

Company No 355987  
Registered Charity No 226334

**THE OXFORD GROUP**

*OPERATING AS*

**INITIATIVES OF CHANGE**

**ANNUAL REPORT 2012**

**INCLUDING ACCOUNTS FOR THE YEAR**

**ENDED 31 DECEMBER 2012**

Copies of this and previous Annual Reports and Accounts are available for download at  
[www.uk.iofc.org/annual-report](http://www.uk.iofc.org/annual-report)

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## COMPANY INFORMATION

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### Members of the Board of Trustees at 31 December 2012

Dr Philip Boobyer (Chair)  
Charles Aquilina  
Andrea Cooper  
Margaret Cosens  
Simon Hicks  
Claire Leggat  
Neil Mackay  
The Rev Lusa Nsenga-Ngoy  
Dr Nirmala Pillay

**Secretary**

Kenneth Noble

**Charity number**

226334 Registered in England and Wales

**Company number**

355987 Registered in England and Wales

**Registered office**

24 Greencoat Place  
London  
SW1P 1RD

**Bankers**

Barclays Bank PLC  
13 Artillery Row,  
London  
SW1P 1RH

**Investment Managers**

Speirs & Jeffrey  
36 Renfield Street  
Glasgow  
G2 1NA

**Auditors**

H W Fisher and Company  
Acre House  
11-15 William Road  
London  
NW1 3ER

**Solicitors**

Bircham Dyson Bell  
50 Broadway  
London  
SW1H 0BL

### **Work to be done**

History seems to go through cycles. Periods of advance in civilisation, culture, personal morality and civic responsibility lead to wealth, stability, a more humane society. But then follow complacency, indulgence, corruption and decline. As you read the papers in 2013 it is easy to conclude that we are nearing a phase where the downward cycle is in full sway.

Yet it need not be like that. Evil always over-reaches itself, and even when the forces of darkness seem to be irresistible, God raises up people whose love for him emboldens them to fight for positive change. Into the corrupt world of eighteenth century England, people such as John Wesley and William Wilberforce brought such a powerful message of hope that lives were changed and society took a turn for the better – not only was the slave trade abolished but a whole raft of new initiatives was spawned that led to better conditions for the poor, for working children, the treatment of prisoners. Some say that the new spirit in the country enabled it to avoid the bloody revolution that France endured.

Initiatives of Change works for a change in society. The word 'of' is a subtle reminder that the most effective and lasting initiatives spring from changes in the human heart. It is an intensely personal, yet logical, process – the person who has begun the process of change within himself has an inner authority and consistency in what he strives for.

Frank Buchman, the person who started Initiatives of Change under the name of Moral Re-Armament – and whose life and ideas I have been studying as a professional historian – once said: 'To love the idea of Moral Re-Armament is no substitute for the love of God, who washes us, sets us free and sets us to work.'

This report gives just a few examples of the impact that people with this commitment can make. As more join them, we may yet see the historic cycle of rise and decline turned in a positive direction.

**Philip Boobbyer**  
*Chair of Trustees*  
18 May 2013

## **DIRECTORS' REPORT**

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The Board of Trustees presents its report with the audited accounts of The Oxford Group operating as Initiatives of Change ('the charity' or 'lofC') for the year ended 31 December 2012. 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 and later updates.

### **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 a member of the International Association of Initiatives of Change, registered in Switzerland, which coordinates the lofC 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 pages 4 and 21.

The Objects of the charity, as set out in the 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 as well as many who were agnostic or even militantly atheist. He expressed truths in ways that were unconventional and sometimes did not sound religious – although they all sprang from his personal Christian faith. The Trustees follow in that tradition and view all the activities described in the remainder of this Report 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 lofC, 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.*

*lofC 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.

The Board of Trustees appoints 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, consultants and volunteers. The Chair of the management team is Francis Evans, who works on a voluntary basis. The management team includes the Company Secretary and Chief Accountant, the Centre Manager of the charity's headquarters building, and members with responsibility for HR, communications, and other aspects of the charity's operations and outreach. Some members do not hold a specific portfolio.

The Board believes that this management structure has served the charity well since it was set up in early 2010. In particular it has given a period of stability and offered a significant saving on salary costs as compared to a conventional structure with an employed Chief Executive. This results in a higher proportion of the charity's funds being used to provide public benefit. However, as envisaged when this management arrangement was first set up, the Board intends to carry out a thorough review of its workings and effectiveness during 2013.

**Articles of Association**

During the year the Trustees decided that the time had come to update the charity's Articles of Association

## DIRECTORS' REPORT

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which had become outdated after remaining almost unchanged for some 70 years. Accordingly a revised set of Articles was proposed by Special Resolution at the Group's Annual General Meeting on 12 June. They were adopted unanimously, and Companies House was informed. The Articles are now consistent with current charities legislation. The objects of the charity were not changed.

### Properties

Throughout 2012, the charity owned four residential 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 the late Doris Jenkins, who generously 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 an elderly couple who devoted their full time to voluntary Christian work throughout their long working lives. The ground floor of the house is a semi-autonomous flat, rental income from which covers the running costs of the whole property. Also, during the year, the Group rented a residential flat in Wandsworth for six months. This was for the use of Denny Braggins, a contractor with the Group, and his family while rooms in our Wandsworth centre were being made ready.

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 increasingly towards the running costs of the centre.

### Archives

During 2012, the charity's archives continued to be housed in premises belonging to Chris Evans who was Chair of Trustees until he resigned from the Board in June. 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 was 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 and assisting with enquiries.

### Risk Assessment and Sustainability

The Trustees have given consideration to the 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. Initiatives of Change is, essentially, about a quality of life shared by people of diverse backgrounds and ages. The Trustees believe that continuing effectively to foster this faith-based life will go a long way towards addressing the main risks identified, which were as follows:

1. Lack of co-ordination between the different outreach initiatives;
2. poor relationships between individuals undercutting IofC's 'message' and appeal to newcomers;
3. insufficient mutual understanding between the Board and the Management Team;
4. lack of 'knowledge transfer' – particularly of IofC's core values – as new people become involved in IofC's work.

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 their individual sense of calling, this cannot be just a top-down process. The Trustees have engaged Roddy Edwards to Chair an Action Group which has the remit of focussing outreach activity in the core strategic directions agreed by the Board and endorsed by the fellowship.

The Management Team has appointed someone with the specific remit of 'induction training'. Her role will be to make sure that everyone who works with the charity (either as a volunteer or a member of staff) is given a thorough insight into the values, people, structures and activities of Initiatives of Change.

The Trustees recognise that, with most of them being active professionals living in different regions of the UK,



it has not always been possible to find enough time to allow for good two-way communication with members of the Management Team. They will continue strenuously to work at improving this.

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 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**

No member of staff left the charity's employment during the year. James van Werven, the centre manager who is responsible for marketing the facilities at 24 Greencoat Place, moved from a fixed-term contract to become a full-time member of staff. Seven others were contracted on a part-time consultancy basis for at least part of the year in order to enhance the outreach work of the charity. As already mentioned, Roddy Edwards, who was a Trustee until October, was engaged in May to chair the Action Group, responsible for implementing the charity's strategy. Aware of the implications of engaging a Trustee, the Board took care to make sure that this was done in accordance with the Charities Act. In particular, Mr Edwards absented himself from the meeting where this decision was taken. The Trustees also satisfied themselves that Mr Edwards was uniquely qualified to fulfil this role, and that it would not be possible to find a non-Trustee with the knowledge, leadership skills and commitment to the work of IofC which he brought. Mr Edwards was the only Trustee to receive any remuneration during the year. His day rate is well below the market rate. The Trustees are grateful to Mr Edwards for undertaking this task.

A second annual national fellowship weekend was held in May at the Hayes Conference Centre in Swanwick, Derbyshire, bringing together around 70 staff and volunteers together with some participants who were relatively new to the work of the charity. This proved to be as effective as the first such weekend in building teamwork and common purpose. A similar event is planned for 2013.

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 Bible studies; 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 around 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. During 2012 investment income more than covered the cost of governance, legal and finance functions.

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

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 annual yield on the charity's portfolio at the end of 2012 was 14.3%.

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. Due to some exceptionally generous legacies received during the year, the sum of £2.25 million was transferred to the investment portfolio, in line with the requirements of this policy. This will lead to an increase in the charity's income

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stream in years to come. The Trustees would like to record their gratitude to all those who remembered Initiatives of Change in this way, and to their families.

The Board has delegated oversight of the charity's investments to a committee consisting of Campbell Leggat, Francis Evans 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.

### **Expendable Endowment**

During 2012, the Trustees decided to transfer the bulk of the charity's investments with Speirs and Jeffrey (apart from the existing permanent endowment) into an Expendable Endowment Fund. This is allowed under current charities legislation and is also a specific power of the Trustees under the Articles of Association. This decision reflects the Trustees' intention to hold sufficient capital to generate enough income to cover all of the charity's core running costs. The value of the investments transferred into the Expendable Endowment Fund during the year amounted to £8,142,790.

### **Activities during 2012**

The charity undertakes a wide range of activities, projects and programmes led by individuals and teams with a shared sense of purpose. As explained in the 2011 report, the Trustees, staff and volunteers developed in that year 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:

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

These themes are evident throughout the work of the charity – and they were given priority in terms of funding and other resources.

At the same time, the strategy also recognised the need to discern and nurture 'fresh shoots' of inspired initiatives which might develop into priorities in years to come.

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 was determined by a Project Review Panel consisting of management team members and volunteers, appointed by the Trustees and chaired by Don de Silva in his role as Head of Programmes.

### Sustainable communities: dialogue and reconciliation

In response to the riots across the UK in August 2011, IofC, together with the Civil Society Forum, Burning2lead and the Cordoba Foundation, organised a one-day forum: 'After the Riots – from blame to positive action'. It took place in IofC's London centre at 24 Greencoat Place on 1 February 2012.

Welcoming participants on behalf of the organising committee, Don de Silva said the event would be a listening forum. He continued: 'Many of the individuals here have hands-on experience in dealing with critical issues, such as social exclusion, family life, youth offending and community cohesion. The forum aims to bring the values dimension into the riots debate.... We hope that the forum will encourage everyone to start with themselves, look at their own responsibilities, not just that of the others.'

The key-note speaker, Dr Peter Selby, formerly Bishop of Worcester and Bishop to HM Prisons, criticized a 'system of disregard' for the wellbeing of disenfranchised young people, which had led to the August 2011 riots. Emphasizing that he was never in favour of rioting, Selby said the riots were 'the result of the economics of disregard that we have all created'. Too many young people had been marginalized, he said. 'I don't believe that the world will become a better place only by people becoming better people,' even though this was essential from a Christian perspective. There was a need for systemic change. It was important that we attune our consciences to a 'moral universe.... If you propagate a system of disregard you are acting outside the

guarantees of a moral universe. Last August was a call to live for a system of regard.'

The Forum identified lack of community vision, moral compromise, family breakdown, government inaction and dwindling opportunities for people, as contributory factors in the escalation of riots across the country.

In response, IofC launched the Sustainable Communities Programme to mobilise urban and rural communities to take positive action to tackle critical issues which have moral and spiritual roots. Currently, these issues include: building and strengthening community initiatives, empowering disadvantaged communities, tackling knife crime and serial offending, campaigning against human trafficking, helping young people to develop inter-personal skills, promoting peace and reconciliation in Somalia, and healing trauma in Sri Lanka. The aim is that the public benefits of the programme should be sustainable as well as relevant.

The methods used include giving individual support to those at the fore-front of the issues; awareness-raising and campaigning on moral issues; and organising events.

In line with its charitable objects, Initiatives of Change specialises in the moral and spiritual dimension of sustainability, working towards: uniting people in common action to make a positive difference in society, challenging institutional injustice and disregard, and enabling people to think beyond the narrow confines of their own community, ethnic or religious group. Events and interactive workshops are held to enable people to find direction in life and contribute to sustainable and just communities, starting the process of change within themselves.

Individuals engaged in community work often struggle to cope with the stresses and demands of their work, through financial burdens or 'burn out'. The programme provides advice, mutual support, encouragement and assistance to individuals and NGOs as they work for the public benefit.

Promising initiatives are too often destroyed by rivalries and corruption. Case studies exemplify ways by which the most fractured relationships can be healed through empathy, understanding each other, restitution and forgiveness. This helps build effective working relationships between concerned organisations, charities, local authorities, youth groups and faith groups.

Everyone, no matter their race, nationality, gender, religion or sexual orientation, is encouraged to be part of a globally sustainable community.

Current initiatives that the Sustainable Communities Programme is supporting include:

#### *Consider This....*

IofC supported LynchPin Productions' show, *Consider This....*, which was staged publically for three nights at the Electric Theatre, Guildford in June. This followed a 'dramatized reading' of the play in March at Greencoat Place, the IofC centre. Written by Jack Lynch, the play is based on true stories of change, forgiveness and reconciliation – many drawn from *The F-Word: Images of Forgiveness* exhibition of The Forgiveness Project which Lynch visited in 2004. The show includes storytelling, song, live music, and still and moving images. After each performance there was a 'Talkback', chaired by BBC Radio's Jeff Thomson, with special guests including Marina Cantacuzino, founder of the Forgiveness Project, and representatives from The Cordoba Foundation and Initiatives of Change.

Following seed funding from IofC, the project won a £10,000 grant from the Arts Council and additional financial support from several organizations.

#### *Music for Cities Project*

Music for Cities, a musical extravaganza, involving top Manchester rock bands, together with talented young musicians, sold out within a couple of hours of the information coming on-line, raising thousands of pounds for charity. The event, which took place at Manchester Cathedral on 15 November, was designed to show the

## DIRECTORS' REPORT

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young people of the city that there is a future for them. The funds raised will be used to set up projects, which will be created by the young people who live there.

The concert was organised by three Manchester-based charities including the United Estates of Wythenshawe (UEW), a social enterprise based in Benchill, possibly the most deprived estate in the country. The charity helps young people to develop a sustainable future that does not involve gang membership, violence or substance abuse.

Greg Davis, Chief Executive of UEW, who is active with the Sustainable Communities Programme, says: 'We grew up on a tough inner-city estate. We build youth clubs for kids who don't go to youth clubs, we take the energy and commitment that is needed to create and develop a youth gang and we exchange it for positive social enterprise. We are the United Estates; every tough estate should have one.' The Sustainable Communities Programme supported Davis in this initiative.

### *Prison?*

Charlie Ryder's play, *Prison?*, was performed at a Prison Week event in the London Centre of Initiatives of Change on 20 November. The one-man performance was followed by a talkback panel discussion on restorative justice.

The play depicts Ryder's time in prison and the events that led up to it. In October 1993, he was involved in protests against the British National Party in support of Stephen Lawrence, the British teenager murdered in a racist attack. Ryder was sent to prison after throwing a brick at a police officer during the protest. Ryder's story is conveyed through art, utilising puppetry, masks and acting.

After witnessing how a system that can dehumanise prisoners gradually wore Ryder down, the audience was moved by the story of his subsequent change. He is now involved in part-time work as an Outreach Worker at HM Prison Wormwood Scrubs Community Chaplaincy providing mentoring and support to prisoners on their release from prison. Ryder uses art as a form of therapy and to raise awareness of the issues he dealt with in prison.

During the play, Ryder mentions that his father was an alcoholic which angered him and contributed to his build-up of resentment. Introducing the play, Anita Amendra, Project Manager of the Sustainable Communities Programme, said that Ryder had realised that 'meeting violence with yet more violence' was not the way to deal with complex traumatic situations.

Restorative justice allows offenders and victims to communicate, in the hope that offenders will accept some responsibility and both parties gain some closure. Ryder said that healing was not used in the criminal justice sector and that often the people being imprisoned had some form of mental illness.

### *Sri Lanka Unites*

Sri Lanka Unites (SLU) is a youth-led movement which is bringing reconciliation, healing, change and hope among the diverse communities in that country. It is directly addressing the fall-out from a protracted civil war, which resulted in the loss of many lives and wreaked untold misery and suffering. SLU is bringing together young adults nationwide from all ethnicities for shared activities, workshops, mentoring and annual conferences. Their positive message is rapidly receiving support from Sri Lankans of all ages internationally.

Initiative of Change hosted an SLU Greencoat Forum in London on 2 August.

### Vocational programmes for young people: School for Changemakers

School for Changemakers (SfCM) is a partnership between Initiatives of Change UK and Liverpool Hope University aiming to 'bring the spirit of Caux to the life of a UK university campus'. Caux, Switzerland, is the site of IofC's main conference facility in Europe. The organisation i-genius, who serve and represent an

international community of people passionate about social and environmental change, also partnered with IofC for the second year running, sending a team to help deliver 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 2012 it brought together over 70 people – including a diverse group of 60 British residents in the target age range – 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 22 – 25 June. Each day started with a shared time of quiet, followed by plenaries where participants gathered for interactive sessions addressing international issues with a moral and spiritual dimension. They heard about the experiences, hopes, and stories of change from a range of speakers and experts, young and old. During the afternoon participants explored their chosen 'tracks' on topics such as 'Vocation and the heart of IofC', 'Education - the only way to change', 'Being a social entrepreneur', and 'Social Justice - what's my part?'. There was also time for facilitated reflection; time in the afternoons to experience the city of Liverpool; and evening programmes such as talent shows, debates, films and discussions.

Dugalpi Alahirah, a student at Liverpool Hope University, commented afterwards: 'As a participant in the conference I grew positively, I was intoxicated by the welcoming spirit in everyone. Throughout the conference I did not need to think about what am going to say or even bother with people criticising me because everyone there came with a determination to make change. Within the community I felt safe, safe enough to share my deepest story which I haven't shared with friends I have had for years.' Others shared similar learning points.

All the participants were invited to join the SfCM Alumni Association. This active body 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 IofC. During 2012 the alumni held three reunions at the IofC centre in London, and three in Sheffield.

Throughout the year there were also follow-up programmes which included further training in subjects such as interviewing skills, one-to-one mentoring, and opportunities to explore IofC further. A train-the-trainer event was also being planned for spring 2013 where Alumni members would have intensive training to prepare them to organise and facilitate sessions on issues that mattered to them.

Planning for the 2013 summer event is well underway. Further details can be found at [www.schoolforchangemakers.org](http://www.schoolforchangemakers.org).

These events are open to members of the public and are advertised through the website and at universities.

#### Business programmes: trust and integrity

IofC UK's business programmes engage with moral and ethical challenges in business, banking and the economy. They focus on developing a campaign to build 'trust and integrity in the global economy' (TIGE)—including annual conferences on that theme at IofC's centre in Caux, in which senior British figures participate. The aim is to encourage 'conscience-based' decision-making in personal and economic life.

On 12 June, Joe Garner, then head of UK Bank at HSBC, spoke about the need to lead with 'courageous integrity' in banking, at a public Greencoat Forum in IofC's London centre. The title of his talk was 'Leading in a high risk environment: engaging hearts as well as minds'. This was subsequently turned into a 20-minute documentary film on DVD.

In July, Garner, together with Lord Janvrin, Deputy Chairman of HSBC Private Bank, hosted a dinner, in partnership with Initiatives of Change, for 20 senior people from the business world, to discuss what needed to happen to restore trust in banking.

## DIRECTORS' REPORT

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Lady Susan Rice, Managing Director of Lloyds Banking Group in Scotland, gave a keynote address to the annual TIGE conference in Caux in July. 'We [in banking] lost sight of our values – with an “s” – in the rigorous focus on financial value,' she said. Lady Rice, who chairs a Professional Standards Board involving the nine largest UK banks, said: 'We believe that trust is best restored through individuals, not simply through structural change. And perhaps that will move the discourse about banks beyond the current four Cs – Capital, Competition, Compensation and Controls – to a new, and what I think is a far more human, set of words altogether: Customer, Colleague, Community, Conscience and Care.'

Speaking alongside her, Richard Sermon, Chairman of The City Values Forum in the City of London, said: 'Trust and confidence are hard won and are easily and quickly lost.' He spoke about banks being viewed as too big to fail, to regulate and to manage. Man could not live by regulation alone, he said, so 'our focus must be on attitudinal change as much as behavioural compliance'.

In her opening address to the conference, the British-based Texan business woman, Margaret Heffernan, expressed 'a tremendous sense of urgency' about the need to 'salvage our institutions from the infernal combustion of money, power and competition before it's too late.... When you expect the best of people, that's typically what you get.' Heffernan, author of the acclaimed book, *Wilful Blindness*, added, 'If the benchmark of a sound institution is the provision for and celebration of truth tellers, much can and will change. The critical sign of health may be no more than the quality of dissent an organization provokes and supports.'

A fourth keynote presenter was Peter N Lewis, Founder of Principled Consulting in London. Answering the question, 'What are the top reasons for the lack of trust and integrity?', he said they were 'lack of care, lack of competence and lack of fairness'. People knew what was right and what was wrong, 'but they often forget on the way to work'.

On 6 November, three social entrepreneurs addressed a Greencoat Forum in London on the role of social entrepreneurship in job creation and building a sustainable future. They were the Rev Tony Bradley, Director of the Social and Ethical Enterprise Development Centre at Liverpool Hope University; Lily Lapenna, founder and CEO of MyBnk in London; and Joe Swann, founder and CEO of My Social Innovations, which enables young people, aged 13 – 25, to set up and sustain their own social enterprises. Bradley described social enterprises as the 'furry animals' growing up at the feet of dinosaur corporations.

In October, IofC UK business programmes engaged Talia Smith to help take forward its work, including developing a new series of one-day 'TIGERoadshow' events due to begin in 2013.

### Agenda for Reconciliation

Agenda for Reconciliation (AfR) grew out of a series of international conferences in the 1990s and early 2000s which gathered peace-makers from across the world. It is focused around a weekly meeting at the London centre of Initiatives of Change, where people engaged in peace-making initiatives exchange information, plans and ideas.

Currently, those attending the meetings are largely refugees from the Horn of Africa – Somalia, Eritrea, Ethiopia and Sudan.

The weekly meetings are a place of dialogue, where diasporas from different, often divided, nations learn to understand each other's minds better; where they learn how indigenous British think; where indigenous British learn to understand the pain of conflicts that had their origins in European colonial policies; where Christians and Muslims and people of other faith traditions learn how to serve each other. It is a place of healing too, as painful memories are shared, apologies are made, and hope begins to be born again, even when the news seems to bring nothing but despair. Out of this sustained relationship-building, issues of common concern emerge, and teams and projects develop to address them.

One of the main themes of 2012 was the glimpse of new hope for Somalia after over 20 years of destruction

and famine, as a new government has been formed with widespread support. From working to unite their community in diaspora, the focus of the meetings has switched to the reconstruction of their homeland, and the reconciliation of their compatriots there.

Meanwhile the UK-based Eritrean community have been passing through some of their darkest times, as their compatriots in Eritrea suffer tyranny, far from the eyes of the world's media. Eritreans who attend the AfR meetings prepare for the day when there is a change of regime and a united political leadership will be needed to put the country on a new course.

Another initiative is the 'Learning to be a Peacemaker' programme for young European Muslims at the lofC international conference centre in Switzerland.

#### *Somali initiatives*

Somalis have been involved in lofC since shortly after civil war broke out in Somalia in the early 1990s, when lofC-Sweden organised a conference to gather senior Somalis who could work for national reconciliation. Subsequently, in 2004, former Deputy Prime Minister Osman Jama Ali, started attending AfR meetings in London. Since then he has worked tirelessly to form a network of Somali community leaders committed to reconciliation. They formed a charity, Somali Initiative for Dialogue and Democracy (SIDD), with whom lofC has an on-going partnership.

In 2012 the main focus was contributing to the international community's process for establishing the new government in Somalia. In the run-up to the Inter-governmental Conference on Somalia in London, Jama Ali, and the Vice-President of SIDD, Ambassador Mohamed Sharif Mohamud, published articles in the *Guardian Online*; and SIDD hosted a consultation with the Foreign & Commonwealth Office (FCO) Somalia Unit. Four SIDD Trustees were invited as guests of the Turkish government to attend a follow-up inter-governmental conference in Istanbul. Since the formation of the Somali government there have been further meetings with those formulating British policy, including a consultation in Greencoat Place for Rt Hon Mark Simmonds MP, the Minister with responsibility for Africa, and Mark Baugh, the British Ambassador to Somalia, for a group of 50 leading members of the Somali diaspora.

The flow of exiled Somalis returning to Somalia has been increasing steadily, among them a number of those who have been associated with SIDD's programmes. They include some now in government, parliament and the nascent civil service. One of them is facilitating the creation of a consortium of 37 local humanitarian aid and development organisations, and their connection with international aid organisations.

The challenge now is to work for national reconciliation in the country. Jama Ali's vision is for reconciliation meetings at town level, leading to similar meetings at district and regional levels. Somalia was one of the entry points for the wave of extremism which has spread across Africa. There is now a window of opportunity for Somalis, supported by the international community, to secure the peace that is beginning to emerge.

Apart from the public benefit to the Somalis if they can establish a stable, peaceful country, the outside world also stands to benefit if such a country replaces the former 'failed state'. Clearly, working for peace and reconciliation in such a situation is at the heart of the charity's legal purposes. The same considerations apply to lofC work undertaken by the Eritrean community.

#### *Eritrean initiatives*

Following a significant conference for leaders of diaspora organisations in 2011, there were two events in 2012 – one for the leaders to consider the prospects for relations between Ethiopia and Eritrea following the death of Meles Zenawi, the Prime Minister of Ethiopia; and the other to establish communications and coordination between the UK-based Eritrean humanitarian organisations. lofC's role was to provide a positive but neutral atmosphere in which informal conversations could take place between people of different political outlooks.

#### *Course in Peace-making for young European Muslims*

## DIRECTORS' REPORT

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Broadcaster Imam Ajmal Masroor devised the 'Learning to be a Peacemaker' programme for young European Muslims. He has partnered with IofC-UK and IofC-Switzerland in delivering it during the summer conferences in Caux. On alternate years there are Elementary courses and Advanced courses for a smaller number who want to go deeper and become facilitators in the following year's Course. This year 14 young Muslims took the Advanced course in the context of the annual 'Learning to Live in a Multicultural World' conference. A typical comment from the participants was that 'the foundation of the learning tracks was to teach participants that one is unable to improve or contribute to a better tomorrow when one is in a state of error oneself'. Masroor believes that as young Muslims understand that peace-making is at the very core of their faith, they are better able to make their true contribution to the societies in which they live.

The Trustees believe that these initiatives are in line with the charity's objects because they have at their heart the virtues of honesty, purity, unselfishness and love, and the search for divine guidance that Christ taught and demonstrated. Frank Buchman's innovation was to perceive that, as such values are also venerated by followers of other faith-traditions, they form a firm foundation for trust-building and peace-making between people of different faiths.

### Creators of Peace

Creators of Peace UK (CoP) 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. It organises peace circles, which bring together small groups of women 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.

2012 was a quieter year for Creators of Peace UK, because its coordinator, Su Riddell, had health issues. In spite of this, peace circles were held in London and Oxford; seven new facilitators were trained; CoP was represented at a number of events in Oxford, London and Edinburgh; follow-up events were held; publicity material produced; and administrative systems improved.

A weekend peace circle in London in July brought together seven women, mostly in their 20s and 30s, from a typical London mix of backgrounds (including Turkish, Sri Lankan, Indian, Russian and Guyanese). Four of them were new to IofC. A follow-up occasion was held in August, to evaluate and confirm this experience. Three of this group went on to train as facilitators in November. A circle for six women took place in Oxford in December.

Five women took part in a facilitation training weekend in London in November, and two women received one-to-one training in Oxford, each over a period of two days. The downside of the latter was the lack of a peer group, but the upside was the opportunity to tailor the training to the needs of the individual.

Follow-up was a major focus in 2012. Six occasions in Oxford and London offered women who had taken part in earlier Peace Circles the opportunity to meet each other and to introduce friends to the programme. In addition facilitators kept in touch with former participants, offering individual support where needed. CoP UK sends out national and international news of CoP three times a year to those who want to remain involved, and keeps its UK webpage refreshed.

Creators of Peace took stalls at International Women's Day events in Oxford and Edinburgh in March. The programme was represented at the 'After the Riots Forum' referred to above, and at a participatory day of cross-disciplinary dialogue and discussion at St Ethelburga's Centre for Reconciliation and Peace in London in July. A taster session was held in Oxford on 23 September to link with International Day of Peace.

CoP UK's Advisory Group met in February, May and September. Three of the UK CoP team took part in the international Creators of Peace AGM and Strategy Planning days in Switzerland in August. During the year CoP printed publicity material, and set up database and book-keeping programmes to ensure administrative sustainability.



One challenge was the work involved in setting up each peace circle. The issue was not lack of interest – there are waiting lists in both Oxford and London – but finding times which suited a large enough group to form a viable circle. Peace circles planned in Oxford and London for October had to be postponed for this reason, in spite of individual contact with 20 – 30 interested women and appropriate advertising. This process, although frustrating, is not wasted because it enables the organisers to build up relationships with future participants. Those responsible are looking at ways to encourage participants to commit in advance, including the paying of deposits.

These activities are of public benefit because they are establishing firm networks of trust across cultural and generational dividing lines. The participants themselves benefit from deeper understanding of people of other backgrounds – and some go on to learn skills of bridge-building and facilitation.

#### FLTfilms – For the Love of Tomorrow

FLTfilms is a specialist film-making agency of Initiatives of Change. It produces and distributes high quality documentaries that inspire change. Its films serve as catalysts for reconciliation, conflict resolution, peace-building and social renewal – all of which are of public benefit and in line with Christian teaching.

2012 saw an increasing role by FLTfilms across Africa, and the strengthening of its partnerships with several international agencies.

*An African Answer* is a 'fly-on-the-wall documentary' showing the reconciliation work carried out in the wake of communal violence in Kenya by two Nigerians, Pastor James Wuye and Imam Muhammad Ashafa – themselves the subjects of an earlier FLT film, *The Imam and the Pastor*. A Kiswahili version of *An African Answer* was produced in Nairobi and distributed in Kenya and into Tanzania. Production of this language version was supported by the US-based international development agencies, Creative Associates and Creative Learning.

The Kiswahili production was launched in Baringo, an area prone to conflict between pastoralist communities over scarce resources. Thirty-five leaders, representing the area's four major ethnic groups, gathered for a workshop on 'trust-building for sustainable development'. The event was supported by Initiatives for Land, Lives, Peace, a programme of Initiatives of Change International. It was facilitated by two local community-building organisations in partnership with Initiatives of Change Kenya.

The difference in atmosphere before and after the film was marked. Joseph Karanja, of IofC Kenya, wrote: 'Genuine apologies for the pain and suffering the communities had inflicted upon one another were made. A Turkana lady was moved to tears when an Ilchamus youth apologised for his role in the raiding of a Turkana settlement. A young man expressed regret for a time he had assisted with moving stolen cattle.'

Dr Alan Channer, Director of FLTfilms, produced a short film, entitled *Transforming lives, transforming land in Baringo, Kenya*. It illustrated how trust-building between pastoralist communities can contribute to land restoration. This was premiered at the Caux Forum for Human Security during an event organized in partnership with the United Nations Convention to Combat Desertification.

In Britain, Channer was invited to speak about his work in Kenya alongside former British High Commissioner to Kenya, Sir Jeffrey James; the Mayor of Slough, Sukhjit Kaur Dhaliwal; and senior representatives of the Kenyan High Commission. This was part of an occasion organized by the Kenya Society during the Queen's Diamond Jubilee celebrations.

Following positive reports on the presentation of *An African Answer* at the UN headquarters in New York in 2011, the United Nations in Chad organized a programme entitled 'Media and Mediation' in March 2012. They screened *An African Answer* and *The Imam and the Pastor*, in French and Arabic, in three regions of the country. These events included discussions with the protagonists of the films, Imam Ashafa and Pastor James, and Channer.

## DIRECTORS' REPORT

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In eastern Chad, near the border with Darfur, an open air screening of *An African Answer* attracted 200 young people. Questions went on into the night and had to be brought to a close to allow people to reach home safely. One young man commented, 'You have realized my dream on the screen here tonight.'

Channer produced a short film of this UN mission, entitled *In Search of Peace in Chad*. It can be viewed on the UNDP West Africa YouTube site: [www.youtube.com/watch?v=UQIFmzDpeVY](http://www.youtube.com/watch?v=UQIFmzDpeVY)

FLTfilms continued significant collaboration with World Vision. Broadcasts of *The Imam and the Pastor* and *An African Answer* were arranged by World Vision Ghana, shortly before Ghana's national elections. The response to these screenings was so favourable that Ghanaian Television produced and broadcast both films in six local languages during its morning breakfast shows, attracting an estimated 10 million viewers.

As part of an interfaith campaign for non-violent elections, World Vision Ghana also equipped all 32 of its area programmes with DVD box sets of *The Imam and the Pastor* and *An African Answer*, together with the accompanying *Resource Guide for Grass-roots Practitioners* (written by Wuye and Ashafa, and produced by FLTfilms).

In September, FLTfilms commenced a 16-month project in Kenya jointly supported by the United States Institute of Peace, Initiatives of Change UK and Initiatives of Change Kenya. The purpose of the project is to extend the peace-building methodologies depicted in *An African Answer* across Kenya.

As part of this, Wuye and Ashafa visited Kenya, from 17-25 November, to run two 'training of trainers' workshops for peace practitioners.

The first workshop, in Nairobi, brought together faith leaders invited by the Supreme Council of Kenyan Muslims (SUPKEM) and the National Council of Churches of Kenya (NCCK), as well as lecturers in Christian-Muslim relations from St Paul's University, Limuru, and activists from flashpoints of conflict, including the densely populated Nairobi suburbs of Eastleigh and Kibera.

While this workshop was running, a bomb exploded in Eastleigh, killing eight people and triggering riots. Imam Ashafa and Pastor James were immediately invited to meet Hassan Yusuf, MP for Eastleigh. They then boarded an open-air truck, laid on by the Ministry of Provincial Administration and Internal Security, which toured the streets of the ravaged area urging calm. Pastor James and Imam Ashafa called on the crowds that quickly gathered 'not to make the same mistakes that have been made in Nigeria'.

They encouraged one Muslim and one Christian leader from the workshop to read a Peace Declaration at the scene of the bomb blast, appealing 'to Kenyans to shun all politics of identity and religion at this critical moment of political transition in our nation's history'.

The second workshop, in Nakuru, brought together 35 grass-roots peace practitioners from hotspots of tension across Kenya.

The Chaplain to the Kenya Defence Forces, Bishop Alfred Rotich, gave his advice and blessing to the participants. Addressing the final meeting he said, 'I can see and I can feel, from your expressions and the way you are with one another, that you practise peace.'

The national newspaper, *The Standard*, on 28 November published an article headed, 'Imam and pastor read from the same script in serving reconciliation'. It described the impact of Ashafa and Wuye's visit to Kenya.

### Public events

lofC organises public events that seek to reinforce the moral and spiritual qualities in people that are needed for a healthy, free and just society, but also to inspire and encourage individuals to take initiatives to tackle social, economic and moral issues. These events, often called Greencoat Forums, are organised in a way that

gives participants the chance to discuss what they have learnt among themselves and to exchange ideas with the speakers.

Most public events are held at 24 Greencoat Place. In 2012 several took place with an average audience of 70 people. The topics included : the future of young prisoners, the impact of the Arab Spring, ethics and integrity in banking and finance, perspectives for environmental action, and the benefits of social entrepreneurship.

All speakers were influential in their field. There was no fixed charge for attending the events, enabling members of the public to attend even if they had limited means.

#### Forum for Human Security

The fifth Caux Forum for Human Security took place in July 2012. It brought together 300 people from 56 countries who are active in peace-making, improving governance, overcoming corruption, and other factors that enables citizens to feel secure. This year Micheline Calmy-Rey, President of Switzerland in 2007 and 2011, gave the opening speech. One focus was on 'Reclaiming Africa's natural resources', which brought together people working to enable Africa's natural resources to benefit African development. Input material included the Natural Resource Charter, developed at Oxford University. Sessions on this were led by Verity Outram, Coordinator of the Charter's International Secretariat. The conference was co-ordinated by lofC volunteer, John Bond, and his two principal assistants were Alex Martins and Rob Lancaster (from Brazil and Australia respectively) who based in Oxford as lofC interns during the months of preparation.

As well as playing a lead role in the Forums, Bond has spoken in numerous venues about Australia's Sorry Day and Journey of Healing – the campaign launched in 1998 in response to revelations of cruel and misguided policies towards Aboriginal people. Bond was Secretary of this campaign for eight years, and his experience of community action to heal a deep national wound has proved to be of wide interest. He has spoken in many radio interviews, at universities and schools, and in conferences dealing with other situations where historical wounds are the cause of tension and conflict today.

#### New Book

In October, lofC published *The Fullness of Life: reflections on the Lord's Prayer for today's world*, written by lofC worker Michael Smith. In it he shares experiences from his own faith journey as well as other sources. The book includes a commendation from Bishop Michael Marshall.

Thomas Baldwin wrote in *Life and Work*, the magazine of the Church of Scotland: 'It's so familiar that I'm sure we all occasionally find ourselves trotting out the words without really thinking about them. But every line of the Lord's Prayer is dripping with meaning: from the significance of addressing God as "Father" to our giving up of everything to Him at the end. This series of short reflections will help you see the prayer that Jesus taught us in a new light.'

#### **Financial Review**

The charity began 2012 with an anticipated shortfall of £112,767 between budgeted expenditure and anticipated income. At the end of the year, the outcome was a surplus of £3,684,120 thanks to the generous legacies referred to above.

Efforts to break the reliance on legacies and to secure the long-term financial future of the charity continued during 2012. We are grateful to the Irene Prestwich Trust and the United States Institute of Peace for grants received during the year. 2012 also saw a continuing effort to market facilities at the charity's London headquarters. The charity plans to release further office space for income generation during 2013.

#### **Plans for 2013**

The charity's aim for 2013 is to increase its impact in the UK. At the same time it will continue to support a limited number of initiatives in countries where they have a clear public benefit. This will be achieved by continuing to implement the strategic plan as outlined earlier in the Report, while keeping abreast of

## DIRECTORS' REPORT

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opportunities for effective action abroad.

In addition to supporting the annual conferences and meetings at Caux and continuing the series of Greencoat Forums and group meetings at Greencoat Place, the charity will run more 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 in partnership with Liverpool Hope University and others, and will continue to develop the School for Changemakers Alumni Association. The TIGERoadshows, referred to earlier, will be piloted, starting in Liverpool Hope University.

The charity's budget for 2013 shows an anticipated deficit of £387,608 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, unexpected 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.

### Members of the Board of Trustees

Members of the Board of Trustees who served as directors during 2012 were:

Christopher Evans (Chair) (retired 21 June)  
Charles Aquilina (from 12 May)  
Dr Philip Boobbyer (became Chair on 21 June)  
Andrea Cooper (from 18 July)  
Margaret Cosens  
Roddy Edwards (resigned 4 October)  
Angela Elliott (resigned 21 June)  
Francis Evans (resigned 21 June)  
Simon Hicks  
Claire Leggat (from 4 October)  
Neil Mackay  
The Rev Lusa Nsenga-Ngoy (from 12 May)  
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*

**Philip Boobbyer**  
*Chair of trustees*

18 May 2013

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE OXFORD GROUP**

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We have audited the accounts of The Oxford Group for the year ended 31 December 2012 set out on pages 24 to 40. 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 2012, 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.

***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

20<sup>th</sup> May 2013

**THE OXFORD GROUP**  
**(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	funds £	Designated funds £	Restricted funds £	Endowment funds £	Total 2012 £	Total 2011 £
<b>Incoming resources from generated funds</b>							
<i>Voluntary income</i>	3	3,516,538	-	86,522	-	3,603,060	1,784,253
<i>Activities for generating funds:</i>							
Letting & catering income	6	114,582	-	-	-	114,582	67,471
<i>Investment income</i>	9	173,378	-	12,449	173,378	359,205	290,082
		<u>3,804,498</u>	<u>-</u>	<u>98,971</u>	<u>173,378</u>	<u>4,076,847</u>	<u>2,141,806</u>
<i>Incoming resources from charitable activities:</i>							
Income from training and sale of film	4	-	-	8,175	-	8,175	15,257
<i>Other incoming resources:</i>							
Other income		2,363	-	581	-	2,944	1,948
<b>Total incoming resources</b>		<u>3,806,861</u>	<u>-</u>	<u>107,727</u>	<u>173,378</u>	<u>4,087,966</u>	<u>2,159,011</u>
<b>Resources expended</b>							
<b>Costs of generating funds</b>							
Fund managers' fees		899	-	-	-	899	429
Letting and catering costs	6	43,564	-	-	-	43,564	38,883
<b>Charitable activities</b>							
Campaigns, programmes and other activities	5	1,080,176	-	132,714	-	1,212,890	1,375,869
Trading expenses	4	-	-	54,853	-	54,853	173,460
<b>Governance costs</b>	7	57,187	-	-	-	57,187	53,225
<b>Total resources expended</b>	10	<u>1,181,826</u>	<u>-</u>	<u>187,567</u>	<u>-</u>	<u>1,369,393</u>	<u>1,641,866</u>
<b>Net incoming / (outgoing) resources before transfers</b>	8	<u>2,625,035</u>	<u>-</u>	<u>(79,840)</u>	<u>173,378</u>	<u>2,718,573</u>	<u>517,145</u>
Gross transfers between funds		1,822	-	(1,822)	-	-	-
<b>Net income/ (expenditure) for the year before other recognised gains and losses</b>		<u>2,626,857</u>	<u>-</u>	<u>(81,662)</u>	<u>173,378</u>	<u>2,718,573</u>	<u>517,145</u>
<b>Other recognised gains and losses</b>							
<i>Gains on investments</i>							
Realised		69,878	-	-	-	69,878	13,543
Unrealised	12	22,383	-	81,472	793,817	897,672	(247,163)
Difference on exchange		(52)	-	(1,951)	-	(2,003)	4,989
<b>Net movement in funds</b>		<u>2,719,066</u>	<u>-</u>	<u>(2,141)</u>	<u>967,195</u>	<u>3,684,120</u>	<u>288,514</u>
<b>Reconciliation of Funds</b>							
Transfer between funds	21	(2,669,000)	(5,473,790)	-	8,142,790	-	-
Fund balances at 1 January 2012		405,588	12,356,763	956,349	149,228	13,867,928	13,579,414
<b>Fund balances at 31 December 2012</b>		<u>455,654</u>	<u>6,882,973</u>	<u>954,208</u>	<u>9,259,213</u>	<u>17,552,048</u>	<u>13,867,928</u>



**THE OXFORD GROUP**  
**(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	11		4,862,336		4,689,165
Investments	12		10,424,310		8,132,541
			<u>15,286,646</u>		<u>12,821,706</u>
<b>Current assets</b>					
Stocks	13	41,639		14,362	
Debtors	14	238,204		52,701	
Short term deposits		1,699,567		638,202	
Cash at bank and in hand		382,171		466,452	
		<u>2,361,581</u>		<u>1,171,717</u>	
<b>Creditors: amounts falling due within one year</b>	15	96,179		125,495	
<b>Net current assets</b>			<u>2,265,402</u>		<u>1,046,222</u>
<b>Total assets less current liabilities</b>			<u>17,552,048</u>		<u>13,867,928</u>
<b>Funds</b>					
Unrestricted funds:			455,654		405,588
Designated funds			6,882,973		12,356,763
Restricted funds			954,208		956,349
Endowment funds			9,259,213		149,228
	16		<u>17,552,048</u>		<u>13,867,928</u>

The accounts were approved by the Board of Trustees on 18th May 2013.

Chair of the Board of Trustees

**THE OXFORD GROUP**  
**(A COMPANY LIMITED BY GUARANTEE)**

CASHFLOW STATEMENT  
 FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012	2011
		£	£
Net cash inflow/ (outflow) from operating activities	19	2,202,452	402,030
<b>Returns on investments and servicing of finance</b>			
Dividends received		356,259	289,282
Interest received		2,946	800
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>359,205</b>	<b>290,082</b>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(260,354)	(20,055)
Payments to acquire investments		(2,334,289)	(992,244)
Receipts from sale of investments		1,010,070	787,352
<b>Net cash outflow from capital expenditure</b>		<b>(1,584,573)</b>	<b>(224,947)</b>
<b>Net cash inflow before management of liquid resources and financing</b>		<b>977,084</b>	<b>467,165</b>
<b>Management of liquid resources</b>			
Increase in investment in short-term deposits		(1,061,365)	(168,112)
<b>(Decrease)/increase in cash</b>		<b>(84,281)</b>	<b>299,053</b>
Net cash resources at 1 January 2012		466,452	167,399
<b>Net cash resources at 31 December 2012</b>	20	<b>382,171</b>	<b>466,452</b>

# THE OXFORD GROUP

## (A COMPANY LIMITED BY GUARANTEE)

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 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 2012, there were 87 members of the Association (2011:84). During the year ten people served as Trustees, only one of whom received remuneration. Expenses incurred by eight Trustees totalling £7,687 (2011: £6,180 by five 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	£	2,551	Roddy Edwards	£	2,557
Dr Nirmala Pillay	£	77	Francis Evans	£	961
Dr Philip Boobbyer	£	1,013	Simon Hicks	£	70
Claire Leggat	£	412	Lusa Nsenga-Ngoy	£	46

In addition £3,000 (2011: £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 2006. 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.

##### 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

##### 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.

# THE OXFORD GROUP

## (A COMPANY LIMITED BY GUARANTEE)

### NOTES TO THE ACCOUNTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2012

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#### 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

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.

#### 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:

*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.

*Endowment funds* – This is the value of of the majority of long-term investments the income of which are kept to support the on going essential activities of The Group. The majority (98.4%) are an expendable endowment fund and the remaining 1.6% is permanent.

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.

**THE OXFORD GROUP**  
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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

**3 Voluntary income**

Donations and gifts	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Legacies	3,413,189	-	3,413,189	1,567,738
Gifts under covenant	19,296	-	19,296	20,316
Kenya	-	37,549	37,549	23,777
Gift for seminars and conferences	-	10,000	10,000	10,000
Gift for newsletter and booklets	2,023	-	2,023	2,000
Gift for events and gatherings	4,179	-	4,179	600
Flt Films	-	23,882	23,882	47,562
Gift for training young people	-	-	-	94
Gift for clean Africa	-	-	-	9,712
Gift for work in Africa	-	5,990	5,990	1,290
Gift for reconciliation work	-	3,000	3,000	25,487
Gift for IofC work in Middle East	-	-	-	945
Gift for IofC work for farmer's dialogue	-	5,100	5,100	10,352
Gift for IofC work for human security	-	-	-	1,162
Spiritual Renewal	-	-	-	110
Donations for travel and Overseas work	300	-	300	2,805
Gifts for projects and programmes	17,408	-	17,408	80
Gifts for general purposes	22,777	-	22,777	36,461
Gift Aid tax recovered	3,016	-	3,016	10,866
School for change makers	34,350	-	34,350	12,575
Gift for Caux Business fund - Neville Cooper	-	1,001	1,001	-
Other gifts	-	-	-	321
	<u>3,516,538</u>	<u>86,522</u>	<u>3,603,060</u>	<u>1,784,253</u>

**4 Activities to further the charity's objects**

	FLTfilms £	Total 2012 £	Total 2011 £
<b>Income</b>			
Sale and hire of videos	8,175	8,175	15,257
	<u>8,175</u>	<u>8,175</u>	<u>15,257</u>
Donations and gifts	23,882	23,882	47,562
Other income (including interest)	584	584	122
Total income	<u>32,641</u>	<u>32,641</u>	<u>62,941</u>
<b>Expenses</b>			
Direct costs	22,456	22,456	65,846
Overheads	32,397	32,397	107,614
Total costs	<u>54,853</u>	<u>54,853</u>	<u>173,460</u>
Operating profit/ (loss)	<u>(22,212)</u>	<u>(22,212)</u>	<u>(110,519)</u>

**THE OXFORD GROUP**  
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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

5	Costs of campaigns, programmes and other activities	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
	<b>UK campaigns:</b>				
	Pastoral work, training and development	82,172	-	82,172	96,348
	Trust building conferences and seminars	1,871	-	1,871	11,740
	Education and the schools service	857	8,687	9,544	1,005
	Work connected with industry	8,486	-	8,486	7,405
	Forums and public meetings at 24 Greencoat Place	41,262	12,196	53,458	40,689
	UK website costs	1,168	-	1,168	1,108
	Support for IC Production Division	8,109	-	8,109	17,040
	Support for film, Art & drama initiatives	8,109	5,733	13,842	16,569
	Cost of literature	11,703	-	11,703	20,030
	Cost of newsletters and world bulletin	38,903	-	38,903	37,419
	Interns and regional team development	2,502	-	2,502	6,457
	Spiritual development and renewal	1,315	-	1,315	
	Others	-	-	-	2,760
	<b>Special programmes</b>				
	Ireland	8,109	8,459	16,568	31,530
	Agenda for Reconciliation	44,064	6,966	51,030	49,357
	Hope in the Cities campaign	-	-	-	26,215
	Film production	30,579	-	30,579	25,156
	<b>Projects</b>				
	Initiatives on sustainable communities	21,515	-	21,515	
	School for change-makers	106,553	-	106,553	69,837
	Women Peace Circle Initiatives	20,004	-	20,004	8,912
	Trust and integrity in the global economy	42,906	-	42,906	10,234
	Learning to be a peace maker	1,827	-	1,827	14,621
	Reconciliation training based on <i>An African Ans.</i>	59,108	-	59,108	-
	Work with Women of the Horn	-	-	-	10,448
	Work with Eritrean Education & Public.	1,253	-	1,253	2,310
	Project development & Support	7,915	-	7,915	3,176
	After The Riots Forum - UK	18,251	-	18,251	6,929
	Community related projects including LynchPin Productions	13,098	-	13,098	
	<b>Overseas campaigns:</b>				
	Work connected with Caux	47,803	1,711	49,514	69,242
	Amount carried forward	629,442	43,752	673,194	586,537

**THE OXFORD GROUP**  
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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

5 Costs of campaigns, programmes and other activities  
 (continued)

	Unrestricted Funds	Restricted Funds	Total 2012	Total 2011
	£	£	£	£
<b>Amount brought forward</b>	<b>629,442</b>	<b>43,752</b>	<b>673,194</b>	<b>586,537</b>
Work other than Caux for:				
Central, Eastern Europe	11,145	-	11,145	9,400
West Europe	10,139	-	10,139	9,068
Africa	33,053	80,274	113,327	164,809
Middle East	28,871	1,755	30,626	30,701
Asia	18,181	-	18,181	15,524
North America	14,924	-	14,924	13,028
South America	8,109	-	8,109	7,040
Australia/Pacific	8,109	-	8,109	7,100
Media and communication forums	8,652	-	8,652	9,602
people (Action for Life)	-	-	-	31,549
I of C International Website	26,311	-	26,311	23,168
Farmers Dialogue	449	6,933	7,382	9,323
International Consultation	6,596	-	6,596	2,992
<b>Other Global Activities</b>				
Work connected with the International	276,195	-	276,195	113,107
Frits Philips support	-	-	-	342,921
	<b>1,080,176</b>	<b>132,714</b>	<b>1,212,890</b>	<b>1,375,869</b>

6 Activities for generating funds

	Total 2012	Total 2011
	£	£
<b>Income:</b>		
Letting office space	82,218	55,333
Catering service	15,324	1,748
Letting residential space	17,040	10,390
Total income	<b>114,582</b>	<b>67,471</b>
<b>Expenses:</b>		
Related costs incurred	43,564	38,883
<b>Operating profit for the year</b>	<b>71,018</b>	<b>28,588</b>

**THE OXFORD GROUP**  
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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

**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.

<b>Cost type:</b>	<b>Charitable Activities</b>	<b>Governance Costs</b>	<b>2012 Total</b>	<b>2011 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Marketing and publicity	20,020	-	20,020	22,932
Forums and meetings	46,252	-	46,252	35,933
Administration costs	91,883	57,187	149,070	128,692
	<b>158,155</b>	<b>58,086</b>	<b>215,342</b>	<b>187,557</b>

Governance costs include a fund management fee of £899 (2011: £429).

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
UK campaigns	36,222	39,656
Overseas campaigns	32,303	36,412
Special programmes and projects	70,051	36,097
Other international activities	19,579	21,737
	<b>158,155</b>	<b>133,902</b>

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

This is stated after charging:	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - statutory audit	12,468	10,024
Auditors' other services	3,000	-
Depreciation	87,183	102,268

**9 Investment income and interest**

	<b>UK</b>	<b>Outside UK</b>	<b>2012 Total</b>	<b>2011 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest receivable	2,946	-	2,946	800
Dividends receivable from:				
Fixed interest securities	23,079	11,700	34,779	64,337
Equity shares	163,976	55,845	219,821	164,019
Investment & unit trusts	84,172	17,487	101,659	60,926
	<b>274,173</b>	<b>85,032</b>	<b>359,205</b>	<b>290,082</b>



**THE OXFORD GROUP**  
**(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

**10 Total resources expended**

	Staff Costs £	Depreciation £	Other Costs £	Total 2012 £	Total 2011 £
<i>Cost of generating funds:</i>					
Fund management fees	-	-	899	899	429
Letting and catering costs	6,832	5,308	31,424	43,564	38,883
<i>Charitable activities:</i>					
Campaigns, programmes & other activities	418,432	74,735	719,723	1,212,890	1,375,869
Trading costs	30,946	7,140	16,767	54,853	173,460
<i>Governance costs</i>	24,602	-	32,585	57,187	53,225
	<u>480,812</u>	<u>87,183</u>	<u>801,398</u>	<u>1,369,393</u>	<u>1,641,866</u>

	2012 £	2011 £
<b>Staff costs</b>		
Wages and salaries	447,627	443,428
Social security costs	25,149	25,894
Pension costs	8,036	4,707
	<u>480,812</u>	<u>474,029</u>

**Analysis of other costs:**

Premises	385,844	328,582
Direct campaign cost- travelling, accommodation, telephones	359,910	685,108
Administration costs	55,644	51,879
	<u>801,398</u>	<u>1,065,569</u>

**Staff numbers and salaries**

No employee or contractor earns more than £50,000 per annum (2011: 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	2012	2011
Finance and administration	6	6
Buildings maintenance	1	1
Catering	1	1
Campaigns	8	9
Film production and management	2	2
	<u>18</u>	<u>19</u>

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

**THE OXFORD GROUP**  
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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

11 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Contents of Properties	Furniture and fixtures	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2012	5,098,507	226,521	240,274	1,258	5,566,560
Additions	191,818	8,568	59,968	-	260,354
Disposals	-	(24,499)		(1,258)	(25,757)
<b>At 31 December 2012</b>	<b>5,290,325</b>	<b>210,590</b>	<b>300,242</b>	<b>-</b>	<b>5,801,157</b>
<b>Depreciation</b>					
At 1 January 2012	519,627	174,891	181,619	1,258	877,395
Charge for the year	47,865	17,749	21,569		87,183
On disposals		(24,499)		(1,258)	(25,757)
<b>At 31 December 2012</b>	<b>567,492</b>	<b>168,141</b>	<b>203,188</b>	<b>-</b>	<b>938,821</b>
<b>Net book value</b>					
At 31 December 2012	4,722,833	42,449	97,054	-	4,862,336
At 31 December 2011	4,578,880	51,630	58,655	-	4,689,165

The net book amount of land and building comprises:

	2012 £	2011 £
Freeholds	4,722,833	4,578,880

Land and buildings includes the following at valuation when acquired:

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

**THE OXFORD GROUP**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**12 Investments**

	2012	2011
	£	£
Market value at 1 January 2012	8,132,541	8,161,268
Additions at cost	2,334,289	992,245
	10,466,830	9,153,513
Disposals	(940,192)	(773,809)
	9,526,638	8,379,704
Unrealised investment gains		
General fund	22,383	
Special purpose funds	81,472	
Endowment fund	793,817	
	897,672	(247,163)
Market value at 31 December 2012	10,424,310	8,132,541
investments at market value comprise:		
<b>Listed</b>	<b>£</b>	<b>£</b>
British Government	667,836	941,516
Commercial and industrial	9,480,366	7,009,703
Kenyan investments	276,108	181,322
	10,424,310	8,132,541

	<u>Investment assets</u>		2012	2011
	<u>In UK</u>	<u>Outside UK</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
<b>Listed</b>				
Fixed interest securities	740,756	294,504	1,035,260	1,972,634
Equity shares	4,637,622	1,482,141	6,119,763	4,497,107
Investment trusts and unit trusts	2,975,800	293,487	3,269,287	1,662,800
	8,354,178	2,070,132	10,424,310	8,132,541

There is no a single investment which comprises 5% or more of the total value of the investment portfolio as at 31 December 2012.

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**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>13 Stocks</b>		
Work in progress - film production	32,252	6,794
Videos	2,508	1,603
Stores	6,879	5,965
	<u>41,639</u>	<u>14,362</u>
<b>14 Debtors</b>		
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Sundry debtors	207,229	41,507
Prepayments	30,975	11,194
	<u>238,204</u>	<u>52,701</u>
<b>15 Creditors: amounts falling due within one year</b>		
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Taxation and social security costs	989	-
Accruals	16,256	12,150
Deferred income	11,384	30,068
Other creditors	67,550	83,277
	<u>96,179</u>	<u>125,495</u>

# THE OXFORD GROUP

## (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2012

### 16 Restricted Funds

	Movement in Resources				Balance at 31 Dec 2012
	Balance at 1 Jan 2012	From/(to) unrestricted	Incoming	Outgoing	
	£	£	£	£	£
Special Purpose Funds:					
Kenya	237,127	-	122,454	50,563	309,018
Ireland	338,809	-	9,014	8,460	339,363
FLT films	28,350	49,895	32,641	54,853	56,033
Art initiatives - films, books and publications	11,892	(2,407)	-	3,733	5,752
Clean Africa Campaign	9,441	-	-	9,441	-
Neville Cooper Scholarship	3,240	-	1,002	1,711	2,531
Film production reserve	54,088	(25,000)	-	-	29,088
Agenda for Reconciliation	9,627	-	3,000	6,966	5,661
IofC Schools Service	9,463	-	-	8,687	776
Seminar and Conferences fund	2,196	-	10,000	12,196	-
Friends of Africa Fund	4,543	15,080	280	11,436	8,467
Zimbabwe Fund	7,845	400	710	4,728	4,227
Africa Fund (Loch)	46,960	(5,000)	-	1,058	40,902
Middle East Fund (Dumreicher)	1,957	1,600	-	1,755	1,802
Farmers' Dialogue Fund	1,976	-	5,100	6,933	143
Young People's fund	147,390	-	-	-	147,390
Phyllis Konstam Memorial Fund	3,412	1,643	-	2,000	3,055
Production costs - <i>An African Answer</i>	38,033	(38,033)	-	-	-
	956,349	(1,822)	184,201	184,520	954,208

**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 incoming resources of £122,454 include £77,303 of unrealised gain from investment and outgoing include £1,951 gain due to foreign exchange difference.

**Agenda for Reconciliation** – this fund support initiatives in the field of developing values for democracy and reconciliation work. This a work of Hope in the Cities and Agenda for Reconciliation.

**FLT films 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.

**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.

**THE OXFORD GROUP**  
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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

17 Endowment fund

	Balance at 01 Jan 2012 £	Movement in Resources		Balance at 31 Dec 2012 £
		Incoming £	Outgoing £	
Endowment fund	149,228	9,109,985	-	9,259,213

18 Analysis of net assets between funds

	Fixed Assets £	Investments £	Net Current Assets £	Total £
Restricted funds:				
<i>Special Purpose funds:</i>				
Kenya	-	276,108	32,910	309,018
Ireland	-	324,169	15,194	339,363
FLI films	42,448	-	13,585	56,033
<i>Other funds</i>				
Art initiatives-films, & books	-	-	5,752	5,752
Neville Cooper Scholarship-Caux	-	-	2,531	2,531
Film production reserve	-	-	29,088	29,088
Agenda for Reconciliation	-	-	5,661	5,661
IofC Schools' Service	-	-	776	776
Friends of Africa Fund	-	-	8,467	8,467
Africa-Zimbabwe Fund	-	-	4,227	4,227
Middle East Fund (Dumreicher)	-	-	1,802	1,802
Phyllis Konstam Memorial Fund	-	-	3,055	3,055
Africa Fund (Loch)	-	-	40,902	40,902
Fund for young people	-	-	147,390	147,390
Farmers' Dialogue	-	-	143	143
	42,448	600,277	311,483	954,208
Endowment fund	-	9,259,213	-	9,259,213
Unrestricted funds	-	-	455,654	455,654
Designated funds	4,819,888	564,820	1,498,265	6,882,973
	<b>4,862,336</b>	<b>10,424,310</b>	<b>2,265,402</b>	<b>17,552,048</b>

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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2012

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

	2012	2011
	£	£
Net outgoing resources before revaluation and investment asset disposals	2,718,573	517,145
Depreciation charges	87,183	102,268
(Increase)/decrease in stocks	(27,277)	(195)
Impairment loss on fixed assets	-	29,324
(Increase)/decrease in debtors	(169,220)	(10,582)
Increase/(decrease) in creditors	(45,599)	49,163
Dividends received	(356,259)	(289,282)
Interest received	(2,946)	(800)
Difference on exchange	(2,003)	4,989
	<u>2,202,452</u>	<u>402,030</u>

**20 Analysis of net cash resources**

	2012	2011
	£	£
Balance at 1 January 2012	466,452	167,399
Net cash outflow	(84,281)	299,053
	<u>382,171</u>	<u>466,452</u>

**21 Designated fund**

	Balance at	Movement of Resources		Balance at
	01 Jan 2012	Increase	Decrease	31 Dec 2012
	£	£	£	£
Properties	4,637,536	224,800	-	4,862,336
Investments	7,497,227	-	(6,726,590)	770,637
Investment in progress	222,000	1,028,000	-	1,250,000
	<u>12,356,763</u>	<u>1,252,800</u>	<u>(6,726,590)</u>	<u>6,882,973</u>

The board has transferred to Endowment fund £6,726,590 this year which brings the total to £6,882,973. 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 2012 (2011: £Nil)