbying and advocacy by Oxfam Novib	6.841	6.275	5.599	2.7.6
Support provided to partner organizations	4.269	4.145	3.203	2.7.6
Popular campaigning	5.682	6.506	4.946	2.7.6
Public information and marketing	3.652	3.729	3.655	2.7.6
	146.287	135.431	109.349	
Costs of generating income				
Costs of direct fundraising	6.147	6.540	6.590	2.7.6.1
Expenditure on joint campaigns	0	460	292	1.1.2
Expenditure on third-party campaigns	760	399	597	1.1.2
Costs of securing government grants	2.790	2.609	2.138	1.1.2
	9.697	10.008	9.618	
Management and administration				
Management and administration costs	3.366	3.089	3.245	1.1.2
TOTAL EXPENDITURE	159.349	148.527	122.212	
NET RESULT	-2.963	-5.382	7.105	
Expenditure on goals - not reflected in statement of income and expenditure				
Loans and guarantees provided	11.753	13.537	12.114	2.6.2
Repayments received	11.932	13.211	9.800	2.6.2
Appropriation of net income				
Added / charged to				
Earmarked reserves	-3.369	-6.960	6.117	2.6.6.1
Earmarked funds	1.006	1.578	-327	2.6.6.2
Contingency reserve	-600	0	1.315	2.6.6.1
	-2.963	-5.382	7.105	

2.3 CASH FLOW STATEMENT

Amounts in thousands of euros

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating result	-2.963	7.104
Adjustments for:		
Amortisation and depreciation	1.500	1.350
Changes in provision on loans	-406	880
Stock dividend/movements in value of participating interests	-540	10
Movements in provisions	939	6
	1.494	2.246
Changes in working capital:		
Inventories	-96	116
Receivables from governments	21.194	46.219
Receivables	4.899	-6.795
Debts	-2.296	-540
Project liabilities	-11.248	-45.452
	12.453	-6.452
CASH GENERATED FROM OPERATIONS	10.984	2.898
Interest received	25	
Dividends received		
Interest paid	-142	
Income tax expense		
	-117	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	10.867	2.898
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of tangible assets	-2.121	-2.920
Acquisition of investment property	-	
Committed loans	-11.752	-12.114
Disposal of investment property	-	
Disposal of property, plant and equipment (PPE)	-	
Disposal of investment property	-	
Repayments on loans	11.933	9.800
NET CASH USED IN INVESTING ACTIVITIES	-1.940	-5.234
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	
Purchase of treasury shares	-	
Dividends paid	-	
Proceeds from borrowings	-307	-
Repayments of borrowings	113	47
NET CASH USED IN FINANCING ACTIVITIES	-194	47
NET CASH FLOWS	8.732	-2.289
EXCHANGE GAINS/(LOSSES) ON CASH AND CASH EQUIVALENTS	1.481	-303
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10.213	-2.592

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents increased in 2012 from 59.3 million euros at 1 January to 69.5 million euros at 31 December 2012. This balance of cash and cash equivalents comprises a variety of components. The main ones are briefly discussed below.

- Cash and cash equivalents are needed because funds pledged are made available in steps (such as in the case of SHO) or are 'restricted funds', i.e. tied to particular purposes (such as in the case of the 'Named Fund');
- In addition there are reserves which are largely earmarked for particular purposes;
- Project funding has, on balance, been received in advance.

Put briefly, the increase in cash and cash equivalents in 2012 is attributable to:

- **Operating activities**

Adjusted for depreciation charges and the decrease in provisions, the net cash flows from operating activities are 10.9 million euros. Receivables from governments decreased with 21.2 million euros, other receivables decreased with 4.9 million euros. On balance project funding was received in advance, this applies especially for the institutionally funded projects.

Project liabilities decreased with 11.2 million euros as transfers were higher than approvals to partner organisations. This decrease is mainly caused by the policy since 2011 to approve projects for shorter periods, usually one year.

Debts decreased with 2.3 million euros.

- **Investing activities**

The cash flows from investing activities were negative 1.9 million euros. These cash flows relate to capital expenditure on financial fixed assets (the grant of microfinance loans) and tangible fixed assets (especially the ERP information system).

- **Financing activities**

The cash flow from financing activities are negative 0,2 million euros. This refers to loans to other Oxfams.

- **Exchange gains/losses on cash and cash equivalents**

Exchange gains/losses on cash and cash equivalents are 1.5 million euros. This refers to the loan portfolio, the participation in TCX and the future exchange contracts (FEC).

2.4 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

2.4.1 General

The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650) published by the Dutch Accounting Standards Board. This guideline requires that costs be allocated not only to the costs of direct fundraising and the achievement of the organisation's goals (projects and programmes, providing support to partners, lobbying and advocacy, popular campaigning and public information and marketing) but also to:

- Management and administration costs
- Costs of generating income, disaggregated into costs of direct fundraising, expenditure on joint campaigns, expenditure on third-party campaigns and costs of securing government grants.

The item 'other income' has been broken down into different categories (Section 2.7.5) and the other expenditure has been allocated to the goal of structural poverty alleviation, the costs of generating income and management and administration costs.

2.4.2 Tangible fixed assets

Tangible fixed assets are carried at historical cost less depreciation calculated to write off the cost of those assets over their estimated useful life. Depreciation in the first year of an asset's life is calculated on a time-weighted basis.

2.4.3 Financial fixed assets

The asset items under this heading are valued as follows:

- **participating interests:** at cost;
- **participating interest in Triple Jump:** at net asset value;
- **ASN-Novib Fund:** at participation value;
- **loans:** at face value (translated into euros at the rates of exchange ruling at the balance sheet date if denominated in foreign currency);
- **deposits for guarantees:** at face value (translated into euros at the rates of exchange ruling at the balance sheet date if denominated in foreign currency);
- **participating interest in TCX:** at face value (translated into euros at the rates of exchange ruling at the balance sheet date if denominated in foreign currency);

The foreign exchange risk on loans granted (microfinance loans in developing countries) is hedged by means of forward exchange contracts (FEC), except if there is no market for forward exchange contracts in the local currency. In accordance with Guideline 290, the forward exchange contracts are valued at current value.

2.4.4 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.

2.4.5 Receivables

Receivables are stated at face value less a provision for bad and doubtful debts. Receivables denominated in foreign currency 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 organisations are valued at face value, i.e. the project liabilities to partner organisations less the funds already received for the projects in question. As a result of the approval of projects under the co-financing system, (long-term) project liabilities arise which exceed the resources available for the period up to and including the year in question. Those liabilities are offset by corresponding receivables from the Ministry of Foreign Affairs under the contracts concluded for those projects.

2.4.6 Cash and cash equivalents

Cash and cash equivalents are stated at face value. Cash and cash equivalents denominated in foreign currency 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.

2.4.7 Provisions

Provisions are recognised 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 indicated otherwise, provisions are stated at the face value of the expenditure expected to be required to settle the obligations.

Specific for the Older Employee Scheme

Employees aged 55 and older in 2001 can gradually shift into retirement while retaining their salary. This group was extended to include employees aged 53 or 54 in 2001 who opted for participation in this scheme. The amount of this provision is calculated each year on the basis of the future commitments to the participants.

Specific for decentralisation

For the decentralisation provision, a calculation is made on personal level, based on the social plan. An estimate is used for the percentage of people who are replaced within or outside the organisation without making all costs.

Specific for hypo tax

An amount is withheld from the gross monthly salary of staff members who work abroad, which is equal to the wage tax that Oxfam Novib would have to withhold if the staff member in question were resident in the Netherlands for tax purposes. This is added to the provision and the taxes paid are withdrawn.

Specific for project costs

This provision is recognised at the nominal value of the for the settlement of the obligation expected outflow of money.

2.4.8 Other assets and liabilities

These are stated at face value. Other assets and liabilities denominated in foreign currency are translated into euros at the rates of exchange ruling at the balance sheet date.

2.5 ACCOUNTING POLICIES FOR THE 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 of revenues from joint campaigns and third-party campaigns, government grants, 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. Except as otherwise stated, income and expenditure is attributed to the year to which it relates and expenditure is recorded at historical cost.

2.5.1 Income from direct fundraising

Income from direct fundraising is recognised in the year to which the item of income relates. Non-recurring items of income are recognised in the year in which they are received. Gains arising from inheritances, legacies, bequests, etc. are recognised in the year in which the amount involved can be measured reliably. Since 2009, this has been done by a specialised external agency. Grants from US and international foundations are recognised as income on the basis of approved project funds.

2.5.2 Costs of direct fundraising

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.

2.5.3 Share of revenues from joint campaigns

Contributions from other members of the Oxfam confederation and other external organisations are assigned to the year in question, on the basis of project funds approved in collaboration with those organisations.

2.5.4 Share of revenues from third-party campaigns

The regular contribution by the Dutch Postcode Lottery is recognised in the year to which the income in question relates. Proceeds from the 'Extra Drawing' and the 'Dream Fund' are recognised in the year in which the funds are pledged. Funding received from emergency relief programmes implemented by SHO (a coalition of Dutch humanitarian aid organisations) is recognised in the year in which it is received. Contributions received from Stop AIDS Now! are recognised in the year to which the contribution relates.

2.5.5 Government grants and Oxfam Novib's own project funds

Government grants are recognised 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. The project funds allocated from the income from direct fundraising and the Dutch Postcode Lottery are added to the 'Earmarked Reserve for Oxfam Novib Development Cooperation Projects' and recognised as expenditure, on the basis of project funding approved during the year, in the statement of income and expenditure and charged to the earmarked reserve. Other Oxfam affiliates are classified in this category because the grants Oxfam Novib receives from other Oxfams are mainly derived from their government back donors.

2.5.6 Expenditure on structural poverty alleviation

Expenditure on the goal of structural poverty alleviation is broken down into five categories:

- Projects and programmes;
- Lobbying and advocacy by Oxfam Novib and by partner organisations;
- Support provided to partner organisations;
- Popular campaigning;
- Public information and marketing.

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.

Projects and programmes

This expenditure represents the project funds approved during the year for external projects.

Lobbying and advocacy by Oxfam Novib and by partner organisations;

This expenditure represents the project funds approved during the year for external projects and costs of lobbying and advocacy activities performed by Oxfam Novib or other members of the Oxfam confederation.

Support provided to partner organisations;

This expenditure represents the project funds approved during the year for external projects and costs of programme activities undertaken by Oxfam Novib itself to support and strengthen partner organisations.

Popular campaigning

This expenditure represents the project funds approved during the year for external projects and costs of programme activities undertaken by Oxfam Novib itself in the context of popular campaigning.

Public information and marketing

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

2.5.7 Management and administration costs

The management and administration costs are calculated in accordance with the guideline published by VFI, the trade association of charities. They include the costs of the Board of Directors, the Supervisory Board, the financial accounting function, the general secretariats, 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 VFI guideline is set out in the table below.

2.5.8 Foreign currency translation

Amounts in foreign currency are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currency 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.

2.5.9 Pension costs

The pension costs consist of the pension contributions charged for the report year, a dotation for indexation as agreed with the unions if an indexation commitment has been made for that year, and the costs of the pension insurance if there is no positive result from the stock and bonds investment. Oxfam Novib applies conditional

indexation to the pension benefits of the active pension plan members.

Oxfam Novib's pension plans can be outlined as follows:

- **Pension Plan A:** This pension plan applies to employees of Oxfam Novib who were aged 55 or older on 1 January 2002 or who were aged 53 or 54 on 1 January 2002 and who have opted for membership of Pension Plan A. Pension Plan A is a final salary pension plan. The retirement age is 65 and the pension accrues at a rate of 1.5 per cent of the most recent pensionable earnings multiplied by the number of years of pensionable service. In 2013 there will be no participants in this scheme anymore.
- **Pension Plan B:** This pension plan applies to employees who entered the service of Oxfam Novib on or after 1 January 2002 but prior to 1 January 2006 and who were born before 1 January 1950, as well as to employees who were aged 53 or 54 on 1 January 2002 and who have opted for membership of Pension Plan B and who were in Oxfam Novib's service both on 31 December 2001 and on 1 January 2002. Pension plan B is an average salary pension plan. The standard retirement age is 63 and the pension accrues at a rate of 1.84 per cent of the pensionable earnings per year of service. In the final period of service, from the time when the member attains the age of 53 until the standard retirement age, the retirement pension temporarily accrues at 7 per cent.
- **Pension Plan C:** This pension plan applies to Oxfam Novib employees born on or after 1 January 1950 and employees who entered the service of Oxfam Novib on or after 1 January 2006. Pension Plan C is an average salary pension plan. The retirement age is 63 and the pension accrues at the rate of 1.93 per cent of the pensionable earnings per year of service.

The members of all pension plans pay a pension contribution in the form of a percentage of the pensionable earnings.

ALLOCATION OF MANAGEMENT AND ADMINISTRATION COSTS IN ACCORDANCE WITH THE VFI GUIDELINE:

COST CATEGORY	MANAGEMENT AND ADMINISTRATION (VFI)	NOTES VFI	MANAGEMENT AND ADMINISTRATION (AS IMPLEMENTED BY OXFAM NOVIB)
1. Executive Board / Supervisory Board	100%		100%: Supervisory Board, annual report, auditors' fees
2. Board of Directors	100%	except in case of work directly aimed at goals and/or fundraising; then pro rata	cost centre Board of Directors: 37.5% (Executive Director 50%, Operations Director 100%, Campaigns and Projects Directors 0%)
3. general secretariat	100%	except in case of work directly aimed at goals and/or fundraising; then pro rata	100% cost centre secretariat Board of Directors
4. finance, planning and control	100%	except in case of work directly aimed at goals and/or fundraising (e.g. project accounting); then pro rata	cost centre quality and control 37%: head, secretary, controllers; balance to goals / cost centre financial accounting 100% / controllers International Department 100%
5. 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 centre secretariat Board of Directors: 100% management and administration
6. ICT	pro rata	to number of staff members or work spaces; specific applications excepted	ICT desk and general ICT costs allocated to categories 1 to 5
7. housing/support	pro rata	to number of staff members or square metres	support costs (internal service), cost of housing, Information & Service allocated to categories 1 to 5
8. human resources	pro rata	to number of staff members	HR desk costs and central staff budgets allocated to categories 1 to 5
9. 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 (outside) staff member is assigned
10. communication	partially	to be allocated as far as possible to the activity to which the activity relates.	communication desk costs allocated to categories 1 to 5
11. 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)	55% charged to management and administration
12. project accounting	no	to be allocated in full to projects in question	not charged to management and administration

2.6 NOTES TO THE BALANCE SHEET

2.6.1 Tangible fixed assets

Amounts in thousands of euros

	BUILDINGS	FURNITURE, FIXTURES, PLANT AND EQUIPMENT	INFORMA- TION SYSTEMS	VEHICLES	TOTAL
Acquisition cost at 31 December 2011	9.843	2.452	9.306	115	21.717
Depreciation up to and including 2011	3.505	1.761	5.555	69	10.890
BOOK VALUE AT 31 DECEMBER 2011	6.338	691	3.752	46	10.827
Changes					
Plus: capital expenditure in 2012	253	126	1.621	121	2.120
Less: depreciation in 2012	334	147	972	47	1.500
Disposals 2012					
Acquisition cost	-	-	-	-	-
Depreciation up to and including 2012	-	-	-	-	-
BOOK VALUE AT 31 DECEMBER 2012	6.257	670	4.401	119	11.447
Acquisition cost at 31 December 2012	10.096	2.578	10.928	236	23.837
Depreciation up to and including 2012	3.839	1.908	6.527	116	12.390

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

Tangible fixed assets are depreciated as follows:

- **buildings**
depending on the type (*)
- **furniture, fixtures and equipment**
8-10 equal annual instalments
- **plant and equipment**
depending on the type (*)
- **ICT infrastructure**
3-5 equal annual instalments
- **ICT workstation**
3-5 equal annual instalments
- **ICT other**
3-5 equal annual instalments
- **ERP system**
7 equal annual instalments
- **Vehicles**
3 equal annual instalments

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

According to an appraisal made in September 2012, the private sale value of the buildings, with vacant possession, is 7.2 million euros. 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. Significant investments were made in the restructuring of the information system (SAP). As a result of the decentralisation of Oxfam Novib's international department, several field offices have a limited number of cars available for their operations.

2.6.2 Financial fixed assets

Amounts in thousands of euros

	LOAN OXFAM GERMANY	LOAN OXFAM FRANCE AGIR ICI	LOAN OXFAM QUEBEC	PARTICI- PATING INTEREST IN TRIPLE JUMP
NOMINAL VALUE AT 31/12/2011	60	184	-	669
Provision at 31/12/2011	-	-	-	-
BOOK VALUE AT 31/12/2011	60	184	-	669
POSITIVE MOVEMENTS:				
Stock dividend/movements in value of participating interests	-	-	-	200
Changes in value of forward exchange contracts	-	-	-	-
Exchange differences	-	-	-	-
Committed loans	-	-	307	-
	-	-	307	200
NEGATIVE MOVEMENTS:				
Repayments on loans	20	93	-	-
Depreciation of loans and guarantees	-	-	-	-
Loans committed but not yet disbursed	-	-	-	-
	20	93	-	-
NOMINAL VALUE AT 31/12/2012	40	91	307	869
Provision at 31/12/2012	-	-	-	-
BOOK VALUE AT 31/12/2012	40	91	307	869
Oxfam Novib's share of share capital				20%

Specification of provision

Amounts in thousands of euros

	LOANS	GUARANTEES	TOTAL
BALANCE AT 31 DECEMBER 2011	2.734	-	2.734
Less: release to net income	406	-	406
Plus: addition from net income	-	-	-
BALANCE AT 31 DECEMBER 2012	2.328	-	2.328

	TCX	OIKOCREDIT	ASN-NOVIB FUND	LOANS	GUARANTEES	FEC	TOTAL
	2.265	284	925	41.994	214	395	46.990
	-	-	-	2.734	-	-	2.734
	2.265	284	925	39.260	214	395	44.256
	283	6	51	-	-	-	540
	-41	-	-	-	-	347	306
	-	-	-	-1.783	-4	-	-1.787
	-	-	-	18.727	289	-	19.323
	242	6	51	16.944	285	347	18.382
	-	-	-	11.933	-	-	12.046
	-	-	-	-	-	-	-
	-	-	-	7.264	-	-	7.264
	-	-	-	19.197	-	-	19.310
	2.507	290	976	39.741	499	742	46.062
	-	-	-	2.328	-	-	2.328
	2.507	290	976	37.413	499	742	43.734

Life of loans and guarantees

Amounts in thousands of euros

	LESS THAN 1 YEAR	1 TO 5 YEARS	LONGER THAN 5 YEARS	TOTAL
Loans to Micro Finance Institutions	20.315	19.426		39.741
Guarantees	210	289		499
Loan Oxfam France – Agir ici	54	37		91
Loan Oxfam Germany	20	20		40
Loan Oxfam Quebec	77	230		307
TOTAL	20.676	20.002	-	40.679

In 1996 Oxfam Novib took a participating interest in the equity of Oikocredit (Ecumenical Development Cooperative Society UA, EDCS), having its registered office in Amersfoort. At year end 2012 the value of this participating interest was 290,000 euros.

In collaboration with ASN Bank, having its registered office in The Hague, the ASN-Novib Fund was established. This fund was opened to the public on 1 January 2000. Oxfam Novib was delegate fund manager of the ASN-Novib Fund until 31 May 2006. The current manager of the ASN-Novib Fund is Triple Jump. At year end 2012, Oxfam Novib's stake in this fund amounted to 976,000 euros. Triple Jump BV is an Amsterdam-based company incorporated by ASN Bank, NOTS Foundation, Stichting Doen and Oxfam Novib to provide support to more new microfinance institutions and to allow them to develop into professional financial institutions in a short space of time. In 2006, Oxfam Novib took a 20 per cent interest in Triple Jump's equity and sits on the Board of Triple Jump BV. The management of Oxfam Novib's loan portfolio was also transferred to Triple Jump with effect from 1 March 2007. The value of Oxfam Novib's shareholding was 869,000 euros at 31 December 2012

In December 2007 Oxfam Novib took an equity interest in the TCX Currency Exchange Fund. TCX is based in Amsterdam and is an initiative of FMO (Entrepreneurial Development Bank). It is a guarantee fund which aims to minimise the foreign exchange risks associated with loans provided in local currencies. The fund was established because many parties are shunning developing countries, Africa in particular, because they consider the foreign exchange risk to be too high. The fund guarantees the resources invested in loans that are hedged by the fund (not all loans qualify for this). The substantial subordinated interests of the Ministry of Foreign Affairs and FMO contribute to the reliability of the fund. The value of Oxfam Novib's equity interest was 2.5 million euros at year end 2012. This participation has not been charged to the co-financing grant, but was funded from the organisation's own resources. At year end 2012 loans hedged by the fund totalled 11.8 million euros.

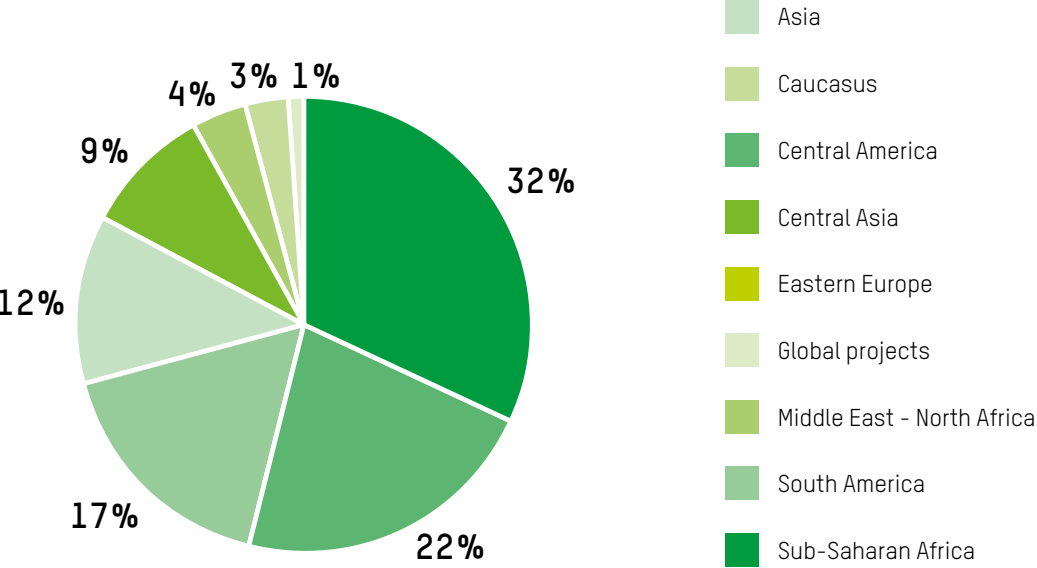
Oxfam Novib funds projects not only by providing project grants, but also by granting loans and guarantees to microfinance institutions (MFIs). Oxfam Novib focuses in particular on start-up MFIs with good growth potential. More developed MFIs can apply to the ASN-Novib Fund, for example. The MFIs must have a social mission and serve people from lower income groups, specifically women, people in rural areas and other marginal groups, such as minorities and refugees. Furthermore, a 'social performance questionnaire' and a 'score tool' have been developed which are used to determine whether MFIs meet these criteria to a sufficient degree. Moreover, an 'interest tool' has been developed to gauge whether the interest charged by MFIs to their clients exceeds the average interest rate for the region. Most loans are granted in local currency to ensure that the local MFI does not bear the foreign exchange risk.

Loans comprise amounts which are due from partner organisations (credit institutions, production cooperatives, etc.) and have maturities of between two and seven years and varying interest rates. Loans that have been committed but not yet disbursed related to contracts entered into in 2012 under which the first disbursement will be made in 2013 or a second or third tranche of which will be disbursed after 2012.

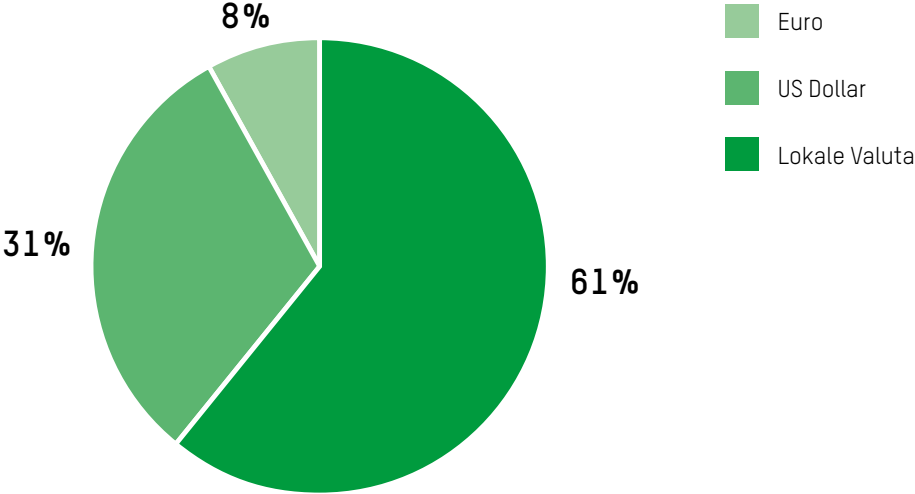
Guarantees are amounts held on deposit for which guarantees have been issued to third parties, such as Oikocredit. The terms range from several months to seven years. At 31 December 2012, Oxfam Novib's loans and guarantees portfolio represented a value of 39.8 million euros (39.3 million euros in loans granted and 0.5 million euros in guarantees).

On the basis of an estimate of the risk of non-repayment of the current loan portfolio, a release for bad and doubtful debts of 0.4 million euros has been added to the statement of income and expenditure. The total provision amounted to 2.3 million euros at year end 2012 and is intended to provide for twelve substandard loans.

Oxfam Novib Fund portfolio outstanding by region, December 2012



Oxfam Novib Fund portfolio outstanding by currency, December 2012



The foreign exchange risk on loans granted (for microfinance in developing countries) is hedged by means of forward exchange contracts (FEC), except if there is no market for forward exchange contracts in the local currency. At year end 2012 the foreign exchange risks of 79 loans had been hedged by 174 forward contracts. In accordance with Guideline 290 the forward exchange contracts have been valued at current value since 2008. The current value of the forward exchange contracts at 31 December 2012 was a negative 421,000 euros on balance. The contracts with a positive value (742,000 euros) are included under 'Financial fixed assets', and contracts with a negative value (1,163,000

euros) are included under 'Debts'. The contracts with a positive value can be broken down into those with maturities of one year and less (435,000 euros) and those with maturities of more than one year (307,000 euros). The market value of all forward exchange contracts was a negative 350,759 euros. As a result of the foreign exchange hedges, the outstanding balance of loans and forward exchange contracts was 39,806,000 euros at year end 2012. Without forward contracts this would have been 40,241,000 euros. The maturities of these forward contracts range between zero and three years and correspond to the repayment schedules of the loans in question.

2.6.3 Inventories

Amounts in thousands of euros

	31-DEC-12	31-DEC-11
INVENTORIES PUBLISHING HOUSE		
Calendars	9	22
Country folders	-	28
Novels	162	32
Others	3	-
	174	82
Less: provision for obsolescence	22	26
BALANCE AT 31 DECEMBER	152	56
MOVEMENTS IN PROVISION FOR OBSOLESCENCE		
BALANCE AT 31 DECEMBER 2011	26	28
Plus: addition from net income	-	87
Less: charged to the provision	4	89
BALANCE AT 31 DECEMBER 2012	22	26

2.6.4 Receivables, receivables from governments and project funds overview

	31-DEC-12	31-DEC-11
RECEIVABLES FROM GOVERNMENTS	7.347	28.541
Debtors	361	633
Project funds Oxfam and other external organisations	6.943	9.278
Central overhead costs institutional funds	1.937	1.578
Interest receivable	25	-
Prepaid contribution to Oxfam International	139	851
Prepaid commuting costs	277	253
Current account other organisations	146	-
Fundraising proceeds receivable	999	2.560
To be settled with project funds	-	475
Other prepayments and receivables	798	921
	11.626	16.548
SPECIFICATION OF DEBTORS AND RECEIVABLES FROM GOVERNMENTS		
Debtors - general and government receivables	8.232	29.264
Less: provision for bad and doubtful debts	524	89
	7.708	29.175

Receivables on account of contributions pledged by participants in a Partner Plan, by regular donors and government donors are shown under 'Debtors and receivables from governments' and are stated less a provision for uncollectability.

The item 'Project funds Oxfam and other external organisations' relates to project funds to be received from other members of the Oxfam confederation (7.577 million euros), all other government agencies and all other external funds (jointly accounting for 6.943 million euros).

Project funds overview

BALANCE AT 31 DECEMBER 2011				
	Project obligations	Receivables	Commitment space	Total
Co financing	23.897	20.884	-	3.013
Dutch government	1.464	262	-	1.202
European Union	6.845	7.395	-	-550
GOVERNMENTS FUNDS	32.206	28.541	-	3.665
Oxfams	3.818	687	-	3.131
Other government and external funds	10.399	8.323	-	2.076
EXTERNAL FUNDS	14.217	9.010	-	5.207
Action Africa	1.046	-	999	2.045
Action earthquack Pakistan	20	-	1	21
Action Fluds Pakistan	39	-	-	39
Action Haïti	-	-	362	362
Action Stop Aids Now	434	268	91	257
SUBTOTAL	1.539	268	1.453	2.724
Oxfam Novib Projects	2.429	-	24.550	26.979
NPL special Projects	397	-	433	830
OWN FUNDS	2.826	-	24.983	27.809
TOTAL GENERAL	50.788	37.819	26.436	39.405

2.6.5 Cash and cash equivalents

Amounts in thousands of euros

	31 DEC. 2012	31 DEC. 2011
Savings accounts	16.423	15.268
Cash, bank and giro balances	47.976	41.556
Current account Triple Jump	5.108	2.470
	69.506	59.293

CHANGES IN 2012			BALANCE AT 31 DECEMBER 2012			
Approved	Received funds	Project transfers	Project obligations	Receivables	Commitment space	Total
50.964	65.962	62.711	12.150	5.839		6.311
6.446	8.526	5.565	2.346	-1.817		4.163
4.973	8.591	6.120	5.698	3.776		1.922
62.383	83.079	74.396	20.194	7.798	-	12.396
9.468	10.789	9.855	9.253	7.577		1.676
13.001	13.747	14.147	3.431	-634		4.065
22.469	24.536	24.002	12.684	6.943	-	5.741
1.025	18	2.071				-
-	-	37				-
-	-	20	2			2
4.180	3.811	4.180				-
500	455	205	729		46	775
5.705	4.284	6.513	731	-	46	777
17.512	9.903	17.484	2.457		16.941	19.398
5.435	6.748	2.357	3.475		1.752	5.227
22.947	16.651	19.841	5.932	-	18.693	24.625
113.504	128.550	124.752	39.541	14.741	18.739	43.539

An amount of 42.4 million euros of cash and cash equivalents is readily available. The balance (10.7 million euros) consists of earmarked project funds. The interest payable at year end 2012 on current account balances with ABN AMRO was equal to 1 month Euribor less 0.15 per cent per year.

With effect from January 2011 Rabobank became the new bank of Oxfam Novib. Rabobank emerged as the best bidder in a public tender for the selection of a principal bank. Corporate Social Responsibility (CSR) accounted for fifty per cent of the selection criteria. The main CSR criterion was the best possible policy with respect to all themes specified in the 'Fair Bank Guide', including climate change, human rights, labour rights, controversial arms trade and transparency.

A number of meetings were held between Oxfam Novib and Rabobank in 2012 to discuss improvements to the CSR policy on the above-mentioned themes and others, particularly land acquisition (and how to prevent land

grabbing) and transparency about investments. In June there was a constructive meeting at the level of the Board of Directors and in June and November there were in-depth meetings with the new head of Rabobank's sustainability department. In February, Oxfam Novib provided a lot of suggestions on Rabobank's new draft policies on human rights and biodiversity. Furthermore, several meetings were planned during the year to discuss the case study about land acquisition from the Dutch Fair Bank Guide as well as Oxfam Novib's campaign on land issues and specific recommendations on this topic. In spring, Rabobank formally adopted a new and more stringent policy on human rights. Also in spring, of all banks benchmarked in a case study of the Dutch Fair Bank Guide, Rabobank was the single largest Dutch investor in sustainable energy. In a new case study in November, Rabobank announced that it would improve its policy and tools to help prevent violations of labour rights when ships of Dutch and other companies are dismantled in harsh working conditions on Asian beaches.

2.6.6 Notes on reserves and funds

In accordance with the Dutch Accounting Standard for Fundraising Institutions (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 funds are resources that are tied to particular purposes by third parties.

Contingency reserve

The contingency reserve exists to ensure that the organisation can meet its obligations in the future. Its level is determined by the risks the organisation runs of any drop in income. This reserve is meant to guarantee the organisation's continuity.

In line with the model developed, the desirable size of the contingency reserve was recalculated on the basis of an estimate of the insecurity in income flows and the flexibility of costs. In doing this, the Directive for the Financial Management of Charities ('Richtlijn Financieel Beheer Goede Doelen') issued by the Dutch Association of Fundraising Organisations (VFI) was taken into account. This calculation indicates a desirable minimum size of 12.9 million euros and a maximum size of 20 million euros. The size of the contingency reserve was 13.6 million euros at the start of the year. It was decided to withdraw 0.6 million euros from the 2012 results of the contingency reserve. With this withdrawal the contingency reserve stays well inside the permitted size, mentioned in the code 'Reserves of Charities' of the Association of Fundraising Institutions, of 1.5 times the annual costs of the work organisation. In the case of Oxfam Novib that would amount to 74 million euros.

General notes on earmarked reserves

The earmarked reserves are earmarked for purposes that have been approved by the Board of Directors and the Supervisory Board. The largest earmarked reserves are those for Oxfam Novib development cooperation projects and for loans and guarantees. The funds in question will lead to approvals of projects or loans to partner organisations. The funds held in the earmarked reserve for loans originate from the co-financing programme and repayments on loans previously granted. When a loan is paid out to a partner, the corresponding amount is added to the earmarked loans fund and withdrawn from the earmarked reserve. This guarantees that all funds used for loans are in fact applied for their intended purpose.

General notes on funds

The largest earmarked fund is the earmarked loans fund. The resources added to this fund are the monies paid out as loans to partner organisations. Repayments received on those loans are withdrawn from the fund.

2.6.6.1 Reserves

Amounts in thousands of euros

BALANCE AT 31 DECEMBER 2011

Added

Withdrawn

NET MOVEMENTS

BALANCE AT 31 DECEMBER 2012

Earmarked reserve for Oxfam Novib development cooperation projects

Amounts in thousands of euros

	OXFAM NOVIB PROJECTS
BALANCE AT 31 DECEMBER 2011	24.550
Added: funds received	9.773
Interest less exchange differences	130
	9.903
Withdrawn: approved funds	17.512
	17.512
BALANCE AT 31 DECEMBER 2012	16.941

CONTINGENCY RESERVE	EARMARKED RESERVES					TOTAL RESERVES
	Oxfam Novib projects	Policy on senior staff	Loans / guarantees	Management and Administration costs	Subtotal Earmarked reserves	
13.565	24.550	767	10.819	1.551	37.687	51.252
	9.903	-	14.779	11.676	36.358	36.358
600	17.512	1	11.752	10.462	39.727	40.327
-600	-7.609	-1	3.027	1.215	-3.367	-3.967
12.965	16.941	766	13.846	2.766	34.319	47.285

The 'earmarked reserve for Oxfam Novib development cooperation projects' consists of the part of the unrestricted net assets comprising the funds earmarked in any year for grants to partner organisations from the income from direct fundraising, from the Dutch Postcode Lottery and from the net income of the publishing house. Approved grants to be disbursed from these funds to partner organisations are recognised in the statement of income and expenditure and charged to this earmarked reserve. The effect of the downward adjustment to project liabilities to be paid from Oxfam Novib's own resources is reflected in the lower number of project approvals. This measure has been taken to cushion the consequences of the government cutbacks. In addition, more unrestricted funds are available in the reserve for Oxfam Novib projects as a result of the successful recruitment of institutional donors for specific projects. These funds will be used to mitigate the impact of future fluctuations in receipts on partner organisations. This reserve will also be used to implement the strategic plan for 2013-2019 to be developed by the Oxfam confederation.

Earmarked reserve for policy on the senior staff
An earmarked reserve was created in 2002 to cover the extra costs of policy on the senior staff. An amount of 1 thousand euros was withdrawn from this reserve in 2012. This amount represents the difference between the budgeted gross addition and the costs in fact incurred.

Earmarked reserve for loans and guarantees

Amounts in thousands of euros

	LOANS AND GUARANTEES	PARTICIPATING INTERESTS	TOTAL
BALANCE AT 31 DECEMBER 2011	6.677	4.143	10.819
ADDED:			
Repayments on loans and guarantees	11.933	-	11.933
Appropriation of net income from lending activities	2.347	-	2.347
(Stock) dividends and capital gains on participating interests	-	499	499
	14.280	499	14.779
WITHDRAWN:			
Loans and guarantees provided	11.752	-	11.752
	11.752	-	11.752
BALANCE AT 31 DECEMBER 2012	9.205	4.642	13.846

The earmarked reserve for loans and guarantees consists of two elements. The first element consists of all funds intended for the provision of loans that have not yet been disbursed. When a loan is disbursed, a corresponding amount is added to the 'earmarked fund for loans to partner organisations'. The second element of this reserve consists of the value of the participating

interests held in TCX, ASN-Novib Fund, Oikocredit and Triple Jump, which have been financed from Oxfam Novib's own resources. These participating interests are held in order to enable the organisation to carry out its lending activities as effectively as possible. For more information about these participating interests please refer to section 2.6.2 'financial fixed assets'.

Earmarked reserve for management and administration costs

Amounts in thousands of euros

	STOP AIDS NOW!	SHO CAMPAIGNS	NPL	GOVERNMENT	OTHER DONORS	TOTAL
BALANCE AT 31 DECEMBER 2011	73	146	46	324	963	1.551
Added: approved management and administration costs	45	196	300	9.272	1.863	11.676
Withdrawn: realized management and administration costs	59	230	123	8.876	1.174	10.462
BALANCE AT 31 DECEMBER 2012	59	112	223	720	1.652	2.766

The 'earmarked reserve for management and administration costs' (the 'AKV reserve') is used to finance activities related to the management of projects in developing countries. The level of this earmarked

reserve is determined with due regard for internal guidelines designed to guarantee the continuity of the project cycle. The increase in this reserve was 1.2 million euros in 2012.

2.6.6.2 Funds

	STOP AIDS NOW!	SHO CAMPAIGNS	NPL	FUNDS BY NAME	GUARENTEES	LOANS PARTNER ORGANISATIONS	TOTAL
BALANCE AT 31 DECEMBER 2011	91	1.363	433	1.230	214	37.266	40.597
Added	455	3.842	6.755	1.083	288	10.086	22.509
Added changes in FEC	-	-	-	-	-4		-4
	455	3.842	6.755	1.083	284	10.086	22.505
Withdrawn	500	5.205	5.435	-	-	10.360	21.500
	500	5.205	5.435	-	-	10.360	21.500
BALANCE AT 31 DECEMBER 2012	46	-	1.752	2.313	499	36.992	41.602

Stop AIDS Now!

Stop AIDS Now! is a partnership of Aids Fonds, Hivos, ICCO, Cordaid Memisa and Oxfam Novib. Each of the partners receives an equal share of the income, which is used to finance HIV and AIDS projects. Oxfam Novib's share was 500,000 euros in 2012. After deduction of 9 per cent management and administration costs, 455,000 euros were added to this fund. The 500,000 euros spent on projects were withdrawn.

SHO campaigns

SHO (*Samenwerkende Hulp Organisaties*) is a coalition of Dutch humanitarian aid organisations that join forces to raise funds in case of major humanitarian disasters for the provision of aid to victims. SHO coordinates the provision of aid by its members and ensures that the general public in the Netherlands is well informed of the situation. The resources available in the 'SHO campaigns fund' at year end 2011 were all spent in 2012.

NPL special projects

The 'NPL special projects' fund comprises the funds received from extra drawings of the Dutch Postcode Lottery that have not yet been spent. The funds at the start of 2012 were for the '*Bomen keren het tij*' project, a mangrove restoration project run by partner organisation Metta in Myanmar. In 2012 Oxfam Novib received 7 million euros for the Internet Now! project. For more information about this project refer to section 2.7.3 'revenue from third party campaigns'.

Personalised Fund

The 'Personalised Fund' consists of the assets of individual personalised funds managed separately within Oxfam Novib. The income generated by these assets is recognised on a cash basis as 'income from direct fundraising' and is available for spending or is added back to the fund. In 2012 the income from the assets and other income related to the fund amounted to 48,211 euros. At year end 2012 the Personalised Fund's assets, which are managed by Oxfam Novib, consisted of:

- the Hans Geveling Derde Wereld Fonds (1,023,800 euros)
- the Herman Schuurman Fonds (110,000 euros)
- the Douma-Hamers Onderwijs Fonds (52,500 euros)
- the Verboom Pieterse Fonds (30,776 euros)
- the Hogerop Fonds (30,516 euros)
- the Voorhoeve Fonds (21,797 euros)
- the Fair Keys First Fund (48,445 euros)
- the Hilde Buma Fonds (20,360 euros)
- the Schrodgers Charity Fund (50,785 euros)
- the Kihle Fonds (21,235 euros)
- the Martin Vliegthart Fonds (902,659 euros)
- Total: 2,312,873 euros

Guarantees and loans to partner organisations
For more information about the loans and guarantees funds please refer to section 2.6.2 'financial fixed assets'.

2.6.7 Provisions

Amounts in thousands of euros

	ROW	DECENTRALISATION	HYPOTAX	PROJECT COSTS	TOTAL
BALANCE AT 31 DECEMBER 2011	47	1.200	700	-	1.947
Withdrawn	34	24	554	-	612
	34	24	554	-	612
Changes charged to income and expenditure statement	-	98	556	898	1.552
	-	98	556	898	1.552
BALANCE AT 31 DECEMBER 2012	13	1.273	702	898	2.886

Senior staff scheme

An amount of 13,000 euros of this provision is short-term in nature and is likely to fall due within one year. Three staff members participated in the senior staff scheme in 2012. The salary costs of these staff members have been charged to the provision. The replacement costs are recognised as salary costs.

Decentralisation

In 2010 Oxfam Novib decided to decentralise a large proportion of its operational activities to the countries where it works. To that end, Oxfam Novib is moving into existing country offices of other members of the Oxfam confederation in the developing countries in question or, where no country offices exist, establishing new country offices in collaboration with the other Oxfams. This has drastic consequences for staff at Oxfam Novib's headquarters in The Hague. The nature of the work there will change and a number of the jobs in The Hague will be lost in the coming years, in particular at the international department. On the basis of the Redundancy (Decentralisation) Scheme a provision of 1.4 million euros was made in 2010 to cover severance and outplacement costs. In 2011 0.2 million euro was used. Staff outplacement was successful in 2012 and some minor costs were incurred. The required size of the reserve was recalculated, which resulted in the increase of 0.1 million euros.

Hypo tax

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

Project costs

A provision is made for realised project costs in cases of the risk of uncollectability of agreed funds with government donors.

2.6.8 Debts

Amounts in thousands of euros

	31 DEC. 2012	31 DEC. 2011
LONG-TERM DEBTS		
Forward exchange contracts	1.163	2.389
	1.163	2.389
SHORT-TERM DEBTS		
Accounts payable	4.631	6.365
Taxes	776	661
Fundraising contributions received in advance	2.816	2.968
Other accruals and payables	3.113	2.555
	11.336	12.549
	12.499	14.938

For more information about the forward exchange contracts to hedge the foreign exchange risk on loans granted to microfinance institutions, please refer to section 2.6.2 'financial fixed assets', where the forward exchange contracts with a positive value are discussed. Contracts with a negative value are reported as debts. The contracts with a negative value can be broken down into those with maturities of one year and less (714,000 euros) and those with maturities of more than one year (449,000 euros).

The total value of contracts signed by back donors in 2012 amounts to 71.4 million euros. Of this amount, 24.0 million euros has been allocated to 2012 and 20.4 million euros to 2013. For the period 2014-2017 an amount of 27.0 million euros is available.

2.6.9 Project liabilities

Project liabilities outstanding at 31 December 2012 amounted to 39.5 million euros (31 December 2011: 50.8 million euros). 32.5 million euros of these liabilities are short-term in nature and are payable in 2013. The remaining 7.0 million euros are long-term project liabilities, i.e. due in more than one year. There are no project liabilities maturing after five years. For further details of these project liabilities please refer to section 2.6.4 'Project funds overview'.

2.6.10 Assets and liabilities not included in the balance sheet

Together with 1%CLUB, Butterfly Works, HIRDA and SOMO, Oxfam Novib has formed the IMPACT alliance to submit a single application to the Dutch Ministry of Foreign affairs for a grant under the MFS II co-financing system for the period 2011-2015. Oxfam Novib is the secretary of the IMPACT alliance. A total of 373.7 million euros has been granted to the alliance for the period 2011-2015, 14.4 million euros of which is intended for the other members of the IMPACT alliance for the period 2011-2015.

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.

Several offices are leased on long-term leases:

COUNTRY OFFICE	REMAINING PERIOD OF THE CONTRACT		
	< 1 year	1 - 5 years	> 5 years
Nairobi	209.354	761.985	-
OPTI	20.886	-	-
Maghreb/Tunis	9.966	-	-
Niger	38.783	-	-
Afghanistan	81.727	57.890	-
Pakistan	23.356	84.665	-
Vietnam	15.459	34.991	-
Mozambique	45.404	90.807	-
TOTAL	444.933	1.030.337	-

2.7 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

2.7.1 Income from direct fundraising

Amounts in thousands of euros

	FIN STMNT. 2012	BUDGET 2012	FIN STMNT. 2011
INCOME FROM DIRECT FUNDRAISING			
Donations by notarial deed	3.896	2.800	3.250
Inheritances	1.577	1.300	1.005
Private donors	18.471	18.125	18.576
Gifts	2.527	2.715	2.612
Companies	2.388	3.600	2.280
Foundations (US and Fin)	2.300	0	0
	31.158	28.540	27.724

In 2012, 361,796 people and companies supported Oxfam Novib financially (in 2011: 382,178). This consists of 236.848 regular donors, 113,380 incidental donors and 11,568 relationships from the publishing house. From direct fundraising Oxfam Novib received 31.2 million euros (in 2011: 27.7 million euros). Despite economic decline and high competition in the fundraising market, the target on income was exceeded by 318,000 euros in the traditional direct fundraising groups and by another 2,300,000 from US and international foundations, adding up to a growth in direct fundraising income of 12.4 per cent compared to 2011. High growth areas include 'personalised funds', legacies and the SME network 'Ondernemers voor Ondernemers'. Support for ongoing projects was extended from existing partners such as ASN Bank, SCA (Libresse, Edet, Tork and Tena) and Philips.

2.7.2 Share of revenues from joint campaigns

	FIN STMNT. 2012	BUDGET 2012	FIN STMNT. 2011
REVENUES FROM JOINT CAMPAIGNS			
Other external donors	0	0	924
	0	0	924

Oxfam Novib did not receive income from joint campaigns in 2012 (in 2011: 0.9 million). The income from US and international foundations is reported as income from direct fundraising, starting in 2012.

2.7.3 Share of revenues from third-party campaigns

Amounts in thousands of euros

	FIN STMT. 2012	BUDGET 2012	FIN STMT. 2011
REVENUES FROM THIRD-PARTY CAMPAIGNS			
Standard contribution NPL	13.500	13.500	13.500
Dream fund NPL (2012) / extra drawings NPL (2011)	7.048	0	1.585
Emergency relief SH0	4.039	0	3.603
Stop Aids Now!	500	775	795
	25.086	14.275	19.483

Revenues from third-party campaigns include: Samenwerkende Hulporganisaties (SH0), Stop AIDS Now! (SAN!) and the Dutch Postcode Lottery.

Dutch Postcode Lottery

Oxfam Novib receives a yearly standard support from the Dutch Postcode Lottery of 13.5 million euros. In February 2012 at the "Goed Geld Gala" Oxfam Novib received, on top of the standard support, 7 million euros to finance a project: Internet Now!. This innovative project is bringing internet access to people in remote areas in Uganda, giving people the opportunity to start their own businesses and earn their own income. In 2012 the Dutch Postcode Lottery and Oxfam Novib signed a new contract for the next 5 years (2013-2017). This concerns the yearly standard support from the Dutch Postcode Lottery of 13.5 million euros.

SAN!

Stop AIDS Now! is a cooperation between Aids Fonds, Hivos, ICCO, Cordaid Memisa and Oxfam Novib. Each partner gets a part of the revenue to support HIV and AIDS projects. The share of Oxfam Novib is 0.5 million euros in 2012.

Samenwerkende Hulporganisaties (SH0)

As a matter of policy, Oxfam Novib does not budget any income from emergency relief programmes. In 2012 no emergency SH0 fundraising campaigns took place. In 2012 Oxfam Novib worked on programmes from previous years: the Horn of Africa and Haiti. The income was 4 million euros. The appendices will give more detailed information on the income and expenditures of 2012 and previous years.

2.7.4 Government grants

Amounts in thousands of euros

	FIN STMNT. 2012	BUDGET 2012	FIN STMNT. 2011
GOVERNMENT GRANTS			
Co-financing	59.563	63.031	44.709
Other Dutch government grants	6.873	0	2.251
European Union	4.422	0	3.923
Other governments	11.202	26.029	15.665
Oxfams	10.650	5.696	8.173
	92.710	94.756	74.721

Co-financing

Oxfam Novib receives government grants under the co-financing programme of the Dutch Ministry of Foreign Affairs (Development Cooperation) on the basis of a grant application made in 2010. The amount of these grants is fixed for the period 2011-2015. The grants are disbursed on a cash basis. Conversely, income and expenditure is recognised on the basis of the projects and programmes of partner organisations that have been approved by Oxfam Novib. Under the Dutch Accounting Standard for Fundraising Institutions (RJ 650), income and expenditure must be recognised on the basis of approvals rather than on a cash basis. Government grants – co-financing amounted to 59.6 million euros in 2012, which is 14.9 million euros higher than in 2011. In 2011 there were many continuing liabilities from 2010 (multi-year approvals with partner organisations) which ended in 2012. This enabled Oxfam Novib to provide new grants to partner organisations in 2012, which resulted in an increase in co-financing grants. Consequently the income from grants under the co-financing programme as disclosed in the financial statements (59.6 million euros) differs greatly from the income on a cash basis (74.4 million euros). Co-financing funds accounted for 38 per cent of total income in 2012 (2011: 35 per cent).

Other Dutch government grants

Grant income from Dutch government other than co-financing amounted to 6.9 million euros in 2012 as compared to 2.3 million euros in 2011. New contracts were signed for an amount of 22.5 million euros. These contracts included a project of 2 million euros to support civil society in Mozambique in the area of governance, and a 5.2 million euros contract in Afghanistan and Pakistan in the area of human security.

European Union

Grant income from the European Union was 4.4 million euros in 2012, 0.5 million euros higher than in 2011. New contracts were signed with the European Union in 2012, representing a total value of 11.8 million euros. One of the projects covered by these contracts is entitled 'protecting the rights and improving the resilience of vulnerable Palestinian communities in East Jerusalem' and accounts for 3.2 million euros.

Other governments

Grant income from other governments than the Dutch and European governments was 11.2 million euros in 2012, 4.5 million euros lower than in 2011. New contracts signed include a 4.2 million euro project with UNICEF on food access and nutrition support for vulnerable households in south central Somalia.

Other Oxfams

Grant income from other Oxfams was 10.7 million euros in 2012, 2.5 million euros higher than in 2011. Oxfam is an international confederation of 17 independent organisations which work together in 94 countries to fight poverty and injustice. More than 10,000 paid staff members and over 47,000 volunteers work for the members of the Oxfam confederation jointly. The total joint income of the members of the Oxfam confederation for the period 1 April 2011 to 31 March 2012 was 918 million euros. Total expenditure for that period amounted to 920 million euros. The income raised from institutional donors, mainly governments, was 345 million euros, while 376 million euros came from direct fundraising, joint campaigns (similar to those run by SHO) and other sources, such as lottery revenues (e.g. the Dutch Postcode Lottery). The main expenditure categories are development aid projects and humanitarian projects (510 million euros) and campaigns (46 million euros).

All Oxfam members are independent organisations, although they are increasingly working together to implement a joint and integrated programme. The income shown here is the income received from other members of the Oxfam confederation for the implementation of projects by Oxfam Novib and partners.

2.7.5 Other income and revenue

Amounts in thousands of euros

	FIN STMNT. 2012	BUDGET 2012	FIN STMNT. 2011
INCOME FROM INTEREST			
Interest current account	112	50	170
Interest co-financing (included in grant income)	0	130	0
Interest own funds	229	150	255
Interest and inflation adjustment on loans, deposits and participating interests	4.362	3.137	3.632
	4.704	3.467	4.057
OTHER INCOME			
Exchange results	0	0	10
Stock dividend/changes share capital value	499	0	37
Dividend payment Triple Jump	182	0	86
Income (gross profit) public information activities publishing house	2.046	2.107	2.275
	2.727	2.107	2.409

The interest received on current account deposits, loans and the organisation's own funds exceeded the budgeted amounts. This was thanks to the cautious budget that had been set for 2012 in view of the very low interest rates prevailing in the previous year. The higher interest on loans is mainly a result of the relatively weak position of the euro in 2012. This caused a very good performance on the non-hedged loans.

The income from stock dividends/change in share capital value relates to the participating interests held in Triple Jump, TCX, ASN-Novib Fund and Oikocredit (see section 2.6.2 'financial fixed assets'). The table below presents the figures in the format specified by VFI in its Financial Management Guideline. The figures are based on the profit figures of the entities in which the aforesaid participating interests are held. Net income from cash and cash equivalents represents the interest received on current account deposits and on the organisation's own funds. For more information on the management of cash and cash equivalents, please refer to the section on 'Cash and cash equivalents' in the notes to the balance sheet.

Summary on the basis of the VFI Financial Management Guideline

Return on savings and investments

Amounts in thousands of euros

		2008	2009	2010	2011	2012
MISSION-RELATED INVESTMENTS						
Bond yields		-	-	-	-	-
Dividends		20	77	61	86	182
Realized price gains		-304	-35	-	47	-41
Unrealized price gains		45	936	544	-10	540
Gross investment return		-239	978	605	123	681
Investment costs		-	-	-	-	-
NET INVESTMENT RETURN		-239	978	605	123	681
INVESTMENT PERFORMANCE						
Average performance 2008-2012 %	12,35%					
Average performance 2008-2012 amount	430					
NET INCREASE IN CASH AND CASH EQUIVALENTS						
Interest on current account and organization's own funds on savings accounts and deposits		1.055	635	243	425	342

The publishing house publishes books, calendars and other print products. The gross profit of the publishing house is recorded under 'other income' because the publishing house is not a fundraising business but has a public information role. The public information relates to development cooperation in general and Oxfam Novib's mission in particular. The expenditure of the publishing house is included under 'Public information and marketing'.

2.7.6 Expenditure allocation

GOAL OF STRUCTURAL POVERTY ALLEVIATION						
	Projects and programmes	Lobbying and advocacy by partner organisations	Lobbying and advocacy by Oxfam Novib	Support provided to partner organisations	Popular campaigning	Public information and marketing
Grants and contributions	79.731	15.641	-	-	2.328	-
Fees and other payments	-	-	2.423	-	-	-
Outsourced work	2.960	581	-	-	-	-
Publicity, communication, other campaigning costs	183	36	1.593	49	1.842	2.689
Staff costs	14.045	2.203	2.310	2.886	1.238	784
Housing costs	346	46	51	87	33	20
Office and general expenses	8.022	1.241	363	1.069	175	119
Depreciation	713	96	101	178	65	40
TOTAL	105.999	19.844	6.841	4.269	5.682	3.652
grants, contributions, fees & other payments, purchases, acquisitions, outsourced work, publicity and communication (except if allocated to goals:)						
staff, housing, office & general and depreciation	23,126	3,586	2,825	4,220	1,512	964
Total internal operating costs						
Maximum size of contingency reserve is 1.5 times the annual internal operating costs:						

COSTS OF GENERATING INCOME					MANAGEMENT AND ADMINISTRATION	TOTAL		
Direct fundraising	Joint campaigns	Third-party campaigns	Government grants			Financial statements 2012	Budget 2012	Financial statements 2011
-	-	-	-	-	-	97,699	90,882	68,323
-	-	-	-	-	-	2,423	2,412	2,062
-	-	-	-	-	-	3,541	1,433	2,833
5,031	-	373	-	-	-	11,795	15,407	13,678
910	-	264	1,859	2,316	-	28,816	27,854	23,096
22	-	8	62	61	-	738	838	732
140	-	97	743	868	-	12,837	8,255	10,166
44	-	17	126	120	-	1,500	1,446	1,322
6,147	-	760	2,790	3,366	-	159,349	148,527	122,212
5,031	-	373	-	-	-	5,404		
1,116	-	387	2,790	3,366	-	43,891		
						49,295		
						73,942		

Notes on expenditure allocation

Oxfam Novib uses several cost allocation keys:

- a keys for the allocation of costs of the central and management departments and the Board of Directors to management and administration costs. More information can be found in Section 2.4 'Accounting policies for the valuation of assets and liabilities';
- b keys used within the Campaigns department for the allocation of costs to public information and marketing, direct fundraising, popular campaigning, third-party campaigns (Dutch Postcode Lottery) and management and administration;
- c keys for the allocation of the costs of the primary process to activities in furtherance of the organisation's goals and to the generation of income from institutional sources of funding;
- e key 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;
- f 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;
- g key for the allocation of the costs of grants (project approvals) to 'lobbying and advocacy' and 'projects and programmes' on the basis of the three intervention strategies. The costs of approved projects aimed at sustainable poverty reduction and civil society building are included under 'Projects and programmes'. The costs of approved projects aimed at 'lobbying and advocacy' are included under 'Lobbying and advocacy'.

Notes to the figures:

Grants and contributions

This reflects only the amounts that have been approved for disbursement to partner organisations. Grants and contributions exceeded the budget by 6.8 million euros as a consequence of successful institutional fundraising outcome (8.4 million euros). The grants on co-financing were 6.2 million euros lower than budgeted. No provision was made in the budget for the amount spent on emergency relief through SH0 (5.2 million euros) because emergency relief is not budgeted. The amount committed to approved projects funded from Oxfam Novib's own resources was lower (0.6 million euros).

2012 saw an increase of 29.4 million euros compared to 2011. This was due in particular to the cutbacks in 2011 on the co-financing programme of the Dutch Ministry of Foreign Affairs (Development Cooperation), which explained the low level of grants in 2011. Also, in 2011 there were many continuing liabilities from 2010 (multi-year approvals with partner organisations) which ended in 2012. This enabled Oxfam Novib to provide new grants to partner organisations in 2012, which resulted in an

increase of co-financing grants. The amounts committed to approved projects funded from Oxfam Novib's own resources also increased compared to 2011 in line with the budget for 2012. Also the amounts committed to approved projects funded by institutional donors were significantly higher than those in 2011. This is caused by the successful outcome of institutional fundraising.

These grants are disbursed on a cash basis. Conversely, income and expenditure is recognised on the basis of the projects and programmes of partner organisations that have been approved by Oxfam Novib. Under the Dutch Accounting Standard for Fundraising Institutions (RJ 650), income and expenditure must be recognised on the basis of approvals rather than on a cash basis.

Fees and other payments

The core contribution payable to Oxfam International was budgeted at 1.0 per cent of total income. Oxfam International supports the development of candidate members from the Membership Growth Grants Fund. Each Oxfam organisation makes an annual contribution of 0.3 per cent of its income to this Fund.

Outsourced work

Outsourced work comprises the fee paid to Triple Jump (1.4 million euros) and the consultancy fees paid for projects, inclusive of evaluation costs. The latter expenditure category was not specifically provided for in the budget. The fee paid to Triple Jump was in keeping with the budget. The costs are higher than in 2011 because there are more projects with partner organisations and hence more evaluation costs.

Publicity, communication and other campaigning costs

This category comprises the campaigning costs incurred on 'lobbying and advocacy' and 'popular campaigning', as well as the costs associated with loans, recruitment, public information and marketing, the provision of information to the corporate sector and third-party campaigns.

The budget was underspent by 3.6 million euros. The main causes can be summarised as follows:

- The budgets for campaigning costs on 'lobbying and advocacy' (0 million euros), 'popular campaigning' (-0.1 million euros), 'Knowledge Management' (+0.2 million euros) were overspent by a total of 0.1 million euros because extra investments in Oxfam in business and other smaller deviations. Furthermore, the costs for innovation projects turned out to be lower than anticipated (0.1 million euros).
- An amount of 0.6 million euros had been budgeted as campaigning costs to cover the costs of the rapid deployment team for humanitarian assistance. In the financial statements these costs have been reclassified to staff costs and general expenses.

- An amount of 0.15 million euros had been budgeted as costs for special projects. In the financial statements these costs have been reclassified to staff costs and other costs.
- The exchange losses on loans granted for microfinance purposes were 0.3 million euros lower in 2012 than budgeted. The addition to the 'provision for loans' was not the budgeted 1.0 million euros, but there was a release of 0.4 million euros. This gives a difference of 1.4 million euros. These costs can fluctuate significantly from year to year. Because these costs are met from the earmarked reserve and the earmarked fund for loans and guarantees, they have no impact on the contingency reserve.
- An amount of 0.9 million euros budgeted as campaigning costs was classified as staff costs.

The main causes of the difference between the costs for 2012 and 2011 of total 1.9 million euros are:

- Expenditure on loans was 1.3 million euros lower. The loan-related costs are 0.3 million exchange losses which was compensated by the 0.4 million euros release of the provision. In 2011 it was 1.2 million euros (addition of 0.9 million euros to the provision and exchange losses of 0.3 million euros);
- Expenditure on popular campaigning was 0.2 million euros higher than 2011.
- Lower expenditure on public information and marketing of 0.4 million euros.
- Higher expenditure on knowledge management of 0.3 million euros.
- In 2012 an amount of 0.9 million euros budgeted as campaigning costs are classified as staff costs.

Staff costs

The Hague

The total number of staff members working at Oxfam Novib's headquarters was 324 at 31 December 2012 (31 December 2011: 312). This rise by 12 staff members is due to an increase for the rapid response team and growth of staff funded by external funds and temporary activities, which more than offset a decrease due to the continuing decentralisation process. Because of the decentralisation process the number of staff working in The Hague will be further decreased in the following years.

Field offices

The number of field office staff increased from 148 to 267. 66 staff members were posted to field offices and 201 worked in field offices under local contracts. This growth is due to the decentralisation process and the allocation of more staff members to projects funded by institutional donors, such as the SIDA project in Mozambique. The staff members in question are largely local.

Total staff costs were 28.8 million euros in 2012, 1.0 million above the budget. This total amount can be broken down into regular staff costs (23.8 million euros), staff costs charged to projects (2.9 million euros), staff costs out of the campaigning and lobby budget (0.9 million euros) and training and other staff costs (1.2 million euros). The difference from the budget on regular staff costs was an overspending of 1.4 million euro, an underspending of 0.8 million for staff costs charged to projects and an underspending of 0.6 million euros on other staff costs and the reclassification of 0.9 million euros out of the campaigning and lobby budget. The overspending on the regular staff costs is due to extra costs on pensions contribution (indexation and governance), extra investments in growth strategy on institutional funds, and extra costs due to decentralisation.

An amount of 0.6 million euros had been budgeted as campaigning costs to cover the costs of the rapid deployment team for humanitarian assistance. In the financial statements the associated costs have been reclassified to staff costs.

The other staff costs relate, inter alia, to non-regular childcare in connection with business trips, parental leave, the senior staff scheme, and expenditure on health and safety at work. These costs are 0.3 million euros lower than budgeted. The amount of the staff costs spent on training, 0.4 million euros, was 0.3 million euros lower than budgeted because extensive use was made of the organisation's own staff for training.

The increase in staff costs by 5.7 million euros compared to 2011 is due to the budgeted increase of staff costs because of the decentralisation and the increase of staff costs charged to projects and the reclassification made in 2012 of 0.9 million euros out of the campaigning and lobby budget to staff costs.

Staff pensions

The pensions of Oxfam Novib's staff are insured with Zwitserleven. In 2011 the investment strategy was reviewed. Action had to be taken because the funding ratio was too low. The fixed-interest component (80 per cent) was transferred in two steps to another fixed-income portfolio with a longer duration; the first step took place in 2011, the second step took place in 2012, when the German 30 years interest came under 2.25 per cent. The equity position (20 per cent in ASN shares) was maintained. The changes to the investment policy have reduced the interest rate risks. The requirements with respect to CSR will continue to apply in full and are based on the ASN standards and criteria.

The composition of staff costs is as follows:

Salaries headquarter and ex-pats	18.174
Salaries local contracts country offices	3.348
Social security contributions	2.538
Pension costs	2.347
Temporary workers	1.232
Travel home - work	503
Other costs	672
TOTAL	28.816

Cost of housing

The housing costs in 2012 were underspent by 124,000 euros. The main underspending is visible in the depreciation costs. The investments in the kitchen and canteen were shifted to 2013. Because of uncertainty about the future accommodation of Oxfam Novib, large investments in housing were postponed. In addition, the

depreciation costs were lower due to the fact that investments were realised later during the year than planned. Another reason for the underspending is that weather conditions in 2012 led to lower heating costs.

Office and general expenses

The office and general expenses are 12.8 million euros. This is 4.6 million euros above the budgeted 8.3 million euros. 6.4 million euros of the office and general expenses relate to the carrying out of projects and evaluations by Oxfam Novib itself. This amount also comprises the costs of travel, ICT and auditors' fees. The expenses relating to the carrying out of activities by the organisation itself had largely been budgeted at the amount allotted for approvals. This has resulted in an increase of 5.4 million euros compared to the budget for 2012. ICT expenditure without depreciation was in keeping with the budget. Compared to 2011 these expenses increased because of the budgeted increase in country offices due to decentralisation and an increase of the costs related to the carrying out of projects.

Auditors' fees

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

Amounts in thousands of euros

	AUDIT OF THE FINANCIAL STATEMENTS	OTHER AUDIT SERVICES	TAX CONSULTANCY SERVICES	OTHER SERVICES	TOTAL
1. PWC Accountants NV	119	98	-	16	233
2. PWC Pensions, Actuarial & Insurance services BV	-	-	-	2	2
3. PWC Belastingadviseurs NV	-	-	-3	-	-3
4. PWC South Africa	-	11	-	-	11
5. PWC Cameroun Sarl	-	4	-	-	4
6. PWC Isla Lipana & Co, Philippines	-	9	-	-	9
7. PWC Uruguay (via Tercer Mundo)	-	12	-	-	12
8. PWC Dongo-Soria, Peru	-	10	-	-	10
9. KPMG Accountants NV	-	-	-	24	24
10. KPMG Advisory NV	-	-	-	6	6
11. KPMG Management Services NV	-	-	-	3	3
12. KPMG Afghanistan Ltd	-	23	-	12	36
13. KPMG Angola SA	-	-	-	22	22
14. KPMG Zimbabwe	-	3	-	1	4
15. Deloitte Belastingadviseurs BV	-	-	13	-	13
16. Deloitte Accountants BV	-	6	-	-	6
17. Deloitte Uganda Ltd	-	-	-	28	28
18. Fabel, Werner & Schnittke GmbH	-	19	-	0	19
19. Dubois & Co (via I-solutions & WPF)	-	11	-	-	11
20. BDO South Africa	-	6	-	-	6
21. Emanuel Ozigi, Nigeria	-	9	-	-	9
TOTAL	119	222	10	115	465

The fees specified above 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.

Depreciation

The depreciation charges are in line with the budget. Depreciation is higher than in 2011 because of investments in ICT recent years.

2.7.6.1 Costs of direct fundraising

Amounts in thousands of euros

	FIN STMT. 2012	BUDGET 2012	FIN STMT. 2011
COST OF DIRECT FUNDRAISING			
Mailings and street fundraising	4.443	4.111	4.172
Market research	2	18	18
Postage and shipping costs	245	221	224
Notary's fees deeds of gift	59	94	95
Telemarketing	302	589	598
Various	56	104	106
TOTAL	5.108	5.137	5.213
Departmental costs direct fundraising	1.039	1.403	1.377
TOTAL	6.147	6.540	6.590
As % of income direct fundraising	19,7%	22,9%	23,8%

The costs of direct fundraising amounted to 6.1 million euros in 2012. These costs were less than the budget, mainly because of lower departmental costs. The costs of direct fundraising accounted for 19.7 per cent of total income. The CBF criterion for organisations holding the CBF Seal of Approval is that the average costs over three consecutive years may not be higher than 25 per cent of the income. Oxfam Novib's three-year average is 21.8 per cent.

Due to stricter regulations on telemarketing (for instance the 'call-me-not' register), the costs on telemarketing are lower than in 2011 and lower than the budget for 2012. The budget was shifted towards mailings, door-to-door and street fundraising.

2.7.7.1 Salary and emoluments paid to Directors

The Supervisory Board sets the remuneration policy for the Directors. After a significant cut in salaries in 2011 (14%) the Supervisory Board has decided to increase the generic salaries in 2012 with 3%, well within the boundaries of the VFI standards.

In all other respects, the remuneration policy for the members of Oxfam Novib's Board of Directors (as amended most recently by Human Resources and approved by the Supervisory Board on 5 October 2007) remains applicable. Oxfam Novib adheres to the Advisory Scheme for the Remuneration of Directors of Charity Organisations of VFI (Association of Fundraising Organisations) and the Wijffels Code of Good Charity Governance. The 'Remuneration Policy for the Board of

Directors' is based on the criteria of this Scheme and Code relating to remuneration, job grading and maximum salary for directors. The employment contracts of the Directors are not under the jurisdiction of the Collective Labour Agreement (CAO) for Oxfam Novib.

Annual income

The Advisory Scheme sets criteria for determining the level of skill, effort, and responsibility required for executive positions and sets maximum annual income standards. The Supervisory Board has assessed the positions of the Board of Directors on the basis of those criteria. Oxfam Novib has a multi-member Board of Directors with a Chair. The position of Chair was rated at 452 points, which corresponds with a maximum annual income for 2012 of 124,233 euros on the basis of full-time employment, the same as in 2010 and 2011. The positions of the other members of the Board of Directors

were rated at 416 points, which corresponds with a maximum annual income for 2012 of 109,550 euros on the basis of full-time employment, also the same as in 2010 and 2011. VFI has published a guideline against which the actual annual incomes of directors can be assessed. All those incomes remained within the above-mentioned maximum amounts. The actual annual incomes were as follows: 104,367 euros for the Chair of the Board of Directors, F. Karimi, 92,016 euros for Directors A.N. Papma and T.J. Bouma and 87,733 euros for Director T. van der Lee. These amounts are inclusive of holiday pay. All the members of the Board of Directors worked full-time (1 FTE) throughout the year (twelve months).

NAME	F. KARIMI	T. BOUMA	A. PAPMA	T. VAN DER LEE
Job title	Executive Director	Director of the International Department	Operations Director	Lobbying & Campaigns Director
EMPLOYMENT				
Type of contract	permanent	permanent	permanent	permanent
Hours	36	36	36	36
FTE percentage	100	100	100	100
Period	1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
REMUNERATION (EUR)				
Annual income				
Gross salary	96.636	85,200	85,200	81,234
holiday pay	7,731	6,816	6,816	6,499
year-end bonus, 13th/14th month	-	-	-	-
variable annual income	-	-	-	-
TOTAL	104.367	92,016	92,016	87,733
<i>Total 2011</i>	<i>100.881</i>	<i>89,320</i>	<i>89,320</i>	<i>81,946</i>

Salary and emoluments

In addition to the annual income, the remuneration also comprises taxed allowances, social insurance contributions and pension contributions. The figures for 2012 together with the comparative figures for 2011 are shown below.

NAME	F. KARIMI	T. BOUMA	A. PAPMA	T. VAN DER LEE
Job title	Executive Director	Director of the International Department	Operations Director	Lobbying & Campaigns Director
Total annual income 2012	104,367	92,016	92,016	87,733
Employer's social insurance contributions	9,031	9,033	9,033	9,052
Taxable allowances / additions to taxable income	8,818*	-	-	-
Employer's pension contributions	15,002	13,220	13,220	12,318
Other deferred employee benefits	-	-	-	-
Fixed expense allowance	2,314	2,314	2,314	2,314
Variable travel allowance	-	-	-	-
Business travel allowance	222	-	207	-
Employment termination payments	-	-	-	-
TOTAL REMUNERATION 2012	139,754	116,583	116,790	111,417
<i>Total remuneration 2011</i>	<i>124,432</i>	<i>110,782</i>	<i>110,879</i>	<i>102,416</i>

- The pension costs consist of the employer's portion of the pension contributions to the pension plans.
- The taxable allowances/additions to taxable income for the executive director consist of paid out non-statutory leave.
- No loans or guarantees have been provided and no advance payments have been made to the members of the Board of Directors.

2.7.7.2 Supervisory Board

The members of the Supervisory Board receive no remuneration.

2.7.7.3 Executives' Pay Financed from Public Funds (Disclosure) Act (Wopt)

Oxfam Novib comes within the purview of the Executives' Pay Financed from Public Funds (Disclosure) Act (Wopt). Accordingly, the taxable annual salaries of its officers must be disclosed to the extent that they exceeded 194,000 euros in 2012. None of the Directors or other officers of Oxfam Novib received a taxable annual salary in excess of this amount in 2012.

The Hague, 15 April 2013

BOARD OF DIRECTORS	SUPERVISORY BOARD
Farah Karimi, Executive Director	Joris Voorhoeve, Chair
Theo Bouma, Director of the International Department	Hanzo van Beusekom
Tom van der Lee, Lobbying & Campaigns Director	Petra Bijl
	Joyeeta Gupta
	Marianne van Leeuwen
	Kees Tukker
	Peter Verbaas



Independent auditor's report

To: the Supervisory Board and board of directors of Stichting Oxfam Novib

We have audited the accompanying financial statements 2012 of Stichting Oxfam Novib, The Hague, which comprise the balance sheet as at 31 December 2012, the statement of income and expenditure for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Board of directors' responsibility

The board of directors is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for annual reporting 650 "Charity organisations" of the Dutch Accounting Standards Board. Furthermore, the board of directors 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements 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 foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the financial statements.

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

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, The Netherlands

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Announcement according to the annual report

We have read the annual report in order to identify material inconsistencies, if any, with the audited financial statements. Based on reading the annual report we established that the annual report is consistent with the information in the financial statements and that the annual report contains all information required by the Guideline for annual reporting 650 "Charity Organisations" of the Dutch Accounting Standards Board. We have not audited or reviewed the information in the annual report.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Oxfam Novib as at 31 December 2012, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 "Charity organisations" of the Dutch Accounting Standards Board.

Amsterdam, 15 April 2013
PricewaterhouseCoopers Accountants N.V.

Original signed by H.A. Wink RA MBA

2.8 POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which would require adjustment to the financial statements of Oxfam Novib for the year 2012.



Photo: Muren West

CHAPTER 3

BUDGET 2013 AND MULTI ANNUAL BUDGET 2014-2017

3 BUDGET 2013 AND MULTI ANNUAL BUDGET 2014 - 2017

Amounts in thousands of euros

	2013	2014	2015	2016	2017
INCOME					
Income from direct fundraising	34.541	37.075	39.804	41.821	43.970
Revenues from third-party campaigns	15.775	15.775	15.775	15.925	16.095
Government grants - co-financing	79.338	72.917	54.121	74.471	74.471
Government grants - other	59.225	71.225	85.625	94.265	103.765
Interest income	3.152	3.022	2.896	2.772	2.746
Other income	1.963	2.001	2.041	2.082	2.124
TOTAL INCOME	193.994	202.015	200.263	231.336	243.171
EXPENDITURE					
Expenditure on goal of 'structural poverty alleviation'					
Projects and programmes	145.243	154.363	152.338	176.245	186.222
Lobbying and advocacy by partner organisations	18.117	19.235	18.962	21.977	23.225
Lobbying and advocacy by Oxfam Novib	5.937	5.721	5.817	6.180	6.480
Support provided to partner organisations	3.717	3.655	3.776	3.887	4.019
Popular campaigning	5.383	5.368	5.385	5.403	5.426
Public information and marketing	3.570	3.547	3.553	3.590	3.632
TOTAL	181.966	191.889	189.832	217.282	229.003
Costs of generating income					
Costs of direct fundraising	6.237	6.216	6.237	6.301	6.331
Expenditure on third-party campaigns	457	457	458	460	463
Costs of securing government grants	3.102	3.206	3.291	3.387	3.502
TOTAL	9.796	9.879	9.986	10.148	10.296
MANAGEMENT AND ADMINISTRATION					
management and administration costs	3.165	3.183	3.231	3.280	3.339
TOTAL EXPENDITURE	194.927	204.951	203.049	230.710	242.638
NET RESULT	-933	-2.937	-2.786	626	533
Expenditure on goals - not reflected in statement of income and expenditure					
Loans and guarantees provided	14.200	14.142	14.094	13.967	13.838
Repayments received	14.325	14.176	14.042	13.920	13.779
Appropriation of net result					
Added / charged to					
Earmarked reserves	-2.919	-4.792	-4.517	-1.074	-1.219
Earmarked funds	1.986	1.855	1.731	1.700	1.752
Contingency reserve	0	0	0	0	0
TOTAL	-933	-2.937	-2.786	626	533

For several years Oxfam Novib has pursued a strategy of diversification of income. In order to strengthen the financial sustainability of the organisation – which is needed to fulfil our mission of a just world, without poverty – we wanted to ensure that we are not too dependent on only a few major (institutional) donors. Oxfam Novib has not only been successful in gradually increasing income through private and corporate donations, but has been very successful in increasing funding from institutional donors outside the Netherlands.

The decentralisation of our work in developing countries has enabled us to better match proposals to the requirements of institutional donors. Many of them work with a decentralised approach as well. This is one of the explanations for the substantial growth of our income from institutional donor level. In 2013 Oxfam Novib will finalise the decentralisation process, with 4 more countries to be decentralised.

Oxfam Novib is also investigating other ways to diversify income. One of the initiatives in 2012 was the development of a business case for community fundraising in Sweden. The Board of Directors, in consultation with the Supervisory Board, will take a decision on this project in the first quarter of 2013.

Next to our substantial micro finance portfolio (in e.g. ASN Novib funds and with Triple Jump), Oxfam Novib is investigating new forms of financial support for SMEs in the developing countries where we work. Research shows that there is a clear need for more investments in SMEs – sometimes referred to as the ‘missing middle’ – and that this could lead to clear social and economic impact. These new possibilities are being investigated under the project name of “Oxfam in Business.”

In the Dutch context the growing pressure on government funding of international cooperation makes multi-annual budgeting a difficult exercise. Oxfam Novib as an organisation is confident, however, that the quality of our work and the added value we have as a true international NGO will lead to continued funding by the Dutch

government. The economically challenging environment and the Dutch government’s announced cutbacks that won’t have an impact on the current government grant up until 2015, but will have a very substantial impact after 2015. The government wants to develop a new system for supporting civil society organisations based on a budget that is half as big as the current MFS2 budget. Around the summer of 2013 the framework of the new system will be made public.

The income from the Dutch Postcode Lottery is stably budgeted for 13.5 million a year, based on a new five year contract between Oxfam Novib and the NPL. On top of that we hope to generate more funding from the Dutch Postcode Lottery through submissions for the so called Dream Fund and Extra Drawing.

At global and European level a debate has started on the post 2015 Agenda. Oxfam has developed a joint position and would like to see an integration of social development goals with sustainable development goals. Related to this new agenda is the discussion on financing for development. That’s why the OECD has decided to look into the definition of a new norm for financing international cooperation and modernisation of the criteria for Official Development Aid (ODA). Oxfam Novib will follow this closely and will try to use its influence to achieve the most pro-poor outcome possible.

One result of the decentralisation process is that at the beginning 2013 the number of staff working in the country offices exceeded the number of staff working at the office in The Hague. With the finalisation of this process this will become even more evident.

Oxfam Novib is part of Oxfam International. Within Oxfam further initiatives are being taken to improve the impact and cost efficiency of our operations. Oxfam Novib is actively contributing to this process. In the countries, approaches to shared services are being developed and on a global level further harmonisation of processes is being investigated.

ANNEX I OXFAM NOVIB / SHO HAITI RESPONSE

Amounts in thousands of euros

INCOME

Public donations (SHO funds)

Interest

TOTAL INCOME

COST FOR PREPARATION AND COORDINATION (AKV)

AKV

TOTAL AVAILABLE FOR AID ACTIVITIES

EXPENDITURES

Commitments, contractual obligations (D)

Expenditure through implementing organisations (field)

Expenditure through international umbrella organisation

Aid provided directly by the organisation

TOTAL AVAILABLE FOR COMMITMENTS

OVERVIEW OF CASH TRANSFERS OF THE ORGANISATION

Transfers

Expenditure through implementing organisations (field)

Expenditure through international umbrella organisation

Aid provided directly by the organisation

OVERVIEW OF EXPENDITURES IN THE FIELD OF THE ORGANISATION

Expenditure through implementing organisations (field)

Expenditure through international umbrella organisation

Aid provided directly by the organisation

¹ Total realized akv over 2012 was EUR 235.000. In addition an amount of EUR 109.000 is accrued for in 2013.

FINANCIAL YEAR			UP TILL FINANCIAL YEAR (INCLUDING)		
Emergency	Rehabilitation	Total	Emergency	Rehabilitation	Total
-	-	4.008	-	-	15.000
-	-	4	-	-	75
-	-	4.012	-	-	15.075
-	-	344 ¹	-	-	1.010
-	-	3.668	-	-	14.065
0	4.029	-	6.552	7.513	14.065
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-361	-	-	0
0	4.029	4.029	6.552	7.513	14.065
-	-	-	-	-	-
-	-	-	-	-	-
0	4.029	4.029	6.552	7.513	14.065
-	-	-	-	-	-
-	-	-	-	-	-

ANNEX II OXFAM NOVIB / SHO HORN RESPONSE

Amounts in thousands of euros

INCOME

Public donations (SHO funds)

Interest

TOTAL INCOME

COST FOR PREPARATION AND COORDINATION (AKV)

AKV

TOTAL AVAILABLE FOR AID ACTIVITIES

EXPENDITURES

Commitments, contractual obligations (D)

Expenditure through implementing organisations (field)

Expenditure through international umbrella organisation

Aid provided directly by the organisation

TOTAL AVAILABLE FOR COMMITMENTS

OVERVIEW OF CASH TRANSFERS OF THE ORGANISATION

Transfers

Expenditure through implementing organisations (field)

Expenditure through international umbrella organisation

Aid provided directly by the organisation

OVERVIEW OF EXPENDITURES IN THE FIELD OF THE ORGANISATION

Expenditure through implementing organisations (field)

Expenditure through international umbrella organisation

Aid provided directly by the organisation

FINANCIAL YEAR			UP TILL FINANCIAL YEAR (INCLUDING)		
Emergency	Rehabilitation	Total	Emergency	Rehabilitation	Total
-	-	18	-	-	3,444
-	-	2	-	-	5
-	-	20	-	-	3,449
-	-	3	-	-	219
-	-	17	-	-	3,230
1,016	-	1,016	3,230	-	3,230
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-999	-	-	0
2,062	-	2,062	3,230	-	3,230
-	-	-	-	-	-
-	-	-	-	-	-
1,856	-	1,856	3,230	-	3,230
-	-	-	-	-	-
-	-	-	-	-	-



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