

Company No 355987
Registered Charity No 226334

THE OXFORD GROUP
ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2008

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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 Boobyer PhD
Rev A J D Craig BD (resigned on 24th June)
Mrs C A Elliott
C F Evans
F Evans BSc FRSA
Mrs M R Neal BA
N Mackay BA BEd MA
Dr M A Spooner MB BS AKC (resigned on 24th June)

Secretary K E Noble BSc ARCS

Executive team

From 4 February 2008:

K E Noble BSc ARCS
K E Monkhouse BSc Hons, DipM, FRSA
P Devos BSc MA

Members of the Management Committee

To 3 February 2008

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

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Investment Managers Speirs & Jeffrey
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SECRETARY'S STATEMENT

Introduction

Until the beginning of 2008 it was just about possible for many living in the UK to feel that all the dreadful things appearing on our TV screens were 'out there'. Global warming, tensions between the developed and the developing worlds, knife-crime in the inner cities, instability in the oil supply, tensions in the Middle East were clearly matters of concern but, apart from increasingly erratic weather, for many life went on much as always.

The credit crunch has surely sabotaged any such complacency in all but the most cocooned. Recession, job losses, massive government over-spending – there's a lot to feel threatened by. When well-known companies fold and even the banks need Government bail-outs, it's time to take notice. Also, as fuel bills rocket, we are feeling the early tremors that precede the earthquake of energy demand out-pacing supply.

It's tempting when things go wrong to look for someone to blame. The bank bosses, the government, foreign workers, the oil-rich Arab states, 'parents', one particular race or religion – there is no shortage of scapegoats being touted around.

The problem with the blame-game is that it doesn't change anything. In fact it can all-too-easily heighten divisions. A more mature, and effective, approach is to take responsibility for my part of the problem and do something about it before calling for others to change their ways.

If we are to find our way out of recession and work out new ways of living that are relevant in an over-heating, over-exploited planet, one of the first things we will need is social cohesion. That means learning to trust each other – not just our nearest and dearest but those whom we don't naturally get along with. If we could see people who are 'different' as potential allies in what promises to be the most turbulent period since World War II, we might have a chance.

Someone once said that 'man's extremity is God's opportunity'. Surely he will use those who are humble enough to admit their need to show the way forward. IofC seeks to play its part in that. Trust-building work is needed more than ever.

**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 for 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 as a company limited by guarantee in 1939. The charity exists for 'the advancement of the Christian religion, and in particular by the means and in accordance with the principles of the Oxford Group movement, founded in or about the year 1921 by Frank Nathan Daniel Buchman'. Following Buchman, an American Lutheran pastor, the Group has always encouraged people to obey what they believe to be God's will, while examining their actions and motives in the light of absolute moral values. Buchman was in many ways a pioneer. He reached many people who were agnostic or even militantly anti-God. He often expressed his truths in ways that were unconventional and certainly not religious-sounding – but they all sprang from his deep personal Christian faith. His ultimate aim was always to bring individuals to a living faith. The Trustees follow in that tradition and view all the activities described in the remainder of this Statement as practical expressions of Christ's commands, and therefore advancing the Christian religion.

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Initiatives of Change supports the work of many individuals and teams in the UK and overseas. Some lead programmes that have their own identity and specific objectives, often engaging outside partners, while others are doing trust-building and pastoral work with individuals. The thread that runs through all of the activities described below is the search for God's purpose in the world.

FLTfilms

FLTfilms is a trading fund of Initiatives of Change, whose name reflects the title of one of its productions, *For the Love of Tomorrow*. Over a period of almost 50 years, FLTfilms has established itself as a world-class documentary film unit specialising in films which foster reconciliation and peace-building. Since the last report, a separate Productions Board has been created to support the growth of FLTfilms and its capacity to raise external funding.

Throughout 2008, FLTfilms Directors Alan Channer and Imad Karam continued to work closely with Pastor James Wuye and Imam Muhammad Ashafa as they travelled to several countries with the film *The Imam and the Pastor*. This film, produced by FLTfilms in 2006, tells the story of their remarkable change from sworn enemies to close colleagues. Together they created and now head the Muslim-Christian Interfaith Mediation Centre, based in their home city of Kaduna in northern Nigeria.

Wuye and Ashafa were invited twice to Kenya's Rift Valley Province to help with trust-building work between tribes who had been involved in post-election violence earlier in the year. Channer travelled with them, and thanks to a grant from the US Institute of Peace, this work has been recorded by FLTfilms with a view to producing a follow-up documentary. This will look more specifically at their peace-building methodology.

April and May saw the premières of the French and German language versions of *The Imam and the Pastor* in Geneva and Berlin respectively, followed by a French première at the International Salon for Peace Initiatives in Villette, Paris. The two largest circulation newspapers in French-speaking Switzerland each carried major articles on 'The imam and the pastor: two war-leaders converted to forgiveness'. The film was later shown on Swiss television, in German and Italian. It has also been shown on Swedish TV.

In June Pastor James and Imam Ashafa spoke at the "Big Hope" global youth congress, organised by Liverpool Hope University; and they also took part in the IofC conference "Conversations in Trust-Building" held in Derbyshire. 'Bringing the mistakes of the past into the present caused bitterness,' Imam Ashafa said. 'Trust is the ability to re-humanize the other, to love without expecting anything in return.' Pastor Wuye said it was possible to put aside historical differences. 'We are programmed by history and what our parents teach us. But we can be de-programmed and re-programmed by spirituality. Trust is a lubricant of co-existence and relationships.' At their centre for dialogue and reconciliation they had identified 25 points of difference between Muslims and Christians, and were working on 16 models for trust-building.

October saw the men return to Geneva, and then to Paris, for screenings of the film at Cinéma Vérité, the world's most prestigious celebration of films that highlight humanitarian and social causes. Other guests included Queen Noor of Jordan, Nobel Laureate Wangari Maathai, IofC International President Mohamed Sahnoun, Bob Geldof and Meg Ryan.

In October/November Karam spent three weeks with the Imam and Pastor as they travelled through Australia at the invitation of IofC there. 400 copies of the DVD were sold during this tour.

In November Ashafa and Wuye made a return visit to Scotland, at the invitation of the Scottish Episcopal Church. They took part in a four-day conference, bringing together Christians and Muslims from the UK and Scandinavia. On St Andrews Day (30 November) Imam Ashafa was the guest speaker at the Edinburgh interfaith week service at St John's Episcopal Church. That afternoon the two men were keynote speakers at a meeting arranged by the Scottish Inter-Faith Council in St Andrews. During their visit they stayed in the home of IofC volunteers Roger and Monica Spooner, where they spoke at an evening event chaired by Frank Whaling,

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Emeritus Professor of the Study of Religion at Edinburgh University and a founder of the Edinburgh Inter-Faith Association.

The Imam and the Pastor is now available in English, French, German, Swedish, Italian and Dutch. FLT*films* has raised sponsorship for the production and launch of the Arabic version of the film, due early in 2009.

Three students completed a study of FLT*films* as a component of their Masters Degree course in Corporate Communication at Thames Valley University.

Hope in the Cities

The mission statement of Hope in the Cities (HiC) is: 'to create inclusive communities and trust-based relationships where all are valued and everyone is empowered to fulfil their potential'. HiC continued to make that a reality, both within their team and for those with whom they work. They carried out further training of facilitators and gave many 'taster' sessions of HiC dialogues, the methodology used to achieve their goals. They believe that personal, national and international healing can come from the opportunity to have honest dialogue where the facilitators do not know the answers, and that solutions are found inside each participant and not imposed from outside.

In Liverpool HiC dialogues continued between individuals from the Black and Racial Minority community and representatives of senior management in the commercial sector. Working with Merseyside Employers Coalition and Liverpool City Council, HiC is playing a pivotal role in addressing the fact that the minority communities are seriously under-represented in the city centre workforce.

HiC continued to broaden its network across diverse communities to dialogue about local and national issues that affect people. One such issue is the hopelessness which comes from isolation and discrimination as well as limited employment or education opportunities. HiC is working closely with city educators on the concept of higher education for all.

Other outreach included participation in support of the Big Hope Youth Congress at Liverpool Hope University.

In Nottingham the HiC Dialogue Group continued to train local people to be more effective in building bridges of trust. They held a four-day training course in October at the Sycamore Community Centre on how to facilitate community dialogues. Phoebe Gill and Denzil Nurse from HiC led the participants, who came from many different backgrounds, through a series of stages. These included: understanding how to work together in order to co-facilitate effectively; how to listen empathetically, how to prepare appropriate questions; how to ensure outcomes are not imposed by the facilitator but generated collectively by the participants.

Comments from participants included: 'It helped move me from one level of understanding to another...'; 'It has been very useful for me, not only in my working environment but also on a day-to-day basis'; 'I found it very useful, but what I liked most was how the answers lie within the group itself/themselves.'

In August young people from the Nottingham and Nottinghamshire Racial Equality Council attended the 'Developing cultural dialogue' conference in Caux, Switzerland. They gave a workshop on their 'United Voices' weekend project. They are currently seeking funding to take other young people to Caux in 2009.

Building trust across the world's divides

A wide variety of national and international trust-building work continued through 2008. Much of it involved maintaining long-term relationships with peace-makers abroad, and also with members of some of the *diaspora* communities in the UK.

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Trust-building work among Somali and Eritrean communities in the UK

Throughout the year, weekly Agenda for Reconciliation meetings provided the framework in which senior members of the Somali and Eritrean communities could coordinate trust-building work within their respective communities.

The charity Somali Initiative for Dialogue and Democracy (SIDD) holds monthly meetings at Greencoat Place. SIDD's chairman, Osman Jama Ali, presented a proposal for a transition to a democratic, non-clan-based system of government for Somalia at a UN conference on the future of Somalia in December. SIDD upholds the values of IofC, and values the logistical support of IofC workers.

Eritrean community leaders attended a one-day seminar in April on 'Team-building' facilitated by Phoebe Gill of Hope in the Cities. Eight of them subsequently attended the 'Conversations on Trust-building' conference in June. Since then, Muslim and Christian Eritreans have held weekly meetings to address the 'trust-gap' that they have identified within their community.

Links with Muslim Council of Britain (MCB)

Judge Khurshid Drabu, Constitutional Adviser to the MCB, has for some years worked to foster closer ties between the MCB and IofC. In April he led a senior delegation to a lunchtime meeting at Greencoat Place. Subsequently, an IofC delegation attended the MCB Annual General Meeting in June. In July, IofC hosted two MCB officers - Dr Daud Abdullah, Deputy Secretary General and Tahir Alam, Education Spokesperson - at the Human Security Forum in Caux. In October IofC was invited to attend MCB's Islamic Finance and Trade conference.

'Learning to be a peace-maker' programme

During the year a group has been preparing for a programme in Caux in 2009 on 'Learning to be a peace-maker'. The brainchild of Imam Ajmal Masroor, the programme will involve 100 young European Muslims. Preparing to be hosts and assistant facilitators for the event, 13 young Muslims from the UK, Sweden, France and Germany attended the Tools for Change conference in Caux 24 July - 1 August, 2008. One of them wrote afterwards, 'My heart is full of hope and my mind full of energy for the future of young European (Muslim or not) citizens'.

In May, Masroor and Peter Riddell visited Paris to speak at the Salon des Initiatives de Paix (Peace Initiatives Exhibition).

Hosting visitors from Arab countries

In collaboration with the charities British-Arab Exchanges and the Kubba Foundation, IofC accommodated at Greencoat Place a delegation of six young professionals and a senior mentor from Iraq for a two-week visit to Northern Ireland and England, 6-19 September. One of them wrote subsequently, 'The visit to Northern Ireland was three days of hope! The most important thing I learnt is about forgiveness and how we could build the country by co-operating with each other and leaving the past. I will begin the change in myself, then confer with others and pass on the great meanings that I have been really happy to get – especially forgiveness, hope, cooperation and insistence on doing the right things. Before this visit I suffered from disappointment, but now I feel that I am full of hope and energy to change the future. So help me, my friends, to re-build our future and establish our brilliant civilization.'

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Caux Initiatives for Business

Caux Initiatives for Business (CIB), one of the international programmes of Initiatives of Change, aims to encourage integrity and trust in business and economic life, especially at a time of economic crisis.

To further this objective, CIB launched a new book, *Trust and integrity in the global economy – stories of people making a difference*, by British IofC worker Michael Smith, on 15 April. Over 90 people took part in the launch event, hosted jointly by the Greencoat Forums and CIB in the London centre of Initiatives of Change.

The book is a collection of stories of people working towards a fairer, more sustainable world, many of them motivated by a sense of God's calling. Smith argues in the book that business and investment decision-making needs to be 'conscience-led' and not just profit driven. Several of those featured in the book took part in the launch event, including a Sri Lankan businessman addressing the aftermath of the Asian *tsunami*, a Scottish advocate of employee-owned companies and a development agriculturalist.

While slavery and the slave trade were the great evils in the eighteenth century, 'today the world's great injustice is the grinding and degrading poverty of nearly a billion people,' said Smith. 'Business, enterprise and social entrepreneurship have a key role in helping to address these global issues.'

For details of how to order the book, see page 45.

Foundations for Freedom

Foundations for Freedom (F4F) develops networks who care about spiritual growth and ethical development on the individual, regional and international levels. It does this by running 'Visiting Courses' and Ethical Leadership Workshops, mainly in the former Soviet countries of eastern and central Europe. F4F also runs a variety of follow-up activities and courses in order to help individuals and teams to develop and sustain their own initiatives.

The activities of F4F had expanded to the extent that, in 2007, the steering committee decided to become a programme of IofC International. However, for legal reasons, this did not work out and in 2009 F4F will become an independent Ukrainian NGO and apply to be an Associate member of IofC with its own statutes, new mission statement and aims. The result was that F4F continued to be a programme of The Oxford Group during 2008. F4F will continue to share the values of IofC.

The process of training more course leaders continued in 2008. Unfortunately, lack of funding meant that activities had to be curtailed for six months. During the year the committee devised a new strategy for finding partners in Eastern Europe and beyond, with whom they could work.

Other activities in 2008, most of which involved British IofC workers and volunteers, included:

- The re-design of the Ethical Leadership Workshops (ELWs), which was piloted in Nikolaev, Ukraine. The US Embassy in Kiev gave \$14,000 to enable F4F to train more ELW course leaders and to run four more courses in 2009;
- Running four Visiting Courses;
- Holding a national team-building event in Ukraine and a summer camp in Crimea;
- Follow-up visits throughout Ukraine and one to Moldova;
- Running presentations and further training for a company, a youth political party, F4F teams and the Academy of Talent in Riga;
- Creating 14 regional groups in Ukraine and holding 'foundation' meetings in each as part of the NGO registration process;

F4F is grateful to all the donors and funding agencies who supported them during the year.

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Finally, all those involved with F4F wish to record their sadness at the death of Erik Andren in September. He created the original Visiting Course on which so much has been built.

Events within the UK

Many events, either featuring IofC speakers or arranged by IofC supporters, took place around the country. These included:

- A weekend conference, 'Conversations on Trust-building' in Derbyshire in June sought to answer the question: 'How can we develop the qualities and skills of effective trust-builders?' John Battle, a Member of Parliament from one of the most religiously diverse constituencies in Britain, Leeds West; two Nigerian ex-militiamen – the Imam and the Pastor (see earlier in this report); a Lebanese civil rights lawyer; and an Australian peace campaigner were keynote speakers. Lebanese lawyer Ramez Salamé, from Beirut, told the conference about his experiences of trying to spread trust between Christians and Muslims during and after Lebanon's 15-year civil war. He said: 'I learnt that by being totally honest with those I had previously thought of as my enemies I could begin to build up trust with them and begin to bring us closer together. Trust always involves some form of surrender... where there is trust, there is an absence of fear.'
- A New Season Fair held in IofC's London centre, 27 September, included stalls for 10 of IofC's outreach programmes operating in and from the UK. Welcoming everyone, Elisabeth Tooms, Chair of Trustees of The Oxford Group, IofC UK's legal body, said that the fair aimed to 'inspire, inform and involve'. She stressed the core values that lay behind IofC's mission 'to build trust across the world's divides', including the profound sense of forgiveness experienced by Frank Buchman, The Oxford Group's founder. Today, Ms Tooms said, a failure of trust between individuals, communities and countries was at the heart of difficulties 'to build a world based on kindness, justice and generosity', which was the kind of society IofC wanted to create. IofC UK aimed to 'raise up a new generation of trust-builders – people who will, in their own way, lay the foundations of a just, kind and generous society'.
- Eight evening Greencoat Forums were held at IofC's London centre during the year. These gave a platform for a variety of speakers on topical issues under the general theme: 'Towards an inclusive society'. For example, two Bradford community leaders described how their city had strengthened its links between the Muslim and non-Muslim communities. Bradford has one of the highest proportions of Muslims in any UK city. It has experienced street riots but it is also a pioneer in strengthening interfaith relations. Over 80 mosques serve 80,000 Muslims, said Ishtiaq Ahmed, press officer for the Bradford Council of Mosques. He was joined by Dr Philip Lewis, advisor to the Bishop of Bradford on interfaith issues and a visiting lecturer at Bradford University's Department of Peace Studies. Following the Madrid terrorist train bombings of 2004, Bradford developed a civic network capable of responding to such an atrocity, Lewis said. The intervention of the Mayor of Madrid, to prevent a backlash against local Moroccans, made Bradford's community leaders question their own community structures. Madrid made them realise the need for 'robust, crosscutting, associational links—trade unionists, educationalists, faith leaders that could build a civic resilience to absorb that kind of shock.'
- A journey from Keswick to Caux marked the 100th anniversary of an event which was eventually to have enormous ramifications. In 1908: a self-righteous, 29-year-old man, Frank Buchman, had an experience of spiritual transformation. He accepted that 'I too was wrong' and took steps to free himself from inner bitterness by apologising to those to whom he had borne ill-will. One hundred years on, the ideas that Buchman initiated are still making a difference the world over. An adventurous international group, aged 25 to over 70, undertook the journey on planes, trains, buses and ferries across five countries, retracing the key moments in the development of Initiatives of Change, with a view to seeing how Buchman's vision and challenge are relevant in our time.

Christina DeAngelis, an American who took part, wrote, 'Reflecting on Buchman's experience, I realized that like him I had "nursed ill-will" in my relationships, particularly with my parents. Letting go of that brought me inner freedom as well as integrity. "Purity is possible, it is also essential." This was Buchman's message to Oxford students in the 1920s. Many were returning World War I soldiers caught up in the disillusionment and moral decay which, an historian told us, characterized Britain at that time. Several young women from former Soviet countries in our group thought this was still the spirit in their nations.'

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Buchman knew how to read the needs of his age and answer them. How can we do that for our time?

'Our journey ended in Caux, Switzerland, where Buchman's work made such a difference in international relations. As conference participants gathered to discuss the needs of our world today – climate change, human security, ethical leadership – I wondered what relevance Buchman's legacy still has. Whether the global crisis is military re-armament as in 1938 or climate change today, the solutions are clear; what is lacking is the will to do what we know is right. Can we go beyond personal comfort and really care for the world? Most of all, are we willing to be totally committed? As Buchman said, anything less will not begin to touch the surface of the world's need.'

Overseas outreach

IofC workers and volunteers took part in many overseas initiatives including:

- Over the last 12 months the UK **Farmers' Dialogue** has been actively supporting farmers in Europe, Asia and Africa. As the world population grows, fuel reserves shrink and the climate changes, the dynamic driving agriculture is changing. Presentations given by the Farmer' Dialogue have helped farmers become more aware of their responsibilities. For example, at a recent Dialogue in Kenya, a delegate from the Democratic Republic of Congo said that the stories he had taken home with him from a previous dialogue in Tanzania, had enabled him to convince farmers in his area of the importance of planting trees, which they are now doing. Events of this kind are helping farmers to carry greater responsibility and adapt their farming methods for the sake of all those who rely on the farming industry for their survival. In a Greencoat forum at the IofC centre in London, Jim Wigan speaking from a farming perspective, outlined some of the critical issues society faces over the next 40 years and offered practical examples of what can be done.
- Keith Neal, a retired biology teacher from Manchester, has continued to support the work of **Hope-Sierra Leone** (H-SL), a peace and development NGO affiliated to IofC International. He joined the international faculty for the second Moral Foundations for Democracy (MDF) Training of Trainers course in February. It was held at the Police Training School, Freetown and 39 trainees qualified and were awarded certificates personally signed by President Ernest Bai Koroma. Later in the year many took part in the facilitation of eight Dialogues for parliamentarians, councillors and traditional leaders in strategic towns throughout the country. A delegation of 13 from Sierra Leone took part in the Tools for Change conference in Caux. The trust built between two senior officials, one from the government party and the other from the main opposition party, was crucial in the planning of the Dialogues. H-SL was voted 'NGO of the Year' at the prestigious All Works of Life (AWOL) Achievement Awards for 2008.
- A Harambee Leadership Training programme took place in South Africa from September to November. It was the fifth in a series of leadership training programmes originally conceived by UK-based IofC worker Amina Dikedi-Ajakaiye. The programme is designed to guide young African emerging leaders in ethical leadership. Thirteen participants from seven African countries took part in the eight-week programme which included two weeks of interactive learning and six weeks of field-work across South Africa. Dikedi-Ajakaiye was one of the coordinators. One of the participants, a Sales Executive from South Africa said, 'The key was the four absolute standards which I see as the guiding lights of leadership. I believe by working through these principles one will always have a reference point from which to make decisions. In this way a leader is able to treat people the same irrespective of their position or the leader's relationship with them. It means that what such a leader says and does will be guided by absolute love, unselfishness, purity and honesty.'

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Overseas outreach (continued)

- British IofC activists continued to play key roles in leading and under-girding the conferences at the international conference centre in Caux, Switzerland. The theme for 2008 was: 'Addressing the root causes of human insecurity'. A new development was the Caux Forum for Human Security, which brought together some 300 peace-makers from 52 countries. Rajmohan Gandhi, a former member of the Indian senate and recently elected as President of the International Association of IofC, said, 'My vision is that in this age, innocence and decency will have power; the weak will gather strength; individuals will reinforce one another and influence governments; and together we will say to tyrants and to ourselves that cruelty, oppression and indifference shall not prevail.'

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

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DIRECTORS' REPORT 2008

The Board of Trustees presents its report with the audited accounts of The Oxford Group/Initiatives of Change ('The Group') for the year ended 31 December 2008. The financial statements have been prepared in accordance with relevant accounting policies and in compliance with the company's governing document and applicable law.

Constitution and objects

The Oxford Group was constituted as a company limited by guarantee which was incorporated on 15 August 1939 (Company no. 355987). It is a registered charity in England and Wales, number 226334. 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 Association, 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 20.

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

In line with these objects, 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

Between general meetings of the Group, the Board of Trustees appoints Trustees from amongst the membership of the Group. Any Trustees appointed in this way must stand down at the next general meeting of the Group, but may offer themselves for re-election at that meeting. At every annual meeting of the Group, one-third of the Trustees must retire from office, but may be re-elected by members of the Group.

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 2008 their work led to the recruitment of two new Trustees. The Committee gives an information pack to potential candidates and gives induction and training as appropriate to newly elected Trustees. In addition to this, the Board has a policy of offering funding for any Trustee to undertake relevant training. The Nominations Committee also has the responsibility of assessing the Board's skill-set and identifying areas which need strengthening. Current members of this Committee are: Sheila Andren, Philip Boobbyer and Angela Elliott. The Company Secretary acts in an advisory role.

Objects of the Charity

As stated in earlier reports, the Board decided to review the phraseology of its charitable objects. A consultation exercise was carried out with stake-holders and there appeared to be a desire for a re-expression of the objects. A considerable correspondence with the Charity Commission ensued to find an acceptable form of words. However, little progress was made and during 2008 the Board decided that its time and effort should be focused on more urgent matters. The result is that the Board is not pursuing a rewording of its objects at the present time.

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 as is necessary. These committees and groups report to the Board of Trustees. From February 2008 the Trustees delegated most management tasks to a new, three-person Executive Team.

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The decision to appoint an Executive Team was also the result of wide-ranging consultation with stakeholders. On 4th February, 2008, the team was appointed for a two-year term of office, with a mandate to take responsibility for the day-to-day running of the charity. Between them they bring professional experience in business, the public sector, Christian ministry, fund-raising and company re-organisation. One of their immediate tasks was to review with the Trustees and other key stakeholders the vision and strategic direction of the charity in the medium term in line with its charitable objects. 'Raising a generation of trust-builders' is the resultant vision. It hardly needs saying that trust-building is one of the essential ingredients for social cohesion and therefore of self-evident public benefit. The Executive Team 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 during the above-mentioned consultation 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

The Group continues to own several houses in addition to its headquarters building at 24 Greencoat Place, Victoria, London. The houses are used as centres for the work of the charity and provide bases for outreach and venues for meetings and fellowship. The exception is the property at Binscombe, near Godalming. The Trustees had intended to sell this property during 2008. However, market conditions meant that this became difficult and, on the professional advice of estate agents, the Trustees decided that it was more advantageous to lease the property to a paying tenant until conditions improve.

Conscious that the Group's liquidity is becoming tighter, and that 2008 was not a good year for selling assets, the Trustees authorised the Executive Team to raise income by letting out parts of the Greencoat Place centre. It is in a central location and the Trustees are hopeful that this could be a useful source of funding over the next few years.

Archives

During 2008, the collection of historical archives about The Group's work continued to be housed in a building belonging to one of the Trustees, 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 Board of Trustees decided in 2007 to pay Anne 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 to Mrs Evans for continuing the large amount of voluntary work involved in keeping the archives in good order and adding new material. During the year she incorporated many historic photos of the Group's work. These had previously been tended with meticulous care by Peter and Margaret Sisam, to whom the Trustees are indebted.

Risk Assessment and Sustainability

The Trustees have continued to take seriously their responsibility to assess any potential risks to the charity, reviewing the areas of governance, operations, finance, compliance, external threats and others. The risks which were considered to have the greatest potential impact were as follows:

1. Downward trend in legacy giving continues
2. Lack of succession planning combined with failure to involve a younger generation
3. Negative impact of current economic recession
4. Failure to engage new donors/legators
5. Failure to achieve enough 'buy in' to an agreed strategic direction
6. Lack of 'marketable projects'

In the Board's view, risks 1 and 3 are beyond their control – in the short to medium term at least. The Board has taken steps to ensure that the Group's assets are as well safe-guarded as possible; and the Group's investment managers are to be congratulated for having, to date, managed to limit the impact of the recession on both income and capital value.

THE OXFORD GROUP

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Risk 2: During 2009, the Board will employ a youth outreach worker with the aim of involving a younger generation in the work and vision of the charity. The Board has also sanctioned a new mentor training scheme which will encourage experienced IofC workers to develop the skills and effectiveness of newer workers/volunteers.

Risk 5: The Board and the Executive Team will work to involve as many stake-holders as possible in developing a medium-term strategy which will engage new people and enable IofC to make a contribution that will significantly benefit British society.

Risk 6: The Executive Team has made a priority of developing a business-like approach to project planning and fund-raising. This requires continuing the process of transformation that is seeing a formerly volunteer-run charity build a professional core appropriate to the more competitive and resource-poor environment in which The Group is now operating.

Risk 4 will be reduced as risk 5 is addressed.

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. In particular, the Board urges all involved with Initiatives of Change to pray for new life in people, which will lead to new initiatives and unlock new resources.

Staff

The trustees and all involved with IofC were very sad to lose one of IofC's brightest outreach workers, Fiona Leggat, who died in June after a brief illness. She had made an enormous contribution to the work of Initiatives of Change through her faith and vivacity, and she is still greatly missed.

During 2008 Mrs Rita Petersen and Mr Edward Peters left the Group's employment. Both have given many years of valuable service to Initiatives of Change. Mrs Petersen had been a pillar of the finance office; Mr Peters had shown a huge amount of imagination and drive in setting up many outreach initiatives and also in developing the sophisticated websites for IofC globally and in several different languages. Both continue to make valuable voluntary contributions. The Board wishes to record their gratitude to both of them. Sadly, in the difficult economic conditions, it was necessary to make one post redundant. The Board agreed redundancy terms with Mrs Bernice Ingham who had managed reception and been personal assistant to the Secretary. The Board wishes her well in the future and thanks her for her eight years of service.

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 2008 was -22 %. This is largely due to the effects of the credit crunch.

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

The Board received regular reports from the Investment Working Group and did its utmost to ensure that its assets were being protected as far as possible during the 'credit crunch' and the resultant recession. The Investment Working Group consists of Sheila Andren, Paul Devos, David Curtis, Campbell Leggat and Abrahaley Mebrahtu.

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Frits Philips Fund

During 2008 the Frits Philips Fund began to operate. Set up with money from the sale of a property in Dulwich, the fund aims to support people, especially young people, who feel called to give leadership in the work of IofC anywhere in the world. Applications for grants are received by an international committee which recommends grants. These are reviewed by the Group's representatives and monitored by the whole Board of Trustees. All the funded projects advance the Group's objects.

By the end of the 2008, 16 awards had been made, to a total value of £35,273. These included support for people leading IofC programmes such as Action for Life, Creators of Peace and the Akasha training centre in Malaysia, as well as others who are working on their own or with small teams.

For more information contact FPF@iofc.org

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, the Group's 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 not achieved in 2008, with a short-fall of £386,437. This was mainly due to a large increase in salary costs, which had been anticipated, and the reduced level of legacy income. In comparison, the surplus in 2007 was £22,518.

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. These include 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 and events, all of which aim to provide settings in which people can examine their own life-goals, motives and actions.

During 2008, more than 30 different courses and workshops were organized. In addition, IofC's outreach workers and volunteers played a major role in the annual conferences at Caux. They also made dozens of outreach visits every month around the UK.

Partnership with Learn to Lead

As reported in previous years, the charity has formed a partnership project with the Sheffield based organisation, Learn to Lead, to implement 'faith in leadership' (FiL) training for young people of different faith backgrounds. The patrons of FiL include the Archbishop of Canterbury, Dr Rowan Williams, the Cardinal-Archbishop of Westminster, Cardinal Cormac Murphy-O'Connor, the Chief Rabbi, Sir Jonathan Sacks, the Director of the Network of Sikh Organisations (UK), Dr Indarjit Singh, and the Imam and Director of the Karimia Institute, Dr Musharraf Hussain. The course is described as 'a unique national leadership programme for outstanding individuals in the mid- to late-twenties from the different faith communities in Britain'. It aims to develop the skills needed for them to become 'effective, thoughtful and outward-looking leaders of the future'. The first year of this course was completed successfully. It culminated in a reception at Lambeth Palace at the invitation of the Archbishop of Canterbury. Thirty-two young faith leaders from the UK's main religious communities spent the day together, affirming what they had learnt from being part of the course and looking ahead to the future.

The Archbishop's Chief of Staff welcomed the group and said how fully the Archbishop supported their search for new effectiveness within Britain's faith communities, developing stronger links of working together, and acknowledged the leadership Initiatives of Change was offering through events such as this. Guests came away with a profound sense of the quality and high standard of the FiL programme and its different stakeholders. Far from wanting to remain solely within their own faith communities, the young participants expressed their strong desire to work together across boundaries, and to partner with groups such as Initiatives of Change. Participant-led initiatives spawned by FiL include collaboration over ending Islamophobia within a religious institution in London, and addressing the alienation and marginalisation arising from a lack of understanding between generations in a Leeds community.

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Financial Review

The Group began 2008 with an anticipated shortfall of £618,758 between budgeted expenditure and anticipated income. In the event, the shortfall was £378,859. This shortfall would have been even greater were it not for 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. The Executive Team is in the process of working with staff to develop fundable projects, and to seek funding in a more consistent way. We are grateful to the Irene Prestwich Trust for generous grants during the year.

Targets of The Oxford Group for 2009

As anticipated in last year's report a clear 'vision' has been agreed – raising a generation of trust-builders. The Trustees see this as a response to Christ's statement, 'blessed are the peace-makers', and, therefore, entirely in line with the charity's objects. The charity is looking to increase its impact in the UK, while continuing to support initiatives in countries where it has a clear benefit.

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 30 workshops and courses, along similar lines to those described in the Secretary's Statement.

Our outreach work will continue in 2009. This is planned to include taking a group of young British Muslims to a special session on peace-building and then the 'Tools for Change' conference at Caux during the summer; a conference on Trust-building in November and the development of the Peace Circles concept – a women's initiative to build trust and honesty between people in homes.

The charity will continue to market and promote the documentary film, *The Imam and the pastor*, including producing other language versions, and plans to produce a new training film on the Imam and the Pastor's peace-building methodology.

The charity is expecting to see further results from the "Faith in Leadership" training programme for young people in conjunction with Learn to Lead.

The Executive Team will continue to develop an effective strategy in cooperation with stakeholders. This will include fund-raising.

During the year, the Trustees approved an Environmental Policy. It covered such areas as heating and lighting of buildings, travel, communications, printing and energy sources. The charity will continue to implement this policy in 2009.

The charity's budget for 2009 shows an anticipated deficit of £402,853 with an income of £840,004 and expenditure of £1,242,857. This assumes a) a low income from legacies and b) that we will start to see early returns from the fund-raising strategy. The Board of Trustees envisages that the shortfall will be made up through spontaneous gifts, and hopes that others will join them in praying for what is needed.

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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 in the previous paragraph.

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:

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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:

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DIRECTORS' REPORT 2008

Members of the Board of Trustees/directors

Members of the Board of Trustees who served as directors during 2008 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 (resigned on 24th June)
C F Evans
F Evans BSc FRSA
Mrs A Elliott
N Mackay BA BEd MA
Mrs M R Neal BA
Dr M A Spooner MB BS AKC (resigned 24th June)

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
23 May 2009

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 2008 ("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 20, 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 Directors' 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985 and whether the Directors' Report is consistent with those 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 Accounts and consider whether it is consistent with the audited financial statements. We 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 Directors' Report and the Secretary's Statement. Our responsibilities do not extend to other information.

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 2008 and of its incoming 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 Directors' Report is consistent with the financial statements.

Quadrant House
17 Thomas More St., Thomas More Square London E1W 1YW
24 May 2009

UHY Hacker Young LLP
Registered Auditor

THE OXFORD GROUP

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2008 £	Total 2007 £
Incoming resources						
Incoming resources from generated funds:						
<i>Voluntary income</i>	3	350,196	159,773	-	509,969	402,220
<i>Activities for generating funds:</i>						
Letting & catering income	6	52,167	-	-	52,167	38,581
<i>Investment income</i>	9	330,921	32,914	9,942	373,777	375,464
Incoming resources from charitable activities:						
Income from training & sale of films	4	-	17,815	-	17,815	24,162
Other incoming resources:						
Other income		1,347	6	-	1,353	2,022
Total incoming resources		<u>734,631</u>	<u>210,508</u>	<u>9,942</u>	<u>955,081</u>	<u>842,449</u>
Resources expended						
<i>Costs of generating funds</i>						
Fund managers' fees		436	-	-	436	409
Letting and catering costs	6	40,151	-	-	40,151	32,075
<i>Charitable activities:</i>						
Campaigns, programmes & other activities	5	820,609	260,235	-	1,080,844	858,026
Trading expenses	4	-	101,770	-	101,770	40,590
<i>Governance costs</i>		82,558	-	-	82,558	66,209
Total resources expended	10	<u>943,754</u>	<u>362,005</u>	<u>-</u>	<u>1,305,759</u>	<u>997,309</u>
Net (outgoing)/incoming resources before transfers						
Gross transfers between funds		(209,123)	(151,497)	9,942	(350,678)	(154,860)
		<u>(864,224)</u>	<u>874,166</u>	<u>(9,942)</u>	<u>-</u>	<u>-</u>
Net (outgoing)/incoming resources before other recognised gains & losses		<u>(1,073,347)</u>	<u>722,669</u>	<u>-</u>	<u>(350,678)</u>	<u>(154,860)</u>
Other recognised gains and losses						
Gains on investments:						
Realised		(28,699)	(2,161)	-	(30,860)	53,769
Unrealised	12	(1,991,531)	(39,633)	(62,245)	(2,093,409)	(55,265)
Difference on exchange		-	2,679	-	2,679	1,272
Net movement in funds		<u>(3,093,577)</u>	<u>683,554</u>	<u>(62,245)</u>	<u>(2,472,268)</u>	<u>(155,084)</u>
Reconciliation of Funds						
Transfer from other charity		-	-	-	-	39,713
Total funds brought forward at 1 January 2008		13,961,472	787,802	193,033	14,942,307	15,057,678
Total funds carried forward at 31 December, 2008		<u><u>10,867,895</u></u>	<u><u>1,471,356</u></u>	<u><u>130,788</u></u>	<u><u>12,470,039</u></u>	<u><u>14,942,307</u></u>

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SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Gross income from continuing operations		945,139	833,056
Expenditure on continuing operations	10	<u>(1,305,759)</u>	<u>(997,309)</u>
Net outgoing for the year before transfers and investment asset disposals		(360,620)	(164,253)
Income from endowment fund		<u>9,942</u>	<u>9,393</u>
Net outgoing before investment asset disposals		(350,678)	(154,860)
(Loss)/gain on disposal of investments		(30,860)	53,769
Difference on exchange		<u>2,679</u>	<u>1,272</u>
Net deficit for the year		<u><u>(378,859)</u></u>	<u><u>(99,819)</u></u>

The gross income comprises £734,631 for unrestricted funds and £210,508 for restricted funds, and the net deficit before investment asset disposals of £350,678 comprises a net deficit of £209,123 from unrestricted funds, a deficit of £151,497 from restricted funds and a balance of £9,942 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 22 which, together with the notes on pages 26 to 42, 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 or disposal of activities during the year.

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BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	11	5,289,457	5,351,571
Investments	12	6,339,166	7,576,374
		11,628,623	12,927,945
Current assets			
Stocks	13	17,156	8,754
Debtors	14	71,157	48,457
Short term deposits		669,651	1,857,400
Cash at bank and in hand		161,055	164,143
		919,019	2,078,754
Liabilities: Amounts falling due within one year	15	(77,603)	(64,392)
Net current assets		841,416	2,014,362
Total assets less current liabilities		12,470,039	14,942,307
Funds			
Unrestricted		10,867,895	13,961,472
Restricted	16	1,471,356	787,802
Endowment	17	130,788	193,033
Total charity funds		12,470,039	14,942,307

The accounts on pages 22 to 42 were approved by the Board of Trustees on 23rd May 2009 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 2008**

	Notes	£	2008 £	£	2007 £
Net cash outflow from operating activities	19		(635,258)		(391,870)
Returns on investments and servicing of finance					
Dividends received		310,132		286,138	
Interest received		<u>63,645</u>		<u>89,326</u>	
Net cash inflow from returns on investments and servicing finance			373,777		375,464
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(42,295)		(107,228)	
Payments to acquire investments		(1,712,942)		(835,676)	
Receipts from sale of investments		825,880		928,611	
Transfer from other charity		<u>-</u>		<u>39,713</u>	
Net cash (outflow)/inflow from capital expenditure and financial investment			(929,357)		25,420
Net cash (outflow)/ inflow before management of liquid resources and financing			<u>(1,190,838)</u>		<u>9,014</u>
Management of liquid resources					
Decrease/(increase) in investment in short-term deposits			<u>1,187,750</u>		<u>(133,295)</u>
Decrease in cash in the year			(3,088)		(124,281)
Net cash resources at 1 January 2008			<u>164,143</u>		<u>288,424</u>
Net cash resources at 31 December 2008	20		<u><u>161,055</u></u>		<u><u>164,143</u></u>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008, there were 71 members (2007: 71). During the year ten people served as Trustees, none of whom received any remuneration for their services. Expenses by eight Trustees totalling £8,755 (2007: £15,612 to eight Trustees) mainly for travelling, were reimbursed for the year. In addition £3,000 (2007: £2,250) 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.

b) Incoming resources

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

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

c) Resources expended and basis of allocation of costs

Expenditure is included when incurred.

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

d) Costs of campaigns, programmes and other activities

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

e) Governance costs

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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.

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).

THE OXFORD GROUP

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

3. Voluntary income

Donations and gifts

	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Legacies	273,407	-	273,407	249,228
Gifts under covenant	14,403	-	14,403	12,220
Kenya	-	9,795	9,795	3,657
Foundations For Freedom	-	5,251	5,251	13,412
Gift for seminars and conferences	-	15,020	15,020	-
FIt films	-	10,172	10,172	2,103
Gift for global consultation work	-	10,000	10,000	-
Gift for training young people – Int’l (AFL)	-	40,090	40,090	-
Gift for Clean Africa Campaign	-	7,710	7,710	-
Gift for IofC work in Africa	-	2,615	2,615	5,100
Gift for reconciliation work	-	5,853	5,853	-
Gift for Applied leadership support work	-	14,564	14,564	-
Gift for Creators Of Peace initiatives –Int’l	-	12,000	12,000	-
Keswick to Caux spiritual journey	-	13,690	13,690	-
Gifts for international work	1,824	-	1,824	-
Donations for travel and overseas work	2,773	-	2,773	23,636
Hope in the Cities campaign	-	2,490	2,490	14,725
Gifts for general purposes	37,639	-	37,639	39,781
Gifts for Tools for Change	-	10,188	10,188	15,000
Other gifts (including towards hospitality received)	20,150	335	20,485	23,358
	<u>350,196</u>	<u>159,773</u>	<u>509,969</u>	<u>402,220</u>
	=====	=====	=====	=====

Of the total donations £81,500 (2007: £44,000) was raised from charitable trusts in UK.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

4. Activities to further the charity's objects

	Hope in the Cities £	MRA/Flt films £	Total 2008 £	Total 2007 £
Income				
<i>Trading income</i>				
Income from training	1,907	-	1,907	7,220
Sale and hire of videos	-	15,908	15,908	16,942
	<u>1,907</u>	<u>15,908</u>	<u>17,815</u>	<u>24,162</u>
<i>Donations and gifts</i>				
	-	10,172	10,172	2,103
<i>Other income (including interest)</i>	-	133	133	602
	<u>1,907</u>	<u>26,213</u>	<u>28,120</u>	<u>26,867</u>
Total income	<u>1,907</u>	<u>26,213</u>	<u>28,120</u>	<u>26,867</u>
Expenses				
<i>Direct costs</i>				
	1,526	73,902	75,428	30,610
<i>Overheads</i>				
	-	26,342	26,342	9,980
	<u>1,526</u>	<u>100,244</u>	<u>101,770</u>	<u>40,590</u>
Total costs	<u>1,526</u>	<u>100,244</u>	<u>101,770</u>	<u>40,590</u>
Operating profit/(loss)	<u>381</u>	<u>(74,031)</u>	<u>(73,650)</u>	<u>(13,723)</u>

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 29.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

5. Costs of campaigns, programmes & other activities

	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
UK campaigns:				
Pastoral work, training and development	98,656	1,844	100,500	72,213
Trust building conferences and seminars	-	10,916	10,916	-
Education and the schools service	13,163	-	13,163	13,079
Work connected with industry	17,311	-	17,311	15,542
Forums and public meetings at 24 Greencoat Place	19,947	-	19,947	13,388
UK website costs	10,408	-	10,408	9,184
Support for IC Production Division	9,663	-	9,663	7,806
Support for film, Art & drama initiatives	18,524	7,560	26,084	26,406
Cost of literature	26,642	-	26,642	22,758
Cost of newsletters and world bulletin	19,970	-	19,970	10,772
Others	242	-	242	207
Special programmes				
Ireland	13,830	17,675	31,505	19,098
Foundations For Freedom	8,173	25,418	33,591	39,648
Agenda for Reconciliation	50,018	2,676	52,694	36,552
Hope in the Cities campaign	62,993	14,349	77,342	71,354
Film production	23,842	3,767	27,609	25,627
Faith in leadership project	26,948	-	26,948	20,000
Overseas campaigns:				
Work connected with Caux	100,718	376	101,094	83,942
Work other than Caux for:				
Central, Eastern Europe	26,651	-	26,651	13,026
West Europe	11,548	-	11,548	8,666
Africa	15,969	57,159	73,128	82,247
Middle East	14,705	1,219	15,924	18,777
Asia	22,288	-	22,288	29,699
North America	10,223	-	10,223	20,358
South America	11,552	-	11,552	10,520
Australia/Pacific	21,816	-	21,816	11,281
Media and communication forums	9,838	-	9,838	8,920
Training campaign for young people (Action for Life)	7,373	2,595	9,968	1,220
Keswick to Caux spiritual journey	1,078	14,236	15,314	-
Creators of Peace-global	-	10,423	10,423	-
Amount carried forward	674,089	170,213	844,302	692,290

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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

	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Amount brought forward	674,089	170,213	844,302	692,290
Overseas campaigns (continued):				
Farmers' dialogue	3,263	-	3,263	3,239
Tools for Change	6,997	31,766	38,763	10,094
International Consultation	6,394	6,766	13,160	7,363
Other expenses	474	-	474	-
Other international activities:				
IC international website	28,418	-	28,418	55,432
Work connected with international Organisations – UN	64,979	-	64,979	45,989
Work connected with governance and leadership of IofC in the world	35,995	-	35,995	33,515
Applied Leadership support	-	16,217	16,217	10,104
Frits Philips support	-	35,273	35,273	-
	<u>820,609</u>	<u>260,235</u>	<u>1,080,844</u>	<u>858,026</u>

6. Activities for generating funds

	Total 2008 £	Total 2007 £
Income:		
Letting office space	28,266	29,346
Catering service	3,501	2,583
Letting residential space	20,400	6,652
	<u>52,167</u>	<u>38,581</u>
Total income	<u>52,167</u>	<u>38,581</u>
Expenses:		
Related costs incurred	<u>40,151</u>	<u>32,075</u>
Operating profit for the year	<u>12,016</u>	<u>6,506</u>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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.

Cost type:	Charitable Activities £	Governance costs £	2008 Total £	2007 Total £
Marketing and publicity	26,312	-	26,312	17,163
Forums and meetings	29,842	-	29,842	25,650
Administration costs	133,045	82,994	216,039	163,704
Total	<u>189,199</u>	<u>82,994</u>	<u>272,193</u>	<u>206,517</u>
	=====	=====	=====	=====

Governance costs include a fund management fee of £436.

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

	2008 £	2007 £
UK campaigns	58,479	40,807
Overseas campaigns	70,296	55,962
Special programmes	38,616	25,663
Other international activities	21,808	17,467
	<u>189,199</u>	<u>139,899</u>
	=====	=====

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

	2008 £	2007 £
This is stated after charging:		
Auditors remuneration - statutory audit	11,750	10,995
Non audit service	-	1,830
Depreciation	104,409	96,365
	<u>126,159</u>	<u>109,190</u>
	=====	=====

9. Investment income and interest

	UK £	Outside UK £	2008 Total £	2007 Total £
Interest receivable	63,645	-	63,645	89,326
Dividends receivable from:				
Fixed interest securities	78,312	7,125	85,437	85,412
Equity shares	129,755	45,436	175,191	141,124
Investment & unit trusts	<u>49,504</u>	<u>-</u>	<u>49,504</u>	<u>59,602</u>
	<u>321,216</u>	<u>52,561</u>	<u>373,777</u>	<u>375,464</u>
	=====	=====	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

10. Total resources expended

	Staff Costs £	Depreciation £	Other Costs £	Total 2008 £	Total 2007 £
<i>Cost of generating funds:</i>					
Fund management fees			436	436	409
Letting and catering costs	13,769	6,338	20,044	40,151	32,075
<i>Charitable activities:</i>					
Campaigns, programmes & other activities	392,555	80,590	607,699	1,080,844	858,026
Trading costs	60,767	17,481	23,522	101,770	40,590
<i>Governance costs</i>	39,424	-	43,134	82,558	66,209
	<u>506,515</u>	<u>104,409</u>	<u>694,835</u>	<u>1,305,759</u>	<u>997,309</u>
	=====	=====	=====	=====	=====
				2008	2007
Staff costs				£	£
Wages and salaries				460,357	198,981
Social security costs				44,411	16,473
Pension costs				1,747	630
				<u>506,515</u>	<u>216,084</u>
				=====	=====
Total expenses expended:					
Premises				271,007	253,176
Direct campaign cost- travelling, accommodation, telephones				774,945	452,327
Ex-gratia payments				-	78,759
Administration costs				259,807	213,047
				<u>1,305,759</u>	<u>997,309</u>
				=====	=====

No employee earns more than £60,000 per annum (2007: Nil).

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

	Number of employees	
	2008	2007
Finance and administration	7.5	6.0
Maintenance management	1.0	1.0
Catering management	1.0	2.0
Campaigns	7.0	6.0
Film production and management	2.5	2.0
Total	<u>19</u>	<u>17</u>
	=====	=====

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

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008	5,534,266	171,628	191,193	1,258	5,898,345
Transfers	-	-	-	-	-
Additions	-	37,018	5,277	-	42,295
Disposals	-	-	-	-	-
At 31 December 2008	<u>5,534,266</u>	<u>208,646</u>	<u>196,470</u>	<u>1,258</u>	<u>5,940,640</u>
Accumulated depreciation:					
At 1 January 2008	335,794	83,731	126,284	965	546,774
Transfers & grants	-	-	-	-	-
Provision for the year	52,222	34,693	17,368	126	104,409
Disposals	-	-	-	-	-
At 31 December 2008	<u>388,016</u>	<u>118,424</u>	<u>143,652</u>	<u>1,091</u>	<u>651,183</u>
Net book amount:					
At 31 December 2008	<u>5,146,250</u>	<u>90,222</u>	<u>52,818</u>	<u>167</u>	<u>5,289,457</u>
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>

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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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12. Fixed asset investments

		2008	2007
		£	£
Market value at 1 January 2008		7,576,374	7,670,806
Additions at cost		1,712,942	835,676
		<hr/>	<hr/>
		9,289,316	8,506,482
Disposals		(856,741)	(874,843)
		<hr/>	<hr/>
		8,432,575	7,631,639
Unrealised investment losses			
General fund	(1,991,531)		
Special purposes funds	(39,633)		
Endowment fund	(62,245)		
		<hr/>	<hr/>
		(2,093,409)	(55,265)
		<hr/>	<hr/>
Market value at 31 December 2008		6,339,166	7,576,374
		<hr/> <hr/>	<hr/> <hr/>
Investments at market value comprise:			
		2008	2007
		£	£
Listed			
British Government		1,311,697	845,600
Commercial and industrial		4,845,707	6,475,214
Kenyan investments		181,762	255,560
		<hr/>	<hr/>
		6,339,166	7,576,374
		<hr/> <hr/>	<hr/> <hr/>

	<u>Investment assets in</u>		<u>2008</u>	<u>2007</u>
	<u>UK</u>	<u>outside UK</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
Listed				
Fixed interest securities	1,885,246	164,306	2,049,552	1,843,109
Equity shares	2,195,723	978,426	3,174,149	3,896,159
Investment trusts and unit trusts	1,115,465	-	1,115,465	1,837,106
	<hr/>	<hr/>	<hr/>	<hr/>
	5,196,434	1,142,732	6,339,166	7,576,374
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There was a fixed interest investment with Bank of Ireland held at 31 December 2008 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 2008

13. Stocks

	2008	2007
	£	£
Work in progress – film production	10,298	3,938
Videos	825	926
Stores	6,033	3,890
	<u>17,156</u>	<u>8,754</u>
	=====	=====

14. Debtors (amounts falling due within one year)

	2008	2007
	£	£
Sundry debtors	60,178	33,215
Prepayments	10,979	15,242
	<u>71,157</u>	<u>48,457</u>
	=====	=====

15. Creditors (amounts falling due within one year)

	2008	2007
	£	£
Taxation and social security costs	13,209	6,913
Accruals	12,239	12,945
Deferred income	1,401	8,402
Other creditors	50,754	36,132
	<u>77,603</u>	<u>64,392</u>
	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

16. Restricted funds

	Balance at	Movement in Resources		Balance at	
	1-Jan-2008	From/(to)	Incoming	Outgoing	31-Dec-2008
	£	unrestricted	£	£	£
Special Purposes Funds:					
Kenya	275,246	-	22,994	66,110	232,130
Ireland	363,450	-	18,748	17,675	364,523
Foundations For Freedom	16,860	10,251	5,389	25,418	7,082
Hope in the Cities	30,431	11,856	5,098	15,874	31,511
FLTfilms	101,814	58,557	26,213	100,244	86,340
Seminars and Conferences	-	4,810	15,020	10,916	8,914
Art initiatives-films, books & Publication	-	12,803	-	3,960	8,843
Global Consultation	-	6,494	10,000	6,766	9,728
Training of Young People – International (AFL)	-	30,169	40,090	2,595	67,664
Clean Africa Campaign	-	14,648	7,710	12,070	10,288
Neville Cooper Scholarship	-	8,086	-	376	7,710
Film production reserve	-	79,295	-	3,767	75,528
Agenda for Reconciliation	-	8,222	6,217	2,676	11,763
Schools & Young People Service – UK	-	9,832	-	-	9,832
Frits Philips Fund	-	540,250	-	35,273	504,977
Applied Leadership Support	-	7,105	14,564	16,217	5,452
Friends of Africa Fund	-	20,706	130	18,092	2,744
Africa-Zimbabwe Fund	-	3,844	2,385	365	5,864
Africa-Uganda Fund	-	1,000	100	-	1,100
Middle East (Dumreicher) Fund	-	5,404	-	1,219	4,185
Farmers Dialogue Fund	-	1,085	10	-	1,095
Tools For Change Fund	-	23,151	10,188	31,766	1,573
Phyllis Konstam Memorial Fund	-	5,673	-	3,600	2,073
Book publication reserve	-	1,501	-	-	1,501
Creators of Peace-International	-	1,453	12,000	10,423	3,030
Caux school project	-	3,484	-	1,399	2,085
Spiritual Renewal Fund	-	3,941	325	445	3,821
Keswick to Caux spiritual journey	-	546	13,690	14,236	-
	787,801	874,166	210,871	401,482	1,471,356

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

The Kenya fund: the outgoing resources of £ 66,110 include £39,633 of unrealised loss from investment.

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

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

16. Restricted fund – description continued

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

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

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

Global Consultation fund – this fund is restricted to finance global consultation meetings of representatives of the IofC international work to bring cohesion to a diverse network and to formulate shared strategic points of focus for IofC.

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

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

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

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

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

Friends of Africa Fund – this fund is restricted to cover accommodation and travel costs of Africans participating in IofC related seminars, conferences and meetings.

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

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

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

Tools for Change - this fund is restricted to supporting Caux conferences that provide training and skills for those with a passion to be peacemakers and trust-builders.

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

Books publication reserve – is a fund restricted to supporting the production and publication of IofC related books.

Creators of Peace, international – is a fund restricted to supporting an international network of women committed to create peace in every part of the world in the spirit of IofC.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

16. Restricted fund – description continued

Frits Philips Fund & Applied Leadership Support Fund – these funds are restricted to support people, particularly young, who feel called to give leadership in the work of Initiatives of Change anywhere in the world who might be prevented by lack of money. Support is decided by the board of trustees at the recommendation of international committee. As from 2009 the Applied Leadership support fund is replaced by the Frits Philips fund.

Caux School Project – is a fund restricted to financing the publication of a book about a school which was run at the IofC centre in Switzerland in the 1960s.

Keswick to Caux spiritual journey – is a fund restricted to financing the costs of a journey of a group of IofC people from Keswick to Caux. They visited places en route which were significant in the historical development of IofC on the 100th anniversary of Frank Buchman’s life-changing experience in the Chapel in Keswick.

Spiritual Renewal Fund – to finance events which promote spiritual growth and renewal.

17. Endowment fund

	Balance at 1-Jan-2008	Movement in Resources		Balance at 31-Dec-2008
		Incoming	Outgoing	
Endowment fund	£193,033	9,942	72,187	130,788
	=====	=====	=====	=====

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 £9,942 and the outgoing resources include the unrealised deficit of £62,245.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

18. Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Restricted funds:				
<i>Special Purpose funds:</i>				
Kenya	-	181,762	50,368	232,130
Ireland	-	363,474	1,049	364,523
Foundations for Freedom	-	-	7,082	7,082
Hope in the Cities	-	-	31,511	31,511
Flt films	52,985	-	33,355	86,340
<i>Other funds</i>				
Seminars and Conferences	-	-	8,914	8,914
Art initiatives-films, books & Publications	-	-	8,843	8,843
Global Consultation	-	-	9,728	9,728
Training of Young People- International (AFL)	-	-	67,664	67,664
Clean Africa Campaign	-	-	10,288	10,288
Neville Cooper Scholarship-Caux	-	-	7,710	7,710
Film production reserve	-	-	75,528	75,528
Agenda for Reconciliation	-	-	11,763	11,763
Schools & Young People Service-UK	-	-	9,832	9,832
Frits Phillips Fund	-	-	504,977	504,977
Applied Leadership Support	-	-	5,452	5,452
Friends of Africa Fund	-	-	2,744	2,744
Africa-Zimbabwe Fund	-	-	5,864	5,864
Africa-Uganda Fund	-	-	1,100	1,100
Middle East (Dumreicher) Fund	-	-	4,185	4,185
Farmers Dialogue Fund	-	-	1,095	1,095
Tools For Change Fund	-	-	1,573	1,573
Phyllis Konstam Memorial Fund	-	-	2,073	2,073
Book publication reserve	-	-	1,501	1,501
Creators of Peace-International	-	-	3,030	3,030
Caux school project	-	-	2,085	2,085
Spiritual Renewal Fund	-	-	3,821	3,821
	52,985	545,236	873,135	1,471,356
Endowment fund	-	130,788	-	130,788
Unrestricted funds	5,236,472	5,663,142	(31,719)	10,867,895
	5,289,457	6,339,166	841,416	12,470,039

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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

	2008	2007
	£	£
Net outgoing resources before revaluation and investment asset disposals	(350,678)	(154,860)
Depreciation charges	104,409	96,365
(Increase)/decrease in stocks	(8,402)	59,462
Increase in debtors	(22,700)	(6,031)
Increase/(decrease) in creditors	13,211	(12,614)
Dividends received	(310,132)	(286,138)
Interest received	(63,645)	(89,326)
Difference on exchange	2,679	1,272
Net cash outflow from operating activities	<u>(635,258)</u>	<u>(391,870)</u>

20. Analysis of net cash resources

	2008	2007
	£	£
Balance at 1 January 2008	164,143	288,424
Net cash outflow	(3,088)	(124,281)
Balance at 31 December 2008	<u>161,055</u>	<u>164,143</u>

21. Capital commitments

There were no capital commitments at 31 December 2008 (2007: Nil)

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SUMMARISED ACCOUNTS

Statement of Financial Activities For the year ended 31 December 2008

	Total funds 2008 £' 000s	Total funds 2007 £' 000s
Incoming resources		
Gifts	237	153
Bequests	273	249
Investment income and interest	374	375
Income from office letting and catering service	52	39
Trading income	18	24
Surplus on disposal of fixed assets	-	-
Other income	1	2
	<hr/>	<hr/>
	955	842
	<hr/>	<hr/>
Resources expended		
Charitable activities	1,081	858
Governance costs	83	66
Costs of letting and catering service	40	32
Trading expenses	102	41
	<hr/>	<hr/>
	1,306	997
	<hr/>	<hr/>
Net outgoing resources		
	(351)	(155)
Gain on disposals of investments	(31)	54
Change in market value of investments held	(2,093)	(55)
Difference in exchange rate	3	1
	<hr/>	<hr/>
Net movement in funds		
	(2,472)	(155)
	<hr/> <hr/>	<hr/> <hr/>

THE OXFORD GROUP

SUMMARISED ACCOUNTS

Balance Sheet

As at 31 December 2008

	2008 £' 000s	2007 £' 000s
Property and other tangible fixed assets	5,290	5,352
Investments	6,339	7,576
Net current Assets	841	2,014
	<hr/>	<hr/>
	12,470	14,942
	=====	=====
Unrestricted funds	10,868	13,961
Restricted funds	1,471	788
Endowment fund	131	193
	<hr/>	<hr/>
	12,470	14,942
	=====	=====

These accounts are a summary of information extracted from the Full annual financial statements, which were approved by the Board of Trustees on 23rd May 2009.

Elisabeth Tooms
On behalf of the Board of Trustees

The summarised accounts on pages 43 to 44 are not statutory accounts but a summary of information relating to both the Statement of Financial Activities and the Balance Sheet. The full annual financial statements have been externally audited 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 financial statements, the Auditors' Report and the Directors' Report should be consulted. Copies of these are available from the Treasurer, The Oxford Group, 24 Greencoat Place, London SW1P 1RD.

INDEPENDENT AUDITOR'S STATEMENT TO THE BOARD OF TRUSTEES OF THE OXFORD GROUP

We have examined the summarised accounts set out on pages 43 and 44. You are responsible as Directors for the preparation of the summarised accounts in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the summarised accounts with the full annual financial statements, and its compliance with the relevant requirements of section 427 of the Companies Act 2006. On which we reported to you on 23rd May 2009.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements.

In our opinion the summarised accounts are consistent with the full annual financial statements of The Oxford for the year ended 31 December 2008.

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

UHY Hacker Young LLP
Registered Auditor
24th May 2009

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)

Trust and integrity in the global economy, by Michael Smith (Caux Edition, Switzerland, 2008, ISBN 10: 2880375169)

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 World-wide Legacy of Frank Buchman, by Archie Mackenzie (Caux Edition, Switzerland, ISBN 2-88037-517-7) This 320-page book opens with Archie Mackenzie's answer to a young person who asked him, "Why is Frank Buchman important?" - followed by 19 chapters that have been contributed by 33 committed carriers of his legacy. *NEW*

Also available at www.iofc.org/frank-buchman-legacy

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.iofc.org The UK section of IofC's global website.

www.forchange.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

THE OXFORD GROUP

Further information continued

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 www.initiativesofchange.org

Videos and DVDs are available from FLTfilms at the same postal address.

Links

Hope in the Cities

www.uk.iofc.org/hope-in-the-cities

FLTfilms

www.fltfilms.org.uk

Caux

www.caux.ch

Caux Initiatives for Business

www.cib.iofc.org

Agenda for Reconciliation

www.afr-iofc.org

Foundations for Freedom

www.iofc.org/foundations-for-freedom

British Arab Exchanges

www.bax.org.uk

Faith in Leadership

www.faithinleadership.org

Somali Initiative for Dialogue and Democracy

www.sidd.org.uk