

Company No 355987
Registered Charity No 226334

THE OXFORD GROUP
OPERATING AS

INITIATIVES OF CHANGE

ANNUAL REPORT 2016

INCLUDING ACCOUNTS FOR THE YEAR
ENDED 31 DECEMBER 2016

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

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Members of the Board of Trustees at 31 December 2016

Dr Philip Boobbyer (Chair)
Charles Aquilina
Nathalie Chavanne
Margaret Cosens
Paul Gutteridge
Claire Leggat
The Rev Lusa Nsenga-Ngoy
Edward Peters
Dr Nirmala Pillay

Secretary

Kenneth Noble

Charity number

226334 Registered in England and Wales

Company number

355987 Registered in England and Wales

Registered office

24 Greencoat Place
London SW1P 1RD

Bankers

Barclays Bank PLC
50 Pall Mall
London SW1Y 5AX

Auditors

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

Solicitors

Bircham Dyson Bell
50 Broadway
London SW1H 0BL

Investment Managers

Speirs & Jeffrey
36 Renfield Street
Glasgow G2 1NA

CHAIR'S INTRODUCTION

Why do we need Initiatives of Change?

2016 was a year of seismic changes – and from the way things have gone so far, it doesn't look as if 2017 will be any different. It is not too difficult to believe that we are approaching a seminal moment when things will either get radically better or a whole lot worse. Will we see a new, more enlightened period, where people and nations work together for the good of humanity as a whole – or could we be heading for a new Dark Age comparable, perhaps, with the period after the fall of the Roman Empire? Of course, it is almost certainly futile to speculate about the future – unless we intend to do something about it. Initiatives of Change say that no one is powerless. As Rajmohan Gandhi, the noted Indian historian and writer, said in a recent lecture: 'Every person I meet can play a great part in changing history'. But surely only the very rich or the very powerful can change society?

That is to underestimate the power of a committed person to bring about change. The first step is correctly to diagnose the problem. What would the world be like if everyone was caring, loving, unselfish and honest? Perhaps it would be a bit overwhelming! But at least we wouldn't have wars, crime, pollution, poverty, wide-scale family break-down and inter-generational conflict. This suggests that many of our problems have roots in the way that we, as individual people, live our lives. The good news is that our own lives are something that we have the means to change. It is not easy, of course, but each one of us can choose to start living in the way that we would like to see others live.

As many will testify, changing yourself is a life-long process. Christians believe that God will help us in that process, through his grace, provided that we turn to him and ask. But whatever your belief system, you can take the first step by putting right something that has gone wrong in your life – perhaps someone you should apologise to; or a debt that you need to repay. It is extraordinary how liberating such actions can be. What is more, they free the spirit and the imagination. As we start to sort our own affairs out, we can be given a vision of what our lives are meant to be used for – which is different for every single man and woman.

The stories of change-makers in action (under the section in this report on 'activities') give just a snapshot of the sort of initiatives that anyone can take. We need to multiply these rapidly on a global scale if we are to keep our world on track.



Philip Boobbyer

Chair of Trustees

13 May 2017

DIRECTORS' REPORT

The Board of Trustees presents its report with the audited accounts of The Oxford Group operating as Initiatives of Change ('the charity' or 'lofC') for the year ended 31 December 2016. The financial statements have been prepared in accordance with relevant accounting policies and in compliance with the charity's governing document and applicable law – in particular the Companies Acts of 1985 and 2006, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the latest Charities Statement of Recommended Practice (SORP), using Financial Reporting Standard 102.

Name and Objects

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

The Trustees are responsible for the governance of the charity and serve as Directors of the company. The Trustees who were in place at year-end and all those who served during the year are set out on pages 4 and 16 respectively.

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

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

Initiatives of Change describes its faith basis as follows:

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

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

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

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

This approach has become an effective basis for people of different cultures and beliefs to work together to respond to urgent world needs.

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

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Public Benefit

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

The Trustees believe that the fundamental purpose of Initiatives of Change – to help individuals search for God's plan for their lives; to live by the highest moral values; and to find a sense of calling about their contribution in the world – is, *per se*, of benefit to society at large. As Henry Drummond, author of *the Greatest thing in the world*, put it: 'Next to losing the sense of a personal Christ, the worst evil that can befall a Christian is to have no sense of anything else.... The first great epoch in a Christian's life, after the awe and wonder of its dawn, is when there breaks into his mind some sense that Christ has a purpose for mankind.' Faith is important, not just for its intrinsic value to the individual, but because it is so often the motivating factor in enabling people to turn their lives around; and then equipping them to make effective and relevant contributions to society. More specific benefits to the public are demonstrated, either implicitly or explicitly, under the various sections of the report of activities. It is the Trustees' aim constantly to seek ways of increasing the impact and effectiveness of the charity so that they can expand the benefits provided by the charity as widely as possible.

Appointment and induction of Trustees

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

The Board of Trustees appoints a Nominations Committee to identify and propose potential new Trustees. The Committee gives relevant information to potential candidates, and induction and training as appropriate to newly elected Trustees. New Trustees are asked to sign a declaration that they are eligible to act as such, and also to declare any other directorships they hold.

The Board has a policy of offering funding for any Trustee to undertake relevant training. The Nominations Committee also has the responsibility of assessing the skills offered by the Board and identifying areas which need strengthening. During the year this committee comprised Dr Philip Boobbyer and Claire Leggat. The Company Secretary acted in an advisory role.

We are grateful that Simon Hicks, a former Trustee, continued to serve on the Finance Committee during much of 2016. We are currently seeking to find a replacement for this important role.

Paul Gutteridge resigned from the Board on 7th February 2017.

Organisation

The charity is based in the United Kingdom and has its headquarters in London. It undertakes activities in the UK and around the world, normally in collaboration with other Initiatives of Change national or regional bodies. The Board of Trustees meets at least quarterly.

The day-to-day running of the charity's affairs is undertaken by an Executive Committee which meets weekly and reports to and advises the Trustees. Three 'National Coordinators', appointed in 2015, serve on this

DIRECTORS' REPORT

committee. Their role is to develop the strategy and outreach of the charity, and to build a strong, united team. They are Roddy Edwards (from Suffolk), Peter Riddell (Oxford) and Jodie Marshall (Sheffield). The rest of the Executive Committee consists of the Chair, Francis Evans; the Company Secretary; the Chief Accountant; the Head of Communications; and the Knowledge Manager.

The the trustees are particularly grateful to Francis for doing his work on a voluntary basis. This results in more of the charity's funds being used to provide public benefit. A bedroom is made available free of charge for him at the Greencoat Place centre in order to facilitate his involvement with the charity.

In 2016 Barbara Down finished her role as Assistant Secretary and has now been appointed as Head of Personnel.

Properties

Throughout 2016, the charity owned four residential houses in addition to its headquarters building at 24 Greencoat Place in Westminster. Three of these houses, in Sheffield, Oxford and Wandsworth, London, are used as centres for the work of the charity and provide a base for outreach and a venue for meetings and fellowship. In accordance with the wishes of the late Doris Jenkins, the fourth residential property, also in Wandsworth, has been made available for the use of a couple in their 90s who have devoted their full time to voluntary Christian work throughout their long working lives. The ground floor of the house is a semi-autonomous flat, rental income from which covers the running costs of the whole property.

The Greencoat Place centre has a number of function and conference rooms that are used for the Group's charitable activities and, when not required by the charity, are available for rent to other organisations. Income from this source contributes increasingly towards the running costs of the centre.

During the year the Trustees continued to rent a flat at 9, Albert Embankment, in Lambeth. This was in order to further the 'New Leadership and Accompaniment' programme. The purpose is to reach out to those taking responsibility in national life and offer them fellowship and spiritual support (as well as introducing them to others whom they might not normally meet), whilst at the same time identifying and training future potential leaders in the moral and spiritual values that are needed to underpin society.

Risk Assessment and Sustainability

The Trustees have reviewed the risks that the charity faces or could face.

Some of the most potentially damaging risks, in the Trustees' view, relate to those seeking to give leadership within Initiatives of Change losing their values; or that we become divided and pull in different directions. This would damage the effectiveness of the charity's work. For that reason, passing on our core moral and spiritual principles to a younger generation is one of our priorities. Several internal programmes and events have this aim. Assessed as being just as great a risk, a lack of leadership or strategy could make Initiatives of Change irrelevant or ineffective. Giving strategic direction to the charity is primarily the Trustees' responsibility, and they have engaged the National Coordinators to make sure that this is happening.

At the next most serious level is a risk not previously considered, cybercrime. Although the charity as such is not considered to be at high risk, a worrying number of mainly elderly volunteers have been defrauded during the last year, either through phone or on-line scams. The total amount lost amounts to many thousands of pounds. This could have a negative effect on the charity as it undermines individuals' ability to give as well as sapping morale. We urge all of our friends and supporters to be vigilant.

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Other risks at this second level included: poor communications between the Trustees and the Executive Team and others carrying responsibility for the work of the charity; and lack of measures or evaluation to enable Initiatives of Change to be a learning organisation. The former risk is partly being addressed through formal reporting procedures but also the Trustees are making every effort, busy as they are, to attend events and take part in the fellowship weekend so that they establish personal links with the staff and supporters. The question of evaluation is one with which we have made some progress – carrying out reviews of the use of our London flat, for example. The new Head of Personnel has been upping the level of staff appraisals and contractors' performance reviews. A review will shortly be carried out to assess the effectiveness of the National Coordinators. Further evaluations will be carried out as resources and management time permit.

The Trustees are not complacent about any of these risks and constantly seek to look at governance and relationship issues. We have engaged a part-time fund-raiser throughout 2016 and she has had some encouraging results (see the later section on fund raising). More fundamentally, we encourage our supporters to work and pray for what we need – and we are moved by and grateful for the sacrificial giving of so many.

Staff and volunteers

During the year, Lamesgin Basazinev was appointed as Assistant Accountant, Scott Darby as Property Project Manager and Tracey Cole as Catering Assistant. Two new members of staff (one of them a former consultant) were appointed to run an Erasmus+ funded project over three years. (See the 'activities' section.) Talia Smith was given a year's Sabbatical to follow her sense of calling to volunteer with Initiatives of Change in Africa.

The sixth in a series of annual fellowship weekends was held in March at the Kings Centre, Northampton. It brought together around 100 Initiatives of Change staff and volunteers from around the country with some who wanted to find out about the work and ideas of the charity. These opportunities to share experiences and spiritual reflections; to meet in a relaxed environment; and to welcome some colleagues from overseas have proved invaluable for increasing a sense of fellowship and shared responsibility for the work of the charity. Learning from 2015, this year we hired professional help to help take care of children. This was expensive but an unqualified success. The 2017 'fellowship weekend' will take place in April at the same venue.

Reference is made in various places within this Report to the notable contribution of volunteers to the work of the charity. This is difficult to quantify but volunteer activities range from promoting and helping to organize public events to offering individual counselling, fellowship and Bible studies; from introducing people to the work of the charity to contributing money. It is no exaggeration to say that Initiatives of Change could not function without the goodwill, generosity and inspiration of around 80 volunteers, many of whom devote a considerable amount of time and resources. The Trustees are grateful to all of them.

Staff remuneration

The Trustees set levels of salary for staff through the use of a banding structure, with senior executives at the highest level. No member of staff (nor contractor) earns more than £40,000 per annum. Some members of staff benefit from living in residential accommodation owned by the charity, which enables them to carry out their roles. The salary levels are generally lower than staff could command elsewhere, as is normal in the charity sector. The rates for contractors are determined on the basis of the level of responsibility and experience and in the view of the Trustees are well below the market average.

In line with current legislation, all members of staff were enrolled into a workplace pension scheme approved by the Pension Regulator before the deadline for compliance.

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Investment powers and reserves policy

In order to cater for the charity's long-term needs and to provide against the long-term downwards trend in legacy income, the charity's policy is to build up its investments to the point where they generate sufficient income to cover the administration of the charity. During 2016 investment income covered the cost of governance, legal and finance functions. Total income from the charity's investments increased in 2016 to £489,295 (2015: £476,011)

The Trustees have agreed a reserves policy that strikes a balance between the trustees' responsibility for the charity's long-term future, their duty to use its assets for the furtherance of its objects and the need to meet liabilities as they fall due. The policy states that the charity will always hold in liquid form the equivalent of at least two months' expenditure.

The Board of Trustees has powers to invest in stocks, shares and property as it sees fit, within the constraints of charity law. During the year the charity's investment portfolio continued to be managed by Speirs and Jeffrey. The charity's investment aim is to protect the real value of its investments over time, whilst generating income compatible with that objective. The annual Total Return on the charity's portfolio during 2016 was 16.8 per cent.

The Trustees would like to record their gratitude to all those who remembered Initiatives of Change in their Wills, and to their families. The Board's policy is to invest 75 per cent of all non-restricted legacy income above what is needed in the year of receipt, to build up the charity's investment base and generate income for the future, although in 2016 we were not able to add to our investments in this way.

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

Activities during 2016

The charity undertakes a wide range of programmes, all aimed at benefiting either the public as a whole or a significant section of the public. The charity's vision, mission and values are outlined in the current strategic plan, adopted in February 2016 (see www.uk.iofc.org). All activities are in line with the charity's legal objects as they seek to encourage people to base their lives on firm moral and spiritual foundations so that they can become effective change-makers wherever their calling leads them. The strategy assumes a small central staff who encourages and support the initiatives of as many people as possible under the focus areas of:

- Ethical leadership
- Sustainable living
- Trust building through honest conversation and forgiveness

Some project workers are under contract but the great majority are volunteers. The National Coordinators are responsible for nurturing a team who will work together to bring a constructive spirit in the country. As well as spending time with individuals, the National Coordinators bring people together for mutual support and encouragement. The paid project workers are mainly engaged in the fields of creating 'trust and integrity in the global economy' (ethical leadership) and 'communities' (sustainable living), which is an attempt to foster sustainable change in many different areas, including among some of the diaspora communities, particularly from the Horn of Africa. Other activities, all designed to support the main thrust of our strategy, include film-making, public talks, publications, training, and social media output. Most of the activity is in the UK but a limited amount of support is provided to those who want to undertake work in other parts of the world, usually in collaboration with Initiatives of Change bodies in those countries. The main overseas activity takes

DIRECTORS' REPORT

place in Switzerland, where annual summer conferences in Caux attract people from all round the world. British Initiatives of Change workers and volunteers play a major role in organising these conferences – and many of the participants are British, too.

The principal activities undertaken during 2016 were as follows. They are grouped according to the three focus areas mentioned previously.

Ethical leadership

- The Trust and Integrity in the Global Economy (TIGE) programme continued its outreach in the UK, at Caux and beyond. They ran one of their roadshows at Manchester Metropolitan University on 31 May. The host, Nathalie Ormrod, Senior Lecturer in Marketing and Business Ethics, had been inspired to issue the invitation after attending a TIGERoadshow in Liverpool. She said, 'Social and ethical entrepreneurship needs to be embedded in contemporary business programmes in order to sustain tomorrow's businesses with leaders respectful of their stakeholders, communities and environments. It was a pleasure, if not a duty as a business lecturer, to bring this inspirational conference to the campus.' Then, on 22 November, she asked Michael Smith, Head of TIGE, and Christiaan Groen of IofC-Netherlands back to the university. They spoke to three separate classes and discussed the question, 'What is the purpose of business?'
- TIGE events in London included a one-day conference on 'the economics of happiness' under the title 'go local to counter the negative effects of globalisation'; and a talk on Relational Thinking. At the former event (hosted by a coalition of partners), Helena Norberg-Hodge, the founder of Local Futures, showed an alternative paradigm to that of globalization in her film, *The Economic of Happiness*. The author and campaigner has lived and worked in Ladakh in the Himalayas each of the last 40 years. She called for human-scale economics and the steps needed to achieve this at the community, national and international levels. Dr Michael Schluter and Marjon Busstra were the main speakers at the Relational Thinking event. They campaign for 'new futures that depend on how well society handles key relationship'. Schluter, who founded the Relational Thinking Network, said, 'We need something radical if we are going to shake up our current economic centre.' This meant viewing life from the perspective of relationships, as opposed to materialism or individualism. (For more information see www.relationalthinking.net). Most such events at Greencoat Place are free, with a voluntary collection, so that members of the public can benefit from them, whatever their means.
- Michael Smith and Talia Smith addressed 500 MBA students at the Sri Balaji Society in Pune, India, on the theme of Michael's latest book, *Great Company*, which tells stories of people in business who have taken a stand on ethical issues.
- School for Changemakers is a programme which develops ethical leadership in younger people. This year's 'school' was held at St Mary's University Twickenham from 17 – 19 June. Around 50 young people took part, including Philippa Watts. Referring to 'a whole spectrum of speakers and workshop leaders to motivate and inspire us', she wrote: I am not easily inspired. I don't see the universe in rainbows and glimmering dew. I don't post motivational quotes. I am as cynical as I am optimistic. In general, I am not easily impressed. But here at the School for Changemakers, mind = blown.... We explored empathy, motivation, hope and anger, self-development and so many other aspects that come together in the minority of the population who are driven enough to actually go out and make change.' Among the speakers were Pat Magee ('the Brighton Bomber') and Jo Berry speaking on reconciliation; Onjali Rauf (Making Herstory) on social entrepreneurship; and Akala

DIRECTORS' REPORT

(poet, rapper, activist, Hip Hop Shakespeare Company) on race, class and imperialism. Watts commented: 'It is a luxury to be able to think of problems outside your own, to have the time, energy, money and skills to devote to taking a risk and challenging the status quo. I do wonder about how we can make sure those people who lack these things become change-makers in their own right, rather than those of us with those privileges taking up the mantle.... But for now, for those of us who do have those privileges, you could do worse than starting your mission for change with The School for Changemakers and lofC.'

Sustainable living

- 2016 saw the start of a three-year multinational project, fully funded by Erasmus+, about Migrants and Refugees as Re-builders – transforming lives through learning. This was something of a departure for Initiatives of Change as we have not previously undertaken an externally funded project on this scale. The partner organisations are in Turkey, Sweden and Spain, and the aim is to develop innovative training responses to support migrants and refugees from the Horn of Africa, the Middle East, Maghreb and Latin America. The material developed will enable educators of migrants and refugees to support them as they settle into new communities, rebuild their lives, and eventually contribute to the development of their home countries. There are promising signs that partner organisations may be able to spread the results of this work to other countries.
- During the year, Dr Muna Ismail, a Somali refugee working with lofC's Agenda for Reconciliation programme, launched the foundation stage of a course on 'Refugees as Re-Builders™'. This was particularly for refugees originating from the Horn of Africa. The key skills covered were: Dialogue facilitation, ethical governance and sustainable livelihood. The idea behind the course was that refugee groups are potential rebuilders of the war-torn countries from which they fled. The course was attended by 17 people over a series of six weekends. Later in the year, an intermediate course was held. The plan is to hold a foundation and an intermediate course in 2017, followed by 'training of trainers' so that these skills can be disseminated more widely. As with all events organised by Initiatives of Change, there was a strong emphasis on moral and spiritual values and the importance of individuals starting the process of change in their own lives.
- Initiatives of Change's Sustainable Communities programme held gatherings in Sheffield and Liverpool of a growing network of community leaders from deprived inner city areas. Amina Khalid, leader of the programme, and Lul Seyoum, founder of ICERAS (International Centre for Eritrean Refugees and Asylum Seekers), facilitated an evening of 'Stories from the Frontline' with speakers working with refugees, often in challenging and traumatic situations.
- The Next Century Foundation partnered with Initiatives of Change to host a four-day conference at Greencoat Place in June on 'The Middle East Migration Crisis – Genesis and Responses'. The first three days focused on Libya, Afghanistan and Iraq, and Syria. In each case time was spent looking at how the present situation arose. Then the focus was on what more could be done, both in the country under discussion and in the UK. Refugees living in the UK joined humanitarian experts to share their experiences and to review current initiatives towards conflict resolution. The fourth day focused on ideologies that had contributed to the crisis as well as anti-Muslim prejudice. The conference also dealt with the challenges facing refugees in Britain. There were also stories of hope. An Eritrean refugee who arranges dialogues between Christian and Muslim Eritreans in the UK said that this was enabling them to work creatively together and plan for the time when they can return to their homeland. Ayatollah Safavi, President of the International Peace Studies Centre in Tehran, outlined the qualities of a true believer, in stark contrast with those who turn to violence in the

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name of religion. Dr Imad Karam, Executive Director of IofC International, said that his parents had kept him from the influence of extremist groups while growing up in Gaza. Initiatives of Change had offered him a more effective way of bringing change. The benefit to the public of finding ways of reducing tensions amongst different religious groups and/or in the Middle East is clear.

Trust building through honest conversation and forgiveness

- The women's Creators of Peace team ran several 'Peace Circles' during the year, including three in partnership with St Michael's House, the new base of Coventry Cathedral's Ministry of Reconciliation. Peace Circles are run by trained facilitators for small groups of women who can talk in confidence and explore the roots of peace. One participant, Haley Jones, wrote after attending, 'Sitting in a circle with a diverse group of women from Coventry was one of the most valuable experiences that showed me the transformative power of learning to be vulnerable and reminded [me] of the simple yet powerful effect of authentic and sincere presence on building strong relationships and communities.... When we take a chance in articulating our needs or our experiences we create room for new relationships, which is a necessary component in tackling the dominant narrative of hatred and violence against "the other".' Following an intensive Peace Circle Weekend in Oxford in November, Leilah Botham wrote, 'I will reflect more on HOW I do things rather than WHAT I do.' A woman from London wrote: 'I am leaving this weekend with a renewed sense of purpose. It is so inspiring to meet people from all walks of life who are motivated to create change and peace, from the local to the international level.' Although the number of participants in any particular Peace Circle is small, the organisers are keen to train more facilitators so that the programme can be carefully expanded, without losing the essential spirit. This will increase the number of members of the public who can experience the training.
- Talia Smith, a member of staff, and Howard Grace, a volunteer, continued the series of showings of the film, *Beyond Forgiving*, including to the World Healing Crusade in Blackpool, in Coventry and to the Horsham Interfaith Group in Surrey. The film shows the painful journey towards trust between Letlapa Mphalele and Ginn Fourie from South Africa, after Ginn's daughter was killed in a shooting ordered by Letlapa during the Apartheid era. The film provoked deep discussions.
- The Somali Initiative for Dialogue and Democracy organised three Peace Begins at Home intergenerational dialogue workshops for the Somali community in Islington, north London. These were funded by St Ethelburga's Centre for Reconciliation and Peace, and organised in partnership with Initiatives of Change and Search for Common Ground. Jeremy Corbyn, Leader of the Labour Party and MP for Islington North, addressed the first workshop on 30th January. The organisers said that one of the biggest challenges faced by the Somali and other diaspora communities in London was inter-generational. When there is a lack of communication, it can often result in unspoken conflict which remains unaddressed and affects both older and younger members. Through the power of dialogue and story-telling, the Peace Begins at Home project aims to build relationships and understanding across the generations. Corbyn challenged the young people of London to turn away from mobile phones, TVs and computers for an hour a week and spend time with their parents to encourage family dialogue.
- 'Reasons for hope in Challenging Times' was the title of an evening Greencoat Forum chaired by the then President of Initiatives of Change International, Dr Omnia Marzouk. A panel of Muslim leaders and community workers spoke about what gives them hope for a successful multicultural and multi-faith society. The diverse audience joined in a discussion about how to make multiculturalism a success.

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Support for International Initiatives

- Initiatives of Change's newly-established European Steering Group, which includes two UK representatives, Peter Riddell and Chris Evans, took responsibility for organising the annual conference in Caux on the theme of Addressing Europe's Unfinished Business. This year's theme was 'New reasons for hope in challenging times'.
- Amina Dikedi-Ajaikaye, who lives in the UK and is a full-time volunteer with Initiatives of Change, played a key role as Convenor of the Initiatives of Change Africa Coordinating Group. Among many different initiatives in which she was involved, a group of Nigerian businessmen and women were given training in ethical values by trainers who had gathered for an international consultation in Lagos.
- Alan Channer, a contractor with Initiatives of Change, played a significant part in organising 'an International Dialogue on Land and Security' in Baringo County, Kenya. Over 120 participants engaged in intense discussions on issues of land management, land-based livelihoods, environmental sustainability, climate change, conflict, peace-building and governance. The Dialogue was opened by HE Governor Cheboi, of Baringo County, and the first plenary session was launched by HE Governor Tolgos, of Elgeyo Marakwet County. The Dialogue endorsed both a Caux-Kabarnet Declaration and a poetic 'Vision for the Northern Rift 2030'. It also produced a cluster of action plans, with an overarching Action Group to drive these and ensure synergy between them.
- *A Film for Northern Uganda* had its UK premier at Initiatives of Change's Greencoat Place centre on 26th October. Directed by Kelly Burks and Eric Bednarski, the 45-minute documentary film was commissioned from Initiatives of Change by the United Nations Development Programme, who fully funded it. The documentary captures stories from some of the people terrorised by the Lord's Resistance Army, the rebel group led by Joseph Kony. After two decades of human rights violations and atrocities at the hands both of the LRA and the Ugandan military, the film chronicles how survivors are rebuilding Northern Ugandan society. It highlighted their courageous steps towards reconciliation as well as some far-reaching initiatives to create sustainable agriculture and to give people the skills they need to earn a living.

Further information on these activities can be found at www.uk.iofc.org.

Financial Review

The charity began 2016 with an anticipated shortfall of £456,142 between budgeted expenditure and anticipated income. At the end of the year, the outcome was a net use of funds of £251,791 (2015: £60,384). Legacies continued to provide a high percentage of income.

Efforts to break the reliance on legacies and to secure the long-term financial future of the charity continued during 2016. Earnings from the hiring out of the Greencoat Place facilities continued to grow. The overall figure for income from properties in 2016 was £201,556 (2015: £170,343). We are grateful to the Irene Prestwich Trust for generous support with the National Fellowship Weekend, also to the Rowland Trust and the Barnabas Charitable Trust both of which have helped support those of our volunteers who struggle financially because of the amount of unpaid work that they have done (and in many cases still do) for the charity. Many individuals have also contributed generously to the cost of making a film about the peace-building work of the charity's founder Dr Frank Buchman, which is due to be released in 2017.

DIRECTORS' REPORT

Monitoring and evaluation

Encouraging individuals to seek and follow their own sense of calling, as Initiatives of Change does, has strengths but also risks. It gives rise to a large number of initiatives run by highly motivated people, many of which are somewhat loosely connected with the official structures of the charity. The Trustees believe that this approach is in line with Christian teaching. However, it also means that performance evaluation, target setting and impact measurement are to a considerable extent subjective and provisional.

The Charities Statement of Recommended Practice says that the Annual Report should explain 'the trustees' perspective of the future direction of the charity. It should explain, where relevant, how experience gained or lessons learned from past or current activities have influenced future plans and decisions about allocating resources to their best effect'.

The annual budgeting process is largely based on previous experience – where an individual or programme has shown effective impact, they are likely to be given more resources. Most of the programmes are given seed funding from the 'Opportunities Fund', which takes into account such factors as whether the programme is likely to be sustainable and whether it is offering something unique. It must, of course, first demonstrate that it will further the charity's objects. The appointment of a Knowledge Manager was also part of a bid to make sure that the experience of those who have given a life-time of service to the charity is captured and passed on to future generations. This includes factual knowledge, about the history of the charity for example, but also less tangible knowledge such as wisdom on how to go about living a life inspired by the Holy Spirit.

Plans for 2017

The charity's aim for 2017 is to increase its impact in the UK. At the same time it will continue to support a modest number of initiatives in countries where they have a clear public benefit (usually through grants to individuals). In particular, support is being given to a European initiative which goes under the title of Addressing Europe's Unfinished Business, which aims to heal some of the rifts arising from history. This approach is in line with the Trustees' declaration that they want the UK charity to take more responsibility for Initiatives of Change internationally. We will also be hosting some overseas guests who can give our country fresh vision at this time of uncertainty. They will speak publicly but also hold smaller, private meetings.

In addition to supporting the annual conferences and meetings at Caux and continuing the series of Greencoat Forums and other public meetings at Greencoat Place, the charity will run additional workshops and courses along similar lines to those described earlier in this report. The Erasmus+ programme will continue, as will courses on 'Refugees as Rebuilders'. The charity will hold a School for Changemakers course, and will continue to develop the School for Changemakers Alumni Association. Programmes such as TIGE, referred to earlier, and the work with communities will be continued. We will seek to work with partners where appropriate and where there is a clear benefit.

The charity's budget for 2017 shows an anticipated deficit of £436,985 excluding legacy income, restricted funds and depreciation. The size of the deficit reflects the charity's commitment to programmes for which funding has not yet been secured. The Board of Trustees envisages that the shortfall will be made up through fund-raising, unexpected legacies and spontaneous gifts, and invites all who value the work of Initiatives of Change to join them in praying and working to secure what is needed to enable the activities described in this report to continue and flourish.

Fund-raising

One of the National Coordinators mentioned earlier in this report, Jodie Marshall, was partly engaged in order to help raise funds for the charity. In practice, she did this for approximately one day per week on average. Her

DIRECTORS' REPORT

main focus was on helping the charity's supporters to organise fund-raising events in their areas. Jodie also organised a national 'singathon', where people asked for sponsorship for various activities to do with singing. The amount of money raised was not large but it introduced many supporters to the use of on-line donation sites, in this case Just Giving. Jodie sees the priority as seeking to bring about a change of culture within the charity where people expect to be fund-raisers and not just 'activists' drawing on central funds. Of course, many of the charity's supporters have been extremely generous but perhaps fewer think in terms of helping to raise money from other sources.

As mentioned previously, the Erasmus+ project is a new venture. It is the largest externally funded project undertaken by the charity, the management and delivery of which has been a valuable learning experience. The Trustees intend to evaluate the strengths and weaknesses of such an approach in due course. The project has enabled the charity to employ two people to carry out work that will benefit migrants and refugees, potentially throughout Europe. This is work the charity could not have funded from its own resources.

The charity did not engage in any street collections nor direct appeals to people who had not expressed a prior interest in the work of the charity. No complaints were received during the year from anyone who had been approached. The Trustees have noted that new reporting requirements with regard to fund-raising come into effect with the next annual report and will comply fully with these.

STATUTORY INFORMATION

Members of the Board of Trustees

Members of the Board of Trustees who served as directors during 2016 were:

| | |
|-------------------|---|
| Charles Aquilina | Dr Philip Boobbyer (Chair) |
| Claire Leggat | Edward Peters (joined 14 th May, 2016) |
| Dr Nirmala Pillay | The Rev Lusa Nsenga-Ngoy |
| Nathalie Chavanne | Paul Gutteridge |
| Margaret Cosens | |

Statement of Financial Responsibilities

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

The Trustees are required to:

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

Disclosure to Auditors

So far as the Board of Trustees is aware:

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

Appointment of Auditors

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

By the order of the Board of Trustees

Philip Boobbyer

Chair of Trustees

13 May 2017

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE OXFORD GROUP

We have audited the accounts of The Oxford Group for the year ended 31 December 2016 set out on pages 20 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the accounts

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE OXFORD GROUP

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

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

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

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

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Rd

London

NW1 3ER

United Kingdom

13 May 2017

THE OXFORD GROUP
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Endowment funds £ | Total 2016 £ | Total 2015 £ |
|--|-------|-------------------------|-----------------------|-----------------------|----------------------|-------------------|--------------------|
| Income and endowments from: | | | | | | | |
| <i>Donations and legacies</i> | 3 | 204,418 | - | 147,936 | - | 352,354 | 585,969 |
| <i>Other trading activities</i> | | | | | | | |
| Letting & catering income | 6 | 201,556 | - | - | - | 201,556 | 170,344 |
| <i>Investment income</i> | 9 | 89,792 | - | 14,893 | 384,610 | 489,295 | 476,011 |
| | | 495,766 | - | 162,829 | 384,610 | 1,043,205 | 1,232,324 |
| <i>Charitable activities:</i> | | | | | | | |
| Income from sale of books and film | 4 | 2,128 | - | 1,289 | - | 3,417 | 4,691 |
| <i>Other income :</i> | | | | | | | |
| Other income | | 1,269 | - | 100 | - | 1,369 | 5,494 |
| Total income | | 499,163 | - | 164,218 | 384,610 | 1,047,991 | 1,242,509 |
| Expenditure on: | | | | | | | |
| Raising funds | | | | | | | |
| Fund managers' fees | | 3,969 | - | - | 10,321 | 14,290 | 12,242 |
| Letting and catering costs | 6 | 110,331 | - | - | - | 110,331 | 47,026 |
| Fund raising costs | | 5,331 | - | - | - | 5,331 | - |
| Charitable activities | | | | | | | |
| Campaigns, programmes and other activities | 5 | 1,080,264 | - | 183,983 | - | 1,264,247 | 1,205,171 |
| Fund released to Initiatives of Change - Kenya | | - | - | - | - | - | 377,015 |
| Trading expenses | 4 | - | - | 8,733 | - | 8,733 | 22,206 |
| Total expenditure | 10 | 1,199,895 | - | 192,716 | 10,321 | 1,402,932 | 1,663,660 |
| Net (expenditure)/income for the year | | (700,732) | - | (28,498) | 374,289 | (354,941) | (421,151) |
| Net gains/(losses) on investments: | | | | | | | |
| Realised | | 6,006 | - | - | 100,117 | 106,123 | 21,635 |
| Unrealised | 12 | 351,644 | - | 39,905 | 1,427,936 | 1,819,485 | (877,714) |
| Net (expenditure)/income before transfers | | (343,082) | - | 11,407 | 1,902,342 | 1,570,667 | (1,277,230) |
| Transfers between funds | | 508,825 | (185,873) | 28,278 | (351,230) | - | - |
| Net (expenditure)/income before other recognised gains and losses | | 165,743 | (185,873) | 39,685 | 1,551,112 | 1,570,667 | (1,277,230) |
| Other gains/(losses): | | | | | | | |
| Difference on exchange | | (2,973) | - | - | - | (2,973) | - |
| Net movement in funds | | 162,770 | (185,873) | 39,685 | 1,551,112 | 1,567,694 | (1,277,230) |
| Reconciliation of Funds | | | | | | | |
| Total funds balances at 1 January 2016 | | 340,056 | 6,751,636 | 737,751 | 9,784,080 | 17,613,523 | 18,890,753 |
| Total fund balances at 31 December 2016 | | 502,826 | 6,565,763 | 777,436 | 11,335,192 | 19,181,217 | 17,613,523 |

THE OXFORD GROUP
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BALANCE SHEET
AS AT 31 DECEMBER 2016

| | Notes | 2016 | | 2015 | |
|---|-------|----------------|--------------------------|----------------|--------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 4,890,933 | | 4,997,155 |
| Investments | 12 | | 13,975,693 | | 11,979,147 |
| | | | <u>18,866,626</u> | | <u>16,976,302</u> |
| Current assets | | | | | |
| Stocks | 13 | 85,448 | | 75,172 | |
| Debtors | 14 | 83,156 | | 436,304 | |
| Short term investments | | 145,266 | | 117,190 | |
| Cash at bank and in hand | | 253,243 | | 123,342 | |
| | | <u>567,113</u> | | <u>752,008</u> | |
| Creditors: amounts falling due within one year | 15 | | <u>252,522</u> | | <u>114,787</u> |
| Net current assets | | | 314,591 | | 637,221 |
| Total assets less current liabilities | | | <u><u>19,181,217</u></u> | | <u><u>17,613,523</u></u> |
| Funds | | | | | |
| Unrestricted funds: | | | 502,826 | | 340,056 |
| Designated funds | | | 6,565,763 | | 6,751,636 |
| Restricted funds | 16 | | 777,436 | | 737,751 |
| Endowment funds | | | 11,335,192 | | 9,784,080 |
| | | | <u><u>19,181,217</u></u> | | <u><u>17,613,523</u></u> |

The accounts were approved by the Board of Trustees on 13th May 2017.

THE OXFORD GROUP
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CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | 2016 | 2015 |
|--|-------|-----------------------|-----------------------|
| | | £ | £ |
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | 19 | (244,957) | (807,560) |
| Cash flows from investing activities: | | | |
| Dividends received | | 488,454 | 475,256 |
| Interest received | | 841 | 755 |
| Payments to acquire tangible fixed assets | | (12,450) | (93,875) |
| Transfer to Kenya | | - | (377,015) |
| Payments to acquire investments | | (801,833) | (972,698) |
| Net receipt from liquidation of short-term investments | | (28,076) | 270,987 |
| Receipts from sale of investments | | 730,895 | 1,347,180 |
| Net cash provided by investing activities | | <u>377,831</u> | <u>650,590</u> |
| Change in cash and cash equivalent in the year | | 132,874 | (156,970) |
| Cash and cash equivalent at 1 January 2016 | 20 | 123,342 | 280,312 |
| Change in cash and cash equivalents due to exchange rate movements | | (2,973) | - |
| Cash and cash equivalents at 31 December 2016 | 20 | <u><u>253,243</u></u> | <u><u>123,342</u></u> |

THE OXFORD GROUP

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016, there were 90 members of the Association (2015:89). During the year nine people served as Trustees, of whom none received remuneration. Expenses incurred by nine Trustees totalling £8,039 (2015: £7,167 by seven Trustees) were reimbursed during the year. These mainly represent travel costs. The Trustees have decided to publish their expenses, which are as follows:

| | | | | | |
|--------------------|---|-------|------------------|---|-------|
| Dr Philip Boobbyer | £ | 1,188 | Margaret Cosens | £ | 1,789 |
| Dr Nirmala Pillay | £ | 78 | Charles Aquilina | £ | 921 |
| Claire Leggat | £ | 1,900 | Lusa Nsenga-Ngoy | £ | 644 |
| Nathalie Chavanne | £ | 481 | Paul Gutteridge | £ | 347 |
| | | | Edward Peters | £ | 691 |

The Oxford Group is a registered charity number 226334.

2. Principal accounting policies

a) Basis of preparation

The financial statements are prepared under the historic cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards and the Companies Act 2006. In preparing the financial statements The Group follows the best practice in the United Kingdom as set out in the Accounting and Reporting by Charities: Statement of Recommended Practice 2015 -FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

b) Incoming resources

Income is recognised in the period in which the charity is entitled to receipt; it is more likely that economic benefits will flow to the charity; 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 recognised when the charity knows the existence of a valid will and the death of the benefactor as well as after establishing that the probability of receipt or property transferred is high and the amount involved can be estimated with sufficient accuracy. Gifts-in-kind are included at valuation where their value is ascertainable and material.

Investment income is accounted for when received.

c) Resources expended and basis of allocation of support costs

Expenditure is included when incurred.

The majority of the costs are directly attributable to specific activities. However, there are certain shared costs (known as support costs) incurred by certain functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include rates, insurance, electricity, repairs and cleaning for the Head Office, and marketing costs. Support costs are 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 allocated costs incurred for governance and marketing, and support costs incurred to co-ordinate campaigns.

e) Preparation of the accounts on a going concern basis

The average yearly operating cash required using three year moving average is £120,225. As the the charity's cash balance and short term investments are more than three times the required amount, the trustees therefore are of the view that there is no economic indicators that jeopardise the going concern of the charity for foreseeable years.

THE OXFORD GROUP

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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% |

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

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

g) Fixed asset investments

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

h) Stocks

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

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term highly liquid investments with a short term maturity of 3 months or less from the date of acquisition or opening of the deposit.

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Fund accounting

Funds held by the charity are:

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

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

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

Endowment funds – This is the value of the majority of long-term investments the income of which is kept to support the on going essential activities of The Group. The majority (98.3%) are an expendable endowment fund and the remaining 1.7% is permanent. The income from endowment funds may be used to cover the core running of the charity.

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

n) 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.

o) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE OXFORD GROUP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2016

3 Income from donations and legacies

| Donations and gifts | Unrestricted funds £ | Restricted funds £ | Total 2016 £ | Total 2015 £ |
|---|-------------------------|-----------------------|--------------------|--------------------|
| Legacies | 123,072 | - | 123,072 | 448,267 |
| Gifts under covenant | 16,534 | - | 16,534 | 16,007 |
| Gift for seminars and conferences | 13,981 | - | 13,981 | 16,829 |
| Gift for newsletter and booklets | 69 | - | 69 | 275 |
| Womens' Peace Circle Initiative | 2,243 | - | 2,243 | 150 |
| FLTfilms | - | 6,844 | 6,844 | 19,568 |
| Gift for work in Africa | - | - | - | 570 |
| Gift for reconciliation work | 521 | 6,308 | 6,829 | 11,724 |
| Gift for IofC work in Middle East | - | 2,000 | 2,000 | 2,114 |
| Gifts for projects and programmes | 19,404 | - | 19,404 | 44,640 |
| Gifts for general purposes | 13,928 | - | 13,928 | 5,338 |
| Gift Aid tax recovered | 5,259 | - | 5,259 | 7,843 |
| School for Changemakers | 1,500 | - | 1,500 | 60 |
| Gift for film making for peace in Uganda-UNDP | 4,907 | 132,784 | 137,691 | 10,584 |
| Other gifts | 3,000 | - | 3,000 | 2,000 |
| Total donations and gifts 2016 | 204,418 | 147,936 | 352,354 | |
| Total donations and gifts 2015 | 515,399 | 70,570 | | 585,969 |

4 Income from charitable activities

| | FLTfilms and books | |
|-----------------------------------|--------------------|-----------------|
| | Total 2016 £ | Total 2015 £ |
| Income | | |
| Sale and hire of videos | 1,289 | 2,407 |
| Sale of books | 2,128 | 2,284 |
| | 3,417 | 4,691 |
| Donations and gifts | 6,844 | 3,315 |
| Other income (including interest) | 102 | 16,548 |
| Total income | 10,363 | 24,554 |
| Direct costs | 7,593 | 20,595 |
| Overheads | 1,140 | 1,611 |
| Total costs | 8,733 | 22,206 |
| Operating profit/ (loss) | 1,630 | 2,348 |

THE OXFORD GROUP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2016

5 Costs of campaigns, programmes and other activities

| | Unrestricted Funds | | | Restricted Funds | Total 2016 | Total 2015 |
|--|--------------------------------|---------------|--------------------------|------------------|---------------|---------------|
| | Activities undertaken directly | Support costs | Total unrestricted funds | | | |
| | £ | £ | £ | £ | £ | £ |
| UK campaigns: | | | | | | |
| Pastoral work, training and development | 44,401 | 14,578 | 58,979 | - | 58,979 | 70,069 |
| Trust building conferences and seminars | 29,424 | 9,661 | 39,085 | - | 39,085 | 34,769 |
| Education and the schools service | 8,374 | 2,749 | 11,123 | - | 11,123 | 16,725 |
| Work connected with industry | 5,828 | 1,914 | 7,742 | - | 7,742 | 13,219 |
| Forums and public meetings at 24 Greencoat Place | 11,961 | 3,926 | 15,887 | - | 15,887 | 19,986 |
| UK website costs | - | - | - | - | - | 747 |
| Support for training and personal development | 4,253 | 1,396 | 5,649 | - | 5,649 | 6,195 |
| Support for film, Art & drama initiatives | 6,930 | 2,276 | 9,206 | 5,547 | 14,753 | 19,412 |
| Cost of literature | 6,933 | 2,277 | 9,210 | - | 9,210 | 13,070 |
| Cost of newsletters and world bulletin | 9,567 | 3,141 | 12,708 | - | 12,708 | 20,536 |
| National coordination, knowledge management & team development | 59,194 | 19,435 | 78,629 | - | 78,629 | 68,549 |
| Spiritual development and renewal | 2,302 | 756 | 3,058 | - | 3,058 | 1,908 |
| Communication - internal and external | 56,523 | 18,558 | 75,081 | - | 75,081 | 58,729 |
| Support for young people | - | - | - | 6,360 | 6,360 | - |
| Special programmes | | | | | | |
| Ireland | 5,513 | 1,810 | 7,323 | 9,034 | 16,357 | 16,950 |
| Agenda for Reconciliation | 59,594 | 19,566 | 79,160 | 7,840 | 87,000 | 93,618 |
| Film production | 4,652 | 1,528 | 6,180 | - | 6,180 | 24,904 |
| Projects | | | | | | |
| Initiatives on sustainable communities | 22,398 | 7,354 | 29,752 | - | 29,752 | 31,842 |
| School for change-makers | 54,001 | 17,730 | 71,731 | - | 71,731 | 71,956 |
| Women Peace Circle Initiatives | 15,333 | 5,034 | 20,367 | - | 20,367 | 24,628 |
| Trust and integrity in the global economy | 54,762 | 17,980 | 72,742 | 330 | 73,072 | 82,174 |
| Beyond Forgiving film launch and campaign | 4,385 | 1,439 | 5,824 | - | 5,824 | 16,600 |
| Reconciliation in Africa | 22,777 | 7,478 | 30,255 | - | 30,255 | 35,444 |
| Film making on peace in Uganda - UNDP | 9,002 | 2,956 | 11,958 | 139,752 | 151,710 | 47,515 |
| New Leadership and accompaniment initiative | 69,724 | 22,892 | 92,616 | - | 92,616 | 83,960 |
| Project on sustainable living in Somaliland | 7,548 | 2,478 | 10,026 | - | 10,026 | 14,468 |
| Addressing the root causes of migration | 7,179 | 2,357 | 9,536 | - | 9,536 | - |
| Cross national cultural & societal project- Erasmus partnership | 14,159 | 4,648 | 18,807 | - | 18,807 | - |
| Overseas campaigns: | | | | | | |
| Work connected with Caux | 31,810 | 10,444 | 42,254 | - | 42,254 | 68,282 |
| Amount carried forward | 628,527 | 206,361 | 834,888 | 168,863 | 1,003,751 | 956,255 |

THE OXFORD GROUP
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 FOR THE YEAR ENDED 31 DECEMBER 2016

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

| | Unrestricted Funds | | | Restricted Funds | Total 2016 | Total 2015 |
|---|--------------------------------------|------------------|--------------------------------|---------------------|------------------|---------------|
| | Activities undertaken directly | Support costs | Total unrestricted funds | | | |
| | £ | £ | £ | | | |
| Amount brought forward | 628,527 | 206,361 | 834,888 | 168,863 | 1,003,751 | 956,255 |
| Work other than Caux for: | | | | | | |
| Central, Eastern Europe | 3,921 | 1,288 | 5,209 | - | 5,209 | 7,271 |
| West Europe | 3,922 | 1,287 | 5,209 | - | 5,209 | 7,271 |
| Africa | 11,145 | 3,659 | 14,804 | 13,822 | 28,626 | 37,390 |
| Middle East | 9,081 | 2,981 | 12,062 | 1,298 | 13,360 | 17,720 |
| Asia | 5,228 | 1,716 | 6,944 | - | 6,944 | 12,663 |
| North America | 10,421 | 3,421 | 13,842 | - | 13,842 | 20,450 |
| South America | 4,634 | 1,521 | 6,155 | - | 6,155 | 11,640 |
| Australia/Pacific | 4,972 | 1,632 | 6,604 | - | 6,604 | 12,719 |
| Farmers Dialogue | - | - | - | - | - | 595 |
| International Consultation | 29,297 | 9,619 | 38,916 | - | 38,916 | 4,627 |
| Other Global Activities | | | | | | |
| Work connected with the International | 102,107 | 33,524 | 135,631 | - | 135,631 | 116,570 |
| Total costs campaign, programme costs 2016 | 813,255 | 267,009 | 1,080,264 | 183,983 | 1,264,247 | |
| Total costs campaign, programme costs 2015 | 936,108 | 222,792 | 1,158,900 | 46,271 | | 1,205,171 |

6 Activities for generating funds

| | Total 2016 | Total 2015 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Income: | | |
| Letting office space | 163,743 | 133,426 |
| Catering service | 7,953 | 11,175 |
| Letting residential space | 29,860 | 25,743 |
| Total income | 201,556 | 170,344 |
| Expenses: | | |
| Direct costs incurred | 110,331 | 47,026 |
| Operating profit for the year | 91,225 | 123,318 |

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 FOR THE YEAR ENDED 31 DECEMBER 2016

7 Allocation of support costs

Overhead and support costs for this year are:

| <u>Cost type:</u> | 2016 Total £ | 2015 Total £ |
|-------------------------|---|---|
| Marketing and publicity | 34,936 | 30,846 |
| Forums and meetings | 91,730 | 29,400 |
| Administration costs | 86,659 | 104,025 |
| Governance costs | 55,002 | 58,521 |
| | <u>268,327</u> | <u>222,792</u> |

The total support costs attributable to charitable activities are apportioned on a basis consistent with the usage of resources to campaigns and other activities as follows:-

| | 2016 £ | 2015 £ |
|--|-------------------------|-------------------------|
| UK campaigns | 81,983 | 67,941 |
| Overseas campaigns | 37,570 | 39,340 |
| Special programmes and projects | 113,932 | 99,734 |
| Other international activities | 33,524 | 15,777 |
| Support costs allocated to cost of campaigns, programmes | <u>267,009</u> | <u>222,792</u> |
| Support costs allocated to fund raising | 1,318 | - |
| | <u>268,327</u> | <u>222,792</u> |

8 Net (expenditure)/income before transfers other recognised gains and losses

| This is stated after charging: | 2016 £ | 2015 £ |
|--|-------------------------|-------------------------|
| Auditors' remuneration - statutory audit | 11,500 | 12,568 |
| Depreciation | 118,672 | 114,688 |

9 Investment income and interest

| | UK £ | Outside UK £ | 2016 Total £ | 2015 Total £ |
|----------------------------|-----------------------|-------------------------------|---|---|
| Interest receivable | 841 | - | 841 | 755 |
| Dividends receivable from: | | | | |
| Fixed interest securities | 16,188 | 330 | 16,518 | 22,949 |
| Equity shares | 259,852 | 61,545 | 321,397 | 304,569 |
| Investment & unit trusts | 74,453 | 76,086 | <u>150,539</u> | <u>147,738</u> |
| | <u>351,334</u> | <u>137,961</u> | <u>489,295</u> | <u>476,011</u> |

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10 Total resources expended

| | Staff Costs £ | Depreciation £ | Other Costs £ | Total 2016 £ | Total 2015 £ |
|--|---------------------|-------------------|---------------------|--------------------|--------------------|
| <i>Cost of generating funds:</i> | | | | | |
| Fund management fees | - | - | 14,290 | 14,290 | 12,242 |
| Fund raising costs | - | - | 5,331 | 5,331 | - |
| Letting and catering costs | 48,355 | 10,951 | 51,025 | 110,331 | 47,026 |
| <i>Charitable activities:</i> | | | | | |
| Campaigns, programmes & other activities | 535,891 | 100,707 | 627,649 | 1,264,247 | 1,205,171 |
| Fund released to Initiatives of Change - Kenya | - | - | - | - | 377,015 |
| Trading costs | - | 7,014 | 1,719 | 8,733 | 22,206 |
| | <u>584,246</u> | <u>118,672</u> | <u>700,014</u> | <u>1,402,932</u> | <u>1,663,660</u> |

Analysis of staff costs:

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| <i>Employees</i> | | |
| Wages and salaries | 388,575 | 384,331 |
| Social security costs | 39,043 | 38,325 |
| Pension costs | 12,480 | 10,498 |
| Total | <u>440,098</u> | <u>433,154</u> |
| <i>Consultancy fees</i> | | |
| Total staff costs including consultancy fees | <u>584,246</u> | <u>580,441</u> |

Analysis of other costs:

| | | |
|---|----------------|----------------|
| Premises running costs excluding depreciation and staff costs | 368,375 | 282,858 |
| Direct campaign cost- travelling, accommodation, telephones | 63,312 | 77,691 |
| Fund released to Initiatives of Change-Kenya | - | 377,015 |
| Support costs (Note 7) | <u>268,327</u> | <u>222,792</u> |
| | <u>700,014</u> | <u>960,356</u> |

Staff numbers and salaries

No employee or contractor earns more than £50,000 per annum (2015: Nil).

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

| Number of employees | 2016 | 2015 |
|----------------------------|-----------|-----------|
| Campaigns | 5 | 5 |
| London centre | 4 | 4 |
| Communications | 2 | 2 |
| Finance and administration | 3 | 3 |
| | <u>14</u> | <u>14</u> |

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

The key management personnel of the charity are members of the Executive Team and the members are described at the end of page 7 and beginning of page 8.

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NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

| | Freehold land and buildings | Contents of Properties | Video masters | Plant and Machinery | Total |
|----------------------------|--------------------------------|---------------------------|----------------|------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 January 2016 | 5,516,084 | 315,427 | 230,142 | 12,655 | 6,074,308 |
| Additions | - | 12,450 | - | - | 12,450 |
| Disposals | - | (12,000) | - | - | (12,000) |
| At 31 December 2016 | 5,516,084 | 315,877 | 230,142 | 12,655 | 6,074,758 |
| Depreciation | | | | | |
| At 1 January 2016 | 725,185 | 127,486 | 211,827 | 12,655 | 1,077,153 |
| Charge for the year | 54,298 | 57,360 | 7,014 | - | 118,672 |
| On disposals | - | (12,000) | - | - | (12,000) |
| At 31 December 2016 | 779,483 | 172,846 | 218,841 | 12,655 | 1,183,825 |
| Net book value | | | | | |
| At 31 December 2016 | 4,736,601 | 143,031 | 11,301 | - | 4,890,933 |
| At 31 December 2015 | 4,790,899 | 187,941 | 18,315 | - | 4,997,155 |

The net book amount of land and building comprises:

| | 2016 | 2015 |
|------------|-----------|-----------|
| | £ | £ |
| Freeholds | 4,545,201 | 4,612,882 |
| Leaseholds | 191,400 | 198,000 |

Land and buildings includes the following at valuation when acquired:

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

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 FOR THE YEAR ENDED 31 DECEMBER 2016

| | | | | |
|----|---------------------------------------|-------------------------------|-------------------|-------------------|
| 12 | Investments | | 2016 | 2015 |
| | | | £ | £ |
| | Market value at 1 January 2016 | | 11,979,147 | 13,209,708 |
| | Additions at cost | | 801,833 | 972,698 |
| | | | <u>12,780,980</u> | <u>14,182,406</u> |
| | Disposals | | (624,772) | (1,325,545) |
| | | | <u>12,156,208</u> | <u>12,856,861</u> |
| | Unrealised investment gains | | | |
| | General fund | 351,644 | | (142,565) |
| | Special purposes funds | 39,905 | | (8,917) |
| | Endowment fund | <u>1,427,936</u> | | <u>(726,232)</u> |
| | | | 1,819,485 | |
| | Market value at 31 December 2016 | | <u>13,975,693</u> | <u>11,979,147</u> |
| | Investments at market value comprise: | | | |
| | Listed | | 2016 | 2015 |
| | | | £ | £ |
| | British Government | | 244,988 | 221,494 |
| | Commercial and industrial | | 13,730,705 | 11,757,653 |
| | | | <u>13,975,693</u> | <u>11,979,147</u> |
| | | | <u>13,975,693</u> | <u>11,979,147</u> |
| | | | | |
| | | | 2016 | 2015 |
| | | | Total | Total |
| | | In UK Outside UK | £ | £ |
| | | £ £ | | |
| | Listed | | | |
| | Fixed interest securities | 603,848 | - | 603,848 |
| | Equity shares | 6,154,217 | 1,531,920 | 7,686,137 |
| | Investment trusts and unit trusts | 4,102,853 | 1,582,855 | 5,685,708 |
| | | <u>10,860,918</u> | <u>3,114,775</u> | <u>13,975,693</u> |
| | | | <u>13,975,693</u> | <u>11,979,147</u> |

There is no a single investment which comprises 5% or more of the total value of the investment portfolio as at 31 December 2016.

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 FOR THE YEAR ENDED 31 DECEMBER 2016

| | | 2016 | 2015 |
|----|--|----------------|----------------|
| | | £ | £ |
| 13 | Stocks | | |
| | Work in progress - film production | 77,764 | 66,873 |
| | Videos | 1,422 | 1,701 |
| | Stores | 6,262 | 6,598 |
| | | <u>85,448</u> | <u>75,172</u> |
| | | | |
| 14 | Debtors | | |
| | | 2016 | 2015 |
| | | £ | £ |
| | Sundry debtors | 62,624 | 411,658 |
| | Prepayments | 20,532 | 24,646 |
| | | <u>83,156</u> | <u>436,304</u> |
| | | | |
| 15 | Creditors: amounts falling due within one year | | |
| | | 2016 | 2015 |
| | | £ | £ |
| | Taxation and social security costs | 10,647 | 11,892 |
| | Accruals | 15,793 | 12,900 |
| | Deferred income | 116,624 | 3,703 |
| | Other creditors | 109,458 | 86,292 |
| | | <u>252,522</u> | <u>114,787</u> |
| | Deferred income include:- | | |
| | Advance received from Erasmus project | 112,999 | - |
| | Advance received from office tenants and letting customers | 3,525 | 3,703 |
| | Total | <u>116,524</u> | <u>3,703</u> |

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FOR THE YEAR ENDED 31 DECEMBER 2016

16 Restricted Funds

| | Movement in Resources | | | | | |
|--|--------------------------|---------------------------|----------------|------------------|-----------------------|---------------------------|
| | Balance at 1 Jan 2016 | From/(to) unrestricted | Incoming | Outgoing | Gains and (losses) | Balance at 31 Dec 2016 |
| | £ | £ | £ | £ | | £ |
| Special Purpose Funds: | | | | | | |
| Ireland | 377,289 | - | 14,889 | (9,034) | 39,905 | 423,049 |
| FLT <i>films</i> | 118,629 | 7,067 | 8,237 | (8,732) | - | 125,201 |
| Art initiatives - films, books and publications | 7,651 | 7,488 | - | (5,548) | - | 9,591 |
| Agenda for Reconciliation | 4,677 | - | 6,308 | (7,839) | - | 3,146 |
| IofC Schools' Service | 776 | - | - | - | - | 776 |
| Friends of Africa Fund | 7,948 | 10,080 | - | (12,822) | - | 5,206 |
| Zimbabwe Fund | 1,446 | 400 | - | (1,000) | - | 846 |
| Africa Fund (Loch) | 31,007 | - | - | - | - | 31,007 |
| Middle East Fund (Dumreicher) | 5,474 | 1,600 | 2,000 | (1,298) | - | 7,776 |
| Farmers' Dialogue Fund | 25 | - | - | - | - | 25 |
| Young People's fund | 145,937 | - | - | (6,360) | - | 139,577 |
| Phyllis Konstam Memorial Fund | 6,663 | 1,643 | - | - | - | 8,306 |
| Integrity in global economies fund | 330 | - | - | (330) | - | - |
| South Sudan Peace initiative | 50 | - | - | - | - | 50 |
| IofC work in Ghana & Clean Africa | 22,880 | - | - | - | - | 22,880 |
| Film making on peace in Uganda - UNDP | 6,969 | - | 132,784 | (139,753) | - | - |
| | <u>737,751</u> | <u>28,278</u> | <u>164,218</u> | <u>(192,716)</u> | <u>39,905</u> | <u>777,436</u> |

Ireland Fund - this fund arose from a legacy under the terms of the will that the fund should be used for the work of Initiatives of change in Ireland.

Agenda for Reconciliation - this fund supports initiatives in the field of developing values for democracy and reconciliation work.

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

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

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

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

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

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

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

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

South Sudan Peace Initiative - This fund was raised to contribute to a project to bring peace and reconciliation to South Sudan undertaken by the International Association of Initiatives of Change.

Film making for peace in Uganda UNDP - this fund is restricted to support mainly the film that facilitate peace and integrity between people in Uganda. This film will be completed in 2016.

Work in Ghana & Clean Africa Campaign fund - this fund is restricted by the wish of the legator in 2015 for projects in Ghana and Africa that advance the objectives of the charity.

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17 Endowment fund

| | Movement in Resources | | | | Balance at 31 Dec 2016 £ |
|---------------------------------|--------------------------------|----------------|---------------|------------------|--------------------------------|
| | Balance at 01 Jan 2016 £ | Incoming £ | Outgoing £ | Transfers | |
| Endowment fund | 9,784,080 | 384,610 | 10,321 | (351,230) | 9,807,139 |
| Gain on disposal of investments | - | 100,117 | - | - | 100,117 |
| Unrealised gain from investment | - | - | - | 1,427,936 | 1,427,936 |
| | 9,784,080 | 484,727 | 10,321 | 1,076,706 | 11,335,192 |

The charity withdraws £30,000 per month from the income of the fund.

18 Analysis of net assets between funds

| | Fixed Assets £ | Investments £ | Net Current Assets £ | Total £ |
|--|-------------------|-------------------|----------------------------|-------------------|
| Restricted funds: | | | | |
| <i>Special Purpose funds:</i> | | | | |
| Ireland | - | 401,038 | 22,011 | 423,049 |
| FLI/films | 11,301 | 100,000 | 13,900 | 125,201 |
| <i>Other funds</i> | | | | |
| Art initiatives-films, & books | - | - | 9,591 | 9,591 |
| Trust and integrity in a global economy fund | - | - | - | - |
| Agenda for Reconciliation | - | - | 3,146 | 3,146 |
| IofC Schools' Service | - | - | 776 | 776 |
| Friends of Africa Fund | - | - | 5,206 | 5,206 |
| Africa-Zimbabwe Fund | - | - | 846 | 846 |
| Middle East Fund (Dumreicher) | - | - | 7,776 | 7,776 |
| Phyllis Konstam Memorial Fund | - | - | 8,306 | 8,306 |
| Africa Fund (Loch) | - | 25,000 | 6,007 | 31,007 |
| Fund for young people | - | 130,000 | 9,577 | 139,577 |
| Farmers' Dialogue | - | - | 25 | 25 |
| Work in Ghana & Clean Africa Campaign | - | - | 22,880 | 22,880 |
| South Sudan Peace Initiative | - | - | 50 | 50 |
| | 11,301 | 656,038 | 110,097 | 777,436 |
| Endowment fund | - | 11,262,203 | 72,989 | 11,335,192 |
| Unrestricted funds | - | 371,321 | 131,505 | 502,826 |
| Designated funds | 4,879,632 | 1,686,131 | - | 6,565,763 |
| | 4,890,933 | 13,975,693 | 314,591 | 19,181,217 |

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19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Net (expenditure)/income for the year | 1,570,667 | (1,277,230) |
| Depreciation charges | 118,672 | 122,863 |
| (Increase)/decrease in stocks | (10,276) | (14,576) |
| Decrease/(increase) in debtors | 353,148 | (353,130) |
| Increase/(decrease) in creditors | 137,735 | (42,570) |
| Dividends received | (488,454) | (475,257) |
| Interest received | (841) | (754) |
| Realised gain from sale of investments | (106,123) | (21,635) |
| Unrealised loss due to market valuation of investments | (1,819,485) | 877,714 |
| Fund released to Kenya | - | 377,015 |
| Net cash used in operating activities | (244,957) | (807,560) |

20 Analysis of net cash resources

| | 2016 £ | 2015 £ |
|------------------------------------|----------------|----------------|
| Balance at 1 January 2016 | 123,342 | 280,312 |
| Net cash outflow | 129,901 | (156,970) |
| Balance at 31 December 2016 | 253,243 | 123,342 |

21 Designated fund

| | Balance at | | Movement of Resources | | Balance at | |
|------------------------|------------------|--|-----------------------|------------------|-----------------|------------------|
| | 01 Jan 2016 | | Incoming | Outgoing | | Transfers |
| | £ | | £ | £ | | £ |
| Tangible assets | 4,997,155 | | 12,450 | (118,672) | (11,000) | 4,879,933 |
| Investment in progress | 1,754,481 | | - | - | (68,651) | 1,685,830 |
| | <u>6,751,636</u> | | <u>12,450</u> | <u>(118,672)</u> | <u>(79,651)</u> | <u>6,565,763</u> |

The designated fund consists of £4,890,933 of tangible assets and £1,685,830 of long term investments which are owned by charity to carry out the basic operations of the charity for foreseeable years.

22 Capital commitments

There were no capital commitments at 31 December 2016 (2015: £Nil)

23 Pension and other post-retirement benefit commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost of £12,480 (2015: £10,498) represents contributions payable by the charity to the fund. The expenses has been allocated to unrestricted expenditure on the same basis as wages and salaries.