

A young woman with a bright smile, wearing a green hijab, is the central focus of the image. She is positioned in front of a market stall filled with colorful brooms and other goods. The background is slightly blurred, showing other market activity and people. The overall atmosphere is vibrant and positive.

INFLUENCING THE FUTURE

FINANCIAL STATEMENTS 2013-2014



OXFAM
Novib



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CHAPTER 7

NOTES TO THE FINANCIAL STATEMENTS

7.1 INTRODUCTION

In order to align with other Oxfam affiliates, Oxfam Novib decided to change its financial year from 1 January – 31 December to 1 April – 31 March, as of 1 April 2014. The financial year 2013 has therefore been prolonged with three months and comprises a 15 month period (1 January 2013 – 31 March 2014). The budget 2013-14 covers the period 1 January 2013 – 31 March 2014. The 2012 comparing figures relate to the period 1 January 2012 – 31 December 2012.

In reviewing the financial statements the effects of 5 quarters in 2013/quarter 1 2014 versus 4 quarters in 2012 should be taken into account. The same applies for the balance sheet review. For example, cash at 31 March 2014 versus 31 December 2012 is impacted by pre payments in the first quarter of 2014 as disclosed in the balance sheet.

The budget for the financial year 2013-14 was based on an ambitious growth target on income, both on institutional fundraising as well as on community fundraising. This was on top of the growth that was realised in recent years and despite the economic crisis. Oxfam Novib has partly been able to realise this ambitious growth target. She managed to maintain the growth in income from institutional fundraising that was realised in 2012 and managed to increase this slightly. The ambitious growth target which Oxfam Novib set itself for the financial year 2013-14 has not been met. The pressure on income from community fundraising was high: Income from community fundraising showed a decreasing trend and has become more restricted in nature.

MFS II funding from DGIS will end at 31 December 2015. There are possibilities to obtain other funds from the Ministry, such as through Strategic Partnerships, the funding modality as of 2016 which the Ministry has announced in May 2014. The income for Oxfam Novib from this new funding modality will be significantly less than MFS II and restricted to influencing activities. Also, significant changes are anticipated within the Oxfam confederation. In 2013, the Oxfam confederation agreed to the strategy called “*Oxfam 2020*”, which foresees increased cooperation among Oxfam affiliates and foresees to anchor the organization more firmly in the global South. Greater presence and power in the South will make Oxfam a more equitable, balanced and influential organization. Oxfam will search for increased synergy in support services, which will result in fewer costs per affiliate.

In response to this increased volatility in income and the increased cooperation among Oxfam affiliates, the Board of Directors decided to make a gradual shift towards the new context of 2016-2020. She took a number of decisions in July 2013, with the aim to prepare the organization for the situation as of 2016. Funds were made

available for strengthening program development up to 31 December 2015 and to safeguard programmatic work by reserving funding for future programme development in Oxfam Novib’s earmarked reserve for development cooperation projects. In December 2013, based upon decreasing income levels, the Board of Directors decided upon a number of supplementary budget cuts.

This chapter details the income, expenditure and financial position of Oxfam Novib in the financial year 2013-14. 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’.

7.1.1 Income

In 2013-14 Oxfam Novib generated 207 million euros in income, which is 37.5 million euros less than budgeted. The amount in 2012 was 156.4 million euros. Income from direct fundraising accounted for 35.7 million euros of income. This is 8.1 million euros less than budgeted. The amount in 2012 was 31.2 million euros. Revenues from third party campaigns accounted for 23.0 million euros, which is 3.3 million euros above budget. In 2012 this amount was 25.1 million euros. Government grants co-financing accounted for 88.7 million euros, which is 8.9 million euros less than budgeted. The amount in 2012 was 59.6 million euros. Other government grants accounted for 53.1 million euros, which is 23.9 million euros less than budgeted. The amount in 2012 was 33.1 million euros.

Income from direct fundraising

Income from direct fundraising in 2013-14 was 35.7 million

euros, which is 8.1 million euros less than budgeted. The amount in 2012 was 31.2 million euros. The lower income than budgeted was caused by lower income from the income source 'foundations' (4.0 million euros), by lower income from companies (2.6 million euros), and gifts (1.1 million euros), inheritances (0.4 million euros), and private donors (0.02 million euros). Income from donations by notarial deed were higher than budgeted (0.1 million euros).

Revenues from third party campaigns

Revenues from third party campaigns amounted to 23.0 million euros; 3.3 million euros more than budgeted. In 2012 revenues from third party campaigns amounted to 25.1 million euros. The sources include the Dutch Postcode Lottery, emergency relief umbrella group Samenwerkende Hulporganisaties (SHO), and Stop Aids Now!

Dutch Postcode Lottery:

During the "Goed Geld Gala" in February 2014 Oxfam Novib received 13.5 million euro's. This amount concerned the calendar year 2013. Due to the change in the financial there is a revenue gap for the first quarter of calendar year 2014. Based on the existing agreements and taking into account a risk analysis, Oxfam Novib assumes that during the "Goed Geld Gala" in February 2015 13.5 million euros will be received. Based on this assumption 25% of the 13.5 million is added to the revenues.

Emergency relief 'Samenwerkende hulporganisaties' (SHO):

In 2013-14 2 new emergency relief actions were undertaken as part of 'Samenwerkende hulporganisaties (SHO)', the Syria response and the Haiyan response (typhoon Philippines). Income from SHO is recognized on the basis of cash received from SHO. For the financial year 2013-14 income amounts to 5.4 million euros.

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 0.6 million euros in 2013-14.

Government grants - co-financing

Income received from government grants (co-financing) in 2013-14 amounted to 88.7 million euros in 2013-14, which is 8.9 million euros less than budgeted. In 2012 the amount was 59.6 million euros. 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 ('medefinancierings stelsel' II) for the period 2011-2015. In 2011 and 2012 the approvals to counterparts on MFS were lower than the transfers to counterparts, this had primarily to do with the multi-annual project-obligations on MFS per end of 2010. In 2013-14 the approvals were 3 million euros higher than the transfers.

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) in 2013-14 amounted to 53.1 million euros, which is 23.9 million euros less than budgeted. In 2012 this income amounted to 33.1 million euros.

The amount of contracts signed with back donors increased in 2013-14 to a level of 65.3 million euros. Of this amount, 24.6 million euros has been allocated to 2013-14. For the period 2014-2018 an amount of 40.7 million euros is available.

7.1.2 Expenditure

Total expenditure in 2013-14 amounted to 201.2 million euros, this is 45 million euros less than budgeted. In 2012 total expenditures amounted to 159.3 million euros. The decrease in total expenditures relating to the budget is mainly caused by the goal of 'structural poverty alleviation' (40.9 million euros). The expenditures in the categories 'costs of generating income' showed a slight increase and 'management and administration' showed a slight decrease.

Expenditure on goal of 'structural poverty alleviation'

Oxfam Novib spent 189 million euros on activities in furtherance of the goal of 'structural poverty alleviation' (which is 40.9 million euros less than budgeted). The amount in 2012 was 146.3 million euros. The amounts spent on activities in furtherance of the organisation's goals (including loans granted less repayments received) accounted for 93.9 per cent of total expenditure (in 2012: 91.8 per cent). This percentage is explained in Section 7.2 ('Key CBF figures').

The amounts spent on activities in furtherance of the organisation's goals are divided into the five categories mentioned in Section 7.1:

- 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 decrease in expenditures is mainly caused by a decrease in expenditures on projects and programmes (142.8 million euros as compared to a budgeted amount of 183.8 million euros). This is caused by lower approvals to partner organisations on projects funded by institutional donors (including other Oxfam affiliates, European Commission and other governments), and strategic steer provided by the Board of Directors, as explained in paragraph 7.1, by which funds were made available for strengthening program development.

At the same time, expenditures on lobbying and advocacy by partner organisations decreased to 22.3 million euros (as compared to a budgeted amount of 22.9 million euros).

In addition, loans and guarantees for a total amount of 18.9 million euros were granted to local micro-finance institutes by March 2014, and the total amount received in repayment on previous loans was 21.4 million euros. The loan portfolio is 32.6 million euros.

Costs of generating income

The costs of direct fundraising amounted to 6.7 million euros in 2013-14. These costs were 1.1 million euros lower than budgeted. The amount in 2012 was 6.2 million euros. The costs of direct fundraising accounted for 18.7 per cent of income from direct fundraising versus 19.7 per cent in 2012. The decrease of the costs of direct fundraising is explained by the fact that direct fundrais-

ing is now carried out by assigned staff, as opposed to the past situation in which all staff contributed part of its time to fundraising activities. This is more efficient.

Management and administration cost

Management and administration costs accounted for 3.4 million euros (0.6 million euros lower than budgeted and the same as in 2012). This is 1.5 per cent of the organisation's expenditures (including loans granted less repayments received). This percentage is explained in Section 7.2 ('Key CBF figures').

7.1.3 The operating result

The operating result in 2013-14 was 5.6 million euros positive. That deviates with 7.3 million euros from the budgeted result and 8.6 million from the result of 2012 (which was 3.0 million euros negative).

7.1.4 General notes to the balance sheet

Total assets and liabilities increased in 2013-14 compared to 2012 by 32.2 million euros. In response to the increased volatility on income and to make a gradual shift towards the new financial context of 2016 the Board of Directors took a number of decisions in July 2013, the aim of these decisions was to prepare for the situation as of 2016. As a result of these measures the debts show an increase of 16.3 million euros (prepayments from governments) and the reserves show an increase of 8.3 million euros. Financial fixed assets show a decline of 3.6 million euros to free up means for new investment-based business models (Triple Jump Innovation Fund and the Impact Investment Facility). As a result the most important increase on the asset side of the balance sheet is cash and cash equivalents, which were 69.5 million euros at the end of 2012 and 97.9 million euros at 31 March 2014. This is an increase of 28.4 million euros. For further explanations, please refer to the notes to the balance sheet (chapter 8.6).

The result is earmarked for the following reserves and funds:

ADDING TO RESERVE OXFAM NOVIB PROJECTS	145
ADDING TO RESERVE AND FUNDS ON LOANS	2.422
WITHDRAWAL AND ADDING TO FUNDS (SHO, NPL, PERSONALISED FUNDS, SAN! AND SIDA)	-29
ADDING TO OTHER RESERVES	1.734
ADDING TO CONTINGENCY RESERVE	1.337
TOTAL	5.609

7.2 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 18.7 per cent of the income from direct fundraising. The three-year average is 20.5 per cent. The CBF criterion for organizations 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 1.5 per cent. This is equal to the budgeted level of 1.5 per cent and below the 2.0 per cent target set by the Board of Directors of Oxfam Novib. The allocated management costs to management and administration is in accordance with the VFI guideline (see Section 8.5.7 'Allocation of management and administration costs in accordance with the VFI guideline').

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 granted accounts for 93.9 per cent of total expenditure, which is slightly above budget (93.4 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 2013-14 Oxfam Novib further realized an increased diversification of income sources.

SELF-SOURCED INCOME

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 2009	FINANCIAL STATEMENTS 2010	FINANCIAL STATEMENTS 2011	FINANCIAL STATEMENTS 2012	BUDGET 2013-14	FINANCIAL STATEMENTS 2013-14
	28.346	28.807	27.724	31.158	43.810	35.660
	6.420	6.391	6.590	6.147	7.791	6.671
	22,6%	22,2%	23,8%	19,7%	17,8%	18,7%
	21,9%	22,2%	22,9%	21,8%	20,0%	20,5%
	2.500	2.735	3.245	3.366	3.961	3.388
	1,2%	1,6%	2,4%	2,0%	1,5%	1,5%
	176.712	147.512	109.349	146.287	229.938	188.990
	91,3%	82,9%	84,6%	93,5%	94,0%	91,4%
	94,2%	92,2%	89,5%	91,8%	93,4%	93,9%
	184.156	154.608	111.663	146.107	229.805	186.460
	95,1%	86,9%	86,3%	93,4%	94,0%	90,1%
	98,1%	96,7%	91,4%	91,7%	93,4%	92,7%

	FINANCIAL STATEMENTS 2009	FINANCIAL STATEMENTS 2010	FINANCIAL STATEMENTS 2011	FINANCIAL STATEMENTS 2012	BUDGET 2013-14	FINANCIAL STATEMENTS 2013-14
	193.561	177.893	129.318	156.386	244.498	206.855
	2.305	730	2.251	6.873	12.031	17.760
	4.389	4.013	4.057	4.704	3.907	4.164
	186.867	173.150	123.009	144.809	228.559	184.931
	125.838	96.901	44.709	59.563	97.567	88.682
	67%	56%	36%	41%	43%	48%
	33%	44%	64%	59%	57%	52%

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). Oxfam Novib derives the income in question mainly from direct fundraising and from other donors (the Dutch Postcode Lottery, SHO, 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. It increased in 2012, but remained under the level of 2010. In 2013-14 it decreased to 52%.



CHAPTER 8

FINANCIAL STATEMENTS

8.1 BALANCE SHEET AT 31 MARCH AFTER APPROPRIATION OF NET INCOME

Amounts in thousands of euros

	31-3-2014	31-12-2012	
ASSETS			
Tangible fixed assets	10.714	11.447	8.6.1
Financial fixed assets	40.085	43.734	8.6.2
Inventories	65	152	8.6.3
Receivables from governments			
Long-term	5.144	3.574	
Short-term	6.052	3.773	
	11.196	7.347	8.6.4
Receivables	16.046	11.626	8.6.4
Cash and cash equivalents	97.924	69.506	8.6.5
TOTAL	176.031	143.812	
LIABILITIES			
RESERVES AND FUNDS			
Reserves			
Contingency reserve	14.302	12.965	8.6.6.1
Earmarked reserves	41.302	34.319	8.6.6.1
	55.604	47.284	
Funds			
	38.891	41.602	8.6.6.2
	94.494	88.886	
Provisions	2.524	2.886	8.6.7
Debts:			
Long-term	217	1.163	
Short-term	11.467	11.336	
prepayments from governments	17.127	-	
	28.811	12.499	8.6.8
Project liabilities:			
Long-term	8.886	7.014	
Short-term	41.316	32.526	
	50.202	39.540	8.6.9
TOTAL	176.031	143.812	

8.2 STATEMENT OF INCOME AND EXPENDITURE

Amounts in thousands of euros

	FIN STMT. 2013-14	BUDGET 2013-14	FIN STMT. 2012	paragraph
INCOME				
Income from direct fundraising	35.660	43.810	31.158	8.7.1
Revenues from third-party campaigns	23.033	19.719	25.086	8.7.2
Government grants - co-financing	88.682	97.567	59.563	8.7.3
Government grants - other	53.094	77.031	33.147	8.7.3
Income from interest	4.164	3.907	4.704	8.7.4
Other income	2.222	2.463	2.727	8.7.4
TOTAL INCOME	206.855	244.498	156.385	
EXPENDITURE				
Expenditure on goal of 'structural poverty alleviation'				
Projects and programmes	142.769	183.833	105.999	8.7.5
Lobbying and advocacy by partner organizations	22.341	22.925	19.844	8.7.5
Lobbying and advocacy by Oxfam Novib	7.152	7.368	6.841	8.7.5
Support provided to partner organizations	4.991	4.631	4.269	8.7.5
Popular campaigning	5.969	6.725	5.682	8.7.5
Public information and marketing	5.769	4.456	3.652	8.7.5
	188.990	229.938	146.287	
Costs of generating income				
Costs of direct fundraising	6.671	7.791	6.147	8.7.5.1
Expenditure on third-party campaigns	475	571	760	7.1.2
Costs of securing government grants	1.722	3.903	2.790	7.1.2
	8.868	12.266	9.697	
Management and administration				
Management and administration costs	3.388	3.961	3.366	7.1.2
TOTAL EXPENDITURE	201.246	246.165	159.349	
NET RESULT	5.609	-1.667	-2.963	
Expenditure on goals - not reflected in statement of income and expenditure				
Loans and guarantees provided (incl Triple Jump Innovation Fund)	18.869	17.736	11.753	8.6.2
Repayments received	21.399	17.869	11.932	8.6.2
Appropriation of net result				
Added / charged to				
Earmarked reserves	8.306	-584	-3.370	8.6.6.1
Earmarked funds	-4.034	-1.083	1.006	8.6.6.2
Contingency reserve	1.337	0	-600	8.6.6.1
NET RESULT	5.609	-1.667	-2.964	

8.3 CASH FLOW STATEMENT

Amounts in thousands of euros

	2013-14	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating result	5.608	-2.963
Adjustments for:		
Amortization and depreciation	2.425	1.500
Changes in provision on loans	-157	-406
Stock dividend/movements in value of participating interests	-36	-540
Movements in provisions	-362	939
	1.870	1.494
Changes in working capital:		
Inventories	87	-96
Receivables from governments	-3.849	21.194
Receivables	-4.479	4.898
Debts	16.169	-2.297
Project liabilities	10.661	-11.248
	18.589	12.453
CASH GENERATED FROM OPERATIONS	26.068	10.984
Interest received	59	25
Dividends received	0	0
Interest paid	142	-142
Income tax expense	0	0
NET CASH GENERATED FROM OPERATING ACTIVITIES	26.269	10.867
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of tangible assets	-1.692	-2.121
Acquisition of investment property	-1.322	0
Committed loans	-17.547	-11.752
Disposal of property, plant and equipment (PPE)	0	0
Disposal of investment property	0	0
Repayments on loans	21.399	11.933
NET CASH USED IN INVESTING ACTIVITIES	838	-1.940
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	0	0
Purchase of treasury shares	0	0
Dividends paid	0	0
Proceeds from borrowings	-120	-307
Repayments of borrowings	74	113
NET CASH USED IN FINANCING ACTIVITIES	-47	-194
NET CASH FLOWS	27.060	8.732
Exchange gains / (losses) on cash and cash equivalents	1.358	1.481
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	28.418	10.213
Cash and cash equivalents at the end of the financial year	97.924	69.506
Cash and cash equivalents at the beginning of the financial year	69.506	59.293
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	28.418	10.213

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents increased in 2014 from 69.5 million euros at 1 January 2013 to 97.9 million euros at 31 March 2014. 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 2014 is attributable to:

• **Operating activities**

Adjusted for depreciation charges and the decrease in provisions, the net cash flows from operating activities are 26.4 million euro. The net cash flow from operating activities mainly exists of:

- An increase in depreciation of tangible fixed assets of 2.4 million euros because of additional investments in SAP in 2012.
- An increase in receivables with 8.3 million euros mainly because of prepayments done in the first month of 2014;
- The advance received from The Netherlands Ministry of Foreign Affairs early 2014 mainly causes debts to increase with 16.3 million euros as compared to 2012.
- Cash flow from project liabilities increased with 11 million euros as transfers were lower than approvals to partner organisations.

• **Investing activities**

The cash flows from investing activities were positive 2 million euros. These cash flows relate to capital expenditure on financial fixed assets (the grant of microfinance loans) and tangible fixed assets (especially IT and the ERP information system). The increase in cash flow from these activities with 3.6 million euros as compared to 2012 results from less investments in loans to be able to invest in the Triple Jump Innovation Fund and the Impact Investment Facility.

8.4 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

8.4.1 General

- The activities of Oxfam Novib focus on realizing a just world, without poverty. The activities can be categorised as follows: Direct poverty reduction, increasing

people's capacity to provide for their basic needs by themselves;

- Civil society building, reinforcing the capacity of plural and democratic organizations – tailored to local organizations – to pursue more just power relations;
- Lobbying and advocacy, directed at those in power, such as policy-makers within governments and businesses;
- Knowledge and innovation management, systematically collecting, documentation, analyzing and ensuring access to knowledge and experience for the benefit of innovation and quality improvement across all areas of the organization, these and intervention strategies.

Oxfam Novib is located at PO box 30919, 2500 GX The Hague.

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 8.7.5) and the other expenditure has been allocated to the goal of structural poverty alleviation, the costs of generating income and management and administration costs.

All items in the financial statements take into account the currencies of the economic environment in which Oxfam Novib operates (the functional currencies). The Financial statements are stated in euros, both the functional as the presentation currency of Oxfam Novib.

8.4.2 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. No provision is made for future costs of large maintenance on buildings. Any maintenance costs are taken to the statement of income and expenditure.

8.4.3 Financial fixed assets

Fair value approaches book value, 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 net asset value;
- **Loans;** deposits for guarantees; participating interest in TCX; Innovation Fund: 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, 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.

8.4.4 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.

8.4.5 Receivables

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

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.

8.4.6 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.

8.4.7 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 regulation is ended per April 1, 2014. Accrued entitlements will be maintained but frozen; no new participants will be added. The amount of this provision is calculated each year on the basis of the commitments to the participants.

Specific for decentralisation

For the decentralisation provision, a calculation is made on personal level, based on the agreements in the social plan. Actual costs have been calculated.

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. At least once per year the level of the provision is being assessed on completeness and accuracy.

Specific for project costs

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

8.4.8 Other assets and liabilities

Upon first recognition debts are stated at fair value and subsequently measured at their amortized cost price. Other assets and liabilities 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.

8.5 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. Income and expenditure is attributed to the year to which it relates and expenditure is recorded at historical cost unless indicated otherwise.

8.5.1 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.

8.5.2 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.

8.5.3 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.

8.5.4 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.

8.5.5 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.

8.5.6 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.

8.5.7 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.

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

8.5.8 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.

8.5.9 Pension cost

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. As from 1 January 2014 onwards, Oxfam Novib entered into a new – one year – contract with the same insurer and from then onwards, the pension costs do not include any cost anymore depending on results from the stock and bonds investments. Oxfam Novib applies conditional indexation to the pension benefits of the active pension plan members.

Characteristics of the pension insurance are:

- 100% coverage;
- Insurance is based on average salaries;
- No indexation is applicable.

Oxfam Novib pays the yearly pension premium in advance. After year end, the final settlement is done. Based on an analysis of expected cost resulting from the settlement, a provision has not been deemed necessary.

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. Since 2013 there are no participants in this scheme anymore, all participants are retired.

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 retirement age is the retirement age as indicated in the "Algemene Ouderdoms Wet" (general law on elderly provisions). (in 2014: 65 and 2 months) 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 the retirement age as indicated in the "Algemene Ouderdoms Wet" (general law on elderly provisions) (in 2014: 65 and 2 months) and the pension accrues from 2014 at the rate of 2,15 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.

8.6 NOTES TO THE BALANCE SHEET

8.6.1 Tangible fixed assets

Amounts in thousands of euros

	BUILDINGS	FURNITURE, FIXTURES, PLANT AND EQUIPMENT	INFORMATION SYSTEMS	VEHICLES	TOTAL
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
BOOK VALUE AT 31 DECEMBER 2012	6.257	670	4.401	119	11.447
Changes					
Plus: capital expenditure in 2013-2014	45	158	1.385	104	1.692
Less: depreciation in 2013-2014	281	187	1.578	95	2.141
Less: desinvestments in 2013-2014	-	-	284	-	-
Disposals 2012					
Depreciation up to and including March 31st 2014	-	-	-	-	-
BOOK VALUE AT 31 MARCH 2014	6.020	641	3.924	128	10.714
Acquisition cost at March 31, 2014	10.141	2.736	11.878	340	25.094
Depreciation up to and including March 31, 2014	4.121	2.095	7.954	211	14.380

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.

8.6.2 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 31/12/2012	40	91	307	869
Provision at 31/12/2012	-	-	-	-
BOOK VALUE AT 31/12/2012	40	91	307	869
POSITIVE MOVEMENTS:				
Paid-up share capital	-	-	-	-
Stock dividend/movements in value of participating interests	-	-	-	55
Changes in value of forward exchange contracts	-	-	-	-
Committed loans	-	120	-	-
Committment notes	-	-	-	-
	-	120	-	55
NEGATIVE MOVEMENTS:				
Repayments on loans	20	54	-	-
Write-off of loans	-	-	-	-
Exchange rate differences	-	-	-	-
Loans committed but not yet disbursed	-	-	-	-
	20	54	-	-
NOMINAL VALUE AT 31/12/2014	20	158	307	925
Provision at 31/03/2014	-	-	-	-
BOOK VALUE AT 31/03/2014	20	158	307	925
Oxfam Novib's share of share capital				20%

Specification of provision

Amounts in thousands of euros

	LOANS	GUARANTEES	TOTAL
BALANCE AT 31 DECEMBER 2012	2.328	0	2.328
Less: write-off of loans	1.648	0	1.648
Less: release to net income	157	0	157
Plus: addition from net income	0	0	0
BALANCE AT 31 MARCH 2014	523	0	523

	TCX	OIKOCREDIT	ASN-NOVIB FUND	LOANS	Triple Jump Innovation Fund	GUARAN- TEES	FEC	TOTAL
	2.507	290	976	39.741	-	499	742	46.062
	-	-	-	2.328	-	-	-	2.328
	2.507	290	976	37.413	-	499	742	43.734
	-	-	-	-	-	-	-	-
	- 58	5	33	-	-	-	-	36
	-	-	-	-	-	-	609	609
	-	-	-	23.755	-	-	-	23.875
				1.322			1.322	
	- 58	5	33	23.755	1.322	-	609	25.842
	-	-	-	21.188	-	211	-	21.473
	-	-	-	1.648	-	-	-	1.648
	103	-	-	1.866	-	-	-	1.969
	-	-	-	6.208	-	-	-	6.208
	103	-	-	30.910	-	211	-	31.298
	2.346	295	1.009	32.586	1.322	288	1.351	40.607
	-	-	-	523		-	-	523
	2.346	295	1.009	32.064	1.322	288	1.351	40.085

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	12.715	19.871		32.586
Guarantees	-	289		288
Loan Oxfam France – Agir ici	54	104		158
Loan Oxfam Germany	20	-		20
Loan Oxfam Quebec	77	230		307
TOTAL	12.866	20.494	-	33.359

Agreements have been made with new Oxfam affiliates (Oxfam France, Oxfam Germany, and Oxfam Quebec) to support them with loans for capacity building and investments in fundraising. With these new Oxfam affiliates agreements have been made conform the market regarding payment of interest and repayment of the loans (between 3-5% interest during the financial year 2013-14; 2,5% interest as of 1 April 2014).

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 the end of the financial year 2013-2014, the value of this participating interest was 0.3 million 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 the end of the financial year 2013-2014, Oxfam Novib's stake in this fund amounted to 1 million 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 time-frame. 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 0.9 million euros at the end of the financial year 2013-14.

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: in some cases there is no market for foreign exchange contracts in the local currencies and in those cases hedging is not possible). 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 2.3 million euros at 31 March 2014. This participation has not been charged to the co-financing grant, but was funded from the organisation's own resources. At the end of the financial year 2013-14 loans hedged by the fund totalled 14.5 million euros.

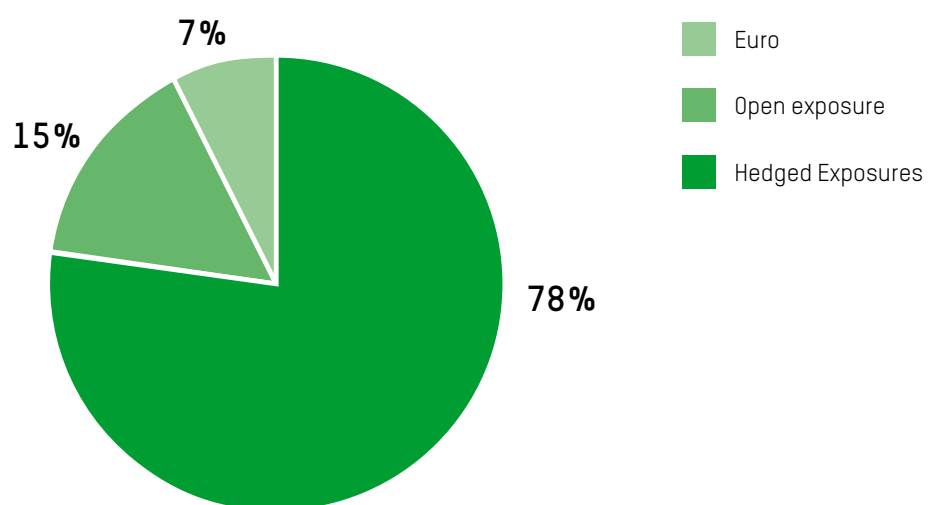
In 2013, the Triple Jump Innovation Fund foundation was launched. The goal of the Triple Jump Innovation Fund foundation is to promote and support innovation in developing countries. Among the first round of investors are Achmea, Cordaid, KCD Mikrofinanzfonds and Oxfam Novib. In 2013 Oxfam Novib subscribed for junior notes (USD 1.8 million) and senior notes (USD 6.3 million) with a maturity of seven years. In 2013-14, 1,800,000 USD are drawn. 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 between 4% and 9%, as a weighed average for the portfolio 7.6%. Loans that have been committed but not yet disbursed related to contracts entered into in 2013 under which the first disbursement will be made in 2014 or a second or third tranche of which will be disbursed after the end of the financial year 2013-2014.

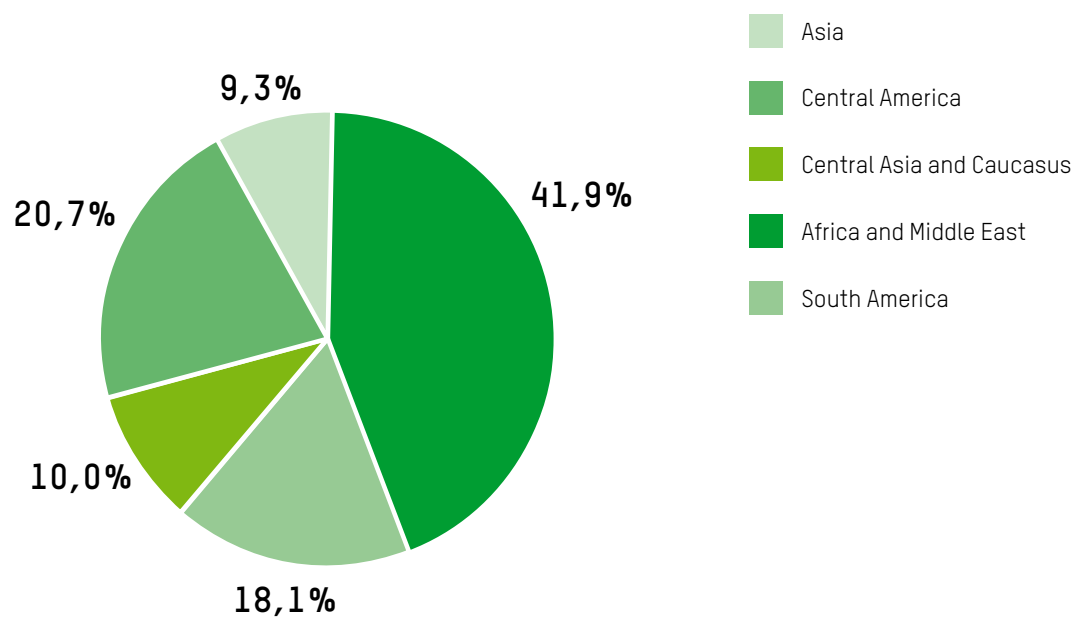
Guarantees are amounts held on deposit for which guarantees have been issued to third parties, such as Oikocredit. The terms range from several months to seven years. At 31 March 2014, Oxfam Novib's loans and guarantees portfolio represented a value of 32.9 million euros (32.6 million euros in loans granted and 0.3 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 0.2 million euros has been added to the statement of income and expenditure. The total provision amounted to 0.5 million euros at the end of the financial year 2013-14 and is intended to provide for 14 substandard loans.

Assets distribution by currency



Loan portfolio by region



The foreign exchange risk on loans granted (for micro-finance in developing countries) is hedged by means of forward exchange contracts, that always match the duration and amount of the long-term micro-finance contract in order to avoid currency risk for our beneficiaries. However, in some cases there is no market for foreign exchange contracts in the local currencies and in those cases hedging is not possible. At the end of the financial year 2013-14 the foreign exchange risks of 71 loans had been hedged by 141 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 the end of the financial year 2013-14 was a positive 1.1 million euros on balance. The contracts with a positive value (1.4

million euros) are included under 'Financial fixed assets', and contracts with a negative value (0.2 million euros) are included under 'Debts'. The contracts with a positive value can be broken down into those with maturities of one year and less (0.9 million euros) and those with maturities of more than one year (0.4 million euros). The market to market value of all forward exchange contracts was a negative 0.5 million euros. As a result of the foreign exchange hedges, the outstanding balance of loans, guarantees and forward exchange contracts was 34.2 million euros at year end 2014. Without forward contracts this would have been 32.9 million euros. The maturities of these forward contracts range between zero and three years and correspond to the repayment schedules of the loans in question.

8.6.3 Inventories

Amounts in thousands of euros

	31-MAR-14	31-DEC-12
INVENTORIES PUBLISHING HOUSE		
Calendars	11	9
Country folders	-	-
Novels	75	162
Others	17	3
	103	174
Less: provision for obsolescence	38	22
BALANCE	65	152
MOVEMENTS IN PROVISION FOR OBsolescence		
BALANCE AT 31 DECEMBER 2012	22	26
Plus: addition from net income	16	-
Less: charged to the provision	-	4
BALANCE AT 31 MARCH 2014	38	22

8.6.4 Receivables, receivables from governments and project funds overview

Amounts in thousands of euros

	31-MAR-14	31-DEC-12
RECEIVABLES FROM GOVERNMENTS	11.196	7.347
Project funds Oxfam and other external organizations	4.440	6.943
Debtor Dutch National Postcode Lottery	3.375	0
Debtors other	175	361
Central overhead costs institutional funds	3.192	1.937
Fundraising proceeds receivable	1.383	999
Prepaid pension	1.776	-
Amounts to be received by field offices	904	603
Interest receivable	84	25
Prepaid contribution to Oxfam International	-	139
Prepaid commuting costs	-	277
Current account other organizations	1	146
Other prepayments and receivables	715	195
Receivables	16.046	11.626
SPECIFICATION OF DEBTORS AND RECEIVABLES FROM GOVERNMENTS		
Debtors - general and government receivables	11.640	8.232
Less: provision for bad and doubtful debts	291	524
	11.349	7.708

All receivables are, given as a whole, short-term in nature.

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 (1.8 million euros) all other government agencies and all other external funds (jointly accounting for 4.4 million euros).

Project funds overview

Amounts in thousands of euros

BALANCE AT 31 DECEMBER 2012				
	Project obligations	Receivables	Commitment space	Total
Co financing	12.150	5.839	0	6.311
Dutch government	2.346	-1.817	0	4.163
European Union	5.698	3.776	0	1.922
GOVERNMENTS FUNDS	20.194	7.798	0	12.396
Oxfams	3.431	7.577	0	-4.146
Other government and external funds	9.253	-634	0	9.887
EXTERNAL FUNDS	12.684	6.943	0	5.741
Action Stop Aids Now	729	0	46	775
Action Fluds Pakistan	2	0	0	2
Action Haïti	0	0	0	0
Action Philipines	0	0	0	0
Action Syria	0	0	0	0
SUBTOTAL	731	0	46	777
Oxfam Novib Projects	2.457	0	16.941	19.398
NPL special Projects	3.475	0	1.752	5.227
OWN FUNDS	5.932	0	18.693	24.625
TOTAL GENERAL	39.541	14.741	18.739	43.539

8.6.5 Cash and cash equivalents

Amounts in thousands of euros

	31 MAR. 2014	31 DEC. 2012
Savings accounts	36.298	16.423
Cash, bank and giro balances	55.359	47.976
Current account Triple Jump	6.267	5.108
	97.924	69.506

CHANGES IN 2013-14			BALANCE AT 31 MARCH 2014			
Approved	Received funds	Project transfers	Project obligations	Receivables	Commitment space	Total
77.184	100.149	73.961	15.373	-17.127		32.500
16.077	10.185	11.894	6.529	4.075		2.454
8.424	5.193	6.962	7.160	7.008		152
101.685	115.527	92.817	29.062	-6.044	0	35.106
11.730	8.408	10.193	4.968	2.688		2.280
15.016	20.845	16.802	7.467	1.752	2	5.717
26.746	29.253	26.995	12.435	4.440	2	7.997
275	569	658	346	113	340	573
0	0	0	2	0	0	2
0	0	0	0	0	0	0
5.000	4.927	2.635	2.365	0	-73	2.292
305	305	305	0	0	-0	-0
5.580	5.801	3.598	2.713	113	267	2.867
14.344	14.489	13.690	3.111	0	17.086	20.197
1.067	105	1.661	2.881	0	790	3.671
15.411	14.594	15.351	5.992	0	17.876	23.868
149.422	165.175	138.761	50.202	-1.491	18.145	69.838

An amount of 53.1 million euros of cash and cash equivalents are readily available, 8.1 million euros consists of earmarked project funds and 36.3 million euros is in savings accounts. The interest payable at year end March 2014 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 (principal) bank of Oxfam Novib, the initial contract that ended at the end of 2013 is prolonged to December 31st, 2014. The agreement with the 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.

8.6.6 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 13 million euros and a maximum size of 20 million euros. The size of the contingency reserve was 13.0 million euros at the start of the year. It was decided to add 1.3 million euros from the 2013-14 results to the contingency reserve. With this addition 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 or organisation. In the case of Oxfam Novib that would amount to 77.5 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.

8.6.6.1 Reserves

Amounts in thousands of euros

BALANCE AT 31 DECEMBER 2012

Added

Withdrawn

NET MOVEMENTS

BALANCE AT 31 MARCH 2014

Earmarked reserve for Oxfam Novib development cooperation projects

Amounts in thousands of euros

	OXFAM NOVIB PROJECTS
BALANCE AT 31 DECEMBER 2012	16.941
Added: funds received	14.475
Interest less exchange differences	14
	14.489
Withdrawn: approved funds	14.344
	14.344
BALANCE AT 31 MARCH 2014	17.086

CONTINGENCY RESERVE	EARMARKED RESERVES					TOTAL RESERVES
	Oxfam Novib projects	Policy on staff > 55 years	Loans / guarantees	Management and Administration costs	Subtotal Earmarked reserves	
12.965	16.941	766	13.846	2.766	34.319	47.284
1.337	14.489		23.973	15.983	54.445	55.782
	14.344	3	18.869	14.245	47.461	47.461
1.337	145 -	3	5.104	1.738	6.984	8.321
14.302	17.086	764	18.950	4.504	41.302	55.604

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 slight increase in the earmarked reserve for Oxfam Novib development cooperation projects is explained by the reservation of funding for programme development, as explained in paragraph 7.1. The decrease in income from community fundraising had a negative impact on the size of the Oxfam Novib earmarked reserve for development cooperation projects, which was offset by supplementary budget cuts that were decided upon by the Board of Directors in December 2013.

Earmarked reserve for policy on staff > 55 years

An earmarked reserve was created in 2002 to cover the extra costs related to the policy on staff > 55 years. Employees aged 55 and older in 2001 could 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. An amount of 3 thousand euros was withdrawn from this reserve in 2013-14. 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 2012	9.205	4.642	13.846
ADDED:			
Repayments on loans and guarantees	21.399	0	21.399
Appropriation of net income from lending activities	2.641	0	2.641
(Stock) dividends and capital gains on participating interests	0	-67	-67
	24.040	-67	23.973
WITHDRAWN:			
Investment TJ Innovation Fund	0	1.322	1.322
Loans and guarantees provided	17.547		17.547
	17.547	1.322	18.869
BALANCE AT 31 MARCH 2014	15.698	3.252	18.950

The earmarked reserve for loans and guarantees consists of two elements. The first element consists of all funds intended for the provision of loans, investments in the Triple Jump Innovation Fund and the new Oxfam Novib Impact Investment facility that have not yet been disbursed. When a loan is disbursed, a corresponding amount is added to the 'earmarked fund for loans to part-

the organisation to carry out its lending activities as effectively as possible. For more information about these participating interests please refer to section 8.6.2 'financial fixed assets'.

The 'earmarked reserve for management and administration costs' (the 'AKV reserve') is used to finance activities

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 2012	59	112	223	720	1.652	2.766
Added: approved management and administration costs	56	201	-	13.423	2.303	15.983
Withdrawn: realized management and administration costs	47	142	123	12.540	1.393	14.245
BALANCE AT 31 MARCH 2014	68	171	100	1.603	2.562	4.504

ner 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

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 1.7 million euros in 2013-14.

8.6.6.2 Funds

Amounts in thousands of euros

	STOP AIDS NOW!	SHO CAMPAIGNS	NPL	FUNDS BY NAME	GUAREN- TEES	LOANS PARTNER ORGANISA- TIONS	SEEDS GROW	TOTAL
BALANCE AT 31 DECEMBER 2012	46	-	1.752	2.313	499	36.992	-	41.602
Added	569	5.233	105	709	-	24.304	3	30.922
Withdrawn	275	5.304	1.067	-	211	29.105	-	35.962
BALANCE AT 31 MARCH 2014	340 -	71	790	3.022	288	34.520	3	38.892

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 2013 and 125,000 in the first quarter of 2014. After deduction of 9 per cent management and administration costs, 568,750 euros were added to this fund. The 275,000 euros spent on projects were withdrawn.

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 2013 were for the 'Bomen keren het tij' project, a mangrove restoration project run by partner organisation Metta in Myanmar and the Internet Now! project. For more information refer to section 8.7.3 'revenue from third party campaigns'.

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. At year end 2012, no resources were available in the 'SHO campaigns fund'. During the financial year 2013-14, 2 new campaigns started, one relating to the Syria crisis and one relating to the Haiyan typhoon in the Philippines. All funds related to the Syria crisis response have been spent in the financial year 2013-14.

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 2013/2014 the income from the assets and other income related to the fund amounted to 49,407 euros. At year end 2013/2014 the Personalised Fund's assets, which are managed by Oxfam Novib, consisted of:

1.	Hans Geveling Derde Wereld Fonds	1.029.414
2.	Herman Schuurman Fonds	120.000
3.	Douma-Hamers Onderwijs Fonds	55.000
4.	Verboom Pieterse Fonds	51.335
5.	Hogerop Fonds	41.311
6.	Voorhoeve Fonds	29.344
7.	Fair Keys First Fund	60.090
8.	Hilda Buma Fonds	40.816
9.	Schroders Charity Fund	51.526
10.	Kihle Fonds	31.594
11.	Martin Vliegenthart Fonds	1.511.761

Total **3.022.191**

Guarantees and loans to partner organisations

For more information about the loans and guarantees funds please refer to section 8.6.2 'financial fixed assets'.

8.6.7 Provisions

Amounts in thousands of euros

	ROW	DECENTRALISATION	HYPOTAX	PROJECT COSTS	TOTAL
BALANCE AT 31 DECEMBER 2012	13	1.273	702	898	2.886
Withdrawn	13	397	746	224	1.380
	13	397	746	224	1.380
Changes charged to income and expenditure statement	-	-672	1.251	440	1.019
	-	-672	1.251	440	1.019
BALANCE AT 31 MARCH 2014	-	204	1.207	1.114	2.524

All provisions are, given as a whole, short-term in nature.

>55 staff scheme

Employees aged 55 and older in 2001 could 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 last participant retired in 2013.

Decentralisation

In 2010 Oxfam Novib decided to decentralize a large proportion of its operational activities to the countries where it works. This had drastic consequences for staff at Oxfam Novib's headquarters at The Hague, in particular at the International Department. The required size of the provision was recalculated at 1.3 million euros at the end of 2012. Costs of severance and outplacement cost in 2013-14 added up to 0.4 million euros. Because of a successful internal replacement policy, an amount of 0.7 million euros was released. The required size is 0.2 million euros by the end of March 2014.

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.

8.6.8 Debts

Amounts in thousands of euros

	31-3-2014	31 DEC. 2012
LONG-TERM DEBTS		
Forward exchange contracts	217	1.163
	217	1.163
SHORT-TERM DEBTS		
Accounts payabl	4.379	4.631
Taxes	628	776
Fundraising contributions received in advance	2.679	2.816
Other accruals and payables	3.781	3.113
	11.467	11.336
	11.684	12.499

For more information about the forward exchange contracts to hedge the foreign exchange risk on loans granted to microfinance institutions, please refer to section 8.6.2 '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.

The total value of contracts signed by back donors in 2013-14 amounts to 65.3 million euros. Of this amount, 24.6 million euros has been allocated to 2013-14. For the period 2014-2018 an amount of 40.7 million euros is available.

8.6.9 Project liabilities

Project liabilities outstanding at 31 March 2014 amounted to 50.2 million euros (31 December 2012: 39.5 million euros). 41.3 million euros of these liabilities are short-term in nature and are payable in 2014. The remaining 8.9 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 8.6.4 'Project funds overview'.

8.6.10 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.

Oxfam Novib has lease commitments relating to printers at head office up till the end of 2017 for an amount of 34.000 euros (of which 9.000 euros < 1 year).

Several offices are leased on long-term leases:

	REMAINING PERIOD OF THE CONTRACT		
	< 1 year	1 - 5 years	> 5 years
COUNTRY OFFICE			
Nairobi	152.155	268.808	-
Mozambique	43.586	43.586	-
Nigeria	28.859	-	-
Niger	19.736	-	-
Afghanistan	115.376	64.900	-
Pakistan	20.726	54.406	-
Vietnam	21.802	11.535	-
TOTAL	402.240	443.235	-

8.7 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

8.7.1 Income from direct fundraising

Amounts in thousands of euros

	FIN STMNT. 2013-14	BUDGET 2013-14	FIN STMNT. 2012
INCOME FROM DIRECT FUNDRAISING			
Donations by notarial deed	4.096	3.988	3.896
Inheritances	1.545	1.988	1.577
Private donors	22.130	22.153	18.471
Gifts	2.696	3.820	2.527
Companies	3.291	5.938	2.388
Foundations (US and Fin)	1.902	5.925	2.300
	35.660	43.810	31.158

In 2013-14, 335,658 people and companies supported Oxfam Novib financially (in 2012: 361,796). This consists of 227,553 regular donors and 108,105 incidental donors. From direct fundraising Oxfam Novib received 35.7 million euros; this is 8.1 million euros less than budgeted (in 2012: 31.2 million euros). Income from foundations was 4 million euros less than budgeted, and income from companies was 2.6 million less than budgeted. The ambitious growth target on community fundraising was not met due to difficult economic times and high competition in the fundraising market. To find innovative solutions for high attrition rates and pressure on traditional acquisition channels is an important challenge for the near future. Oxfam Novib managed to keep the growth in the SME network 'Ondernemers voor ondernemers' and in gifts from structural donors. Income from online donations is showing potential growth. Partners such as ASN Bank, SCA (Libresse, Edet, Tork and Tena), Turing Foundation and Philips continued to support our programmes.

8.7.2 Share of revenues from third-party campaigns

Amounts in thousands of euros

	FIN STMT. 2013-14	BUDGET 2013-14	FIN STMT. 2012
REVENUES FROM THIRD-PARTY CAMPAIGNS			
Standard contribution NPL	16.875	16.875	13.500
Dream fund NPL (2012)	100	1.875	7.048
Emergency relief SH0	5.433	0	4.039
Stop Aids Now!	625	969	500
	23.033	19.719	25.086

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

Dutch Postcode Lottery

During the "Goed Geld Gala" in February 2014 Oxfam Novib received 13.5 million euro's. This amount concerned the calendar year 2013. Due to the change in the financial year there is a revenue gap for the first quarter of calendar year 2014. Based on the existing agreements and taking into account a risk analysis, Oxfam Novib assumes that during the "Goed Geld Gala" in February 2015 13.5 million euros will be received. Based on this assumption 25% of the 13.5 million is added to the revenues.

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 500.000 euros in 2013 and 125.000 euros in the first quarter of 2014.

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. During the financial year 2013-14, 2 new campaigns started, one relating to the Syria crisis and one relating to the Haiyan typhoon in the Philippines. All funds related to the Syria crisis response have been spent in the financial year 2013-14. The income amounted to 5.4 million euros. The appendices will give more detailed information on the income and expenditures of 2013-14 and previous years.

8.7.3 Government grants

Amounts in thousands of euros

	FIN STMT. 2013-14	BUDGET 2013-14	FIN STMT. 2012
GOVERNMENT GRANTS			
Co-financing	88.682	97.567	59.563
Other Dutch government grants	17.760	12.031	6.873
European Union	8.525	16.250	4.422
Other governments	14.870	29.250	11.202
Oxfams	11.939	19.500	10.650
	141.776	174.598	92.710

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.

Income received from government grants (co-financing) in 2013-14 amounted to 88.7 million euros, which is 8.9 million euros less than budgeted (2012: 59.6 million euros). This is caused by the strategic steer provided by the Board of Directors in July 2013, as described in paragraph 7.1. 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. In 2011 and 2012 the approvals to counterparts on MFS were lower than the transfers to counterparts, this had primarily to do with the multi-annual project-obligations on MFS per end of 2010. In 2013-14 the approvals were 3 million euros higher than the transfers. Co-financing funds accounted for 42.9 per cent of total income in 2013-14 (2012: 38 per cent).

Other Dutch government grants

Grant income from Dutch government other than co-financing amounted to 17.8 million euros in 2013-14, which is 5.8 million euros more than budgeted (2012: 6.9 million euros). New contracts were signed for an amount of 11.7 million euros. These contracts included a contract of 4.0 million euros for the continuation of the Female Condom programme.

European Union

Grant income from the European Union was 8.5 million euros in 2013-14, which is 7.7 million euros less than budgeted, but 4.1 million euros higher than in 2012. New contracts were signed with the European Union in 2013-14, representing a total value of 7.1 million euros. One of the projects covered by these contracts is entitled "Stability Fund2" and accounts for 2.4 million euros.

Other governments

Grant income from other governments than the Dutch and European governments was 14.9 million euros in 2013-14, which is 14.4 million euros less than budgeted, and 3.7 million euros more than in 2012. New contracts were signed for 27.9 million euros. These contracts signed include a contract with SIDA for 21.5 million euros.

Other Oxfams

Grant income from other Oxfams was 11.9 million euros in 2013-14, which is 7.6 million euros lower than budgeted, and 1.3 million euros higher than in 2012. 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.

8.7.4 Related Parties

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 48,000 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 2012 to 31 March 2013 was 956 million euros. Total expenditure for that period amounted to 993 million euros. The income raised from institutional donors, mainly governments, was 412 million euros, while 339 million euros came from direct fundraising, joint campaigns (similar

to those run by SH0) and other sources, such as lottery revenues (e.g. the Dutch Postcode Lottery). The main expenditure categories are development aid projects and humanitarian projects (539 million euros) and influencing (60 million euros). All Oxfam members are independent organisations, although they are increasingly working together to implement a joint and integrated programme.

For other related parties like Triple Jump and ASN Bank, please refer to paragraph 8.6.2, Financial Fixed Assets. All transactions with the indicated related parties are at arm's length.

8.7.5 Other income and revenue

Amounts in thousands of euros

	FIN STMNT. 2013-14	BUDGET 2013-14	FIN STMNT. 2012
INCOME FROM INTEREST			
Interest current account	96	63	112
Interest own funds	166	188	229
Interest and inflation adjustment on loans, deposits and participating interests	3.902	3.657	4.362
	4.164	3.907	4.704
OTHER INCOME			
Stock dividend/changes share capital value	41	0	499
Dividend payment Triple Jump	47	0	182
Impact Investement income	0	0	0
Income (gross profit) public information activities publishing house	2.135	2.463	2.046
	2.222	2.463	2.727

The interest received on current account deposits and loans exceeded the budgeted amounts by 0.03 million euros. For interest on own funds the interest received is lower than anticipated in the budget by 0.02 million euros. In total the interest received exceeded the budget by 0.03 million euros, due to the cautious budget that had been set in view of the continuing low interest rates also in the previous year. The higher interest on loans by 0.02 million euros as compared to budget is mainly a result of the relatively weak position of the euro in 2013. This caused a good performance on the non-hedged loans.

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' (table 8.7.6).

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 8.6.2 '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

		2009	2010	2011	2012	2013
MISSION-RELATED INVESTMENTS						
Bond yields		-	-	-	-	-
Dividends		77	61	86	182	47
Realized price gains		-35	-	47	-41	-
Unrealized price gains		936	544	-10	540	123-
Gross investment return		978	605	123	681	76-
Investment costs		-	-	-	-	-
NET INVESTMENT RETURN		978	605	123	681	76-
INVESTMENT PERFORMANCE						
Average performance 2008-2012 %	12,09%					
Average performance 2008-2012 amount	462					
NET INCREASE IN CASH AND CASH EQUIVALENTS						
Interest on current account and organization's own funds on savings accounts and deposits		635	243	425	342	200

8.7.6 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	104.339	17.410	-	-	2.387	-
Fees and other payments	-	-	2.718	-	-	-
Outsourced work	1.165	194	-	-	-	-
Publicity, communication, other campaigning costs	692	98	1.416	-	1.981	4.281
Staff costs	21.363	2.638	2.656	3.401	1.342	1.305
Housing costs	615	59	46	131	32	20
Office and general expenses	13.118	1.803	210	1.148	156	116
Depreciation	1.476	139	105	311	72	47
TOTAL	142.769	22.341	7.152	4.991	5.969	5.769
grants, contributions, fees & other payments, purchases, acquisitions, outsourced work, publicity and communication (except if allocated to goals:)						
staff, housing, office & general and depreciation	1.502	68	1.722	3.148	58.748	
	36.573	4.638	3.017	4.991	1.601	1.488
Total internal operating costs (1 January 2013 until 31 March 2014)						
Annual internal operating costs (total internal operating costs / 15 months x 12)						
Maximum size of contingency reserve is 1.5 times the annual internal operating costs:						

COSTS OF GENERATING INCOME				MANAGE- MENT AND ADMINI- STRATION	TOTAL		
Direct fundraising	Third-party campaigns	Govern- ment grants			Financial statements 2013-14	Budget 2013-14	Financial statements 2012
-	-	-	-	-	124.136	174.539	97.699
-	-	-	-	-	2.718	2.586	2.423
-	-	-	-	-	1.359	1.829	3.541
5.169	407	-	240		14.284	17.014	11.795
1.310	55	1.232	2.331		37.632	32.179	28.816
23	1	45	50		1.022	1.167	738
118	9	339	652		17.669	14.344	12.837
51	3	106	114		2.425	2.508	1.500
6.671	475	1.722	3.388		201.246	246.164	159.349
5.169	407	-	240		5.816		
1.502	68	1.722	3.148		58.748		
					64.565		
					51.652		
					77.478		

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 8.4 '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 were 50.4 million euros less than budget, which is mainly caused by lower approvals than budgeted (42.5 million euros). This is in line with strategic steer provided by the Board of Directors as explained in paragraph 7.1 and partly due to the lower than budgeted income from institutional fundraising. No provision was made in the budget for the amount spent on emergency relief through SHO (5.4 million euros) because emergency relief is not budgeted. The amount committed to approved projects funded from Oxfam Novib's own resources was lower than budgeted (2.4 million euros). 2013-14 saw an increase of 26.4 million euros compared to 2012. This was mainly due to the extension of the financial year to 15 months.

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). The fee paid to Triple Jump was lower than budget (0.5 million euros).

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 under spent by 2.7 million euros. The main causes can be summarised as follows:

- During the financial year 2013-14 the a budget cut was implemented, in line with the strategic decisions taken by the Board of Directors in July 2013, as explained in paragraph 7.1.
- Within the Oxfam Confederation there is a need for new fundraising income. Oxfam Novib has surveyed the Swedish market and has decided to invest into new fundraising opportunities in that market. The total cost were 0.8 million euros.
- During the year extra investments were made in street-, door-to-door and online fundraising, as well as in extra capacity for the fundraising from companies, which led to an over spending of 0.5 million.
- An additional budget of 0.2 million was allocated to facilitate the changes within the Oxfam confederation.
- In 2013 Oxfam Novib started a pilot with the new Impact Investment Facility: ON Impact Investments (formerly known as the Oxfam in Business initiative). This facility will support small and medium enterprise development in Africa and Asia by providing three interlinked services to social enterprises: a) access to capital (loans and private equity) b) business incubation services and c) impact measurement services. The pilot phase to test the viability of this facility has started on 1 July 2013 and will run to 1 July 2015, after which a 'go-no go' decision will be taken, based on an evaluation. An additional budget of 0.3 million was allocated to strengthen

these private sector activities. Additional budget of 0.2 million was allocated to World Citizens Panel project.

- Costs for loans activities were 1.7 million euros less than budget, and costs for Triple Jump were 0.5 less than budgeted.

Staff costs

The Hague

The total number of staff members working at Oxfam Novib's headquarters was 315 at 31 March 2014 (1 January 2013: 319). This decrease by 5 staff members is due to the decentralisation process, which was completed in May 2013, and which is offset by an increase of staff funded by external funds and temporary activities.

Field offices

The number of field staff increased from 265 on 1 January 2013 to 346 on 31 March 2014. This growth of 30% is due to the finalization of the decentralization process and the allocation of more staff members to projects funded by institutional donors in country offices. The staff in field offices is mainly local.

Staff pensions

The pensions of Oxfam Novib's staff are insured with Zwitserleven. Since January 2014 Oxfam Novib has a renewed contract for one year with Zwitserleven.

The composition of staff costs is as follows:

Salaries headquarters	23.440
Salaries local contracts and ex-pats	6.515
Social security contributions	2.682
Pension costs	2.382
Temporary workers	829
Travel home-work	619
Other costs	1.165
TOTAL	37.632

Cost of housing

The housing costs in 2013-14 were under spent by 145.000 euros. The maintenance costs were lower than budgeted. Also the costs of external services on balance lower than foreseen.

Office and general expenses

The office and general expenses are 17.7 million euros. This is 3.4 million euros above the budgeted 14.3 million euros. The increase is mainly caused by the carrying out of projects and evaluations by Oxfam Novib itself (increase of 4.4 million euros). This amount also comprises the costs of travel, ICT and auditors' fees.

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	151	127		2	281
2. PWC Pensions, Actuarial & Insurance services BV				1	1
3. PWC Belastingadviseurs NV			102		102
4. PWC South Africa		8			8
5. PWC Executive Academy NV				0	0
6. PWC Dongo-Soria, Peru		2			2
7. KPMG Afghanistan Ltd		15		2	17
8. Dubois&Co (through I+solutions)		8			8
9. Deloitte Accountants BV		11			11
10. Deloitte Uganda Ltd			2	11	14
11. BDO South Africa		7			7
TOTAL	151	177	104	16	449

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

Investments have been postponed to the financial year 2014-15 and less maintenance in the building was needed, which led to less investments than anticipated.

Within ICT there were delays in the realization of some investment projects, like the Customer Relation Management system (CRM).

8.7.6.1 Costs of direct fundraising

Amounts in thousands of euros

	FIN STMNT. 2013-14	BUDGET 2013-14	FIN STMNT. 2012
COST OF DIRECT FUNDRAISING			
Mailings and street fundraising	4.431	5.501	4.443
Market research	42	3	2
Postage and shipping costs	218	304	245
Notary's fees deeds of gift	79	73	59
Telemarketing	325	373	302
Various incl Sweden	229	70	56
TOTAL	5.324	6.324	5.107
Departmental costs direct fundraising	1.347	1.467	1.039
TOTAL	6.671	7.791	6.147
As % of income direct fundraising	18,7%	17,8%	19,7%

One of the objectives of Oxfam Novib is binding the Dutch public to its work. Engaging in a dialogue is very important for informing as many people as possible about the work of Oxfam Novib and has played an increasing role in the approach. The gradual change in the approach towards the Dutch public shows itself in the way that public funds are raised. The former approach of only requesting for a single or structural gift has changed

into a more interactive way of working. This change has led to a redefinition of the way the activity costs of the fundraising department are allocated. The costs used to be allocated to either Costs of direct fundraising, Public information and marketing or Management and administration costs. The redefinition consists of a more differentiated way of allocating these costs. Because of this redefinition the costs of direct fundraising decreased.

The redefined allocation of costs is as follows:

	Costs of direct fundraising	Public information and marketing	Management and administration costs
Costs of activities, that are primarily focused on recruiting new relations, e.g. notary fees.	100%	0%	0%
Costs of activities where requests for single and structural gifts is associated with giving information about the work Oxfam Novib is doing, e.g. street teams, door-to-door, corporate fundraising and direct mail.	75%	25%	0%
Costs of activities where requests for single and structural gift is equally important as giving information about the work Oxfam Novib is doing, e.g. TV-formats and events.	50%	50%	0%
Costs of activities, that are primarily focused on giving information about the work Oxfam Novib is doing and where requests for single and structural gifts are of secondary importance, e.g. TV commercials and advertisements	25%	75%	0%
Costs of activities, that are primarily focused on giving information about the work Oxfam Novib is doing, e.g. Oxfam Novib News and loyalty activities.	0%	100%	0%
Costs, that are charged by banks for the financial traffic of single and structural gifts	0%	0%	100%

The costs of direct fundraising amounted to 6.7 million euros in 2013-14. These costs were lower than budgeted by 1.1 million euros. The costs of direct fundraising accounted for 18.7 per cent of total income. The CBF criterion for organizations 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 20.5 per cent.

8.7.7 Salary and emoluments paid to Directors

The Supervisory Board sets the remuneration policy for the Directors. The remuneration policy was reviewed in 2013 and per 1 January 2014 a new remuneration policy is in place. The temporary salary reduction that took effect

on 1 January 2011 has become a structural reduction since 2014. The remuneration policy has been revised in 2013 and endorsed by the Supervisory Board in their meeting on 9 December 2013. The revised remuneration policy is applicable from January 2014.

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 470 points, which corresponds with a maximum annual income for 2013 and 2014 of 124.233 euros on the basis of full-time employment, the same as in 2010, 2011 and 2012. The positions of the other members of the Board of Directors were rated at 432 points, which corresponds with a maximum annual income for 2013 and 2014 of 109.550 euros on the basis of full-time employment, also the same as in 2010, 2011

and 2012. 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 annual incomes in 2013 were as follows: 104.367 (2013/Q1 2014 130.459) euros for the Chair of the Board of Directors, F. Karimi, 92.016 (2013/Q1 2014 115.020) euros for Director T.J. Bouma, 90.726 (2013/Q1 2014 113.730) euros for Director T. van der Lee and 23.004 euros for Director A. Papma. These amounts are including holiday pay. All the members of the Board of Directors worked full-time (1 FTE) throughout the year (fifteen months), except A. Papma who was Director for 3 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	1/1/13-31/12/13	1/1/14-31/3/14	1/1/13-31/12/13	1/1/14-31/3/14	1/1/13-31/3/13	1/1/13-31/12/13	1/1/14-31/03/14	
REMUNERATION (EUR)								
Annual income								
Gross salary	96.636	24.159	85.200	21.300	21,300	84.006	21.300	
holiday pay	7.731	1.933	6.816	1.704	1,704	6.720	1.704	
year-end bonus, 13th/14th month	-	-	-	-	-	-	-	
variable annual income	-	-	-	-	-	-	-	
TOTAL	104.367	26.092	92.016	23.004	23,004	90.726	23.004	

Salary and emoluments

In addition to the annual income, the remuneration also comprises taxed allowances, social insurance contributions and pension contributions. The figures for 2013-14 together with the comparative figures for 2012 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	
PERIOD	1/1/13-31/12/13	1/1/14-31/3/14	1/1/13-31/12/13	1/1/14-31/3/14	1/1/13-31/3/13	1/1/13-31/12/13	1/1/14-31/03/14
Total annual income 2013/2014	104.367	26.092	92.016	23.004	23,004	90.726	23.004
Employer's social insurance contributions	9.969	3.016	9.856	2.832	2,592	9.625	2.832
Taxable allowances / additions to taxable income	8.195	4.536	13.087	-	-	-	-
Employer's pension contributions	12.247	3.201	10.919	2.853	3,607	10.560	2.853
Other deferred employee benefits	-	-	-	-	-	-	-
Fixed expense allowance	2.375	603	2.314	579	579	2.314	579
Variable travel allowance	-	-	-	-	-	-	-
Business travel allowance	-	-	-	-	-	-	-
Employment termination payments	-	-	-	-	-	-	-
TOTAL REMUNERATION 2013/2014	137.153	37.447	128.192	29.268	29,782	113.226	29.268
<i>Total remuneration 2012</i>	<i>139,754</i>		<i>116,583</i>		<i>116,790</i>	<i>111,417</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 and the director international department 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.

8.7.7.1 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, Wet normering bezoldiging topfunctionarissen publieke en semi publieke sector (WNT). Accordingly, the taxable

annual salaries of its officers must be disclosed to the extent that they exceeded 228.599 euros in 2013-14 (this is the amount for 12 months. 15 months calculated pro rata would implicate a maximum of 285.749 euros). None of the Directors or other officers of Oxfam Novib, nor those employed on consultancy basis, received a taxable annual salary in excess of this amount in 2013-14.

The Hague, 10 July 2014

The Hague, 10 July 2014

BOARD OF DIRECTORS	SUPERVISORY BOARD
Farah Karimi, Executive Director	Joris Voorhoeve, Chair – resigned October 2013 ¹
Theo Bouma, Director of the International Department	Hanzo van Beusekom – appointed as Chair October 2013
Tom van der Lee, Lobbying & Campaigns Director	Petra Bijl
	Joyeeta Gupta
	Marianne van Leeuwen
	Kees Tukker
	Peter Verbaas

NOTE

¹ The Board of Supervision had a change of Chair in 2013. Mr. Voorhoeve left the Board of Supervisors of Oxfam Novib because of his election as Chair of the Board of Supervisors of Oxfam International. He handed over his position at Oxfam Novib early October 2013 to Mr. Hanzo van Beusekom.



CHAPTER 9

OTHER INFORMATION

9.1 RESULT APPROPRIATION ACCORDING TO STATUTES

According to the statutes (article 23.3), the appropriation of the net result should to be done in line with the regulations in the VFI guideline “reserves goede doelen”. According to article 10.2 the Board of Directors adopts the annual accounts and according to article 19.2, the Supervisory Board approves the annual accounts.

9.2 RESULT APPROPRIATION FOR THE YEAR

Based on the proposition of the Board of Directors for appropriation of the net result, the net result for the year 2013-14 of 5.6 million euros is divided and earmarked as follows:

Adding to reserve Oxfam Novib projects	145
Adding to reserve and funds on loans	2.422
Withdrawal and adding to funds (SHO, NPL, Personalised funds, SAN! And SIDA)	-29
Adding to other reserves	1.734
Adding to contingency reserve	1.337

5.609

The proposed appropriation has been processed in the annual accounts.

9.3 AFTER BALANCE SHEET DATE INFORMATION

MFSII funding from DGIS will end at 31 December 2015. The Netherlands Ministry of Foreign Affairs has announced another funding modality as of 2016 based on strategic partnerships. The income for Oxfam Novib from this new funding modality is expected to be significantly less than MFSII. Oxfam Novib is preparing financial scenario's to prepare itself for the period as of 2016.

Also, significant changes are anticipated within the Oxfam confederation. In 2013, the Oxfam confederation agreed to the strategy called “*Oxfam 2020*”, which foresees to work together more closely as Oxfam affiliates and anchor the organization more firmly in the global South. Greater presence and power in the south will make Oxfam a more equitable, balanced and influential organization. Part of this plan is the establishment of 8 Southern Oxfam-affiliates as of 2020.

There have been no material post balance sheet events which would require adjustment to the financial statements of Oxfam Novib for the year 2013-14.

Independent auditor's report

To: the supervisory board and board of directors of Stichting Oxfam Novib

We have audited the accompanying financial statements of Stichting Oxfam Novib, The Hague, which comprise the consolidated balance sheet as at 31 March 2014, the consolidated statement of income and expenditure for the period 1 January 2013 to 31 March 2014 and the notes, comprising a summary of accounting policies and other explanatory information.

Management's responsibility

Management 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 and with the policy rules application Wet normering bezoldiging topfunctionarissen publieke en semi-publieke sector (WNT). Furthermore, management is responsible for the preparation of the financial statements in accordance with the WNT-requirements in respect of financial legitimation as included in the audit protocol WNT of the policy rules application WNT. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements and comply with the WNT-requirements in respect of financial legitimation 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 and the policy rules application WNT, including the audit protocol WNT. 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 judgement, 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, fair presentation of the financial statements and comply with the WNT-requirements in respect of financial legitimation 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, used WNT-requirements in respect of financial legitimation 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.

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Oxfam Novib as at 31 March 2014, and of its result for the period from 1 January 2013 to 31 March 2014 in accordance with the Guideline for annual reporting 650 "Charity organisations" of the Dutch Accounting Standards Board and policy rules application WNT.

Furthermore, in our opinion, the financial statements comply in all material aspects with the WNT-requirements of financial legitimization as included in the audit protocol WNT of the policy rules application.

Announcement according to the directors' report

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

Rotterdam, 10 July 2014
PricewaterhouseCoopers Accountants N.V.

Original has been signed by: M. van Ginkel RA



Photo: Philimon Bulawayo/Oxfam Novib

CHAPTER 10

APPENDICES

10.1 BUDGET 2014-15 AND MULTI ANNUAL BUDGET 2015 – 2019

Statement of income and expenditure

Amounts in thousands of euros

	2014-15	2015-16	2016-17	2017-18	2018-19
INCOME					
Income from direct fundraising	33.589	36.544	39.415	41.783	43.763
Revenues from third-party campaigns	15.818	16.003	16.381	16.779	17.075
Government grants - co-financing	80.019	58.820	74.471	74.471	74.471
Government grants - other	74.825	90.385	99.505	109.525	120.559
Income from interest	3.022	2.896	2.772	2.746	2.746
Other income	2.701	2.207	2.082	2.124	2.124
TOTAL INCOME	209.974	206.855	234.626	247.428	260.739
EXPENDITURE					
Expenditure on goal of 'structural poverty alleviation'					
Projects and programmes	155.664	152.466	177.480	187.387	198.363
Lobbying and advocacy by partner organisations	19.484	19.064	22.235	23.480	24.860
Lobbying and advocacy by Oxfam Novib	5.044	5.191	5.794	6.087	6.122
Support provided to partner organisations	3.513	3.601	3.561	3.657	3.758
Popular campaigning	4.757	4.856	5.139	5.158	5.177
Public information and marketing	5.697	6.001	6.224	5.352	5.452
TOTAL	194.158	191.179	220.433	231.121	243.732
Costs of generating income					
Costs of direct fundraising	6.510	7.349	7.469	6.185	6.302
Expenditure on third-party campaigns	507	579	576	549	553
Costs of securing government grants	2.845	2.904	2.945	3.023	3.105
TOTAL	9.863	10.833	10.990	9.757	9.960
MANAGEMENT AND ADMINISTRATION					
management and administration costs	2.688	2.674	2.728	2.776	2.823
TOTAL EXPENDITURE	206.708	204.685	234.150	243.654	256.516
NET RESULT	3.266	2.169	476	3.774	4.223
Expenditure on goals - not reflected in statement of income and expenditure					
Loans and guarantees provided	14.142	14.094	13.967	13.838	13.838
Loans and guarantees repayments received	-14.176	-14.042	-13.920	-13.779	-13.779
Oxfam Novib Impact Investment	6.950	300	750	0	0
Microfinance Innovation Fund	4.005	728	0	0	0
Appropriation of net income					
Added / charged to					
Earmarked reserves	111	-462	-1.225	2.022	2.470
Earmarked funds	1.855	1.731	1.700	1.752	1.752
Contingency reserve	1.300	900	0	0	0
TOTAL	3.266	2.169	476	3.774	4.223

NOTES ON THE BUDGET 2013 AND MULTI ANNUAL BUDGET 2014-2017

The government announced a new system for supporting civil society organisations; the strategic partnership framework "Samenspraak en Tegenspraak". Early 2015, the financial impact for Oxfam Novib will be clear. This impact will be substantial and will start to have effect from the financial year 2015-16. Oxfam Novib is preparing financial scenario's to prepare itself for the period as of 2016 (part of financial year 2015-16). As of this moment, an updated multi annual budget – incorporating the effect of the newly announced government grant system – is not available yet. Also refer to paragraph 9.3 'After balance sheet information'.

In 2013-14 Oxfam Novib further continued with efforts to diversify income and strengthen the financial sustainability of the organisation. In 2012 a business case was developed for community fundraising in Sweden. In 2013 it was decided to implement this business case and a fundraising office in Sweden has been set up.

For the financial year 2014-15 an increased pressure on Oxfam Novib's income is expected, based on experience in the financial year 2013-14:

In the first place, income from community fundraising shows a decreasing trend and an adjustment of the income target turned out to be necessary. In addition, income from community fundraising has become more restricted in nature, which creates an additional pressure on unrestricted funding.

Secondly, while during the last years Oxfam Novib experienced a rapid growth on institutional funding, the level of income now seems to stabilise. At the same time, Oxfam Novib has set itself an ambitious growth target for the next financial year (+ 20%).

Oxfam Novib is part of Oxfam International. The initiatives that were taken in 2012 to improve the impact and cost efficiency of our operations have been taken forward in 2013-14 and will continue to be high on the Oxfam agenda in 2014-15.

The context of Oxfam Novib is a rapidly changing and developing one, making the multi-annual budgeting process a difficult exercise. Oxfam Novib is confident to be able to translate high impact occurrences in a realistic multi-annual budget and to continue to deliver quality work.

10.2 OXFAM NOVIB – SHO SYRIA 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
	-	-	328	-	-	328
	-	-	0	-	-	0
	-	-	328	-	-	305
	-	-	23	-	-	23
	-	-	305	-	-	305
	305	0	0	305	0	305
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	305	-	-	305
	305	-	305	305	305	305
	-	-	-	-	-	-
	-	-	-	-	-	-
	305	-	305	305	-	305
	-	-	-	-	-	-
	-	-	-	-	-	-

10.3 OXFAM NOVIB – SHO PHILIPPINES (HAIYAN) RESPONSE

Amounts in thousands of euros

INCOME

Public donations (SHO funds)

Interest

TOTAL INCOME

COST FOR PREPARATION AND COORDINATION (AKV)

AKV²

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

² Total akv is 7% of income of EUR 5.103.434, amounting to EUR 357.240. 3,5% is for Oxfam Novib and 3,5% is for implementing organisation OGB (EUR178.620). The akv for the implementing organization is accounted for under expenditures through implementing organizations (field). The akv for ON of EUR 178.620 reflects the reservation for akv.

FINANCIAL YEAR			UP TILL FINANCIAL YEAR (INCLUDING)		
Emergency	Rehabilitation	Total	Emergency	Rehabilitation	Total
-	-	5.103	-	-	5.103
-	-	2	-	-	2
-	-	5.105	-	-	5.105
-	-	179	-	-	179
-	-	4.926	-	-	4.926
-	-	5.000	-	-	5.000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-74	-	-	-74
-	-	2.635	-	-	2.635
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2.155	-	-	2.155
-	-	-	-	-	-
-	-	-	-	-	-



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