

Company No 355987
Registered Charity No 226334

THE OXFORD GROUP
ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2007

THE OXFORD GROUP

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COMPANY INFORMATION

Members of the Board of Trustees

Mrs A E Tooms (Chair)
Dr S M Andren MB ChB MRCP (UK) AFOM DRCOG (Deputy Chair)
Dr P C Boobbyer PhD
Rev A J D Craig BD
Mrs C A Elliott
C F Evans
F Evans BSc FRSA (appointed on 14th September)
J J M Hore-Ruthven (resigned on 19th June)
Mrs M R Neal BA
N Mackay BA BEd MA (appointed on 14th September)
Dr M A Spooner MB BS AKC

Secretary K E Noble BSc ARCS

Members of the Management Committee

A S Kiaer MA
H C Leggat
Mrs E B Locke
K E Noble BSc ARCS
A Mebrahtu MBA FCCA ASI

Charity number Registered as a charity under the Charities Act 1960,
number 226334

Company number 355987 Registered in England

Registered office 24 Greencoat Place, London SW1P 1RD

Bankers Barclays Bank PLC
7th Floor, United Kingdom House
180 Oxford Street
London W1D 1EA

Investment Managers Speirs & Jeffrey
36 Renfield Street
Glasgow G2 1NA

Auditors UHY Hacker Young LLP
Quadrant House
17 Thomas More St
London E1W 1YW

Solicitors Bircham Dyson Bell
50 Broadway
Westminster
London SW1H 0BL

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SECRETARY'S STATEMENT

Introduction

2008 marks the centenary of a pivotal event in the history of Initiatives of Change (IofC). It happened simply and invisibly but it was to have world-wide repercussions. In June, 1908, an American Lutheran pastor called Frank Buchman experienced what he later described as 'the recuperative and restorative processes of God'. Buchman had been harbouring bitterness against some men who had, he felt, treated him badly. After months of inner turmoil he attended a church service in Keswick, Cumbria, and was moved by the sermon to write letters of apology to these people.

Buchman emerged from the experience feeling liberated. From then on he combined what he called 'personal work' (helping individuals to find a similar restorative experience) with an increasing commitment to bringing change in the world. In the informal talk from which his words above are taken, he went on to elaborate, as reported in the notes of one of those present:

'At Keswick Buchman experienced the recuperative and restorative processes of God. [IofC] is such a moment, whether in the life of a Buchman or of anyone. The future of [IofC] is in such moments occurring in the future of different lives in different countries, the outcome being illustrated in national circumstances. ...What exactly does [IofC] aim at remaking? Remaking what is wrong? It is more than this. It is adding to what is already right. It is being originative of relevant alternatives to evil, in economics, government policies etc. Christ's basic experience for the human race. [IofC] is for all.'

Initiatives of Change is one fruit of Buchman's experience. Today, it is a world-wide network of people which embraces people of all faiths and of none. It encourages everyone to base their lives on absolute moral standards and turn to God for forgiveness, grace and guidance. This has a positive impact in many areas of life, ranging from individuals and families to business enterprises and strife-torn communities.

During 2007, Initiatives of Change continued to work for those mutually enhancing goals that Buchman outlined – change at the intimate and the global levels.

This report focuses mainly on initiatives and events. They all have the purpose of providing settings in which individuals can find their own 'Keswick experience' – and learn to live in a way that is true to it, unleashing new creativity in addressing the needs of the world around them.

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What is Initiatives of Change?

Initiatives of Change is a world-wide network of people committed to a transformation in society based on change in individuals, starting with themselves.

It affirms that there is a divine purpose for the world and each person in it.

It encourages people to seek this purpose through listening to the inner voice of conscience and in discussion with friends they trust, making what they know of God and eternal moral values central in their lives.

It proposes standards of absolute honesty, purity, unselfishness and love as guidelines to private and public decision making.

These ideas and their effects spread from person to person. They have given rise to an international fellowship of people at work in more than 70 countries, with programmes which include:

- bringing reconciliation and co-operation where there is conflict;
- tackling the root causes of corruption, poverty and social exclusion;
- strengthening the moral and spiritual foundations for democracy.

IofC is open to all. For many Christians it represents a practical application of the Lord's Prayer. People of other major faiths find the emphasis on moral standards and divine guidance to be in tune with their own tradition. For those who do not profess a religious belief, as well as those who do, a starting point can be an honest look at where change is needed in the world and what this means for oneself.

In the UK, Initiatives of Change is the operating name of the charity, The Oxford Group (Registered in England and Wales no. 226334), which was incorporated in 1939.

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Trust-building work

IofC workers and activists were involved in myriad activities during 2007, most of which furthered the aim of 'building trust across the world's divides' as a practical response to Christ's words: 'blessed are the peace-makers'.

The Imam and the Pastor

One tool which was extensively used was the DVD of *The Imam and the Pastor*, a film about the reconciliation work developed by two Nigerians from the state of Kaduna, scene of much inter-religious violence. Imam Muhammad Ashafa and Pastor James Wuye were in opposing militias and both had to overcome deep bitterness after loss and suffering. The film was made by FLTfilms, a trading division of IofC, as described in last year's annual report. In 2007 the film was screened at four film festivals and won first prize in the short documentary section of the African World Documentary Film Festival, held in St Louis, Missouri, USA, and in Lagos, Nigeria.

IofC helped the Edinburgh Interfaith Association organise a visit by Ashafa and Wuye to the Festival of Spirituality and Peace, held in August alongside the Edinburgh Festival Fringe. They invited Ashafa and Wuye to the city for six days.

The visit included a 'conversation' at St John's Church with the Bishop of Edinburgh, who later held a reception in their honour at his home. The Imam and the Pastor also spoke to classes of senior school pupils; took part in a 'round table' discussion at the Central Mosque; visited Cardinal O'Brien, head of the Catholic Church in Scotland, at his home. They were invited to the Scottish Parliament and also took part in meetings in the Central Mosque in Glasgow and spoke after showings of the film in Glasgow and Bridge of Allan.

The film has been used widely in UK schools. The film's Production Consultant, Nigerian PhD student Musa Aliyu, and retired school teacher Howard Grace facilitated sessions in 30 Sixth Forms. Aliyu is a Muslim who risked his life to save a Christian during a riot in Nigeria. Grace took early retirement in order to run the IofC Schools Service. The fact that they were working together was a message in itself. One Sixth Form girl commented, 'You are actually doing something about the situation.'

A school student wrote after one session: 'I am a Christian myself. I just wanted to say to Musa that although we may never agree spiritually, what you did for that young lady in 2001 was immense – so thank you for sharing that with us. I think there is a place for improving inter-faith relations in the world. It's about acceptance and learning to forgive and living in peace.'

A Muslim student from another school wrote: 'The talk you delivered at my school was truly inspirational. It taught me the value of having the ability to understand and tolerate other religions.'

The Bradford Council of Mosques, which focuses on fostering community relations and better relations between mosques and the wider society, organised a public showing of the film in the Khidmat Centre. The Executive Team member of the Council, Ishtiaq Ahmed, commented that the film shows 'how faith can easily motivate people to hate, but equally how faith can motivate people to peace and reconciliation'. Philip Lewis, an honorary visiting lecturer at Bradford University and advisor to the Bishop of Bradford, observed that the film would give teachers, brought up in the secular culture of the 1970s and 1980s, the confidence and 'a vocabulary to initiate conversations about faith in the classroom'.

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The film has also been shown widely overseas, with a launching in the capital city of Nigeria. Around 400 people thronged the African Hall of Abuja's International Conference Centre. The President was represented by his Chaplain, the Rev Williams Okoye. There have since been many showings in Nigeria, including in Plateau State where tens of thousands have died in ethno-religious conflicts over the past decade. The Executive Governor of Plateau State, Chief Da Michael Botmang, hosted a screening in State House. Afterwards he urged that 'all governments and local governments should buy this film and show it to our people – it sends a strong and good message that living together is a must in this country'. He bought 200 video CDs for dissemination in his state.

The film's Producer, Alan Channer, Imam Ashafa and Pastor James were interviewed live on the nation-wide, breakfast-time TV talk-show 'AM Express'.

The film was launched in Sierra Leone, a country recovering from civil war, during a ten-day visit by Wuye and Imam Sani Isah from the Interfaith Mediation Centre in Kaduna, Nigeria.

The Canadian première took place in the National Library in Ottawa in February. The event was hosted by the Nigerian High Commissioner.

Agenda for Reconciliation

Other trust-building work has focussed on supporting IofC teams in other countries and working with diaspora communities in the UK. These initiatives are informally known as Agenda for Reconciliation.

Since 2004 there have been weekly meetings at the IofC centre in London with senior Somalis and others from the Horn of Africa who are promoting reconciliation within their communities and with other communities in the UK. In May there was a day of events in honour of Mohamed Sahnoun, a former UN Special Representative for Somalia and International President of IofC. Over 100 Somalis from all clans attended a reception for him, where a new charity was launched to carry forward this work, Somali Initiative for Dialogue and Democracy. Twenty-five Somalis took part in the Agenda for Reconciliation conference at the IofC centre in Caux, Switzerland, during the summer.

Outreach to other countries included:

- Support for Hope-Sierra Leone, a local NGO affiliated to IofC-International, through visits and finance. H-SL ran ten five-day Moral Foundations for Democracy courses and one-day outreach programmes for police, army and civil society. They also led a Clean Elections Campaign prior to successful presidential and parliamentary elections.
- Jim Baynard-Smith, a full-time IofC volunteer, and the Rev John Burrell visited Ethiopia at the invitation of the local IofC team. They were received by the State President, the Minister of Culture and the Patriarch of the Orthodox Church and others. They presented recent resource material, such as *The Imam and the Pastor* and a Review of the training for Somali community leaders in London.
- Two from the UK visited Sudan as part of Creators of Peace, an international women's initiative started in 1991. They were invited by Angelina Teny, Deputy Minister for Petroleum and Energy, who had been a refugee in the UK. The visitors ran two 'Peace Circle' workshops in Juba and Khartoum. Participants included women in the regional and national assemblies, academics, peace and social activists and students. Together they shared their stories while exploring the contribution women make to the perpetuation of conflict and their responsibility for peace creation. Teny said,

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'I wanted the women to experience the change that I have experienced through Creators of Peace and Initiatives of Change.'

Hope in the Cities

Throughout 2007 Hope in the Cities (HiC) worked to bring people together in 'honest dialogues'. The aim is to build trust and shared responsibility between individuals and communities – and to empower them to become 'change agents' in the wider world.

HiC ran two six-week facilitation-training sessions (one day per week). The second was for Somalis who looked in depth at the situation in Somalia, explored old perceptions about themselves and each other, and learned new skills. One participant said, 'This has been a wonderful training, now we need to implement what we have learned in our homes and with our people.'

In Liverpool, HiC worked with the City Council to undertake a dialogue entitled 'Building a workforce in Liverpool which truly reflects the diversity of the city'. They facilitated two 'mini-dialogues' which led up to the main session in September. Participants from the commercial sector, led by the Merseyside Employers' Coalition, Liverpool Chamber of Commerce, the Black and Racial Minority Network and other members of the community came together for a day to find a strategy and action plan. An HiC sub-group is meeting regularly to continue this process.

An HiC Dialogue Group has been formed in Nottingham and is currently seeking funding to deliver training in 2008.

2007 marked the bi-centenary of the abolition of the slave trade by the British parliament. The Reconciliation Triangle initiative aims to foster healing in three cities linked by the trade – Liverpool, Richmond, Virginia, and Benin in West Africa. HiC representatives have been part of earlier visits to Benin and this year helped to co-ordinate an exchange visit to Richmond for the unveiling of a sculpture of Reconciliation by Liverpool sculptor Stephen Broadbent. The visit was led by an official representative of Benin. In August a delegation from Richmond, led by the African-American Vice President of their City Council, came to Liverpool for Slavery Remembrance Day. HiC-UK sees its primary role in this initiative as dealing with the legacy of slavery in terms of often unacknowledged attitudes of exclusion, racism or victimhood. It seeks to bring people together to listen, learn, change and move forward together, thus furthering the Kingdom of God on earth.

Foundations for Freedom

Foundations for Freedom (F4F) has inspired the formation of a network of individuals and groups who care about spiritual growth and ethical development. It works mainly by running 'visiting courses' (VCs), so far mainly in central and eastern Europe.

Dasha Kolesnyk wrote of the course that she attended in Ukraine, 'For me the VC was a real inner revolution. I had a chance to start a new life. I [took] a great step in my life and I feel really happy about it.'

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'In my opinion it's a great opportunity to change the world by changing your own life the way you really want to. Too many people feel that something is wrong about their lives, but they need:

- help to admit it
- the opportunity to have a new vision of their values, lifestyle
- friends who can share these ideas and give a hand
- courage to act according to their beliefs

'All these things are necessary in my country because after the disintegration of the Soviet Union many people are still looking for a way to live. They are lost and need help and, as for me, the VC is what we need.'

All seven VCs held in 2007 were invited by Ukrainian NGOs. Two were invited by the Young Leaders Club in Crimea and three by the Ukrainian Peoples Democratic League of Youth. In addition, the training of new course leaders continued and three east Europeans led courses for the first time. This fulfilled a long-term aim of running complete courses in Russian or local languages.

Events

Greencoat Forums

During the year IofC held eight evening forums at its London centre, 24 Greencoat Place, Victoria. Speakers were:

- Matthew Neuhaus, Director of the Political Affairs Division of the Commonwealth Secretariat;
- Indarjit Singh, the editor of the *Sikh Messenger* and the Director of the Network of Sikh Organisations in the UK;
- Keith Neal, a former Head of Biology at Manchester Grammar School, who is on the faculty of the Moral Foundations for Democracy training courses in Sierra Leone;
- Tony Burke, an advertising copywriter who came to national prominence after taking part in the TV series, *The Monastery*;
- Gill Hicks, an Australian survivor of the London bombings of 7 July 2005;
- Peter Everington, an IofC full-time volunteer, who received Sudan's highest decoration for his services to education;
- Baroness Howells of St David's, whose talk, 'Africa's Contribution to the West' was IofC's principal contribution to the commemoration of the bicentenary of the Abolition of the Slave Trade Act
- Lillian Cingo, the manager of 'Phelophepa' - known to millions as South Africa's 'Miracle Health Train'.

Details of all these occasions can be found on the website:

www.uk.iofc.org/events/forums

London

The UK centre for Initiatives of Change (IofC), at 24 Greencoat Place in London, was also the venue for a multi-faith, multi-generational community event entitled 'Where do we go from here?', held on 16 June. It was led by a team of young people from East and West Europe called Action for Europe.

Edinburgh

As part of the Festival of Peace and Spirituality, Michael Henderson took part in a 'Conversation' on the subject of his book, *Forgiveness: Breaking the Chain of Hate*. The theme of the festival was 'Power and Freedom – Breaking the Chains'. He was introduced by Robin Shohet of the Findhorn Community who said that some of the stories in the book had moved him to tears.

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People

As indicated earlier, it is new life in individuals that provides the inspiration and energy to drive forward initiatives of change. Two people describe recent experiences.

Sandra Cathern from Worthing

'I recently took part in a conference on "change" in the Initiatives of Change centre in Caux, Switzerland. It was an amazing experience. We learned a tremendous amount and one thing in particular, which is dear to my heart, is "making amends".'

'I have been in a 12-step recovery group for the last ten years and one of the steps is about making amends. It is suggested that you take "quiet time" to allow the people that you have harmed to come to mind.'

'I remembered an incident in 1987 when I was working as a night Sister in a nursing home in Worthing. I stole £35 from someone's wage packet that was locked in the drug cupboard. The Matron, the nursing home owner, put notices up reporting the loss but obviously I didn't admit to it!

'I had never really thought about it until this year when I was due to make my amends. So began my search.'

'The nursing home was now another care home and the Matron had long gone. I traced the gardener who thought he knew someone who was still in contact with her. After some months I eventually tracked her down: she was living in Devon. So my next task was to speak with her by phone. I briefly explained that I needed to see her face to face as I had amends to make with her. Amazingly, she was coming to Worthing in August for a wedding and said we could meet in a café.'

'The big day came and I purchased a lovely bunch of flowers and went to the café. I was nervous as I didn't know how she would receive me but I knew it was the right thing to do.'

'I bumped into two friends in the café and told them both the story after their inquiries about the bouquet. One friend kept saying, as people went by, "Is that her?" I hadn't seen her for 20 years but when she arrived I knew instantly it was her.'

'I hugged her, bought us each a coffee, then said what I had done and how sorry I was. I gave her an envelope with the money in and waited for her response. She just cried and said she was speechless. She asked me to give it to someone and we prayed about whom. (She is a Christian, like me.)'

'My sons came to mind and I gave them the money equally, telling them the story. My youngest son decided to write to her, and part of what he said was, "Thank you for giving me the money my mum stole off you, and thank you for not sending her to prison as she could not cope with that!"'

'It did make me smile and the weight lifted off my shoulders was too wonderful for words.'

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Andrea Cooper from London took part in a course on 'God's call on our life'

'One day last Autumn I saw a bright red flier, in the reception area of the IofC centre in London, called "God's call on our life" – a short course led by Philip Boobbyer from the University of Kent. The flier caught my eye, as I have been reflecting on this question ever since I heard Rajmohan Gandhi declare, "God has a plan for you!", as he pointed his finger off the stage into the audience at the IofC centre in Caux, Switzerland. At that time I found his claim both reassuring and perplexing. I have wished ever since that God would make his plan for me a bit more obvious!

'Last October a group of us embarked on the six-week course, meeting on Thursday evenings at Greencoat Place. Each occasion started with a lovingly prepared meal, which was something to look forward to on those cold evenings.

'We started the course by reflecting on how we each felt a need to explore God's call. We all agreed that in our busy lives we rarely found time to explore our deeper purpose. Each meeting gave us the chance to read from the Bible and from a number of sources including Henry Drummond. Philip selected excerpts, which we read aloud and then took time to discuss and explore.

'We were able to encourage each other by sharing our own personal experiences of searching for God's call. One evening during our conversations I felt an overwhelming sense of relief as I contemplated the possibility that there would never be a ceremonial unveiling of God's Plan. It occurred to me for the first time that God's plan could be something much more everyday, and didn't have to involve a powerful position or career move. I realised that God's call could be revealed and practised in everyday human interactions. I reflected for the first time how small everyday steps can lead to a life more in tune with God's calling. In later meetings we talked about much more far-reaching actions on a national scale, but for me, I was more inspired by the possibility of fulfilling God's plan in my daily actions.

'So now when I smile to somebody in the supermarket, or help a colleague with a problem, I feel reassured that these are not frustrating obstacles on the way to finding God's plan, but that they may in fact be God's plan.

'Since the course has finished a few of us have met for dinner and admitted that we really miss our time together, and agreed to meet again soon to continue exploring God's call on our lives.'

*Kenneth Noble, Secretary,
The Oxford Group/Initiatives of Change*

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TRUSTEES' REPORT 2007

The Board of Trustees¹ presents its report with the audited accounts of The Oxford Group/Initiatives of Change ('The Group') for the year ended 31 December 2007. The financial statements have been prepared in accordance with relevant accounting policies (including SORP 2005) and in compliance with the charity's governing document and applicable law.

Constitution and objects

The Oxford Group was incorporated as a company limited by guarantee on 15 August 1939, and is a registered charity in England and Wales, number 226334. The company is registered in England, number 355987. The good governance of The Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of the Charity, and who serve as members of the Board.

The Trustees who have served during the year and since the year-end are set out on pages 3 and 19.

The principal activity of The Group during the year continued to be encouraging individuals to turn towards God and seek his will, in the context of the needs of his world.

The charity is a member of the International Association of Initiatives of Change, registered in Switzerland.

Method of appointment of Trustees

The Board of Trustees appoints Trustees from the membership of the Association. Any Trustee thus appointed has to offer himself/herself for election at the next Annual General Meeting of the Association. Each year one-third of the Trustees have to offer themselves for re-election. Trustees who have reached the age of 70 have to offer themselves for re-election at each AGM.

The induction and training of new Trustees

In 2006, the Board of Trustees appointed a Nominations Committee to identify and nominate potential new Trustees. During 2007 their work led to the recruitment of two new Trustees, and several other potential candidates were approached. 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 Board's skill-set and identifying areas which need strengthening. Current members of this Committee are: Sheila Andren, Kenneth Noble, James Hore-Ruthven and Fiona Leggat.

Organisation

The charity is UK-based, with its headquarters in London.

The Board of Trustees meets at least quarterly. Committees and working groups meet more frequently to plan, assess and review The Group's activities, and to manage its various programmes. These committees and groups report to the Board of Trustees. It is the Trustees' intention to delegate most management tasks to a new Executive Team during 2008 (see next page).

¹ At the beginning of 2008, the Council of Management decided that they would in future normally be known as the Board of Trustees in order to make clear that their principal role was one of Trusteeship not management.

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As stated in last year's report, during 2006 the Board decided to review the expression of its charitable objects, its system of governance and how leadership and management are exercised. With this in mind, they set up a Transition Group to design and manage a process of consultation with as many as possible of the charity's stake-holders (volunteers, supporters and appropriate staff).

The Transition Group reported back to the Board of Trustees with its recommendations in May, 2007. There was a clear recommendation that the Board should seek permission from the Charity Commission to modify the expression of its legal objects. A dialogue with the Charity Commission had in fact begun in 2006 and is continuing.

Another recommendation was that the Trustees should appoint an Executive who would be responsible for the day-to-day running of the charity. After due consideration and consultation, the Trustees decided to advertise for a three-person Fixed-term Executive Team. Interviews were held during November and three people were appointed (one of them combining his role with that of Secretary). They started two-year terms of office on 4th February, 2008. Between them they bring professional experience in business, the public sector, Christian ministry and company re-organization. One of their immediate tasks will be to review with the Trustees and other key stake-holders the vision and strategic direction of the charity in the medium term in line with its charitable objects. They will also be responsible for designing and implementing a system of management that will be sustainable in the longer term, building on work already done by the Transition Group process.

Name

The charity continues to be registered and incorporated in the UK as The Oxford Group. It is more widely known as 'Initiatives of Change'.

Properties

Sadly, Annejet Campbell, who was running the Group's property near Godalming as a centre for IofC, passed away during 2007. As The Group had no other immediate use for the property, the Trustees decide to let it on a medium-term basis. This was done through the estate agents, Masella Coupe. The Trustees intend to monitor whether this proves to be a good investment until such time as a clear decision is made about the property's long term usefulness to The Group.

Archives

During 2007, the collection of historical archives about The Group's work continued to be housed in a building which is under the care of Mrs Anne Evans. In the absence of Mr Christopher Evans, the Board of Trustees decided in 2007 to pay Mrs Evans £3,000 rent per year for this space, recognising that such payment is below what would have to be paid at a market rate. The Board would like to record its gratitude for the large amount of voluntary work she continues to do to keep the archives in good order.

Risk Assessment and Sustainability

As described in previous reports, the Board has identified two principal risks to its continuing work. The first is that The Group's income from legacies, on which it is highly dependent, can be expected to fluctuate, and in the long run to fall, as much of it represents the sacrificial commitment of the original generation of The Oxford Group, enlisted in the 1930s. As well as seeking to raise additional funds for the charity itself, the Board is encouraging its individual programmes to seek funding from new sources, through grants for projects, marketing of services and contributions from new individual donors.

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The Board has appointed the new Executive Team to improve operational efficiency, and to help focus its vision and bring its resources to bear more effectively on its agreed objectives. One of the outcomes will be a clear strategy to raise new sources of funding and to make the most efficient use of the Group's assets.

The second area of concern was that it has often been difficult to adequately replace key volunteers when the time came for them to move on to other work or to retire, and in some cases to find volunteers to fill new roles which opened up. The Board continued to engage two consultants to facilitate the expansion of aspects of its work. As a mark of their commitment to The Group's ideas and aims, they both agreed to be paid below the rates they could command in the market. Few of the achievements of Hope in the Cities (see Secretary's Statement) would have happened without them, and they have also contributed their expertise in other areas. Many people continued to give their time to The Group's work as volunteers. It is the intention of the Executive Team to recruit new volunteers and to offer them challenging, worth-while and fulfilling opportunities.

The Board of Trustees is also looking to recruit further paid help with due regard to the budget. It has offered employment as Outreach Workers to some former full-time volunteers. By the end of 2007 there were five Outreach Workers (including two on 80 per cent contracts). Most were being paid at a lower rate than they could command in the open market. The Trustees wish to record their appreciation of all that they contribute, as equally they appreciate the voluntary contributions of many others. The Group employed one more Outreach Worker from 1st January, 2008.

The Group is increasing its commitment to training so that its employees and volunteers not only develop as individuals but are also able to work more effectively. Taking on more employed staff resulted in heavier outgoings in 2007 than previously but this increase was not as great as might be expected. The outreach workers had, as volunteers, been entitled to reclaim more expenses. They had also been given discretionary grants to help them fulfil their Christian callings. It is anticipated that more salaries, including those of the Executive Team, will have a far greater impact on the Group's reserves. The Trustees believe that this is a necessary step and will help revitalise the Charity's work. They feel that it is right to use reserves, if necessary, over the next two or three years but intend that a vigorous fund-raising strategy should be put in place during that period. The Trustees wish to record their thanks to all stake-holders who have had to bear with a period of change and some uncertainty but they are confident that the results will be to the charity's overall benefit.

In addressing these risks, The Group is not losing sight of its belief, born out by experience over 80 years, that when people seek to undertake God's work, solutions to such problems can often be provided in unexpected ways. These are therefore matters for prayer as well as for responsible planning.

Investment powers and policy

The Board of Trustees has powers to invest in stocks, shares and property as it sees fit. During the year The Group's investment portfolio was managed by Speirs and Jeffrey Ltd. The Group's investment aim is to protect the real value of the investments over time, whilst generating as much income as is compatible with that aim. The gross return on the Group's investments in the year 2007 was 4.7%.

The Group's policy in its portfolios is to avoid investing in companies that are primarily involved in tobacco, alcohol, gambling and armaments.

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The Board set up a small working party during the year to look at The Group's overall investment policy and to improve monitoring of performance. The Investment Working Group consists of Sheila Andren, Campbell Leggat, David Curtis and Abrahaley Mebrahtu.

During 2007, The Group decided to make £500,000 available for a 'Frits Philips Fund'. This money came from the sale of a property in Dulwich in 2006. This designated fund will be administered by an international group appointed by and answerable to the Trustees with the aim of furthering IofC initiatives in parts of the world with few financial resources.

Reserves policy

In order to cater for The Group's long-term needs, and to provide additional defence against the anticipated fall in legacy income, its policy is to build up its investments to the point where they generate sufficient income to cover the administration of the charity and the support and co-ordination of its work. This was achieved in 2007, with a surplus of £22,518 – which meant that gifts could be wholly used to fund programmes and campaign activities. In comparison, the surplus in 2006 was £4,949.

Achievements and Performance

The legal objects of the charity are 'the advancement of the Christian religion, and in particular by the means and in accordance with the principles of the Oxford Group movement...'. As outlined in the Secretary's Statement, many initiatives have been carried out to this end. Activities have included numerous showings of 'The Imam and the Pastor', which is designed to inspire people to find their own route to becoming peace-makers; lectures and group meetings, such as the eight Greencoat Forums; and a variety of courses, all of which aim to provide settings in which people can examine their own lives, motives and actions.

During 2007, more than thirty different courses and workshops were organised, in addition to the annual conferences at Caux. The documentary film entitled *The Imam and The Pastor* was shown at four film festivals.

As reported previously, the charity has formed a partnership project with the Sheffield based organisation, Learn to Lead, to implement "faith in leadership training" for young people of different faith backgrounds. This is progressing and the first course is due to be held shortly. More details will be given in next year's report.

Financial Review

The Group began 2007 with an anticipated shortfall of £394,564 between budgeted expenditure and anticipated income. In the event, the shortfall was £99,820. This was mainly achieved through several generous legacies. The Trustees would like to record their gratitude to all those who remembered The Group in this way, and to their families.

Efforts to break the reliance on legacies and to secure the long-term financial future of the charity continued through the year. We successfully applied for a grant of £43,666 (\$87,732) from the United States Institute for Peace (USIP) for the promotion and dissemination of "The Imam and the Pastor". Hope in the Cities was able to generate some income through charging for its training in some cases. We are grateful to the Irene Prestwich Trust for a generous grant during the year. It is intended to look for further sources of funding in the near future.

THE OXFORD GROUP

TRUSTEES' REPORT 2007

Our total expenditure for the year has decreased by £171,443 from that of 2006. The main reason is that we did not spend as much on film production, Caux and programmes for young people.

Targets of The Oxford Group for 2008

While the Executive Team set up and operate appropriate management structures, they will also make it a priority (as indicated earlier) to lead a process for agreeing a clear vision and strategic direction for the charity in the medium term. Once a clear set of priorities has been agreed, the charity will look at increasing its impact in the UK, while continuing to support initiatives in countries where it has a clear benefit. It has been our experience that input into overseas initiatives often produces dividends for our work in this country – as shown by the number of people who have come to help us from countries where British people have taken part in programmes; and by all those British people whose lives have been changed through visits to Caux and other IofC conferences.

In addition to supporting the annual conference and meetings at Caux, and continuing the series of Greencoat Forums and group meetings at Greencoat place, we plan to run more than thirty-five workshops and courses, along similar lines to those described in the Secretary's Statement. Our outreach work will continue, with the Executive Team preparing to put in place opportunities for new initiatives later in the year. The charity will continue to market and promote the documentary film, "The Imam and the pastor", including producing other language versions, and to distribute them as widely as possible.

A conference on 'trust-building' is planned for June. This will provide a next step for the many who have attended showings of 'The Imam and the Pastor' or Greencoat Forums and want to apply the ideas of IofC in their own lives and situations.

There are also plans to produce a study guide to mark the 100th anniversary of Frank Buchman's decisive spiritual experience, so that anyone can reflect on its relevance to themselves today.

The charity is expecting to see early results from the "Faith in Leadership" training programme for young people in conjunction with Learn to Lead, as described above. This has taken longer than anticipated due to the difficulty of getting the right advisory group in place but it is anticipated that the first course will take place in Liverpool in June 2008.

The Executive Team will work towards designing and implementing an effective fundraising strategy.

They also plan to look for ways to reduce the charity's environmental impact and develop a policy that will help the charity to operate as responsibly as possible. The Environmental Policy will cover such areas as heating and lighting of buildings, travel, communications, printing and energy sources.

The charity's budget for 2008 shows an anticipated deficit of £679,758 with an income of £813,126 and expenditure of £1,492,884. This assumes a) a low income from legacies and b) that it will be too early to see any return from the fund-raising strategy. The Board of Trustees envisages that the shortfall will be made up through unexpected gifts, and trusts that others will join them in praying for what is needed.

THE OXFORD GROUP

TRUSTEES' REPORT 2007

Legacies

Income from legacies is crucial to maintaining and expanding the Group activities. The Trustees remember with deep gratitude all those who have supported the Group's work in this way. For anyone wishing to leave a legacy, the best wording to use in drafting a will is: "*I leave to the incorporated association known as The Oxford Group/Initiatives of Change, of 24 Greencoat Place, London SW1P 1RD, for its general purposes.*"

If you would like to know more about the possibilities of leaving a legacy to The Oxford Group, or any other aspect of this report, please clip out the request form below and return it to the address indicated.

I would like to know more about leaving a legacy to The Oxford Group/Initiatives of Change

I would like more information about The Oxford Group/Initiatives of Change's Report and Accounts (Please state what information you would like).

Name:

Address:

Email address:

Phone number:

THE OXFORD GROUP

TRUSTEES' REPORT 2007

Gift Aid

In recent years the procedure under which a charity such as The Oxford Group/Initiatives of Change can reclaim tax on donations, which is known as Gift Aid, has been greatly simplified. Any gift received from a UK taxpayer now qualifies for Gift Aid, provided the donor's agreement is obtained. The Oxford Group/Initiatives of Change can claim a tax rebate of 25% of the donation received. The simplest way to give your agreement is to sign a Gift Aid form such as the one below, and return it to The Treasurer, The Oxford Group/Initiatives of Change, 24 Greencoat Place, London SW1P 1RD.

Gift Aid declaration for donations to The Oxford Group/Initiatives of Change

Donor's name

Address

.....

.....

**To: The Oxford Group/Initiatives of Change,
24 Greencoat Place, London SW1P 1RD.
Registered charity number 226334.**

Please treat all donations to The Oxford Group/Initiatives of Change which I make on or after this date as Gift Aid donations, until further notice. I will notify you if I cease to pay UK tax sufficient to cover my donation.

Donor's signature:

Date:

THE OXFORD GROUP

TRUSTEES' REPORT 2007

Members of the Board of Trustees

Members of the Board of Trustees who served as directors during 2007 were:

Mrs A E Tooms (Chair)
Dr S M Andren MB ChB MRCP(UK) AFOM DRCOG (Deputy Chair)
Dr P C Boobbyer PhD
Rev A J D Craig BD
C F Evans
F Evans BSc FRSA (appointed on 14th September)
Mrs A Elliott
J J M Hore-Ruthven (resigned on 19th June)
N Mackay BA BEd MA (appointed on 14th September)
Mrs M R Neal BA
Dr M A Spooner MB BS AKC

Statement of Financial Responsibilities of the Board of Trustees

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.

Statement of 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 and in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young LLP be appointed as auditors of the Company 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

Elisabeth Tooms
The Oxford Group
30 May 2008

THE OXFORD GROUP

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE OXFORD GROUP

We have audited the financial statements of The Oxford Group for the year ended 31 December 2007 ("the financial statements") which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the charitable company, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them as an auditor's 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 the members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Board of Trustees and Auditors

As described on page 19, the Members of the Board of Trustees, who are the directors of the company for the purposes of Company law and the charity trustees for the purposes of charity law, are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the Board of Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Board of Trustees' Report and the Secretary's Statement.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the charitable company as at 31 December 2007 and of its resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Quadrant House
17 Thomas More St., Thomas More Square London E1W 1YW
2 June 2008

UHY Hacker Young LLP
Registered Auditor

THE OXFORD GROUP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2007 £	Total 2006 £
Incoming resources						
Incoming resources from generated funds:						
<i>Voluntary income</i>	3	368,323	33,897	-	402,220	506,711
<i>Activities for generating funds:</i>						
Letting & catering income	6	38,581	-	-	38,581	32,062
<i>Investment income</i>	9	337,221	28,850	9,393	375,464	320,412
Incoming resources from charitable activities:						
Income from training & sale of films	4	-	24,162	-	24,162	37,240
Other incoming resources:						
Surplus on disposal of properties		-	-	-	-	1,728,117
Other income		1,113	909	-	2,022	1,748
Total incoming resources		<u>745,238</u>	<u>87,818</u>	<u>9,393</u>	<u>842,449</u>	<u>2,626,290</u>
Resources expended						
<i>Costs of generating funds</i>						
Fund managers' fees		409	-	-	409	310
Letting and catering costs	6	32,075	-	-	32,075	31,797
<i>Charitable activities:</i>						
Campaigns, programmes & other activities	5	796,662	61,364	-	858,026	1,062,698
Trading expenses	4	-	40,590	-	40,590	42,219
<i>Governance costs</i>		66,209	-	-	66,209	31,729
Total resources expended	10	<u>895,355</u>	<u>101,954</u>	<u>-</u>	<u>997,309</u>	<u>1,168,753</u>
Net incoming resources before transfers						
		(150,117)	(14,136)	9,393	(154,860)	1,457,537
Gross transfers between funds		(86,457)	99,142	(12,685)	-	-
Net (outgoing)/incoming resources before other recognised gains & losses		<u>(236,574)</u>	<u>85,006</u>	<u>(3,292)</u>	<u>(154,860)</u>	<u>1,457,537</u>
Other recognised gains and losses						
Gains on investments:						
Realised		53,769	-	-	53,769	106,172
Unrealised	12	(36,195)	1,898	(20,968)	(55,265)	573,095
Difference on exchange		-	1,272	-	1,272	(722)
Net movement in funds		<u>(219,000)</u>	<u>88,176</u>	<u>(24,260)</u>	<u>(155,084)</u>	<u>2,136,082</u>
Reconciliation of Funds						
Transfer from other charity		39,713	-	-	39,713	-
Total funds brought forward at 1 January 2007		14,140,759	699,626	217,293	15,057,678	12,921,596
Total funds carried forward at 31 December, 2007		<u><u>13,961,472</u></u>	<u><u>787,802</u></u>	<u><u>193,033</u></u>	<u><u>14,942,307</u></u>	<u><u>15,057,678</u></u>

THE OXFORD GROUP

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
Gross income from continuing operations		833,056	2,617,852
Expenditure on continuing operations	10	<u>(997,309)</u>	<u>(1,168,753)</u>
Net (outgoing)/income for the year before transfers and investment asset disposals		(164,253)	1,449,099
Income from endowment fund		<u>9,393</u>	<u>8,438</u>
Net (outgoing)/income before investment asset disposals		(154,860)	1,457,537
Gain on disposal of investments		53,769	106,172
Difference on exchange		<u>1,272</u>	<u>(722)</u>
Net (deficit)/income for the year		<u><u>(99,819)</u></u>	<u><u>1,562,987</u></u>

The gross income comprises £745,238 for unrestricted funds and £87,818 for restricted funds, and the net deficit before investment asset disposals of £154,860 comprises a net deficit of £150,117 from unrestricted funds, a deficit of £14,136 from restricted funds and a balance of £9,393 from endowment fund income, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 21 which, together with the notes on pages 25 to 39, provides full information on the movements during the year on all the funds of the charity and includes the Statement of Total Recognised Gains and Losses.

Overall the company's operation in the year remained the same with no acquisition of activities but the production and dissemination of FAC magazines has ceased on 1 January 2007.

THE OXFORD GROUP

BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	11	5,351,571	5,340,708
Investments	12	7,576,374	7,670,806
		<hr/>	<hr/>
		12,927,945	13,011,514
		<hr/>	<hr/>
Current assets			
Stocks	13	8,754	68,216
Debtors	14	48,457	42,426
Short term deposits		1,857,400	1,724,104
Cash at bank and in hand		164,143	288,424
		<hr/>	<hr/>
		2,078,754	2,123,170
		<hr/>	<hr/>
Liabilities: Amounts falling due within one year	15	64,392	77,006
		<hr/>	<hr/>
Net current assets		2,014,362	2,046,164
		<hr/>	<hr/>
Total assets less current liabilities		14,942,307	15,057,678
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Unrestricted		13,961,472	14,140,759
Restricted	16	787,802	699,626
Endowment	17	193,033	217,293
		<hr/>	<hr/>
Total charity funds		14,942,307	15,057,678
		<hr/> <hr/>	<hr/> <hr/>

The accounts on pages 21 to 41 were approved by the Board of Trustees on 30th May 2007 and signed on its behalf by:

Elisabeth Tooms
Chair of the Board of Trustees

THE OXFORD GROUP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	£	2007 £	£	2006 £
Net cash outflow from operating activities	19		(391,870)		(544,231)
Returns on investments and servicing of finance					
Dividends received		286,138		278,760	
Interest received		<u>89,326</u>		<u>41,454</u>	
Net cash inflow from returns on investments and servicing finance			375,464		320,214
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(107,228)		(453,458)	
Payments to acquire investments		(835,676)		(609,608)	
Receipts from sale of tangible fixed assets		-		1,868,871	
Receipts from sale of investments		928,611		638,926	
Transfer from other charity		<u>39,713</u>		<u>-</u>	
Net cash inflow from capital expenditure and financial investment			25,420		1,444,731
Net cash inflow before management of liquid resources and financing			<u>9,014</u>		<u>1,220,714</u>
Management of liquid resources					
Increase in investment in short-term deposits			(133,295)		(1,024,504)
(Decrease)/increase in cash in the year			(124,281)		196,210
Net cash resources at 1 January 2007			<u>288,424</u>		<u>92,214</u>
Net cash resources at 31 December 2007	20		<u><u>164,143</u></u>		<u><u>288,424</u></u>

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007, there were 71 members (2006: 67). Ten of these were members of the Board of trustees, none of whom received any remuneration for their services during the year. Expenses by eight Trustees totalling £15,612 (2006: £22,453 to six Trustees) mainly for travelling, were reimbursed for the year. In addition £2,250 (2006: £2,000) was paid to the wife of a trustee as rent for the space in which the Group's historical archives are kept and managed. Such payment is below the market rate and the Group appreciated the personal knowledge and attention, which continued to be given to the archives in this setting. The Oxford Group is a registered charity number 226334.

2. Principal accounting policies

a) Basis of preparation

The financial statements are prepared under the historic cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards and the Companies Act 1985. In preparing the financial statements the charity 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.

The charity owns the whole of the share capital of Grosvenor Productions Limited, a company registered in England. The company did not operate in year 2007 and it is in the process of de-registering. In the opinion of the Board of trustees, this is not material in the context of the overall accounts and therefore the consolidated financial statements have not been prepared.

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.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

d) Costs of campaigns, programmes and other activities

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

e) Governance costs

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

f) Capitalisation and depreciation of tangible assets

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

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

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

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

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

g) Fixed asset investments

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

h) Stocks

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

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.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

j) **Fund accounting**

Funds held by the charity are:

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

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

3. Voluntary income

Donations and gifts

	Unrestricted Funds	Restricted Funds	Total 2007	Total 2006
	£	£	£	£
Legacies	249,228	-	249,228	319,249
Gifts under covenant	12,220	-	12,220	13,149
Kenya	-	3,657	3,657	1,322
Foundations For Freedom	-	13,412	13,412	7,924
IC Productions- For A Change	-	-	-	578
IC Productions- Flt films	-	2,103	2,103	5,178
Donations for travel and overseas work	23,636	-	23,636	12,727
Gifts for Africa campaign	5,100	-	5,100	16,561
Gifts for Central & East Europe work	-	-	-	17,788
Hope in the Cities campaign	-	14,725	14,725	12,283
Gifts for general purposes	39,781	-	39,781	36,914
Gifts for training young people- Action for Life	-	-	-	6,026
Gifts for Tools for Change	15,000	-	15,000	22,584
Other gifts (including towards hospitality received)	23,358	-	23,358	34,428
	<u>368,323</u>	<u>33,897</u>	<u>402,220</u>	<u>506,711</u>
	=====	=====	=====	=====

Of the total donations £44,000 (2006: £64,000) was raised from charitable trusts in UK.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

4. Activities to further the charity's objects

	Hope in the Cities £	MRA/Flt films £	Total 2007 £	Total 2006 £
Income				
<i>Trading income</i>				
Income from training	7,220	-	7,220	-
Sale of For A Change magazine	-	-	-	32,639
Sale and hire of videos	-	16,942	16,942	4,601
Sale of books	-	-	-	-
	7,220	16,942	24,162	37,240
<i>Donations and gifts</i>	-	2,103	2,103	5,757
<i>Other income (including interest)</i>	-	602	602	634
Total income	7,220	19,647	26,867	43,631
Expenses				
<i>Direct costs</i>	5,776	24,834	30,610	31,804
<i>Overheads</i>	-	9,980	9,980	10,415
	5,776	34,814	40,590	42,219
Total costs	5,776	34,814	40,590	42,219
Operating profit	1,444	(15,167)	(13,723)	1,412

Hope in the Cities – in addition to provision of training as shown above, Hope in the cities is also involved in campaign activities. Donations relating to the campaign are shown in note 3 page 28.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

5. Costs of campaigns, programmes & other activities

	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
UK campaigns:				
Pastoral work, training and development	72,213	-	72,213	91,444
Education and the schools service	13,079	-	13,079	20,860
Work connected with industry	15,542	-	15,542	10,725
Forums and public meetings at 24 Greencoat Place	13,388	-	13,388	13,916
Use of "For A Change" within UK	-	-	-	36,151
UK website costs	9,184	-	9,184	1,340
Support for IC Production Division	7,806	-	7,806	7,949
Support for film, Art & drama initiatives	26,406	-	26,406	20,445
Cost of literature	22,758	-	22,758	23,897
Cost of newsletters and world bulletin	10,772	-	10,772	19,560
Others	207	-	207	437
Special programmes				
Ireland	11,783	7,315	19,098	29,832
Foundations For Freedom	12,363	27,285	39,648	32,500
Agenda for Reconciliation	36,552	-	36,552	48,174
Hope in the Cities campaign	56,146	15,208	71,354	74,762
Film production	25,627	-	25,627	60,246
Faith in leadership project	20,000	-	20,000	57,891
Overseas campaigns:				
Work connected with Caux	83,942	-	83,942	105,043
Work other than Caux for:				
Central, Eastern Europe	13,026	-	13,026	24,212
West Europe	8,666	-	8,666	7,774
Africa	70,691	11,556	82,247	66,108
Middle East	18,777	-	18,777	16,764
Asia	29,699	-	29,699	25,438
North America	20,358	-	20,358	7,994
South America	10,520	-	10,520	14,080
Australia/Pacific	11,281	-	11,281	12,030
Use of For a Change outside UK	-	-	-	9,380
Media and communication forums	8,920	-	8,920	7,353
Training campaign for young people (Action for Life)	1,220	-	1,220	67,265
Amount carried forward	630,926	61,364	692,290	913,570

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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

	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
Amount brought forward	630,926	61,364	692,290	913,570
Overseas campaigns (continued):				
Farmers' dialogue	3,239	-	3,239	11,467
Tools for Change	10,094	-	10,094	16,382
International Consultation	7,363	-	7,363	-
Other international activities:				
IC international website	55,432	-	55,432	47,320
Work connected with international Organisations – UN	45,989	-	45,989	44,645
Work connected with governance and leadership of IofCs in the world	33,515	-	33,515	29,314
Applied Leadership support	10,104	-	10,104	-
	<u>796,662</u>	<u>61,364</u>	<u>858,026</u>	<u>1,062,698</u>

6. Activities for generating funds

	Total 2007 £	Total 2006 £
Income:		
Letting office space	29,346	28,643
Catering service	2,583	3,419
Letting residential space	6,652	-
	<u>38,581</u>	<u>32,062</u>
Expenses:		
Related costs incurred	<u>32,075</u>	<u>31,797</u>
Operating profit for the year	<u>6,506</u>	<u>265</u>

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

7. Allocation of support costs

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

<u>Cost type:</u>	Charitable Activities	Governance costs	2007 Total	2006 Total
Marketing and publicity	17,163	-	17,163	14,333
Forums and meetings	25,650	-	25,650	39,368
Administration costs	97,086	66,618	163,704	130,931
Total	<u>139,899</u>	<u>66,618</u>	<u>206,517</u>	<u>184,632</u>

Governance costs include fund management fee of £409.

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

	2007	2006
UK campaigns	40,807	40,453
Overseas campaigns	55,962	70,632
Special programmes	25,663	29,693
Other international activities	17,467	12,126
	<u>139,899</u>	<u>152,904</u>

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

	2007 £	2006 £
This is stated after charging:		
Auditors remuneration - statutory audit	10,995	11,488
Non audit service	1,830	-
Depreciation	96,365	79,239

9. Investment income and interest

	UK £	Outside UK £	2007 Total £	2006 Total £
Interest receivable	89,326	-	89,326	41,454
Dividends receivable from:				
Fixed interest securities	73,446	11,966	85,412	78,569
Equity shares	114,390	26,734	141,124	147,143
Investment & unit trusts	<u>59,602</u>	<u>-</u>	<u>59,602</u>	<u>53,246</u>
	<u>336,764</u>	<u>38,700</u>	<u>375,464</u>	<u>320,412</u>

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

10. Total resources expended

	Staff Costs £	Depreciation £	Other Costs £	Total 2007 £	Total 2006 £
<i>Cost of generating funds:</i>					
Fund management fees			409	409	310
Letting and catering costs	15,581	5,666	10,828	32,075	31,797
<i>Charitable activities:</i>					
Campaigns, programmes & other activities	194,884	74,083	589,059	858,026	1,062,698
Trading costs	5,619	16,616	18,355	40,590	42,219
<i>Governance costs</i>	-	-	66,209	66,209	31,728
	<u>216,084</u>	<u>96,365</u>	<u>684,860</u>	<u>997,309</u>	<u>1,168,752</u>

	2007 £	2006 £
Staff costs		
Wages and salaries	198,981	155,274
Agency	-	3,689
Social security costs	16,473	12,784
Pension costs	630	321
	<u>216,084</u>	<u>172,068</u>

Total expenses expended:

Premises	452,327	279,465
Travelling, accommodation, telephones	253,176	602,287
Living allowance	78,759	124,441
Administration costs	213,047	162,559
	<u>997,309</u>	<u>1,168,752</u>

No employee earns more than £60,000 per annum (2006: Nil).

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

	Number of employees	
	2007	2006
Finance and administration	6	7
Maintenance management	1	1
Catering management	2	2
Campaigns	6	3
Total	<u>15</u>	<u>13</u>

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

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

11. Tangible fixed assets

	<u>Freehold land & Buildings</u>	<u>Contents of Properties</u>	<u>Plant Machinery & Video Masters</u>	<u>Furniture & Fixtures</u>	<u>Total</u>
	£	£	£	£	£
Cost or valuation on acquisition:					
At 1 January 2007	5,534,266	140,741	68,630	3,814	5,747,451
Transfers	-	4,795	(2,239)	(2,556)	-
Additions	-	26,092	124,802	-	150,894
Disposals	-	-	-	-	-
At 31 December 2007	<u>5,534,266</u>	<u>171,628</u>	<u>191,193</u>	<u>1,258</u>	<u>5,898,345</u>
Accumulated depreciation:					
At 1 January 2007	283,572	53,205	68,105	1,861	406,743
Transfers & grants	-	2,998	41,690	(1,022)	43,666
Provision for the year	52,222	27,528	16,489	126	96,365
Disposals	-	-	-	-	-
At 31 December 2007	<u>335,794</u>	<u>83,731</u>	<u>126,284</u>	<u>965</u>	<u>546,774</u>
Net book amount:					
At 31 December 2007	<u>5,198,472</u>	<u>87,897</u>	<u>64,909</u>	<u>293</u>	<u>5,351,571</u>
At 31 December 2006	<u>5,250,694</u>	<u>87,536</u>	<u>525</u>	<u>1,953</u>	<u>5,340,708</u>

Land and buildings includes the following at valuation when acquired:

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

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

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

12. Fixed asset investments

		2007	2006
		£	£
Market value at 1 January 2007		7,670,806	7,020,857
Additions at cost		835,676	609,608
		<hr/>	<hr/>
		8,506,482	7,630,465
Disposals		(874,843)	(532,754)
		<hr/>	<hr/>
		7,631,639	7,097,711
Unrealised investment (losses)/gains			
General fund	(36,195)		
Special purposes funds	1,898		
Endowment fund	(20,968)		
	<hr/>	(55,265)	573,095
Market value at 31 December 2007		<hr/> <hr/>	<hr/> <hr/>
Investments at market value comprise:			
Listed		2007	2006
		£	£
British Government		845,600	813,502
Commercial and industrial		6,475,214	6,596,301
Kenyan investments		255,560	261,003
		<hr/>	<hr/>
		7,576,374	7,670,806
		<hr/> <hr/>	<hr/> <hr/>
		2007	2006
		Total	Total
		£	£
Listed			
Fixed interest securities	1,468,045	375,064	1,843,109
Equity shares	3,138,366	757,793	3,896,159
Investment trusts and unit trusts	1,837,106	-	1,837,106
	<hr/>	<hr/>	<hr/>
	6,443,517	1,132,857	7,576,374
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There was no investment in individual entities held at 31 December 2007 which amount to over 5% of the portfolio by value.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

13. Stocks

	2007	2006
	£	£
Work in progress – film production	3,938	62,398
Videos	926	490
Stores	3,890	5,328
	<u>8,754</u>	<u>68,216</u>
	=====	=====

14. Debtors (amounts falling due within one year)

	2007	2006
	£	£
Sundry debtors	33,215	25,310
Prepayments	15,242	17,116
	<u>48,457</u>	<u>42,426</u>
	=====	=====

15. Creditors (amounts falling due within one year)

	2007	2006
	£	£
Taxation and social security costs	6,913	3,989
Accruals	12,945	13,350
Deferred income	8,402	-
Other creditors	36,132	59,667
	<u>64,392</u>	<u>77,006</u>
	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

16. Restricted funds

	Balance at 1-Jan-2007 £	Movement in Resources From/(to) unrestricted £	Incoming £	Outgoing £	Balance at 31-Dec-2007 £
Special Purposes Funds:					
Kenya	270,294	-	16,508	11,556	275,246
Ireland	352,682	-	18,083	7,315	363,450
Foundations For Freedom	21,817	7,715	14,613	27,284	16,861
Hope in the Cities	6,339	22,940	22,137	20,985	30,431
IC Productions division:	7,153	(7,153)	-	-	-
For A Change	2,351	(2,351)	-	-	-
MRA/Flt films	38,990	77,991	19,647	34,814	101,814
	<u>699,626</u>	<u>99,142</u>	<u>90,988</u>	<u>101,954</u>	<u>787,802</u>

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

The Kenya fund: the incoming resources of £16,508 comprises £3,170 of unrealised gain from investment and gain from exchange rate difference and the remaining £13,338 is incoming resources from donations and investment income.

Hope in the Cities and Foundations For Freedom – these funds support initiatives in the field of developing inclusive communities, and values for democracy. These are initiated by gifts restricted to be used for Hope in the Cities and Foundation For Freedom work respectively.

Flt films funds – 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.

For A Change – The production and distribution of “For a Change” magazine ceased operation as from 1 January, 2007.

17. Endowment fund

	Balance at 1-Jan-2007	Movement in Resources Incoming	Outgoing	Balance at 31-Dec-2007
Endowment fund	£ 217,293	9,393	33,653	193,033
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

This fund consists of gifts received for a permanent endowment, and is represented by 13,282 units of M & G Equities Fund for Charities. The investment income for the year was £9,393 and the outgoing resources include the unrealised deficit of £20,968.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

18. Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Restricted funds:				
Special Purpose funds:				
Kenya	-	255,560	19,686	275,246
Ireland	-	354,965	8,485	363,450
Foundations for Freedom	-	-	16,861	16,861
Hope in the Cities	-	-	30,431	30,431
MRA Productions division:				
For A Change	-	-	-	-
Flt films	65,202	-	36,612	101,814
	<u>65,202</u>	<u>610,525</u>	<u>112,075</u>	<u>787,802</u>
Endowment fund	-	193,033	-	193,033
Unrestricted funds	5,286,369	6,772,816	1,902,287	13,961,472
	<u>5,351,571</u>	<u>7,576,374</u>	<u>2,014,362</u>	<u>14,942,307</u>
	=====	=====	=====	=====

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

	2007 £	2006 £
Net (outgoing)/incoming resources before revaluation and investment asset disposals	(154,860)	1,457,537
Depreciation charges	96,365	79,239
Decrease/(increase) in stocks	59,462	(41,010)
Increase in debtors	(6,031)	(3,332)
(Decrease)/increase in creditors	(12,614)	12,386
Profit on disposal of fixed assets	-	(1,728,115)
Dividends received	(286,138)	(278,760)
Interest received	(89,326)	(41,454)
Difference on exchange	1,272	(722)
Net cash outflow from operating activities	<u>(391,870)</u>	<u>(544,231)</u>
	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

20. Analysis of net cash resources

	2007	2006
	£	£
Balance at 1 January 2007	288,424	92,214
Net cash (outflow)/inflow	(124,281)	196,210
	<hr/>	<hr/>
Balance at 31 December 2007	164,143	288,424
	<hr/> <hr/>	<hr/> <hr/>

21. Capital commitments

There were no capital commitments at 31 December 2007 (2006: Nil)

THE OXFORD GROUP

SUMMARISED ACCOUNTS

Statement of Financial Activities For the year ended 31 December 2007

	Total funds 2007 £' 000s	Total funds 2006 £' 000s
Incoming resources		
Gifts	153	187
Bequests	249	320
Investment income and interest	375	320
Income from office letting and catering service	39	32
Trading income	24	37
Surplus on disposal of fixed assets	-	1,728
Other income	2	2
	<hr/>	<hr/>
	842	2,626
Resources expended		
Charitable activities	858	1,063
Governance costs	66	32
Costs of letting and catering service	32	32
Trading expenses	41	42
	<hr/>	<hr/>
	997	1,169
Net (deficit)/incoming resources		
	<hr/>	<hr/>
	(155)	1,457
Gain on disposals of investments	54	106
Change in market value of investments held	(55)	573
Difference in exchange rate	1	-
	<hr/>	<hr/>
Net movement in funds	(155)	2,136
	<hr/> <hr/>	<hr/> <hr/>

THE OXFORD GROUP

SUMMARISED ACCOUNTS

Balance Sheet As at 31 December 2007

	2007 £' 000s	2006 £' 000s
Property and other tangible fixed assets	5,352	5,341
Investments	7,576	7,671
Net current Assets	2,014	2,046
	<hr/>	<hr/>
	14,942	15,058
	=====	
Unrestricted funds	13,961	14,141
Restricted funds	788	700
Endowment fund	193	217
	<hr/>	<hr/>
	14,942	15,058
	=====	=====

These accounts are a summary of information extracted from the annual accounts, which were approved by the Board of Trustees on 30th May 2008.

Elisabeth Tooms
On behalf of the Board of Trustees

The summarised accounts on pages 40 to 41 are not statutory accounts but a summary of information relating to both the Statement of Financial Activities and the balance sheet. The full accounts have been externally examined and the auditor issued an unqualified report. These summarised accounts may not contain sufficient information to allow a full understanding of the financial affairs of the charity. For further information, the full accounts, the Auditors' Report on those accounts and the Trustees' Report should be consulted. Copies of these are available from the Treasurer, The Oxford Group, 24 Greencoat Place, London SW1P 1RD.

INDEPENDENT AUDITORS' STATEMENT TO THE BOARD OF TRUSTEES OF THE OXFORD GROUP

We have examined the summarised accounts set out on pages 40 and 41. You are responsible as Trustees for the preparation of the summarised accounts. We have agreed to report to you our opinion on the summarised accounts' consistency with the full accounts on which we reported to you on 2nd June 2008.

We have carried out the procedures we consider necessary to ascertain whether the summarised accounts are consistent with the full accounts from which they have been prepared.

In our opinion the summarised accounts are consistent with the full accounts for the year ended 31 December 2007.

Quadrant House
17 Thomas More St.,
Thomas More Square
London E1W 1YW

UHY Hacker Young LLP
Registered Auditor

2nd June 2008

THE OXFORD GROUP

For further information

Books

Forgiveness – Breaking the Chain of Hate, by Michael Henderson (Grosvenor Books, London, 2002, ISBN: 1 85239 031 X).

The Forgiveness Factor - Stories of Hope in a World of Conflict, by Michael Henderson (Grosvenor Books, London 1996 ISBN 1 85239 024 7)

Faith in Diplomacy, by Archie Mackenzie (Grosvenor Books, London, 2002, ISBN: 1 85239 032 8). The story of a man of faith who became a British Ambassador.

Frank Buchman: a Life, by Garth Lean (Constable, London 1985, ISBN: 0 09 466650 4; Fount Paperbacks, London 1988). Authoritative biography of Frank Buchman, by one of his colleagues. Described by *The Sunday Telegraph* as 'well-documented and fair-minded'.

Frank Buchman's Legacy, by Archie Mackenzie (Caux Books, Switzerland, ISBN 10: 2-88037-515-0). This booklet re-evaluates the significance of the life of the founder of Initiatives of Change. *NEW*

The Morning Quiet Time by the Rev Jack Winslow (John Faber, 2005, ISBN: 1 85239 035 2; originally published 1938 by Hodder & Stoughton London, under the title, 'When I awake') – 'Refreshment for the spirit day by day'.

The Sound of Silence – how to find inspiration in an age of information, by Michael Smith. This 16-page booklet aims to express the core values of IofC for today's web-surfing generation.

Other resources

UK Initiatives, a newsletter keeping you up-to-date with IofC around the UK.

www.uk.ifoc.org The UK section of IofC's global website.

www.forachange.net An archive of articles published in IofC's magazine over nearly 20 years.

Videos and DVDs

The Imam and the Pastor, produced by Alan Channer. A dramatic story of peace-making between rival Muslim and Christian groups following communal violence in northern Nigeria.

The Cross and the Bodhi Tree – two Christian encounters with Buddhism, produced by Alan Channer. The film portrays the spiritual journeys of a French Catholic priest who works in Cambodia and an English Anglican nun who leads a life of prayer in a convent in Oxford.

For the love of tomorrow, produced by David Channer. One woman's experience of the liberating power of forgiveness. The story of Irène Laure and the reconciliation between French and German people after World War II.
Available in 15 languages

Breaking the Chain of Hate, produced by David Channer. A record of the visit to Britain of four Lebanese former militiamen, Muslim and Christian, from different sides of their country's civil war, who are now working for their country's reconciliation.

Books and UK Initiatives can be ordered from: Initiatives of Change, 24 Greencoat Place, London SW1P 1RD or from <http://www.initiativesofchange.org/>