

OXFAM NOVIB ANNUAL ACCOUNTS

FINANCIAL STATEMENTS
2015-16



OXFAM
Novib



CONTENTS

CHAPTER 1

DIRECTORS' REPORT	5
1.1 GENERAL INFORMATION	6
1.2 ACTIVITIES AND FINANCIAL POSITION	10
1.2.1 CORE ACTIVITIES AND FINANCIALS	10
1.2.2 KEY PERCENTAGES	11
1.2.3 FUNDRAISING	11
1.2.4 POLICIES	13
1.2.5 RISK AND UNCERTAINTY	14
1.3 INFORMATION ON THE BOARD OF DIRECTORS	15
1.4 OUTLOOK	15

CHAPTER 2

BOARD OF SUPERVISORS' REPORT	16
-------------------------------------	-----------

CHAPTER 3

CONSOLIDATED FINANCIAL STATEMENTS	18
3.1 CONSOLIDATED BALANCE SHEET AS AT 31 MARCH AFTER APPROPRIATION OF NET INCOME	19
3.2 CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE	20
3.3 CONSOLIDATED CASH FLOW STATEMENT	21
3.4 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES	22
3.4.1 GENERAL	22
3.4.2 TANGIBLE FIXED ASSETS	23
3.4.3 FINANCIAL FIXED ASSETS	23
3.4.4 INVENTORIES	23
3.4.5 RECEIVABLES	23
3.4.6 CASH AND CASH EQUIVALENTS	23
3.4.7 PROVISIONS	23
3.4.8 OTHER ASSETS AND LIABILITIES	23
3.4.9 RELATED PARTIES	23
3.5 ACCOUNTING POLICIES FOR THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE	23
3.5.1 INCOME FROM DIRECT FUNDRAISING	23
3.5.2 COSTS OF DIRECT FUNDRAISING	24
3.5.3 SHARE OF REVENUES FROM JOINT CAMPAIGNS	24
3.5.4 SHARE OF REVENUES FROM THIRD-PARTY CAMPAIGNS	24
3.5.5 GOVERNMENT GRANTS AND OXFAM NOVIB'S OWN PROJECT FUNDS	24
3.5.6 EXPENDITURE ON STRUCTURAL POVERTY ALLEVIATION	24
3.5.7 MANAGEMENT AND ADMINISTRATION COSTS	24
3.5.8 FOREIGN CURRENCY TRANSLATION	26
3.5.9 PENSION COST	26
3.6 NOTES TO THE CONSOLIDATED BALANCE SHEET	27
3.6.1 TANGIBLE FIXED ASSETS	27

3.6.2	FINANCIAL FIXED ASSETS	28
3.6.3	INVENTORIES	32
3.6.4	RECEIVABLES, RECEIVABLES FROM GOVERNMENTS AND PROJECT FUNDS OVERVIEW	33
3.6.5	CASH AND CASH EQUIVALENTS	34
3.6.6	NOTES ON RESERVES AND FUNDS	36
3.6.6.1	RESERVES	36
3.6.6.2	FUNDS	39
3.6.7	PROVISIONS	40
3.6.8	DEBTS	41
3.6.9	PROJECT LIABILITIES	42
3.6.10	ASSETS AND LIABILITIES NOT INCLUDED IN THE BALANCE SHEET	42
3.7	NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE	43
3.7.1	INCOME FROM DIRECT FUNDRAISING	43
3.7.2	SHARE OF REVENUES FROM THIRD-PARTY CAMPAIGNS	44
3.7.3	GOVERNMENT GRANTS	45
3.7.4	OTHER INCOME AND REVENUE	46
3.7.5	EXPENDITURE ALLOCATION	48
3.7.5.1	COSTS OF DIRECT FUNDRAISING	54
3.7.6	SALARY AND EMOLUMENTS PAID TO DIRECTORS	55
3.7.6.1	EXECUTIVES' PAY FINANCED FROM PUBLIC FUNDS (DISCLOSURE) ACT	55
3.8	SEPARATE FINANCIAL STATEMENTS OXFAM NOVIB	56
3.8.1	SEPARATE BALANCE SHEET OXFAM NOVIB AS AT 31 MARCH AFTER APPROPRIATION OF NET INCOME	56
3.8.2	SEPARATE STATEMENT OF INCOME AND EXPENDITURE OXFAM NOVIB	57
3.8.3	ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES IN THE SEPARATE FINANCIAL STATEMENTS	58
3.9	NOTES TO THE SEPARATE FINANCIAL STATEMENTS	58
3.9.1	FINANCIAL FIXED ASSETS	58
3.9.2	NOTES ON FINANCIAL STATEMENT ITEMS AFFECTED BY THE CONSOLIDATION OF OXFAM SWEDEN AND IMPACT INVESTMENTS B.V.	58
3.10	SHO	60
3.10.1	PHILIPPINES – HAIYAN RESPONSE	60
3.10.2	EBOLA	61
3.10.3	NEPAL	62

CHAPTER 4

	OTHER INFORMATION	64
4.1	RESULT APPROPRIATION ACCORDING TO STATUTES	65
4.2	RESULT APPROPRIATION FOR THE YEAR	65
4.3	AFTER BALANCE SHEET DATE INFORMATION	65
4.4	REPORT OF INDEPENDENT AUDITOR	66

CHAPTER 5

	MULTIANNUAL BUDGET 2016 – 2020	67
--	---------------------------------------	-----------



Photo: Khaula Jamil

CHAPTER 1

DIRECTORS' REPORT

1.1 GENERAL INFORMATION

Oxfam Novib is an international development organization that mobilizes the power of people against poverty. Around the globe, we work to find practical, innovative ways for people to lift themselves out of poverty and thrive. We are an affiliate of the growing Oxfam confederation that is active in more than 90 countries; by developing and implementing high-quality programs, we contribute to our mutual ambition of a Worldwide Influencing Network.

OUR MISSION

Oxfam Novib is part of a global movement of people working together to end the injustice of poverty for everyone. We help people build better lives for themselves, and when disasters strike we save and rebuild lives. Together we take on the big issues that keep people poor, such as inequality, discrimination against women, climate change, and the eviction of people from their land. And we won't stop until every person on the planet can enjoy life free from poverty. Our vision is a just world without poverty.

OUR APPROACH

Oxfam Novib's approach is rights-based. Our work is about cooperating with poor and marginalized people to enable them to get what they are entitled to. We aim to effectively challenge power relations that hold people back from obtaining their rights. We believe that empowered citizens are the driving force behind positive changes and social justice.

As a humanitarian actor, Oxfam Novib contributes to saving lives in humanitarian crises; as a development actor it contributes to structural changes and development of poor and disadvantaged communities. At the same time, we link local action with crucial campaigning at national, regional and global levels that draws on our advocacy in support of policies and practice that underpin justice and well-being.

- **Cooperation with local partner organizations**

We work with partner organizations in the communities most in need. Partners have the most thorough knowledge of the local culture and context. We provide funding, training and advice, as well as accompaniment. To achieve optimal coordination and cooperation we exchange experiences and work to build strong networks.

- **Lobby and advocacy**

We cooperate with governments and the private sector where possible and useful, while urging them to take seriously their responsibility to the people who experience the impact of their policies and business operations. By extension, we stimulate them to change policies and practices where needed.

- **Campaigning**

When companies or governments fall short of international standards, global human rights and humanitarian law, we will draw attention to this through our public campaigns. Through our global Oxfam network, we encourage and inspire people in the Netherlands, our programming countries and worldwide to engage in our campaigns as supporters (financial or otherwise), volunteers, activists and consumers.

Our programs are rooted in the following rights:

- 1. Right to sustainable livelihood**

Everybody is entitled to a fair income and the security of having enough to eat. Yet for 20 percent of the world's population, this is not the case. This means that poor and marginalized people require better access to land, water and finances, as well as fair working and trading conditions. We work with communities to empower small-scale farmers and food producers – in particular women – and we engage with companies (including food companies) to realize fair value chains.

- 2. Right to basic social services**

Accessible education and health care are essential for building better societies. Yet even as we make progress towards universal primary education, there are still 130 million children in school around the world who nonetheless fail to learn basic reading, writing, and math skills. Governments need financing to enable them to deliver accessible, affordable, and high-quality services for their people. We will continue to hold governments accountable for doing so and will seek new ways to increase finance for development, including efforts to strengthen developing countries' tax bases.

- 3. Right to life and security**

Natural disasters, climate change and armed conflicts hit millions of people every year. We support these people with humanitarian aid and support for reconstruction. And we work with local organizations to prepare people in advance, enabling them to prevent or mitigate the effects of disasters and conflicts.

4. Right to social and political participation.

We believe deeply in the importance of including poor people in public decisions that affect them, enabling them to contribute to the structures and policies that govern them. Together with local organizations we give people access to information, train them in budget monitoring and support them in making their voices heard.

5. Right to an identity

Gender inequality is both a violation of human rights and an obstacle to sustainable development. In a just world there is no place for discrimination against women, violence against women, or discrimination against minorities. That's why we work on women's and youth empowerment, focusing on their political participation, sexual and reproductive health, and income.

OUR THEORY OF CHANGE

From local micro-projects to global campaigns, we believe that guaranteeing these rights must be at the heart of our work, along with empowerment, accountability, and gender justice.

Empowerment

Citizens are the most important agents of change. They inform themselves and others, and claim their rights. They find opportunities to harness the strength of their communities, and seek to defend their own interests in the face of power.

Organized citizens demand that their rights to local land, water, and other resources are protected. They claim access to affordable healthcare and education, act to increase their share of national wealth, fight against corruption and bad governance and seek redress for human rights violations. Citizens' right to organize themselves and to speak out is essential.

Accountability

Together with our partners all over the world, we will challenge policies and practices that perpetuate injustice and poverty. We will lobby, negotiate, and dialogue with, expose, praise and shame power-holders like governments, big corporate and multilateral institutions to bring about positive change. We ourselves are accountable for our activities and expenditure.

Gender justice

We support women's rights organizations around the world and promote female leadership. We challenge men to change destructive attitudes and behavior, and we champion women and girls who are making strides to protect their rights and advance women-led development.

We recognize that the injustice of denying women's rights is a major obstacle to development. Women constitute the majority of people living in poverty, and investing in women and girls is an effective development strategy.

LEGAL AND ORGANIZATIONAL STRUCTURE

2015-16 was a turbulent year for our organization. We were forced to cut back our expenditures on partners and staff considerably as the co-financing from the Dutch government came to an end. At the same time we worked with other Oxfams to further develop the Oxfam 2020 agenda. In the past year we have implemented the largest reorganization in our history, a challenging and demanding process for all involved, especially for the 72 dedicated colleagues to whom we have had or will have to say goodbye, and for the many people who's temporary contracts were not extended.

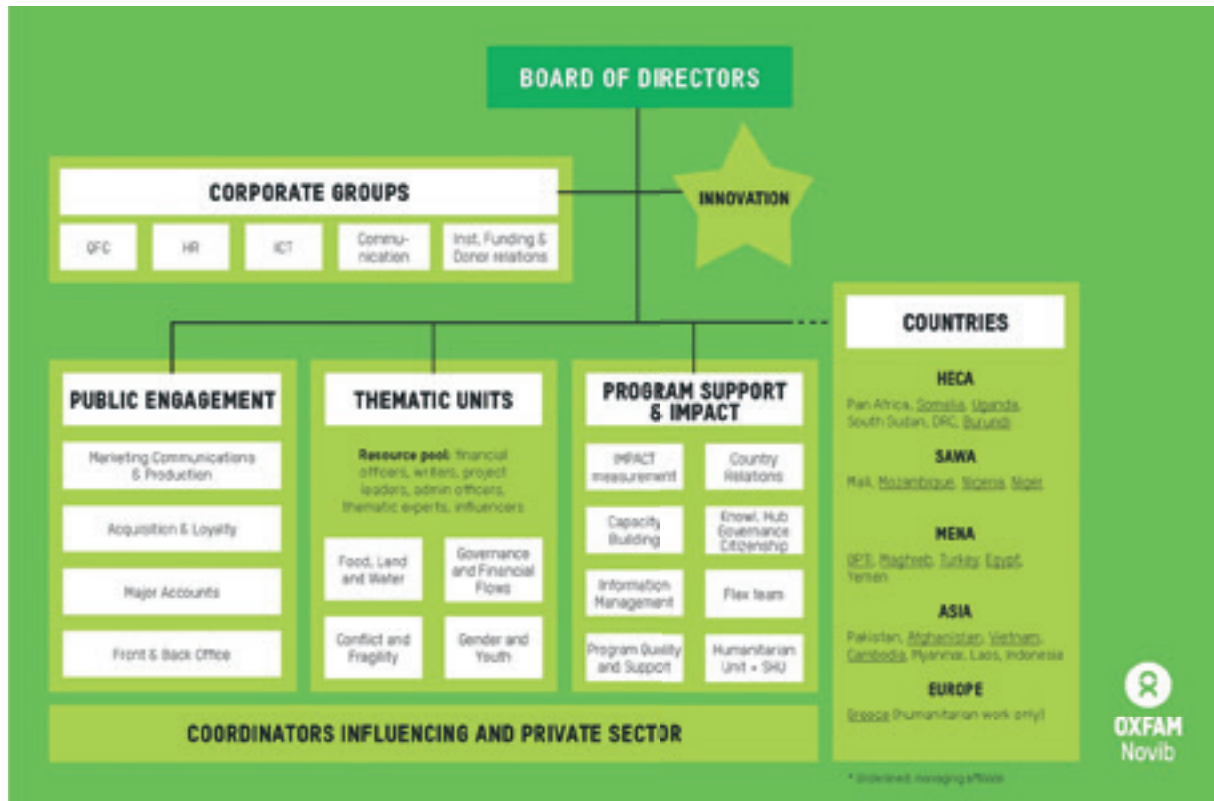
Reorganization

Oxfam Novib's new organizational structure was implemented in July 2015. By the end of March 2016, 29 employees had left the organization, supported by a Social Plan that was agreed on with the works council and the trade union involved. Of the other people we have had to let go, five have been placed in the new Oxfam organization, 14 signed a settlement agreement, one will leave through a procedure approved by the Dutch social security organization (UWV), one has retired, two are currently on sick leave, and 20 employees were given a temporary contract extension to enable them to finalize specific tasks in our transition process.

Organizational chart

Oxfam Novib is committed to supporting the affected employees through career reorientation training, guiding them towards a new future; we discuss their wishes, share information on vacancies in the sector, and look for appropriate employment opportunities for them both inside and outside the organization.

Organizational chart



In transforming into a project organization increasingly funded by institutional donors, we have fundamentally changed our ways of working and thinking. More than ever we need to demonstrate our added value and will be held accountable for our work. This has resulted in a strong focus on delivering what we promised, as well as on innovation, impact and agility.

COMPOSITION OF THE BOARD OF DIRECTORS

Farah Karimi (1960)

Mrs. Karimi started as Executive Director on February 1, 2008. The Board of Supervisors reappointed her to this position in February 2016. As Executive Director and Chair of the Board of Directors, Mrs. Karimi has final responsibility for the strategic direction and organizational development of Oxfam Novib.

Mrs. Karimi holds other positions related to her chairship of the Board of Directors. She is a member of the Executive Board of Oxfam International, the Oxfam EB Operations Committee, the Long Term Development and Knowledge Committee and the Oxfam Finance and Audit Committee. She represents Oxfam Novib in the Board of SHO (*Samenwerkende Hulporganisaties*, the Dutch umbrella organization for emergency appeals). She is Chair of the Executive Board of the Oxfam Novib Fund. In 2015 Mrs. Karimi stepped down as a member of the Supervisory Board of IDH (Initiatief Duurzame Handel, the Sustainable

Trade Initiative) and as a member of the Supervisory Board of the VPRO, a Dutch national broadcasting company.

Tom van der Lee (1964)

Mr. van der Lee has been a member of the Board of Directors since August 2009, as Director of Campaigns and Advocacy. He was reappointed to this function by the Board of Supervisors in January 2014. He leads the Public Engagement unit and the thematic units, and is responsible for the crosscutting work on influencing and private sector engagement. Mr. van der Lee chairs the IMPACT alliance.

Related to his membership of the Board of Directors, Mr. van der Lee is chair of the Campaigns Group of the Oxfam network, the Oxfam Private Sector Team and the Board of Oxfam Sweden, and Vice-Chair of the board of Partos, the Dutch association of NGOs working in International Development. He is also a member of the International Press Center Nieuwspoot.

Arnold Galavazi (1956)

Mr. Galavazi is Director of Operations and as such is responsible for the departments of Quality, Finance & Control, HR, ICT, Institutional Funding and Donor Relations (IFDR), and Facility Services. Mr. Galavazi holds consultation meetings with the Works Council on behalf of the Board of Directors. His other position is as Chair of the Value Board, the goal of which is to oversee and define investment thresholds and to evaluate, prioritize, and select new investments for the Board of Directors' approval.

Aletta van der Woude (1967)

Ms. van der Woude has been Director of the International Department since September 1, 2014, including responsibility for all regional programs and country offices. Since January 2016 she has also been responsible for Oxfam Novib's role in the change process towards one Oxfam in countries and regions.

Related to her membership of the Board of Directors, Ms. van der Woude is also a member of the Oxfam Program Directors and the Oxfam Change Directors group. Her other positions include membership of the board of STOP AIDS NOW!, Chair of the Steering Committee of Quality Educators for All and membership of the Steering Committee of Universal Access to Female Condoms. The last two steering committees were wound up in late 2015-16 due to the programs being finalized.

COMPOSITION OF THE SUPERVISORY BOARD

Hanzo van Beusekom (1972)

Mr. van Beusekom was first appointed in January 2010, and reappointed in 2013 until 2016. He has been Chair of the Board since October 2013. He is a member of the Remuneration Committee. On account of his position as Chair of Oxfam Novib's Board of Supervision, he is a member of the Board of Oxfam International and of the Governance Committee of Oxfam International. Mr. van Beusekom is a partner at Clear Conduct, a specialized strategic consulting firm on regulatory practice, risk management, and business conduct. He is also a visiting lecturer at several universities.

Marianne van Leeuwen (1961)

Mrs. van Leeuwen was appointed in January 2012 until January 2015, with a maximum period of tenure ending in 2020. She chaired the Remuneration Committee until June 2015.

Mrs. van Leeuwen currently serves as a member of the Supervisory Boards of Cito, ANP news agency, Sonepar/ Technische Unie, and AEB Amsterdam.

Mrs. van Leeuwen stepped down from the Board of Supervisors of Oxfam Novib in June 2015.

Petra Bijl (1961)

Mrs. Bijl was appointed in November 2012 until November 2015, with a maximum period of tenure ending in 2021. She was appointed on the recommendation of the Works Council. Mrs. Bijl is an independent consultant, coach, and trainer with Essential Transformation.

Mrs. Bijl stepped down from the Board of Supervisors of Oxfam Novib in June 2015.

Joyeeta Gupta (1964)

Mrs. Gupta was first appointed in November 2012 until November 2014, with a maximum period of tenure ending

in 2019. She is a member of the Remuneration Committee. Mrs. Gupta is Professor of Environment and Development in the Global South at the University of Amsterdam (UvA) Faculty of Social and Behavioral Sciences, and at the UNESCO-IHE Institute for Water Education in Delft. Her other positions include Vice-Chair of the Committee on Development Cooperation and member of the Advisory Council on International Affairs.

Kees Tukker (1955)

Mr. Tukker was first appointed in November 2012 until November 2014 with a maximum period of tenure until 2019. He is member of the Financial Committee. As an independent consultant and advisor, Mr. Tukker has worked for organizations in the media and in mental health care. As a media professional he has held several leading positions in major public broadcasting organizations. He also works on several books, including a study on one of the leading figures in the food supply system in the Netherlands during World War II.

Peter Verbaas (1959)

Mr. Verbaas was first appointed in November 2012 until November 2015, with a maximum period of tenure ending in 2020. He is Chair of the Financial Committee.

Mr. Verbaas teaches at Nyenrode University and the Center for Private Wealth Management, Banking and Governance. He is a partner at Charistar consultancy on philanthropy, shared value, and impact. His other positions include non-executive of VU Medisch Centrum Fonds, member of the Advisory Committee of Waarborgfonds Sociale Woningbouw, member of the Supervisory Board of ASN Novib Microkredietfonds and member of the non executive board of UBS Bank Nederland.

Jan van Zijl (1952)

Mr. van Zijl was appointed in June 2015, with a maximum period of tenure ending in 2023. He was appointed on the recommendation of the Works Council.

Mr. van Zijl is a former Member of Parliament. In the reporting year Mr. van Zijl was Chair of the MBO Council and Chair of Samenwerking Beroepsonderwijs Bedrijfsleven. His other positions include Chair of Vluchtelingenwerk, Chair of the Foundation Learning from Each Other (an NGO in Peru) and member of the Advisory Board of Foundation Instituut Gak Fund.

Laurien Koster (1950)

Mrs. Koster was appointed in June 2015, with a maximum period of tenure ending in 2023. Mrs. Koster is chair of the Remuneration Committee since June 2015.

Until her retirement, Mrs. Koster was the Chair of the Netherlands Institute for Human Rights. Previously she was, amongst others, President of the Court in Alkmaar and has worked as a judge and a lawyer for over 27 years. Mrs. Koster is also member of the Advice Council of the Advanced Master Human Rights of the University of Leiden.

1.2 ACTIVITIES AND FINANCIAL POSITION

1.2.1 Core activities and financials

In 2010 Oxfam Novib aimed to realize the following goals in our five-year planning period. By the end of 2015, the following results were achieved:

1. RIGHT TO SUSTAINABLE LIVELIHOODS

Goal Millions of small-scale crop and cattle farmers and fisherfolk have improved their position in the competition over land and water, and earn a better income.

Goal 597,000 people (70 percent of them women) in remote rural areas receive small loans, support in setting up savings groups, or other financial services from our partners.

Goal 123 partners have been effective in lobbying their authorities for better access to land and water, especially for women.

Goal Sustainability takes center stage in the production chains for palm oil, cocoa, coffee, and tea, and the interests of small producers – especially women – are taken into account.

Goal 876,000 people are prepared to mitigate the negative effects of climate change to the greatest possible extent.

Goal Banks and other financial institutions have significantly improved their social and sustainability policies.

By April 2015, Oxfam Novib had already achieved these goals for the period 2011-2015. In 2015 we reached:

- 1,078,000 people through work on sustainable production methods.
- 177,900 people through financial services or training in marketing.
- 56,700 people through techniques on climate change adaptation.

2. RIGHT TO BASIC SOCIAL SERVICES

Goal Over 700,000 more children (70 percent of them girls) attend primary school and 25,000 more children (80 percent of them girls) attend secondary school, thanks to the work of our partners.

- We had already almost doubled this number by 2014, and by the end of 2015 we counted 267,700 children, mostly girls, attending school thanks to our partners' work.

- Our goal was to provide sexual and reproductive health (SRH) services to at least 697,000 young people. We soon realized that this target was extremely unambitious as we reached it almost yearly. By the end of 2015 we had reached 1,142,700 young people.

Goal In countries where we and/or our partners work with the national authorities, the quality of education has improved.

- In countries where we work with the national authorities, e.g. Bangladesh, Uganda, and Mali, the quality of education and the access to SRH has improved due to the efforts of Oxfam and its partners in lobbying and working with government officials to develop and reform relevant policies.

3. RIGHT TO LIFE AND SECURITY

Goal At least 50 partners have the capacity to deliver humanitarian aid efficiently and effectively, and according to international quality standards.

- In 2015 we developed these capacities with 70 partners.

Goal 10 million people have become less vulnerable to disasters, because the authorities, thanks to the efforts of our partners, provide a social safety net.

- In 2015 alone, 321,400 people benefited from a social safety net.

Goal Our partners and the authorities include women more explicitly in reconciliation efforts and in setting up peace councils.

- In 2015 we enabled 7 partner organizations working in fragile states to program conflict more sensitively and to promote women's leadership in conflict-affected areas (conforming to UN resolution 1325).

Furthermore, in 2015 we reached:

- 331,600 people through our work on training them how to protect themselves against violent conflict;
- 928,300 people through humanitarian aid.

4. RIGHT TO SOCIAL AND POLITICAL PARTICIPATION

Goal 772,000 people, particularly women, are now able to claim their political and civil rights because they have access to information that was previously being kept from them.

- We had already exceeded this goal by the end of 2014 and continued to empower people through access to information, using ICT and new media. In 2015 we reached 776,600 people.

Goal 799,000 people, particularly women, have received legal aid from our partners, thus increasing their resilience, self-awareness, and self-respect.

- We also exceeded this goal in 2014. In 2015, we reached another 250,000 people who enjoyed improved access to legal systems as a result. 150,000 of these were women.

At the end of 2015, we can proudly conclude that we have reached most of our five-year goals. Looking at social and political participation, there are many instances in which we greatly exceeded our set targets: for example, in enabling citizens to have access to information. Successful innovative approaches leveraging ICT applications are often at the core of these achievements. We had already exceeded our goals for improving access to information by the end of 2014, and in 2015 we once again reached large numbers: 775,000 in total.

5. RIGHT TO AN IDENTITY

Goal 127,000 women play more of a leading role locally and/or nationally.

- By the end of 2014 we had already supported 130,000 women in achieving leadership positions in their communities. In 2015 we reached 12,400 women.

Goal 1,136,000 men and women are aware that women are in charge of their own bodies, and that violence against women is unacceptable.

- We reached over 2 million women and men by 2014. In 2015 we raised awareness amongst more than 262,300 people.

Goal Due to lobbying by our partners, governments have improved their legislation on women's rights and have embedded women's social and political participation in law.

- Oxfam Novib has contributed to the design of the Sustainable Development Goals (SDGs) and the identification of Gender Indicators. The SDGs provide a clear and strong framework against which national governments will be called to account for their delivery on women's rights and gender equality on their countries.

Goal 100 partners have incorporated equal opportunities for women into their programs.

- By the end of this reporting period, more than 84 partners had been positively assessed on gender-sensitive programming.

1.2.2 Key percentages

This year Oxfam Novib also met the CBF criterion related to the costs of direct fundraising. 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 percent of the direct fundraising income. Oxfam Novib's direct fundraising costs amounted to 19.6 percent of the income from direct fundraising (three year average).

The key figure 'Management and administration costs' was 1.2 percent. This is slightly above the budgeted level of 1.1 percent, and below the 2 percent maximum set by the Board of Directors of Oxfam Novib.

The key figure 'Expenditure on goals' is stated as a percentage of total income and total expenditure. 'Expenditure on goals' accounts for 92.6 percent of total expenditure, which is slightly below budget (92.8 percent). For more details related to the key percentages see Section 3.7.5. Expenditure allocation.

Fundraising

We are very grateful for the generous support that hundreds of thousands of people in the Netherlands give to our work. Though we cannot do without their financial contributions, we also highly value the non-financial support often shown by these same donors; they share our messages, sign our petitions, and 'like' our Facebook posts.

Supporter's opinion

Throughout the year, Oxfam Novib consults a research panel of approximately 3,000 private donors and/or supporters on various topics such as customer satisfaction. In 2015 we asked these supporters to express their opinion on the Fair Bank Guide and the Fair Insurance Guide. We asked them how familiar they are with this platform, whether they perceive it to be a logical fit with Oxfam Novib as an organization, and to what degree they are willing to take action based on the information received via this platform. The results are that 86 percent think the Fair Banking Guide is a good fit with Oxfam Novib; they appreciate the concept (8.2 percent) and are willing to take action (38 percent actually did); yet the accompanying website rates lower (7.8 percent), mainly because of the 'information overload' on its pages.

Mobilizing and meeting supporters

In 2015-16 we involved some 55 volunteers at festivals such as Pinkpop, Lowlands, and North Sea Jazz; at the International Documentary Festival Amsterdam (IDFA), where Oxfam Novib organized the 'Humans on the Move' session about refugees all over the world; and at sporting events such as the marathon in The Hague and the cycling events 'Limburgs Mooiste' and 'Egmond-Pier-Egmond'. At Pinkpop and Lowlands we focused on climate change and many new supporters became involved with Oxfam Novib. On the eve of the global climate summit COP21 in Paris, we co-organized a People's Climate March in Amsterdam. The march attracted 7,000 participants and a lot of media attention.

The winners of the Oxfam Novib / PEN awards for persecuted writers were announced for the 15th time in January 2016. It was the first year that none of the honorees was able to be present. Their imprisonment, isolation, and travel bans only serve to emphasize the importance of this award, as does the continuing persecution of critical writers and journalists worldwide.

In order to create more focus and impact, we will be present at fewer events in the coming year. Our primary focus will be on raising awareness about Oxfam Novib's work, and the secondary one will be mobilizing new supporters. We will also intensify our events aimed at meeting with and further engaging our current supporters (both financial and otherwise), thus ultimately building long-term relationships with a loyal supporter base.

Private individual donors

Not only do our supporters contribute to our work through donations or Facebook 'likes'; they also buy presents in our online store and support us via the Publishing House. In 2015-16 we distributed about 48,000 books among our subscribers and through direct sales. We are particularly proud of *Un Buku*, a Suriname story cookbook, which received considerable media coverage. Another bestseller was *The Fishermen* by Chigozie Obiama, which was also nominated for the Man Booker Prize. 47,000 people ordered our popular Oxfam Novib calendar.

Together, our individual and business donors supported Oxfam Novib's work with €25.7 million; this is a stabilization after a few years of decline that began to slow down over the past year. Most income comes from individual donors, gifts, and donations by notarial deed. In the coming five years we aim to consolidate our income from loyal supporters and realize a growth in our overall income.

Inspire and connect with donors

A total of 320,898 people supported us financially in 2015-16. Unfortunately we are seeing a decline in our overall supporter base, mainly because of new donors dropping out during their first year of commitment. To counter this development, we will implement a 'welcome program' in 2016-17 which allows donors to feel more connected, and therefore more committed, to Oxfam Novib. The need to truly inspire and connect with our existing and new supporters is an important pillar of our engagement strategy.

Our focus will stay on acquiring regular givers with the highest potential, and engaging with them in long-term relationships. A prerequisite is that we must ensure that our recruitment methods represent Oxfam Novib in an authentic way: being pleasantly surprising and off-beat is central to our organization's DNA.

Currently Direct Dialogue is our primary fundraising channel for the recruitment of new donors. We aim to shift away from this single-channel dependency; this requires a careful and well-conceived transition, with a lot of testing to discover scalable alternatives. To further diversify our income streams it is essential to develop all segments, including major account giving, and especially legacies and inheritances. In addition, we will continue to work on converting our public campaign supporters and activists into financial supporters.

Legacies and bequests

Leaving a legacy to Oxfam Novib is a promise of a better future for the communities we support. We are therefore very grateful for all legacy gifts we receive, regardless of the size of the gift. In order to answer the many questions people ask us about leaving a gift to our work in their will, and to professionalize our service around legacies and bequests, we appointed a Relationship Manager in 2015. By offering specialized knowledge on issues such as inheritance tax, wording in a will, and of course the impact of a legacy gift, we hope to increase the number of legacy providers and bring this special way of giving to the attention of more supporters.

Individual major donors

Oxfam Novib is also supported by generous individuals and family foundations who contribute to our mission in a special and substantial way. Our major donor relationship managers have built a personal relationship with each and every one of these special givers. We are glad to engage them in our work, for example by taking them on a visit to our projects and by inviting them to special events. In 2015-16 we invested in increasing our network and in building new long-term relationships.

Entrepreneurs for Entrepreneurs

Our business network, Entrepreneurs for Entrepreneurs, has seen rapid expansion since its start in 2009. The network allows Dutch small and medium enterprises to help their fellow entrepreneurs in Africa and Asia to earn a sustainable income for themselves and their families. In 2015-16 some 765 business ambassadors supported our efforts to give these entrepreneurs access to finance and essential training; together they generated €2.1 million. Joining us on this inspiring journey, Entrepreneurs for Entrepreneurs clearly see the value of social return on their support.

In 2015-16 we organized regular meetings to enable our business ambassadors to inspire each other and learn more about Oxfam Novib's work, for example during the Week of the Entrepreneur, and we invited them to our supporter events (see above). In addition, company employees engaged in various sporting challenges, such as The Hague marathon. In Business Panel Meetings our ambassadors co-create new initiatives; in 2015-16 we focused on building a support program for SME Development and Impact Investment activities.

Oxfam Novib joined forces with the Dutch Network Group, a media publishing company focused on the SME market, to inspire more Dutch entrepreneurs to join our network. Five of the most engaged business ambassadors travelled to Vietnam with Oxfam Novib to see the results of our SME work there; in 2015-16 we were able to create a strong base of 'super ambassadors' who had joined us on previous field trips to Uganda (2013) and Cambodia (2014).

1.2.4 Policies

INVESTMENT POLICY

Oxfam Novib uses a risk-averse strategy towards investments, guarantees and loans.

Oxfam Novib's investment activities relate to Oxfam Novib's mission to end injustice and poverty. Oxfam Novib supports access to finance for the poorest, because they have no access to the official banking system. Triple Jump BV manages these investment activities on Oxfam Novib's behalf. Triple Jump BV is an Amsterdam-based company set up by ASN Bank, NOTS Foundation, Stichting Doen, and Oxfam Novib to provide support to new microfinance institutions and to enable them to develop into professional financial institutions within a short timeframe. In 2006, Oxfam Novib took a 25 percent interest in Triple Jump's equity. Oxfam Novib is also represented on the Board of Triple Jump BV. The management of Oxfam Novib's loan portfolio was transferred to Triple Jump effective March 1, 2007.

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

- A single investee is eligible for a maximum of 7.5% of the Oxfam Novib fund (ONF)'s total investment portfolio.
- Total investment in any single investee may not exceed 25% of this investee's total portfolio.
- Investments in any single local currency may not exceed 7.5% of ONF's total investment portfolio (except in the case of XOF, where up to 10% is permitted).
- Unhedged local currencies may not account for more than 30% of ONF's total investment portfolio.
- The total investment in subordinated debt is limited to 15%.
- The total indirect investments in holdings etc. may not exceed 15% of the total investment portfolio.

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

The foreign exchange risk on loans granted (for microfinance in developing countries) is hedged by means of forward exchange contracts. In order to avoid currency risk to our beneficiaries, such contracts always match the duration and amount of the long-term microfinance contract, except where there is no market for forward exchange contracts in the local currency. However, in accordance with the investment criteria mentioned above, the total unhedged FX exposure may not exceed 30% of the total investment portfolio.

POLICY ON THE SIZE AND THE FUNCTION OF RESERVES AND FUNDS

In accordance with the Dutch Accounting Standard for Fundraising 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 reserve. The earmarked reserves are earmarked for purposes that have been approved by the Board of Directors and the Supervisory Board.
- The funds are resources that are tied to particular purposes by third parties.

Contingency reserve

The contingency reserve exists to ensure that the organization is able to meet its obligations in the future. This reserve is intended to guarantee the continuity of the organization. In line with the model developed, the desirable size of the contingency reserve was calculated on the basis of an estimate of the income flow insecurity and cost flexibility. The Directive for the Financial Management of Charities (*Richtlijn Financieel Beheer Goede Doelen*) issued by the Dutch Association of Fundraising Organizations (VFI) was taken into account in making the calculation. This calculation indicates a desirable minimum size of €13 million and a maximum size of €20 million. At the end of the 2015-16 financial year the size of the contingency reserve was €17.2 million. The contingency reserve has remained well inside the permitted size of €106.8 million (1.5 times the work organization's annual costs) mentioned in the Association of Fundraising Institutions' 'Reserves of Charities' code.

EARMARKED RESERVES

Earmarked reserve for Oxfam Novib development cooperation projects

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 – from the income from direct fundraising, from the Dutch Postcode Lottery, and from the net income of the publishing house – for grants to partner organizations and own implementation. Approved grants to be disbursed from these funds to partner organizations and own implementation are recognized in the statement of income and expenditure and charged to this earmarked reserve.

Earmarked reserve for loans and guarantees

The earmarked reserve for loans and guarantees 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 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 partner organizations'. The second element of this reserve consists of the value of the participating interests held in TCX, ASN-Novib Fund, Oikocredit and Triple Jump, which have been financed from Oxfam Novib's own resources. These participating interests are held in order to enable the organization to carry out its lending activities as effectively as possible.

Earmarked reserve for policy on staff > 55 years

This earmarked reserve was created in 2002 to cover the extra costs related to the policy on staff > 55 years. It enables employees aged 55 and older to gradually shift into retirement while retaining their salary.

Earmarked reserve for management and administration costs

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

1.2.5 Risk and uncertainty

Oxfam Novib works in what can be a complex, multi-level and dynamic environment, which has the potential to create risks on different levels within the organization. For this reason, risk management is considered a high priority throughout the organization. Oxfam Novib has integrated risk management at all organizational levels, as well as in our relationships with our partner organizations.

Oxfam Novib's risk policy is based on the internationally-acknowledged management model for risk management, COSO (Committee of Sponsoring Organizations), as well as on the Oxfam confederation's risk management policy. Our objectives are to:

- Ensure that risk management is embedded in everyday business processes;
- Manage risk in accordance with best practices;
- Take into account the threats and opportunities associated with internal and external changes that may impact on our successes;
- Raise awareness of the need for risk management and ensure that all managers and staff actively manage their risks;
- Respond to risk in a balanced way, mindful of the risk level, risk reduction potential, and the relationship between the cost of risk reduction and its benefits.

Risk at organizational level, and the risk register

Oxfam Novib's risk register identifies potential internal and external risks, classifies the risks, and defines and monitors mitigation measures. Our risk register is renewed annually and updated biannually. Both renewal and updating are carried out in close consultation with the management team and the Board of Directors before being submitted to the Board of Supervisors. Once a year, the Board of Supervisors' financial committee discusses the risk register. It is also on the full Board of Supervisors' agenda once a year.

The risks identified in the risk register range from internal risks like volatility of income – more specifically the end of the Dutch Government's co-funding mechanism of the Dutch Government – and Oxfam Novib's increasing reliance as an organization on donors and institutional donors, through to external risks such as security issues.

Mitigation measures are determined based on the risks and sub-risks mentioned in the risk registers. These mitigation measures are then monitored through the

Balanced Score Card as well through the annual update to the register. In many cases we create internal project teams to address these risks, for example:

- To comply with the conditions set by different donors, Oxfam Novib has invested in improving its internal procedures as well as training its own staff and those of partner organizations. In addition, we monitor partners and projects closely.
- We have set up an integrity task force to strongly emphasize the organization's core values, in order to minimize the risk of unacceptable behavior within the organization.
- Oxfam Novib has embedded a more systematic approach to legal checks in order to ensure that all documents have a solid legal basis. This has become increasingly important as we are now dealing with the requirements of an increasing number of different donors.

Risks at country level: control framework

Wherever needed, Oxfam Novib supports its country offices from our head office in The Hague. We minimize risks through the support and training we provide, as well as through a solid control framework (also based in The Hague). Further, we keep all potential risks in the country offices to a minimum through our internal audit system (see above).

Risks at project level: partner assessments

Risks within the projects we execute are managed throughout the entire process. The Management of Programs and Projects procedure clearly describes our ways of working. When a (local) partner organization implements a project, a financial and governance risk assessment is carried out as part of the assessment of this partner. A uniform risk assessment method called 'Risk Assessment Method Oxfam Novib' (RAMON) is mandatory when taking on a new partner, and an annual update of the findings is obligatory.

RAMON takes the internal and external risks of an organization into consideration and is categorized into strategy, operations, reporting, and compliance. Oxfam Novib manages the risks within projects through this tool, as well as by periodical reporting and field visits. As our local partners are managed through our country offices, potential risks are well-managed from the country itself.

Before taking up a partnership, Oxfam Novib appraises and selects partner organizations and project proposals on the basis of an opportunity & risk analysis, and an appraisal process done with partners. This looks at the governance structure, financial & technical capacities and identifies necessary risk mitigation measures for the project proposal. If positively assessed, Oxfam Novib and the partner organization reach an agreement on the reporting, both narrative and financial, to be included as contractual conditions in the financing agreement. Almost

all projects are required to submit a statement from an external registered accountant, covering the entire partner organization. The partners' narrative and financial reports are assessed by a program officer and a financial officer. Payments to partners are subject to partner organizations fulfilling the contractual conditions.

Risks at personal level: security

As we work in high-risk, conflict-sensitive and fragile areas, the safety of our employees is paramount. Oxfam Novib provides mandatory security training, a global toolkit for security management, security briefings in-country and constant monitoring of the security situation in the designated areas. If a security situation does not allow our staff to work in a safe way, our projects continue to be closely monitored from another location.

In order to ensure a safe working environment for all Oxfam Novib employees, the organization complies with an anti-bullying and anti-harassment policy. Oxfam Novib also provides in-house confidential counseling through three confidential counselors, who were selected and approved by the Board of Directors and the Workers' Council.

Code of Conduct

All staff must read, sign and abide by the code of conduct, as this forms part of their contract of employment. The code clearly outlines the standards of behavior that are expected of all staff and defines ethical values and norms. The rules and guidelines contained in the code, together with the policies and procedures and the terms and conditions of employment (as outlined in the employment contract or the collective agreement if applicable), provide a framework within which all Oxfam employees, regardless of location, undertake to discharge their duties and to regulate their conduct. Staff also support Oxfam in our role in implementing, monitoring and enforcing these standards. In accordance with the code of conduct, staff must declare any possible conflicts of interest

The code applies to all employees and in accordance with the relevant policies and procedures, any breach may result in disciplinary action (including dismissal in some instances). In some cases it might even lead to criminal prosecution. Whilst recognizing that local laws and cultures differ considerably from one country to another, Oxfam is an International Non-Governmental Organization (INGO) and the code of conduct is therefore developed from International and UN standards. The code is subject to relevant international human rights law, wherever the employee is employed, and shall be read in a manner that is compliant with that law.

1.3 INFORMATION ON THE BOARD OF DIRECTORS

See Section 1.1 and 3.7.6.

1.4 OUTLOOK

See Section 5.



CHAPTER 2

BOARD OF SUPERVISORS' REPORT

Oxfam Novib's Board of Supervisors functions as a sounding board for the Board of Directors, has a supervising role, and is the directors' employer. The Board of Supervisors upholds the principles of the Code of Good Governance for Charities and acts accordingly. The composition and tasks of the Board of Supervisors are laid down in statutes and further detailed in a regulation. Members of the Board of Supervisors are recruited on the basis of an agreed profile and through open advertising. In 2015-16 the Board met six times and held a strategy day in conjunction with the Board of Directors and the Management Team. In addition, Board members regularly join meetings with stakeholders.

Composition and functioning of the Board of Supervisors

The Board of Supervisors has six members and is chaired by Hanzo van Beusekom. In this function he is also a member of the Board of Supervisors of Oxfam International.

In 2015 Marianne van Leeuwen and Petra Bijl left the Board of Supervisors. The two new members are Jan van Zijl and Laurien Koster. To become more familiar with Oxfam Novib's working methods, members of the Board of Supervisors visit several projects during their term in office. In 2015 Hanzo van Beusekom travelled to Kenya, DRC, and Uganda with Executive Director Farah Karimi to visit the Oxfam Novib office, partners, and projects.

The Board of Supervisors as sounding board

The year 2015-16 was characterized by ongoing organizational change processes. The process of further integration into One Oxfam (Oxfam2020) is proceeding as planned. The Board of Supervisors was informed of all major changes. The Board supported the Board of Directors in its strategic choices regarding Oxfam International, and approved final decisions as an affiliate.

Oxfam Novib's internal change process was an important issue this year. A major cut in the funding we receive from the Ministry of Foreign Affairs, in addition to changes in OI and in the world around us, led to a substantial reorganization of our organization. As of July 1, 2015 we started working as a project organization, with new units and new ways of working. The Board of Supervisors was closely involved in this process in a number of ways: by supervising the process, the changes in budget and the ending of the financial agreement with the Ministry (MFSII), and by supporting new fundraising initiatives.

The Board of Supervisors was also informed of the changes in countries. A major change in 2015 was that three countries (the so-called Asian Fast Track countries) transitioned to One Oxfam in country in Asia (Myanmar, Bangladesh, and Afghanistan). Other countries will follow later.

The Oxfam International (OI) Board of Supervisors holds at least one face-to-face meeting each year. The chair of the Board of Supervisors participates in these meetings on Oxfam Novib's behalf. The Board of Supervisors discusses the proposals for confederation development in its meetings, based on the agendas of the Confederation meetings. The major changes in OI meant that this year the OI Board of Supervisors met twice. Our chair, Hanzo van Beusekom, attended both meetings. In November 2015 the OI Board of Supervisors gave final approval to the new ways of working regarding country programs. The management line will be shifted from affiliates to OI. In March 2016 the OI Board of Supervisors approved the new program and budget.

Oxfam Novib celebrated its 60th anniversary on March 24 and some of the current and former members of the Board of Supervisors joined the festivities. The chair was one of the speakers during the evening program.

The Board of Supervisors in its supervising role

As part of its supervising role, the Board of Supervisors approved the 2014-15 annual account and Board report, the revised 2015-16 budget, the 2016-17 annual plan and budget, and the risk register. The annual report on fraud and complaints and the audit annual report and audit annual plan were also discussed with the Board of Supervisors.

The financial committee, consisting of two members of the Board of Supervisors, prepares advice for the Board of Supervisors on the annual account, the budget, and the financial reports. The committee also monitors the follow-up of points raised in internal and external audits, recommendations in the auditor's management letter, and the updating of the risks register. In 2015 the revised budget was an important issue, based on the decisions made by the Board of Directors in the overall organizational budget (among others: revised organizational chart, formation plan, transition plan, revised budget for Oxfam Sweden, approved budget for change costs).

Apart from being informed by the Board of Directors and the Works Council, and through staff presentations on various fields of Oxfam Novib's work, the Board of Supervisors also stayed informed through the members' individual contacts within the organization and via participation in a number of events and activities.

The Board of Supervisors as employer

The remuneration committee of the Board of Supervisors, consisting of three members of the Board, conducted performance evaluations for the Directors.

In 2015 the Board of Supervisors approved Farah Karimi's reappointment as executive director of Oxfam Novib for a further four years.

Compensation

Members of the Board of Supervisors do not receive compensation for their work. The costs of travel, accommodation and telephone are reimbursed on the basis of a regulation applicable to all Oxfam Novib staff members and volunteers.

Closing remarks

The Board of Supervisors recognizes that the exceptional circumstances of the past year have required a great deal of additional time and effort from Oxfam's staff. Many of you have gone way beyond the call of duty. We sincerely thank all staff members and Executive Board members for the excellent work they have done. Despite the many challenges ahead, we look towards the future with great confidence. Together we will work toward a *just world without poverty*.

Hanzo van Beusekom
Chair, Oxfam Novib



Photo: Saikat Mjumdar

CHAPTER 3

CONSOLIDATED FINANCIAL STATEMENTS

3.1 CONSOLIDATED BALANCE SHEET AT 31 MARCH AFTER APPROPRIATION OF NET INCOME

Amounts in thousands of euros

	31 MARCH 2016	31 MARCH 2015
ASSETS		
Tangible fixed assets	9,480	9,954
Financial fixed assets	54,949	42,431
Inventories	47	52
Receivables from governments		
Long-term	4,392	3,270
Short-term	9,070	5,208
	13,462	8,478
Receivables	21,257	18,079
Cash and cash equivalents	81,619	104,358
TOTAL	180,814	183,352
LIABILITIES		
RESERVES AND FUNDS		
Reserves		
Contingency reserve	17,184	16,935
Earmarked reserves	51,162	59,069
	68,346	76,004
Funds	46,192	32,956
	114,538	108,960
Provisions	4,193	6,938
Debts:		
Long-term	463	3,026
Short-term	15,169	10,815
Prepayments from governments	9,105	5,798
	24,737	19,638
Project liabilities		
Long-term	9,318	5,509
Short-term	28,029	42,307
	37,347	47,816
TOTAL	180,814	183,352

3.2 CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

Amounts in thousands of euros

	FIN STMNT. 2015-16	BUDGET 2015-16	FIN STMNT. 2014-15
INCOME			
Income from direct fundraising	37,845	31,649	30,072
Revenues from third-party campaigns	18,502	15,882	17,840
Government grants - strategic partnership	892	3,893	0
Government grants - co-financing	37,807	37,302	84,486
Government grants - other	62,447	76,885	52,644
Income from interest	2,266	2,896	3,011
Other income	1,502	1,939	5,378
TOTAL INCOME	161,263	170,446	193,431
EXPENDITURE			
Expenditure on goal of 'structural poverty alleviation'			
Projects and programs	110,073	123,536	126,969
Lobbying and advocacy by partner organizations	17,178	19,594	19,725
Lobbying and advocacy by Oxfam Novib	5,521	6,000	5,783
Support provided to partner organizations	4,921	4,526	4,888
Popular campaigning	1,617	2,908	5,472
Public information and marketing	4,807	5,489	5,452
	144,116	162,053	168,289
Costs of generating income			
Costs of direct fundraising	7,310	8,119	6,283
Expenditure on third-party campaigns	270	405	305
Costs of securing government grants	1,891	1,938	1,636
	9,470	10,462	8,224
Management and administration			
Management and administration costs	2,099	2,089	2,452
TOTAL EXPENDITURE	155,686	174,604	178,965
NET RESULT	5,577	-4,158	14,466
Loans and guarantees provided	21,163	13,066	7,784
Loans and guarantees repayments received	-6,917	-14,042	-12,282
Microfinance Innovation Fund	2,245	728	2,816
Expenditure on goals - not reflected in statement of income and expenditure	16,491	-248	-1,682
Appropriation of net result			
Added / charged to: earmarked reserves	-14,616	1,516	10,983
Added / charged to: earmarked funds	13,236	-1,713	-5,937
Added / charged to: projects reserve	6,706	-3,766	6,820
Added / charged to: contingency reserve	251	-197	2,636
NET RESULT	5,577	-4,158	14,466

3.3 CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of euros

	2015-16	2014-2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating result	5,577	14,466
Adjustments for:		
Amortization and depreciation	1,460	1,440
Changes in provision on loans	509	-109
Stock dividend/movements in value of participating interests	-69	490
Movements in provisions	-2,745	4,413
	-845	6,234
Changes in working capital:		
Inventories	5	14
Receivables from governments	-4,984	2,718
Receivables	-3,167	-2,080
Debts	5,099	-9,173
Project liabilities	-10,469	-2,386
	-13,516	-10,906
Cash generated from operations	-8,784	9,794
Interest received	-11	47
Dividends received	0	0
Interest paid	0	0
Income tax expense	0	0
NET CASH GENERATED FROM OPERATING ACTIVITIES	-8,795	9,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	-986	-679
Acquisition of investment property	-2,245	-2,528
Committed loans	-21,550	-8,513
Disposal of property, plant and equipment (PPE)	0	0
Disposal of investment property	0	0
Repayment on loans	6,933	13,012
NET CASH USED IN INVESTING ACTIVITIES	-17,848	1,292
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	0	-79
Repayments of borrowings	94	169
NET CASH USED IN INVESTING ACTIVITIES	94	90
NET CASH FLOWS	-26,549	11,223
Exchange gains / (losses) on cash and cash equivalents	3,809	-4,789
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	-22,740	6,434
Cash and cash equivalents at the end of the financial year	81,619	104,358
Cash and cash equivalents at the beginning of the financial year	104,358	97,924
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	-22,739	6,434

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents decreased in 2015-16 from €104.4 million at April 1 2015 to €81.6 million at March 31 2016. This balance of cash and cash equivalents comprises a variety of components. The main ones are discussed briefly below.

- Cash and cash equivalents are needed because funds pledged are made available in steps (as in the case of SH0) 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 decrease in cash and cash equivalents in 2015-16 is attributable to:

- **Operating activities**

Adjusted for depreciation charges and the decrease in provisions, the net cash flow from operating activities is negative €8.8 million. The net cash flow from operating activities mainly consists of:

- A positive net result of €5.6 million;
- Depreciation of €1.5 million;
- A €0.5 million increase in provision for bad loans;
- Expenditures of €2.8 million charged to the provision for reorganization costs;
- A €8.2 million increase in receivables, of which €5.0 million from governments;
- A €5.1 million increase in debts is mainly caused by an increase in prepayments received from governments. These funds received relate to the Strategic Partnership program with the Dutch Ministry of Foreign Affairs that began in this financial year. This is partly offset by a decrease in long-term debts in forward exchange contracts due to the Euro's appreciation against the US dollar in 2015-16.
- Cash flow from project liabilities decreased by €10.5 million. The MFS II grant had ended by the end of 2015 and a large number of projects with our partner organization were closed off. As a result, transfers to partner organizations were higher than approvals, causing a decrease in cash from project liabilities.

- **Investing activities**

The cash flows from investing activities were negative €17.8 million. These cash flows relate to capital expenditure on financial fixed assets (commitment and repayment of microfinance loans and investment in the Innovation Fund) and tangible fixed assets.

- **Financing activities**

The cash flow from financing activities is limited.

3.4 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

3.4.1 General

Oxfam Novib's activities focus on realizing a just world without poverty. The activities can be categorized 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 fairer power relations;
- Lobbying and advocacy directed at those in power, such as policy-makers within governments and businesses;
- Knowledge and innovation management, systematically collecting, documenting, analyzing, and ensuring access to knowledge and experience for the benefit of innovation and quality improvement across all areas of the organization, in addition to intervention strategies.

Oxfam Novib's postal address is
P.O. 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 organization's goals (projects and programs, providing support to partners, lobbying and advocacy, popular campaigning, and public information & 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 3.7.4) and the other expenditure has been allocated to the goal of structural poverty alleviation, the costs of generating income, and management & administration costs.

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

The financial statements cover the period from April 1 2015 through March 31 2016. In order to align with other Oxfam affiliates, Oxfam Novib made the decision to change its financial year from January 1 – December 31 to April 1 – March 31, as of April 1 2014.

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

3.4.3 Financial fixed assets

The asset items under this heading are valued as follows:

- participating interests: at cost;
- participating interest in Triple Jump: at net asset value;
- ASN-Novib Fund: at net asset value;
- Loans; deposits for guarantees; participating interest in TCX; Innovation Fund: at amortized cost (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 where there is no market for forward exchange contracts in the local currency. In accordance with Guideline 290, the forward exchange contracts are valued at fair value.

3.4.4 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.

3.4.5 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 organizations are valued at face value, i.e. the project liabilities to partner organizations less the funds already received for the projects in question.

3.4.6 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.

3.4.7 Provisions

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

3.4.8 Other assets and liabilities

Upon first recognition debts are stated at fair value, and are 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.

3.4.9 Related Parties

Oxfam Sweden and Impact Investment B.V. are consolidated in the Oxfam Novib financial statements. For other related parties such as Triple Jump and ASN Bank, please refer to paragraph 3.6.2, Financial Fixed Assets. All transactions with the indicated related parties are at arm's length.

3.5 ACCOUNTING POLICIES FOR THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

With due consideration to the accounting policies for the valuation of assets and liabilities outlined above, net income is defined as the difference between (i) income from direct fundraising, the share 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.

3.5.1 Income from direct fundraising

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

3.5.2 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.

3.5.3 Share of revenues from joint campaigns

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

3.5.4 Share of revenues from third-party campaigns

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

3.5.5 Government grants and Oxfam Novib's own project funds

Government grants are recognized as income on the basis of approved project funds. The proportion of the central overhead costs relating to these government grants is allocated to the year in question on an actual cost basis. 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 recognized as expenditure (on the basis of project funding approved during the year) in the statement of income and expenditure and are 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.

3.5.6 Expenditure on structural poverty alleviation

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

- Projects and programs;
- Lobbying and advocacy by Oxfam Novib and by partner organizations;
- Support provided to partner organizations;
- 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 programs

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

Lobbying and advocacy by Oxfam Novib and by partner organizations;

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

Support provided to partner organizations;

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

Popular campaigning

This expenditure represents the project funds approved during the year for external projects and the costs of program 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.

3.5.7 Management and administration costs

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

ALLOCATION OF MANAGEMENT AND ADMINISTRATION COSTS IN ACCORDANCE WITH THE 'Goede Doelen Nederland' GUIDELINE:

COST CATEGORY	MANAGEMENT AND ADMINISTRATION ('Goede Doelen Nederland')	NOTES 'Goede Doelen Nederland'	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%, Lobbying and campaigns Director and Director International Department 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

3.5.8 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.

3.5.9 Pension cost

As of 1 January 2015, Oxfam Novib entered a new pension contract for five years until December 31 2019.

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 B:

This pension plan applies to employees who entered the service of Oxfam Novib on or after January 1 2002 but prior to January 1 2006 and who were born before January 1 1950, as well as to employees who were aged 53 or 54 on January 1 2002 and who have opted for membership of Pension Plan B and who were in Oxfam Novib's service both on December 31 2001 and on January 1 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 2016: 65 and 6 months) and the pension accrues from 2015 at a rate of 1.875 percent 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 percent.

Pension Plan C:

This pension plan applies to Oxfam Novib employees born on or after January 1 1950 and employees who entered the service of Oxfam Novib on or after January 1 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 2016: 65 and 6 months) and the pension accrues from 2015 at the rate of 1.875 percent of the pensionable earnings per year of service (according to the maximum allowed considering fiscal regulations).

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

3.6 NOTES TO THE CONSOLIDATED BALANCE SHEET

3.6.1 Tangible fixed assets

Amounts in thousands of euros

	BUILDINGS	FURNITURE, FIXTURES, PLANT AND EQUIPMENT	INFOR- MATION SYSTEMS	VEHICLES	ASSETS UNDER CONSTRUCTION	TOTAL
Acquisition cost at 31 March 2015	10,162	2,948	11,936	352	683	26,081
Depreciation up to and including March 31, 2015	-4,340	-2,239	-9,273	-276	-	-16,128
BOOK VALUE AT 31 MARCH 2015	5,822	709	2,664	76	683	9,954
Changes						
Capital expenditure in 2015-16	83	85	340	82	395	986
Depreciation in 2015-16	-226	-128	-1,051	-54	0	-1,460
Disposals 2015-16						
Desinvestments in 2015-16	-	-	-	-14	-	-14
Depreciation up to and incl March 31st 2016	-	-	-	14	-	14
BOOK VALUE AT 31 MARCH 2016	5,679	665	1,953	105	1,078	9,480
Acquisition cost at March 31, 2016	10,246	3,033	12,277	420	1,078	27,053
Depreciation up to and including March 31, 2016	-4,566	-2,367	-10,324	-316	0	-17,573

All tangible fixed assets are assets that are needed for the organization'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 catalog for the Dutch building industry, known as NL-SfB. The catalog details, inter alia, the replacement cycle of building components. This period is used as the depreciation period.

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. As a result of the decentralization of Oxfam Novib's international department, several field offices have a limited number of cars available for their operations. The book value of assets under construction consists of the investments in a new Customer Relationship Management system (CRM) that is being implemented.

3.6.2 Financial fixed assets

Amounts in thousands of euros

	LOANS TO OTHER OXFAMS	PARTICI- PATING INTEREST TRIPLE JUMP	LOANS ON IMPACT INVEST- MENTS	TCX
NOMINAL VALUE AT 31 MARCH 2015	395	1,077	-	2,310
Provision at 31 march 2015	-	-	-	-
BOOK VALUE AT 31 MARCH 2015	395	1,077	-	2,310
POSITIVE MOVEMENTS:				
Paid-up share capital	-	-	-	-
Movements in value of participating interests	-	284	-	-212
Exchange rate differences	-	-	-	-133
Changes in value of forward exchange contracts	-	-	-	-
Committed loans	-	-	387	-
	-	284	387	-345
NEGATIVE MOVEMENTS:				
Repayments on loans	94	-	16	-
Loans committed but not yet disbursed	-	-	-	-
	94	-	16	-
NOMINAL VALUE AT 31 MARCH 2016	301	1,361	371	1,965
Provision at 31 march 2016	-	-	-	-
BOOK VALUE AT 31 MARCH 2016	301	1,361	371	1,965
Oxfam Novib's share of share capital		25%		

	OIKOCREDIT	ASN- NOVIB FUND	TRIPLE JUMP INNOVATION FUND	LOANS	FORWARD EXCHANGE CONTRACTS	TOTAL
	301	1,075	5,180	32,225	282	42,845
	-	-	-	414	-	414
	301	1,075	5,180	31,811	282	42,431
	-	-	2,245	0	-	2,245
	6	-9	-	-	-	69
	-	-	-405	-3,990	-	-4,528
	-	-	-	-	715	715
	-	-	-	23,408	-	23,795
	6	-9	1,840	19,418	715	22,296
	-	-	-	6,917	-	7,027
	-	-	-	2,245	-	2,245
	-	-	-	9,162	-	9,272
	307	1,066	7,020	42,481	997	55,869
	-	-	-	923	-	923
	307	1,066	7,020	41,558	997	54,947

All financial fixed assets are mission-related assets. Not all commitments on loans translate into a disbursement. Based on past experience, Oxfam Novib's policy is that the amount of commitments on loans may exceed the targeted amount of loans by 50%.

Life of loans and guarantees

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

In collaboration with ASN Bank, having its registered office in The Hague, the ASN-Novib Fund was established. This fund was opened to the public on January 1, 2000. The manager of the ASN-Novib Fund is Triple Jump. Triple Jump BV is an Amsterdam-based company which was incorporated by ASN Bank, NOTS Foundation, Stichting Doen and Oxfam Novib to provide support to more new microfinance institutions and to allow them to develop into professional financial institutions within a short timeframe. In 2006, Oxfam Novib took a 25 percent interest in Triple Jump's equity and has representatives on the Board of Triple Jump BV. The management of Oxfam Novib's loan portfolio was also transferred to Triple Jump effective March 1 2007.

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

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

Guarantees are amounts held on deposit for which guarantees have been issued to third parties, such as Oikocredit.

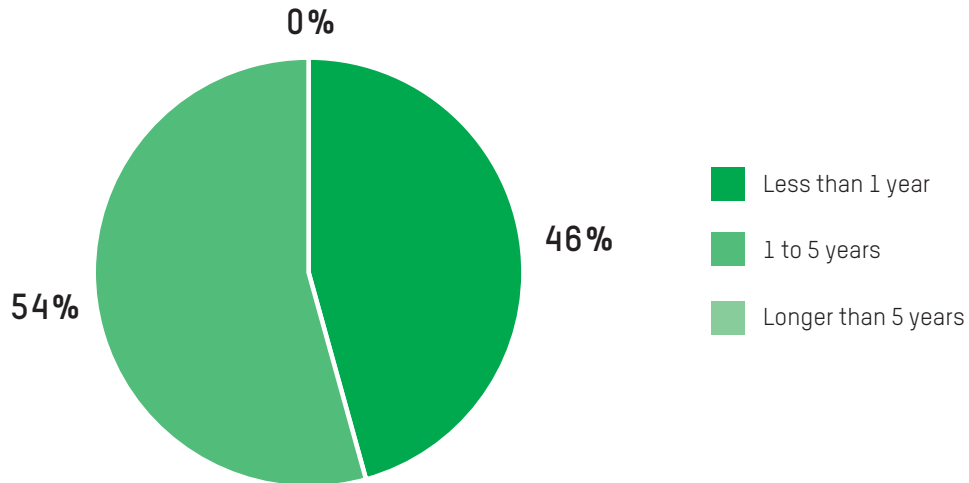
On the basis of an estimate of the risk of non-repayment of the current loan portfolio, an addition of €0.5 million and a small release for bad and doubtful debts has been added to the statement of income and expenditure. The total provision amounted to €0.9 million at the end of the 2015-16 financial year and is intended to provide for 6 substandard loans.

Specification of provision

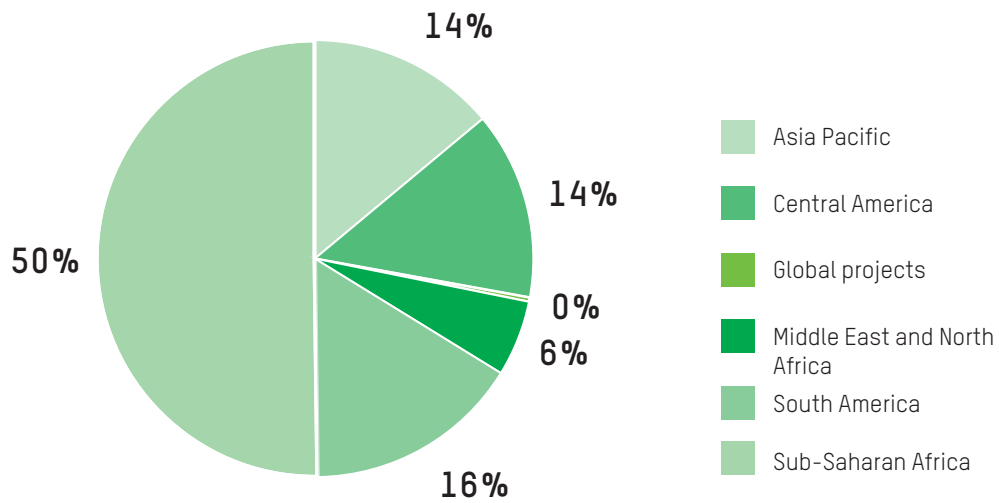
Amounts in thousands of euros

	PROVISION BAD LOANS
BALANCE AT 31 MARCH 2015	414
Plus: addition from net income	549
Less: write-off of loans	0
Less: release to net income	40
BALANCE AT 31 MARCH 2016	923

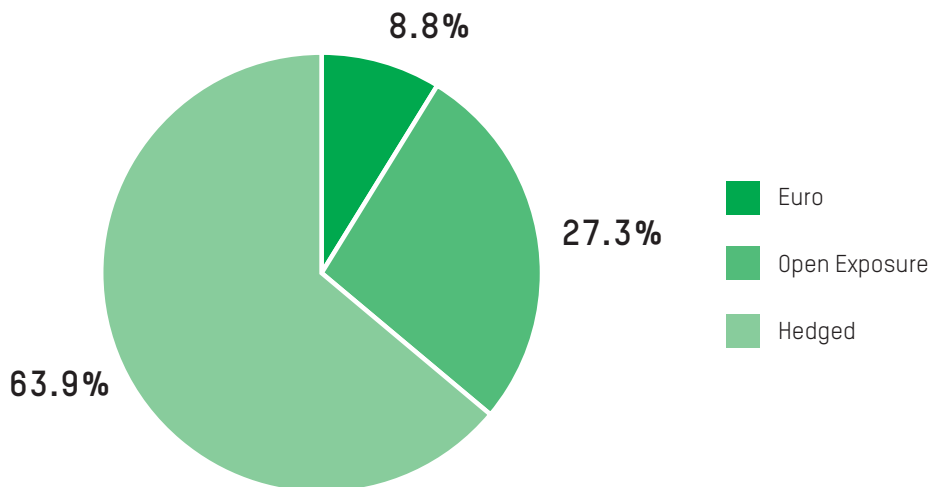
Life of loans outstanding



Loan portfolio by region



Loan distribution by currency



The foreign exchange risk on loans granted (for microfinance in developing countries) is hedged by means of forward exchange contracts, which always match the duration and amount of the long-term microfinance contract in order to avoid currency risk for our beneficiaries. However, in some cases there is no market for foreign exchange contracts in the local currencies and in those cases hedging is not possible. At the end of the 2015-16 financial year the foreign exchange risks of 45 loans had been hedged by 78 forward contracts. In accordance with Guideline 290, the forward exchange contracts have been valued at fair value since 2008.

The fair value of the forward exchange contracts at the end of the 2015-16 financial year was a positive €0.5 million on balance. The contracts with a positive value (£1 million) are included under 'Financial fixed assets', and contracts with a negative value (€0.5 million) are included under 'Debts'.

3.6.3 Inventories

Amounts in thousands of euros

	31 MARCH 2016	31 MARCH 2015
Inventories publishing house	56	103
Less: provision for obsolescence	8	18
BALANCE	47	52
MOVEMENTS IN PROVISION FOR OBSOLESCENCE		
BALANCE AT 31 MARCH 2015	18	38
Plus: addition from net income	0	100
Less: charged to the provision	-10	120
BALANCE AT 31 MARCH 2016	8	18

3.6.4 Receivables. receivables from governments and project funds overview

Amounts in thousands of euros

	31 MARCH 2016	31 MARCH 2015
RECEIVABLES FROM GOVERNMENTS	13,462	8,478
Debtors other	101	143
Project funds Oxfam and other external organizations	9,161	6,772
Debtor Dutch National Postcode Lottery	3,375	3,375
Central overhead costs institutional funds	3,910	4,375
Fundraising proceeds receivable	1,037	994
Interest receivable	142	131
Prepaid pension	-227	134
Other prepaid costs	215	769
Amounts to be received by field offices	1,293	1,291
Other prepayments and receivables	2,250	94
Receivables	21,257	18,079

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 uncollectibility.

The item 'Project funds Oxfam and other external organizations' relates to project funds to be received from other members of the Oxfam confederation (€3.9 million), all other government agencies, and all other external funds (jointly accounting for €5.3 million).

Project funds overview

Amounts in thousands of euros

	BALANCE AT 31 MARCH 2015			
	Project obligations	Receivables	Commitment space	Total
Co-financing MFS	18,141	-3,189	0	21,330
Buza Strategic Partnership	0	0	0	0
Dutch government	5,794	6,173	0	-379
European Union	4,447	2,304	0	2,143
GOVERNMENTS FUNDS	28,382	5,288	0	23,094
Oxfams	6,011	3,534	0	2,477
Other government and external funds	7,520	516	19	7,023
EXTERNAL FUNDS	13,531	4,050	19	9,500
Stop Aids Now!	162	114	144	192
SH0-Action Philipines	366	0	2	368
SH0-Action Ebola	409	0	-0	409
SH0-Action Nepal	0	0	0	0
SUBTOTAL	937	114	146	969
Oxfam Novib Projects	3,398	0	23,868	27,266
NPL special Projects	1,569	0	1,946	3,515
OWN FUNDS	4,967	0	25,814	30,781
TOTAL	47,817	9,452	25,979	64,344

3.6.5 Cash and cash equivalents

Amounts in thousands of euros

	31 MARCH 2016	31 MARCH 2015
Savings accounts	28,200	30,205
Cash, bank and giro balances	51,853	58,958
Current account Triple Jump	1,565	15,195
	81,619	104,358

CHANGES IN 2015-16			BALANCE AT 31 MARCH 2016				
Approved	Received funds	Project transfers	Project obligations	Receivables donors	Receivables counterparts	Commitment space	Total
29,711	24,612	51,150	0	3,933	1,275	0	-3,933
483	9,287	462	21	-8,804	0	0	8,825
8,866	15,083	10,663	3,997	-44	0	0	4,041
9,569	7,717	8,557	5,459	4,156	0	0	1,303
48,629	56,699	70,832	9,477	-759	1,275	0	10,236
12,344	12,006	12,839	5,516	3,872	0	0	1,644
38,598	28,849	27,274	18,844	10,265	0	136	8,715
50,942	40,855	40,113	24,360	14,137	0	136	10,359
25	455	118	69	114	0	574	529
4	0	368	1	0	0	-1	0
214	214	623	0	0	0	-0	-0
3,957	3,957	3,382	575	0	0	0	575
4,200	4,626	4,491	645	114	0	573	1,104
6,747	13,456	8,297	1,848	0	0	30,577	32,425
414	25	966	1,017	0	0	1,557	2,574
7,161	13,481	9,263	2,865	0	0	32,134	34,999
110,932	115,661	124,699	37,346	13,492	1,275	32,843	56,698

An amount of €18.6 million of cash and cash equivalents is readily available, €34.8 million consists of earmarked project funds, and €28.2 million is in savings accounts.

Effective January 2011, Rabobank became Oxfam Novib's new principal bank. A new contract was signed with Rabobank in 2015.

3.6.6 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 organization can meet its obligations in the future. Its level is determined by the risks the organization runs of any drop in income. This reserve is intended to guarantee the organization's continuity.

In line with the model developed, the desirable size of the contingency reserve is calculated 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 Organizations ('Goede Doelen Nederland') was taken into account. This calculation indicates a desirable minimum size of €13 million and a maximum size of €20 million. The size of the contingency reserve was €16.9 million at the start of the year and €17.2 million at the end of the year. The contingency reserve is well within the permitted size, mentioned in the 'Reserves of Charities' code of the Association of Fundraising Institutions (VFI), of 1.5 times the work organization's annual costs. In Oxfam Novib's case that would amount to €106.8 million.

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 project approvals or loans to partner organizations. The funds held in the earmarked reserve for loans originate from the co-financing program as well as from 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 organizations. Repayments received on those loans are withdrawn from the fund.

3.6.6.1 Reserves

Amounts in thousands of euros

BALANCE AT 31 MARCH 2015

Added

Withdrawn

NET MOVEMENTS

BALANCE AT 31 MARCH 2016

Earmarked reserve for Oxfam Novib development cooperation projects

Amounts in thousands of euros

	OXFAM NOVIB PROJECTS
BALANCE AT 31 MARCH 2015	23,868
Added: funds received	13,540
Interest less exchange differences	-85
	13,455
Withdrawn: approved funds	6,746
	6,746
BALANCE AT 31 MARCH 2016	30,577

CONTINGENCY RESERVE	EARMARKED RESERVES					TOTAL EARMARKED RESERVES
	Oxfam Novib projects	Policy on senior staff	Loans / guarantees	Management and Administration costs	Exchange rate results	
16,935	23,868	538	28,413	4,891	1,360	59,069
250	13,455	-	10,646	9,728	-	33,829
-	6,746	91	23,877	10,096	926	41,736
250	6,709	-91	-13,231	-368	-926	-7,907
17,184	30,577	447	15,182	4,522	434	51,162

Earmarked reserve for Oxfam Novib development cooperation projects

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 organizations 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 organizations are recognized in the statement of income and expenditure and charged to this earmarked reserve. The increase in the earmarked reserve of €6.7 million for Oxfam Novib development cooperation projects is explained by lower approvals to partner organizations on own funds and by investments in Oxfam Sweden.

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 who were aged 55 and older in 2001 were able to 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 €0.1 million was withdrawn from this reserve in 2015-16. This amount represents the costs actually incurred.

Earmarked reserve for loans and guarantees

Amounts in thousands of euros

	COMMITMENT SPACE	PARTICIPATING INTERESTS / GUARANTEES	TOTAL
BALANCE AT 31 MARCH 2015	18,470	9,943	28,413
ADDED:			
Investment TJ Innovation Fund	0	2,245	2,245
Repayments on loans and guarantees	6,917	0	6,917
Appropriation of net income from lending activities	1,484	0	1,484
	8,401	2,245	10,646
WITHDRAWN:			
Investment TJ Innovation Fund			
Loans and guarantees provided	2,245	0	2,245
(Stock) dividends and capital gains on part. interests	21,163	0	21,163
	0	469	469
	23,408	469	23,877
BALANCE AT 31 MARCH 2016	3,463	11,719	15,182

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 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 partner organizations'. The second element

of this reserve consists of the value of the participating interests held in TCX, ASN-Novib Fund, Oikocredit, and Triple Jump, which have been financed from Oxfam Novib's own resources. These participating interests are held in order to enable the organization to carry out its lending activities as effectively as possible. For more information about these participating interests, please refer to section 3.6.2 'financial fixed assets'.

Earmarked reserve for management and administration costs

Amounts in thousands of euros

	STOP AIDS NOW!	SHO CAMPAIGNS	NPL	GOVERNMENT	OTHER DONORS	TOTAL
BALANCE AT 31 MARCH 2015	66	162	47	1,600	3,015	4,891
Added: approved management and administration costs	45	306	-	7,425	1,952	9,728
Withdrawn: realized management and administration costs	31	68	24	7,920	2,053	10,096
BALANCE AT 31 MARCH 2016	80	399	24	1,105	2,914	4,522

The 'earmarked reserve for management and administration costs' (the 'AKV reserve') is used to finance activities related to the management of projects in developing countries. The level of this earmarked reserve is determined with due regard for internal guidelines designed to guarantee the continuity of the project cycle. The decrease in this reserve was €0.4 million in 2015-16.

3.6.6.2 Funds

Amounts in thousands of euros

	STOP AIDS NOW!	SHO CAMPAIGNS	NPL	FUNDS BY NAME	LOANS PARTNER ORGANIZATIONS	SEEDS GROW	TOTAL
BALANCE AT 31 MARCH 2015	144	3	1,946	1,776	29,067	19	32,956
Added	455	4,171	25	82	19,942	118	24,794
Withdrawn	25	4,175	414	24	6,917	1	11,567
BALANCE AT 31 MARCH 2016	574	-1	1,557	1,834	42,092	136	46,193

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 during the 2015-16 financial year. After deduction of 9 percent management and administration costs, €455,000 was added to this fund. The €25,000 spent on projects was 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.

SHO campaigns

SHO (Samenwerkende Hulp Organisaties) is a coalition of Dutch humanitarian aid organizations that join forces to raise funds to provide aid to victims when major humanitarian disasters occur. SHO coordinates the provision of aid by its members and ensures that the general public in the Netherlands is well informed of the situation. During the 2015-16 financial year one new campaign started, relating to the Nepal response. The Ebola response (started during the 2014-15 financial year) and the Typhoon Haiyan response (started during the 2013-14 financial year) continued in the 2015-16 financial year. More details are provided in section 3.10.

Personalized Fund

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

amounts in thousands of euros	BALANCE AT 31 MARCH 2016
Hans Geveling Derde Wereld Fonds	1,028
Herman Schuurman Fonds	140
Douma-Hamers Onderwijs Fonds	60
Verboom-Pieterse Fonds	72
Hogerop Fonds	52
Voorhoeve Fonds	34
Fair Keys First Fund	95
Hilda Buma Fonds	51
Schroders Charity Fund	52
Kihle fonds	52
Martin Vliegenthart Fonds	197
Total	1,834

Guarantees and loans to partner organizations

For more information about the loans and guarantees funds please refer to section 3.6.2 'financial fixed assets'.

3.6.7 Provisions

Amounts in thousands of euros

	HYPOTAX	PROJECT COSTS	REORGANIZATION 2015-16	TOTAL
BALANCE AT 31 MARCH 2015	1,215	491	5,232	6,938
Withdrawn	579	-	2,902	3,481
Changes charged to income and expenditure statement	953	-128	-89	736
BALANCE AT 31 MARCH 2016	1,589	363	2,241	4,193

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

Hypo tax

Staff members who work abroad and who are non-Dutch residents or of non-Dutch origin are subject to 'hypo tax': an amount is withheld from their gross monthly salary which is equal to the wage tax that Oxfam Novib would be required to withhold if the staff member in question were resident in the Netherlands for tax purposes. Oxfam Novib adds the hypo tax withheld to a provision and uses the funds in question to pay any wage tax or equivalent tax due in respect of the staff members working abroad. The required level of the hypo tax provision contains some uncertainties and will be reviewed in the 2016-17 financial year.

Project costs

A provision is made for realized project costs where there is a risk of agreed funds being uncollectible from donors.

Reorganization 2015-16

During the year 2014-15 a reorganization was announced by the Board of Directors. The end of the government co-financing period as per end of fiscal year 2015-16 forced the need for a reorganization. A social plan has been drafted and has been approved by the Trade Union and the Board of Directors. The financial consequences of the reorganization in general and the social plan specifically have been budgeted for. A provision of €5.2 million was accounted for in 2014-15. Of this amount, €3.9 million is charged to MFS II funds. Cost that are provisioned for have resulted from the reorganization which was announced in the 2014-15 financial year. These costs amounted to €2.9 million. Costs relate to the cost of implementing the social plan for The Hague staff and costs resulting from the reorganization in-country offices, including several support costs to facilitate the reorganization.

3.6.8 Debts

Amounts in thousands of euros

	31 MARCH 2016	31 MARCH 2015
LONG-TERM DEBTS		
Forward exchange contracts	463	3,026
	463	3,026
SHORT-TERM DEBTS		
Accounts payable	7,665	5,858
Taxes	727	802
Fundraising contributions received in advance	2,964	2,595
Other accruals and payables	3,814	1,560
	15,169	10,815
PREPAYMENTS FROM GOVERNMENTS		
Dutch Government concerning MFS	0	3,189
Bilateral donors	9,105	2,609
	9,105	5,798
TOTAL	24,737	19,638

For more information about the forward exchange contracts to hedge the foreign exchange risk on loans granted to microfinance institutions, please refer to section 3.6.2 'financial fixed assets', where the forward exchange contracts with a positive value are explained. Contracts with a negative value are reported as debts. The contracts with a negative value can be broken down into those with maturities of less than 1 year (€0.3 million) and those of more than one year (€0.2 million).

3.6.9 Project liabilities

Project liabilities outstanding at March 31 2016 amount to €37.3 million (March 31 2015: €47.8 million). About 75% of these liabilities are short-term in nature and are payable by April 1 2017. The other 25% 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 table 3.6.4 'Project funds overview'.

3.6.10 Assets and liabilities not included in the balance sheet

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 provides a guarantee of €288,000 for one microfinance loan managed by Triple Jump BV.

Oxfam Novib has contract commitments relating to the implementation of a Customer Relations Management system (CRM) at The Hague office up until September 2016 for an amount of €180,345.

Oxfam Novib has lease commitments relating to printers and telephone exchange at The Hague office until 2020 for an amount of €120,000 .

The total value of contracts signed by back-donors in 2015-16 amounts to €149.1 million, of which €77.8 million is Strategic Partnership for a period of five years. (€71.3 million excluding Strategic Partnership).

The other off-balance-sheet commitments are rent contracts for country offices:

Amounts in thousands of euros

	REMAINING PERIOD OF THE CONTRACT		
	< 1 year	1 - 5 years	> 5 years
OFFICE RENT CONTRACT COUNTRY OFFICES	763	336	60

The total value of contracts signed by back donors in 2014-15 amounts to 69.5 million euros.

3.7 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

3.7.1 Income from direct fundraising

Amounts in thousands of euros

	FIN STMNT. 2015-16	BUDGET 2015-16	FIN STMNT. 2014-15
INCOME FROM DIRECT FUNDRAISING			
Personalised funds	82	135	
Donations by notarial deed	2,429	2,491	2,685
Inheritances	1,528	1,758	839
Private donors	16,478	14,454	17,019
Gifts	2,436	2,785	2,392
Companies	2,797	4,084	2,777
Oxfam Sweden	2,148	1,942	324
Oxfam South Korea	0	0	
Foundations	9,947	4,000	4,036
TOTAL	37,845	31,649	30,072

In 2015-16, 320,900 people and companies supported Oxfam Novib financially (332,000 in 2014-15). This number comprises 213,400 regular donors and 107,500 incidental donors. From direct fundraising Oxfam Novib received €35.7 million and Oxfam Sweden received €2.1million; this is €6.2 million higher than budgeted (in 2014-15: €29.8 million for Oxfam Novib and €0.3 million for Oxfam Sweden).

The high competition in the fundraising market continued in 2015-16. The income from donations by notarial deed, private donors, and gifts was €1.6 million higher than budgeted. Income from inheritances was €0.2 million lower than budgeted and income from companies stayed € 1.3 million behind budget.

On behalf of the entire Oxfam confederation, Oxfam Novib has assumed responsibility for setting up a fundraising office in Sweden. The income was €0.2 million higher than budgeted, due to successful fundraising campaigns.

Income from foundations was €5.9 million higher than budgeted, thanks to €3.9 million higher project approvals to counterparts and €2.1 million higher project costs for own implementations.

3.7.2 Share of revenues from third-party campaigns

Amounts in thousands of euros

	FIN STMNT. 2015-16	BUDGET 2015-16	FIN STMNT. 2014-15
REVENUES FROM THIRD-PARTY CAMPAIGNS			
Standard contribution NPL	13,500	13,500	13,500
Dream fund NPL	25	1,500	1,611
Emergency relief SHO	4,477	0	2,229
Stop Aids Now!	500	775	500
Postcod Lotteriet Sweden	0	107	0
TOTAL	18,502	15,882	17,840

Revenues from third-party campaigns include: Samenwerkende Hulporganisaties (SHO), STOP AIDS NOW! (SAN!), the Dutch Postcode Lottery (NPL) and Postcod Lotteriet Sweden.

Dutch Postcode Lottery (NPL)

During the 'Goed Geld Gala' in February 2016, Oxfam Novib received €13.5 million. This amount was for the 2015 calendar year. Due to the fact that the financial year differs from the calendar year, there is a revenue gap for the first quarter of calendar year 2016. Based on the existing agreements and taking a risk analysis into account, Oxfam Novib assumes that €13.5 million will be received during the 'Goed Geld Gala' in February 2017. Based on this assumption, 25% of the 13.5 million is added to the revenues.

The other contributions exist of 'The Golden Ribbon Award' that was awarded to Oxfam Novib's program officer in Uganda. He has received €25,000 to be spent on a project of his choice in Uganda.

STOP AIDS NOW!

STOP AIDS NOW! is a cooperation between Aids Fonds, Hivos, ICCO, Cordaid Memisa and Oxfam Novib. Each partner receives a part of the revenue to use towards HIV and AIDS projects. Oxfam Novib's share in 2015-16 is €0.5 million.

Samenwerkende Hulporganisaties (SHO)

As a matter of policy, Oxfam Novib does not budget any income from emergency relief programs. Three responses took place during 2015-16. Typhoon Haiyan in the Philippines started during the 2013-14 financial year and the expenses continued in 2015-16. The Ebola response started during the 2014-15 financial year and accounted for an additional income of €0.2 million in 2015-16. During the 2015-16 financial year one new campaign started, the Nepal response. The income amounted to €4.3 million. Section 3.10 provides more detailed information on the income and expenditures of 2015-16 and previous years.

3.7.3 Government grants

Amounts in thousands of euros

	FIN STMNT. 2015-16	BUDGET 2015-16	FIN STMNT. 2014-15
GOVERNMENT GRANTS			
Co-financing	37,807	37,302	84,486
Strategic Partnership	892	3,893	
Other Dutch government grants	17,698	13,885	19,214
European Union	9,956	15,750	7,321
Other governments	22,333	28,350	14,961
Oxfams	12,459	18,900	11,148
TOTAL	101,147	118,080	137,130

Co-financing

Oxfam Novib receives government grants under the Dutch Ministry of Foreign Affairs (Development Cooperation) co-financing program, 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 recognized on the basis of the projects and programs of partner organizations and own implementations that have been approved by Oxfam Novib. Under the Dutch Accounting Standard for Fundraising Institutions (RJ 650), income and expenditure must be recognized on the basis of approvals rather than on a cash basis.

Income received from government grants (co-financing) in 2015-16 amounted to €37.8 million, which is €0.5 million more than budgeted (2014-15: €84.5 million).

The IMPACT alliance, of which Oxfam Novib is lead party, has been granted €373.7 million by the Dutch Ministry of Foreign Affairs (Development Cooperation) as a block grant (*'mede-financierings stelsel'* II) for the period 2011-2015.

Strategic Partnership

Grant income from Dutch Government strategic partnership amounted to €0.9 million in 2015-16, which is €3.0 million less than budgeted (related to projects starting later than budgeted).

Other Dutch government grants

Grant income from Dutch government other than co-financing amounted to €17.7 million in 2015-16 (2014-15: €19.2 million). It is €3.8 million more than budgeted, thanks to €2.4 million higher project approvals to counterparts and €1.4 million higher project costs of own implementations. New contracts were signed for a total of €25.6 million. These contracts included a contract of €7.5 million for 'Local Employment in Africa for Development (LEAD)' in Egypt, Nigeria, and Somalia.

European Union

Grant income from the European Union was €10.0 million in 2015-16, which is €5.8 million less than budgeted and €2.6 million more than in 2014-15 (€7.3 million). Oxfam Novib strives for donor diversification and the allocation of income to the various types of donors is difficult to estimate in advance. This became particularly apparent in the EU's case due to unforeseen delays on their annual budgets. These delays affected the development cooperation budget and consequently delayed the publication of calls for proposals and the signing of contracts. New contracts were signed with the European Union in 2015-16, representing a total value of €5.9 million. One of the projects covered by these contracts is about Value Chains in Vietnam for €2.0 million.

Other governments

Grant income from governments other than the Dutch Government and the income received through the national governments of Oxfam Affiliates was €22.3 million in 2015-16, which is €6 million less than budgeted (due to lower project approvals to counterparts), and €7.4 million more than in 2014-15 (€15.0 million). New contracts were signed for €13.5 million. These contracts included an additional contribution of €6.2 million to our successful civil society program in Mozambique, made by the Swedish international development cooperation agency (Sida).

Oxfams

Grant income from Oxfams was €12.5 million in 2015-16, which is €6.4 million lower than budgeted (due to lower project approvals to counterparts), and €1.3 million higher than in 2014-15 (€11.1 million). 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. New contracts were signed for a total of €13.3 million.

3.7.4 Other income and revenue

Amounts in thousands of euros

	FIN STMNT. 2015-16	BUDGET 2015-16	FIN STMNT. 2014-15
INCOME FROM INTEREST			
Interest current account	30	50	48
Interest own funds	-85	150	-36
Interest on loans, deposits and participating interests participating interests	2,321	2,696	2,999
SUBTOTAL	2,266	2,896	3,011
OTHER INCOME			
Exchange results	0	0	3,799
Changes share capital value	-63	0	-319
Dividend payment Triple Jump	79	0	68
Impact Investement income	18	0	139
Income public information activities publishing house	1,468	1,939	1,691
SUBTOTAL	1,502	1,939	5,378

The interest received on current account deposits was slightly below budgeted amounts. For interest on own funds, the interest received is €0.2 million lower than anticipated in the budget. The lower interest on loans (€0.4 million less than the budget) is mainly a result of the overdue interest payments from several investees. In total the interest received was €0.6 million lower than the budget.

Other income is €0.4 million lower than budgeted. This is mainly due to income from the publishing house. The publishing house publishes books, calendars, and other print products. Its income is €0.5 million less than budgeted. 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 publishing house's expenditure is included under 'Public information and marketing' (table 3.7.5).

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 3.6.2 'financial fixed assets') and was negative €0.1 million, due to losses on participations held in other currencies.

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

Return on savings and investments

Amounts in thousands of euros

	2011	2012	2013-14	2014-15	2015-16
MISSION-RELATED INVESTMENTS					
Bond yields	-	-	-	67	242
Dividends	86	182	47	68	79
Realized price gains	47	-41	-	1,720	69
Unrealized price gains	-10	540	-123	-642	-538
Gross investment return	123	681	-76	1,213	-148
Investment costs	-	-	-	-	-
NET INVESTMENT RETURN	123	681	-76	1,213	-148
INVESTMENT PERFORMANCE					
Average performance 2011 to 2015-16 (%)	6,34%				
Average performance 2011 to 2015-16	358				
NET INCREASE IN CASH AND CASH EQUIVALENTS					
Interest on current account and organization's own funds on savings accounts and deposits	425	342	262	12	-55

3.7.5 Expenditure allocation

GOAL OF STRUCTURAL POVERTY ALLEVIATION						
	Projects and programs	Lobbying and advocacy by partner organizations	Lobbying and advocacy by Oxfam Novib	Support provided to partner organizations	Popular campaigning	Public information and marketing
Grants and contributions	60,963	10,172	-	-	-	-
Fees and other payments	-	-	3,272	-	-	-
Outsourced work	786	131	-	-	-	-
Publicity, communication, other	3,487	552	706	119	451	3,842
Staff costs	23,803	3,142	1,299	3,721	955	794
Provision reorganization	-	-	-	-	-	-
Housing costs	456	44	34	97	23	15
Office and general expenses	19,799	3,063	151	819	148	130
Depreciation	778	74	59	165	40	26
TOTAL	110,073	17,178	5,521	4,921	1,617	4,807
Publicity and communication (except if allocated to goals:)						
Other internal operating costs	44,837	6,322	1,543	4,802	1,166	965
TOTAL INTERNAL OPERATING COSTS						

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

COSTS OF GENERATING INCOME				MANAGEMENT AND ADMINISTRATION	TOTAL		
Direct fundraising	Third-party campaigns	Government grants			Financial statements 2015-16	Budget 2015-16	Financial statements 2014-15
-	-	-	-	-	71,135	111,813	95,615
-	-	-	-	-	3,272	3,526	2,074
-	-	-	-	-	917	1,438	995
6,191	237	34		196	15,813	17,962	11,623
940	24	1,503		1,442	37,622	25,405	34,008
-	-	-		-	-	-	5,232
17	1	33		37	758	1,022	703
134	6	265		360	24,876	12,284	26,688
28	2	57		64	1,292	1,156	2,028
7,310	270	1,891		2,099	155,684	174,604	178,965
6,191	237	34		196	6,657		
1,119	33	1,857		1,903	64,548		
					71,205		
						106,808	

Notes on expenditure allocation

Oxfam Novib uses several cost allocation keys:

- a. keys for the allocation of the costs incurred by the central and management departments and the Board of Directors to management and administration costs. More information can be found in Section 3.4 'Accounting policies for the valuation of assets and liabilities';
- b. keys used within Public Engagement for the allocation of costs to public information and marketing, direct fundraising, popular campaigning, third-party campaigns (Dutch Postcode Lottery), and management & administration;
- c. keys for the allocation of the costs of the primary process to activities that further the organization's goals and to the generation of income from institutional sources of funding;
- 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 programs' 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 programs'. The costs of approved projects aimed at 'lobbying and advocacy' are included under 'Lobbying and advocacy'.

Notes to the figures

Grants and contributions

These expenditures reflect the amounts that have been approved for disbursement to partner organizations. Grants and contributions were €40.7 million less than budgeted, which is due to a number of reasons: income from institutional fundraising stayed under budget at €8.3 million, resulting in fewer approvals to partner organizations than budgeted. Furthermore, there was more own implementation of projects realized than budgeted, which is reflected in higher expenditures on staff costs, office & general expenses in the field. Lastly, the amount committed to projects funded from Oxfam Novib's own resources was lower than budgeted at €8.9 million. In comparison to the 2014-15 financial year, the decrease of €24.5 million on expenditures on grants and contributions reflects the trend of more expenditures on own implementation, for instance relating to lobbying and campaigning activities.

These grants are disbursed on a cash basis. Conversely, income and expenditure is recognized on the basis

of partner organizations' projects and programs that have been approved by Oxfam Novib. Under the Dutch Accounting Standard for Fundraising Institutions (RJ 650), income and expenditure must be recognized on the basis of approvals rather than on a cash basis.

Fees and other payments

Fees and other payments mainly exist of a core contribution to Oxfam International. The contribution increased by €1.2 million as compared to last year as a result of the progressing cooperation within the Oxfam confederation and was therefore budgeted for.

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 & marketing, the provision of information to the corporate sector, and third-party campaigns.

The budget was underspent by €2.1 million. The main causes can be summarized as follows:

- The cost of direct fundraising was lower than budgeted, as was public information & marketing. Despite of this, income from direct fundraising was slightly higher than budgeted.
- The cost of lobbying and advocacy by Oxfam Novib was lower than budgeted.

Staff costs

Compared to the 2014-15 financial year, total staff costs increased by €3.6 million. This is largely a result of the major transformation which Oxfam Novib has undergone over the past two years. In addition to the reorganization costs, additional knowledge management and capacitybuilding costs were incurred following the Oxfam Novib's transition from a grant-managing institution to an organization delivering the highest-quality programs.

In 2015-16 staff costs were €12.2 million higher than budgeted. The main causes can be summarized as follows:

- Staff costs allocated to projects were higher than budgeted at €8.6 million. Own implementation of projects increased significantly. This was due to an increase in lobbying activities, knowledge management, and capacity-building, and extra costs for project management due to stricter donor requirements. The increase in own implementation was not yet reflected in the budget. In the budget these project costs are a part of the budget for approvals to partner organizations.
- Other staff costs were €3.6 million higher than budgeted. This is related to extra pension costs, and extra staff costs due to the start of the new organization.

The composition of staff costs is as follows:

Amounts in thousands of euros

Salaries headquarters	18,735
Salaries local contracts and ex-pats	9,660
Social security contributions	2,348
Pension costs	2,488
Temporary workers	1,360
Travel home-work	562
Other costs (incl participations)	2,470
TOTAAL	37,622

Employees The Hague

The total number of staff members working at Oxfam Novib's headquarters was 329 as of March 31 2016 (April 1 2015: 329). Due to the reorganization 79 staff members left the organization and some disappearing staff positions were extended temporarily for the transition phase. As a result of successful fundraising new staff was recruited for project management.

Employees country offices

The number of field staff increased from 478 on March 31 2015 to 569 on March 31 2016. This growth of 19% is due to an increase of staff funded by external funds and the implementation of the Oxfam 2020 strategy.

Staff pensions

The pensions of Oxfam Novib's staff are insured with Zwitserleven. Since January 2015 Oxfam Novib has entered a contract with Zwitserleven for 5 years.

Provision for reorganization costs

In 2014-15 a provision of €5.2 million was made for reorganization costs. Of this provision € 2.9 million has been used in 2015-16 and € 0.1 million has been released. As per 31 March 2016 an amount of € 2.2 million is available for the completion of the reorganization.

Housing costs

The housing costs in 2015-16 are €0.3 million below budget and equal to the housing costs of 2014-15.

Office and general expenses

The office and general expenses are €12.6 million above budget (and €1.8 million less than those in 2014-15), mainly due to office and general expenses allocated to projects. In the budget, the own implementation part of the project costs form part of the budget for approvals to partner organizations.

Auditors' fees

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

Auditors' Fees 2015-16

Amounts in thousands of euros

	AUDIT OF THE FINANCIAL STATEMENTS	OTHER AUDIT SERVICES	TAX CONSULTANCY SERVICES	OTHER SERVICES	TOTAL
1. Mazars Paardekooper Hoffmann Accountants NV	21	124	-	1	145
2. Deloitte Accountants BV	-	36	-	-	36
3. Deloitte Sweden AB	5	-	-	4	9
4. MDM administratie BV	-	-	-	3	3
5. PWC Accountants NV	-	80	-	-	80
TOTAL	26	239	-	8	274

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

Depreciation costs in 2015-16 were €0.1 million higher than the budget.

KEY CBF FIGURES

Amounts in thousands of euros

INCOME FROM DIRECT FUNDRAISING

Costs of direct fundraising

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

The costs of direct fundraising amounted to 19.6% of the income from direct fundraising (three-year average). 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% of the direct fundraising income. The key figure 'Management and administration costs' was 1.2%. This is slightly above the budgeted level of 1.1% and below the 2% maximum set by the Board of Directors of Oxfam Novib. The allocated management costs to management and administration is in accordance with the 'Goede Doelen Nederland' guideline (the former VFI guidelines). See Section 3.5.7 'Allocation of management and administration costs in accordance with the 'Goede Doelen Nederland' guideline'.

The key figure 'Expenditure on goals' is stated as a percentage of total income and total expenditure. 'Expenditure on goals' accounts for 92.6% of total expenditure, which is slightly below budget (92.8%).

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.

SELF-SOURCED INCOME

Amounts in thousands of euros

TOTAL INCOME

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

Less all interest income

TOTAL INCOME AS PER DEFINITION FINANCIAL RULES MFS

MFS grant - based on RJ 650

MFS grant as a % of total income

Self-sourced income as a % of total income

Under the Dutch Government's Co-Financing System Policy Framework, a recipient organization must derive at least 25% of its income from sources other than the MFS grant (self-sourced income). Oxfam Novib derives this income mainly from direct fundraising and from other

	FINANCIAL STATEMENTS 2011	FINANCIAL STATEMENTS 2012	FINANCIAL STATEMENTS 2013-14	FINANCIAL STATEMENTS 2014-15	BUDGET 2015-16	FINANCIAL STATEMENTS 2015-16
	27,724	31,158	35,660	30,072	31,649	37,845
	6,590	6,147	6,671	6,283	8,119	7,310
	22,9%	21,8%	20,5%	19,7%	20,6%	19,6%
	3,245	3,366	3,388	2,452	2,089	2,099
	2,4%	2,0%	1,5%	1,3%	1,1%	1,2%
	109,349	146,287	188,990	168,289	162,053	144,116
	84,6%	93,5%	91,4%	87,0%	95,1%	89,4%
	89,5%	91,8%	93,9%	94,0%	92,8%	92,6%

	FINANCIAL STATEMENTS 2011	FINANCIAL STATEMENTS 2012	FINANCIAL STATEMENTS 2013-14	FINANCIAL STATEMENTS 2014-15	BUDGET 2015-16	FINANCIAL STATEMENTS 2015-16
	129,318	156,386	206,855	193,431	170,446	161,263
	2,251	6,873	17,760	19,214	17,778	18,591
	4,057	4,704	4,164	3,011	2,896	2,266
	123,009	144,809	184,931	171,206	149,772	140,406
	44,709	59,563	88,682	84,486	37,302	37,807
	36%	41%	48%	49%	25%	27%
	64%	59%	52%	51%	75%	73%

donors (the Dutch Postcode Lottery, SH0, the European Union, and other institutional donors). In 2015-16 the self-sourced income as a percentage of total income was 73%. This is slightly lower than the budgeted percentage of 75% and higher than the percentage in 2014-15 (51%).

3.7.5.1 Costs of direct fundraising

The 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 are 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 gifts are equally as 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 €7.3 million in 2015-16. These costs were €0.8 million lower than budgeted. The costs of direct fundraising accounted for 19.3% of the total income from direct fundraising. 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% of the income. Oxfam Novib's three-year average is 19.6%.

3.7.6 Salary and emoluments paid to Directors

Oxfam Novib adheres to the Advisory Scheme for the Remuneration of Directors of Charity Organizations of 'Goede Doelen Nederland' (Association of Fundraising Organizations) 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 Directors' employment contracts do not fall 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 2015 of €124,233 on the basis of full-time employment, the same as in 2011, 2012, 2013, and 2014. The positions of the other members of the Board of Directors were rated at 432 points, which corresponds with a maximum annual income for 2015 of €109,550 on the basis of full-time employment, also the same as in 2011, 2012, 2013, and 2014. 'Goede Doelen Nederland' has published a guideline against which directors' actual annual incomes can be assessed. All those incomes remained within the abovementioned maximum amounts. The annual incomes in 2015-16 were as follows: €111,572 for the Chair of the Board of Directors, F. Karimi, €96,967 for Director T. van der Lee, €87,493 for Director A. van der Woude, and €96,422 for Director A. Galavazi. All Directors worked full-time (1 FTE) throughout the year.

SALARY AND EMOLUMENTS PAID TO DIRECTORS

Amounts in Euros

NAME	F. KARIMI	A. VD WOUDE	T. VAN DER LEE	A. GALAVAZI
Job title	Executive Director	Director International Department	Director Lobbying and Campaigns	Director Operations
EMPLOYMENT				
Type of contract	permanent	permanent	permanent	permanent
Period	1/4/15-31/3/16	1/4/15-31/3/16	1/4/15-31/3/16	1/4/15-31/3/16
FTE	1,0	1,0	1,0	1,0
Former top official	no	no	no	no
Real or fictional employment	real	real	real	real
hours	36	36	36	36
FTE percentage period	100	100	100	100
	1/4/15-31/3/16	1/4/15-31/3/16	1/4/15-31/3/16	1/4/15-31/3/16
INDIVIDUAL WNT MAXIMUM	178,000	178,000	178,000	178,000
REMUNERATION 2015-16				
Remuneration	111,572	87,493	96,967	96,422
Taxable expenses	-	-	-	-
Deferred remuneration (pensions)	15,166	12,876	14,490	14,421
TOTAL REMUNERATION 2015/16	126,737	100,369	111,457	110,844
INFORMATION 2014-15				
Period	1/4/14-31/3/15	1/9/14-31/3/15	1/4/14-31/3/15	1/9/14-31/3/15
FTE	1,0	1,0	1,0	1,0
REMUNERATION 2015-16				
Remuneration	112,606	50,562	94,151	55,317
Taxable expenses	-	-	-	-
Deferred remuneration (pensions)	9,147	3,288	8,099	3,564
TOTAL REMUNERATION 2014-15	121,753	53,850	102,250	58,881

- The pension costs consist of the employer's portion of the contributions to the pension plans.
- No loans or guarantees have been provided and no advance payments have been made to the members of the Board of Directors.

Members of the Supervisory Board do not receive any remuneration or fees and were all assigned for the entire financial year.

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

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 and are not permitted to exceed the amount of €163,000 for the calendar year 2015 and €168,000 for the calendar year 2016. None of the Directors or other officers of Oxfam Novib, nor those employed on consultancy basis, received a taxable annual salary in excess of these amounts in 2015-16.

3.8 SEPARATE FINANCIAL STATEMENTS OXFAM NOVIB

3.8.1 Separate balance sheet Oxfam Novib as at March 31 after appropriation of net income

Amounts in thousands of euros

	31 MARCH 2016	31 MARCH 2015
ASSETS		
Tangible fixed assets	9,459	9,912
Financial fixed assets	55,269	42,808
Inventories	47	52
Receivables from governments		
Long-term	4,392	3,270
Short-term	9,070	5,208
	13,462	8,478
Receivables	21,171	18,191
Cash and cash equivalents	81,037	103,721
TOTAL	180,445	183,162
LIABILITIES		
RESERVES AND FUNDS		
Reserves		
Contingency reserve	17,184	16,935
Earmarked reserves	51,203	59,106
	68,387	76,040
Funds	46,192	32,956
	114,579	108,996
Provisions	4,193	6,938
Debts:		
Long-term	463	3,026
Short-term	14,759	10,589
Prepayments from donor organizations	9,105	5,798
	24,327	19,413
Project liabilities		
Long-term	9,318	5,509
Short-term	28,029	42,307
	37,347	47,816
TOTAL	180,445	183,162

3.8.2 Separate statement of income and expenditure Oxfam Novib

Amounts in thousands of euros

	FIN STMT. 2015-16	BUDGET 2015-16	FIN STMT. 2014-15
INCOME			
Income from direct fundraising	35,697	29,707	29,747
Revenues from third-party campaigns	18,502	15,775	17,840
Government grants - strategic partnership	892	3,893	0
Government grants - co-financing	37,807	37,302	84,486
Government grants - other	62,447	76,885	52,644
Income from interest	2,266	2,896	3,011
Other income	1,640	1,939	5,378
TOTAL INCOME	159,253	168,397	193,106
EXPENDITURE			
Expenditure on goal of 'structural poverty alleviation'			
Projects and programmes	110,043	123,536	126,841
Lobbying and advocacy by partner organizations	17,173	19,594	19,704
Lobbying and advocacy by Oxfam Novib	5,521	6,000	5,783
Support provided to partner organizations	4,921	4,526	4,888
Popular campaigning	1,617	2,908	5,472
Public information and marketing	4,150	4,863	5,287
	143,424	161,427	167,976
Costs of generating income			
Costs of direct fundraising	5,848	6,728	6,087
Expenditure on third-party campaigns	269	404	305
Costs of securing government grants	1,891	1,938	1,636
	8,008	9,070	8,027
Management and administration			
Management and administration costs	2,066	2,058	2,452
TOTAL EXPENDITURE	153,499	172,555	178,455
NET RESULT	5,754	-4,158	14,651
Result of participations	-173		-149
NET RESULT	5,581	-4,158	14,502
Loans and guarantees provided	21,163	13,066	7,784
Loans and guarantees repayments received	-6,917	-14,042	-12,282
Microfinance Innovation Fund	2,245	728	2,816
Expenditure on goals - not reflected in statement of income and expenditure	16,491	-248	-1,682
Appropriation of net result			
Added / charged to: earmarked reserves	-14,616	1,516	10,983
Added / charged to: earmarked funds	13,236	-1,713	-5,937
Added / charged to: projects reserve	6,710	-3,766	6,820
Added / charged to: contingency reserve	251	-197	2,636
NET RESULT	5,581	-4,158	14,502

3.8.3 Accounting policies for the valuation of assets and liabilities in the separate financial statements

General

The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650) published by the Dutch Accounting Standards Board. The accounting policies for the separate financial statements and the consolidated financial statements are the same.

With regard to the accounting policies for the organization's balance sheet and income statement, reference is made to the notes to the consolidated financial statements unless otherwise specified below.

3.8.3.1 Financial fixed assets

The asset items, additional to the consolidated asset items, are valued as follows:

- Participating interest in Oxfam Sweden: nil – Oxfam Novib has no equity interest in Oxfam Sweden. Oxfam Sweden is consolidated because Oxfam Novib has significant influence over Oxfam Sweden.
- Participating interest in Impact Investments B.V.: at net asset value – Oxfam Novib owns 100% of the shares of Impact Investments B.V.

3.9 NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.9.1 Financial fixed assets

Oxfam Sweden

Oxfam Sweden is a foundation and has the statutory name "Insamlingsstiftelsen Oxfam Sverige". Oxfam Sweden has its headquarters in Stockholm. The foundation dedicates itself to raising awareness of people who are living in poverty and suffering from injustice. The foundation involves citizens by bringing them together and mobilizing them through campaigns and fundraising for projects and programs run by Oxfam.

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

- Chairman: T. van der Lee
- Board member: W. Blokhuis
- Board member: P. Mensen
- Board member: C. Daun Wennborg
- Board member: A. Barton
- Board member: B. Tallack

The valuation of the net asset value of Oxfam Sweden was set at nil as at March 31 2016. Oxfam Sweden is consolidated.

Impact Investments B.V.

Impact Investments B.V. is a limited company that has as statutory name "Inclusive Impact Investments B.V." It has its headquarters in The Hague. The B.V. aims to fight poverty and injustice by means of direct investment (using loans and equity) in developing countries such as Uganda, Nigeria, and Vietnam.

Oxfam Novib is 100% shareholder of the B.V.

The directors are:

- General Director: L.N. van Vliet until January 18, 2016
L.J. Coeveld from January 18, 2016
- Fund Director: B. 't Hooft

The financial fixed assets are €0.3 million higher than in the consolidated financial statements. This relates to the valuation of the net asset value of Impact Investments B.V. at €0.3 million as at March 31 2015.

3.9.2 Notes on financial statement items affected by the consolidation of Oxfam Sweden and Impact Investments B.V.

There is a difference between the consolidated result and equity and the result and equity presented in the separate financial statements. This is caused by the fact that Oxfam Novib has no equity interest in Oxfam Sweden. Oxfam Sweden is consolidated because Oxfam Novib has significant influence over Oxfam Sweden. For that reason, Oxfam Sweden's result and equity is included in the consolidated financial statements but not in Oxfam Novib's separate financial statements. Oxfam Sweden shows a negative net result of €0.004 million and a negative equity balance of €0.041 million. This causes the following differences:

- Net result of €5.8 million positive versus €5.8 million positive in the consolidated financial statements;
- Total reserves add up to €68.4 million versus €68.3 million in the consolidated financial statements.

The tangible fixed assets in the separate financial statements are slightly lower than in the consolidated financial statements. Financial fixed assets are €0.3 million higher than in the consolidated financial statements due to the participation in Impact Investments B.V. Receivables are €0.1 million less and cash and cash equivalents are €0.6 million less than in the consolidated financial accounts.

Reserves are slightly higher than the consolidated financial statements.

Debts are €0.4 million less than in the consolidated financial statements.

Amounts in thousands of euros

	OXFAM NOVIB PROJECTS	POLICY ON SENIOR STAFF	LOANS / GUARAN- TEES	MANAGE- MENT/ADM- INISTRA- TION COSTS	EXCHANGE RATE RESULTS	TOTAL EARMARKED RESERVES
BALANCE AT 31 MARCH 2015	23,904	538	28,413	4,891	1,360	59,106
Added	13,460	-	10,646	9,728	-	33,834
Withdrawn	6,746	91	23,877	10,096	926	41,736
Net movements	6,714	-91	-13,231	-368	-926	-7,902
BALANCE AT 31 MARCH 2016	30,618	447	15,182	4,523	434	51,203

The separate income statement shows the following developments against the consolidated income statement:

Income

Total income is €2 million less than in the consolidated income statement (€2.1 million less income from direct fundraising in Sweden).

Expenditures

Total expenditure is €2.2 million less than in the consolidated income statement. Expenditures on the goal of 'structural poverty alleviation' (Impact Investment B.V.) are €0.7 million lower due to €0.7 million less expenditure on public information and marketing and €1.5 million less was spent on direct fundraising costs (Oxfam Sweden).

3.10 SHO

3.10.1 Philippines – Haiyan response

Amounts in thousands of euros

INCOME	FINANCIAL YEAR		UP TILL FINANCIAL YEAR (INCLUDING)	
		Total		Total
Public donations (SHO funds)		0		5,872
Interest		0		4
TOTAL INCOME		1		5,876
Cost for preparation and coordination (AKV)				
AKV ¹		0		206
Total available for aid activities		1		5,670

EXPENDITURES	Emergency		Reha- bilitation		
Commitments, contractual obligations (D)			4		5,670
o Expenditure through implementing organizations (field)					
o Expenditure through international umbrella organization					
o Aid provided directly by the organization			4		5,670
Total available for commitments			0		0
OVERVIEW OF CASH TRANSFERS OF THE ORGANIZATION					
Transfers					
o Expenditure through implementing organizations (field)			368		5,670
o Expenditure through international umbrella organization					
o Aid provided directly by the organization					
OVERVIEW OF EXPENDITURES IN THE FIELD OF THE ORGANIZATION					
o Expenditure through implementing organizations (field) ²					
o Expenditure through international umbrella organization					
o Aid provided directly by the organization	740	808	1,548	4,862	808
					5,670

NOTE

¹ Total AKV is 7% of income of €5,872,000, amounting to €411,000. 3.5% is for Oxfam Novib and 3.5% is for implementing organisation OGB (€206,000). The AKV for the implementing organisation is accounted for under expenditures through implementing organisations (field). The AKV for Oxfam Novib of €206,000 reflects the reservation for AKV. Total AKV spent by Oxfam Novib in the financial year is €48,000 and €133,000 from the start of the project.

² Expenditure through implementing organisations includes expenditures up to and including December 2015.

3.10.2 Ebola

Amounts in thousands of euros

	FINANCIAL YEAR		UP TILL FINANCIAL YEAR (INCLUDING)	
		Total		Total
INCOME				
Public donations (SHO funds)		222		1,682
Interest		0		0
TOTAL INCOME		222		1,682
Cost for preparation and coordination (AKV)				
AKV ³		8		59
Total available for aid activities		214		1,623

EXPENDITURES	Emergency		Reha- bilitation		
Commitments, contractual obligations (D)			214		1,623
o Expenditure through implementing organizations (field)			214		1,623
o Expenditure through international umbrella organization					
o Aid provided directly by the organization					
Total available for commitments			0		0
OVERVIEW OF CASH TRANSFERS OF THE ORGANIZATION					
Transfers					
o Expenditure through implementing organizations (field)			623		1,623
o Expenditure through international umbrella organization					
o Aid provided directly by the organization					
OVERVIEW OF EXPENDITURES IN THE FIELD OF THE ORGANIZATION					
o Expenditure through implementing organizations (field) ⁴					
o Expenditure through international umbrella organization					
o Aid provided directly by the organization	14	856	868	303	1,321
					1,623

NOTE

³ Total AKV is 7% of income of €1,682,000, amounting to €118,000. 3.5% is for Oxfam Novib and 3.5% is for implementing organisation OGB (€59,000). The AKV for the implementing organisation is accounted for under expenditures through implementing organisations (field). The AKV for Oxfam Novib of €59,000 reflects the reservation for AKV. Total AKV spent by Oxfam Novib in the financial year is €3,000 and €12,000 from the start of the project.

⁴ Expenditure through implementing organisations are expenditures up to and including October 2015.

3.10.3 Nepal

Amounts in thousands of euros

	FINANCIAL YEAR		UP TILL FINANCIAL YEAR (INCLUDING)			
		Total		Total		
INCOME						
Public donations (SH0 funds)		4,255		4,255		
Interest						
TOTAL INCOME		4,255		4,255		
Cost for preparation and coordination (AKV)						
AKV ⁵		298		298		
Total available for aid activities		3,957		3,957		
EXPENDITURES	Emergency	Reha- bilitation	Emergency	Reha- bilitation		
Commitments, contractual obligations (D)			3,957		3,957	
o Expenditure through implementing organizations (field)			3,957		3,957	
o Expenditure through international umbrella organization						
o Aid provided directly by the organization						
Total available for commitments			0		0	
OVERVIEW OF CASH TRANSFERS OF THE ORGANIZATION						
Transfers						
o Expenditure through implementing organizations (field)			3,382		3,382	
o Expenditure through international umbrella organization						
o Aid provided directly by the organization						
OVERVIEW OF EXPENDITURES IN THE FIELD OF THE ORGANIZATION						
o Expenditure through implementing organizations (field) ⁶						
o Expenditure through international umbrella organization						
o Aid provided directly by the organization	1,996	0	1,996	1,996	0	1,996

NOTE

⁵ Total AKV for Oxfam Novib is 7% of income of €4,255,000, amounting to €298,000. The AKV for Oxfam Novib reflects the reservation for AKV. Total AKV spent in the financial year is €18,000.

⁶ Expenditure through implementing organizations (field) are expenditures up to and including December 2015.

The Hague, July 4 2016

Board of Directors

Farah Karimi, Executive Director
Aletta van der Woude, Director International
Tom van der Lee, Director of Campaigns
Arnold Galavazi, Director Operations

The Hague, July 4 2016

Supervisory Board

Hanzo van Beusekom, Chair
Joyeeta Gupta, Member of Remuneration Committee
Kees Tukker, Member of Financial Committee
Peter Verbaas, Chair of Financial Committee
Jan van Zijl
Laurien Koster, Chair of Remuneration Committee



Photo: Peterik Wiggins

CHAPTER 4

OTHER INFORMATION

4.1 RESULT APPROPRIATION ACCORDING TO STATUTES

According to the statutes (article 23.3), the appropriation of the net result should be carried out in line with the regulations in the 'Goede Doelen Nederland' guideline 'reserves goede doelen'. 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.

4.2 RESULT APPROPRIATION FOR THE YEAR

The operating result in 2015-16 was €5.6 million positive. That deviates by €9.7 million from the budgeted result and negative €8.9 million from the 2014-15 result (which was positive €14.5 million).

The result is earmarked for the following reserves and funds:

Mutations to earmarked reserves	€ -14.6	million
Adding to earmarked funds	€ +13.2	
Adding to projects reserve	€ +6.7	
Adding to contingency reserve	€ +0.3	
NET RESULT	€ +5.6	million

4.3 AFTER BALANCE SHEET DATE INFORMATION

There have been no material post-balance-sheet events which would require adjustment to Oxfam Novib's financial statements for the 2015-16 financial year.

4.4 REPORT OF INDEPENDENT AUDITOR



INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board and Board of Directors of Stichting Oxfam Novib

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements for the year ended 31 March 2016 of Stichting Oxfam Novib, The Hague, which comprise the consolidated and company balance sheet as at 31 March 2016, the consolidated and company statement of income and expenditures for the year then ended and the notes, comprising a summary of the 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 "Fundraising Organizations" of the Dutch Accounting Standards Board and with the rules of and following the Dutch Standards for Remuneration of Senior officials in the Public and Semi-Public Sector Act (WNT).

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

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 2016 and of its result for the year then ended in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board and the rules of and following the WNT.

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 "Fundraising Organizations" of the Dutch Accounting Standards Board. We have not audited or reviewed the information in the Directors' Report.

Amsterdam, 4 July 2016

MAZARS PAARDEKOOPER HOFFMAN N.V.

Original signed by: P.J. Steman RA MBA



Photo: James Akena

CHAPTER 5

MULTI ANNUAL BUDGET 2016 - 2020

STATEMENT OF INCOME AND EXPENDITURE

Amounts in thousands of euros

	2016-17	2017-18	2018-19	2019-20	2020-21
INCOME					
Income from direct fundraising	34,252	36,985	39,233	40,310	41,622
Revenues from third-party campaigns	14,000	14,000	14,000	14,000	14,000
Government grants - strategic partnership	15,599	15,599	15,599	15,599	11,699
Government grants - co-financing	0	0	0	0	0
Government grants - other	82,210	92,735	97,080	101,935	107,000
Income from interest	3,133	3,173	3,321	3,746	3,923
Other income	1,513	1,439	1,376	1,317	1,249
TOTAL INCOME	150,707	163,930	170,609	176,906	179,493
EXPENDITURE					
Expenditure on goal of 'structural poverty alleviation'					
Food, Land and Water	37,887	41,243	42,465	43,891	44,270
Financial flows and Governance	26,589	28,732	29,535	30,468	30,325
Conflict and Fragility	37,988	41,479	42,747	44,229	44,927
Gender and Youth	29,866	32,838	33,928	35,200	36,489
Emergency	2,065	2,011	1,987	1,987	1,997
Public Engagement	7,789	7,182	7,282	7,296	7,366
	142,183	153,486	157,944	163,071	165,375
Costs of generating income					
Costs of direct fundraising	7,738	6,390	6,622	6,745	6,753
Expenditure on third-party campaigns	599	574	576	578	579
Costs of securing government grants	1,855	1,852	1,857	1,879	1,901
	10,191	8,816	9,055	9,202	9,233
MANAGEMENT AND ADMINISTRATION					
Management and administration costs	2,335	2,416	2,397	2,401	2,415
TOTAL EXPENDITURE	154,709	164,719	169,396	174,674	177,022
NET RESULT	-4,002	-788	1,213	2,232	2,471
Appropriation of net result					
Added / charged to: earmarked reserves	-2,530	-745	1,353	2,675	2,967
Added / charged to: earmarked funds	-865	-876	-919	-963	-1,014
Added / charged to: contingency reserve	-607	834	779	520	518
APPROPRIATION OF NET RESULT	-4,002	-788	1,213	2,232	2,471
Expenditure on goals - not reflected in statement of income and expenditure					
Movement loans portfolio (Triple Jump)	600	2,100	9,400	2,500	2,600
Movement Oxfam Novib Innovation Fund	0	0	-7,200	0	0
OTHER EXPENDITURE ON GOALS	600	2,100	2,200	2,500	2,600

Notes on the 2016-17 budget and 2016-2020 multiannual budget

The budget for the 2016-17 financial year is the budget for the first financial year following Oxfam Novib's reorganization and the end of MFS funding.

Income

The total income of €150.7 million is €19.7 million less than the budgeted income of €170.4 million for the 2015-16 financial year. This is due to:

- The absence of MFS II funds ('government grant – co-financing'), representing a decrease of €37.3 million as compared to the 2015-16 financial year;
- The inclusion of DGIS Strategic Partnership for a total amount of €15.6 million, representing an increase of €11.7 million as compared to income from the same source in the 2015-16 financial year (in which €3.9 million was included for the period January 1 2016 – March 31 2016);
- An increase in income from direct fundraising from €31.6 million to €34.3 million, caused by an increase in income from Oxfam Sweden (plus €2.2 million) and foundations (plus €0.5 million). The revised 2015-16 budget included a budget (already adjusted downwards) for community fundraising of €25.7 million in the Netherlands;
- Income from institutional donors is predicted to increase by €3.4 million, from €92.8 million in 2015-16 to €96.2 million in 2016-17;
- Other: minus €0.2 million.

When looking at the budgeted income of the multiannual budget, the budgeted income of €150.7 million for the 2016-17 financial year is anticipated to increase by €28.8 million to a total budgeted income of €179.5 million in the 2020-21 financial year. This is mainly due to:

- An anticipated increase in income from community fundraising (from €34.3 million in 2016-17 to €41.6 million in 2020-21). An anticipated increase of €24.8 million in income from institutional donors (from €82.2 million to €107 million in 2020-21), caused by a targeted 5% annual increase in signed back-donor contracts;
- Other: negative €3.3 million.

Expenditures

The total budgeted expenditures for the 2016-17 financial year amount to €154.7 million. Of which an amount of €142.2 million will be spent on the goal of structural poverty alleviation. An amount of €10.2 million will be spent on costs of generating income, and an amount of €2.3 million will be spent on management and administration.

The Board of Directors aims to keep expenditure in line with the available unrestricted income. To realize this, a general budget cut of 1% has been applied, as well as a budget cut of 25% on travel costs.

In addition, and in order to avoid additional budget cuts shortly after the reorganization, the Board of Directors decided to finance a number of project-related costs from the Oxfam Novib project reserve for a period of five years:

- An additional contribution to high-quality proposals that were submitted by country offices for funding from the DGIS Strategic Partnership (€0.7 million annually for a five-year period);
- Co-financing of externally funded projects (€1 million annually for a five-year period).

Secondly, for 2016-17 the Board of Directors made the decision to finance some additional project-related incidental costs from the Oxfam Novib project reserve:

- Increased capacity for internal audits (€0.7 million);
- Additional investment in the innovation fund (€1.5 million in 2016-17). As of 2017-18 the innovation fund will again be financed from the foreseen increase in unrestricted income;
- Allocation to humanitarian CAT fund (€0.5 million).

Thirdly, for 2016-17 the Board of Directors made the decision to finance some additional organizational-related incidental costs from the contingency reserve:

- as part of the collective labor agreement it was decided that a 1% year-end bonus would be provided to all staff in 2016-17 (€166k);
- some expenditures related to the reorganization are foreseen for the 2016-17 financial year (€441k in total). These change-related costs will be financed from the change budget to the extent possible. This budget is included in the budget for 2015-16; the remaining part of this budget will be carried forward to 2016-17 upon closure of the 2015-16 financial year.

In the event that the budgeted increase in income from community fundraising fails to materialize in 2016-17, further structural budget cuts will be needed.



COLOPHON

Oxfam Novib
PO Box 30919
2500 GX The Hague

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

Lay-out
Marl Point

Cover Photo
Sven Torfinn