Financial Statements of

OXFAM CANADA

Years ended March 31, 2013 and 2012

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KPMG LLP
Suite 2000
160 Elgin Street
Ottawa, ON K2P 2P8
Canada

Telephone (613) 212-KPMG (5764)
Fax (613) 212-2896
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Directors of Oxfam Canada

Report on the Financial Statements

We have audited the accompanying financial statements of Oxfam Canada, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require 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 our 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, we consider 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oxfam Canada as at March 31, 2013, March 31, 2012 and April 1, 2011, and its results of operations, its changes in net assets and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal Requirements

As required by the Canada Corporations Act, we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

September 20, 2013

Ottawa, Canada

OXFAM CANADA

Statements of Financial Position

March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011
Assets			
Current assets:			
Cash	$ 1,893,834	$ 6,716,457	$ 7,675,256
Short-term investments (note 3)	707,883	745,701	743,495
Accounts receivable	483,763	849,441	598,005
Advances to partners	2,265,390	9,792,772	3,047,484
Prepaid expenses	154,817	195,549	227,816
	5,505,687	18,299,920	12,292,056
Tangible capital and intangible assets (note 4)	4,706,942	5,057,461	5,090,545
	$ 10,212,629	$ 23,357,381	$ 17,382,601
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued liabilities (note 5)	$ 1,516,179	$ 811,571	$ 1,126,494
Deferred revenue (note 7)	5,264,002	19,034,436	12,218,524
Current portion of long-term debt (note 8)	119,156	113,140	107,463
	6,899,337	19,959,147	13,452,481
Long-term liabilities:			
Accrued benefit liability (note 6)	471,700	458,300	432,000
Long-term portion of long-term debt (note 8)	1,162,566	1,281,740	1,394,665
	1,634,266	1,740,040	1,826,665
Net assets:			
Invested in tangible capital and intangible assets	3,425,220	3,662,581	3,588,417
Endowments	1,289	1,289	1,289
Unrestricted deficiency	(1,747,483)	(2,005,676)	(1,486,251)
	1,679,026	1,658,194	2,103,455
Lease commitments and contingencies (notes 10 and 11)			
	$ 10,212,629	$ 23,357,381	$ 17,382,601

See accompanying notes to financial statements.

On behalf of the Board:

M. Hancock Director

Director

OXFAM CANADA

Statements of Operations

Years ended March 31, 2013 and 2012

	2013	2012
Revenue:		
Donations	$ 10,363,323	$ 9,060,296
Bequests	758,322	674,164
Grants and contributions:		
Canadian International Development Agency	13,399,605	16,006,750
Non-government organizations	2,209,095	1,572,094
Other Oxfam	3,359,749	2,546,848
Other governments	606,715	488,411
Interest	23,620	66,041
Foreign exchange gain	–	14,358
Miscellaneous	1,400,799	1,239,201
	32,121,228	31,668,163
Expenses:		
Operating:		
Overseas projects	25,389,918	24,941,707
Overseas project management	436,414	475,191
Education and public affairs	1,305,243	1,622,136
Foreign exchange loss	27,917	–
	27,159,492	27,039,034
Program support:		
Administration	2,725,369	2,476,608
Fundraising	2,215,535	2,597,782
	4,940,904	5,074,390
	32,100,396	32,113,424
Excess (deficiency) of revenue over expenses	$ 20,832	$ (445,261)

See accompanying notes to financial statements.

OXFAM CANADA

Statements of Changes in Net Assets

Years ended March 31, 2013 and 2012

March 31, 2013	Invested in tangible capital and intangible assets	Endowments	Unrestricted	Total
Net assets (deficiency), beginning of year	$ 3,662,581	$ 1,289	$ (2,005,676)	$ 1,658,194
Excess of revenue over expenses	–	–	20,832	20,832
Amortization of tangible capital and intangible assets	(389,818)	–	389,818	–
Additions to tangible capital and intangible assets	39,299	–	(39,299)	–
Principal repayments of long-term debt	113,158	–	(113,158)	–
Net assets (deficiency), end of year	$ 3,425,220	$ 1,289	$ (1,747,483)	$ 1,679,026

March 31, 2012	Invested in tangible capital and intangible assets	Endowments	Unrestricted	Total
Net assets (deficiency), beginning of year	$ 3,588,417	$ 1,289	$ (1,486,251)	$ 2,103,455
Deficiency of revenue over expenses	–	–	(445,261)	(445,261)
Amortization of tangible capital and intangible assets	(393,749)	–	393,749	–
Additions to tangible capital and intangible assets	360,665	–	(360,665)	–
Principal repayments of long-term debt	107,248	–	(107,248)	–
Net assets (deficiency), end of year	$ 3,662,581	$ 1,289	$ (2,005,676)	$ 1,658,194

OXFAM CANADA

Statements of Cash Flows

Years ended March 31, 2013 and 2012

		2013		2012
Cash provided by (used in):				
Operating activities:				
Excess (deficiency) of revenue over expenses	$	20,832	$	(445,261)
Amortization of tangible capital and intangible assets, which does not involve cash		389,818		393,749
Change in non-cash operating working capital:				
Decrease (increase) in accounts receivable		365,678		(251,436)
Decrease (increase) in advances to partners		7,527,382		(6,745,288)
Decrease in prepaid expenses		40,732		32,267
Increase (decrease) in accounts payable and accrued liabilities		704,608		(314,923)
Increase in accrued benefit liability		13,400		26,300
Increase (decrease) in deferred revenue		(13,770,434)		6,815,912
		(4,707,984)		(488,680)
Investing activities:				
Additions to tangible capital and intangible assets		(39,299)		(360,665)
Net decrease in short-term investments		37,818		(2,206)
		(1,481)		(362,871)
Financing activities:				
Principal repayments of long-term debt		(113,158)		(107,248)
Decrease in cash		(4,822,623)		(958,799)
Cash, beginning of year		6,716,457		7,675,256
Cash, end of year	$	1,893,834	$	6,716,457

Interest paid during the year was $71,951 (2012 - $77,860).

See accompanying notes to financial statements.

Oxfam Canada ("Oxfam") is an international development agency working through Oxfam International and partner organizations in Africa, South Asia and the Americas to tackle the root causes of poverty, injustice and inequality. Oxfam is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act (Canada), and as such, is exempt from income taxes.

On April 1, 2012, Oxfam adopted Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook. These are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations.

In accordance with the transitional provisions in Canadian accounting standards for not-for-profit organizations, Oxfam has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is April 1, 2011 and all comparative information has been presented by applying Canadian accounting standards for not-for-profit organizations.

A summary of transitional adjustments recorded to net assets and deficiency of revenue over expenses is provided in note 2.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Financial statement presentation and basis of accounting:

These financial statements include the assets and liabilities of Oxfam's Canadian operations and the six overseas Country Offices for which it has responsibility and the revenue and expenses for which Oxfam and its six overseas Country Offices enter into contracts with donors for the funding of projects in various countries.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Oxfam has not elected to subsequently carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, Oxfam determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount Oxfam expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Advances to partners:

Oxfam's approach to development involves working with a large number of local partners. Oxfam, via agreements with funders, provides funding, support and monitoring to its partners. Funds disbursed to partners as advances are recorded on the statement of financial position as advances to partners until the partner submits a financial report to Oxfam, as required by the agreements. The disbursed funds are recorded as expenses and corresponding revenue is recognized in the period that the financial report is received.

(d) Tangible capital and intangible assets:

Tangible capital and intangible assets acquired for direct use in projects are expensed in the year of acquisition. Those that are not project specific are capitalized and amortized over their estimated useful lives.

Tangible capital and intangible assets are stated at cost. Amortization is computed using the following methods and rates:

Asset	Basis	Rate
Tangible capital assets:		
Building	Declining balance	5%
Furniture and equipment	Declining balance	20%
Management information system	Declining balance	20%
Computer equipment	Declining balance	30%
Vehicles	Declining balance	25%
Leasehold improvements	Straight-line	5 years
Intangible assets:		
Computer software	Declining balance	30%

1. Significant accounting policies (continued):

(d) Tangible capital and intangible assets (continued):

In the year of acquisition, capital asset purchases are amortized at one-half of the normal annual rate.

(e) Employee post-employment benefit plan:

Oxfam maintains a post-employment benefit plan for some of its employees.

Oxfam uses the deferral and amortization approach to account for the plan. Oxfam accrues its obligations under the plan as the employees render the services necessary to earn the retirement benefits. The actuarial determination of the accrued benefit obligation uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, mortality of employees, termination and retirement ages of employees and other actuarial factors). The measurement date of the accrued benefit obligation coincides with Oxfam's fiscal year. The most recent actuarial valuation of the plan for funding purposes was as of March 31, 2011, and the next valuation will be as of March 31, 2014.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains (losses) over 10% of the accrued benefit obligation is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the plan is 4 years (March 31, 2012 - 5 years, April 1, 2011 - 6 years).

(f) Revenue recognition:

Oxfam follows the deferral method of accounting for contributions for not-for-profit organizations.

Restricted contributions are recorded as deferred revenue and subsequently transferred to revenue when such funds are utilized in accordance with the donor restrictions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions and interest relating to restricted endowments are recognized as direct increases in net assets.

1. Significant accounting policies (continued):

(g) Canadian Government (“CIDA”) and other contributions:

Oxfam enters into contracts with the Canadian Government (the Canadian International Development Agency – “CIDA”) and other donors for the funding of projects in various countries. In accordance with the revenue recognition policy, these funds are recorded as revenue in the statement of revenue and expenses as related expenses are incurred. Any indirect cost recovery, management fee or procurement fee that is applicable to Oxfam is recorded as revenue in the statement of revenue and expenses in accordance with the terms in the individual contracts.

Contributions received in excess of donors’ share of funds expended in the current year for project activities represent unspent externally restricted contributions for expenditures in future years, and are shown in the statement of financial position as deferred revenue. Any contributions expended in excess of the contributions received from the donors are recorded as accounts receivable.

(h) Expense allocation:

Oxfam classifies expenses in the statement of revenue and expenses by function. Expenses are recognized in the year they are incurred and are recorded to operating or program support to which they are directly related. Oxfam does not allocate expenses between operating and program support after initial recognition.

(i) Contributed services:

Volunteers contribute significant time per year to assist Oxfam in carrying out its service delivery activities. These contributed services are not recognized in the financial statements because of the difficulty associated with measurement.

(j) Foreign currency translation:

Transactions denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the date of transaction. Foreign currency monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the statement of financial position date. Foreign currency non-monetary assets are translated into Canadian dollars at exchange rates in effect at the time of acquisition. Any resulting foreign exchange gains or losses are included in the statement of revenue and expenses.

1. Significant accounting policies (continued):

(k) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. Transitional adjustments:

(a) Net assets:

The following table summarizes the impact of the transition to not-for-profit standards on Oxfam's net assets as of April 1, 2011:

Net assets:	
As previously reported under Canadian generally accepted accounting principles, March 31, 2011	$2,169,155
Adjustment to accrued benefit liability to immediately recognize previously unamortized transitional obligation (i)	(65,700)
Restated, April 1, 2011	$2,103,455

In accordance with transitional provisions of not-for-profit standards, Oxfam has elected to use the following exemption:

(i) Accrued benefit liability:

Oxfam has elected to carry forward unrecognized actuarial gains and losses and past service costs that were determined previously. The above adjustment is a result of immediately recognizing the previously unamortized transitional obligation in opening net assets at the transition date.

2. Transitional adjustments (continued):

(b) Excess of expenses over revenue:

As a result of the above noted election and the retrospective application of not-for-profit standards, Oxfam recorded the following adjustment to the deficiency of revenue over expenses for the year ended March 31, 2012:

Deficiency of revenue over expenses:	
As previously reported under Canadian generally accepted accounting principles for year ended March 31, 2012	$ (454,061)
Decrease to post-employment benefits expense as a result of immediate recognition of previously unamortized transitional obligation	8,800
Restated for the year ended March 31, 2012	$ (445,261)

3. Short-term investments:

Short-term investments are held by Oxfam to fund its net assets for purposes specified in note 10. The short-term investments consist of a term deposit with an interest rate of 1.751% (March 31, 2012 - 1.2% and 1.25%; April 1, 2011 - 0.3%) that matures on May 27, 2013.

4. Tangible capital and intangible assets:

March 31, 2013	Cost	Accumulated amortization	Net book value
Tangible capital assets:			
Land	$ 465,880	$ –	$ 465,880
Building	3,890,743	582,675	3,308,068
Furniture and equipment	342,392	286,333	56,059
Computer equipment	1,262,015	1,170,723	91,292
Vehicles	115,720	104,134	11,586
Leasehold improvements	36,689	36,689	–
Intangible assets:			
Management information system	1,169,481	418,880	750,601
Computer software	71,618	48,162	23,456
	$ 7,354,538	$ 2,647,596	$ 4,706,942

4. Tangible capital and intangible assets (continued):

March 31, 2012	Cost	Accumulated amortization	Net book value
Tangible capital assets:			
Land	$ 465,880	$ –	$ 465,880
Building	3,888,664	444,653	3,444,011
Furniture and equipment	339,991	272,726	67,265
Computer equipment	1,247,127	1,134,983	112,144
Vehicles	115,720	100,272	15,448
Leasehold improvements	36,689	33,294	3,395
Intangible assets:			
Management information system	1,149,550	233,741	915,809
Computer software	71,618	38,109	33,509
	$ 7,315,239	$ 2,257,778	$ 5,057,461

April 1, 2011	Cost	Accumulated amortization	Net book value
Tangible capital assets:			
Land	$ 465,880	$ –	$ 465,880
Building	3,909,866	300,028	3,609,838
Furniture and equipment	339,991	255,910	84,081
Computer equipment	1,220,750	1,095,124	125,626
Vehicles	115,720	95,122	20,598
Leasehold improvements	36,689	25,956	10,733
Intangible assets:			
Management information system	794,060	68,141	725,919
Computer software	71,618	23,748	47,870
	$ 6,954,574	$ 1,864,029	$ 5,090,545

5. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of:

	March 31, 2013	March 31, 2012	April 1, 2011
Trade accounts payable	$ 428,202	$ 210,485	$ 264,315
Severance accrual due to restructuring	845,807	248,721	–
Payroll-related accruals	68,050	244,580	260,143
Other accruals	174,120	107,785	602,036
	$ 1,516,179	$ 811,571	$ 1,126,494

Included in accounts payable and accrued liabilities are government remittances payable of $Nil (March 31, 2012 - $11,273; April 1, 2011 - $Nil), which includes amounts payable for HST and payroll related taxes.

6. Post-employment benefits:

Oxfam Canada maintains a post-employment benefit plan for some of its employees. Employees hired since August 1, 2008 are not eligible for this benefit. Furthermore, employees hired prior to July 31, 2008 have the choice to opt out of this benefit in favour of a higher employer contribution to the pension benefit plan. For eligible employees, the following criteria must be met to receive the benefit: the sum of the employee's age and years of continuous service is equal or greater than 80, the employee has completed 25 years of continuous service, or the employee has reached the age of 55 with at least five years of continuous service. Eligible employees receive a retirement allowance equivalent to two weeks of salary for each year of continuous service, at the rate of pay on date of retirement, plus a prorated amount for any partial year of service.

The reconciliation of the funded status of the post-employment benefit plan to the amount recorded in the financial statements is as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Fair value of plan assets	$ –	$ –	$ –
Accrued benefit obligation	464,900	338,900	350,200
Funded status-plan deficit	464,900	338,900	350,200
Unamortized actuarial gains	6,800	119,400	81,800
Accrued benefit liability	$ 471,700	$ 458,300	$ 432,000

6. Post-employment benefits (continued):

The significant actuarial assumptions adopted in measuring Oxfam Canada's accrued benefit obligation are as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Accrued benefit obligation as of March 31:			
Discount rate	2.75%	3.25%	4.25%
Salary escalation	3.0%	3.0%	3.0%
Benefit costs for years ended March 31:			
Discount rate	3.25%	4.25%	4.50%
Salary escalation	3.0%	3.0%	3.0%

7. Deferred revenue:

Deferred revenue represents unspent resources that have been externally restricted. Changes in deferred revenue are as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Balance, beginning of year	$ 19,034,436	$ 12,218,524	$ 12,369,161
Add amounts received in the year or included as receivable at year end	12,048,668	32,207,531	18,299,965
Less amounts recognized as revenue in the year	(25,819,102)	(25,391,619)	(18,450,602)
Balance, end of year	$ 5,264,002	$ 19,034,436	$ 12,218,524

8. Long-term debt:

Oxfam Canada purchased a building in Ottawa in October 2008. In order to finance the purchase, a term loan was obtained on October 14, 2008 for the sum of $1,907,500 at a fixed rate of 5.34%. As of March 31, 2013, the loan outstanding amounted to $1,281,722 (March 31, 2012 - $1,394,880; April 1, 2011 - $1,502,128). Of that amount, the current portion is $119,156 (March 31, 2012 - $113,140; April 1, 2011 - $107,463).

The loan is secured by the land and building at 39 McArthur Avenue, Ottawa, Ontario and a general security agreement.

The principal repayments of long-term debt for each of the four years subsequent to March 31, 2013 are as follows: 2014 - $119,156; 2015 - $126,087; 2016 - $132,988; 2017 - $139,415; and thereafter - $764,076.

9. Financial risks and concentration of credit risk:

(a) Foreign currency risk:

Oxfam operates internationally, giving rise to exposure to financial risks as a result of exchange rate fluctuations and the volatility of these rates.

Cash at March 31, 2013 includes amounts held in foreign currencies as follows:

	Amount in CDN $
United States Dollars	$ 106,432
Ethiopia Birr	145,575
Mozambique Metical	5,552
Nicaragua Cordoba Oro	342

(b) Liquidity risk:

Liquidity risk is the risk that Oxfam will be unable to fulfill its obligations on a timely basis or at a reasonable cost. Oxfam manages its liquidity risk by monitoring its operating requirements. Oxfam prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Organization is exposed to this risk mainly in respect of its long-term debt. There has been no change to the risk exposures from 2012.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Oxfam is exposed to credit risk with respect to the accounts receivable and advances to partners. Oxfam assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Oxfam believes that its exposure to credit risk is not significant.

(d) Interest rate risk:

Oxfam is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the short-term investments are included in note 3 and the long-term debt are included in note 8. Oxfam believes that its exposure to interest rate risk is not significant.

10. Lease commitments:

Oxfam Canada rents premises under operating leases of varying terms to December 2017. The minimum annual rental payments are as follows:

2014	$	74,393
2015		18,157
2016		10,453
2017		9,839
2018		7,380
	$	120,222

In addition to the minimum annual rental payments above, Oxfam Canada is also responsible for operating and other related costs for its premises.

11. Contingencies:

As stated in note 1(g), the Canadian Government (CIDA) and certain other contributions are subject to conditions regarding the expenditures of the funds. Oxfam Canada's accounting records, as well as those of member institutions subcontracted to execute the projects, are subject to audit by CIDA and other funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

12. Capital disclosure:

Oxfam defines tangible capital and intangible assets as net assets invested in tangible capital and intangible assets, internally restricted net assets and unrestricted net assets.

Oxfam's objective with respect to capital is to fund its tangible capital and intangible assets and to have funds available for future projects and ongoing operations. Oxfam manages its capital by transferring unrestricted net assets to internally restricted net assets for specific projects and a contingency reserve for project funding continuity as described below.

Oxfam is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2012.

12. Capital disclosure (continued):

Internally-restricted net assets

The Board of Directors has established a contingency reserve policy to ensure continuity of partner funding and to address unforeseen circumstances. Per the reserve policy, the excess of unrestricted net assets over amounts internally restricted for specific projects is allocated to this reserve on an annual basis until a threshold of $3 million is reached. Disbursements from this reserve require the approval of the Board of Directors. For the year ended March 31, 2013, $Nil (2012 - $Nil) was transferred from the contingency reserve to unrestricted net assets.

During the year, the Board did not approve any internal restrictions.