Oxfam Australia

ABN 18 055 208 636

Annual Financial Report

for the year ended 30 June 2015

Contents

Corporate Information

This annual report covers both Oxfam Australia as an individual entity and the consolidated entity comprising Oxfam Australia and its subsidiary, Oxfam Australia Trading Pty Ltd ("the Group"). The Group's functional and presentation currency is AUD ($).

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Organisation under ASIC CO 98/100. Oxfam Australia is an entity to which the class order applies.

A description of the Group's objectives and of its principal activities is included in the review of operations and activities in the Directors' report on page 4.

Directors (non-executive)

Dennis Goldner	Chair (from October 2014)
Ian Anderson	Deputy Chair
Jane Hutchison	Director (until October 2014)
Ann Byrne	Director
Alan Wu	Director
Fiona Kotvojs	Director
Melissa Houghton	Director
Mark Pryn	Director
Michael Wright	Director
Peter Croft	Director
Susan Black	Director
Selwyn Button	Director (from Aug 2014)
Judi Moylan	Director (from Dec 2014)
Barbara Rugendyke	Director (from Dec 2014)

Registered office and Principal place of business

132 Leicester Street
Carlton, Victoria, 3053
Phone: +61 3 9289 9444
www.oxfam.org.au

Solicitors

Corrs Chambers Westgarth
600 Bourke Street
Melbourne, Victoria 3000

Moores Legal
9 Prospect Street
Box Hill, Victoria 3128

Corporate Information (cont)

Bankers

Westpac Banking Corporation
GPO Box 3433
Sydney, NSW 2001

Bendigo and Adelaide Bank
PO Box 480
Bendigo, Victoria 3550

UBS Wealth Management
8 Exhibition Street
Melbourne, Victoria 3000

Auditors

Ernst & Young
8 Exhibition Street
Melbourne, Victoria 3000

Directors' Report

Your Directors submit their report for the year ended 30 June 2015.

Directors

The names and details of the Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience, and special responsibilities

Dennis Goldner
Chair (from October 2014)
B.Ec (Hons), FAICD

Dennis was a partner at Deloitte for 20 years, retiring in 2009. His earlier career was spent in the Australian and Victorian public sector, having worked in industry policy, trade and competition policy agencies reaching senior levels. He now chairs The Deloitte Foundation, leads Deloitte's Responsible Business team, is a board member of the Library Board of Victoria and Melbourne Chamber Orchestra. He has completed terms on the board of The Royal Children's Hospital Melbourne, Deloitte Australia, and has chaired Regional Arts Australia and Regional Arts Victoria. Dennis has served on the Finance Risk and Audit Committee of Oxfam Australia since 2007.

Dr Ian Anderson AM
Deputy Chair
PhD., M.Litt, FCA, CPA

A retired chartered accountant, Ian worked as a specialist tax partner with leadership roles in a major accounting firm before becoming a senior banker in structured finance. He was Chair of Oxfam Hong Kong for 10 years, Chair of Oxfam International for four years and has been involved with Oxfam Australia since the early 1970s. Ian was Board Treasurer from 2004 until 2009.

Dr Jane Hutchison
Chair (to October 2014)
Assoc Dip Ag, BA (Hons)
PhD

Jane is Senior Lecturer in Politics and International Studies and Fellow of the Asia Research Centre at Murdoch University. She has a background in environmental and trade union activism, including non-violent civil disobedience. Jane is a long-term supporter of Oxfam Australia and has served as Chair of the One World Centre Management Committee in WA. Jane is a member of the Oxfam International Board's Governance Working Group.

Ann Byrne
HDTS, GradDip (HRC), GradDip (Superannuation), FAICD, FAIST

Ann worked in the finance sector particularly in the management of superannuation funds and more recently in advocacy around the need for effective management of environmental, social and governance investment risk to achieve long term sustainable performance. Ann is a Non- Executive Director and on the Boards of LUCRF Super and ECPAT International. She is also an independent member of the Compliance Committee of BlackRock Investment Management Australia Ltd

Fiona Kotvojs
MBA, Grad Dip (Business Management), Grad Dip (Education), BSc [Honours], MAICD

Fiona has extensive experience in international development, including as an Alternate Director and Senior Executive for ACIL Australia. As well, she has serves as a Director or Trustee on a range of Australian Boards and Trusts. Fiona brings over 20 years experience in international development assistance. She has particular expertise in strategic planning, monitoring and evaluation, program design, program sustainability and capacity development.

Melissa Houghton
BA

Based in NSW, Melissa is a marketing and communications specialist and owner of the consultancy firm, Eighty20 Communications. Previously she has held a number of senior executive positions for organisations including News Digital Media, Telstra and Green Building Council of Australia. She has a record of active community involvement and is a keen Oxfam Trailwalker participant.

Mark Pryn
BEcon, CA, ACIS

Mark is a Chartered Accountant and Chartered Company Secretary with over 25 years experience within corporate and professional service environments. Currently, Mark operates as a consultant providing clients with a broad range of corporate management services, drawing on his extensive background in commerce, finance and governance.

Directors' Report (cont)

Peter Croft
BSc, BEcon, MAICD

Peter is a former Director of South Australia's Department for Environment and Heritage where he was responsible for the Coorong, Lower Lakes and Murray Mouth. Formerly a member of Community Aid Abroad, he has been a long-time supporter of Oxfam Australia. He has been Director of Oxfam Australia Trading since September 2011.

Susan Black
B Occ Thy, MSWAP

Susan is Director, Projects at Social Ventures Australia and has previously held management positions in community organisations, including Community Aid Abroad, as well as leading a change project in the Queensland Government. She is an Associate of the Centre for Social Response, a community development training organisation.

Alan Wu
BA, LLB, GradDipLegPrac

Alan is a lawyer with the Australian Government. He has worked in human rights domestically and with the Australian Permanent Mission to the UN in New York, and in the delivery of technical legal assistance to the Pacific. His previous work as the Chair of Australia's national youth affairs peak was recognised by the Australian Human Rights Commission and through the Young Australian of the Year Awards. He has also served as Special Envoy for Young People to the UN Environment Programme, on the Australian National Commission for UNESCO, and as an Australian Representative to the 2004 Oxfam International Youth Parliament.

Michael Wright
BEc (Hons), M.SC Ec (Hons), AICD
from December 2013

Michael is currently Director of the Monash Health Translation Precinct. Michael was Deputy Secretary of several Victorian Government Departments, before starting his own strategic planning and organizational change consulting group nearly 25 years ago: which has involved working with some 200 public and private sector organizations in Australia and New Zealand. Michael has also had more than 20 years volunteering in community and not for profit Boards.

Selwyn Button
B. Teaching
from August 2014

Selwyn is an Aboriginal man with extensive professional experience in various social service fields supporting Indigenous communities. He is currently Assistant Director-General, State Schools - Indigenous Education in the Queensland Department of Education, Training and Employment. Immediately prior to joining the Oxfam Australia Board, he was CEO of the Queensland Aboriginal and Islander Health Council for four years. Selwyn is also a Director on a number of other Boards: the Brisbane Aboriginal and Torres Strait Islander Community Health Service; The Lowitja Institute and previously sat on the Queensland Council of Social Services Board.

The Hon Judi Moylan
Dip REMgmt, GAICD
from December 2014

The Hon Judi Moylan was elected to the federal Seat of Pearce in 1993 and served as Minister for Family Services and Minister for the Status of Women. Mrs Moylan was a Permanent Delegate to the International Parliamentary Union, Chair of the Australia/China Friendship Parliamentary Group, an Observer in the Indonesian elections in 1999 and the Cambodian elections in 2013 and has led many high-level delegations abroad. Mrs Moylan retired from parliament in 2013 and was appointed Independent President and Chair of the Board of Diabetes Australia, co-chair of the National Diabetes Strategy Advisory Group, Global Coordinator of the International Diabetes Federation's Parliamentarians for Diabetes Global Network and to the Diabetes Forum of the World Innovation Summit for Health. She has been the recipient of the Sir Kempson Maddox award, Diabetes Australia Outstanding Services award, the Alan Missen Medal, and lifetime achievement awards from Juvenile Diabetes Research Foundation and Novo Nordisk.

Directors' Report (cont)

Barbara Rugendyke
BA(Hons). Dip. Ed., PhD
from December 2014

Barbara has enjoyed a twenty year career as an academic geographer, teaching and researching in the field of international development. The contributions of NGOs to poverty reduction have been a long-term focus of Barbara's research. Barbara has also worked as a facilitator in community development planning in remote Aboriginal communities in Australia and conducted research about sustainable livelihoods for resettled indigenous minority communities in northern Vietnam. Barbara currently serves as Dean and Head of School of Arts and Social Sciences at Southern Cross University and is an Adjunct Professor at the University of New England. Barbara has supported Oxfam over many years and has prior experience on boards of local community organisations and small development NGOs, as well as in university governance.

Board staff participant

Sabina Curatolo
to October 2014

Sabina is currently Oxfam Australia's Political Engagement Lead, representing Oxfam's work to the Australian Government. She has more than 11 years' experience working in international development at a range of levels — the United Nations Food and Agriculture Organization, the Australian Government Department of Foreign Affairs and Trade (DFAT) and the Office of Shadow Minister for International Development , and as an independent consultant.

Bridgette Thorold
from December 2014

Bridgette is the country Director for Sri Lanka with firsthand experience both within Melbourne and field offices over the past 12 years. Bridgette's previous roles have included Country Representative in South Africa, the Southern Africa regional desk covering Zimbabwe, Mozambique and Malawi programs and centralised oversight and technical support functions managing both the Program Development Unit and then Program Quality Unit. Bridgette led the establishment of a Single Management Structure (SMS) in Sri Lanka and her varied positions have afforded Bridgette the opportunity to gain perspective from both head and field offices and develop a wide spectrum of relationships and stakeholder engagement within and outside of Oxfam Australia.

Company Secretary

Anthony Alexander
BBus, CPA

Anthony joined Oxfam as the Chief Financial Officer in 2011. Anthony has had 15 years of experience in both the not-for-profit and commercial sectors. Anthony's last role was the National Finance Manager and Company Secretary for the Royal Flying Doctor Service, based in Sydney. Prior to this, Anthony worked as the Commercial Manager for Mission Australia (Victoria, South Australia and Tasmania) providing financial leadership across the organisation's community, employment and training services.

Blessing Cuthbert Bonga Zama
from March 2015

Oxfam operates an office in South Africa and is required by South African corporation law to have a local company secretary. Blessing is Oxfam Australia CFO in South Africa office.

Allan Moolman
to March 2015

Allan was based in South Africa and was Country Director.

Corporate structure

Oxfam Australia
Oxfam Australia is an income tax exempt charitable organisation, incorporated as a company limited by guarantee and domiciled in Australia. Oxfam Australia has prepared a consolidated financial report incorporating the entity that it controlled during the financial year. Today the organisation is a secular, independent, non government, not-for-profit organisation working in 28 countries around the world, including Australia.

Oxfam Australia Trading Pty Ltd
Oxfam Australia Trading Pty Ltd is a fully owned subsidiary of Oxfam Australia. It is a Fair Trade Organisation providing better trading conditions and capacity building support for marginalised producers. Oxfam Australia Trading Pty Ltd operates a commodities wholesale business, an online shop, a mail order catalogue and 11 stores around the country.

Directors' Report (cont)

Principal activities and objectives

Oxfam Australia is one of 17 Oxfam's around the world that form the Oxfam confederation. We work together to achieve Oxfam's ultimate goal of a just world without poverty where people influence decisions that affect their lives, enjoy their rights, and assume their responsibilities — a world in which everyone is valued and everyone is treated equally.

Oxfam Australia works with people and communities in our region. Our programs make a genuine and significant difference to people's lives, as we draw on our 60 years of experience in tackling poverty and inequality in the East Asia, Pacific, South Asia, and Southern Africa regions. We also work with Australia's Aboriginal and Torres Strait Islander peoples to strengthen their self-determination.

Operating at all levels — from individual households to global forums — Oxfam Australia:

- Saves lives before, during, and after humanitarian crises
- Works locally with people and communities to support their development and influence policies and practices that will reduce poverty
- Influence governments, institutions and businesses to develop and implement laws, policies and practices that help people rise out of poverty.

Oxfam Australia also runs humanitarian appeals to which the Australian public generously responds, and in 2014/15 these appeals raised $16,486,487.

The Oxfam shops help to build our profile, educate the public, and raise funds for our programs, and by selling a range of Fair Trade and other selected products, we are able to support small-scale producers in countries where we work.

Operating and financial review

The consolidated surplus for the year was $6.5 million - another good result following last year's $1.9 million surplus. We also reported a positive cash flow from operations of $7.5 million. The surplus includes a significant amount of emergency income (mostly for the Nepal earthquake) which has yet to be distributed. This will be spent in 2015/16 meaning we will report a significant deficit next financial year (refer note 23 – restricted reserves).

During the year, our consolidated income increased by $19.6 million to a total of $110.7 million. The main contributor was community support income which increased by $10.9 million. We also spent $62.8 million on our long term program development, advocacy and emergency responses during the year, up $12.2 million on prior year.

The surplus and positive cash flow was largely due to:

- significant emergency income received during the year (related mostly to Nepal and Vanuatu appeals)
- solid growth in our Community Support Income;
- achieving operational cost efficiencies during the year;

Investment in income generating activity to increase our community support income both now and for the future is a high priority for the organisation. In 2014/15, this increased in investment totalled $2.6 million. However we were able to maintain the cost of fundraising ratio at an appropriate level.

Oxfam Australia has been disappointed at the decrease in the Australian government aid program and will continue to lobby both government and opposition parties on the importance of an increased and sustainable Official Development Assistance budget (Australian Government overseas aid budget).

Our objective for the coming year is to invest in income generating activities for our community support income and continuing to increase our program funding, whilst maintaining our reserve levels and financial position. The organisation continues to promote social justice and fight poverty while maintaining a sound financial position.

Performance Indicators

The Board, together with management monitor our effectiveness by reporting performance against identified key financial performance indicators (KPIs). Management monitor these KPIs on a regular basis. Directors receive the KPIs for review prior to each Board meeting allowing all of the Directors to actively monitor the Group's performance.

Directors' Report (cont)

The three principal KPIs for Oxfam Australia are:

- Program Investment Ratio: Program expenditure as a percentage of total expenditure
- Cost of Fundraising Ratio: Fundraising expenditure as a percentage of total community support income
- Administration Ratio: Administration costs as a percentage of total expenditure

	2014/15	2013/14	2012/13
Program Investment Ratio:	68.9%	65.9%	70.8%
Cost of Fundraising Ratio:	28.7%	29.7%	23.5%
Administration Ratio:	11.3%	12.1%	12.1%

Our Program Investment ratio increased from prior year as we increased our expenditure on program and emergency responses. We continue to maintain significant levels of investment in our programming and advocacy work. Our Cost of Fundraising ratio decreased from prior year mainly due to higher emergency income raised than anticipated. Our administration ratio has gone down due to greater internal cost efficiencies and higher emergency expenditure during the year. In future years, we aim to increase the amount of program funding provided as a percentage of our total expenditure, and ensure the organisation strives for the most efficient and effective administration and fundraising efforts.

In addition there are other accountability measures that the Board monitors, including reserves levels, levels of grant income in comparison to community support income and the breakdown of program costs between direct program costs, program support and program management.

Attendance at meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director is shown in the table below. All Directors serve on at least one of the Board's committees, which may also comprise Board-appointed external advisers (co-opted members).

	Directors' Meetings	Finance, Risk & Audit Committee	Governance Committee	Public Engagement Committee	Nominations Committee (telecon only)
Number of meetings held:	6	4	6	4	1
	Attended	**Attended**	**Attended**	**Attended**	**Attended**
Dennis Goldner	6(6)	4(4)	4(6)		1(1)
Jane Hutchison	2(2)		1(2)		1(1)
Ian Anderson	5(6)	2(4)	5(6)		
Ann Byrne	6(6)	4(4)			
Fiona Kotvojs	5(6)		6(6)		
Melissa Houghton	5(6)			4(4)	
Mark Pryn	6(6)	4(4)			
Peter Croft	6(6)	4(4)			
Susan Black	6(6)		6(6)	4(4)	1(1)
Alan Wu	6(6)		6(6)		
Michael Wright	6(6)	3(4)			
Selwyn Button	5(6)	2(4)			
Judi Moylan	3(4)			1(1)	
Barbara Rugendyke	4(4)		4(4)		
Board staff participant					
Sabina Curatolo	2(2)			2(2)	
Bridgette Thorold	3(4)			1(1)	

* Meetings eligible to attend are in brackets -all meetings are face to face (except the Nominations Committee). In addition, all Committees hold regular teleconferences.

Directors' Report (cont)

Committee Membership

As at the date of this report, the company had a Finance, Risk and Audit Committee, a Public Engagement Committee, a Governance Committee and a Nominations Committee. Members acting on the committees of the Board during the year were:

Finance Risk & Audit	Public Engagement	Governance	Nominations
A Byrne (co-ch)	M Houghton (ch)	S Black (ch)	D Goldner (ch from Nov 14)
M Pryn (co-ch)	S Black	J Hutchison	J Hutchison (until Oct 14)
P Croft	J Moylan	F Kotvojs	S Black
I Anderson	L Healy @	I Anderson	G Romanes @
D Goldner	B Thorold #	A Wu	J Mitchell @
M Wright	S Curatolo #	D Goldner	B Hartnett@
S Button		B Rugendyke	G Graham @
L Tallis @		J Hobbs @	
B Watson @			

(ch) designates the chair of the committee
(co-ch) designates multiple committee chairs
@ honorary independent members of the committee and non-director
# staff participant

Liability of Members

Oxfam Australia is a company limited by guarantee. In the event of the company being wound up, the liability of members is limited to $100.

Indemnification and insurance of directors and officers

The company has paid premiums in respect of a contract insuring all the Directors and officers of the economic entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their respective capacities, other than conduct involving wilful breach of duty in relation to the company. Disclosure of the premium amount paid is prohibited under the policy.

Auditors Independence and Non-assurance related services

The Directors received and have accepted the attached Independence Declaration from the auditor of Oxfam Australia.

Non-assurance related services

The Group's auditor, Ernst & Young, provided assurance related services throughout the year. The value of these services is disclosed in Note 20.

Signed in accordance with a resolution of the directors.

Dennis Goldner
Chair

Ann Byrne
Director

Melbourne
9 October 2015

Building a better
working world

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Auditor's Independence Declaration to the Directors of Oxfam Australia

In relation to our audit of the financial report of Oxfam Australia for the financial year ended 30 June 2015, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Paul Gower

Paul Gower
Partner
9 October 2015

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015	NOTE	CONSOLIDATED 2015 ($000)	CONSOLIDATED 2014 ($000)
Community support income	*3 (a)*	**63,276**	52,402
Grants (government & non-government)	*3 (b)*	**33,914**	25,357
Sale of goods		**12,525**	12,445
Investment income	*3 (c)*	**577**	545
Other operating income	*3 (d)*	**422**	338
Total income		**110,715**	**91,088**
Program costs	*3 (e)*	**62,827**	50,647
Fundraising expenses		**17,833**	15,250
Cost of goods sold and services provided		**6,119**	6,129
Administration costs	*3 (f)*	**17,543**	16,181
Foreign exchange (gain)/loss	*3 (g)*	**(142)**	935
Finance costs		**14**	23
Total expenses		**104,194**	**89,165**
Net surplus for the year		**6,521**	**1,923**
Other comprehensive income			
Net gain on available-for-sale investments		**1**	8
Total other comprehensive income		**1**	**8**
Total comprehensive income surplus for the year		**6,522**	**1,931**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2015	NOTE	CONSOLIDATED 2015 ($000)	2014 ($000)
ASSETS			
Current assets			
Cash & cash equivalents	4	**28,924**	23,535
Trade and other receivables	5	**2,173**	1,627
Inventories	6	**2,443**	2,877
Other current assets	7	**1,140**	1,052
Available for sale financial assets	8	**66**	67
TOTAL Current assets		**34,745**	**29,158**
Non-current assets			
Receivables	5	**-**	73
Available for sale financial assets	8	**24**	28
Property, plant and equipment	9	**9,868**	10,114
Intangible assets	10	**142**	165
Investment property	11	**102**	108
TOTAL Non-current assets		**10,137**	**10,487**
TOTAL ASSETS		**44,882**	**39,646**
LIABILITIES			
Current liabilities			
Trade and other payables	12	**13,628**	15,735
Interest bearing liabilities	13	**109**	206
Provisions	14	**5,005**	4,001
TOTAL Current liabilities		**18,742**	**19,942**
Non-current liabilities			
Provisions	14	**989**	1,075
TOTAL Non-current liabilities		**989**	**1,075**
TOTAL LIABILITIES		**19,731**	**21,017**
NET ASSETS		**25,151**	**18,629**
ACCUMULATED FUNDS			
Retained surplus		**15,164**	15,727
Reserves	23	**9,987**	2,902
TOTAL ACCUMULATED FUNDS		**25,151**	**18,629**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2015	NOTE	CONSOLIDATED 2015 ($000)	CONSOLIDATED 2014 ($000)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**12,555**	12,663
Receipts from donors and Government		**95,906**	78,132
Payments to suppliers and employees		**(39,651)**	(34,621)
Payments to projects		**(61,859)**	(51,473)
Proceeds from sale of forward currency contracts		**-**	225
Interest received		**535**	485
Interest and other costs of finance paid		**(14)**	(23)
Net cash provided by operating activities:	4 (a)	**7,471**	**5,388**
CASH FLOW FROM INVESTING ACTIVITES			
Proceeds from sale of property, plant & equipment		**29**	1
Proceeds from sale of shares		**-**	1,274
Proceeds from sale of available-for-sale investments		**7**	26
Investment interest and dividends received		**18**	34
Purchase of property, plant and equipment		**(179)**	(519)
Purchase of intangibles		**(103)**	(58)
Repayment from Oxfam affiliate		**73**	89
Net cash provided by/(used in) investing activities:		**(156)**	**846**
CASH FLOW FROM FINANCING ACTIVITIES			
Re-payment of borrowings		**(1,926)**	(2,721)
Net cash provided by/(used in) financing activities:		**(1,926)**	**(2,721)**
Net increase / (decrease) in cash and cash equivalents		**5,389**	3,513
Cash and cash equivalents at the beginning of the period		**23,535**	20,022
Cash and cash equivalents at the end of the period	4	**28,924**	**23,535**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED	Retained surplus ($000)	Restricted reserves ($000)	Net unrealised gains reserve ($000)	International crisis fund ($000)	Total ($000)
At 30 June 2013	15,516	1,084	14	83	16,698
Surplus for the year	1,923				1,923
Net unrealised (losses) / gains on available-for-sale investments			8		8
Total comprehensive income for the year	1,923	-	8	-	1,931
Transfer to / (from) reserves	(1,712)	1,712			-
At 30 June 2014	15,727	2,796	23	83	18,629
Surplus for the year	6,521				6,521
Net unrealised (losses) / gains on available-for-sale investments			1		1
Total comprehensive income for the year	6,521	-	1	-	6,522
Transfer to / (from) reserves	(7,084)	7,084			-
At 30 June 2015	15,164	9,880	24	83	25,151

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes

YEAR ENDED 30 JUNE 2015

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2015

1. Corporate information

The consolidated financial report of Oxfam Australia and its subsidiary, Oxfam Australia Trading Pty Ltd (collectively, the Group) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 9 October 2015.

Oxfam Australia is a public company limited by guarantee. It is an income tax exempt charitable (non-for-profit) organisation, incorporated and domiciled in Australia. The registered office of Oxfam Australia is 132 Leicester Street, Carlton, Victoria, 3053.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of significant accounting policies

Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared in accordance with the historical cost convention with the exception of the available for sale investments and derivatives which have been measured at fair value. The report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

(a) Statement of compliance

The financial report complies with the Australian Accounting Standards - Reduced Disclosure Requirements.

New Accounting Standards and Interpretations

Changes in accounting policy and disclosures.

The accounting policies adopted are consistent with those of the previous financial year except as follows (adopted as of 1 July 2014):

AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*
AASB 1031 *Materiality*
AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle
Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Oxfam Australia (the parent company) and all of its controlled entities as at 30 June each year (the Group).

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the group.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Notes (continued)

YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (cont)

All intercompany balances and unrealised profits from transactions between Group companies have been eliminated on consolidation.

Investments in subsidiaries are accounted for at cost less any impairment losses in the separate financial statements of the parent entity.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. All acquisition costs are expensed.

(c) Significant accounting judgments, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statement:

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined based on the evaluation of terms and conditions of the arrangement, that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

Impairment of available for sale investments
The group holds a portfolio of available for sale investments which are subject to market fluctuations and which are recorded at fair value (market value) at year end. In determining whether the specific investments within the portfolio have been permanently impaired and the decline in value should therefore be written off in the Statement of Comprehensive Income the group has exercised judgement on the nature of the investment, its market segment, its liquidity / tradability in the market, and whether the decline is prolonged and / or significant.

Impairment of non financial assets
Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include market values, asset performance, technological obsolescence, economic, political and legal environment and future usage expectations. If an impairment trigger exists the recoverable amount of the asset is determined and compared to the carrying amount.

Make good provisions
A provision has been made for the present value of anticipated costs of future restoration of leased retail premises. The provision includes future cost estimates associated with restoring the premises to a condition as required by the landlords. The calculation of this provision requires assumptions around costs for these restorations. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision for each location is reviewed at each reporting date and updated based on facts and circumstances available at the time. Changes to the estimated future costs are recognised in the Statement of Financial Position by adjusting the asset and provision, and adjusting any movement through the Statement of Comprehensive Income.

Estimation of useful lives of assets
The estimation of useful lives of assets has been based on historical experience as well as manufacturer's warranties and lease terms. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(d) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Notes (continued)

YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (cont)

(i) Grant Income
Grants received from government and non-government organisations are recognised as income as they are expended on the program to which they relate. Unexpended grants are recognised as liabilities to reflect the obligation to repay any unspent portion of grants at the completion of the program.

(ii) Community Support Income
Community Support Income is recognised when control over that income has been obtained.

(iii) Sale of Goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the costs incurred or to be incurred in respect of the transaction can be measured reliably, no further work or processing is required and the quantity and quality of the goods has been determined. Risks and rewards of ownership are considered passed to the buyer at the time of delivery to the customer for retail sales. Revenue for mail order and wholesale sales is recognised on issue of dispatch advice making stock unavailable to others, given stock is on hand.

(iv) Interest
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(v) Dividends
Revenue is recognised when the Group's right to receive the payment is established.

(vi) Rental Income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and included in revenue due to its operating nature.

(e) Program expenditure

Expenditure on program related activities in Australia is recognised when incurred. Expenditure on overseas program related activities is recognised when the funds are remitted to the overseas partner for partner implemented programs, or when the funds are spent by the overseas field office, for programs implemented by the field offices.

(f) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the group incurs in connection with borrowing funds. Borrowing costs are recognised as an expense using the effective interest method.

(g) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Group as a Lessee

Operating Leases
Leases in which the lessor retains substantially all the risks and benefits incidental to ownership of a leased item are classified as operating leases. Operating lease payments, where the lease agreement contains a fixed incremental increase, are recognised as an expense in the income statement on a straight-line basis over the lease term. All other lease payments are recognised in line with cash flows.

Notes (continued)

YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (cont)

(ii) Group as a Lessor
Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

(h) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any impairment.

Other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor and default payments are considered objective evidence of impairment.

(j) Inventories

Inventories are valued at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Finished goods – cost of direct materials, conversion and delivery but excluding borrowing costs.
Raw materials – purchase cost on a first in first out basis

Current replacement cost is the cost that the entity would incur to acquire the asset on the reporting date.

Inventory is regularly checked for obsolescence and values at the lower of cost and current replacement cost.

(k) Foreign currency transactions and balances

Both the functional and presentation currency of Oxfam Australia and its subsidiaries are Australian dollars ($).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated report are taken to profit or loss.

Advance payments are made to overseas suppliers upon placement of an order by the group. Orders are mostly placed in a foreign currency and the advance payments are made in this same currency. Upon transit of the stock the balance of the payment is made. The stock is costed at the weighted average of the cost in Australian dollars of the advance and the final payment.

(l) Income taxes

Oxfam Australia and its subsidiary Oxfam Australia Trading Pty Ltd, being charitable organisations have applied for and gained exemption from Income Tax. This exemption will remain in force unless there is any change to the legislation, ownership of the companies or their constituent documents or activities.

Notes (continued)

YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (cont)

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Property, Plant & Equipment

Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement cost only if it is eligible for capitalisation.

Land and buildings are stated at cost less accumulated depreciation on buildings. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	40 years
Investment properties	40 years
Plant and equipment	3 - 5 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end.

(i) Impairments
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Notes (continued)

YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (cont)

For property, plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income and allocated across profit centres.

(ii) Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

(o) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties are subsequently carried at cost less any accumulated depreciation and impairment losses. Investment properties are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, or commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

(p) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transactions costs.

Recognition and Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired or have been transferred. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within a period established generally by regulation or convention in the market place.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loan and receivables are derecognised or impaired, as well as through the amortisation process. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

(ii) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of profit or loss.

Notes (continued)

YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (cont)

(iii) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are neither classified as held for trading nor designated at fair value through profit or loss. After initial recognition available-for-sale investments are measured at fair value with unrealised gains or losses being recognised as a separate component of equity until the investment is derecognised or until investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in surplus or deficit.

The fair value investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on reporting date. Investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured shall be measured at cost.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. These are normally settled on 30 day terms and are unsecured.

(r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable borrowing costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

(t) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to reporting date. These benefits include wages, salaries, annual leave and long service leave.

(i) Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables or provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Notes (continued)

YEAR ENDED 30 JUNE 2015

2. Summary of significant accounting policies (cont)

(iii) Superannuation
Contributions are made by the Group to an employee superannuation fund and are charged as expenses when incurred. The Group has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees upon retirement.

(u) Derivative financial instruments and hedging

The Group uses derivative financial instruments (including forward currency contracts) to hedge its risks associated with foreign currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss for the year.

(v) Intangible assets

Intangible assets are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life of the asset. The estimated useful life varies and as a result the amortisation method is reviewed at the end of each annual reporting period. The amortisation has been recognised in the Statement of Comprehensive Income in the line item "Administration costs". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Intangible assets depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computer software costs	2-3 years
Development costs	5 years

(w) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in this financial report

(x) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes (continued)

YEAR ENDED 30 JUNE 2015

3. Revenue and expenses

	CONSOLIDATED 2015 ($000)	CONSOLIDATED 2014 ($000)
(a) Community Support Income		
Donations and gifts (i)	**61,612**	47,393
Legacies and bequests	**1,665**	5,010
	63,276	**52,402**

(i) Includes additional income from humanitarian appeal (Nepal) of $11,970,452

	CONSOLIDATED 2015 ($000)	CONSOLIDATED 2014 ($000)
(b) Grants		
Australian government grants (DFAT)	**29,194**	22,736
Australian government grants (other)	**100**	141
Non government Australian grants	**885**	223
Non government overseas grants	**3,736**	2,258
	33,914	**25,357**
(c) Investment Income		
Rental Income	**24**	26
Interest received or receivable	**542**	497
Dividends received	**11**	22
	577	**545**
(d) Other Operating Income		
Net gain/(loss) on disposal or property, plant and equipment	**29**	-
Net loss from sale of shares	**-**	(79)
Net realised gains on disposal of forward currency contracts	**-**	225
Other income	**394**	192
	422	**338**
(e) Program Costs		
Funds to overseas programs	**52,968**	40,965
Domestic programs	**1,722**	1,424
Program support costs	**3,001**	2,575
Public policy and education programs	**4,551**	5,069
Development and effectiveness	**585**	615
	62,827	**50,647**

Notes (continued)

YEAR ENDED 30 JUNE 2015

3. Revenue and expenses (cont)

	CONSOLIDATED 2015 ($000)	CONSOLIDATED 2014 ($000)
(f) Administration Costs		
Depreciation of:		
Buildings	**209**	313
Investment property	**5**	5
Plant and equipment	**216**	264
Amortisation of intangible assets	**126**	449
Lease payments - operating leases	**1,948**	2,030
Administration staff costs		
Salaries	**5,453**	4,895
Superannuation	**570**	499
Retail staff costs		
Salaries	**1,432**	1,426
Superannuation	**134**	130
Bank charges	**157**	169
Insurance	**256**	305
Other operating costs (including IT)	**3,845**	3,377
Other operating costs - restructuring	**1,046**	119
Subsidiary operating costs	**2,147**	2,200
	17,543	16,181
(g) Foreign exchange movements		
Foreign currency transactions (gains)/losses (i)	**(142)**	935
	(142)	935

(i) Includes reversal of prior year mark-to-market position on forward exchange contracts of $249,019 (2014: $588,722)

4. Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	CONSOLIDATED 2015 ($000)	CONSOLIDATED 2014 ($000)
Cash at bank and in hand	**28,924**	23,487
Short-term deposits	**-**	47
	28,924	**23,535**

Notes (continued)

YEAR ENDED 30 JUNE 2015

4. Cash and cash equivalents (cont)

	CONSOLIDATED	
	2015 ($000)	**2014 ($000)**
(a) Reconciliation of net surplus to net cash flows from operations		
Surplus	**6,521**	1,923
Adjustments for:		
Depreciation and Amortisation	**556**	1,031
Loss / (Gain) on sale of plant & equipment	**(29)**	-
Income from sale of shares	**-**	(1,274)
Interest / dividend income classified as investing cash flow	**(18)**	(34)
Repayment of trade finance borrowings classified as financing cash flow	**1,829**	2,697
Changes in assets and liabilities:		
(Increase) / decrease in current receivables	**(546)**	1,355
(Increase) / decrease in other current assets	**(88)**	16
(Increase) / decrease in inventories	**434**	(216)
(Decrease) / increase in trade creditors and accruals	**(2,107)**	(172)
(Decrease) / increase in provisions	**919**	63
Net cash from operating activities	**7,471**	**5,388**

5. Trade and other receivables

	CONSOLIDATED	
	2015 ($000)	**2014 ($000)**
Current		
Trade and other receivables	**2,173**	1,554
Loan receivable from Oxfam affiliate (i)	**-**	73
	2,173	**1,627**
Non-Current		
Loan receivable from Oxfam affiliate (i)	**-**	73
	-	**73**

(i) The loan was fully paid as at 30 June 2015

Impairment losses

Trade receivables are non-interest bearing and are on 60 day terms. A provision for doubtful debt is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment losses have been recognised by the Group in the current and previous year. These amounts have been included in the administration expense item.

Notes (continued)

YEAR ENDED 30 JUNE 2015

6. Inventories (current)

	CONSOLIDATED	
	2015 ($000)	2014 ($000)
Inventory held for sale		
Raw materials	**122**	157
Finished goods	**2,320**	2,720
	2,443	**2,877**

Inventory expense

Inventories recognised as an expense for the year ended 30 June 2015 totalled $6,119,255 (2014: $6,129,317) for the Group. This expense has been included in the cost of sales line item. Inventories written down as an expense for the year ended 30 June 2015 totalled $192,069 (2014: $122,764) for the Group. This expense has been included in the cost of sales line item.

7. Other Current Assets

	CONSOLIDATED	
	2015 ($000)	2014 ($000)
Prepayments	**1,140**	1,052
	1,140	**1,052**

8. Available-for-sale financial assets

	CONSOLIDATED	
	2015 ($000)	2014 ($000)
Current		
Investments held by UBS at fair value (i)	**66**	67
	66	**67**
Non-current		
Shares (other) - listed (ii)	**4**	8
Shares - unlisted (iii)	**20**	20
	24	**28**

(i) Investments held by UBS represent quarantined amounts to fund program work in 2015/16. These listed shares are categorised as Level 1 in the fair value hierarchy.

(ii) Listed shares (other) are carried at market value and are classed as other non-current assets as they are held for advocacy purposes in order to attend Annual General Meetings rather than for trading or investment purposes. Listed shares are categorised as Level 1 in the fair value hierarchy.

(iii) Unlisted shares are carried at cost and are classed as other non-current assets as they are held for long-term investment purposes.

Notes (continued)

YEAR ENDED 30 JUNE 2015

9. Property, plant and equipment

	CONSOLIDATED		
	Freehold, land and buildings ($000)	Plant and equipment ($000)	Total ($000)
Year ended 30 June 2015			
At 30 June 2014, net of accumulated depreciation	9,363	751	**10,114**
Additions	49	215	**264**
Additions (capital works in progress)	15	3	**18**
Disposals	-	-	**-**
Reduction in capital work in progress	(15)	(88)	**(103)**
Depreciation charge for the year	(209)	(216)	**(425)**
At 30 June 2015, net of accumulated depreciation	9,204	664	**9,868**
At 1 July 2014			
At cost	12,103	4,110	**16,213**
Accumulated depreciation	(2,739)	(3,360)	**(6,099)**
Net carrying amount	9,363	751	**10,114**
At 30 June 2015			
At cost	12,152	4,240	**16,392**
Accumulated depreciation	(2,948)	(3,576)	**(6,524)**
Net carrying amount	9,204	664	**9,868**
Year ended 30 June 2014			
At 30 June 2013, net of accumulated depreciation	9,627	545	**10,172**
Additions	49	504	**553**
Additions (capital works in progress)	-	162	**162**
Disposals	-	(1)	**(1)**
Reduction in capital work in progress	-	(195)	**(195)**
Depreciation charge for the year	(313)	(264)	**(577)**
At 30 June 2014, net of accumulated depreciation	9,363	751	**10,114**
At 1 July 2013			
At cost	12,054	3,835	**15,889**
Accumulated depreciation	(2,426)	(3,290)	**(5,716)**
Net carrying amount	9,627	545	**10,172**
At 30 June 2014			
At cost	12,103	4,110	**16,213**
Accumulated depreciation	(2,739)	(3,360)	**(6,099)**
Net carrying amount	9,363	751	**10,114**

Notes (continued)

YEAR ENDED 30 JUNE 2015

10. Intangible Assets

	CONSOLIDATED Computer Software (i) ($000)	Product Design & Development (ii) ($000)	Total ($000)
Year ended 30 June 2015			
At 30 June 2014, net of accumulated amortisation	157	7	**165**
Additions	95	7	**103**
Additions (capital works in progress)	95	-	**95**
Disposals	-	-	**-**
Reduction in capital work in progress	(95)	-	**(95)**
Amortisation charge for the year	(120)	(6)	**(126)**
At 30 June 2015, net of accumulated amortisation	133	9	**142**
At 1 July 2014			
At cost	2,323	25	**2,349**
Accumulated amortisation	(2,166)	(18)	**(2,184)**
Net carrying amount	157	7	**165**
At 30 June 2015			
At cost	2,419	33	**2,452**
Accumulated amortisation	(2,286)	(24)	**(2,310)**
Net carrying amount	133	9	**142**
Year ended 30 June 2014			
At 30 June 2013, net of accumulated amortisation	524	32	**556**
Additions	58	-	**58**
Additions (capital works in progress)	4	-	**4**
Impairment write down	(4)	-	**(4)**
Amortisation charge for the year	(424)	(25)	**(449)**
At 30 June 2014, net of accumulated amortisation	157	7	**165**
At 1 July 2013			
At cost	2,266	71	**2,337**
Accumulated amortisation	(1,742)	(39)	**(1,781)**
Net carrying amount	524	32	**556**
At 30 June 2014			
At cost	2,323	25	**2,349**
Accumulated amortisation	(2,166)	(18)	**(2,184)**
Net carrying amount	157	7	**165**

Notes (continued)

YEAR ENDED 30 JUNE 2015

11. Investment property

	CONSOLIDATED	
	2015 ($000)	**2014 ($000)**
At 1 July, net of accumulated depreciation and impairment	**108**	113
Depreciation charged for the year	**(5)**	(5)
At 30 June, net of accumulated depreciation and impairment	**102**	**108**

As is consistent with property, plant and equipment, the Group has opted to use the cost model rather than the revaluation model when measuring investment properties. The investment property measured above forms part of the freehold land and building at Athol Park, South Australia that is leased out to tenants. The valuation of the Athol Park property includes the leased portion of the property. The investment property was last valued on 24 March 2014 at $430,000.

The investment property is leased on a month by month basis. Therefore, there is no contingent commitment in relation to the rental of these properties.

12. Trade and other payables

	CONSOLIDATED	
	2015	**2014**
Payables (current)	**($000)**	**($000)**
Trade payables (i)	**185**	342
Other payables and accrued expenses (ii)	**2,965**	3,431
Unexpended grant income (iii)	**10,477**	11,713
Foreign currency payables (iv)	**1**	249
	13,628	**15,735**

(i) Trade payables are non-interest bearing and are normally settled on 60 day terms

(ii) Other payables are non-interest bearing and have average terms ranging from 30 days to 6 months

(iii) Refer to note 2(d) for information on the recognition of grant income

(iv) Foreign currency payables on forward exchange contracts are categorised as Level 2 in the fair value hierarchy

13. Interest-bearing loans and borrowings

	CONSOLIDATED	
	2015	**2014**
Current	**($000)**	**($000)**
Unsecured trade finance	**109**	206
	109	**206**

Borrowing facilities

Trade finance

The trade finance facility is a $500,000 unsecured facility with Shared Interest Society with terms of one (1) month. It is used for purchases of inventory for sale and also acts as a clearing house, assisting fair trade producers and retailers.

Notes (continued)

YEAR ENDED 30 JUNE 2015

13. Interest-bearing loans and borrowings (cont)

Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	CONSOLIDATED 2015 ($000)	2014 ($000)
Total facilities		
Trade Finance	**500**	500
Visa Business Card	**250**	250
Facilities used at balance date		
Trade Finance	**109**	206
Visa Business Card	**-**	4
Facilities unused at balance date		
Trade Finance	**391**	294
Visa Business Card	**250**	246

14. Provisions

	CONSOLIDATED					
	Long service leave ($000)	**Annual leave ($000)**	**Redundancy ($000)**	**Make good provision ($000)**	**Operating lease provision ($000)**	**Total ($000)**
At 1 July 2014	2,848	1,780	144	234	69	**5,076**
Net changes during the year	313	(1)	571	-	36	**919**
At June 2015	3,161	1,779	716	234	104	**5,994**
Current 2015	2,497	1,779	716	-	13	**5,005**
Non-current 2015	664	-	-	234	91	**989**
	3,161	**1,779**	**716**	**234**	**104**	**5,994**
At 1 July 2013	2,496	1,482	791	215	29	**5,013**
Net changes during the year	352	298	(647)	19	40	**63**
At June 2014	2,848	1,780	144	234	69	**5,076**
Current 2014	2,097	1,780	144	-	(21)	**4,001**
Non-current 2014	751	-	-	234	90	**1,075**
	2,848	**1,780**	**144**	**234**	**69**	**5,076**

15. Financial risk management objectives and policies

The Group's principal financial instruments comprise a trade finance facility, cash and short term deposits.

The main purpose of the financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Group also enters into derivative transactions - predominantly forward exchange contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance. The Group's policy is to hedge 75% of its overseas program expenditure exposure. The Group has elected not to adopt formal hedge accounting relationships under accounting standards due to variability in the timing and nature of program expenditure. The main risks arising from the Group's financial instruments are equity risk, interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Notes (continued)

YEAR ENDED 30 JUNE 2015

16. Commitments and contingencies

Operating lease commitments - Group as a lessee

The Group has entered into a number of commercial leases. Oxfam Australia (the parent entity) has entered into a number of leases for IT equipment. The leases are for three to four years with no renewal option included in the contracts. Oxfam Australia also has a number of leases for state office premises. These leases range in life from between 12 months and 5 years with renewal terms included in the contracts.

Oxfam Australia Trading Pty Ltd has entered into leases for shop premises. These leases have an average life of between 3 and 6 years with renewal terms included in the contracts. There are no restrictions placed upon the lessee by entering into any of these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	CONSOLIDATED	
	2015	**2014**
Payable	**($000)**	**($000)**
Within one year	**1,100**	1,071
After one year but not more than five years	**2,960**	2,336
After more than five years	**-**	-
Total minimum lease repayments	**4,060**	**3,406**

Operating lease commitments - Group as lessor

Oxfam Australia Trading Pty Ltd leases a portion of its Athol Park property. The lease is on a month by month basis, therefore there is no contingent commitment in relation to the rental of these properties.

Guarantees

The Group has the following guarantee at 30 June 2015

(i) Bank guarantees of $122,530 in favour of the lease vendors of state offices as security in case of default.
(ii) Bank guarantees totalling $205,157 held by lease vendors of retail sites as security in case of default.

Program Expenditure

The parent entity has issued approvals to its project partners in developing countries for the funding of core projects, many of which have either not been commenced or are in progress at 30 June 2015. However, there is no legal commitment to fund these projects as all approvals are issued "subject to availability of funds".

Superannuation Commitments

The parent entity contributes to various superannuation funds on behalf of each employee for the provision of benefits to employees of the Consolidated Group on retirement or death. A component of the remuneration for parent entity employees is comprised of superannuation contributions in excess of the statutory minimum. Employees voluntarily contribute various percentages of their gross income and the company contributes at the rate of 2% of the employee's gross income in respect of participating employees. Contributions by the Company of up to 9.5% of employee's gross income are legally enforceable in Australia.

Contingent Liabilities

No contingent liabilities exist at 30 June 2015.

Notes (continued)

YEAR ENDED 30 JUNE 2015

17. Related party disclosures

The consolidated financial statements include the financial statements of Oxfam Australia and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2015	% Equity Interest 2014	Investment 2015 ($000)	Investment 2014 ($000)
Oxfam Australia Trading Pty Ltd	Australia	100	100	**4,131**	4,384
				4,131	4,384

Oxfam Australia is the ultimate parent company, incorporated in Australia.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Related Party		Sales to related parties ($000)	Purchases from related parties ($000)	Amounts owed by related parties ($000)	Amounts owed to related parties ($000)
Subsidiary:					
Oxfam Australia Trading Pty Ltd	2015	-	12	57	-
Oxfam Australia Trading Pty Ltd	2014	-	16	87	-

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding trade balances at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables

18. Information relating to Oxfam Australia (the Parent)

	2015 ($000)	2014 ($000)
Current assets	**30,636**	24,716
Total assets	**43,405**	38,105
Current liabilities	**17,625**	18,784
Total liabilities	**18,254**	19,476
Retained surplus	**15,164**	15,727
Restricted reserves	**9,880**	2,796
Net unrealised gains reserve	**24**	23
International crisis fund	**83**	83
	25,151	**18,629**
Surplus of the Parent entity	**6,521**	1,923
Total comprehensive income of the Parent entity	**6,522**	1,931

19. Events after balance sheet date

There have been no material events ocurring subsequent to the balance sheet date, that require adjustments to or disclosure in this financial report.

Notes (continued)

YEAR ENDED 30 JUNE 2015

20. Auditor's remuneration

The auditor of Oxfam Australia is Ernst & Young (Australia).

	CONSOLIDATED	
	2015 ($000)	**2014 ($000)**
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- Auditing or review of the financial report of the entity and any other entity in the consolidated group	**115**	126
- Other services in relation to the entity and any other entity in the consolidated group		
- assurance related	**-**	4
- non-assurance related	**35**	36
	150	166

21. Director and executive disclosures

(a) Details of Directors and Executives

(i) Non-Executive Directors	
Dennis Goldner	Chair (from Oct 2014)
Ian Anderson	Deputy Chair
Jane Hutchison	Chair (to Oct 2014)
Ann Byrne	Director
Alan Wu	Director
Fiona Kotvojs	Director
Melissa Houghton	Director
Mark Pryn	Director
Michael Wright	Director
Peter Croft	Director
Susan Black	Director
Selwyn Button	Director (from Aug 2014)
Judi Moylan	Director (from Dec 2014)
Barbara Rugendyke	Director (from Dec 2014)

(ii) Executives	
Dr Helen Szoke	Chief Executive
Tony McKimmie	Chief Operating Officer
Alexia Huxley	Director of International Programs
Anthony Alexander	Chief Financial Officer
Pam Anders	Director of Public Engagement

All of the aforementioned executives are not members of the Oxfam Australia Board.

(b) Compensation of Key Management Personnel

The Directors of the parent entity and its subsidiary serve voluntarily and do not receive any remuneration for their services as Directors.

(i) Executive Compensation Policy

The performance of the Group depends upon the quality and commitment of its senior management. To prosper, the Group must attract, motivate and retain highly skilled and committed executives but keeping in mind the place of the Group in the not-for-profit sector.

Notes (continued)

YEAR ENDED 30 JUNE 2015

21. Director and executive disclosures (cont)

To this end, the Group takes into account the following key considerations:

- satisfactory annual reviews of performance
- relevant comparative remuneration
- independent advice

Executive remuneration is reviewed every three years to coincide with the Enterprise Bargaining Agreement negotiations for staff remunerations. At this time, a number of Board Directors convene to advise on remuneration. This group is responsible for reviewing the compensation arrangements of the key executives and bringing proposals regarding the remuneration to the full Board of Directors for consideration.

(ii) Compensation structure

In determining the level of executive remuneration, the Board engaged an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration of the key management personnel for the year ended 30 June 2015 is tabled below:

	CONSOLIDATED	
	2015 ($000)	**2014 ($000)**
Short-term employee benefits	**866**	752
Post-employment benefits		
Superannuation	**86**	69
Retirement	**-**	-
Total compensation	**952**	821

22. Governance and accountability

Oxfam Australia is a member agency of the Australian Council For International Development (ACFID) including being an accredited signatory to the Code of Conduct for Non Government Development Organisations (NGDOs). This Code of Conduct defines standards of governance, management, financial control and reporting with which NGDOs should comply and identifies mechanisms to ensure accountability in NGDOs use of public monies.

23. Reserves policy

As determined by the Board, it is Oxfam Australia's policy to retain only sufficient reserves to safeguard the continuity of its operations. The Reserves policy seeks to strike a balance between spending on the organisation's development and humanitarian relief purposes, maintaining appropriate levels of investment in the retail operation and maintaining the minimum level of resources necessary to ensure uninterrupted operations. The Board of Oxfam Australia reviews the level of reserves held periodically.

Notes (continued)

YEAR ENDED 30 JUNE 2015

23. Reserves policy (cont)

The reserves at 30 June 2015 fall into four categories.
* **Retained surplus**, this includes:

- General unrestricted funds: these represent funds which are available for the general purposes of the organisation.

- Designated unrestricted reserves: these are reserves which have been designated by the Board for specific purposes and which are as a result not immediately available for general usage.

The specific purposes are as follows:

(i) To ensure the continuity of operations in the event of a temporary downturn in income.

(ii) To recognise that a portion of reserves is invested in the organisation's fixed assets and is not therefore available for other purposes.

(iii) To ensure that we have sufficient liquidity to cover short term fluctuations in revenue / expenditure.

* **Restricted reserves**: these are tied to a particular purpose as specified by donors or at the time of launching a public appeal. The organisation has committed to spend these funds in accordance with promises made to donors, i.e. they are not available for use in other areas of the agency's work. As at 30 June 2015, the balance of restricted reserves includes $7,148,299 of unspent income from the Nepal earthquake humanitarian appeal. This unspent income is expected to be disbursed and expensed in FY 15/16.

* **Net unrealised gains reserve**: This comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

* **International crisis fund**: these are unrestricted funds held to enable rapid response to humanitarian emergencies.

Directors' Declaration

In accordance with a resolution of the directors of Oxfam Australia, we state that in the opinion of the directors:

In the opinion of the directors:

(a) the financial statements and notes of the company and the consolidated entity are in accordance with the *Corporations Act 2001* and *Not-for-Profits Commission Act 2012*, including:

  (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and

(b) there are reasonable grounds to believe that the company and the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dennis Goldner
Chair

Ann Byrne
Director

Melbourne
09 October 2015

Building a better working world

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Independent auditor's report to the members of Oxfam Australia

We have audited the accompanying financial report of Oxfam Australia, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the company a written Auditor's Independence Declaration.

Opinion

In our opinion the financial report of Oxfam Australia is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

(a) giving a true and fair view of the financial position of Oxfam Australia at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Ernst & Young

Ernst & Young

Paul Gower

Paul Gower
Partner
Melbourne
9 October 2015