

INITIATIVES OF CHANGE INTERNATIONAL
Report and Accounts
For the year ended 31 December 2009

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INITIATIVES OF CHANGE INTERNATIONAL

General Information

For the year ended 31 December 2009

General Assembly

The supreme authority of the Association is a General Assembly, consisting of all Initiatives of Change National Organisations that have been admitted as Members. It meets at least once every year. An Executive Committee consisting of nine persons carries forward day to day operations. The Executive Committee is accountable to the General Assembly.

Executive Committee

Mr. Rajmohan Gandhi, India, President
 Mr. Richard W. B. Ruffin, USA, Executive Vice President
 Mr. Lorne Braun, Canada, Treasurer
 Mrs. Hennie de Pous-de Jonge, The Netherlands
 Mr. Antoine Jaulmes, France
 Mr. Andrew Lancaster, Australia
 Mr. Haridas Nair, Malaysia
 Mrs. Inese Voika, Latvia
 Mr. Jorulf Silde, Norway

Secretariat

Mrs. Roberta Méan

Counsel

Mr. David Forbes, Secretan Troyanov, Geneva

Headquarters

Initiatives of Change International,
 Mountain House,
 Rue du Panorama, 1824 Caux,
 Switzerland

Correspondence

Secretariat, IofC International,
 1, rue Varembe,
 1202 Geneva,
 Switzerland.

Bankers

UBS
 1800 Vevey
 Switzerland

PostFinance
 1631 Bulle
 Switzerland

Auditors

Ashwin Brothers
 Certified Public Accountants (Kenya)
 156 Matundu Lane - Westlands
 P.O. Box 14208 - 00800
 Nairobi, Kenya

INITIATIVES OF CHANGE INTERNATIONAL

Principles & Purposes

For the year ended 31 December 2009

Initiatives of Change (IofC) is a world wide network of people of diverse races, nations, creeds and backgrounds committed to transforming society through change in individuals, starting with themselves.

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

It affirms that there is a divine purpose for humanity and encourages people to seek this purpose through listening to their inner voice and conscience and through making what they know of God and eternal moral values central in their lives.

These ideas have given rise to an international movement bound together by trust, common experiences and a common commitment. It generates initiatives on every continent. Since 1946 it has held world conferences at its centre in Caux, Switzerland.

Diverse teams in over sixty countries carry forward these initiatives. In many countries, legal entities have been formed to facilitate the work of these teams. Each is independent and organised under the laws of that country.

Initiatives of Change International was created to facilitate the global operations of the movement and to safeguard its purposes.

The specific purposes of the Association are:

- 1) To promote the principles and purposes of the movement,
- 2) To represent the universality and multi-faith character of the movement,
- 3) To facilitate the relationships with international institutions and organisations,
- 4) To provide a common point of reference for all national organisations,
- 5) To regulate the admission of members and associates,
- 6) To regulate the international use of the name "Initiatives of Change" and of the movement's prior names, "Moral Re-Armament" and the acronym "MRA".

INITIATIVES OF CHANGE INTERNATIONAL

Statement of Executive Committee's Responsibilities

For the year ended 31 December 2009

The General Assembly requires the Executive Committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Association and of the income and expenditure for that period. It also requires the Committee to ensure that the Association keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Association. The Executive Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards. The Executive Committee is required to select suitable accounting policies and then apply them consistently. The Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Association and of its income and expenditure of the Association. The Executive Committee further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Executive Committee is required to prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue in its activities.

Nothing has come to the attention of the Executive Committee to indicate that the Association will not remain a going concern for at least the twelve months from the date of this statement.

PRESIDENT
MR. RAJMOHAN GANDHI

VICE PRESIDENT
MR. RICHARD W. B. RUFFIN

Dated: 23rd July 2010



Report of the independent auditor to the members of Initiatives of Change International

1) We have audited the accompanying financial statements of Initiatives of Change International set out on pages 5 to 14 which comprise the balance sheet as at 31 December 2009, income statement, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

2) Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

3) Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risk and material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

4) Opinion

In our opinion, proper books of account have been kept and the financial statements, which are in agreement therewith give a true and fair view of financial position of Initiatives of Change International as of 31 December 2009 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

ASHWIN BROTHERS

CERTIFIED PUBLIC ACCOUNTANTS (K)

Nairobi - Kenya

Dated :2010

INITIATIVES OF CHANGE INTERNATIONAL
Income and Expenditure Account
For the year ended 31 December 2009

	Notes	2009	2008
		CHF	CHF
INCOME			
Membership Fees	1	21,930	22,300
Donations from IofC National Associations	2	318,134	202,834
Other Donations Received	3	8,374	125,182
Donation of Office Space		41,484	20,802
Income from Transnational Projects	4	651,746	812,376
Interest and Exchange Differences	5	5,243	(14,389)
Other Income	6	18,133	13,121
		<u>1,065,044</u>	<u>1,182,226</u>
EXPENDITURE			
Work with International Organisations	7	270,761	314,633
International Website & Communications	8	143,642	148,173
International Council	9	30,512	36,486
Transnational Projects (See Note 4)		639,239	697,985
Administration & Overheads	10	60,942	35,411
		<u>1,145,096</u>	<u>1,232,688</u>
(DEFICIT) FROM OPERATION		<u>(80,052)</u>	<u>(50,462)</u>

Note:

(1) All the figures are rounded up to the nearest Swiss Franc.

(2) The notes on page 9 to 14 form an integral part of these accounts.

INITIATIVES OF CHANGE INTERNATIONAL
Balance Sheet
As at 31 December 2009

	Notes	2009	2008
		CHF	CHF
<u>ASSETS</u>			
Non Current Assets			
Property, Plant & Equipment	11	14,336	15,449
		<u>14,336</u>	<u>15,449</u>
Current Assets			
Accounts Receivable	12	19,384	44,257
Cash at Bank and in Hand	13	20,345	84,732
		<u>39,729</u>	<u>128,989</u>
TOTAL ASSETS		<u>54,065</u>	<u>144,438</u>
<u>RESERVES & LIABILITIES</u>			
General Reserves Fund Account			
Balance as at 1 January 2009		54,808	105,270
(Deficit) for the Year		(80,052)	(50,462)
Balance at 31 December 2009		<u>(25,244)</u>	<u>54,808</u>
Current Liabilities			
Accounts Payable & Advance Receipts	14	79,309	89,630
		<u>79,309</u>	<u>89,630</u>
TOTAL EQUITY & LIABILITIES		<u>54,065</u>	<u>144,438</u>

The Financial Statements were approved by the Executive Committee of the Association on

23rd July 2010 and signed on its behalf by :-

PRESIDENT
MR. RAJMOHAN GANDHI

VICE PRESIDENT
MR. RICHARD W. B. RUFFIN

TREASURER
MR. LORNE BRAUN

INITIATIVES OF CHANGE INTERNATIONAL

Cash flow Statement

For the year ended 31 December 2009

	2009	2008
	CHF	CHF
Cash Flow From Operating Activities:		
(Deficit) from Operation	(80,052)	(50,462)
Adjustments for:		
Depreciation Charge	3,117	2,182
Operating (Deficit) before Working Capital Changes:	(76,935)	(48,280)
Decrease in Accounts Receivable	24,873	85,126
(Decrease) in Accounts Payable and Advance Receipts	(10,321)	(133,315)
Net Cash from Operating Activities	(62,383)	(96,469)
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(2,004)	(12,619)
Net Cash from Investing Activities	(2,004)	(12,619)
(Decrease) in Cash and Cash Equivalents	(64,387)	(109,088)
<u>MOVEMENT IN CASH AND CASH EQUIVALENTS - NOTE 15</u>		
At 1 January 2009	84,732	193,820
(Decrease) in Cash and Cash Equivalents	(64,387)	(109,088)
At 31 December 2009	CHF 20,345	84,732

INITIATIVES OF CHANGE INTERNATIONAL**Notes to the Accounts****For the year ended 31 December 2009**

Accounting Policies

The principal accounting policies adopted in the preparation of these statements are set out below.

Basis of Preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention.

Property, Plant & Equipment

All investments on Computers and Office Fittings are capitalised at their historical cost where the cost incurred is over CHF 2,000. Expense below this amount are written off to Office Costs, in the year incurred.

Depreciation is calculated to write off the cost on a reducing balance basis. The rates used for this purpose are:

Computers	33.33%
Office Fittings	12.50%

Income

Membership fees are recognised as income in the period they relate to. Donations and interest income are recognised on receipt basis.

Tax

No tax has been provided for in the accounts.

Cash and cash equivalents

For the purposes of cashflow statement, cash and cash equivalents comprises cash in hand, net of bank overdrafts.

Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Swiss Francs at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Swiss Francs at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the Income and Expenditure account in the year in which they arise.

Retirement Benefits

The Association contributes to a statutory defined contribution pension scheme, Caisse AVS De La Federation Patronale Vaudoise. Contributions are determined by local statute and shared equally between employer and employee.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

INITIATIVES OF CHANGE INTERNATIONAL

Notes to the Accounts

For the year ended 31 December 2009

1	<u>MEMBERSHIP FEES</u>	2009	2008
		CHF	CHF
	Australia	2,000	2,000
	Brazil	200	200
	Canada	2,000	2,000
	Denmark	1,130	1,000
	Finland	200	200
	France	2,000	2,000
	Germany	200	200
	India	2,200	2,000
	Japan	1,000	1,000
	Kenya	200	200
	Malaysia	200	200
	Netherlands	2,000	2,000
	New Zealand	200	200
	Nigeria	200	-
	Norway	1,000	1,000
	South Africa	200	1,000
	Sweden	1,000	1,000
	Switzerland	2,000	2,000
	Uganda	-	100
	UK	2,000	2,000
	USA	2,000	2,000
		21,930	22,300
2	<u>DONATIONS FROM IC/IofC BODIES</u>	2009	2008
		CHF	CHF
	Australia	16,411	12,261
	Canada	10,503	3,320
	Denmark	-	13
	Finland	126	262
	France	11,539	10,143
	Germany	340	328
	Netherlands	7,991	6,532
	New Zealand	3,177	2,214
	Nigeria	445	-
	Norway	-	1,050
	South Africa	1,563	680
	Sweden	3,038	9,211
	Switzerland	173,186	39,500
	UK	59,006	79,695
	USA	30,809	37,625
		318,134	202,834

INITIATIVES OF CHANGE INTERNATIONAL

Notes to the Accounts

For the year ended 31 December 2009

3 <u>OTHER DONATIONS RECEIVED</u>	2009	2008
	CHF	CHF
Donations for brochures	2,374	-
Individual Donors-Anonymous	6,000	13,600
Irene Prestwich Trust	-	111,582
	<u>8,374</u>	<u>125,182</u>

4 INCOME FROM TRANSNATIONAL PROJECTS

When grant-funded transnational projects are undertaken by the International Association a small percentage of the grant is retained towards the Association's own overhead costs.

					2009	2008
	Mediation Workshop CHF	Cote D'Ivoire Project CHF	Human Security Forum CHF	Great Lakes Burundi Project CHF	Total CHF	Total CHF
Funded by Swiss Federal Department of Foreign Affairs	-	-	16,000	603,150	619,150	654,507
Others	-	-	32,596	-	32,596	157,869
Total Grants Received	<u>-</u>	<u>-</u>	<u>48,596</u>	<u>603,150</u>	<u>651,746</u>	<u>812,376</u>
Expenditure	2,385	(20,003)	(53,898)	(567,723)	(639,239)	(697,985)
Disbursements	-	-	-	-	-	-
Retained for IA overheads	(2,385)	20,003	5,302	(35,427)	(12,507)	(114,391)
Recorded as Income	<u>-</u>	<u>-</u>	<u>(48,596)</u>	<u>(603,150)</u>	<u>(651,746)</u>	<u>(812,376)</u>

5 <u>INTEREST & EXCHANGE DIFFERENCES</u>	2009	2008
	CHF	CHF
Exchange Gain	6,305	884
Exchange (Loss)	(1,062)	(15,273)
	<u>5,243</u>	<u>(14,389)</u>

6 <u>OTHER INCOME</u>	2009	2008
	CHF	CHF
Income from Training	16,800	3,371
Commission	663	9,750
Income from Brochures	670	-
	<u>18,133</u>	<u>13,121</u>

INITIATIVES OF CHANGE INTERNATIONAL

Notes to the Accounts

For the year ended 31 December 2009

7 <u>WORK WITH INTERNATIONAL ORGANISATIONS</u>	2009	2008
Geneva	CHF	CHF
Gross Wages	130,156	200,118
Social Insurance	54,669	49,136
Representation	8,703	12,610
Conferences - (Recoveries)	-	(33,896)
Office Rent	41,304	41,604
Travel	5,341	10,480
Training Expenses	9,864	3,944
Telephone Costs	4,708	8,338
Bank & Postal Charges	1,005	691
Depreciation	3,117	2,182
Printing and Office Costs	10,429	18,796
Total for Geneva	269,296	314,003
Strasbourg	1,465	630
	270,761	314,633
8 <u>INTERNATIONAL WEBSITE & COMMUNICATIONS</u>	2009	2008
	CHF	CHF
Personnel Costs	143,642	131,750
Production Costs	-	1,383
Translation	-	10,826
Travel Costs	-	708
Equipment	-	3,506
	143,642	148,173
9 <u>INTERNATIONAL COUNCIL</u>	2009	2008
	CHF	CHF
Council Meeting, Caux	1,011	15,475
Council Meeting, Amsterdam	-	6,821
Council Meeting (India 2008; Caux 2009)	10,893	6,613
Outreach Services	9,913	8,964
Carbon Offset	1,000	1,000
Overheads and Office Costs	7,695	(2,387)
	30,512	36,486

INITIATIVES OF CHANGE INTERNATIONAL

Notes to the Accounts

For the year ended 31 December 2009

10 <u>ADMINISTRATION AND OVERHEADS</u>	2009	2008
	CHF	CHF
Accountancy Fees	11,105	9,045
President's Budget	33,531	14,986
Membership Services	2,611	1,671
Governance, Overheads & Others Expenditure	13,695	9,709
	60,942	35,411

11 PROPERTY, PLANT & EQUIPMENT (Refer to Page 14)

12 <u>ACCOUNTS RECEIVABLE</u>	2009	2008
	CHF	CHF
Membership & Contributions	14,303	39,041
Travel advances to International Council members	5,081	5,216
	19,384	44,257

13 CASH AT BANK AND IN HAND

The Cash at Bank and in hand of Swiss Francs 20,345 (2008: CHF 84,732.59) includes three foreign currencies translated at the rate existing at the Balance Sheet date. The currencies are: Sterling pounds, US Dollars and Euros.

	2009	2008
	CHF	CHF
Cash at Bank and in hand	20,345	84,732
	20,345	84,732

14 ACCOUNTS PAYABLE AND ADVANCE RECEIPTS

	2009	2008
	CHF	CHF
Accounts Payable	71,072	84,130
Other Payables	8,237	5,500
	79,309	89,630

15 CASH AND CASH EQUIVALENTS

	At 1 January 2009 CHF	Cash Flows CHF	At 31 December 2009 CHF
Cash at Bank and on Hand	84,732	(64,387)	20,345
	84,732	(64,387)	20,345

INITIATIVES OF CHANGE INTERNATIONAL**Notes to the Accounts****For the year ended 31 December 2009**

16 RISK MANAGEMENT OBJECTIVES AND POLICIES**Market Risk****Foreign exchange risk**

The Entity has foreign exchange balances and trades in foreign currencies. It is therefore exposed to foreign exchange risk. The Entity has a facility with the bank to hedge their respective foreign currency commitments.

Credit Risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, financial institutions as well as outstanding receivables.

17 CURRENCY

For the purposes of reporting, these accounts have been denominated in Swiss Francs (CHF).

INITIATIVES OF CHANGE INTERNATIONAL
NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

11 PROPERTY, PLANT & EQUIPMENT

	Office Fittings	Computers	Total
<u>YEAR ENDED 31ST DECEMBER 2009</u>	CHF	CHF	CHF
<u>COSTS</u>			
At 1 January 2009	11,179	7,454	18,633
Additions	2,004	-	2,004
At 31 December 2009	13,183	7,454	20,637
 <u>DEPRECIATION</u>			
At 1 January 2009	221	2,963	3,184
Charge for the Year	1,620	1,497	3,117
At 31 December 2009	1,841	4,460	6,301
 <u>NET BOOK VALUE</u>			
At 31 December 2009	11,342	2,994	14,336
 <u>YEAR ENDED 31ST DECEMBER 2008</u>			
<u>COSTS</u>			
At 1 January 2008	-	6,014	6,014
Additions	11,179	1,440	12,619
At 31 December 2008	11,179	7,454	18,633
 <u>DEPRECIATION</u>			
At 1 January 2008	-	1,002	1,002
Charge for the Year	221	1,961	2,182
At 31 December 2008	221	2,963	3,184
 <u>NET BOOK VALUE</u>			
At 31 December 2008	10,958	4,491	15,449