Company No 355987 Registered Charity No 226334

THE OXFORD GROUP

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 2006

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COMPANY INFORMATION

Members of the Council of Management

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 P J Everington MA (resigned on 13th February) J J M Hore-Ruthven (Chair) Mrs R N Neal BA (appointed on 21st September) Dr M A Spooner MB BS AKC Mrs E A Tooms

Secretary K E Noble BSc ARCS

Members of the Management Committee

	C F Evans (resigned on 7 th June) A S Kiaer MA H C Leggat Mrs E B Locke K E Noble BSc ARCS A Mebrahtu MBA FCCA ASI D P M Smith Miss E Wojciechowska (resigned on 28 th September)
Charity number	Registered as a charity under the Charities Act 1960, number 226334
Registered office	24 Greencoat Place, London SW1P 1RD
Bankers	Barclays Bank PLC 7 th 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 St Alphage House 2 Fore Street London EC2Y 5DH
Solicitors	Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL

THE OXFORD GROUP SECRETARY'S STATEMENT

Secretary's Statement

Initiatives of Change (IofC) encapsulates its mission as 'building bridges of trust across the world's divides'.

In 2006 many of those involved with Initiatives of Change in the UK reached out to people of other faiths or ethnic groups, inviting them into their homes, exchanging ideas, discovering the values they hold in common, seeking ways that they can work together. An added impetus was the launching, late in 2006, of a new film, *The Imam and the Pastor*, set in Nigeria and with great relevance at a time when relations between the West and the world of Islam are under extreme pressure (see page 5).

Greencoat Forums, held most months at IofC's London centre, have also contributed to this 'dialogue of civilizations'. Muslim academic Tariq Ramadan told a forum in April, 'Europeans are asking, "What will my country be like in 50 years?" And fearful Muslims are asking, "How, in a secular society, can I transmit my values to my children?" 'With rising fears come rising emotions, he noted. And when we are 'colonised' by fear we do not listen. Both sides need more knowledge of the other, hence the need for questions. 'To ask the questions out of trust will build a strong society; to avoid them out of fear will not.'

As John Battle, MP, told another Greencoat Forum: 'We can't wait for the United Nations to sort out our problems. We've got to inspire people to believe that their efforts at relationships locally can transform the world.' Battle, who is the Prime Minister's envoy to the faith communities on inter-faith matters, said that part of the answer to the 'pervasive pessimism in our culture' lay in 'working together to develop the conditions for hope.... Why settle for watching *Neighbours* on TV when we can get to know them next door?'

Ramadan's hope for Britain is to see a national movement of local initiatives. As people create 'spaces of trust' they will be able to fight the common enemies of ignorance, marginalisation and injustice. They will also be able to stand up to those whose narrow understanding of religion means, 'I am who I am because I am against you.'

Building trust is for risk-takers. It means reaching out to the other person without any guarantee of how he or she will respond. It also means aiming to live in a way that is worthy of the other person's trust. But it does not mean being perfect. It is easier to trust someone who is humble and open about his faults than someone who is unaware that he has any.

The future harmony and happiness of this country – and many others – will depend to a large extent on how many of us are prepared to do the unselfish work of building trust. In the remainder of this Statement I describe some who are already doing this. I would like to express my gratitude to each of them, and to the many others who are similarly engaged.

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

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What is Initiatives of Change?

Initiatives of Change (IofC) 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 (previously Moral Re-Armament) is the operating name of the charity, The Oxford Group (Registered in England and Wales no. 226334), which was incorporated in 1939.

The Imam and the Pastor

The northern Nigerian city of Kaduna suffered severe communal tension during the early 1990s, as Christians and Muslims formed armed militias and fought each other on the streets. Someone made the daring suggestion to two rival militia leaders, Imam Muhammad Ashafa and Pastor James Wuye, that they should make peace with each other. This must have seemed a long shot as both had suffered personally in the fighting. Ashafa's spiritual mentor and two of his relatives had been killed, while Wuye had lost his right hand. He had also lost friends

It was Ashafa who took the first step. After hearing a sermon on forgiveness at the mosque, he went with friends to visit Wuye's sick mother. Later he took a group to offer condolences on her death, and this began to open Wuye's heart.

FLT*films*' latest production, *The Imam and the Pastor*, tells the story of how Ashafa and Wuye began to work together to bring healing to communal disputes. It was not easy. There were periods when they weren't talking to each other – they just passed notes under each other's hotel-room doors. There were even times when Wuye experienced an urge to suffocate Ashafa with a pillow while he was sleeping, in revenge for the loss of his hand. But as Wuye says in the 40-minute film, 'We are like a husband and a wife that must not divorce. If we divorce our children will suffer and because of our children ... the

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Nigerian youth, Christians and Muslims, we cannot separate.' Now they are joint directors of the Kaduna Interfaith Mediation Centre, leading task forces to conflict zones in their country and beyond.

The founder of FLTfilms, David Channer, and a Palestinian colleague, Imad Karam, first heard them speak in 2004 at the international IofC conference centre in Caux, Switzerland. Channer and Karam sensed that here was a story that had wider resonances. Channer's son Alan, Director/Producer at FLTfilms, agreed.

At the age of 79, David Channer made two trips to Kaduna, with Alan, to film and to consult on whether the film was faithful to the essence of Pastor James and Imam Ashafa's story. Some months after the second trip, David Channer was diagnosed with cancer. He died in September 2006.

Alan Channer and Karam completed the film, with a team from Britain, Nigeria, Lebanon and France. Somali-born Rageh Omaar is the narrator.

The Imam and the Pastor received its world première at the Headquarters of the United Nations in New York, hosted by the Nigerian Permanent Mission to the UN. Other screenings took place in Washington DC, including at the World Bank and the United States Institute of Peace.

The two Nigerians then came to the British première in Parliament, hosted by John Battle MP, the Prime Minister's envoy to the faith communities. There followed screenings in Liverpool at the City Hall and Liverpool Hope University. Ashafa and Wuye were welcomed to Liverpool by the Lord Mayor, Councillor Joan Lang, at a civic reception in the Town Hall. She said that she had been 'bowled over' by their faith. 'It was a breath of fresh air.' They were also welcomed to Liverpool Hope University by the Vice-Chancellor, Professor Gerald Pillay. He joined them for a showing of the film at the university's Desmond Tutu Centre for War and Peace Studies, arranged by the Director, Dr Neil Ferguson, and attended by university and sixth-form students. The Archbishop of Canterbury received the two Nigerians at Lambeth Palace. They gave 18 TV and radio interviews, including five on BBC World Service programmes, reaching an estimated audience of 800 million.

Nearly 300 people attended the film's first public screening in Friends House, Euston. Afterwards, the two men answered questions from people from several of the world's conflict areas. 'Our story is about moving from the vicious circle to the virtuous circle,' Pastor James said, in response to a Palestinian woman's comments on the dangers of fundamentalism. 'The crisis in the Middle East has a great impact on Africa and Nigeria. Be careful in the global north what you say. Due to the Danish cartoons controversy more people died in Nigeria than anywhere else.'

Responding to another Palestinian, Wuye acknowledged that it was a Herculean task to do what they are doing despite 'the wounds which continuously bleed'. 'I challenge you to follow your heart and find a space in it for the others,' he said. 'Forgiveness is the weapon of the courageous, and the enemy will become your bosom friend and protector, because you will give him what he cannot give.'

'I am proud that something good is coming out of Nigeria and going out to the entire world,' said Rev Ben Enwuchola, Chaplain to the UK's Nigerian Anglican community. Prof Dawud Noibi, President of the Council for Nigerian Muslim Organisations, commented: 'Crisis has been transformed into reconciliation. It is a starting point for a greater reconciliation.'

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Dr Christopher Kolade, the Nigerian High Commissioner to the UK, gave a private reception to honour the partnership between the FLT*films* team and the Nigerian delegation.

Efforts are now focussing on marketing and distributing the film globally. www.fltfilms.org.uk

Hope in the Cities

Dialogues that build community

Mission: Hope in the Cities helps to create inclusive communities and trust-based relationships where all are valued and everyone is empowered to fulfil their potential

During the last year Hope in the Cities (HiC) has been responding to ongoing demands for organising HiC Dialogues and for the training of facilitators. The programme has a growing track-record which shows the value of these 'honest conversations' as a tool for community building, building trust and helping to heal the wounds of history within and between communities. Where culture and language hinder the free flow of conversation, HiC endeavours to train 'ethnic-specific' groups as facilitators so that they may effectively engage their own communities in dialogue.

HiC achieved its target of facilitating four Dialogues with more than 15 participants in Nottingham, Liverpool and in Caux, Switzerland. Many smaller dialogues took place in individual homes and meeting places.

They ran two formal facilitator training courses. One was for Somalis in London and the other in Caux, for the international group who were facilitating the conference entitled, 'An Honest Dialogue towards a Clean and Just Africa'. One of the people who attended the facilitation training said, 'This training has not only been one of developing skills but of powerful discovery. [It] will be relevant in every area of my life.' The Somali training ended with an evening where certificates were presented. More than 30 people talked about what the course had meant to them and how they were going to use it. Five of the Somalis who had attended HiC training have been back to Somalia bringing the skills they have learned to a country in conflict.

More than 20 outreach visits took place during the year, many of them to major cities in the UK. In August, HiC representatives joined a delegation from Liverpool which was invited by the Government of the Republic of Benin to attend the unveiling of a sculpture in Benin City, one of the three corners of the 'Reconciliation Triangle'. The Reconciliation Triangle connects people from Benin, Liverpool and Richmond, Virginia, USA – three places which were deeply involved in the slave trade – who want to help understand and heal the legacy of the slave trade. The hope is that through greater understanding and acknowledgement, there can be an answer to the on-going racism and exclusion that exists in our societies today.

Taster sessions for the HiC Dialogues often happen spontaneously in response to needs that HiC workers encounter.

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Two Hope in the Cities staff travelled to South Africa where they consulted with representatives from the Mayor's office in Cape Town. The Mayor was looking for a sustainable strategy to bring her dialogue initiative into smaller groups throughout the city. Hope in the Cities was able to lend experience and gain understanding of the dialogue process in a part of the world which has many challenges.

www.hopeinthecitiesuk.iofc.org

Agenda for Reconciliation

Serving Africans and Africa

• 'An honest dialogue for a clean and just Africa', Caux, $7^{th} - 17^{th}$ August

The ten-day conference brought together over 450 participants from 74 countries, 24 of them in Africa, at IofC's international centre in Caux, Switzerland. Its aim was to achieve responsible and accountable strategies and partnerships between Africa and the rest of the world, and to highlight the initiatives of Africans 'making a difference'. Themes explored included good governance and corruption; peace and conflict resolution; trade and economy; health and food security. Among those taking part were policy-makers, diplomats, traditional rulers, international civil servants, grassroots activists, women's leaders, youth leaders and Africans from the diaspora. Amina Dikedi-Ajakaiye, based in London, was the principal co-ordinator of the conference which was part of the ongoing 'Clean Africa Campaign' series of initiatives.

• Trust-building in Sierra Leone

Hope-Sierra Leone (H-SL) is an NGO affiliated to IofC International which has been working to bring healing in a country where 50,000 died and two million were displaced in a civil war which ended in 2002.

HS-L was started by John Bangura, who had fled to exile in Denmark after nine family members were killed in the fighting. At an IofC conference, he found release from the blinding hatred in his heart, and later decided, at great personal risk, to return to his country.

Keith Neal, a former teacher at Manchester Grammar School and a member of the AfR Forum, has been to Sierra Leone several times to support the work of Bangura and others. He says, 'John isn't a trained counsellor but he has the secret of listening to the inner voice and, by listening, he has helped people to overcome the traumas they had gone through. Those who murdered, looted and raped are now sitting side-by-side with former victims.'

Neal is a faculty member of the Moral Foundations for Democracy (MFD) training programme, run by H-SL. Its courses bring together senior police and military personnel, and civil society leaders, to promote healing and reconciliation.

The latest phase of the MFD programme, which now has Sierra Leonean trainers in charge, began in September 2006 with monthly one-week courses and a monthly one-day outreach programme in different parts of the country. In November Neal participated in the launch of Hope-Sierra Leone's Peace Farm near Makeni, Northern Province. This rice-growing project is helping to build trust between excombatants and members of the local community, as well as to create employment and increase food

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security. Prior to the official launch, attended by the Minister of Internal Affairs and the Minister of Agriculture (Mechanised), Muslim and Christian communities associated with the project held symbolic burial services. These dignified ceremonies brought to memory those members of the local community who had disappeared during the civil war and whose bodies had never been recovered.

- During the last three years, the weekly Agenda for Reconciliation (AfR) meetings have increasingly been devoted to supporting leading figures from the Horn of Africa, and Somalia in particular, in their work to promote reconciliation among their people. During 2006, the main developments were:
 - a second training course in Dialogue Facilitation for community leaders conducted by Hope in the Cities;
 - ➤ a delegation of 12 to the AfR conference in Caux;
 - ➤ a reconciliation meeting between prominent figures in two clans, one of which had largely dispossessed the other;
 - visits to Somalia as mediators by five of those who had received the training in the past two years;
 - the registration of a UK charity, Somali Initiative for Dialogue and Democracy (SIDD) which has among its objects 'to increase understanding of the importance of moral and spiritual values in private and public life as a basis for the development of democracy'.
- The Friends of Africa Fund is a reserved fund of The Oxford Group which in 2006 enabled 42 people from eleven African countries (at a cost of almost £15,000) to participate in the Caux AfR conference easily the largest number ever.

Foundations for Freedom

Aims

Foundations for Freedom (F4F) created a new mission statement during the Regional Meeting in May 2006: Foundations for Freedom is a network of communities and people who share the same values and care about spiritual growth and development at individual, regional and international levels. It aims to serve as a world-wide resource for both individuals and organizations searching for inner freedom, openness and purpose in life.

This means that F4F will be looking for other organisations with which it can run courses in order to help them to develop and to bring another dimension to their work. The process has already started with the Mozart Centre in Chirnigiv, Ukraine. In addition, F4F will continue running courses for teams already in the network.

2006 continued the process of organic growth by running six 'Changing Courses' and one 'Changing Course 2' in Eastern Europe. These are the basic courses, designed to 'support individuals and teams in developing and sustaining initiatives for transforming their own lives and societies'.

Cristina Frimu from Moldova, who took part in a course in her country in September 2005, evaluated it: 'This time was valuable because it brought more light into my inner world. I never expected that I could talk and share about deep and important aspects of life. I discovered the power of forgiveness, reconciliation, and I learnt to overcome my most hidden fears. At the course I got the willingness to

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reflect, share, listen and hear other people's life stories, which helped me to trust, and offer more trust to others.'

There was also a course to train future course leaders; a 'Regional Meeting' held at Bixad Monastery, Romania; and a 'Strategic Planning Meeting' in Kiev, Ukraine. The long-term aim of having courses run by Eastern Europeans in their own languages came closer with large sections of courses now being run in Russian with translation into English.

As a result of changes in personnel at the end of 2005 and the intention to start a process of 'transition' towards running and administering the programme from Eastern Europe, F4F employed a 'Co-ordinator' who has been based at the offices of the Centre for Political Education in Kiev. The process continued with strengthening Eastern European membership of the Management Group and, at the end of the year, the advertisement for more committee members from Eastern Europe. The process will continue.

The year ended with the Management Group arranging a meeting in January 2007 to make detailed plans for 2007 activity, reorganisation and growth as a basis for funding applications and significant changes.

www.f-4-f.org

Outreach to schools

In the five months from September 2006 the IofC Schools Programme facilitated 45 sixth-form sessions in many parts of England and Scotland. This year Howard Grace was joined by Chris James (Australia), Roshan Gul (New Zealand) and Vlad Oleatovski (Moldova) who had all taken part in IofC's nine-month programme in Asia, Action for Life.

Much of today's ethos appeals to self. But does this really satisfy? And does this limited purpose address the needs of our time? Such thoughts led the programme to choose 'Beyond Satisfaction' as the theme for discussion. Sessions usually lasted about an hour with an average of 70 sixth-form students taking part.

The added dimension this year was the use of drama to engage the sixth-formers and set the scene for personal stories from the international team. Roshan held a candle which was lit when positive experiences were shared and extinguished for negative ones. This symbolised the need not to be blown around by outside influences but to be true to the light from within.

There was genuine appreciation from students and staff at all the schools. At a Reading school, students in a corridor clapped the team as they were leaving. Many were left with the thought that to live 'on the get' may bring a certain short-term satisfaction but to live 'on the give' brings a deeper and longer-lasting sense of fulfilment.

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For A Change

November 2006 saw the publication of the last issue of IofC's international bi-monthly magazine, *For A Change*, which has been edited in London since 1987. During 2007 it will be replaced by an online publication, to be found at <u>www.forachange.net</u>, with an occasional print version.

In an editorial announcing the closure, Mary Lean wrote, 'When we chose the name *For A Change*, we were pleased with the pun. It expressed our aim, but also the fact that we were offering our readers something different – a bit of hope. We decided to focus as much on what was going right in the world as on what was going wrong – an approach valued by the long-standing reader who tells me that he keeps the magazine by his bed to cheer him up.'

The magazine was among the first to write about the Jubilee 2000 campaign for debt remission and about Australia's National Sorry Day campaign in response to the suffering of the 'stolen generations' of Aboriginal children. It highlighted climate change and carried articles offering a deeper understanding of Islam long before these themes became mainstream.

For A Change was read all over the world. In the years after the fall of the Iron Curtain, The Oxford Group sponsored subscriptions for university libraries in Russia and Eastern Europe, where it was used by English teachers. Later this offer was extended to university libraries in China and other parts of Asia, and in Africa.

The decision to close the magazine in its present form and replace it with an online publication was prompted by financial considerations, the decision of several staff members to move on to new areas of calling, and the fact that while subscriptions to the print edition were falling, visitors to the magazine's website were increasing.

'There is a sense,' wrote Lean, 'that we have come to one of those natural ending times, a change of season.'

http://www.forachange.co.uk/

Local initiatives

Many IofC initiatives spring from groups who meet in their local area. For instance, a group living in Sussex meet each fortnight in private homes in Brighton, Steyning, Arundel or Hurstpierpoint. They see this as a means of sustaining their activity through fellowship with each other and of cherishing each other's convictions and aims. They often get involved in local actions, whether in churches, interfaith groups or other local organisations.

Different members of this group have supported initiatives in other countries. Imam Sajid, Chairman of the British Muslim Council for Religious and Racial Harmony, and his wife Jamila spent two months visiting Indonesia, Australia, New Zealand and Fiji. In a speech at the Islamic University in Indonesia, reported in the *Jakarta Post*, he said that extremism was alien to Islam. Growing religious extremism and terrorism were triggered by social and political problems. 'They are symptoms of a problem, not the actual cause,' he said. 'In order to combat and eradicate these evils totally, our long-term goal should be to eliminate the underlying social and political causes that breed them.' He said that rising racism in both the Muslim and western worlds had given rise to terrorism. Moderate Muslims must make vigorous

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efforts to bolster freedom, human dignity, justice and humanitarian values. He called on Muslims worldwide to unite to promote a peaceful Islam and warned them of the danger of sectarian and political divisions. 'The world cannot be changed by violence and aggression. It has to be changed by communication and co-operation,' he said. Imam Sajid was also interviewed for half an hour on the Australian Broadcasting Corporation radio programme, *Second Hour*.

John and Jeanne Faber, who live near Arundel, visited India twice in 2006, to support the work of IofC. One of the families they met was that of Ananda Reddy, a Communist farmer whose life was changed through seeing IofC plays in India in 1953. The Fabers had arranged for him to take part in an IofC conference in Caux at that time. Reddy decided to leave the Communist Party and return to work his land which he had neglected. During a time of drought he took the brave decision to share the water from his well with all his neighbours. After 50 years the Fabers managed to link up with him and were royally received in his village with garlands, bands, press and TV, much to their surprise.

With John Munro, also from Arundel, the Fabers published a book by retired general practitioner Frances McAll, written for her grandchildren and great-grandchildren, entitled *Beyond Belief*. And John Munro prepared a booklet, under the title *The Great Gamble*, using the texts of six broadcasts on the theme of forgiveness given by Michael Henderson on Radio Dawn, Nottingham, at the request of Imam Musharaff Hussain. In the foreword, Dr Hussain writes: 'The stories in this booklet are very moving and everyone who reads them is touched. They go to show that the human spirit of forgiveness is one of the most powerful energies we possess.'

Previews of *The Imam and the Pastor* have been shown in Sussex. As a result, the Brighton and Hove Interfaith Group are sponsoring two public showings of the film in the city on 19th and 20th March 2007. Fortnightly collections were used to raise money for the film and other needs.

Back to Guatemala

In December, Killy Sánchez returned to her home in Guatemala after working as an intern with IofC in the UK for two-and-a half years. She writes about her experience:

'I heard about IofC while I was taking part in a Gente que Avanza (GQA) programme in Latin America. I had always been curious about IofC, the movement where the GQA founders had found change in their lives and the inspiration to give their entire lives to working in Latin America. They touched many young people, encouraging them to move away from their indifference and be part of building a new world.

I wanted the same for myself; to know more about IofC and to get involved. Thanks to many people's openness to different cultures, and their love and caring for others, my dream came true. I arrived in the UK in August 2004, to take part in IofC's international website team, in charge of the Spanish section, based in Oxford. I was warmly received by the IofC team there and they gave me the support, love and friendship.

My time in the UK has been a very rich experience. Adapting to a new culture was a big challenge, which helped me to grow and appreciate the differences. I learnt more about IofC, and its vision and principles are now part of my life. I participated in the IofC conferences in Caux, Switzerland, three times. This helped me to widen my vision of the world and feel responsible for it. Being far away from my country I could recognise, affirm and be proud of my identity as a Guatemalan and Latin American. I

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learned a new language and some website skills. I got in touch with many Spanish-speaking people in Latin America and other parts of the world, providing them with IofC information. During this time I visited nine new countries and five that I already knew.

Now I keep working for IofC from my home. I believe that Latin America needs IofC; there is so much to do. I feel so small facing such huge needs in my continent; and it is so hard to be totally honest amidst large-scale corruption. But now I know that my life, and how I live my values, can change my family, my community, and that it can make an impact on my country and the world. It makes me feel responsible.'

In brief

Greencoat Forums

Several Greencoat Forums were held at IofC's London centre at 24 Greencoat Place, Victoria. Among them were:

- Professor Gerald Pillay, Vice-Chancellor and Rector of Liverpool Hope University, emphasised the need for spiritual values in higher education. He particularly traced the Christian roots of university education in Europe in his talk on 'Challenges facing higher education: can a university be a catalyst for social change?' Universities, he said, should be the conscience of society.
- Peter Baynard-Smith, the regional director for Asia of the Irish aid agency Concern Worldwide, emphasised a commitment to poverty reduction. Speaking on the theme, 'Working for change in a world in need', he reflected on his work for international relief in different non-governmental organisations around the world, taking his audience on 'a journey through some of the development and relief experiences that I have been part of'.
- There are many examples world-wide of women rising to the top in the workforce and in politics but the struggle for equality and human rights for all women everywhere has not yet been won. That was the message from Juliet Colman, President of UNIFEM UK. She gave an in-depth analysis of the world-wide work of UNIFEM, the women's agency at the United Nations. Its budget was a modest \$US 50 million but in 2006 its work would reach women in more than 100 developing countries, she said.
- John Battle, MP for West Leeds, challenged a packed meeting in March to begin to build bridges 'where you are'.

Fuller accounts can be found on the IofC web site: www.uk.initiativesofchange.org

People in action

Many other initiatives took place across the UK. These included:

• Artists and art-lovers involved with the charity, Renewal Arts, held a series of performances, workshops and meetings to explore the part that the arts can have in shaping civilisation. They also ran a week-long forum in Caux, Switzerland, which brought professional and amateur artists, as well as art-lovers, together under the theme, 'Transforming the way things are'.

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- *The Sound of Silence how to find inspiration in an age of information*, by Michael Smith, was published in Arabic.
- A Foundations for Freedom type course was held for the first time in the UK in north Yorkshire. The aim was partly to test the relevance of such a course for in this country, with a view to developing a UK programme. Jon Wright, one of the participants, wrote: 'At first I resisted the practice of "quiet time" like crazy. Then I told myself, just trust yourself and trust the journey. That was the beginning of learning to listen better to myself and to others.... I was also reminded that, whatever our background, when we come with respect and an intention to listen, there is a commonality to our experience of being human, beyond even our learned beliefs about life.'

Another participant wrote: "In a fast paced and ever changing world, the opportunity to think in a structured way about the principles and values that guide us is a rarity. Recovering from serious mental illness and working hard to start life anew, this was a God-given chance which I took with both hands. The people who attended and [the] stunning surrounds of the Yorkshire Dales certainly helped, and the combination served to help me see the path ahead in a new light and travel along it with renewed vigour."

- Twelve British people attended a European 'Saeima' (Latvian word for gathering) on IofC's future. It took place outside Kiev, Ukraine. In all, 85 people from 17 countries took part. One of the outcomes was the realisation of how many trust-building initiatives IofC is already involved in around Europe.
- Many British people attended and helped run the IofC conferences in Caux, Switzerland, during the summer months

Initiatives

A new three-times-a-year newsletter, *Initiatives*, was launched, giving up-to-date news of what IofC is doing in the UK.

Kenneth Noble Secretary

10 May 2007

The Council of Management presents its report with the audited accounts of The Oxford Group/Initiatives of Change ('The Group') for the year ended 31 December 2006. The financial statements have been prepared in accordance with relevant accounting policies and in compliance with the charity's governing document and applicable law. The new standard for Charities, SORP 2005, has been adopted.

Constitution and objects

The Oxford Group was constituted under a trust deed dated 15 August 1939 and is a registered charity in England and Wales, number 226334. It is also a company limited by guarantee (number 355987). The management of The Group is the responsibility of the trustees who are elected and co-opted under the terms of the trust deed, and who serve as members of the Council of Management.

The trustees who have served during the year and since the year-end are set out on pages 3 and 21.

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.

Method of appointment of trustees

The Council of Management 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

The Council of Management appointed a Nominations Committee to identify and nominate potential new Trustees. This working group met several times during 2006 and agreed a) a method of working; b) an information pack for potential candidates; and c) an induction and training process for newly elected Trustees. These arrangements were approved by the Council of Management. In addition to this, the Council affirmed its policy of offering funding for any Trustee to undertake relevant training. The Nominations Committee also has the responsibility of assessing the Council's skill-set and identifying areas which need strengthening.

Organisation

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

The Council of Management 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 Council of Management.

During 2006, the Council decided to review 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 charity's stake-holders (volunteers and supporters). It is anticipated that the Transition Group will report back to the Council of Management with its recommendations in May. Any changes that the Council of Management wants to make that require a change in the Memorandum and Articles of Association will be put in a special resolution to the Annual General Meeting on 19th June for decision.

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', a name adopted in 2002 to replace 'Moral Re-Armament'.

Properties

During 2006, The Group sold its properties in Dulwich, Kidlington and Knebworth. The first, which was being run as a centre for IofC activities by Mrs Annejet Campbell, was replaced by a property in Godalming which she continued to run as a centre for IofC. The Group had no further use for the other two properties.

Archives

During 2006, the collection of historical archives about The Group's work continued to be housed in a building belonging to one of the Trustees, Mr Christopher Evans, under the care of his wife. This involved the dedicated use for this purpose of over 600 square feet of floor space. In accordance with a decision made in Mr Evans' absence, the Council of Management continued paying £2,000 rent per year for this space, recognising that such payment is below what would have to be paid at a market rate. The Council would like to record its gratitude to Mrs Evans for the large amount of voluntary work she has done to bring the archives into order.

Risk Assessment and Sustainability

As described in previous reports, the Council has identified two principal risks to its continuing work. The first is that The Group's income from legacies, on which it is currently 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 Council is encouraging its individual programmes to seek funding from new sources, both grants for projects and contributions from new individual donors. The group intends to continue its fund-raising activities, already started with the advice of the consultants, McConkey/Johnston UK. However this activity was not pursued in 2006 as the Council had other, more urgent priorities.

The second area of concern was that it is often difficult adequately to replace key volunteers when the time comes for them to move on to other work or to retire, and in some cases to find volunteers to fill new roles which open up. The Council engaged three consultants to facilitate aspects of its work. All three agreed to be paid at well below the rates they could command in the market, and they have been making important contributions to The Group's work. Many others, of course, continue to give their time to The Group's work as volunteers. The Council of Management is looking to recruit further paid help; and is also putting together a more realistic remuneration package with a view to retaining more full-time workers.

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 Council of Management 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 2006 was 13.5%.

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

During 2006, The Group was able to introduce \pounds 790,000 of new money into its investments, largely as a result of the sale of the property in Dulwich.

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 2006, with a surplus of $\pounds 4,949$ – which meant that, gifts could be wholly used to fund programmes and campaign activities.

Achievements and Performance

The strategy 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 87,880 from the United States Institute for Peace (USIP) for the production, promotion and dissemination of the new film – "The Imam and the Pastor".

During 2006, more than thirty different courses and workshops were organised, in addition to the annual conferences at Caux, and the Forums and group meetings that were held in Greencoat Place. Six editions of "For A Change" magazine were produced. The documentary film entitled "The Imam and The Pastor" was completed.

The charity 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 well. More details will be given in next year's report.

Financial Review

The Group began 2006 with an anticipated shortfall of £297,058 between budgeted expenditure and anticipated income. In the event, this 'gap' was more than filled so that income exceeded expenditure by $\pounds 1,457,537$. This was mainly achieved through the sale of properties and 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, and to all who support the work of IofC.

Our total expenditure for the year has decreased by £172,178 from that of 2005. The main reason is that The Group did not made grants to other charities, unlike in 2005.

Targets of The Oxford Group for 2007

Once the Transition Group process, outlined above, has been completed, there will be a period of implementing the updated governance and organisational structures. After this has been achieved, the charity will continue to design a fundraising strategy and plan its implementation.

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 workshops and courses. Our outreach work will continue as usual. The charity is also working to market and promote the new documentary film, "The Imam and the pastor", and to distribute it as widely as possible.

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.

The charity's budget for 2007 shows an anticipated deficit of £394,564 with an income of £719,470 and expenditure of £1,114,034. 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 Council of Management envisages that the shortfall will be made up through unexpected gifts, and trusts that others will join them in praying for what is needed.

Legacies

Income from legacies is crucial to maintaining and expanding the Group activities. The Council remembers with deep gratitude all those who have supported its 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:

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 28.2% (25% as from 06/04/2008) 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:

COUNCIL OF MANAGEMENT'S REPORT

Members of the Council of Management

Members of the Council of Management who served as directors during 2006 were:

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 Mrs A Elliott P J Everington MA (resigned 13th February) J J M Hore-Ruthven (Chair) Mrs R N Neal BA (appointed 21st September) Dr M A Spooner MB BS AKC Mrs E A Tooms

Statement of Financial Responsibilities of the Members of the Council of Management

Company and Charity Law requires the Members of the Council, 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 Council's 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 Council 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 Members of the council is aware:

- (a) there is no relevant audit information of which the charity's auditors are unawre; 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

On 30 April 2007 the auditors, UHY Hacker Young, transferred their business to a limited liability partnership, UHY Hacker Young LLP. 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 Council of Management

C F Evans The Oxford Group 10 May 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OXFORD GROUP

We have audited the financial statements of The Oxford Group for the year ended 31 December 2006 ("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 Members of the Council of Management and Auditors

As described on page 21, the Members of the Council of Management, 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 Council of Management's 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 Council of Management's 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 Council of Management's 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 2006 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 Council of Management's Report is consistent with the financial statements.

St Alphage House 2 Fore Street London EC2Y 5DH **UHY Hacker Young LLP** Registered Auditor

11 May 2007

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2006

		Unrestricted Funds	Restricted Funds	Endowment Fund	Total 2006	Total 2005
	Notes	£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	3	479,426	27,285	-	506,711	897,951
Activities for generating funds:						
Letting & catering income	6	32,062	-	-	32,062	31,284
Investment income	9	286,671	25,303	8,438	320,412	270,046
Incoming resources from charitable						
activities:			27.240		27.240	20.002
Magazines & films income	4	-	37,240	-	37,240	38,093
Other incoming resources:		1 700 117			1 739 117	204 721
Surplus on disposal of properties		1,728,117	-	-	1,728,117	294,721
Other income		1,145	603	-	1,748	4,091
Total incoming resources		2,527,421	90,431	8,438	2,626,290	1,536,186
Resources expended						
Costs of generating funds:						
Fund managers' fees		310	-	-	310	1,012
Letting and catering costs	6	31,797	-	-	31,797	29,692
Charitable activities:		,			,	,
Campaigns, programmes &						
other activities	5	990,463	72,235	-	1,062,698	1,228,972
Magazine & film costs	4	-	42,219	-	42,219	51,003
Governance costs		31,729	-	-	31,729	30,252
Total resources expended	10	1,054,299	114,454		1,168,753	1,340,931
Net incoming/(outgoing) resource	es					
before transfers	•••	1,473,122	(24,023)	8,438	1,457,537	195,255
Gross transfers between funds		(14,665)	16,615	(1,950)	-	-
Net incoming/(outgoing) resource	es befor	•e				
'other recognised gains & losses		1,458,457	(7,408)	6,488	1,457,537	195,255
Other recognised gains and losse	S					
Gains on investments:						
Realised		106,172	-	-	106,172	35,389
Unrealised	12	458,148	84,992	29,955	573,095	828,701
Difference on exchange		-	(722)	-	(722)	2,913
Net movement in funds		2,022,777	76,862	36,443	2,136,082	1,062,258
Reconciliation of Funds					-	
Total funds brought forward						
at 1 January 2006		12,117,982	622,764	180,850	12,921,596	11,859,338
Total funds carried forward						
at 31 December 2006		14,140,759	699,626	217,293	15,057,678	12,921,596

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 £	2005 £
Gross income from continuing operations		2,617,852	1,528,056
Expenditure on continuing operations	10	(1,168,753)	(1,340,931)
Net income for the year before transfers and investment asset disposals		1,449,099	187,125
Income from endowment fund		8,438	8,130
Net income before investment asset disposals		1,457,537	195,255
Gain on disposal of investments		106,172	35,389
Difference on exchange		(722)	2,913
Net income for the year		1,562,987	233,557

The gross income comprises £2,527,421 for unrestricted funds and £90,431 for restricted funds, and the net income before investment asset disposals of £1,457,537 comprises a net income of £1,458,457 from unrestricted funds, a deficit of £7,408 from restricted funds and a balance of £6,488 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 23 which, together with the notes on pages 27 to 41, 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.

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	11	5,340,708	5,107,244
Investments	12	7,670,807	7,020,857
		13,011,515	12,128,101
Current assets			
Stocks	13	68,216	27,206
Debtors	14	42,426	39,094
Short term deposits		1,724,104	699,600
Cash at bank and in hand		288,424	92,214
		2,123,170	858,114
Liabilities: Amounts falling due within			
one year	15	77,007	64,619
Net current assets		2,046,163	793,495
Total assets less current liabilities		15,057,678	12,921,596 =======
Funds			
Unrestricted		14,140,759	12,117,982
Restricted	16	699,626	622,764
Endowment	17	217,293	180,850
Total charity funds		15,057,678	12,921,596

The accounts on pages 23 to 41 were approved by the Council of Management on 10 May 2007 and signed on its behalf by:

C F Evans Member of the Council of Management

THE OXFORD GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	£	2006 £	£	2005 £
Net cash outflow from operating activities	19		(544,231)		(370,625)
Returns on investments and servicing of finance					
Dividends received	2	78,760		244,654	
Interest received		41,454		25,392	
Net cash inflow from returns on investments and servicing finance			320,214		270,046
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	(45	53,458)		(18,877)	
Payments to acquire investments	(6	09,608)		(690,030)	
Receipts from sale of tangible fixed assets	1,8	68,871		346,762	
Receipts from sale of investments	63	38,926		602,550	
Net cash inflow from capital expenditure and financial investment			- 1,444,731		240,405
Net cash inflow before management of liquid resources and financing			1,220,714		139,826
Management of liquid resources					
Investment in short-term deposits			(1,024,504)		(228,699)
Increase/(decrease) in cash in the year			196,210		(88,873)
Net cash resources at 1 January 2006			92,214		181,087
Net cash resources at 31 December 2006	20		288,424		92,214

THE OXFORD GROUP NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 2006, there were 67 members (2005: 68). Ten of these were members of the Council of Management, none of whom received any remuneration for their services during the year. Expenses by six Council members totalling £22,453 (2005: £17,412 to six Council members) mainly for travelling, were reimbursed for the year. In addition £2,000 (2005: £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 and also administers a registered charity, Westminster Memorial Trust. Both entities did not operate in year 2006. Whilst Westminster Memorial Trust was de-registered in 2006, Grosvenor Productions Limited is in the process of de-registering. In the opinion of the Council of Management, these are not material in the context of the overall account 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 2006

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 (excl	luding 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 Council of Management 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 2006

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 Council of Management.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

3. Voluntary income

Donations and gifts

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2006	2005
	£	£	£	£
Legacies	319,249	-	319,249	662,532
Gifts under covenant	13,149	-	13,149	16,230
Kenya	-	1,322	1,322	4,372
Foundations For Freedom	-	7,924	7,924	19,838
Agenda for Reconciliation	-	-	-	10,250
IC Productions- For A Change	-	578	578	1,266
IC Productions- MRA/Flt films	-	5,178	5,178	11,465
Donations for travel and overseas work	12,727	-	12,727	11,334
Gifts for Africa campaign	16,561	-	16,561	19,258
Gifts for Central & East Europe work	17,788	-	17,788	-
Hope in the Cities campaign	-	12,283	12,283	7,240
Gifts for general purposes	36,914	-	36,914	56,645
Gifts for training young people-				
Action for Life	6,026	-	6,026	37,704
Gifts for Tools for Change	22,584	-	22,584	-
Other gifts (including towards hospitality				
Received)	34,428	-	34,428	39,817
	479,426	27,285	506,711	897,951

Of the total donations $\pounds 64,000$ (2005: $\pounds 64,178$) was raised from charitable trusts in UK.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

4. Activities to further the charity's objects

	For a Change £	MRA/Flt films £	Total 2006 £	Total 2005 £
Income				
Trading income			22 (20)	22 (0)
Sale of For A Change magazine Sale and hire of videos	32,639	- 4,601	32,639 4,601	33,686 4,049
Sale of books	-	-	-	358
	32,639	4,601	37,240	38,093
Donations and gifts	579	5,178	5,757	12,730
Other income (including interest)	498	136	634	580
Total income	33,716	9,915	43,631	51,403
Expenses				
Direct costs	30,176	1,628	31,804	37,686
Overheads	3,213	7,202	10,415	13,317
Total costs	33,389	8,830	42,219	51,003
Operating profit	327	1,085	1,412	400

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

5. Costs of campaigns, programmes & other activities

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005
	£	£	£	£
UK campaigns:				
Pastoral work, training and development	91,444	-	91,444	86,934
Education and the schools service	20,860	-	20,860	10,486
Work connected with industry	10,725	-	10,725	17,727
Forums and public meetings at				
24 Greencoat Place	13,916	-	13,916	14,763
Use of For A Change within UK	36,151	-	36,151	42,197
UK website costs	1,340	-	1,340	10,179
Support for IC Production Division	7,949	-	7,949	7,060
Support for film, Art & drama initiatives	20,445	-	20,445	34,991
Cost of literature	23,897	-	23,897	21,533
Cost of newsletters and world bulletin	19,560	-	19,560	16,077
Grant to other charities	-	-	-	200,000
Others	437	-	437	6,828
Special programmes				
Ireland	10,136	19,696	29,832	25,388
Foundations For Freedom	13,866	18,634	32,500	81,220
Agenda for Reconciliation	48,174	-	48,174	77,347
Hope in the Cities campaign	48,678	26,084	74,762	70,517
Film production Faith and leadership project	60,246 57,891	-	60,246 57,891	29,227
r unit une readership project	57,091		57,071	
Overseas campaigns:				
Work connected with Caux	105,043	-	105,043	143,574
Work other than Caux for:				
Central, Eastern Europe	24,212	-	24,212	12,109
West Europe	7,774	-	7,774	9,226
Africa	58,287	7,821	66,108	86,172
Middle East	16,764	-	16,764	16,790
Asia	25,438	-	25,438	19,785
North America	7,994	-	7,994	11,905
South America	14,080	-	14,080	9,352
Australia/Pacific	12,030	-	12,030	10,137
Use of For a Change outside UK	9,380	-	9,380	10,762
Media and communication forums	7,353	-	7,353	6,783
Training campaign for young people				
(Action for Life)	67,265	-	67,265	28,828
Amount carried forward	841,335	72,235	913,570	1,117,897

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Amount brought forward	841,335	72,235	913,570	1,117,897
Overseas campaigns (continued):				
Farmers' dialogue Tools for Change Others	11,467 16,382	- - -	11,467 16,382	7,232 - 185
Other international activities:				
IC international website Work connected with international	47,320	-	47,320	44,516
Organisations - UN	44,645	-	44,645	36,531
Work connected with governance and leadership of IofCs in the world	29,314	-	29,314	22,611
	990,463	72,235	1,062,698	1,228,972

6. Activities for generating funds

	Total 2006	Total 2005	
	£	2005 £	
Income from letting office space Income from catering service	28,643 <u>3,419</u>	28,330 <u>2,954</u>	
Total income	<u>32,062</u>	<u>31,284</u>	
Related costs incurred	<u>31,797</u>	<u>29,692</u>	
Operating profit for the year	265	1,592 =====	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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.

	Charitable Activities	Governance costs	2006 Total	2005 Total
<u>Cost type:</u>				
Marketing and publicity	14,333	-	14,333	15,008
Forums and meetings	39,368	-	39,368	42,987
Administration costs	99,203	31,729	130,932	129,572
Total	152,904	31,729	184,633	187,567
	=====	=====		

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

	2006	2005
UK campaigns	40,453	45,788
Overseas campaigns	70,632	68,460
Special programmes	29,693	32,992
Other international activities	12,126	10,076
	152,904	157,316

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

	2006 £	2005 £
This is stated after charging:		
Auditors remuneration - statutory audit	11,488	8,640
Depreciation	79,239	73,039

9. Investment income and interest

			2006	2005
	UK	Outside UK		
	£	£	£	£
Interest receivable	41,454	-	41,454	25,392
Dividends receivable from:				
Fixed interest securities	73,819	4,750	78,569	83,280
Equity shares	128,725	18,418	147,143	118,653
Investment & unit trusts	42,000	11,246	53,246	42,720
	285,998	34,414	320,412	270,045
		=====	======	======

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

10. Total resources expended

	Depreciation £	Costs £	2006 £	2005 £
-	-	310	310	1,012
11,293	5,224	15,280	31,797	29,692
160,775		-		1,028,972
-	5,550	36,669	42,219	51,003 200,000
-	-	-	- 21.720	30,252
-	-	51,729	51,729	50,252
172,068	79,239	917,446	1,168,753	1,340,931
				2005
			£	£
			155,274	150,034
			3,689	3,952
			12,784	12,303
			321	311
			172,068	166,600
				======
			279,465	256,004
hones			-	574,063
				134,975
			,	200,000
			162,559	175,889
			1,168,752	1,340,931
	11,293 160,775 - - 172,068 hones	160,775 68,465 - 5,550 - - <	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

No employee earns more than £60,000 per annum (2005: Nil).

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

	Number of	employees
	2006	2005
Finance and administration	7	7
Maintenance management	1	1
Catering management	2	2
Campaigns	3	2
Total	13	12

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

11. Tangible fixed assets

	Freehold land & <u>Buildings</u>	Contents of <u>Properties</u>	Plant Machinery & <u>Video Masters</u>	Furniture & <u>Fixtures</u>	<u> </u>
Cost or valuation on	£	£	£	£	£
acquisition:					
At 1 January 2006	5,248,310	122,367	68,630	3,814	5,443,121
Additions	435,084	18,374	-	-	453,458
Disposals	(149,128)	-	-	-	(149,128)
At 31 December 2006	5,534,266	140,741	68,630	3,814	5,747,451
Accumulated depreciation:					
At 1 January 2006	239,791	31,670	63,192	1,224	335,877
Provision for the year	52,154	21,535	4,913	637	79,239
Disposals	(8,374)	-	-	-	(8,374)
At 31 December 2006	283,571	53,205	68,105	1,861	406,742
Net book amount: At 31 December 2006	5,250,695	87,536 ======	525	1,953	5,340,709
At 31 December 2005	5,008,519	90,697 ======	5,438	2,590 ======	5,107,244

Land and buildings includes the following at valuation when acquired:

	£
1985	66,500
1999	550,000
2003	220,000
	836,500

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

12. Fixed asset investments

Fixed asset investments			2007	2005
			2006 £	2005 £
Market value at 1 January 2006			x 7,020,857	x 6,017,422
Additions at cost			609,608	741,895
			7,630,465	6,759,317
Disposals			(532,754)	(567,161)
			7,097,711	6,192,156
Unrealised investment gains				
General fund		458,148		
Special purposes funds		84,992		
Endowment fund		29,955		
			573,095	828,701
Market value at 31 December 2006			7,670,806	7,020,857
Investments at market value comprise:				
			2006	2005
Listed			£	£
British Government			813,502	846,551
Commercial and industrial			6,596,301	5,998,295
Kenyan investments			261,003	176,011
			7,670,806	7,020,857
	Invest	ment assets in	2006	<u>2005</u>
	UK	outside UK	Total	<u>Total</u>
Listed	£	£	£	£
Fixed interest securities	1,450,358	189,469	1,639,827	1,638,996
Equity shares	3,435,059	463,081	3,898,140	3,475,138
Investment trusts and unit trusts	1,632,429	500,410	2,132,839	1,906,723
	6,517,846	1,152,960	7,670,806	7,020,857

There was no investment in individual entities held at 31 December 2006 which amount to over 5% of the portfolio by value. The market value of investments was $\pounds1,633,503$ in excess of the original costs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

13. Stocks

	2006	2005
	£	£
Work in progress – film production	62,398	21,263
Videos	490	565
Stores	5,328	5,378
	68,216	27,206
		=====

14. Debtors (amounts falling due within one year)

	2006	2005
	£	£
Sundry debtors	25,310	30,079
Prepayments	17,116	9,015
	42,426	39,094

15. Creditors (amounts falling due within one year)

	2006	2005
	£	£
Taxation and social security costs	3,989	3,433
Accruals	13,350	13,500
Deferred income	-	14,349
Other creditors	59,668	33,337
	77,007	64,619
	======	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

16. Restricted funds

	Balance at		ment in Resou	irces	Balance at
	1-Jan-2006 £	From/(to) unrestricted	Incoming £	Outgoing £	31-Dec-2006 £
Special Purposes Funds:					
Kenya	182,608	-	121,072	33,386	270,294
Ireland	357,713	-	14,666	19,697	352,682
Foundations For Freedom	22,723	9,459	8,269	18,634	21,817
Hope in the cities	12,953	6,840	12,629	26,083	6,339
Schools service	2,145	(2,145)	-	-	-
IC Productions division:	7,153	-	-	-	7,153
For A Change	2,024	-	33,716	33,389	2,351
MRA/Flt films	35,445	2,460	9,915	8,830	38,990
	622,764	16,614	200,267	140,019	699,626

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 £121,072 comprises £109,835 of unrealised gain from investment and £11,237 of donations and investment income. The total outgoing resources also include £25,565 difference in exchange rate.

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.

Schools programme fund – this fund arose from donations towards a programme of outreach to schools, and is restricted to use for this purpose. These funds ceased to be restricted in the year 2006.

"For A Change" and 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 "For A Change" magazine, films and videos respectively.

17. Endowment fund

	Balance at	Movement in Resources		Balance at	
	1-Jan-2006	Incoming	Outgoing	31-Dec-2006	
Endowment fund	£ 180,850	44,881	8,438	217,293	

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 £8,438.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

18. Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Restricted funds:				
Special Purpose funds:				
Kenya	-	261,003	9,291	270,294
Ireland	-	352,097	585	352,682
Foundations for Freedom	-	-	21,817	21,817
Hope in the cities	-	-	6,339	6,339
MRA Productions division:	-	-	7,153	7,153
For A Change	1,796	-	555	2,351
MRA/Flt films	682	-	38,308	38,990
	2,478	613,100	84,048	699,626
Endowment fund	-	214,001	3,292	217,293
Unrestricted funds	5,338,231	6,843,705	1,958,823	14,140,759
	5,340,709	7,670,806	2,046,163	15,057,678

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

	2006	2005
	£	£
Net incoming resources before revaluation		
and investment asset disposals	1,457,537	195,255
Depreciation charges	79,239	73,039
Increase in stocks	(41,010)	(18,854)
Decrease/(increase) in debtors	(3,332)	4,085
Increase/(decrease) in creditors	12,388	(10,431)
Profit on disposal of fixed assets	(1,728,117)	(294,721)
Value of investments/property bequeathed	-	(51,865)
Dividends received	(278,760)	(244,654)
Interest received	(41,454)	(25,392)
Difference on exchange	(722)	2,913
Net cash outflow from operating activities	(544,231)	(370,625)
	======	=======

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

20. Analysis of net cash resources

	2006	2005
	£	£
Balance at 1 January 2006	92,214	181,087
Net cash inflow/(outflow)	196,210	(88,873)
Balance at 31 December 2006	288,424	92,214
	=======	

21. Capital commitments

There were no capital commitments at 31 December 2006 (2005: Nil)

22. Post Balance Sheet Events

"For A Change" magazine has ceased operation as from 1st January, 2007.

THE OXFORD GROUP SUMMARISED ACCOUNTS

Statement of Financial Activities For the year ended 31 December 2006

	Total funds 2006 £' 000s	Total funds 2005 £' 000s
Incoming resources		
Gifts Bequests Investment income and interest Income from office letting and catering service Trading income Surplus on disposal of fixed assets Other income	187 320 320 32 37 1,728 2 2,626	235 663 270 31 38 295 4 1,536
Resources expended		
-	1.0.0	1.000
Charitable activities Grants Fund manager's costs Governance costs Costs of letting and catering service Trading expenses	1,063 - 32 32 42	1,029 200 1 30 30 51
	1,169	1,341
Net incoming resources	1,457	195
Gain on disposals of investments Change in market value of investments held Difference in exchange rate	106 573	35 829 3
Net movement in funds	2,136	1,062

SUMMARISED ACCOUNTS

Balance Sheet As at 31 December 2006

	2006 £' 000s	2005 £' 000s
Property and other tangible fixed assets Investments	5,341 7,671	5,107 7,021
Net current Assets	2,046	794
	15,058	12,922
Unrestricted funds	14,141	12,118
Restricted funds	700	623
Endowment fund	217	181
	15,058	12,922

These accounts are a summary of information extracted from the annual accounts, which were approved by the Council of Management on 10 May 2007.

C F Evans On behalf of Council of Management

The summarised accounts on pages 42 to 43 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 Council of Management's 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 COUNCIL OF MANAGEMENT OF THE OXFORD GROUP

We have examined the summarised accounts set out on pages 42 and 43. You are responsible as Council members 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 10 May 2007.

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 2006.

St Alphage House 2 Fore Street London EC2Y 5DH UHY Hacker Young LLP Registered Auditor

11 May 2007

For further information 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).

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'.

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 16page booklet aims to express the core values of IofC for today's web-surfing generation.

<u>Magazines</u>

For A Change IofC's on-line magazine http://www.forachange.net/

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

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. *JUST RELEASED ON DVD*.

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.

<u>Website</u>

www.uk.initiativesofchange.org Books and "Initiatives" can be ordered from: Initiatives of Change, 24 Greencoat Place, London SW1P 1RD or from http://www.initiativesofchange.org/ Videos and DVDs are available from FLTfilms at the same postal address.