

Company No 355987

Registered Charity No 226334

THE OXFORD GROUP
ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2005

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COMPANY INFORMATION

Members of the Council of Management

Dr S M Andren MB ChB MRCP (UK) AFOM DRCOG
Dr P C Boobbyer PhD
Rev A J D Craig BD
Mrs C A Elliott (Appointed on 12th September 2005)
C F Evans
P J Everington MA
J J M Hore-Ruthven
Ms J M Lean BA (Resigned on 14th June 2005)
R W B Ruffin (Resigned on 14th June 2005)
Dr M A Spooner MB BS AKC
Mrs E A Tooms (Appointed on 13th May 2005)

Secretary

G W Craig MSc (Resigned on 14th June 2005)

Secretary

K E Noble BSc ARCS (Appointed on 14th June 2005)

Members of the Management Committee

C F Evans
A S Kiaer MA
H C Leggat
Mrs E B Locke
K E Noble BSc ARCS
A Mebrahtu MBA ACCA
D P M Smith
Miss E Wojciechowska (Appointed 10th February 2005)

Charity number

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

Registered office

24 Greencoat Place, London SW1P 1RD

Bankers

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Investment Managers

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Glasgow G2 1NA

Auditors

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Solicitors

Bircham Dyson Bell
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London SW1H 0BL

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SECRETARY'S STATEMENT

Much of the work of Initiatives of Change (IofC) in the UK and beyond could loosely be described as 'training'. What is distinctive about what IofC has to offer?

A combination of factors makes the training – whether formal or informal – special, if not unique. These include:

- Relevance to the needs of society, often in a world context
- Those giving the training are also learners, willing to change their own lives where needed
- Recognition that society needs 'a moral backbone'
- Encouragement to search for the wisdom of a Higher Authority
- Honest conversation
- Reaching out to 'the other'
- Challenge to experiment with forgiveness and restoring for what has been wrong

'Clients' as diverse as police officers in Nottingham; young people in Eastern Europe; former combatants in the Sierra Leone civil war and Somali politicians have courageously adopted the ideas put forward through IofC training and found a basis for building trust across the world's divides.

Few would deny that the need for healing and bridge-building in British society has increased over the last year. We appreciate the many people who have already given of their time and money to further this; and look forward to working with them and many others in the years to come.

Kenneth Noble
Secretary

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What is Initiatives of Change?

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

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

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

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

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

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

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

IofC is an informal network rather than a formal membership organisation. It is administered in Britain by The Oxford Group, a charity first registered in England and Wales in 1939. In other countries it is administered by bodies appropriate to local law and tradition.

A Challenge to Britain

'Britain was created for a great purpose, and it is a search for understanding that great purpose that I urge.' The words were spoken by Prof Rajmohan Gandhi, writer, politician and a grandson of Mahatma Gandhi, when he visited the UK in November as a guest of Initiatives of Change (IofC). He was speaking to some 550 people at Friends House, central London, at a public lecture on 'Responding to today's world: the relevance of the Gandhian ethic'. His grandfather had spoken in the very same room in 1931.

During a busy two weeks Prof Gandhi and his wife Usha visited Glasgow, Edinburgh, Liverpool, Sheffield, Bradford, Leeds, Hull, Oxford, Canterbury and London. His challenge to practise dialogue and build trust across the world's divides met a deep response from audiences in a country still reeling from the impact of the 7th July 2005 bombings.

'We have been heartened to learn of numerous attempts across Britain to know one another, and one another's faiths and cultures,' he told his London audience. 'Yet we have also learnt of alienation, of fears of surprise attacks in one section of the population, and of the experience in another section of being looked upon with suspicion. But Britain is a family, a changing, evolving, imperfect yet rich and wonderful family.'

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‘Survival is an elemental necessity. Providing security to the British family is a primary duty, for a government and citizens. Yet survival cannot be a national purpose. Britain was not created merely in order that it should survive. It was created for a great purpose, and it is a search for understanding that great purpose that I urge.

‘Perhaps we should remember Mahatma Gandhi’s thought about the place given to the human conscience in the long story of Britain, the historic concern of the British people for the vulnerable and the weak.

‘And perhaps we should recognise that the clash in the world today is not between civilisations, cultures, religions or nations, but rather between forces inside each heart, between fear and faith, between fear – or hate – and acceptance.’

The Gandhis’ tour started in Scotland where he had trained in journalism at *The Scotsman* in 1956. The paper marked the visit with a full-page article, based on Prof Gandhi’s assessment of the relevance of the Gandhian ethic today. At a well-attended meeting at Edinburgh University, he spoke on ‘Terrorism and the Gandhian ethic’. He emphasised the need to restore religion as a positive rather than a divisive force and not to demonise people of other faiths. ‘A small minority with total commitment is all it takes to make total changes,’ he said. The Presiding Officer of the Scottish Parliament, George Reid, received the Gandhis at the Parliament on their final morning in Edinburgh.

Gandhi’s second major lecture was the War and Peace Studies Annual Civic Lecture in Liverpool Hope University. Introducing him, Vice-Chancellor Gerald Pillay described Prof Gandhi as ‘an apostle of peace’.

‘Global leadership and Gandhian leadership’ was the theme of the visit to Sheffield, where the Gandhis were keynote guests at two receptions in Sheffield Town Hall arranged by the educational organisation, Learn to Lead.

Students from Bradford University’s department of Peace Studies joined guests of the Bradford Council of Mosques at the Council’s community centre to hear Gandhi speak on ‘The Frontier Gandhi and an Islamic approach to peace-making’. The Frontier Gandhi, Ghaffar Khan, is the subject of Prof Gandhi’s latest book. Giving the vote of thanks, Dr Philip Lewis, a lecturer in Peace Studies and Interfaith advisor to the Bishop of Bradford, stressed how important it is to look at our histories, and to ‘retrieve those creative moments of constructive engagement with “the other”’.

He also spoke at Bradford Grammar School. One student wrote later, ‘The day was one of the best I have had and I may well look back on it as a “life-forming” experience.’

The main event in Oxford was in the Oxford Union Society’s debating chamber when Gandhi spoke on ‘Life choices and their consequences’. The heart of his message, as in many places, was that Britain and the Muslim world needed to repair their relationship. He warned of the danger of a generalised conflict between Muslims and ‘the rest’; of equating ‘terrorists’ with Muslims. Non-Muslims should not be tempted to consider Islam as peculiarly flawed because of the actions of a few – this would be to repeat what had happened to other peoples who had suddenly been identified as the root of all ills, he warned.

The final leg of the tour was a visit to Canterbury, where nearly 200 students and staff of the University of Kent heard Gandhi speak. The talk was organised by Dr Philip Boobbyer, Lecturer in Modern History, who is a member of our Council of Management.

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The Council of Management express their thanks to the many people who gave generously of their time, skill and money to make this visit possible. The donation by British Airways of two return transatlantic fares is particularly appreciated. Also the dedicated work of Simon Cohen of Global Tolerance, who arranged many press, radio and TV interviews, including those on BBC Radios 2, 4 and 5 and the World Service of the BBC. The Council are especially grateful to Rajmohan and Usha Gandhi.

Hope in the Cities

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

During the last year Hope in the Cities (HiC) has been responding to a growing demand for its 'dialogues' and for training facilitators in the skills to use them. The programme has a growing track-record which shows the value of these honest dialogues as a tool for community building. They not only build trust but also help heal the legacy of wounded history within and between communities.

In Nottingham such dialogues continued to play their part in uniting and strengthening the St Ann's area of the city. A diverse delegation from Nottingham, including young people, attended an international conference at the IofC centre in Caux, Switzerland, in July. A community radio station invited IofC to create six weekly broadcasts on the theme of 'forgiveness'.

In February 80 people attended a HiC national conference at Liverpool Hope University. As well as giving evidence of the effectiveness of the dialogues, the conference showed how the skills of asylum seekers and refugees could be of benefit to all. Vice-Chancellor Pillay said, 'This meeting is about getting to the depth of our being – going to a place of hurt and making it a place of healing.'

In August HiC representatives joined a delegation from Liverpool which was invited by the Government of the Republic of Benin to attend the unveiling of a Reconciliation Triangle sculpture in Benin City. The Reconciliation Triangle is made up of people from Benin, Liverpool and Richmond, Virginia, USA – three places which were deeply involved in the slave trade – who want to help understand and heal the legacy of the slave trade. The hope is that through greater understanding and acknowledgement, there can be an answer to the on-going racism and exclusion that exists in our societies today. The sculpture was a gift from Liverpool following the city's apology for its role in the Atlantic Slave Trade. It is one of three created by the Liverpool sculptor, Stephen Broadbent. One of the statues stands in Liverpool. The third will be unveiled in 2006 in Richmond, which was represented in Benin by the Rev Sylvester Turner of Hope in the Cities-US. The visiting group liaised with educational, cultural and official bodies in Benin to arrange links and future exchange visits to strengthen the work of the Reconciliation Triangle.

www.hopeinthecities.org

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Agenda for Reconciliation

Mission: A global trust-building network in support of peace-making initiatives within and between nations

The Agenda for Reconciliation (AfR) team in Britain is part of an informal network of people engaged in promoting reconciliation, justice and good governance in many parts of the world.

During 2005, the main activities of the British AfR team have been

- an initiative for reconciliation among Somalis
- a training course for members of the armed forces, police and civil society organisations in Sierra Leone
- supporting the AfR conferences in Caux in August, 'Good governance for advancing Human Security' and 'A world in crisis – learning from one another how to be peacemakers'.

Somali Initiative for Dialogue and Democracy

The initiative for reconciliation among Somalis was a development of work that started in Sweden in the early 1990s. Three prominent Somalis attended the weekly AfR meetings in London throughout 2004: Osman Jama Ali, a former Deputy Prime Minister of the Transitional National Government, Dr Ahmed Sharif Abbas, a former Director General of Preventive Medicine, and Abdi Afrah Gure, Secretary of the Harrow Association for Somali Voluntary Organisations. In February 2005, they invited 30 senior Somalis from all the clans to seek a consensus on why the Somali state had collapsed in 1991 and what were the priorities for the future. In August, 20 Somalis attended the AfR conference in Caux, where a prominent member of one community apologised for their aggression towards another. Members of both communities subsequently described this breakthrough to the Speaker of the Somali Parliament in October at a reception at Greencoat Place. In November and December, 14 Somalis participated in five day-long training sessions in Dialogue Facilitation at 24 Greencoat Place, the IofC centre in London, conducted by Lawrence Fearon and Phoebe Gill of Hope in the Cities.

Securing the peace in Sierra Leone

IofC's work in Sierra Leone stemmed from the decision in 1998 of a Sierra Leonean refugee living in Denmark, John Bangura, to renounce his desire for revenge against those who had killed members of his family during his country's ten-year civil war. He subsequently invited to Caux leading members of the Sierra Leone police and army, politicians and members of civil society – sectors of society that had become polarised during the war, which ended in 2002. With the help of IofC in Denmark, he founded Hope-Sierra Leone (H-SL), an NGO dedicated to reconciliation and peace. In January 2005, at the invitation of a senior police officer, an international IofC faculty, including Keith Neal from Manchester, conducted two 'Moral Foundations for Democracy' (MFD) courses for 72 participants. In September a short course was given to 25 leading army and police personnel, and leaders of civil society. This was followed up with an outreach programme in November and a Training of Trainers course for 23 participants in December. At the Closing Ceremony, Kadi Fakondo, Assistant Inspector-General, Sierra Leone Police, said, 'We must give our full support to this programme and we must stay committed. All other programmes in this country will fail unless we succeed in implementing MFD.' Further outreach programmes are planned for 2006.

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Such initiatives are the fruit of team-members' long-term care for people in situations of crisis. In the course of the year various members of the AfR team:

- took significant responsibility for the conference 'Standing up and speaking out for peace in a clean Africa – Women accountable for the future – now' in Uganda in April, and the third Clean Africa Campaign Leadership Training Course in Ghana in October
- hosted a group of Lebanese and Palestinians on a visit to England and Northern Ireland in August
- maintained links with United Nations personnel in Geneva and New York
- participated in the first Meeting of Arab MRA Groups in Egypt in February.

www.afr-iofc.org

Foundations for Freedom

Mission: to encourage commitment to the values which underlie a truly free society

Foundations for Freedom (F4F) aims to support the development of truly free and just societies – particularly in former Soviet-bloc countries – by inspiring vision, values and purpose. It does this mainly by means of courses, workshops and follow-up activities which support individuals and teams in developing and sustaining initiatives for transforming their own lives and societies.

In 2005 F4F achieved its objectives and projected activities by running:

- five week-long 'Changing Courses' in Eastern and Central Europe
- two courses to train Eastern and Central European course leaders (one in Moldova and one in Serbia)
- a meeting in Novosibirsk, Russia, to bring people involved in F4F together from across Europe.

F4F also:

- raised finance to help 55 East Europeans to attend conferences at IofC's international centre in Caux, Switzerland
- created links with other charities and organisations and
- ran two weekend courses in the UK for Muslim, Hindu and other religious communities from Nottingham.

Marina Govoryhina, from Ukraine, said of the 'Changing Course' that she attended: 'At the beginning of the course I did not notice any particular changes within myself, nor did I notice them in the middle either. Only by the end of the course did I understand that my inner world had changed for ever and for good. Every day spent there left an invisible mark in me. We all started to understand much more during those seven days. I think the main values that we were talking about would become the principles in our lives. We should not forget about love, honesty, unselfishness and purity.' (*English corrected.*)

The year ended with significant changes in personnel. This prompted the long-awaited transition to running F4F partly from Eastern Europe. The first step was the creation of an International Management Group (IMG) incorporating people who are based in Eastern Europe who will handle the day-to-day running of F4F. At the time of writing (February 2006) the IMG has been formed and has started its work.

www.f-4-f.org

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IofC Schools Service

Letlapa Mphahlele from South Africa spent nearly seven weeks with Howard Grace, a maths teacher who took early retirement in order to take on the IofC Schools Service. Together they visited 36 UK Sixth Forms in the spring term. Mphahlele had been Commander of the Azanian People's Liberation Army during the time of Apartheid and became his country's 'most wanted terrorist'.

In each school they showed an eight-minute video of Ginn Fourie speaking about the death of her daughter Lyndi in the Heidelberg Tavern massacre, which Mphahlele had authorised, and how she had forgiven him. This touched many hearts and greatly added to the depth of the discussions in schools.

The theme of the visits was whether there is an alternative to the spiral of 'terror' and the response of 'the war on terror'. After a session with 130 students at one Birmingham girls' school, the Chief of the OFSTED inspection team wrote, 'The girls' achievement was excellent because they were challenged to wrestle with such conflicting moral issues as the injustices of Apartheid, reconciliation and whether violence can ever be justified.'

Grace and Mphahlele often asked students whether they thought that Ginn Fourie was right to forgive. In a multi-cultural school near Toxteth, Liverpool, a Muslim girl immediately responded that Fourie had done the right thing, saying that if she lived her life with bitterness she would suffer more than Mphahlele. A boy added that there was so much anger and hatred in the world that Fourie was setting an example for society by forgiving. It was pointed out that Fourie actually forgave because she is a Christian and was following Jesus's example on the Cross.

The cost of the venture including Mphahlele's air fare was about £1,700. This was entirely covered by voluntary contributions from schools.

Discussions in a wide variety of schools were made all the more powerful by Mphahlele's readiness to share openly some of the deeper experiences he has faced in his life. Many teachers said that they were surprised by which students took part in the interactions. Eight high-school students wrote to Mphahlele, 'We would like to express our heartfelt gratitude to you for sharing your incredible experiences with us. We have been and will continue to be affected and challenged by the issues raised.'

For A Change

For A Change is about change, how to make it happen and how to live it. 'That says it all,' says South African documentary maker, Clayton Hairs, who deeply appreciates the hope he derives from reading the magazine, 'There's a lack of cynicism which makes it stand out.' This sentiment is echoed by a young activist in Nagaland, Neichu Angami, who describes *For A Change* as 'a lifeline keeping me in touch with what Initiatives of Change is doing around the world'.

In 2005, nearly a million pages were visited on the *For A Change* website – double the number for 2004. As in previous years, *For A Change* articles led to interviews elsewhere. Kojo Jantuah from Ghana (Vol 18 No 3) was interviewed by BBC Radio 4 on Clare Balding's *Ramblings* programme about his life-changing walk across the Sahara. Editor Mary Lean was interviewed by Manx Radio following her editorial on 'waste' in the same issue.

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On the personnel front, Mexican marketing intern, José-Carlos León-Vargas, inspired by his time with the magazine, left the UK for Asia to take part in IofC's nine-month leadership training programme, Action for Life. Meantime, two new editors arrived: Andrea Cabrera Luna (Mexico) and Laura Boobbyer (UK).

FLTfilms

Production of a new documentary on Christian-Muslim bridge building and partnership continued, with two visits to the Interfaith Mediation Centre in Kaduna, Nigeria.

Following the broadcast of *The Cross and the Bodhi Tree – two Christian encounters with Buddhism* in the autumn of 2004 by the Australian Broadcasting Corporation, FLT films received £4,000 in royalties for the sale of this film to schools and institutions in Australia in 2005.

The Public Broadcasting Service in Virginia, USA, broadcast *For the Love of Tomorrow* from three stations in the State. This film documents Franco-German reconciliation after World War II, focussing in particular on the life of French socialist leader Irène Laure.

Media for Development International (MDF) in Colorado, USA, signed a distribution agreement with FLT films to purchase master copies of the African feature film *Freedom* (in English, French, Arabic, Hausa and Swahili) and *Is He My Brother?*, a documentary from Kenya. Steve Smith, the Executive Director of MDF, described these films on reconciliation as 'outstanding'.

In brief

Listening to the voice of change

Is it possible for one individual to make a change in today's world? According to nine speakers at a conference at the IofC centre in London on 4th June, there was no doubt as to the answer. The conference's theme was, 'People making a difference: from the personal to the global'.

Personal accounts and anecdotes from Africa, Asia, Latin America and Britain attested to the fact that change, at the national or international level, must first start within the mind and heart of the individual.

Lawrence Fearon, National Co-ordinator of the Hope in the Cities programme, spoke of his personal commitment to change. Fearon had asked himself: 'Who am I? Who am I really?' He said that his realisation that what he had become was not the person who he was meant to be had led to a drastic change in his life.

This resulted in a vision for his local North London community, the founding of the largest local community-led project in Europe at Bridge Park and the launch of the Hope in the Cities programme in the UK.

'What kind of difference do we want to make?' asked Dr Philip Boobbyer, of the University of Kent.

He suggested following the lead of MRA founder Frank Buchman, and setting aside time each morning for meditation and to listen to the voice of God.

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'I find that the quiet time is vital for getting perspectives on issues. I don't find all the answers there, but I do find some of them. It is helpful for prioritising. If we are to make a difference in the world, we may have to say no to things as well as yes,' he said.

Quoting from the recently republished *The Morning Quiet Time* by Jack Winslow, Boobbyer said, 'Winslow emphasises that people who are in touch with God can bring a new spirit into the world. We can, once freed of some of the wrong things that tie us down, play a role in healing some of our society's wounds.'

Greencoat Forums

Greencoat Forums were held at IofC's London centre through the year:

- Dr Daleep Mukarji, Director of Christian Aid, spoke of his passion to make poverty history and expressed his exasperation at the lack of commitment by world leaders to tackling global poverty;
- The 'vital art' of listening is what we need to develop individually and collectively, said Denis Nowlan, BBC Radio 4's Network Manager;
- Peter Vickers, Chairman of Vickers Oils, Leeds, spoke in London about change, not only in his family business, but in a world in need of sustainability;
- Development expert Peter Rundell explored the challenge of 'saving the lives of several hundred million children' and shared his personal commitment and motivation;
- 'Our lives are not as connected as we want them to be in this age of globalisation,' said Yasmin Alibhai-Brown, the Uganda-born broadcaster and columnist for *The Independent*.

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

People in action

Many other initiatives, too numerous to mention, took place across the UK. These included:

- Artists and people interested in the arts set up a new charity, Renewal Arts, to explore the arts as a catalyst for spiritual renewal; to enable individuals and society to experience art's transforming power; to encourage artists through a network of those who share this vision; and to produce events of artistic excellence
- Teams of people working for a new spirit in society held regular meetings in Scotland, North-West England, Oxford, the South Coast, the West Midlands and other areas
- An IofC team spent a day in the Newcastle upon Tyne area where they met the Lord Mayor and the Bishop of Newcastle as well as establishing links with people involved in community initiatives and in welcoming asylum seekers
- Former British Ambassador, Mr ARK Mackenzie, spoke at a service in Westminster Abbey commemorating the founding of the United Nations 60 years earlier. Mackenzie was the only surviving member of the original British delegation and is the author of *Faith in Diplomacy*
- Michael Henderson, author of *Forgiveness: Breaking the Chain of Hate*, addressed meetings, large and small, around the UK
- Many British people attended and helped run the IofC conferences in Caux, Switzerland, during the summer months

The Council of Management extends its thanks to all those who dedicate their lives and resources to furthering the work of Initiatives of Change, whether they are retired, in work or giving all their time.

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COUNCIL OF MANAGEMENT'S REPORT

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

Constitution and objects

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

The trustees who have served during the year and since the year-end are set out on pages 1 and 17.

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

The charity is a member of the International Association of Initiatives of Change.

Method of appointment of trustees

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

Organisation

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

The Council of Management meets quarterly, and occasionally more often; committees and groups meet more frequently to plan, assess and review the Group's activities, and to manage its various programmes. These committees and groups report to the Council of Management.

Name

The charity continues to be registered and incorporated in the UK as The Oxford Group. It is more widely known as 'Initiatives of Change', a name adopted in 2002 to replace 'Moral Re-Armament'.

Properties

During 2005, the Group sold its property in Liverpool, which was being run as a centre for IofC activities by Mr and Mrs Gerald Henderson, as they decided to retire.

Secretary

The Secretary, Mr Geoffrey Craig, resigned at the Annual General Meeting. Accordingly, the Council appointed Mr Kenneth Noble as Secretary. Mr Noble was also appointed Acting Treasurer.

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COUNCIL OF MANAGEMENT'S REPORT

Archives

During 2005, the collection of historical archives about the Group's work continued to be housed in a building belonging to one of the Trustees, Mr. Christopher Evans, under the care of his wife. This involved the dedicated use for this purpose of over 600 square feet of floor space. In accordance with a decision made in Mr. Evans' absence, the Council of Management continued paying £2,000 rent per year for this space, recognising that such payment is below what would have to be paid at a market rate.

Risk Assessment and Sustainability

As described in previous reports, the Council has identified two principal risks to its continuing work. The first is that the Group's income from legacies, on which it is currently dependent, can be expected to fluctuate, and in the long run to fall, as much of it represents the sacrificial commitment of the original generation of The Oxford Group now in their 80s. As well as seeking to raise additional funds for the charity itself, the Council is encouraging its individual programmes to seek funding from new sources, both grants for projects and contributions from new individual donors. With this in mind, a firm of fund-raising consultants, McConkey/Johnston UK, has been advising the Group on its fund-raising activities.

The second area of concern was that it is often difficult adequately to replace key volunteers when the time comes for them to move on to other work or to retire, and in some cases to find volunteers to fill new roles which open up. Unfortunately, during 2005, the reality of this risk was brought home with two key volunteers suffering from ill health. The Council continued to engage three consultants to facilitate the expansion of aspects of its work. As a mark of their commitment to the Group's ideas and aims, all three agreed to be paid at well below the rates they could command in the market, and they have been making important contributions to the Group's work. Many others, of course, continue to give their time to the Group's work as volunteers.

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

Investment powers and policy

The Council of Management has powers to invest in stocks, shares and property as it sees fit. Speirs and Jeffrey Limited are the fund managers of our portfolio. 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 year 2005 was 18.9%.

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

Reserves policy

In order to cater for the Group's long term needs, and to compensate against the anticipated fall in legacy income, its policy is to build up its investments to the point where they generate sufficient income to cover the administration of the charity and the support and co-ordination of its work. This was achieved for the second time in 2005, with a surplus of £34,899 – meaning that gifts could be wholly used to fund programme and campaign activities. In comparison, the surplus in 2004 was £3,259.

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In addition, the Group was able to introduce £51,865 of new money into its investments, largely as a result of legacies received in the form of securities.

Statement Of Recommended Practice (SORP) 2005

During 2005 the Charity Commission issued a new Statement of Recommended Practice (SORP) to be implemented by charities whose financial year begins on or after 1 April 2005. It provides a more structured approach to annual reporting and gives significant weight to the Trustees' Annual Report as a mechanism to explain the link between objectives, strategies, activities and the achievements that flow from them.

In this year's Report & Accounts we have not adopted the new SORP but we have supplied more information than in previous years so that we will be in a position fully to implement SORP 2005 in future years.

In particular we have established measurable targets for the work of the Group for 2006.

Financial review and results for the year

The net operating surplus of £195,255 (2004: £166,178) was above our budget which estimated a deficit of £312,813. This surplus has been achieved mainly due to the increased legacies received which were more than twice the budget figure.

Total income received was up by some £320,664 (27%) on last year, reflecting the increase in legacies and the surplus from sale of property.

Our total expenditure for the year has also increased by £291,587 which is mainly due to an increase in donations to other charities and an increase in the administration costs incurred for expert advice on fund raising strategy.

Targets of The Oxford Group for 2006

In order to break the reliance on legacies and secure the long-term financial future of the charity, the Council of Management has started to develop a fund-raising strategy. The design and implementation of this strategy will continue through 2006.

In 2006 more than thirty different courses and workshops are planned, in addition to the annual conferences at Caux, and the Forums and group meetings that will be held in Greencoat Place. In 2006 six editions of *For A Change* magazine will be produced and plans are well advanced to produce a film on Christian-Muslim reconciliation and partnership.

At the time of writing, the Council of Management is in the process of commissioning the Sheffield-based organisation, Learn to Lead, to design and implement leadership training programmes for young people of different faith backgrounds. It is intended that the programme will last for three years. It will be in three stages. Each year there will be a New Leaders Programme for 18- to 30-year-olds who are active in their respective faith communities and interested in building bridges with young people from other communities; an Emerging Leaders Programme for 16 – 17-year-olds from different backgrounds, who will be mentored by graduates of the New Leaders Programme; and a Train the Trainers programme for outstanding graduates of the above two programmes who volunteer to run future IofC/L2L programmes.

THE OXFORD GROUP

COUNCIL OF MANAGEMENT'S REPORT

The Charity's budget for 2006 shows a deficit of £297,058 with an income of £936,480 and expenditure of £1,233,538. This assumes a low income from legacies and a low return from the early stages of the fund-raising strategy. The Council of Management envisages that the short-fall will be made up through unexpected gifts, and trusts that others will join them in praying for what is needed.

THE OXFORD GROUP

COUNCIL OF MANAGEMENT'S REPORT

Legacies

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

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

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

Name:

Address:

Email address:

Phone number:

THE OXFORD GROUP
COUNCIL OF MANAGEMENT'S REPORT

Gift Aid

In recent years the procedure under which a charity such as The Oxford Group/Initiatives of Change can reclaim tax on donations, which is known as Gift Aid, has been greatly simplified. Any gift received from a UK taxpayer now qualifies for Gift Aid, provided the donor's agreement is obtained. The Oxford Group/Initiatives of Change can claim a tax rebate of 28.2% of the donation received. The simplest way to give your agreement is to sign a Gift Aid form such as the one below, and return it to The Treasurer, The Oxford Group/Initiatives of Change, 24 Greencoat Place, London SW1P 1RD.

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

Donor's name

Address

.....

.....

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

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

Donor's signature:

Date:

THE OXFORD GROUP

COUNCIL OF MANAGEMENT'S REPORT

Members of the Council of Management

Members of the Council of Management who served as directors during 2005 were:

Dr S M Andren MB ChB MRCP (UK) AFOM DRCOG
Dr P C Boobbyer PhD
Rev A J D Craig BD
Mrs C A Elliott (Appointed on 12th September 2005)
C F Evans
P J Everington M A
J J M Hore-Ruthven
Ms J M Lean BA (Resigned on 14th June 2005)
R W B Ruffin MA (Resigned on 14th June 2005)
Dr M A Spooner MB BS AKC
Mrs A M Tooms (Appointed on 14th June 2005)

Statement of Responsibilities of the Members of the Council of Management

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

The Council are required to:

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

Auditors

The auditors, UHY Hacker Young, will be proposed for re-appointment at the Annual General Meeting.

By the order of the Council of Management

Kenneth Noble
Secretary

15 May 2006

THE OXFORD GROUP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OXFORD GROUP

We have audited the financial statements set out on pages 19 to 37 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 23 to 25.

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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council Members and Auditors

As described on page 17 the Council Members, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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

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

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St Alphage House
2 Fore Street
London EC2Y 5DH

UHY Hacker Young
Registered Auditor
Chartered Accountants
16 May 2006

THE OXFORD GROUP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2005 £	Total 2004 £
Incoming resources						
Donations & gifts	3	180,988	54,431	-	235,419	326,129
Legacies		662,532	-	-	662,532	584,723
Investment income and interest	9	238,183	23,732	8,130	270,045	228,414
Activities to further the charity's objects:						
Trading income	4	-	38,093	-	38,093	37,974
Profit on disposal of property		294,721	-	-	294,721	-
Other incoming resources:						
Other income		3,068	1,023	-	4,091	6,997
Total incoming resources		1,379,492	117,279	8,130	1,504,901	1,184,237
Resources expended						
Costs of generating funds:						
Fund managers' costs		1,012	-	-	1,012	7,345
Charitable expenditure:						
Costs of activities to further the charity's objects:						
Trading expenses	4	-	51,003	-	51,003	58,420
Costs of campaigns & related support & co-ordination	5	852,965	105,622	-	958,587	852,772
Grants to other charities	7	200,000	-	-	200,000	10,000
Management & administration	6	99,044	-	-	99,044	89,522
Total resources expended	10	1,153,021	156,625	-	1,309,646	1,018,059
Net incoming resources/(resources expended) before transfers		226,471	(39,346)	8,130	195,255	166,178
Gross transfers between funds		12,251	(4,121)	(8,130)	-	-
Net incoming resources/(resources expended) before revaluations & investment asset disposals	8	238,722	(43,467)	-	195,255	166,178
Other recognised gains and losses						
Gain/(losses) on investments:						
Realised		35,389	-	-	35,389	(780)
Unrealised	12	788,590	18,691	21,420	828,701	388,223
Difference on exchange		-	2,913	-	2,913	(1,910)
Net movement in funds		1,062,701	(21,863)	21,420	1,062,258	551,711
Balances brought forward at 1 January 2005		11,055,281	644,627	159,430	11,859,338	11,307,627
Balances carried forward at 31 December 2005		12,117,982	622,764	180,850	12,921,596	11,859,338

THE OXFORD GROUP

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
Gross income of continuing operations		1,496,771	1,176,314
Expenditure of continuing operations	10	<u>(1,309,646)</u>	<u>(1,018,059)</u>
Net income for the year before transfers and Investment asset disposals		187,125	158,255
Transfer from endowment fund		<u>8,130</u>	<u>7,923</u>
Net income before investment asset disposals		195,255	166,178
Gain/(loss) on disposal of investments		35,389	(780)
Difference on exchange		<u>2,913</u>	<u>(1,910)</u>
Net income for the year		<u>233,557</u>	<u>163,488</u>

The gross income comprises £1,379,492 for unrestricted funds and £117,279 for restricted funds and the net income before investment asset disposals of £195,255 comprises a net income of £238,722 from unrestricted funds and a deficit of £43,467 from restricted funds, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 19 which, together with the notes on pages 23 to 37, provides full information on the movements during the year on all the funds of the charity and includes the Statement of Total Recognised Gains and Losses.

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

THE OXFORD GROUP

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible fixed assets	11	5,107,244	5,213,447
Investments	12	7,020,857	6,017,422
		<hr/>	<hr/>
		12,128,101	11,230,869
		<hr/>	<hr/>
Current assets			
Stocks	13	27,206	8,353
Debtors	14	39,094	43,178
Short term deposits		699,600	470,901
Cash at bank and in hand		92,214	181,087
		<hr/>	<hr/>
		858,114	703,519
		<hr/>	<hr/>
Creditors: Amounts falling due within			
One year	15	64,619	75,050
		<hr/>	<hr/>
Net current assets		793,495	628,469
		<hr/>	<hr/>
Total net assets		12,921,596	11,859,338
		=====	=====
Funds			
Unrestricted		12,117,982	11,055,281
Restricted	16	622,764	644,627
Endowment	17	180,850	159,430
		<hr/>	<hr/>
		12,921,596	11,859,338
		=====	=====

The accounts on pages 22 to 37 were approved by the Council of Management on 15 May 2006 and signed on its behalf by:

C F Evans
Member of the Council of Management

THE OXFORD GROUP
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	£	2005 £	£	2004 £
Net cash outflow from operating activities	19		(370,625)		(272,298)
Returns on investments and servicing of finance					
Dividends received		244,654		209,720	
Interest received		<u>25,392</u>		<u>18,694</u>	
Net cash inflow from returns on investments and servicing finance			270,046		228,414
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(18,877)		(37,666)	
Payments to acquire investments		(690,030)		(755,915)	
Receipts from sale of tangible fixed assets		346,762		-	
Receipts from sale of investments		<u>602,550</u>		<u>589,885</u>	
Net cash inflow/(outflow) from capital expenditure and financial investment			240,405		(203,696)
Net cash inflow/(outflow) before management of liquid resources and financing			<u>139,826</u>		<u>(247,580)</u>
Management of liquid resources					
(Investment in)/Liquidation of short-term deposits			(228,699)		188,653
Decrease in cash in the year			(88,873)		(58,927)
Net cash resources at 1 January 2005			<u>181,087</u>		<u>240,014</u>
Net cash resources at 31 December 2005	20		<u><u>92,214</u></u>		<u><u>181,087</u></u>

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 2004, there were 68 members (2004: 64). Ten of these were members of the Council of Management, none of whom received any remuneration for their services during the year. Expenses by six Council members totalling £17,412 (2004: £20,920 to six Council members) mainly for travelling, were reimbursed for the year. In addition £2,000 (2004: £2,000) was paid to the wife of a trustee as rent for the space in which the Group's historical archives are kept and managed. Such payment is below the market rate and the Group appreciated the personal knowledge and attention, which continued to be given to the archives in this setting. The Oxford Group is a registered charity number 226334.

2. Principal accounting policies

a) Basis of preparation

The financial statements are prepared under the historic cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards and the Companies Act 1985. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in October 2000.

The charity owns the whole of the share capital of Grosvenor Productions Limited, a company registered in England and also administers a registered charity, Westminster Memorial Trust. Both entities did not operate in year 2005 and both subsidiaries are in the process of deregistering. In the opinion of the Council of Management, these are not material in the context of the overall account and therefore the consolidated financial statements have not been prepared.

b) Incoming resources

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

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

c) Resources expended and basis of allocation of costs

Expenditure is included when incurred.

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

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

d) **Costs of campaigns and related support & co-ordination**

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

e) **Management and administration costs**

This represents costs incurred by finance, human resources, stationery and other office expenses attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

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 Council of Management their overall value is likely to increase, rather than decrease, as the result of good maintenance and the antique importance of many of the items.

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

g) **Fixed asset investments**

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

h) **Stocks**

Stocks of literature and stores are valued at the lower of cost and estimated realisable value.

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 Statement of Financial Activities.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

j) Fund accounting

Funds held by the charity are:

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

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

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

k) Pensions

The charity has approved for its employees the ‘Stakeholder Pension Scheme’, a unit linked contract issued under the rules of the ‘Friends Provident Pension Limited’ approved under Chapter IV Part IV ICTA 1988.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

3. Donations and gifts

	Unrestricted Funds	Restricted Funds	Total 2005	Total 2004
	£	£	£	£
Gifts under covenant	16,230	-	16,230	17,715
Kenya	-	4,372	4,372	5,326
Foundations For Freedom	-	19,838	19,838	22,039
Agenda for Reconciliation	-	10,250	10,250	4,323
IC Productions- For A Change	-	1,266	1,266	336
IC Productions- MRA/Flt films	-	1,902	1,902	38
Donations for travel and overseas work	11,334	-	11,334	20,864
Gifts for Africa campaign	19,258	-	19,258	18,537
Hope in the Cities campaign	-	7,240	7,240	11,965
Gifts for general purposes	56,645	-	56,645	39,100
Gifts for film production	-	9,563	9,563	100,000
Gifts for training young people- Action for Life	37,704	-	37,704	12,988
Other gifts (including towards hospitality Received)	39,817	-	39,817	72,898
	<u>180,988</u>	<u>54,431</u>	<u>235,419</u>	<u>326,129</u>
	=====	=====	=====	=====

Of the total donations £64,178 (2004: £51,000) was raised from charitable trusts in UK.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

4. Activities to further the charity's objects

	<u>For a</u> <u>Change</u> £	<u>MRA/Flt</u> <u>films</u> £	<u>Grosvenor</u> <u>books</u> £	<u>Main</u> <u>Fund</u> £	<u>Total</u> <u>2005</u> £	<u>Total</u> <u>2004</u> £
Income						
Trading income						
Sale of For A Change magazine	33,686	-	-	-	33,686	29,400
Sale and hire of videos	-	4,049	-	-	4,049	3,174
Sale of books	-	-	358	-	358	5,400
	<u>33,686</u>	<u>4,049</u>	<u>358</u>	<u>-</u>	<u>38,093</u>	<u>37,974</u>
Donations and gifts	1,265	11,465	-	-	12,730	374
Other income (including interest)	476	104	-	-	580	939
	<u>35,427</u>	<u>15,618</u>	<u>358</u>	<u>-</u>	<u>51,403</u>	<u>39,287</u>
Expenses						
Direct costs	33,509	3,909	268	-	37,686	44,089
Overheads	5,384	7,933	-	-	13,317	14,331
	<u>38,893</u>	<u>11,842</u>	<u>268</u>	<u>-</u>	<u>51,003</u>	<u>58,420</u>
Operating (loss)/profit	<u>(3,466)</u>	<u>3,776</u>	<u>90</u>	<u>-</u>	<u>400</u>	<u>(19,133)</u>
(Loss)/profit for the year	<u>(3,466)</u>	<u>3,776</u>	<u>90</u>	<u>-</u>	<u>400</u>	<u>(19,133)</u>
	=====	=====	=====	=====	=====	=====

The deficit was met by transfer from unrestricted funds.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

5. Costs of campaigns & related support & co-ordination

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
UK campaigns:				
Pastoral work, training and development	55,022	-	55,022	42,200
Education and the schools service	7,106	29	7,135	8,749
Work connected with industry	15,237	-	15,237	18,684
Forums and public meetings at 24 Greencoat Place	12,778	-	12,778	10,566
Use of For A Change within UK	22,845	-	22,845	24,353
UK website costs	8,445	-	8,445	2,350
Support for IC Production Division	17,886	-	17,886	18,702
Support for film, Art & drama initiatives	25,359	-	25,359	11,881
Cost of literature	17,106	-	17,106	8,644
Others	5,665	-	5,665	4,593
<i>Special programmes</i>				
Ireland	9,360	14,745	24,105	16,322
Foundations For Freedom	30,738	37,681	68,419	61,019
Agenda for Reconciliation	41,431	12,900	54,331	32,098
Hope in the Cities campaign	35,318	24,728	60,046	60,476
Overseas campaigns:				
Work connected with Caux	117,143	-	117,143	109,593
Work other than Caux for:				
Central, Eastern Europe	10,577	-	10,577	12,740
West Europe	8,184	-	8,184	8,437
Africa	47,230	15,539	62,769	42,101
Middle East	11,460	-	11,460	13,460
Asia	17,475	-	17,475	16,079
North America	10,407	-	10,407	7,236
South America	8,289	-	8,289	8,080
Australia/Pacific	7,140	-	7,140	7,512
Use of For a Change outside UK	8,928	-	8,928	6,297
Media and communication forums	6,158	-	6,158	5,817
Training campaign for young people (Action for Life)	24,447	-	24,447	42,970
Others	154	-	154	122
Amount carried forward	581,888	105,622	687,510	601,081

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

5. Costs of campaigns & related support & co-ordination (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Amount brought forward	581,888	105,622	687,510	601,081
Support and co-ordination:				
MRA Newsletters and World Bulletin	14,495	-	14,495	14,717
Work connected with IC - International consultation/Council	51,381	-	51,381	47,964
Co-ordination Forums & meetings	29,721	-	29,721	29,751
Marketing & promotion	16,166	-	16,166	13,632
IC International website	24,339	-	24,339	29,569
Others	-	-	-	-
Living allowances	134,975	-	134,975	116,058
	<u>852,965</u>	<u>105,622</u>	<u>958,587</u>	<u>852,772</u>
	=====	=====	=====	=====

6. Management and administration of the charity

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Audit fee	8,640	-	8,640	8,895
Rates, lighting, heating and insurance	25,149	-	25,149	23,266
Repairs, renewals and maintenance	11,528	-	11,528	13,510
Legal and professional fees	16,205	-	16,205	7,040
Salaries and office expenses	26,324	-	26,324	29,800
Depreciation – property	12,791	-	12,791	9,690
Establishment costs of unused space	(1,593)	-	(1,593)	(2,679)
	<u>99,044</u>	<u>-</u>	<u>99,044</u>	<u>89,522</u>
	=====	=====	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

6. Management and administration of the charity (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Establishment costs of unused space at 24 Greencoat Place (net)				
	£	£	£	£
Rent, rates, lighting, heating & insurance	19,964	-	19,964	16,580
Repairs, renewals & maintenance	9,727	-	9,727	9,280
	<u>29,691</u>	<u>-</u>	<u>29,691</u>	<u>25,860</u>
Less: Lettings	(31,284)	-	(31,284)	(28,539)
	<u>(1,593)</u>	<u>-</u>	<u>(1,593)</u>	<u>(2,679)</u>
	=====	=====	=====	=====

7. Grants to other charities

Rowland Trust	100,000	-	100,000	-
Barnabas Charitable Trust	100,000	-	100,000	-
Initiatives of Change-USA (UN)	-	-	-	10,000
	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>10,000</u>
	=====	=====	=====	=====

8. Net incoming resources/(resources expended) before revaluations and investment asset disposals

	2005 £	2004 £
This is stated after charging:		
Auditors remuneration - statutory audit	8,640	8,895
Depreciation	73,039	69,965

9. Investment income and interest

	UK £	Outside UK £	2005 £	2004 £
Interest receivable	25,392	-	25,392	18,694
Dividends receivable from:				
Fixed interest securities	79,306	3,974	83,280	78,726
Equity shares	114,680	3,973	118,653	95,275
Investment & unit trusts	42,720	-	42,720	35,719
	<u>262,098</u>	<u>7,947</u>	<u>270,045</u>	<u>228,414</u>
	=====	=====	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

10. Total resources expended

	Staff Costs £	Depreciation £	Other Costs £	Total 2005 £	Total 2004 £
Costs of generating fund	-	-	1,012	1,012	7,345
Campaigns & support and co-ordination	111,382	48,860	798,345	958,587	852,772
Management and administration of the charity	55,218	17,907	25,919	99,044	89,522
Grants to other charities	-	-	200,000	200,000	10,000
Costs of activities to further the charity's objects:					
Trading expenses	-	6,272	44,731	51,003	58,420
	<u>166,600</u>	<u>73,039</u>	<u>1,070,007</u>	<u>1,309,646</u>	<u>1,018,059</u>

	2005 £	2004 £
Staff costs		
Wages and salaries	150,034	140,965
Agency	3,952	1,192
Social security costs	12,303	11,867
Pension costs	311	302
	<u>166,600</u>	<u>154,326</u>

Other costs		
Premises	256,004	249,572
Travelling, accommodation, telephones	588,146	510,916
Grants to other charities	200,000	10,000
Legal, professional and audit fees	25,857	23,281
	<u>1,070,007</u>	<u>793,769</u>

There is no employee earning more than £50,000 per annum (2004: Nil).

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

	Number of employees 2005	2004
Finance and administration	7	6
Maintenance management	1	1
Catering management	2	2
Campaigns	2	-
Total	<u>12</u>	<u>9</u>

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

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

11. Tangible fixed assets

	Freehold land & Buildings £	Contents of Properties £	Plant Machinery & Video Masters £	Furniture & Fixtures £	Total £
Cost or valuation on acquisition:					
At 1 January 2005	5,302,087	105,722	68,630	2,258	5,478,697
Additions	676	16,645	-	1,556	18,877
Disposals	(54,453)	-	-	-	(54,453)
At 31 December 2005	<u>5,248,310</u>	<u>122,367</u>	<u>68,630</u>	<u>3,814</u>	<u>5,443,121</u>
Accumulated depreciation:					
At 1 January 2005	192,575	13,809	58,279	587	265,250
Provision for the year	49,628	17,861	4,913	637	73,039
Disposals	(2,412)	-	-	-	(2,412)
At 31 December 2005	<u>239,791</u>	<u>31,670</u>	<u>63,192</u>	<u>1,224</u>	<u>335,877</u>
Net book amount:					
At 31 December 2005	<u>5,008,519</u>	<u>90,697</u>	<u>5,438</u>	<u>2,590</u>	<u>5,107,244</u>
At 31 December 2004	<u>5,109,512</u>	<u>91,913</u>	<u>10,351</u>	<u>1,671</u>	<u>5,213,447</u>

Land and buildings includes the following at valuation when acquired:

	£
1982	40,000
1985	65,000
1999	550,000
2003	220,000
	<u>875,000</u>

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

12. Fixed asset investments

		2005	2004
		£	£
Market value at 1 January 2005		6,017,422	5,190,058
Additions at cost		741,895	1,028,245
		<u>6,759,317</u>	<u>6,218,303</u>
Disposals		(567,161)	(589,104)
		<u>6,192,156</u>	<u>5,629,199</u>
Unrealised investment gains			
General fund	788,590		
Special purposes funds	18,691		
Endowment fund	21,420		
	<u>828,701</u>	<u>388,223</u>	
Market value at 31 December 2005		<u>7,020,857</u>	<u>6,017,422</u>
Investments at market value comprise:			
		2005	2004
		£	£
Listed			
British Government		846,551	1,182,069
Commercial and industrial		5,998,295	4,686,073
Kenyan investments		176,011	119,182
Unlisted			
Shares in a subsidiary company		-	30,098
		<u>7,020,857</u>	<u>6,017,422</u>
		=====	=====
		2005	2004
		Total	Total
		£	£
Listed			
Fixed interest securities	1,593,169	45,827	1,638,996
Equity shares	3,344,954	130,184	3,475,138
Investment trusts and unit trusts	1,417,153	489,570	1,906,723
	<u>6,355,276</u>	<u>665,581</u>	<u>7,020,857</u>
Unlisted			
Shares in a subsidiary company	-	-	30,098
	<u>6,355,276</u>	<u>665,581</u>	<u>7,020,857</u>
	=====	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

12. Fixed asset investment (continued)

There was no investment in individual entities held at 31 December 2005 which amount to over 5% of the portfolio by value. The market value of investments was £1,270,416 in excess of the original costs.

In the opinion of the directors the aggregate value of the company's investment in its subsidiary company was nil at 31 December 2005. The aggregate value of £30,098 brought forward from previous year was written off this year as shown in the Statement of Financial Activities (2004 - £30,098).

13. Stocks

	2005	2004
	£	£
Work in progress – film production	21,263	-
Videos	565	689
Stores	5,378	7,664
	<u>27,206</u>	<u>8,353</u>
	=====	=====

14. Debtors (amounts falling due within one year)

	2005	2004
	£	£
Sundry debtors	30,079	30,689
Prepayments	9,015	12,489
	<u>39,094</u>	<u>43,178</u>
	=====	=====

15. Creditors (amounts falling due within one year)

	2005	2004
	£	£
Taxation and social security costs	3,433	3,704
Accruals	13,500	13,950
Deferred income	14,349	14,221
Other creditors	33,337	43,175
	<u>64,619</u>	<u>75,050</u>
	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

16. Restricted funds

	Balance at 1-Jan-2005 £	Movement in Resources From/(to) unrestricted	Incoming £	Outgoing £	Balance at 31-Dec-2005 £
Special Purposes Funds:					
Kenya	134,372	-	63,775	15,539	182,608
Ireland	357,347	-	15,112	14,746	357,713
Foundations For Freedom	20,992	19,521	19,891	37,681	22,723
Agenda for Reconciliation	15,777	(13,378)	10,502	12,901	-
Hope in the cities	22,942	6,440	8,299	24,728	12,953
Schools service	2,174	-	-	29	2,145
IC Productions division:	37,251	-	-	30,098	7,153
For A Change	622	4,868	35,427	38,893	2,024
MRA/Flt films	31,320	350	15,618	11,843	35,445
Grosvenor books	21,830	(21,921)	358	267	-
	<u>644,627</u>	<u>(4,120)</u>	<u>168,982</u>	<u>186,725</u>	<u>622,764</u>

Kenya Fund and Ireland Fund – these funds arose from the 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.

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

Schools programme fund – this fund arose from donations towards a programme of outreach to schools, and is restricted to use for this purpose.

For A Change and Flt films funds – these funds arose from donations and sales proceeds and the use of such monies is restricted to the production and distribution of For A Change magazine, films and videos, and books respectively.

Agenda for Reconciliation and Grosvenor Book funds – these funds ceased to be restricted in year 2005.

IC Productions division fund – investment of £30,098 in the subsidiary company was written off as the company is in the process of being deregistered.

17. Endowment fund

	Balance at 1-Jan-2005	Movement in Resources Incoming	Outgoing	Balance at 31-Dec-2005
Endowment fund	£ 159,430	29,550	8,130	180,850
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

This fund is gifts received for a permanent endowment, and is represented by 13,282 M & G Equities Fund for Charities units. The investment income for the year was £8,130.

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Restricted funds:				
Special Purpose funds:				
Kenya	-	176,011	6,597	182,608
Ireland	-	342,594	15,119	357,713
Foundations for Freedom	-	-	22,723	22,723
Hope in the cities	-	-	12,953	12,953
Schools service	-	-	2,145	2,145
MRA Productions division:	-	-	7,153	7,153
For A Change	2,571	-	(547)	2,024
MRA/Flt films	5,458	-	29,987	35,445
	<u>8,029</u>	<u>518,605</u>	<u>96,130</u>	<u>622,764</u>
Endowment fund	-	180,850	-	180,850
Unrestricted funds	5,099,215	6,321,402	697,365	12,117,982
	<u>5,107,244</u>	<u>7,020,857</u>	<u>793,495</u>	<u>12,921,596</u>

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

	2005 £	2004 £
Net incoming resources before revaluation and investment asset disposals	195,255	166,178
Depreciation charges	73,039	69,965
(Increase)/decrease in stocks	(18,854)	3,116
Decrease/(increase) in debtors	4,085	(9,385)
(Decrease)/increase in creditors	(10,431)	1,178
Profit on disposal of fixed assets	(294,721)	(696)
Value of investments/property bequeathed	(51,865)	(272,330)
Dividends received	(244,654)	(209,720)
Interest received	(25,392)	(18,694)
Difference on exchange	2,913	(1,910)
Net cash outflow from operating activities	<u>(370,625)</u>	<u>(272,298)</u>

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

20. Analysis of net cash resources

	2005	2004
	£	£
Balance at 1 January 2005	181,087	240,014
Net cash outflow	(88,873)	(58,927)
	<hr/>	<hr/>
Balance at 31 December 2005	92,214	181,087
	=====	=====

21. Capital commitments

There were no capital commitments at 31 December 2005 (2004: Nil)

22. Post Balance Sheet Events

Two properties, one in London and the second in Knebworth (Hertfordshire), have been put for sale. The charity has also bought one property in Guildford.

THE OXFORD GROUP

SUMMARISED ACCOUNTS

Statement of Financial Activities For the year ended 31 December 2005

	Total funds 2005 £' 000s	Total funds 2004 £' 000s
Incoming resources		
Gifts	235	326
Bequests	663	585
Investment income and interest	270	228
Trading income	38	38
Surplus on disposal of fixed assets	295	-
Other income	4	7
	<hr/>	<hr/>
	1,505	1,184
	<hr/>	<hr/>
Resources expended		
Campaigns	959	853
Grants	200	10
Fund manager's costs	1	7
Administration	99	90
Trading expenses	51	58
	<hr/>	<hr/>
	1,310	1,018
	<hr/>	<hr/>
Net incoming resources	195	166
Gain/(loss) on disposal of investments	35	(1)
Change in market value of investments held	829	388
Difference in exchange rate	3	(2)
	<hr/>	<hr/>
Net movement in funds	1,062	551
	<hr/> <hr/>	<hr/> <hr/>

THE OXFORD GROUP

SUMMARISED ACCOUNTS

Balance Sheet

As at 31 December 2005

	2005 £' 000s	2004 £' 000s
Property and other tangible fixed assets	5,107	5,214
Investments	7,021	6,017
Net current Assets	794	628
	<hr/>	<hr/>
	12,922	11,859
	<hr/>	<hr/>
Unrestricted funds	12,118	11,055
Restricted funds	623	645
Endowment fund	181	159
	<hr/>	<hr/>
	12,922	11,859
	<hr/>	<hr/>

These accounts are a summary of information extracted from the annual accounts which were approved by the Council of Management on 15 May 2006.

C F Evans
On behalf of Council of Management

The summarised accounts on pages 38 to 39 are not statutory accounts but a summary of information relating to both the Statement of Financial Activities and the balance sheet. The full accounts have been externally examined and the auditor issued an unqualified report. These summarised accounts may not contain sufficient information to allow a full understanding of the financial affairs of the charity. For further information the full accounts, the Auditors' Report on those accounts and the Council of Management's Report should be consulted. Copies of these are available from the Treasurer, The Oxford Group, 24 Greencoat Place, London SW1P 1RD.

INDEPENDENT AUDITORS' STATEMENT TO THE COUNCIL OF MANAGEMENT OF THE OXFORD GROUP

We have examined the summarised accounts set out on pages 38 and 39. You are responsible as Council members for the preparation of the summarised accounts. We have agreed to report to you our opinion on the summarised accounts' consistency with the full accounts on which we reported to you on 15 May 2006.

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

In our opinion the summarised accounts are consistent with the full accounts for the year ended 31 December 2005.

St Alphage House
2 Fore Street
London EC2Y 5DH

UHY Hacker Young
Registered Auditor
Chartered Accountants

16 May 2006

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).

Faith in Diplomacy, by Archie Mackenzie (Grosvenor Books, London, 2002, ISBN: 1 85239 032 8).

Why terror – is there no alternative?, edited by Imam Sajid (Caux Books, Switzerland, 2004, ISBN:).

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

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

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

Magazines

For A Change ISSN: 0959 311X

Videos/DVDs

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

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

Available in 15 languages

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

Web site

www.uk.initiativesofchange.org

Books and magazines can be ordered from:

*Initiatives of Change,
24 Greencoat Place, London SW1P 1RD or
from <http://www.initiativesofchange.org/>
Videos are available from FLTfilms at the same postal address.*