

Company No 355987
Registered Charity No 226334

THE OXFORD GROUP

OPERATING AS

INITIATIVES OF CHANGE

ANNUAL REPORT 2011

INCLUDING ACCOUNTS FOR THE YEAR

ENDED 31 DECEMBER 2011

Copies of this and previous Annual Reports and Accounts are available for download at
www.uk.iofc.org/annual-report

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COMPANY INFORMATION

Members of the Board of Trustees at 31 December 2011

Christopher Evans (Chair)

Dr Philip Boobyer

Andrea Cooper

Margaret Cosens

Roddy Edwards

Angela Elliott

Francis Evans

Simon Hicks

Neil Mackay

Dr Nirmala Pillay

Secretary Kenneth Noble

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Company number 355987 Registered in England and Wales

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CHAIR'S INTRODUCTION

Nurturing the seeds of hope

Much work by volunteers and staff has gone into the activities that this document records, and committed, generous giving has helped finance it all. I would like to express thanks and congratulations to all concerned, however they were involved.

The overall mood of Britain seems pessimistic. For the first time I can remember, the next generation is widely expected to be poorer than the present one and there is little sign that humankind is addressing the threats to our climate and natural resources. Human nature just doesn't seem to be up to the challenge.

But perhaps we are looking in the wrong places. Answers to vast problems tend to begin on a small scale and multiply as their validity is recognised. The point comes where conditions exist for them to take off and become part of a new prevailing culture. If these conditions do not yet exist, can we at least see where the seeds of solutions are being planted?

Of course we can. They are all around and the pages of this report are full of them.

For example, many people and most governments are concerned about the use of violence on their streets and in their neighbourhoods, as well as in theatres of war around the world. Will the vision and reality of women as "Creators of Peace" become commonplace in years to come?

Bankers still get a bad press, no doubt deserved in some cases. But might the banks' need to recover public trust lead to a changed business culture based on personal and corporate integrity?

It can be hard, especially for younger people, to find a satisfying purpose in an economy struggling to generate jobs and a society with no consensus about what is most important in life. Yet the School for Changemakers is meeting with growing success in helping people of university age discover their vocation as well as a career.

There are other examples that I could single out, but you will find them as you read.



Christopher Evans

Chair of Trustees

12 May 2012

DIRECTORS' REPORT

The Board of Trustees presents its report with the audited accounts of The Oxford Group operating as Initiatives of Change ('the charity' or 'IofC') for the year ended 31 December 2011. The financial statements have been prepared in accordance with relevant accounting policies and in compliance with the charity's governing document and applicable law – in particular the Companies Acts of 1985 and 2006, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charities SORP 2005 as updated in May 2008.

Name and Objects

The Oxford Group was incorporated as a company limited by guarantee on 15 August 1939 (Company no. 355987). It is a registered charity in England and Wales, number 226334. The charity now operates under the name 'Initiatives of Change' and is affiliated to the International Association of Initiatives of Change, registered in Switzerland, which coordinates the IofC network world-wide.

The Trustees are responsible for the governance of the charity and serve as Directors of the company. The Trustees who have served during the year and since the year-end are set out on page 2.

The Objects of the charity, as set out in the Memorandum and Articles of Association are: 'the advancement of the Christian religion, and in particular by the means and in accordance with the principles of the Oxford Group movement, founded in or about the year 1921 by Frank Nathan Daniel Buchman'.

Dr Buchman was a pioneer who reached out to people of different faiths and many who were agnostic or even militantly anti-Theist. He expressed truths in ways that were unconventional and certainly did not sound religious – although they all sprang from his Christian faith. The Trustees follow in that tradition and view all the activities described in the remainder of this Statement as practical expressions of Christ's commands and therefore advancing the Christian religion in accordance with the charity's Objects.

The charity's members have agreed a statement of the faith basis of IofC, as follows:

Initiatives of Change is faith-based in its work and lifestyle and is open to all.

Frank Buchman's aim from the beginning was to help each person find their calling in life. He invited everyone to face the wrong in their lives in the light of absolute moral standards, to ask for forgiveness, to make appropriate restitution, and to surrender their self-will to God or the highest they knew.

For many, the result of this spiritual cleansing has been to trigger a life-long sense of what it means to live with a clear conscience.

Daily morning quiet times refresh this experience and give direction. From this comes the renewal of relationships, new energy, and clarity about purpose in life.

This approach has become an effective basis for people of different cultures, religious beliefs or none, to work together to respond to urgent world needs.

IofC is a challenge to everyone to live this out and to express their experiences sensitively as an enrichment to others.

Public Benefit

In compliance with their duty under the Charities Act 2011, the Trustees have had due regard to guidance on public benefit published by the Charity Commission. In particular, the Act requires the Trustees to explain how the activities of the charity benefit the public.

The Trustees believe that the fundamental purpose of Initiatives of Change – to help individuals search for God's plan for their lives and to live by the highest moral values – is, *per se*, of benefit to society at large. More specific benefits to the public are highlighted under the various sections of the report of activities. It is the Trustees' aim constantly to seek ways of increasing the impact and effectiveness of the charity so that they can expand the benefits provided by the charity as widely as possible.

Appointment and induction of Trustees

Between general meetings, the Board may appoint new Trustees from amongst the membership of the company. Any Trustees appointed in this way must stand down at the next general meeting of the charity but may offer themselves for re-election at that meeting. At every annual meeting, one-third of the Trustees must retire from office but may be re-elected by members of the company. Any person that subscribes to the Objects may become a member of the company, subject to nomination by existing members and the endorsement of the Trustees.

In 2006, the Board of Trustees appointed a Nominations Committee to identify and propose potential new Trustees. The Committee gives an information pack to potential candidates and gives induction and training as appropriate to newly elected Trustees.

In addition to this, the Board has a policy of offering funding for any Trustee to undertake relevant training. The Nominations Committee also has the responsibility of assessing the skills offered by the Board and identifying areas which need strengthening. During the year members of this committee were Dr Philip Boobbyer and Angela Elliott. The Company Secretary acts in an advisory role.

Organisation

The charity is based in the United Kingdom and has its headquarters in London. It undertakes activities in the UK and around the world, often in collaboration with other IofC national bodies. Each summer, a number of the charity's staff and volunteers participate in conferences at Caux in Switzerland which advance the mission of Initiatives of Change.

The Board of Trustees meets at least quarterly. Committees and working groups reporting to the Board of Trustees meet more frequently to plan, assess and review the charity's activities.

The day to day running of the charity's affairs is undertaken by a management team which meets weekly. The management team includes permanent staff, contractors and volunteers. The Chair of the management team is Francis Evans, a Trustee, working on a voluntary basis. The management team includes the Company Secretary and Chief Accountant, the Centre Manager for the charity's headquarters building and members with responsibility for HR, communications, international relationships, the charity's outreach programmes and support for IofC teams across the United Kingdom.

The Board believes that this management structure remains in the best interests of the charity, in particular allowing for a period of stability and offering a significant saving on salary costs as compared to a conventional structure with an employed Chief Executive. The Board believes that this results in a higher proportion of the charity's funds being used to provide public benefit.

Properties

Throughout 2011, the charity owned four houses in addition to its headquarters building at 24 Greencoat Place in Victoria, central London. Three of these houses, in Sheffield, Oxford and London, are used as centres for the work of the charity and provide a base for outreach and a venue for meetings and fellowship. In accordance with the wishes of a legator who left it to the charity in her will, the fourth residential property, in Wandsworth, south-west London, has been made available for the use of a couple who devoted their full time to voluntary Christian work throughout their working lives. The ground floor of the property is a semi-autonomous flat, rental income from which covers the running costs of the house.

The Greencoat Place centre has a number of function and conference rooms that are used for the Group's charitable activities and are also available for rent to external organisations. Income from this source contributes towards the running costs of the centre and the Trustees would like to record their appreciation for the work of James van Werven, the Centre Manager, whose efforts in this regard have met with increasing success during the year.

Archives

During 2011, the charity's archives continued to be housed in premises belonging to the Chair of Trustees, Chris Evans. This involved the dedicated use of over 600 square feet of floor space. In accordance with a decision made in his absence, the Board of Trustees decided in 2007 to pay his wife, Anne Evans, £3,000 per year for this space, recognising that such payment is below the market rate. The Board would like, once again, to record its gratitude to Anne Evans for her meticulous work in keeping the archives in good order. She was able to answer enquiries from authors and researchers as well as assimilating further material.

Risk Assessment and Sustainability

The Trustees have given consideration to the major risks to which the charity is exposed. They are satisfied that systems and procedures are established to manage those risks that can be managed or to ameliorate the effects of those which cannot. In carrying out a risk review, the Trustees looked at governance, operations, finance, compliance, external threats and others.

The risks which were considered to have the greatest potential impact were as follows:

1. Lack of succession planning combined with failure to involve a younger generation;
2. Negative impact of a UK economy that is only tentatively emerging from recession;
3. Failure to engage new donors and legators;
4. Lack of buy in from the charity's stakeholders to an overall strategic direction;
5. Projects that are not attractive to external funders.

The Board has taken steps to ensure that the charity's investments are well-managed regardless of the economic circumstances. During the year, a total of £800,000 was transferred to investments, boosting future income. As noted above, income from room lettings has increased. The management team is taking steps to communicate with potential donors, legators and project funders. A fund-raising committee has begun work in 2011, reporting to the Board, and four 'young people's champions' have worked as part of the management team to ensure the relevance of the charity's activities to their generation.

It is a continuing challenge to move beyond a series of isolated initiatives, often dependent on individual volunteers, to an effective strategy which will have a maximum public benefit within the UK and beyond. The Trustees recognise that in a largely voluntary organisation where many have devoted a life-time to following an individual sense of calling, this cannot be just a top-down process. During the year, an inclusive strategy group worked to develop a united sense of direction and common purpose. This work was concluded after the year-end and the resulting strategy was adopted by the Trustees and a meeting of the charity's members and volunteers. Implementation of this plan will be a key task for 2012 and beyond.

In addressing these risks, the charity is not losing sight of its belief, borne out by experience over 80 years, that when people seek to undertake God's work, solutions to such problems can often be provided in unexpected ways. These are therefore matters for prayer as well as for responsible planning. In particular, the Board urges all involved with Initiatives of Change to pray for new life in people, which will lead to new initiatives and unlock new resources.

Staff and volunteers

Two members of staff, Amina Dikedi-Ajakaiye and Phoebe Gill, left the charity's employment during the year. The Trustees wish them well for the future.

Several existing members of staff and volunteers took on additional responsibilities as part of the Management Team, the strategy development group and outreach programmes. The Trustees are grateful for their commitment and for the results this has brought.

A national fellowship weekend was held in May at Cliff College in Derbyshire, bringing together staff and volunteers together with some participants who were relatively new to the work of the charity. This proved to be an effective way to build teamwork and common purpose and it is proposed to make this an annual event.

Reference is made in various places within this Report to the notable contribution of volunteers to the work of the charity. This is difficult to quantify but volunteer activities range from promoting and helping to organize public events to offering individual counselling, fellowship and spiritual direction; from introducing people to the work of the charity to contributing money. It is no exaggeration to say that Initiatives of Change could not function without the goodwill, generosity and inspiration of more than 100 volunteers. The Trustees are grateful to all of them.

Investment powers and reserves policy

In order to cater for the charity's long-term needs and to provide against the long-term downwards trend in legacy income, the charity's policy is to build up its investments to the point where they generate sufficient income to cover the administration of the charity. This goal was achieved during 2011, taking 'administration' to mean the cost of governance, legal and finance functions. The next step will be to cover these core administration costs plus the net cost (after rental income) of the headquarters building. This will require a significant increase in investment income from current levels.

The Trustees have agreed a reserves policy that strikes a balance between responsibility for the charity's capital and duty to use its assets for the furtherance of its charitable objects. It states that the Board will ensure that there will always be the equivalent of at least two months' expenditure in liquid form.

The Board of Trustees has powers to invest in stocks, shares and property as it sees fit. During the year the charity's investment portfolio was managed by Speirs and Jeffrey. The charity's investment aim is to protect the real value of its investments over time, whilst generating income compatible with that objective. The yield on the charity's portfolio at the end of 2011 was 3.4%.

With effect from February, 2011, the Board's policy is to invest 75 per cent of all legacy income above what is needed in the year of receipt, to build up the charity's investment base and generate income for the future. During the year the sum of £800,000 was transferred to the investment portfolio, more than meeting the requirements of this policy.

The Board has delegated oversight of the charity's investments to a committee consisting of Campbell Leggat, Francis Evans (Trustee) and Abrahaley Mebrahtu (Chief Accountant). The charity's investment managers are instructed not to invest in companies whose businesses rely on income from tobacco, alcohol, gambling or armaments.

Frits Philips Fund

The Frits Philips Fund is one of the charity's reserved funds, set up using money released by the sale of a property originally donated by the Dutch industrialist of that name. It exists to support the work of Initiatives of Change worldwide, with priority given to those of limited means who are working with IofC on a long-term basis and to applicants from developing countries where there are few or no resources. Applications to the fund are managed by the International Association of Initiatives of Change, of which the charity is a member.

During 2011, the remaining balance of the Fund was transferred to the International Association of Initiatives of Change, which has committed that the funds will continue to be used in line with the charity's Objects. This change allows the Fund to be used for its original purpose while relieving the charity of an administrative burden.

ACTIVITIES DURING 2011

Context

The charity undertakes a wide range of activities, projects and programmes led by individuals and teams with a shared sense of purpose. During 2011 a representative group of trustees, staff and volunteers developed a statement of the charity's vision, mission and values and how these could best be delivered for public benefit. This document, which was adopted in February 2012, identifies three priorities for action in the years ahead:

- Helping young people with leadership potential to find and follow their vocation;
- Building trust and integrity in business and economic life;
- Creating sustainable communities.

Although these strategic priorities were only defined towards the end of 2011, their relevance was widely recognised and the charity began to direct its resources accordingly during the year. These themes are evident throughout the work of the charity.

Financial support for individual 'initiatives of change' is awarded from an Opportunities Fund to which any person from the IofC community is able to apply. Allocation of the fund is determined by an independent group – the Project Review Panel – consisting of management team members and volunteers. Applications to the Fund are decided using a transparent and fair process. The Fund responded to all applicants within a month of receipt of their applications.

Vocational programmes: the School for Changemakers

The School for Changemakers¹ is a partnership between Initiatives of Change and Liverpool Hope University that aims to 'bring the spirit of Caux (the Initiatives of Change centre in Switzerland) to the life of a UK university campus'. In 2011 i-genius, an international community of people passionate about social and environmental change, became a partner in delivering the event.

School for Changemakers is designed for people aged from 18 – 30 and aims to help individual participants find a sense of vocation and moral and spiritual responsibility. In 2011 it brought together over 70 people, to think about vocation, spirituality and the values by which we live our lives.

The four-day event took place at the Liverpool Hope Campus from 24 to 27 June. Each day started with a shared time of quiet, followed by small facilitated groups to debrief the previous day and prepare for the theme of the day ahead. Participants heard from speakers such as Paul Moore, former head of group regulatory risk at Halifax Bank of Scotland, and Professor Gerald Pillay, Vice-Chancellor and Rector of the university. During the afternoon participants explored their chosen 'tracks' on topics such as 'Vocation and the heart of Initiatives of Change', 'Education - the only way to change', 'Being a social entrepreneur', and 'the Art of communication'. There was also time for facilitated reflection, free time in the afternoons to experience the city of Liverpool and evening programmes including talent shows, debates, films and discussions.

Courtney Straker, a medical student at Brunel University, said: 'Whereas before I would have been likely to harbour grudges against those who had treated me badly, I now know that forgiveness is the better path. While I am not always successful, I now try to pause, reflect and then strive to do what is right in a situation and not just what appears to be best for me.'

All participants are invited to join the School for Changemakers Alumni Association. This vibrant body now has its own management board and programme of activities. It aims to create a peer-support system for alumni as they begin living out the core-values of Initiatives of Change, such as those expressed by Straker. The alumni have so far held four reunions at the Initiatives of Change centre in London.

There was also a follow-up programme which included further training in subjects such as interviewing skills, one-to-one mentoring and opportunities to explore IofC further. We are currently planning the 2012 summer event, developing and implementing ambitious funding and recruitment strategies. We hope to welcome 80 people from across Britain and the rest of the world; inspiring speakers from the Initiatives of Change fellowship and experts in spirituality, business, education and the environment.

¹ www.schoolforchangemakers.org

The Trustees hope that many more young people, representing a wide cross-section of the public, will benefit from taking part in this unique learning opportunity. It is with this in mind that the charity funds places for people from less advantaged backgrounds, ensuring that the public benefit of this activity is available to all.

Business programmes: trust and integrity

The purpose of the charity's work in business and finance is to encourage integrity and conscience-based decision-making by individuals and organisations. The main activities were public meetings held in the London centre of Initiatives of Change and the annual five-day conference *Trust and Integrity in the Global Economy* held at IofC's centre in Caux, Switzerland.

Individuals sharing their experiences are a key tool in this task. In July 2011, Texas business woman Margaret Heffernan, who lives near Bath, addressed a Greencoat Forum on the theme of her book, *Wilful Blindness*. She told a story from her early career, working at the BBC on a low salary. 'One day, my boss had to sign my taxi expenses and told me: "This is not done this way. You have to add a couple more items."' He taught me how to do it; we even filled in a new form - I still have it. As much as I needed the money, that was the moment I thought: "I can't do this." We have to recognise the moral moment.' She spoke about the need for courage and a 'heroic imagination' to expose what is going wrong. Whistleblowers, she said, are not natural dissidents but are 'loyal employees who don't get taken seriously.'

Among the British who took part in the Caux conference was Paul Moore, who became known as the 'HBOS whistleblower' following his testimony to the Treasury Committee of Parliament. In his keynote address, he called for an 'Arab Spring of public opinion' to back far-reaching reforms of the global financial system following the financial crash of 2008.

He said: 'Almost everyone I meet seems to know that the pervasive culture in the developed world of "me, more, now", in which GDP and continuous economic growth seem to be the only mantras around, is not the true road to well-being for all of us, let alone social justice. We have totally lost our way in a sea of greed and vanity.' The political and moral challenge was to 'speak truth to power', he said.

During the year, a steering group of ten people was formed to take forward the programme of Initiatives of Change for business and finance in the UK.

Senior figures from UK banking and business are due to take part in the 2012 Caux business conference, including Heffernan and Richard Sermon, chair of the City Values Forum. Initiatives of Change, in partnership with the Civil Society Forum, is also developing a series of one-day 'road show' events on the theme of *Organising for Integrity*. Keynote speakers and group discussion facilitators will deliver the road show around the country, focusing on business schools. Work is underway to raise sufficient funding to deliver 10 road show events over the next two to three years.

Sustainable communities: dialogue and reconciliation

During 2011 a team of volunteers inspired by Initiatives of Change continued its work of creating inclusive communities in a range of locations, under the banner *Hope in the Cities*. The team continued to raise funds in order to assist members of the public to attend Initiatives of Change events and to carry out community-building activities.

In Nottingham, the eighth annual *Holding Hands around St. Ann's* event took place on 16 July with the theme of *St Ann's International Day of Unity*. These events resulted from facilitated dialogues between people who would not normally talk to each other.

Rob Corcoran, National Director of Initiatives of Change in the USA, spoke at October events in the UK and Netherlands. In Nottingham he was invited by Imam Dr Musharraf Hussain to run a workshop on 'Honest conversations in community dialogue – tools for inclusive leadership'. He also addressed a public seminar entitled *The Trust Factor*, hosted by the Nottingham Inter Faith Council, and was interviewed on Radio Nottingham.

In Bradford, Corcoran spoke at the Annual Dinner Reception of the Rotary Peace Fellows of the University of Bradford. He was also welcomed by the executive team of the Bradford Council of Mosques. Student leaders met him in a discussion on the theme of trust-building.

Corcoran also ran a workshop for students who are following a 'Service and Leadership' programme at Liverpool Hope University. He spent an evening talking with community leaders about the future of trust-building in the city. The tour was rounded off with an address to a public event in London on 'Trust building – an American perspective'.

During August 2011, many cities in England were set alight by rioters. How best to understand and respond to the riots was the cause of much debate and concern both with decision-makers and the media. The situation challenged the charity to consider what could be done to reverse the trends that cause such unrest and, crucially, to recognise the positive response of those who came forward to mitigate the impact of the riots, including some involved in Hope in the Cities.

The charity worked with The Cordoba Foundation², Burning2Learn (a young people's charity) and the Civil Society Forum to plan a one-day Forum that would allow participants to understand different perspectives on the underlying civic, moral, political and social challenges and explore what we could do individually and collectively in response. This event³ was held in February 2012 and the implications and follow-up will be described in next year's Annual Report.

Through 2012 our aim is to continue this work of community building, and increase the diversity of people actively engaged in Initiatives of Change, particularly through further Hope in the Cities dialogues and relationship-building. We value opportunities to facilitate these conversations with other groups wherever they are needed. These initiatives benefit the public by building trust where there is suspicion, with the potential to resolve areas of tension.

Agenda for Reconciliation

Agenda for Reconciliation (AfR) is an umbrella programme covering a range of trust-building and peacemaking projects and activities in Britain and overseas. This work is coordinated through a weekly meeting at the London centre of Initiatives of Change by a five-person Management Team.

The main themes of this work during the last year have been to:

- support British Somali and Eritrean community leaders in their efforts to reconcile their communities;
- provide leadership training to young people from those communities;
- bring together young European Muslims to explore the resources for peacemaking in their faith.

Much of the work of AfR is done in partnership with other charities. IofC contributes by providing logistical support including office space, expertise in fund-raising and project management, relationship-building and training for principled leadership.

Somali initiatives

Since civil war started in Somalia in the early 1990s, Britain has become the home of several hundred thousand Somali refugees and their children. They face many challenges of adjusting to a new country and bridging the internal divisions which caused the civil war.

Somali community leaders came together at the IofC centre in London in 2005 at the invitation of Osman Jama Ali, a former Deputy Prime Minister of Somalia. They decided that the highest priorities were the reconciliation and integration of Somali refugees among themselves and enabling skilled Somalis in the diaspora to return to Somalia and contribute to national reconstruction. The charity, Somali Initiative for Dialogue and Democracy⁴ (SIDD), was created to address these needs, in partnership with Initiatives of Change.

A significant development took place at the beginning of 2011 when 35 UK-based Somali humanitarian aid NGOs were invited to meet at Greencoat Place by the Muslim Charity Forum. This was a result of the Somali Consultative Process launched by SIDD in June 2010 aimed at creating an umbrella organisation for the Somali community. Subsequently, seven NGOs of different clan backgrounds came together to create the

² www.thecordobafoundation.com

³ <http://www.uk.iofc.org/creative-ways-forward-after-uk-riots>

⁴ www.sidd.org.uk

Somali Relief and Development Forum⁵ (SRDF), to respond to the famine in Somalia. The hope is that this initiative will directly benefit the many thousands of Somalis who are suffering the ravages of drought and civil war. The charity works with SRDF and other like-minded organisations to promote the importance of integrity in humanitarian aid and to provide training in capacity building and leadership.

Eritrean initiatives

Initiatives of Change has partnered with two Eritrean NGOs, Citizens for Democratic Rights in Eritrea and the Eritrean Education and Publication Trust, who are working to bring together people within the divided Eritrean Diaspora community. In the past year, IofC supported two conferences of Eritrean community leaders at Greencoat Place. These aimed to facilitate communication between Eritreans of different political backgrounds.

Learning to be a Peacemaker

Media coverage of Muslims in Europe tends to associate them with violence. 'Learning to be a Peacemaker' is a programme designed by Imam Ajmal Masroor to help young European Muslims explore the resources for peacemaking in their religion.

The eleven-day Elementary Course was organised for the second time at the IofC international centre in Caux, Switzerland in July 2011 by a partnership of the Swiss, Swedish and UK Initiatives of Change associations. Forty-five young Muslims from nine European countries took part, including ten from Britain. A Muslim educational trust and IofC Sweden covered a substantial part of the administration costs.

Asked what they had learned, participants commented, 'If you have no peace within yourself, you can't make peace...', and 'being a Muslim and a European are not contradictory'. Another observed that she had seen 'some people really transform – from relatively shy to much more positive, open and confident. I will definitely recommend it to others.'

Earlier in the year, the programme was launched in Parliament at an event hosted by Tom Brake MP, Liberal Democrat spokesman on Home Affairs, Justice and Equalities, and attended by Andrew Stunell MP, Minister for Community Cohesion, five other MPs and two members of the House of Lords.

This initiative is self-evidently of public benefit. As young Muslims growing up in Western Europe understand that peacemaking is at the very heart of Islam, they will be in a better position to build harmonious relations with other Europeans and offer an alternative to those who are tempted to turn to violence.

British Arab Exchanges

IofC volunteers in Northern Ireland and England helped to host a leadership training programme for nine emerging civil society leaders from Palestine in November. The course was arranged by British Arab Exchanges⁶ (BAX) in partnership with Initiatives of Change. In Northern Ireland, the IofC team arranged for the Palestinians to be hosted by the Northern Ireland Assembly, and in London they stayed at the charity's Greencoat Place centre. The aim of these exchanges, which have been taking place for almost 40 years, is to strengthen links between Britain and the countries of the Middle East on the basis of shared moral and spiritual values. Several of the Palestinians expressed a new-found confidence that things could change for the better in their region as a result of what they witnessed in Northern Ireland.

Harambee Leadership Training course

The sixth Harambee Leadership Programme took place in Nigeria in November with the theme 'Solving tough problems: Creating new realities'. This activity was supported by the charity's Opportunities Fund and one of the AfR team, Amina Dikedi-Ajakaiye, played a key role in organising the programme whose purpose is to equip young Africans with the moral values which will strengthen their leadership potential.

Training for Leadership and Change

Heads of non-governmental organisations, community leaders, a senior diplomat and student leaders from the Somali, Eritrean and Ethiopian communities in Britain were among the 19 participants in a training programme on 'effective leadership for change'. The programme took place between 20 October and 19 November 2011 at the Initiatives of Change centre in London.

⁵ www.srdf.org.uk

⁶ www.bax.org.uk

Asha Hashi, a former Somali diplomat, said: 'The workshop was extremely interesting and I have learned a lot. I am planning to work as a volunteer and I believe that thanks to this workshop, I have gained skills that will be useful.'

Faz Ali, a young community TV presenter, said: 'I am so grateful of every minute. I felt that I have learned so much, it was very informative and I have gained more skills, such as communication and confidence.'

Creators of Peace

Creators of Peace seeks to engage women in communities across Britain in creating peace at every level of society – building networks of trust across racial, religious and social divides. Its core activity is bringing together small groups of women in 'Peace Circles' to discover ways to overcome obstacles to peace in their personal lives and communities. These circles take place over a series of weekly meetings or an intensive weekend.

During 2011, 40 women took part in six Creators of Peace Circles in Edinburgh, Glasgow, Liverpool, London and Oxford. Another 28 took part in shorter workshops in Bradford and for the City Gateway Women's Project in East London. Participants ranged in age from the 20s to the 80s and came from diverse backgrounds.

One participant commented, 'I will take away the idea that I can make changes in my everyday life. These changes might be small to me, but of significant importance to others.' Another said, 'I learned not to hold a grudge or be angry with someone, but instead talk out the situation that made you so angry.' A third asserted, 'I can use these skills at work and in my private life.'

During the year, 17 women were trained to facilitate peace circles and three of these put their skills into practice. Willemijn Lambert from the Netherlands was one of these. 'Wherever my path will go to, this experience will have a profound influence on it,' she writes. 'Spiritually I developed myself by allowing myself to be led by my inner voice, which speaks up in times of reflection and leads me on the way of my passion: working together with people to create a more peaceful society.' Willemijn is now working with Initiatives of Change in the Netherlands.

A fund-raising dinner in Oxford in May drew 59 people, reflecting the diversity of Oxford's population, and raised £650 to support peace circles in Romania. Thirty-seven women attended a 'Connecting the Circles' day in the Initiatives of Change centre in London. These occasions offered participants a flavour of Creators of Peace, and several signed up to take part in Peace Circles in the future. One participant commented later, 'Whilst discussing forgiveness I was given useful advice on how to approach a situation in my own life, and I have acted upon it. I felt a weight had been lifted.'

In July four Creators of Peace volunteers attended the IofC conference in Caux, Switzerland, where they helped to run a Peace Circle and to train facilitators from different countries.

Creators of Peace was grateful to receive a grant of £600 from the Edinburgh Women's Interfaith Group.

FLTfilms – For the Love of Tomorrow

FLTfilms is the award-winning film-making and distribution division of Initiatives of Change which produces documentary films that explore, among other issues, faith-based approaches to reconciliation and peace-building and social renewal after conflict. These films are shown in many countries and have the benefit to the public of promoting values that are fundamental to conflict prevention and post-conflict healing – such as forgiveness and making restitution for past wrongs – as well as providing insights into initiatives that will bring healing to society.

2011 saw the widespread use of the film *An African Answer*⁷ which shows the work for reconciliation in Kenya undertaken by Imam Muhammad Ashafa and Pastor James Wuye from Nigeria. Alan Channer and Imad Karam, co-directors of FLTfilms, worked closely with the two Nigerians to spread their work through showing the film and making personal interventions.

⁷ www.anafricananswer.org

A celebratory mood swept across the township of Burnt Forest, Kenya, where the film had largely been filmed, when *An African Answer* arrived there for screening on 8 February 2011. 'Earlier attempts to bring the warring communities together failed, but Imam Ashafa and Pastor James succeeded. Their approach must be taught to community leaders,' said a man who had participated in the reconciliation workshops which the film featured. The British High Commission in Kenya made 100 DVDs of the film available for free distribution at the event.

Joseph Karanja, a volunteer with Initiatives of Change in Kenya, was asked by his Government to join a helicopter mission to northern Kenya, specifically to show *An African Answer*. Five hundred people affected by cattle-rustling conflicts watched the film. Later, Dr Channer was invited to help develop a strategy for use of the film by the different communities of Baringo County and the remote area of East Pokot.

Together with Channer and Karanja, Imam Ashafa and Pastor Wuye presented the film at the United Nations in New York and at the United States Institute for Peace (USIP) in Washington DC in October 2011. A multimedia training package based on *An African Answer* was launched at these occasions. This visit also saw:

- Screenings at American, Georgetown and Eastern Mennonite Universities;
- A presentation of DVDs to senior figures on Capitol Hill and at the State Department;
- A half-day programme for 40 Canadian Foreign Affairs civil servants on the peace-building methodology depicted in *An African Answer*;
- The launch of the French version of *An African Answer* in Montreal and engagement with the head of police there and senior religious figures in Quebec;
- Radio broadcasts in Ottawa and Montreal.

Ashafa and Wuye conducted a significant training session for Christian and Muslim leaders in Alexandria, Egypt, organised by FLTfilms. An illustrated *Resource Guide for Grass-roots Practitioners* is now available – as is a detailed manual by Dr David Steele on using the films to facilitate dialogue and peace-building. During the year, two 'bonus features' – *Inside the Process* (20 minutes) and *Two Years Later* (9 minutes) were also completed.

Meanwhile the film *The Imam and the Pastor*, which describes the two religious leaders' personal stories of reconciliation, continues to be used in many countries. World Vision has purchased 1,000 copies with an accompanying study booklet in both English and French.

Last year's report described the visit to Rochester Young Offenders Institution by Ashafa and Wuye. Following this, Ahtsham Ali, the Muslim Advisor to HM Prison Service, purchased 150 copies of *The Imam and the Pastor* DVD to be given to every Muslim prison chaplain in England and Wales. He requested Initiatives of Change to arrange training in the use of the film as a dialogue tool at the chaplains' annual conference in March 2011. This was led by Shaffiq Din, Coordinating and Muslim chaplain, and Sarah Tranter, Faith Alliance Manager at Rochester Young Offenders Institution, with Howard Grace and Musa Aliyu (himself from Nigeria) who have used the film with Sixth forms as part of the Initiatives of Change Schools Service.

June 2011 saw the launch of a new documentary film, *Zahra - change begins at home*. It tells of the passion and commitment of a single mother with four children, Zahra Hassan. She is a refugee from Somalia living in London, who has overcome obstacles to transform her life and make a difference in the community. The film shows how she has tackled issues that affect social harmony, breaking down communication barriers between the old and the young; resolved conflicts between groups and clans; and campaigned against the practice of female genital mutilation.

International Communications Forum

The International Communications Forum⁸ is an independent body inspired by Initiatives of Change that seeks to uphold high standards of media ethics. The Leveson inquiry into the culture, practices and ethics of the British press following the News International phone hacking scandal has highlighted the critical needs for moral values and standards in the media. During 2011 the charity agreed to support the International Communications Forum as it initiated a programme of training in media ethics in selected schools of journalism throughout the UK.

⁸ www.icforum.org

Public events

Many events took place at the charity's London centre in Greencoat Place during the year, all providing public benefit by seeking to reinforce the moral and spiritual qualities in people that are needed for a healthy, free and just society.

Eight public Greencoat Forums⁹ took place at the centre with audiences averaging around 60. Speakers ranged from Margaret Heffernan to Ahtsham Ali, both mentioned above. As well as being Muslim advisor to the prison service, Ali is also President of the Islamic Society of Britain. There is no fixed charge for attending the Greencoat Forums, enabling members of the public to attend even if they have limited means. The Forums' value, apart from promoting moral and spiritual principles, is that they introduce a range of people to the work of the charity. A growing number has asked to be kept in touch with the events programme and several have subsequently attended public meetings specifically about the aims and core values of Initiatives of Change.

Financial Review

The charity began 2011 with an anticipated shortfall of £351,831 between budgeted expenditure and anticipated income. At the end of the year, the outcome was a surplus of £517,145 thanks to some wonderfully generous legacies received during the year. The Trustees would like to record their gratitude to all those who remembered Initiatives of Change in this way, and to their families.

Efforts to break the reliance on legacies and to secure the long-term financial future of the charity continued during 2011. The Management Team worked to build on existing relationships with funders and to seek funding in a more consistent way. We are grateful to the Irene Prestwich Trust and the United States Institute of Peace for grants received during the year. 2011 also saw a continuing effort to market the charity's London headquarters and we were pleased to welcome the Campaign For Learning to Greencoat Place part-way through the year. The charity plans to release further office space for income generation during 2012.

Plans for 2012

The charity's aim for 2012 is to increase its impact in the UK while continuing to support initiatives in countries where they have a clear public benefit. This will be achieved by implementing the new strategic direction described at the beginning of this report.

In addition to supporting the annual conference and meetings at Caux and continuing the series of Greencoat Forums and group meetings at Greencoat Place, the charity will run additional workshops and courses along similar lines to those described earlier in this report. The charity will continue to market and promote the documentary films, *The Imam and the Pastor* and *An African Answer*, including producing other language versions. The charity will hold another School for Changemakers course at Liverpool Hope University and will continue to develop the School for Changemakers Alumni Association.

The charity's budget for 2012 shows an anticipated deficit of some £500,000 excluding legacy income, reflecting the charity's commitment to programmes for which external funding has not yet been secured. The Board of Trustees envisages that the shortfall will be made up through fund-raising, legacies and spontaneous gifts, and invites others who value the work of Initiatives of Change to join them in securing what is needed to enable the activities described in this report to continue and flourish.

⁹ www.uk.iofc.org/forum-reports

Members of the Board of Trustees

Members of the Board of Trustees who served as directors during 2011 were:

Christopher Evans (Chair)
Dr Philip Boobbyer
Andrea Cooper (from 18th July)
Margaret Cosens
Roddy Edwards
Angela Elliott
Francis Evans
Simon Hicks
Neil Mackay
Dr Nirmala Pillay

Statement of Financial Responsibilities

Company and Charity Law requires the members of the Board of Trustees, who are also directors of the company, to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for that year. It is also the Trustees' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

Disclosure to Auditors

So far as the Board of Trustees is aware:

- (a) there is no relevant audit information of which the charity's auditors are unaware; and
- (b) they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Appointment of Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that H W Fisher & Company be appointed as auditors of the charity and that the Directors be authorised to fix their remuneration will be put to the Annual General Meeting.

By the order of the Board of Trustees

Christopher Evans
Chair of trustees

12 May 2012

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE OXFORD GROUP

We have audited the accounts of The Oxford Group for the year ended 31 December 2011 set out on pages 18 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement on page 15, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements and inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE OXFORD GROUP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the charitable company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Sailesh Mehta (Senior Statutory Auditor)
For and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Rd

London

NW1 3ER

United Kingdom

15th May 2012

H W Fisher & Company is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Fund £	Total 2011 £	Total 2010 £
Incoming resources							
Incoming resources from generated funds:							
<i>Voluntary income</i>	3	1,602,787	-	181,466	-	1,784,253	825,363
<i>Activities for generating funds:</i>							
Letting & catering income	6	67,471	-	-	-	67,471	61,651
<i>Investment income</i>	9	261,948	-	20,560	7,574	290,082	265,939
Incoming resources from charitable activities:							
Income from training & sale of film	4	-	-	15,257	-	15,257	12,943
Other incoming resources:							
Other income		1,826	-	122	-	1,948	2,254
Total incoming resources		<u>1,934,032</u>	<u>-</u>	<u>217,405</u>	<u>7,574</u>	<u>2,159,011</u>	<u>1,168,150</u>
Resources expended							
<i>Costs of generating funds</i>							
Fund managers' fees		429	-	-	-	429	436
Letting and catering costs	6	38,883	-	-	-	38,883	27,076
<i>Charitable activities:</i>							
Campaigns, programmes & other activities	5	791,190	-	584,679	-	1,375,869	1,102,954
Trading expenses	4	-	-	173,460	-	173,460	96,075
<i>Governance costs</i>		53,225	-	-	-	53,225	50,382
Total resources expended	10	<u>883,727</u>	<u>-</u>	<u>758,139</u>	<u>-</u>	<u>1,641,866</u>	<u>1,276,923</u>
Net incoming/(outgoing) resources before transfers							
	8	1,050,305	-	(540,734)	7,574	517,145	(108,773)
Gross transfers between funds		(51,637)	-	59,211	(7,574)	-	-
Net incoming/(outgoing) resources before other recognised gains & losses		<u>998,668</u>	<u>-</u>	<u>(481,523)</u>	<u>-</u>	<u>517,145</u>	<u>(108,773)</u>
Other recognised gains and losses							
Gains on investments:							
Realised		13,543	-	-	-	13,543	42,252
Unrealised	12	(134,144)	-	(109,404)	(3,615)	(247,163)	750,187
Difference on exchange		(13)	-	5,002	-	4,989	(1,408)
Net movement in funds		<u>878,054</u>	<u>-</u>	<u>(585,925)</u>	<u>(3,615)</u>	<u>288,514</u>	<u>682,258</u>
Reconciliation of Funds							
Transfer between funds	21	(898,108)	898,108	-	-	-	47,541
Total funds brought forward at 1 January 2011		425,642	11,458,655	1,542,274	152,843	13,579,414	12,849,615
Total funds carried forward at 31 December, 2011		<u>405,588</u>	<u>12,356,763</u>	<u>956,349</u>	<u>149,228</u>	<u>13,867,928</u>	<u>13,579,414</u>

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
Gross income from continuing operations		2,151,437	1,160,562
Expenditure on continuing operations	10	<u>(1,641,866)</u>	<u>(1,276,923)</u>
Net incoming/(outgoing) for the year before transfers and investment asset disposals		509,571	(116,361)
Income from endowment fund		<u>7,574</u>	<u>7,588</u>
Net incoming/(outgoing) before investment asset disposals		517,145	(108,773)
Gain on disposal of investments		13,543	42,252
Difference on exchange		4,989	(1,408)
		<u>535,677</u>	<u>(67,929)</u>

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net expenditure for the year		535,677	(67,929)
Unrealised gains on investment assets		(247,163)	750,187
		-	
		<u>288,514</u>	<u>682,258</u>

The gross income comprises £1,934,032 for unrestricted funds and £217,405 for restricted funds and the net incoming before investment asset disposals of £517,145 comprises a net incoming of £998,668 from unrestricted funds, an outgoing of £481,523 from restricted funds and a balance of £7,574 from endowment fund income, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 18 which, together with the notes on pages 22 to 37, provides full information on the movements during the year on all the funds of the charity and includes the Statement of Recognised Gains and Losses.

Overall the company's operation in the year remained the same with no acquisition or disposal of activities during the year.

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	11	4,689,165	4,800,703
Investments	12	8,132,541	8,161,268
		<hr/>	<hr/>
		12,821,706	12,961,971
		<hr/>	<hr/>
Current assets			
Stocks	13	14,362	14,167
Debtors	14	52,701	42,119
Short term deposits		638,202	470,090
Cash at bank and in hand		466,452	167,399
		<hr/>	<hr/>
		1,171,717	693,775
		<hr/>	<hr/>
Liabilities: Amounts falling due within			
One year	15	(125,495)	(76,332)
		<hr/>	<hr/>
Net current assets			
		1,046,222	617,443
		<hr/>	<hr/>
Total assets less current liabilities			
		13,867,928	13,579,414
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Unrestricted		405,588	425,642
Designated		12,356,763	11,458,655
Restricted	16	956,349	1,542,274
Endowment	17	149,228	152,843
		<hr/>	<hr/>
Total charity funds			
		13,867,928	13,579,414
		<hr/> <hr/>	<hr/> <hr/>

The accounts on pages 18 to 37 were approved by the Board of Trustees on 12th May 2012 and signed on its behalf by:

Christopher Evans
Chair of the Board of Trustees

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	£	2011 £	£	2010 £
Net cash inflow/(outflow) from operating activities	19		402,030		(195,821)
Returns on investments and servicing of finance					
Dividends received		289,282		264,971	
Interest received		<u>800</u>		<u>968</u>	
Net cash inflow from returns on investments and servicing finance			290,082		265,939
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(20,055)		(54,299)	
Payments to acquire investments		(992,244)		(840,016)	
Receipts from sale of investments		<u>787,352</u>		<u>890,561</u>	
Net cash outflow from capital expenditure and financial investment			(224,947)		(3,754)
Net cash inflow before management of liquid resources and financing			467,165		66,364
Management of liquid resources					
Increase in investment in short-term deposits			(168,112)		(118,187)
Increase/(decrease) in cash in the year			299,053		(51,823)
Net cash resources at 1 January 2011			<u>167,399</u>		<u>219,222</u>
Net cash resources at 31 December 2011	20		<u><u>466,452</u></u>		<u><u>167,399</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. The Oxford Group

The Oxford Group is a company limited by guarantee (number 355987), the liability of the members of the company being limited to £1 each. At December 2011, there were 84 members of the Association (2010: 79). During the year ten people served as Trustees, none of whom received any remuneration for their services. Expenses incurred by five Trustees totalling £6,180 (2010: £6,895 by six Trustees) were reimbursed during the year. These mainly represent travel costs. The Trustees have decided to publish their expenses, which are as follows:

Christopher Evans	£ 3,030	Roddy Edwards	£ 959
Dr Nirmala Pillay	£ 165	Francis Evans	£1,206
Dr Philip Boobbyer	£ 820		

In addition £3,000 (2010: £3,000) was paid to the wife of a trustee as rent for the space in which The Group's historical archives are kept and managed. Such payment is below the market rate and The Group appreciated the personal knowledge and attention, which continued to be given to the archives in this setting. The Oxford Group is a registered charity number 226334.

2. Principal accounting policies

a) Basis of preparation

The financial statements are prepared under the historic cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards and the Companies Act 1985. In preparing the financial statements The Group follows the best practice in the United Kingdom as set out in the Accounting and Reporting by Charities: Statement of Recommended Practice issued in March 2005 and updated in May 2008.

b) Incoming resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

In accordance with this policy, legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified. Gifts-in-kind are included at valuation where their value is ascertainable and material.

c) Resources expended and basis of allocation of costs

Expenditure is included when incurred.

The majority of the costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity. Rates, insurance, electricity, repairs and cleaning for the Head Office have been allocated as follows: 25% to Administration, 40% to campaigns, 25% to Support and co-ordination and 10% to Establishment costs of unused space at 24 Greencoat Place. 1% was also allocated to Governance costs from administration overheads.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

d) Costs of campaigns, programmes and other activities

These costs represent costs incurred for UK and overseas campaigns. They also include costs incurred to support and co-ordinate these campaigns.

e) Governance costs

This represents all costs attributable to ensuring the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit together with an apportionment of overhead costs.

f) Capitalisation and depreciation of tangible assets

All assets costing more than £1,000 are capitalised.

Freehold land is not depreciated but the depreciation of other tangible fixed assets is provided at the following rates calculated on a straight-line basis to write off the cost of assets over their estimated useful life:

Freehold property (excluding land) -	2%
Plant and machinery -	10% to 25%
Fixtures and fittings -	10% to 25%
Video masters -	20%
Motor vehicles -	25%

No depreciation is provided for some contents of the properties because in the opinion of the Board of Trustees their overall value is likely to increase, rather than decrease, as the result of good maintenance and the antique importance of some of the items.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

g) Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

h) Stocks

Stocks of literature and stores are valued at the lower of cost and estimated realisable value. Where costs are incurred in advance for film production they are carried forward as stock.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

i) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rate of exchange ruling at the balance sheet date. Translations in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

j) Fund accounting

Funds held by the charity are:

Unrestricted funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the Board of Trustees.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds – This is the value of all properties and the majority of long-term investments which are essential for the continuation of The Group's activities.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts (Note 16).

k) Pensions

The charity has approved for its employees the 'Stakeholder Pension Scheme', a unit linked contract issued under the rules of the 'Friends Provident Pension Limited' approved under Chapter IV Part IV ICTA 1988.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. Voluntary income

Donations and gifts

	Unrestricted Funds	Restricted Funds	Total 2011	Total 2010
Legacies	1,516,733	51,005	1,567,738	609,148
Gifts under covenant	20,316	-	20,316	18,168
Kenya	-	23,777	23,777	39,462
Gift for seminars and conferences	-	10,000	10,000	-
After the Riots Forum	2,000	-	2,000	-
Women's Peace Circle Initiatives	600	-	600	-
FLT <i>films</i>	-	47,562	47,562	30,454
Gift for global consultation work	-	-	-	398
Gift for training young people	-	94	94	5,557
Gift for Clean Africa Campaign	-	9,712	9,712	8,925
Gift for IofC work in Africa	-	1,290	1,290	2,650
Gift for reconciliation work	-	25,487	25,487	1,573
Gift for IofC work in the Middle East	-	945	945	-
Gift for IofC work for Farmers' Dialogue	-	10,352	10,352	-
Gift for IofC work for human security	-	1,162	1,162	-
Spiritual Renewal	110	-	110	162
IofC Schools' Service	-	-	-	610
Gifts for projects	-	-	-	1,994
Gifts for international work	-	-	-	4,725
Donations for travel and overseas work	2,805	-	2,805	12,779
Hope in the Cities campaign	-	80	80	10,010
Gifts for general purposes	36,461	-	36,461	16,644
Gift Aid tax recovered	10,866	-	10,866	13,477
Launch of <i>An African Answer</i> Film	-	-	-	6,410
Colwell Musicians visit to Caux	-	-	-	4,545
Rajmohan Gandhi 'voyage of discovery'	-	-	-	13,595
Gift for Governance and Leadership	-	-	-	8,180
School for Changemakers	12,575	-	12,575	10,337
Other Gifts	321	-	321	5,560
	<u>1,602,787</u>	<u>181,466</u>	<u>1,784,253</u>	<u>825,363</u>
	=====	=====	=====	=====

Of the total donations £34,300 (2010: £20,573) was raised from charitable trusts in the UK.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

4. Activities to further the charity's objects

	FLTfilms	Total	Total
	£	2011	2010
Income		£	£
<i>Trading income</i>			
Income from training	-	-	5,000
Sale and hire of videos	15,257	15,257	7,943
	<hr/> 15,257	<hr/> 15,257	<hr/> 12,943
<i>Donations and gifts</i>	47,562	47,562	28,404
<i>Other income (including interest)</i>	122	122	327
Total income	<hr/> 62,941	<hr/> 62,941	<hr/> 41,674
Expenses			
<i>Direct costs</i>	65,846	65,846	63,614
<i>Overheads</i>	107,614	107,614	32,461
Total costs	<hr/> 173,460	<hr/> 173,460	<hr/> 96,075
Operating profit/(loss)	<hr/> (110,519)	<hr/> (110,519)	<hr/> (54,401)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. Costs of campaigns, programmes & other activities

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
UK campaigns:				
Pastoral work, training and development	96,348	-	96,348	60,776
Trust building conferences and seminars	3,936	7,804	11,740	-
Education and the schools service	583	422	1,005	9,778
Work connected with industry	7,405	-	7,405	13,323
Forums and public meetings at 24 Greencoat Place	40,689	-	40,689	37,387
UK website costs	1,108	-	1,108	5,696
Support for IC Production Division	7,040	10,000	17,040	17,711
Support for film, art & drama initiatives	7,040	9,529	16,569	3,719
Cost of literature	19,972	58	20,030	26,156
Cost of newsletters	37,419	-	37,419	38,746
Interns	6,457	-	6,457	1,014
Others	2,760	-	2,760	43
Special programmes				
Ireland	7,040	24,490	31,530	19,433
Foundations For Freedom	-	-	-	10,143
Agenda for Reconciliation	29,413	19,944	49,357	70,166
Hope in the Cities campaign	26,212	3	26,215	98,390
Film production	15,648	9,508	25,156	26,237
Faith in Leadership project	-	-	-	63,237
Projects				
School for Changemakers	69,837	-	69,837	59,502
Creators of Peace	8,664	248	8,912	6,352
Business programmes	10,234	-	10,234	7,004
Learning to be a Peacemaker	14,621	-	14,621	3,857
Launch of <i>An African Answer</i> film	-	-	-	10,375
Women of the Horn Association	10,448	-	10,448	-
Eritrean Education & Public Trust	2,310	-	2,310	-
Development and support for local teams	3,176	-	3,176	-
After The Riots Forum	6,929	-	6,929	-
Overseas campaigns:				
Work connected with Caux	<u>67,598</u>	<u>1,644</u>	<u>69,242</u>	<u>64,925</u>
Amount carried forward	502,887	83,650	586,537	653,970

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

5. Costs of campaigns, programmes & other activities (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Amount brought forward	502,887	83,650	586,537	653,970
Overseas campaigns continued				
Work other than Caux for:		-		
Central, Eastern Europe	9,400	-	9,400	9,656
West Europe	9,068	-	9,068	10,084
Africa	58,943	105,866	164,809	91,671
Middle East	25,638	5,063	30,701	21,630
Asia	15,524	-	15,524	19,182
North America	13,028	-	13,028	9,213
South America	7,040	-	7,040	9,158
Australia/Pacific	7,100	-	7,100	9,135
Rajmohan Gandhi's Tour	-	-	-	13,595
Media and communication forums	9,602	-	9,602	9,107
Training campaign for young people (Action for Life)	57	31,492	31,549	738
IofC International website	23,168	-	23,168	22,784
Farmers Dialogue	947	8,376	9,323	1,095
International consultation	2,992	-	2,992	2,880
Other Global Activities				
Work connected with the International Association	105,796	7,311	113,107	116,674
Applied leadership support	-	-	-	1,986
Support from the Frits Philips Fund	-	342,921	342,921	100,396
	<u>791,190</u>	<u>584,679</u>	<u>1,375,869</u>	<u>1,102,954</u>
	=====	=====	=====	=====

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. Activities for generating funds

	Total 2011 £	Total 2010 £
Income:		
Letting office space	55,333	49,635
Catering service	1,748	11,257
Letting residential space	10,390	759
	<u>67,471</u>	<u>61,651</u>
Expenses:		
Related costs incurred	38,883	27,076
Operating profit for the year	28,588	34,575
	<u>=====</u>	<u>=====</u>

7. Allocation of support costs

Overhead and support costs are allocated first between charitable activities and governance on a basis consistent with the usage of resources. Those relating to charitable activities are further apportioned on a pro rata basis.

<u>Cost type:</u>	Charitable Activities £	Governance costs £	2011 Total £	2010 Total £
Marketing and publicity	22,932	-	22,932	17,891
Forums and meetings	35,933	-	35,933	28,353
Administration costs	75,037	53,655	128,692	166,306
Total	<u>133,902</u>	<u>53,655</u>	<u>187,557</u>	<u>212,550</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Governance costs include a fund management fee of £429.

The total support costs attributable to charitable activities are then apportioned pro rata to campaigns and other activities as follows.

	2011 £	2010 £
UK campaigns	39,656	42,742
Overseas campaigns	36,412	43,883
Special programmes	36,097	52,397
Other international activities	21,737	22,710
	<u>133,902</u>	<u>161,732</u>
	<u>=====</u>	<u>=====</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

8. Net (outgoing)/incoming resources before other recognised gains and losses

	2011	2010
	£	£
This is stated after charging:		
Auditors remuneration - statutory audit	10,024	11,316
Depreciation	102,268	87,563
	=====	=====

9. Investment income and interest

	UK	Outside UK	2011	2010
	£	£	Total	Total
			£	£
Interest receivable	800	-	800	968
Dividends receivable from:				
Fixed interest securities	35,587	28,750	64,337	71,080
Equity shares	102,907	61,112	164,019	140,773
Investment & unit trusts	<u>60,926</u>	<u>-</u>	<u>60,926</u>	<u>53,118</u>
	200,220	89,862	290,082	265,939
	=====	=====	=====	=====

10. Total resources expended

	Staff	Depreciation	Other	Total	Total
	Costs		Costs	2011	2010
	£	£	£	£	£
<i>Cost of generating funds:</i>					
Fund management fees	-	-	429	429	436
Letting and catering costs	6,216	5,148	27,519	38,883	27,076
<i>Charitable activities:</i>					
Campaigns, programmes & other activities	380,624	60,521	934,724	1,375,869	1,102,954
Trading costs	67,741	36,599	69,120	173,460	96,075
<i>Governance costs</i>	19,448	-	33,777	53,225	50,382
	<u>474,029</u>	<u>102,268</u>	<u>1,065,569</u>	<u>1,641,866</u>	<u>1,276,923</u>
	=====	=====	=====	=====	=====
				2011	2010
Staff costs				£	£
Wages and salaries				443,428	395,268
Social security costs				25,894	32,721
Pension costs				4,707	4,623
				<u>474,029</u>	<u>432,612</u>
				=====	=====
Analysis of other costs:					
Premises				328,582	272,768
Direct campaign cost- travelling, accommodation, telephones				685,108	438,326
Administration costs				51,879	45,654
				<u>1,065,569</u>	<u>756,748</u>
				=====	=====

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Staff numbers and salaries

No employee or contractor earns more than £50,000 per annum (2010: Nil).

The average weekly number of employees and contractors during the year, calculated on a full time equivalent basis, was as follows:

	Number of employees	
	2011	2010
Finance and administration	6.0	5.5
Buildings maintenance	1.0	1.0
Catering	1.0	1.0
Campaigns	9.0	6.5
Film production and management	2.0	2.5
Total	19.0	16.5
	19.0	16.5

All employees contributed to campaigns and management and administration of the charity.

11. Tangible fixed assets

	Freehold land & Buildings	Contents of Properties	Plant Machinery & Video Masters	Furniture & Fixtures	Total
	£	£	£	£	£
Cost or valuation on acquisition:					
At 1 January 2011	5,098,507	228,273	291,194	1,258	5,619,232
Additions	-	12,001	8,055	-	20,056
Disposals	-	-	(72,728)	-	(72,728)
At 31 December 2011	5,098,507	240,274	226,521	1,258	5,566,560
	5,098,507	240,274	226,521	1,258	5,566,560
Accumulated depreciation:					
At 1 January 2011	471,762	163,815	181,694	1,258	818,529
Provision for the year	47,865	17,804	36,599	-	102,268
Disposals	-	-	(43,402)	-	(43,402)
At 31 December 2011	519,627	181,619	174,891	1,258	877,395
	519,627	181,619	174,891	1,258	877,395
Net book amount:					
At 31 December 2011	4,578,880	58,655	51,630	-	4,689,165
At 31 December 2010	4,626,745	64,458	109,500	-	4,800,703
	4,626,745	64,458	109,500	-	4,800,703

Disposals include a loss impairment of FLT*films* video masters amounting to £29,326 (2010: NIL).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

The net book amount of land and building comprises:

	2011 £	2010 £
Freeholds	4,578,880	4,626,745

Land and buildings includes the following at valuation when acquired:

	£
1985	66,500
1999	550,000
2003	220,000
	<u>836,500</u>
	=====

The market value of Freehold land and buildings is estimated to be more than twice the cost shown above.

12. Fixed asset investments

	2011 £	2010 £
Market value at 1 January 2011	8,161,268	7,419,374
Additions at cost	<u>992,245</u>	<u>840,017</u>
	9,153,513	8,259,391
Disposals	(773,809)	(848,310)
	<u>8,379,704</u>	<u>7,411,081</u>
Unrealised investment losses		
General fund	(134,144)	
Special purposes funds	(109,404)	
Endowment fund	(3,615)	
	<u>(247,163)</u>	<u>750,187</u>
Market value at 31 December 2011	<u>8,132,541</u>	<u>8,161,268</u>
	=====	=====

Investments at market value comprise:

Listed	2011 £	2010 £
British Government	941,516	842,324
Commercial and industrial	7,009,703	7,028,218
Kenyan investments	181,322	290,726
	<u>8,132,541</u>	<u>8,161,268</u>
	=====	=====

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	<u>Investment assets</u>		<u>2011</u>	<u>2010</u>
	<u>in UK</u>	<u>Outside UK</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
Listed				
Fixed interest securities	1,297,814	674,820	1,972,634	2,143,402
Equity shares	2,927,703	1,569,404	4,497,107	4,161,863
Investment trusts and unit trusts	1,662,800	-	1,662,800	1,856,003
	<u>5,888,317</u>	<u>2,244,224</u>	<u>8,132,541</u>	<u>8,161,268</u>
	=====	=====	=====	=====

There is an investment in Treasury 2.5% Index-linked stock 2016 which comprises 5.5% of the total value of the investment portfolio as at 31 December 2011.

13. Stocks

	2011	2010
	£	£
Work in progress – film production	6,794	6,865
Videos	1,603	2,515
Stores	5,965	4,787
	<u>14,362</u>	<u>14,167</u>
	=====	=====

14. Debtors (amounts falling due within one year)

	2011	2010
	£	£
Sundry debtors	41,507	30,672
Prepayments	11,194	11,447
	<u>52,701</u>	<u>42,119</u>
	=====	=====

15. Creditors (amounts falling due within one year)

	2011	2010
	£	£
Taxation and social security costs	-	-
Accruals	12,150	12,830
Deferred income	30,068	30,324
Other creditors	83,277	33,178
	<u>125,495</u>	<u>76,332</u>
	=====	=====

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

16. Restricted funds

	Balance at 1-Jan-2011 £	Movement in Resources From/(to)			Balance at 31-Dec-2011 £
		unrestricted £	Incoming £	Outgoing £	
Special Purpose Funds:					
Kenya	337,672	-	36,005	136,550	237,127
Ireland	354,970	-	8,329	24,490	338,809
Hope in the Cities	4,974	(5,054)	83	3	-
FLTfilms	89,369	49,500	62,941	173,460	28,350
Art initiatives - films, books and publications	13,933	7,488	-	9,529	11,892
Global Consultation	2,927	(2,927)	-	-	-
Action For Life	31,398	-	94	31,492	-
Clean Africa Campaign	14,736	-	9,712	15,007	9,441
Neville Cooper Scholarship	4,884	-	-	1,644	3,240
Film production reserve	64,088	-	-	10,000	54,088
Agenda for Reconciliation	4,084	-	25,487	19,944	9,627
IofC Schools' Service	9,885	-	-	422	9,463
Frits Philips Fund	342,921	-	-	342,921	-
Seminar and Conferences fund	-	-	10,000	7,804	2,196
Friends of Africa Fund	1,609	10,080	60	7,206	4,543
Zimbabwe Fund	6,715	400	1,230	500	7,845
Africa Fund (Loch)	46,960	-	-	-	46,960
Middle East Fund (Dumreicher)	4,475	1,600	945	5,063	1,957
Farmers' Dialogue Fund	-	-	10,352	8,376	1,976
Young People's fund	147,390	-	-	-	147,390
Phyllis Konstam Memorial Fund	1,769	1,643	-	-	3,412
Book publication reserve	58	-	-	58	-
Creators of Peace International	248	-	-	248	-
International Association	4,725	-	-	4,725	-
Spiritual Renewal Fund	3,519	(3,519)	-	-	-
Activities at Caux	1,424	-	1,162	2,586	-
Launch of <i>An African Answer</i> film	-	-	51,005	51,005	-
Production costs - <i>An African Answer</i>	47,541	-	-	9,508	38,033
	<u>1,542,274</u>	<u>59,211</u>	<u>217,405</u>	<u>862,541</u>	<u>956,349</u>
	=====	=====	=====	=====	=====

Kenya Fund and Ireland Fund – these funds arose from legacies. Under the terms of the bequests, the funds are to be used only for the work of Initiatives of Change in Kenya and Ireland respectively.

The Kenya fund: the outgoing resources of £136,550 include £109,404 of unrealised loss from investment and a £5,002 gain due to foreign exchange difference.

16. Restricted fund – description continued

Hope in the Cities and Agenda for Reconciliation – these funds support initiatives in the field of developing inclusive communities, values for democracy and reconciliation work. These are initiated by gifts for the work of Hope in the Cities and Agenda for Reconciliation respectively.

FLTfilms fund – these funds arose from donations and sales proceeds, and the use of such monies is restricted to the production and distribution of films, DVDs and videos.

Seminars and conferences fund – these funds are received from a trust which restricted its use to finance IofC initiated seminars and conferences which are beyond the capacity of The Oxford Group's own venues.

Art initiatives, films books & publications – this fund is used to support people or groups who produce films, books and publications for the advancement of the objectives of the charity.

Training for Young People, International (AFL) – this fund arose from donations by individuals and support from other IofC centres. Its use is restricted for the training of young people from different countries, especially through the training programme *Action for Life*.

Clean Africa Campaign - this is a fund used to help IofC to run ethical leadership training programmes and to campaign for corruption-free elections in Africa.

Neville Cooper Scholarship - this fund arose from donations made in memory of Mr Neville Cooper and is restricted to support people who would like to participate in IofC business or industry related seminars. This fund is normally used for the stay at and fares to/from Caux summer conferences.

Film production reserve – is a fund which arose as donation from an individual and is restricted for the production of IofC related films.

Schools and young people's service UK – this fund is restricted for IofC outreach work with schools and young people in the UK.

Friends of Africa Fund – this fund is restricted to cover projects in Africa that advance the objectives of the charity and where appropriate the accommodation and travel costs of Africans participating in IofC related seminars, conferences and meetings.

Africa funds – Zimbabwe and Uganda – funds restricted to support IofC work in Zimbabwe and Uganda respectively.

Middle East Fund – is a fund restricted to finance IofC activities in the Middle East.

Farmers' Dialogue – is a fund for IofC work with farmers and agriculturalists throughout the world.

Phyllis Konstam Memorial Fund – this fund is restricted to supporting artistic initiatives with an emphasis on stage presentations.

Frits Philips Fund – this fund is restricted to support people, particularly young, who feel called to give leadership in the work of Initiatives of Change anywhere in the world who might be prevented by lack of money. The fund was transferred to the IofC International Association during the year.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

17. Endowment fund

	Balance at 1-Jan-2011	Movement in Resources		Balance at 31-Dec-2011
		Incoming	Outgoing	
Endowment fund	152,843	7,574	11,189	149,228
	=====	=====	=====	=====

This fund consists of gifts received for a permanent endowment, and is represented by 4,700 units of M & G Equities Fund for charities and 39,500 units of BNY Mellon Newton Global Higher Inc.

18. Analysis of net assets between funds

	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Restricted funds:				
<i>Special Purpose funds:</i>				
Kenya	-	181,322	55,805	237,127
Ireland	-	304,764	34,045	338,809
FLTfilms	51,629	-	(23,279)	28,350
<i>Other funds</i>				
Art initiatives-films, & books	-	-	11,892	11,892
Seminar and Conferences	-	-	2,196	2,196
Clean Africa Campaign	-	-	9,441	9,441
Neville Cooper Scholarship-Caux	-	-	3,240	3,240
Film production reserve	-	-	54,088	54,088
Agenda for Reconciliation	-	-	9,627	9,627
IofC Schools' Service	-	-	9,463	9,463
Friends of Africa Fund	-	-	4,543	4,543
Africa-Zimbabwe Fund	-	-	7,845	7,845
Middle East Fund (Dumreicher)	-	-	1,957	1,957
Phyllis Konstam Memorial Fund	-	-	3,412	3,412
Africa Fund (Loch)	-	-	46,960	46,960
Fund for young people	-	-	147,390	147,390
Farmers' Dialogue	-	-	1,976	1,976
Grant for fixed assets	-	-	38,033	38,033
	51,629	486,086	418,634	956,349
Endowment fund	-	149,228	-	149,228
Unrestricted funds	-	-	405,588	405,588
Designated funds	4,637,536	7,497,227	222,000	12,356,763
	=====	=====	=====	=====
	4,689,165	8,132,541	1,046,222	13,867,928
	=====	=====	=====	=====

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

19. Reconciliation of net incoming resources to net cash outflow from operating activities

	2011	2010
	£	£
Net outgoing resources before revaluation and investment asset disposals	517,145	(108,773)
Depreciation charges	102,268	87,563
(Increase)/decrease in stocks	(195)	47,629
Impairment loss on fixed assets	29,324	-
(Increase)/decrease in debtors	(10,582)	100,433
Increase/(decrease) in creditors	49,163	(55,326)
Dividends received	(289,282)	(264,971)
Interest received	(800)	(968)
Difference on exchange	4,989	(1,408)
	402,030	(195,821)
	402,030	(195,821)

20. Analysis of net cash resources

	2011	2010
	£	£
Balance at 1 January 2011	167,399	219,222
Net cash outflow	299,053	(51,823)
	466,452	167,399
	466,452	167,399

21. Designated fund

	Balance at 1-Jan-2011	Movement of Resources	Balance at 31-Dec-2011
		Increase	Decrease
Properties	4,626,745	10,791	-
Investments	6,831,910	665,317	-
Investment in progress	-	222,000	-
	11,458,655	898,108	-
	11,458,655	898,108	12,356,763

The board has designated £898,108 this year which brings the total to £12,356,763. This is the value of all properties, investments and investments in progress which are essential for the continuation of the charity's activities.

22. Capital commitments

There were no capital commitments at 31 December 2011(2010: £Nil)