

Company No 355987

Registered Charity No 226334

THE OXFORD GROUP

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 2003

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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 (appointed on 12 May 2003)
Rev A J D Craig BD
C F Evans (Treasurer)
P J Everington MA
M D Henderson (resigned on 17 June 2003)
J J M Hore-Ruthven (appointed on 12 May 2003)
Ms J M Lean BA
Mrs M J Pearce RBTC Dip
R W B Ruffin MA
Dr M A Spooner MB BS AKC

Secretary G W Craig MSc

Members of the General Management Committee

G W Craig MSc
C F Evans
A S Kiaer MA
Ms F C Leggat
H C Leggat
Mrs E B Locke

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

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Investment Managers Speirs & Jeffrey
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Rathbones

THE OXFORD GROUP

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SECRETARY'S STATEMENT

Introduction

The UK plays host to people from every corner of the globe. How do we respond to the present world crisis? Do we only want to ensure our security or do we also want to draw the best out of each other?

Initiatives of Change (IC) offers a way towards trust and community by challenging each of us to 'turn the searchlight inwards', to see where any change of attitude and practice is needed in our own lives. Building on this we can reach out beyond our comfort zone to care for neighbours, for those from other cultures and other countries. A decision to search for and apply God's guidance gives a solid foundation for such commitment.

The description of IC on the following page summarises this approach, and evidence of IC in action is given on the following pages – action at all levels: personal, national and international. A section called 'The Heart of IC' is also included – this goes more deeply into the personal experience and commitment of some individuals; these are typical of the application of IC principles that underlies the effectiveness of all the actions. This review is offered in gratitude for the dedication of so many who overcome all kinds of difficulties to build a trusting society.

Geoffrey Craig

21 May 2004

THE OXFORD GROUP

SECRETARY'S STATEMENT

The Oxford Group was incorporated in the UK in 1939 and registered as a charity in 1964. Its outreach became known worldwide as Moral Re-Armament and more recently as Initiatives of Change.

What is Initiatives of Change?

Initiatives of Change (IC) is a worldwide 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

IC 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.

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Hope in the Cities

Mission: To help develop inclusive communities and create trust-based relationships where all are valued and everyone is empowered to fulfil their potential.

Hope in the Cities (HiC) focuses on the need to build and reinforce trust-based partnerships for creating cohesive communities. It has developed and facilitated 'honest conversation' dialogues for this purpose.

Three such dialogues in the disadvantaged Bobbers Mill and St Ann's areas of Nottingham during 2003 empowered community participants to become 'change agents'. They are making personal choices in their own lives that will help change the drugs-and-gun-culture image of their localities, whilst also building bridges between young people, the police and others in the community.

In the autumn, HiC held a training programme in Toxteth, Liverpool, for dialogue facilitators. Representatives from local government and from Liverpool Hope University College as well as community activists took part. A local government participant, who is involved in helping disadvantaged youngsters to get into higher education, said, 'What gripped me was the underlying theme of "not who is right, but what is right".' Dialogues are now being planned in the city.

In May HiC was a partner in arranging a conference in Gateshead which focused on both the needs of asylum-seekers and refugees and what they are contributing to their adopted communities. HiC has also reinforced community workers in a social enterprise initiative in Huddersfield and in youth work in Leeds.

In June HiC activists from the UK travelled to Accra, Ghana, to share experiences at a Pan-African Initiatives of Change conference. In November an HiC group was both challenged and encouraged as they travelled in South Africa. They exchanged experiences with groups engaged in regenerating communities there.

People from several British cities took part in an international HiC Skills Training and Development Programme at the IC conference centre in Caux, Switzerland, in July. Groups who are involved in regeneration in one deprived city area said that the visit to Caux had created trust between them and built them into a team. They have been meeting regularly since then.

After participating in an HiC Conference, a woman found the courage to reach out to disruptive youth in her Yorkshire village. Discovering that they were bored, she persuaded them to present their needs at a local parish council meeting. This resulted in them setting up a youth group with her help. This has given 80 young people a positive outlet for their energy.

www.hopeinthecities.org

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Foundations for Freedom

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

The main focus of Foundations for Freedom (F4F) activity during 2003 was to support teams in Eastern Europe committed to laying strong moral and spiritual foundations for their societies, by means of training courses, visits and other activities. Many of these teams exist as a result of earlier F4F programmes. As well as organising further F4F courses, they typically undertake work to improve life in the community around them, for example, anti-bribery campaigns, visits to schools to discuss drug problems, and supporting old people's homes or orphanages.

During the year the week-long 'Changing Course' was delivered in Latvia, Romania, Ukraine and Novosibirsk in Russia. These courses were led by David Curtis and Nick Foster from the UK, and Kees and Marina Scheijgrond from Holland.

A Regional Meeting from 28 April – 4 May in Lviv, Ukraine, drew together 30 from F4F teams in Ukraine, Russia, Latvia, Moldova, USA & UK. How to devolve more responsibility and decision-making to teams in Eastern Europe was a major theme.

A British-led team delivered a three-day follow-up course in Chisinau, Moldova, focusing on team-working and leadership skills, to those responsible for the 'New Civilisation' NGO.

Fifty-two from F4F teams in Central and East Europe participated in an international conference on 'Service, Responsibility and Leadership' at the IC conference centre in Caux, Switzerland, in July.

July also saw the completion of a 10-month project in Ekaterinburg, Russia, in which F4F collaborated with the International Business Leaders Forum (London) and the International Consulting Company (Ekaterinburg) to raise awareness, build trust and promote best practice between companies and NGOs.

Groups involved with F4F also made numerous follow-up visits to Serbia, Ukraine, Siberia, Lithuania and Moldova.

Much work during 2003 has gone into writing a new three-day course, the 'Ethical Leadership Workshop'. It was due to be tried out and assessed at a Regional Meeting in Moldova in April 2004. Once finalised, it will be an additional tool in the hands of F4F teams across the region.

www.f-4-f.org

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Agenda for Reconciliation

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

Agenda for Reconciliation (AfR) provides an international structure to support and co-ordinate teams of people in critical situations who work to build trust across dividing lines. It organised two annual conferences in IC's International Conference Centre in Caux, Switzerland, under the general headings of 'Peace-building Initiatives' and 'Human Security'. These bring together individuals and groups from many parts of the world who are working for the moral and spiritual renewal of their societies in the belief that the fruits of this renewal are justice and reconciliation. (Report available from IC or www.caux.ch/afr).

The work of the British chapter of AfR has evolved out of partnerships (in some cases dating back several decades) between people in Britain and people in Africa, the Middle East and the wider Muslim world.

Africa

Members of the AfR team have provided a variety of support for African initiatives, including the 'Clean Africa Campaign'. This campaign is co-ordinated by Amina Dikedi, a Nigerian who currently bases in Britain. The Oxford Group and other funds played an important role in underpinning this work financially. Support was given to:

- A 'Leadership Training Course' in Nairobi, Kenya, in October which gathered 25 students and a distinguished faculty from different parts of Africa. The course focussed on the origins of the present situation, and examples of 'Africans making a difference'. This was a pilot project, and further courses are scheduled in 2004 in South Africa and Ghana.
- Individuals and groups from Angola, Eritrea, Ethiopia, Ghana, Sierra Leone, Somalia, Sudan and Uganda to participate in:
 - a) AfR conferences in Caux, Switzerland, for training and onward planning
 - b) the All-Africa conference in Ghana in May
 - c) training programmes for young people.

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The Middle East and the Muslim world

Members of the team continued to liaise with a wide range of individuals and groups in the Middle East and the wider Muslim world. In response to an initiative of partners in the occupied Palestinian Territories and in Israel, individuals and trusts in the UK and the USA donated funds to enable 14 people to participate in the Peace-building Initiatives conference in Caux, which was also attended by others from around the Middle East.

www.caux.ch/afr

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Caux Initiatives for Business

Mission: To strengthen the motivations of care and moral commitment in economic life and thinking, in order to create jobs, tackle economic and environmental imbalances and address the root causes of poverty.

The UK national co-ordinators for Caux Initiatives for Business are IC workers Chris Evans and Michael Smith. During the year the UK made a significant contribution to this international IC programme.

Bill Jordan, the former General Secretary of the International Confederation of Free Trade Unions, was a keynote speaker at a globalisation conference in India organised by Caux Initiatives for Business (CIB) in January 2003. It was the first gathering of CIB's Asia-Pacific Africa Regional Group, and took place at Asia Plateau, IC's Indian centre in Panchgani. The conference was on the theme 'Globalisation: embracing opportunity, creating synergy'.

Lord Jordan stressed the enormous power wielded by the world's 63,000 transnational corporations and their 800,000 foreign subsidiaries. He called for basic international labour standards and massive investment in education, which 'sharpens the tools of change' through encouraging flexibility and ideas. 'Globalisation will not be stopped, much less reversed, but it can and must be changed,' he said. 'Change requires leadership with vision enough to excite the young and motivate the weary and the cynical.... It is better to light one candle of leadership than to curse the darkness of globalisation.'

In July, Roderick Abbott, the British Deputy Director General of the World Trade Organisation (WTO) gave a public lecture during the 30th annual Caux Conference for Business and Industry (CCBI) in Switzerland. Partly organised by British IC workers, the conference theme was: 'Globalisation... as if people really mattered'. He stressed the need to address the appalling gap between the world's rich and poor, which he feared would lead to increasing tensions between societies and cultures.

Philippa Foster-Back, Director of the UK's Institute of Business Ethics, told the CCBI conference that she had 'a passionate belief that businesses can do their business ethically. It may cost but doing the right thing by others takes courage.' An IBE survey, published in April 2003, had found that companies that had their own codes of ethics performed better financially than those without codes. 'The best reason for being ethical is because it is the right thing to do,' she stressed.

In December, David Erdal, one of Britain's leading advocates of employee-owned companies, spoke about his work at the IC centre in London. Erdal, executive director of the Baxi Partnership Trust, argued that employee-owned companies were one way of making corporate social responsibility practical.

www.cauxinitiativesforbusiness.org

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The heart of IC

The basic premise of Initiatives of Change is that God has a role for every single person in his plan for the world. As individuals honestly commit themselves to finding that inner calling they may be used to bring about the sort of positive change that the world so evidently needs. During 2003, some of the speakers at a series of Greencoat Forums, held at IC's London centre, told something of their own personal journeys of seeking and following God's calling:

Challenging the causes of poverty

At a Greencoat Forum in March, Paul Craig, speaking with his wife Marguerite, emphasised that human relationships are as important as technical skills in development. 'Technology is important but unless it is backed by relationships it is not going to yield its full potential,' he said.

Craig is a development agriculturalist and was then Managing Director of Agrisystems Ltd, which is dedicated to 'challenging the causes of poverty'. He has worked in many countries including Zambia, Nigeria, India, Papua New Guinea, the Philippines, Saudi Arabia and Albania. He presented a video clip of his early adult life from a documentary called, 'What are you living for?'

The film poses the question: 'how to create the trust and friendship needed to meet the food needs of the world'. It shows how an 'iron curtain' was lifted in Craig's life through honesty between him and his father, which restored their friendship. On graduating, Craig could have taken a desk job as an agricultural advisor, but instead chose 'the hard work of hands-on stockmanship' as a cattle breeder.

Craig described some marking incidents from his 30-year career. For instance, he related how apologising to a local livestock specialist in Zambia, whom he had humiliated in front of a senior inspector, had build trust between them. At the end of his contract, Craig's position was taken over by a Zambian graduate who told him, 'We have grown together technically but we have also grown together spiritually.'

At one point the Craigs had to choose between two job offers at short notice. One was with the World Bank in Nigeria and the other with the UK's Department for International Development in Nepal. They were much more attracted to the latter, but realised that they had to 'get rid of our personal preferences and be free of them' in order to find 'God's plan'. 'It very quickly came clear that we should go to Nigeria.' They spent four years there and, though conditions were tough, they 'never once regretted the decision'.

In Papua New Guinea, Craig ran a crocodile farm with 400 employees. Relations between the farm workers' union and the employers were 'diabolical'. The head of the union didn't trust Craig. The situation was made worse by the fact that the President of the Trades Union Congress was initially hostile. But trust and respect grew between them, and this was important as Craig was determined to introduce fair working practices and a wage agreement. It took nine months and several strikes to implement, but it was the first agreement in Papua New Guinea endorsed by the TUC.

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Community action

Declaring that, as a white Jamaican, he had been involved in 'a great theft', Roddy Edwards spoke at a Greencoat Forum in April with his wife, Ann. He explained, 'We had robbed people consistently,' referring to the white community's exploitation of the majority of Jamaica's population during the colonial era. Compensating with cheques is easy, he said. 'But that is not the answer. What is needed to right this historic wrong is decently paid jobs over the long term. I felt I should work towards this in repentance for all the benefits, like my expensive education, which the past exploitation had enabled.'

This led Edwards and others from his home community to set up the Walkerswood Foods company as a partnership venture, 25 years ago. The aim was to give employment to the Walkerswood community where his family had lived for five generations. 'What the world needed was a different form of economic organisation—where wealth didn't go to a few but was shared transparently,' Edwards said. The company now employs 100 people with a turnover last year of US\$3.5 million. It is run by 12 partners and there is an employee share ownership scheme. It sells 17 products to major supermarket chains in the USA, the UK and elsewhere. In London it also runs the Bamboula Jamaican restaurant in Brixton.

The vision had grown after Edwards' elder brother, Johnathan, had been impacted by a conference for 'the moral and spiritual rearmament of the world' in 1965. The emphasis was that 'change starts with me'. 'I couldn't get out of my mind that I had to change,' said Roddy Edwards. He joined the Unemployment Committee of the Community Council. One project to emerge was selling jerk (seasoned) pork to the eight bars in the surrounding area. 'The conviction grew to find a decently paid job for everyone in the village.'

'The impact on the village has been huge,' said Edwards. A local farmer employs 40 people to grow peppers for Walkerswood Foods' celebrated jerk seasoning and pepper sauces. 'And farming peppers means you don't need to farm drugs,' said Edwards.

Edwards said that he had learnt over the years:

- 'Faith in the Almighty's provision'. He said that, time and time again, resources had unexpectedly emerged to keep the company developing. When the company faced bankruptcy in 1997, a Chinese Jamaican had 'invested serious money in Walkerswood'.
- 'To go for it'. Walkerswood Foods had grown out of the shared dreams and motivation of all the partners—men and women, black and white, young and old—including the managing director, Woody Mitchell, and the managing director of marketing, Virginia Burke. The aim of Walkerswood now was to 'build a Caribbean world brand name'.
- Teamwork. 'We have to stick together if we are to carry out our dreams,' Edwards said. His wife Ann described how the community had campaigned successfully, through using road blocks, to clean up a local waste dump used by cruise ships coming into Montego Bay. Edwards emphasised that their task hasn't always been 'sugar and light'. There were battles against corruption. And banks were far too unwilling to take risks in investing in local businesses.

'We are getting to a situation where everyone in the Walkerswood community of some 2,500 people who wants to work can find a job,' he concluded.

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In Brief...

The work of Initiatives of Change is as varied as the people who feel inspired to apply its ideas. Here are a few 'snapshots' of many such actions:

The Muslim College

For the ninth year Dr Zaki Badawi, Principal of the Muslim College, London, asked for seminars on IC for a visiting group of Islamic officials from Malaysia. These men and women are selected by the Prime Minister's Office in Kuala Lumpur for a training that includes an appreciation of spiritual initiatives to be found in the UK.

Peter Everington, a member of the Council of Management, has led these seminars since they began in 1989. He traces the origins and current outreach of IC, with special reference to the role Muslims play in it. In the second of four one-hour sessions in 2003 David Channer presented the film *For the love of tomorrow* (see below) in the context of IC's work for reconciliation in Europe.

For the Love of Tomorrow

FLT*films* continued its collaboration with Initiatives of Change in France. The director of the Paris-based association, Film et Spiritualité, arranged a public screening of the FLT*films* production, *For the Love of Tomorrow*, the story of the French Socialist Irène Laure whose decision to forgive the Germans for what they had done during World War II was a catalyst for much bridge-building between the two nations. Under the overall theme of 'spirituality and political engagement', Laure's experience of forgiveness was presented together with films on Robert Schuman, 'the father of Europe', and Marc Sangnier, the founder of Christian Democracy in France.

Jean-Baptiste de Foucauld, former head of the French Government's Economic Planning Commission, remarked on the beauty of the Irène Laure film and went on to underline that her action was 'more civic than political'. He noted that the journey she undertook involved 'moving from the culture of the Resistance, with its risk of hatred, to the culture of the official administration, with its risk of political disappointment, to engaging herself in making a utopian vision become reality'.

Forgiveness tour

Michael Henderson, who works with IC, spoke 36 times on the theme of his book, *Forgiveness: Breaking the Chain of Hate*, in England, Scotland and Wales, as well as the United States and Moscow and St Petersburg where a Russian edition was launched. Venues included the University of Exeter, the Rotary Club of London, the Wesley Memorial church in Oxford, the Newman Association in Malvern, the Christian Socialist Movement in Edinburgh, the Muslim school in Nottingham and at a South Gloucestershire public occasion to mark Holocaust Day.

Reform, the United Reform Church magazine wrote, 'Michael Henderson's faith and commitment to peace-building shine through this book and his sensitivity in recounting personal stories gives an inspiration to all who long for reconciliation in our divided world.'

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The *Church of Ireland Gazette* review concludes, 'What [this book] does do with considerable

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power is to force us to recognise that all conflicts are really the same conflict; that spirituality does come first; that the forgiving actions of individuals are what makes the difference.’

Greencoat Forums

In addition to those already described, six evening 'Greencoat Forums' took place during the year, drawing in speakers under the general theme: 'Towards an inclusive society'.

‘The problem is not the clash of civilisations but the collapse of them,’ a leading Muslim journalist told a Forum on 17 June. Fuad Nahdi, the founder and publisher of *Q-News* was speaking on ‘Towards a partnership of civilisations’.

Describing himself as, ‘that strange and complex creature a British Muslim’, he called on both Christians and Muslims to begin with ‘an honest appraisal’ of themselves. ‘There is no substitute for love and compassion; every act of love is like an axe taken to the roots of war,’ he said. ‘Even meeting your neighbour with a smiley face is an act of defiance against anger, malevolence and ill will.’

In response to a question, he compared the humiliation suffered by the Muslim world today to that of Germany after the Treaty of Versailles. ‘We have gone through this humiliation and degradation for 60 years now. If it was not for Islam there would be [situations like] Nazi Germany in [many of] our countries. But even Islam is being slowly peeled apart like an onion. There is conflict at the top level about whether suicide bombing is legitimate or not. This would not have been a question for us 50 years ago.’

A day of discovery

‘A day of discovery’, held at the Hayes Conference Centre, Swanwick, drew some 100 people from Nottingham, Sheffield and other cities. Many spoke of the work they were doing to improve life in their communities—such as the Somali refugee who, realising that there was a shortage of lorry drivers, had set up a training scheme for refugees and asylum seekers who had no jobs; and the Nottingham police officer who had taken part in an ‘honest dialogue’ with people from a notorious area of the city who said: ‘I was very sceptical. I looked at the situation with my policeman's hat on. Now I am excited about the process as I saw a thriving community, but they did not have a voice.’

New website

A small team of IC workers based in Oxford has developed a multilingual international website, using the latest technology, to present the activities and ideas of IC to a worldwide audience. As well as giving news of events and providing information on all the various initiatives there is a weekly commentary on some subject of public concern. The team has also redesigned the IC's UK website.

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Action for Life

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Three young British people travelled to India in October to join some thirty others from around the world in a 10-month programme called, 'Action for Life'. The first five months were based at Asia Plateau, the IC conference facility near Pune. The mainly young people taking part will then visit other countries in Asia. Their aim is to 'be the change you want to see in the world' - living a life of service, of working for healing and justice and for inspiring others to become change-makers.

Welsh dialogue

Assistant Chief Constable Clive Wolfendale of the North Wales police addressed (in Welsh) a dialogue on 'One Wales: building trust between communities'. It was the seventh in a series of national dialogues held in Wales over recent years. They have brought together people from different walks of life and different political persuasions in the search for a uniting vision for Wales and its role in the world. Paul Williams who works with IC is one of the principal architects of these dialogues.

IC Schools Service

Chris Lancaster, a qualified teacher from Australia, led a small team which visited Sixth Forms during the first term of the year.

The sessions were titled 'Initiatives of Change', and sought to explore that phrase as a concept, not to talk about the organisation. What changes would I like to see in the world? What changes might I need to discover in myself—my attitudes, motivation and vision—from which could emerge initiatives to address those wider needs?

Geoffrey Craig

21 May 2004

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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 2003. 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 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 2 and 19.

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

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

Method of appointment of trustees

The Council of Management appoints trustees from the membership of the Association. Any trustee thus appointed has to offer himself/herself for election at the next Annual General Meeting of the Association. Each year one-third of the trustees have to offer themselves for re-election.

Organisation

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

The Council of Management meets quarterly, and 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'.

Review of financial position

The Group began 2003 in a difficult position, with the value of its investments having fallen in the stock market, and income for 2002 well below outgoings. In November 2002, a letter was sent on behalf of the Council of Management to some 800 of The Group's supporters saying that additional income of £9,000 each week would be required throughout 2003 to end the year in

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balance. The Council is most grateful to be able to record that this and more was in fact achieved.

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Its warmest thanks go to all those who made this possible.

As can be seen from the accounts, there were increases in donations received and in income from investments. But the key to the turn-around was in the increase in income from legacies, from £254,618 in 2002 to £1,000,978 in 2003.

Properties

£220,000 of the income from legacies was represented by the value of a three-bedroom home in Sheffield left to The Group by Mrs. Betty Gardiner. In consultation with The Group's active supporters there, this has been retained, and it is in use as a centre for the activities of Initiatives of Change in the area.

Also during the year, The Group's property at 73 Victoria Road, Oxford, was sold. The increase in value since its acquisition enabled The Group to make substantial grants to The Barnabas Charitable Trust (£100,000) and The Rowland Trust (£200,000). Both of these trusts have similar objects to The Group, and have the ongoing policy of helping The Group's full-time workers to acquire homes of their own.

Archives

During 2003, the collection of historical archives about The Group's work was moved from Tirley Garth, Cheshire, to the home of one of the trustees, under the care of his wife. This involved the adaptation and dedicated use for this purpose of over 600 square feet of floor space. In the trustee's absence, the Council of Management offered to pay £2,000 rent per year for this space, recognising that such payment is below what would have to be paid at a market rate. They also appreciated the personal knowledge and attention which would be given to the archives in this setting.

Risk Assessment

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. These efforts are meeting with some success, though not yet enough, and are ongoing. During the year a decision was taken to engage a firm of fund-raising consultants to advise on this aspect of The Group's work, and this is taking place in 2004.

Secondly, it is often difficult adequately to replace key volunteers when the time comes for them to move on to other work or to retire, and in some cases to find volunteers to fill new roles which open up. The Council has felt it right to engage consultants to facilitate the expansion of aspects of its work in three such areas, rather than waiting for suitably qualified volunteers to come forward. As a mark of their commitment to The Group's ideas and aims, all three have agreed to

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be paid at well below the rates they could command in the market, and they are making important contributions to The Group's work. Many others, of course, continue to give their time to The Group's work as volunteers.

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The Group is addressing these risks, without losing sight of its belief, born out by experience over 80 years, that when people seek to undertake God's work, solutions to such problems can often be provided in unexpected ways. These are therefore matters for prayer as well as for responsible planning.

Investment powers and policy

The Council of Management has powers to invest in stocks, shares and property as it sees fit. During the year it appointed new fund managers for part of its investment portfolio, Speirs and Jeffrey Ltd. The remainder continues to be managed by Rathbones. Both portfolios aim to protect the real value of the investments over time, whilst generating as much income as is compatible with that aim. The value of The Group's investments recovered by 8.94% during 2003, from its sharp decline in recent years.

The Group's policy in both portfolios is to avoid investing in companies that are primarily involved in tobacco, alcohol, gambling and arms. In addition, Rathbones carry out proactive assessment of companies' performance according to a number of ethical criteria, with a view to investing in the best performers in each sector of the market, subject to the usual commercial considerations.

The final stage of the government's withdrawal of tax relief on investment income comes into effect on 5 April 2004. This will again depress the Group's income from investments.

Reserves policy

In order to cater for The Group's long term needs, and to provide additional defence against the anticipated fall in legacy income, its policy is to build up its investments to the point where they generate sufficient income to cover the administration of the charity and the support and co-ordination of its work. When this point is reached, gifts can be wholly used to fund programme and campaign activity. Comparing the year 2002 with 2003, the gap between these two amounts (investment income, on the one hand, and the costs of administration and support and co-ordination, on the other hand) narrowed from £140,334 to £108,991.

In addition, The Group was able to introduce £370,593 of new money into its investments, largely as a result of the sale of the property in Oxford.

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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

If possible, please specify:-

Name:

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 2003 were:

Dr S M Andren MB ChB MRCP(UK) AFOM DRCOG
Dr P C Boobyer PhD (appointed on 12 May 2003)
Rev A J D Craig BD
C F Evans (Treasurer)
P J Everington M A
M D Henderson (resigned on 17 June 2003)
J J M Hore-Ruthven (appointed on 12 May 2003)
Ms J M Lean BA
Mrs M J Pearce RBTC Dip
R W B Ruffin MA
Dr M A Spooner MB BS AKC

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, formerly known as Hacker Young, will be proposed for re-appointment at the Annual General Meeting.

By the order of the Council of Management

G W Craig
Secretary
The Oxford Group

21 May 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OXFORD GROUP

We have audited the financial statements set out on pages 21 to 38 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 25 to 27.

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 19 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 United Kingdom Auditing Standards.

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 Auditing Standards 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 accounts give a true and fair view of the state of the affairs of the charitable company as at 31 December 2003 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.

24 May 2004

UHY Hacker Young
Registered Auditor
Chartered Accountants

THE OXFORD GROUP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2003 £	Total 2002 £
Incoming resources						
Donations & gifts	3	146,591	105,335	-	251,926	240,433
Legacies		1,000,978	-	-	1,000,978	254,618
Investment income and interest	9	182,401	20,325	6,275	209,001	183,353
Activities to further the charity's objects:						
Trading income	4	-	55,926	-	55,926	84,526
Profit on disposal of property		298,964	-	-	298,964	-
Other incoming resources:						
Other income		1,792	692	-	2,484	1,718
Total incoming resources		1,630,726	182,278	6,275	1,819,279	764,648
Resources expended						
Costs of generating funds:						
Fund managers' costs	9,515	-	-	9,515	20,506	
Charitable expenditure:						
Costs of activities to further the charity's objects:						
Trading expenses	4	-	59,112	-	59,112	89,789
Costs of campaigns & related support & co-ordination	5	689,218	85,238	-	774,456	913,136
Grants to other charities	7	320,000	-	-	320,000	51,751
Management & administration	6	184,032	-	-	184,032	198,879
Total resources expended	10 1,274,061	1,202,765	144,350	-	1,347,115	
Net incoming resources/(resources expended) before transfers						
		427,961	37,928	6,275	472,164	(509,413)
Gross transfers between funds		6,275	-	(6,275)	-	-
Net incoming resources/(resources expended) before revaluations & investment asset disposals						
	8	434,236	37,928	-	472,164	(509,413)
Other recognised gains and losses						
Gain/(Losses) on investments:						
Realised		80,387	2,908	-	83,295	(39,027)
Unrealised	12 (1,253,188)	283,603	55,948	20,000	359,551	
Difference on exchange		-	(1,710)	-	(1,710)	(98)

THE OXFORD GROUP

Net movement in funds (1,801,726)	798,226	95,074	20,000	913,300
Balances brought forward at 1 January 2003 12,196,053	9,862,255	412,818	119,254	10,394,327
Balances carried forward at 31 December 2003 10,394,327	10,660,481	507,892	139,254	11,307,627
=====	=====	=====	=====	=====

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
Gross income of continuing operations		1,813,004	756,191
Expenditure of continuing operations	10	(1,347,115)	(1,274,061)
Net income/(expenditure) for the year before transfers and investment asset disposals		465,889	(517,870)
Transfer from endowment fund		6,275	8,457
Net income/(expenditure) before investment asset disposals		472,164	(509,413)
Gain/(Loss) on disposal of investments		83,295	(39,027)
Difference on exchange		(1,710)	(98)
Net income/(expenditure) for the year		553,749	(548,538)

The gross income comprises £1,630,726 for unrestricted funds and £182,278 for restricted funds and the net income before investment asset disposals of £472,164 comprises a net income of £434,236 from unrestricted funds and £37,928 income 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 21 which, together with the notes on pages 25 to 38, 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 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible fixed assets	11	5,246,610	5,367,690
Investments	12	5,190,058	4,756,468
		<u>10,436,668</u>	<u>10,124,158</u>
Current assets			
Stocks	13	11,469	11,302
Debtors	14	33,794	140,036
Short term deposits		659,554	78,275
Cash at bank and in hand		240,014	126,074
		<u>944,831</u>	<u>355,687</u>
Creditors: Amounts falling due within			
One year	15	73,872	85,518
		<u>870,959</u>	<u>270,169</u>
Net current assets		<u>870,959</u>	<u>270,169</u>
Total net assets		<u>11,307,627</u>	<u>10,394,327</u>
Funds			
Unrestricted		10,660,481	9,862,255
Restricted	16	507,892	412,818
Endowment	17	139,254	119,254
		<u>11,307,627</u>	<u>10,394,327</u>

THE OXFORD GROUP

11,307,627
=====

10,394,327
=====

The accounts on pages 21 to 38 were approved by the Council of Management on 21 May 2004 and signed on its behalf by:

C F Evans
Member of the Council of Management

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	£	2003 £	£	2002 £
Net cash outflow from operating activities	19				
Dividends received					
		14,941		11,869	
Net cash inflow from returns on investments and servicing finance			209,001		183,353
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(1,000)			
Payments to acquire investments					
Receipts from sale of tangible fixed assets		583,592		-	
Receipts from sale of investments		2,148,013		1,323,391	
Net cash inflow from capital expenditure and financial investment					
Net cash inflow/(outflow) before management of liquid resources and financing			695,219		(423,652)
Management of liquid resources					
(Investment in)/liquidation of short-term deposits			(581,279)		393,277
Increase/ (decrease) in cash in the year					
Net cash resources at 1 January 2003			126,074		156,449

THE OXFORD GROUP

Net cash resources at 31 December 2003

240,014

126,074

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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 2003, there were 64 members (2002: 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 seven Council members totalling £23,694 (2002: £18,677 to seven Council members) mainly for travelling, were reimbursed for the year. In addition £2,000 was paid to a trustee as rent for the space in which The Group's historical archives are kept and managed (see page 15). 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 2003. 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 OXFORD GROUP

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, oil, repairs and cleaning for the Head Office have been allocated as to 2/9 to Administration, 2/9 to UK campaigns, 2/9 to Support and co-ordination and 1/3 to Establishment costs of unused space at 24 Greencoat Place.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

d)

These costs represent cost incurred for UK and overseas campaigns. It also includes costs incurred to support and co-ordinate campaign works.

e)

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)

All assets costing more than £1,000 are capitalised.

Freehold land is not depreciated and the depreciation of other tangible fixed assets is calculated on a straight-line basis at the following annual rates 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 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 the many of the items.

g)

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 2003

j)

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)

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 2003

3. Donations and gifts

	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Gifts under covenant	18,403	-	18,403	16,513
Kenya	-	-	-	1,541
Foundations For Freedom	-	11,607	11,607	14,052
Agenda for Reconciliation	-	17,294	17,294	7,382
	-	-	-	716
IC Productions- For A Change	-	295	295	1,131
IC Productions- MRA/Flt films	-	506	506	76
Donations for travel and overseas work	18,441	-	18,441	18,847
Gifts from charitable trusts	44,988	69,135	114,123	127,075
	-	6,498	6,498	980
Other gifts(including towards hospitality received)	64,759	-	64,759	52,120
	<u>146,591</u>	<u>105,335</u>	<u>251,926</u>	<u>240,433</u>
	=====	=====	=====	=====

4. Activities to further the charity's objects

	For a	MRA/Flt Change	Grosvenor films	Main	Total books	Total Fund
	2003	2002				
£	£	£	£	£	£	£
Income						
Trading income						
Sale of For A Change magazine	42,458	-	-	-	42,458	60,460
Sale and hire of videos	-	4,873	-	-	4,873	9,296
Sale of books	-	-	8,595	-	8,595	14,770
	<u>42,458</u>	<u>4,873</u>	<u>8,595</u>	<u>-</u>	<u>55,926</u>	<u>84,526</u>
Donations and gifts	295	505	-	-	800	1,207
Other income (including interest)	722	121	-	-	843	280
	<u>43,475</u>	<u>5,499</u>	<u>8,595</u>	<u>-</u>	<u>57,569</u>	<u>86,013</u>
Expenses						
Direct costs	34,607	2,331	5,885	-	42,823	61,799
Overheads	6,439	9,275	575	-	16,289	27,990
	<u>41,046</u>	<u>11,606</u>	<u>6,460</u>	<u>-</u>	<u>59,112</u>	<u>89,789</u>

THE OXFORD GROUP

Operating profit/(loss) for the year	2,429	(6,107)	2,135	-	(1,543)	(3,776)
Other recognised gains	2,498	358	500	(448)	2,908	-
Profit/(loss) for the year	4,927	(5,749)	2,635	(448)	1,365	(3,776)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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

	Unrestricted Funds	Restricted Funds	Total 2003	Total 2002
	£	£	£	£
UK campaigns:				
Pastoral work, training and development	41,716	-	41,716	55,325
Education and the schools service	8,334	70	8,404	8,778
Work connected with industry	12,393	-	12,393	9,661
For a Change Forums and public Meetings at 24 Greencoat Place	8,747	-	8,747	8,255
Use of For A Change within UK	18,933	-	18,933	17,488
	2,746	-	2,746	-
Global express	6,472	-	6,472	9,103
Support for film, Art & drama initiatives	18,287	-	18,287	30,309
Cost of literature	11,688	-	11,688	18,093
Others	5,609	-	5,609	5,651
<i>Special programmes</i>				
Ireland	5,557	121	5,678	17,102
Foundations For Freedom	19,559	32,788	52,347	67,798
Agenda for Reconciliation	14,285	14,833	29,118	54,609
Hope in the Cities campaign	29,155	27,128	56,283	41,870
Westminster Memorial Trust	-	-	-	3,914
Overseas campaigns:				
Work connected with Caux	85,646	-	85,646	131,641
Work other than Caux for:				
Central, Eastern Europe	8,740	-	8,740	15,402
West Europe	7,814	-	7,814	6,006
Africa	37,479	10,298	47,777	41,701
Middle East	10,860	-	10,860	14,860
Asia	11,847	-	11,847	13,256
North America	6,985	-	6,985	7,356
South America	7,701	-	7,701	4,559
Australia/Pacific	4,775	-	4,775	5,453
Use of For a Change outside UK	15,558	-	15,558	11,499

THE OXFORD GROUP

Media and communication forums	3,076	-	3,076	3,815
Training campaign for young people (Action for Life)	8,630	-	8,630	19,674
Others	150	-	150	225
	<hr/>	<hr/>	<hr/>	<hr/>
Amount carried forward	412,742	85,238	497,980	623,403

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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

	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Amount brought forward	412,742	85,238	497,980	623,403
Support and co-ordination:				
	13,890	-	13,890	19,852
Work connected with MRA				
International consultation/Council	36,792	-	36,792	55,986
Co-ordination Forums & meetings	37,741	-	37,741	43,117
Marketing & promotion	11,967	-	11,967	17,712
IC International website	33,508	-	33,508	-
Others	-	-	-	10
Living allowances	142,578	-	142,578	153,056
	<hr/>	<hr/>	<hr/>	<hr/>
	689,218	85,238	774,456	913,136
	=====	=====	=====	=====

6. Management and administration of the charity

	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
	42,242	-	42,242	43,244
Repairs, renewals and maintenance	24,412	-	24,412	33,005
Legal and professional fees	10,414	-	10,414	14,424
	90,590	-	90,590	91,926
Depreciation – property	26,202	-	26,202	26,329
Establishment costs of unused space	(9,828)	-	(9,828)	(10,049)
	<hr/>	<hr/>	<hr/>	<hr/>
	184,032	-	184,032	198,879
	=====	=====	=====	=====

THE OXFORD GROUP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

6. Management and administration of the charity (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Establishment costs of unused space at 24 Greencoat Place (net)				
	£	£	£	£
Rent, rates, lighting, heating & insurance	14,277	-	14,277	13,771
Repairs, renewals & maintenance	2,958	-	2,958	3,998
	<u>17,235</u>	<u>-</u>	<u>17,235</u>	<u>17,769</u>
Less: Lettings	(27,063)	-	(27,063)	(27,818)
	<u>(9,828)</u>	<u>-</u>	<u>(9,828)</u>	<u>(10,049)</u>
	=====	=====	=====	=====

7. Grants to other charities

The Tirley Garth Trust	-	-	-	41,751
Initiatives of Change – South Africa	-	-	-	10,000
Rowland Trust	200,000	-	200,000	-
Barnabas Charitable Trust	100,000	-	100,000	-
Initiatives of Change-France	10,000	-	10,000	-
Initiatives of Change-USA (UN)	10,000	-	10,000	-
	<u>320,000</u>	<u>-</u>	<u>320,000</u>	<u>51,751</u>
	=====	=====	=====	=====

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

	2003 £	2002 £
This is stated after charging:		
Auditors remuneration - statutory audit	10,550	9,371
- other	-	-
Depreciation	57,452	58,815

9. Investment income and interest

	UK £	Outside UK £	2003 £	2002 £
Interest receivable	14,941	-	14,941	11,869
Dividends receivable from:				
Fixed interest securities	66,773	2,293	69,066	48,887
Equity shares	98,051	6,927	104,978	101,335

THE OXFORD GROUP

Investment & unit trusts	<u>19,981</u>	<u>35</u>	<u>20,016</u>	<u>21,262</u>
	199,746	9,255	209,001	183,353
	=====	=====	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

10. Total resources expended

	Staff Costs £	Depreciation £	Other Costs £	Total 2003 £	Total 2002 £
Costs of generating fund	-	-	9,515	9,515	20,506
Campaigns & support and co-ordination	54,730	21,009	698,717	774,456	913,136
Management and administration of the charity	121,210	29,377	33,445	184,032	198,879
Grants to other charities	-	-	320,000	320,000	51,751
Costs of activities to further the charity's objects:					
Trading expenses	-	7,066	52,046	59,112	89,789
	<u>175,940</u>	<u>57,452</u>	<u>1,113,723</u>	<u>1,347,115</u>	<u>1,274,061</u>
	=====	=====	=====	=====	=====

	2003 £	2002 £
Staff costs		
Wages and salaries	141,217	153,461
Agency	22,442	29,097
Social security costs	11,987	11,656
Pension costs	294	287
	<u>175,940</u>	<u>194,501</u>
	=====	=====
Other costs		
Premises	273,135	322,871
Travelling, accommodation, telephones	500,659	611,193
Grants to other charities	320,000	51,751
Legal, professional and audit fees	19,929	34,930
	<u>1,113,723</u>	<u>1,020,745</u>
	=====	=====

There is no employee earning more than £50,000 per annum (2002: Nil).

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

	Number of employees 2003	2002
Finance and administration	5	5
Maintenance management	1	1
Catering management	2	3
Cleaning management	1	1
	<u> </u>	<u> </u>

THE OXFORD GROUP

Total

9

10

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

11. Tangible fixed assets

	Freehold land & Buildings £	Contents of Properties £	Motor Vehicles £	Plant Machinery & Video Masters £	Furniture & Fixtures £	Total £
Cost or valuation on acquisition:						
At 1 January 2003	5,375,055	71,023	4,461	68,496	1,572	5,520,607
Additions	220,000	-	-	-	1,000	221,000
Disposals	(292,968)	-	(4,461)	-	-	(297,429)
At 31 December 2003	5,302,087	71,023	-	68,496	2,572	5,444,178
Accumulated depreciation:						
At 1 January 2003	-	-	4,460	47,225	602	152,917
Provision for the year	50,386	-	-	6,909	157	57,452
Disposals	(8,341)	-	(4,460)	-	-	(12,801)
At 31 December 2003	142,675	-	-	54,134	759	197,568
Net book amount:						
At 31 December 2003	5,159,412	71,023	-	14,362	1,813	5,246,610
At 31 December 2002	5,274,425	71,023	1	21,271	970	5,367,690

THE OXFORD GROUP

Land and buildings includes the following at valuation when acquired:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

12. Fixed asset investments

	£	£
Market value at 1 January 2003		4,756,468
		2,138,757
		<hr/> 6,895,225
		225
Disposals		(2,064,718)
		<hr/> 4,830,507
Unrealised investment gains		
General fund	283,603	
Special purposes funds	55,948	
Endowment fund	20,000	
	<hr/> 359,551	
Market value at 31 December 2003		<hr/> 5,190,058 <hr/>
Investments at market value comprise:		
	2003	2002
Listed	£	£
British Government	840,851	344,570
Commercial and industrial	4,182,582	4,303,837
	136,527	77,963
Unlisted		
Shares in subsidiary company	30,098	30,098
	<hr/>	<hr/>

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			5,190,058	4,756,468
			=====	=====
		<u>Investment assets in</u>	<u>2003</u>	<u>2002</u>
		<u>UK</u>	<u>Total</u>	<u>Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>
		<u>outside UK</u>		
		<u>£</u>		
Listed				
Fixed interest securities	1,476,447	34,690	1,511,137	1,169,125
Equity shares	2,353,943	111,497	2,465,440	2,505,481
Investment trusts and unit trusts	1,170,189	13,194	1,183,383	1,051,764
	-----	-----		
	5,000,579	159,381		5,159,960
4,726,370				
Unlisted				
Shares in subsidiary company	30,098	-	30,098	30,098
	-----	-----		
	5,030,677	159,381		5,190,058
4,756,468	-----	-----		-----
	=====	=====		=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

12. Fixed asset investment (continued)

Investment in individual entities held at 31 December 2003 which amount to over 5% of the portfolio by value is a fixed term deposit with Bank of Ireland for the value of £336,601 which is included in fixed interest securities.

In the opinion of the directors the aggregate value of the company's investment in its subsidiary company is not less than the amount included in the balance sheet. The net assets of the subsidiary company as at 31 December 2003 amounted to £30,098 (2002 - £30,098).

13. Stocks

	2003	2002
	£	£
Literature	2,543	3,426
Videos	793	835
Stores	8,133	7,041
	-----	-----
	11,469	11,302
	=====	=====

14. Debtors (amounts falling due within one year)

2003	2002
£	£

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Prepayments	13,655	11,706
	<u>33,794</u>	<u>140,036</u>
	=====	=====
	2003	2002
	£	£
Taxation and social security costs	3,151	3,384
Accruals	12,455	22,221
Deferred income	12,214	14,820
Other creditors	46,052	45,093
	<u>73,872</u>	<u>85,518</u>
	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

16. Restricted funds

	Balance at 1-Jan-2003	Movement in Resources		Balance at 31-Dec-2003
	£	Incoming	Outgoing	£
		£	£	
Special Purposes Funds:				
Kenya	78,027	89,969	11,661	156,335
Ireland	324,699	10,594	121	335,172
Foundations For Freedom	(17,589)	27,090	32,788	(23,287)
Agenda for Reconciliation	(11,951)	19,787	15,179	(7,343)
Hope in the cities	(8,711)	33,216	27,128	(2,623)
Schools service	2,494	-	70	2,424
MRA Productions division:	37,699	-	448	37,251
For A Change	(18,598)	45,973	41,046	(13,671)
MRA/Flt films	18,685	5,857	11,606	12,936
Grosvenor books	8,063	9,096	6,461	10,698
	<u>412,818</u>	<u>241,582</u>	<u>146,508</u>	<u>507,892</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 & Agenda for Reconciliation funds – 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.

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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, Flt films and Grosvenor Books 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.

17. Endowment fund

	Balance at 1-Jan-2003	Movement in Resources Incoming	Outgoing	Balance at 31-Dec-2003
Endowment fund	£ 119,254	26,275	6,275	139,254
	=====	=====	=====	=====

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 £6,275.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

18. Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Transfer From Unrestricted Fund £	Total £
Restricted funds:					
Special Purpose funds:					
Kenya	-	136,527	19,808	1,250	157,585
Ireland	-	336,601	(1,429)	16,232	351,404
Foundations for Freedom	-	-	(23,287)	41,230	17,943
Agenda for Reconciliation	-	-	(7,343)	28,794	21,451
Hope in the cities	-	-	(2,623)	30,070	27,447
Schools service	-	-	2,424	-	2,424
MRA Productions division:	-	30,098	7,153	-	37,251
For A Change	1,047	-	(14,718)	14,428	757
MRA/Flt films	15,128	-	(2,192)	25,968	38,904
Grosvenor books	-	-	10,698	12,391	23,089
	16,175	503,226	(11,509)	170,363	678,255
Fund transfers				(170,363)	(170,363)
				-	507,892
Endowment fund	-	139,254	-	-	139,254
Unrestricted funds	5,230,435	4,547,578	882,468	-	10,660,481
	5,246,610	5,190,058	870,959	-	11,307,627
	=====	=====	=====	=====	=====

19. Reconciliation of net incoming resources/(resources expended) to net cash outflow from operating activities

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	2003	2002
	£	£
Net incoming resources/(resources expended) before		
Revaluations and investment asset disposals	472,164	(509,413)
Depreciation charges	57,452	58,815
(Increase)/decrease in stocks	(167)	21,964
Decrease/(increase) in debtors	106,242	(103,791)
(Decrease)/increase in creditors	(11,646)	1,953
Profit on disposal of property	(298,964)	-
Value of property bequeathed	(220,000)	-
Dividends received	(194,060)	(171,484)
Interest received	(14,941)	(11,869)
Difference on exchange	(1,710)	(98)
	<hr/>	<hr/>
Net cash outflow from operating activities	(105,630)	(713,923)
	<hr/> <hr/>	<hr/> <hr/>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

20. Analysis of net cash resources

	2003	2002
	£	£
Balance at 1 January 2003	126,074	156,449
Net cash inflow/(outflow)	113,940	(30,375)
	<hr/>	<hr/>
Balance at 31 December 2003	240,014	126,074
	<hr/> <hr/>	<hr/> <hr/>

21. Capital commitments

There were no capital commitments at 31 December 2003 (2002: Nil)

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SUMMARISED ACCOUNTS

Statement of Financial Activities For the year ended 31 December 2003

	Total funds 2003 £' 000s	Total funds 2002 £' 000s
Incoming resources		
Gifts	252	240
Bequests	1,001	255
Investment income and interest	209	183
Trading income	56	85
Surplus on disposal of fixed assets	299	-
Other income	3	2
	<hr/>	<hr/>
	1,820	765
Resources expended		
Campaigns	775	913
Grants	320	52
Fund manager's costs	10	20
Administration	184	199
Trading expenses	59	90
	<hr/>	<hr/>
	1,348	1,274
Net incoming /(outgoing) resources		
	472	(509)
Gain/(Loss) on disposal of investments	83	(39)
Change in market value of investments held	360	(1,253)
Difference in exchange rate	(2)	-
	<hr/>	<hr/>

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Net movement in funds	913	(1,801)
	=====	=====

SUMMARISED ACCOUNTS

Balance Sheet

As at 31 December 2003

	2003 £' 000s	2002 £' 000s
Property and other tangible fixed assets	5,247	5,368
Investments	5,190	4,756
Net current Assets	871	270
	-----	-----
	11,308	10,394
	=====	=====
Unrestricted funds	10,661	9,862
Restricted funds	508	413
Endowment fund	139	119
	-----	-----
	11,308	10,394
	=====	=====

These accounts are a summary of information extracted from the annual accounts which were approved by the Council of Management on 21 May 2004.

C F Evans
On behalf of Council of Management

The summarised accounts on pages 39 to 40 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 39 and 40. You are responsible as Council

THE OXFORD GROUP

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 24 May 2004.

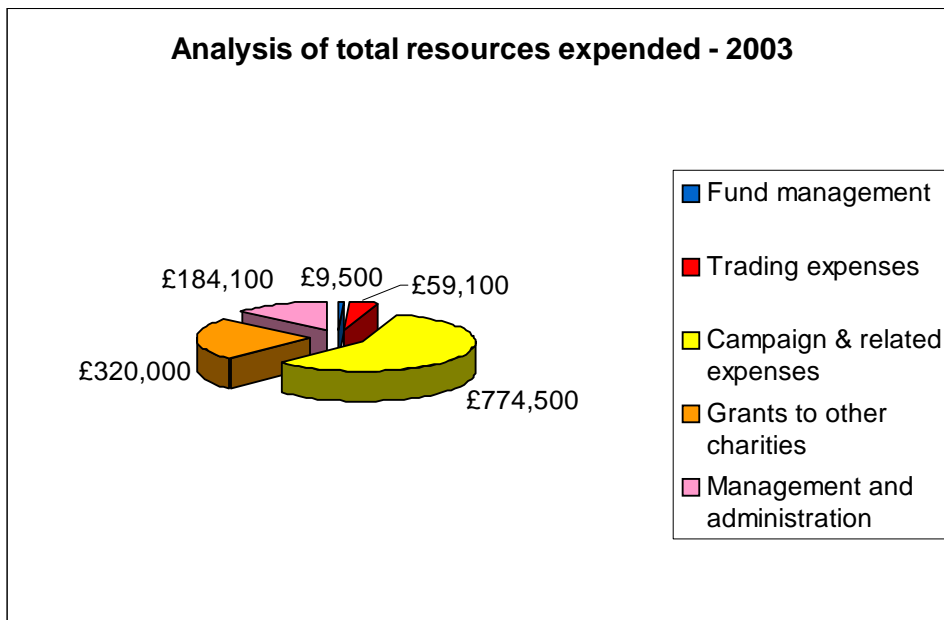
We have carried out the procedures we consider necessary to ascertain whether the summarised accounts are consistent with the full accounts from which they have been prepared.

In our opinion the summarised accounts are consistent with the full accounts for the year ended 31 December 2003.

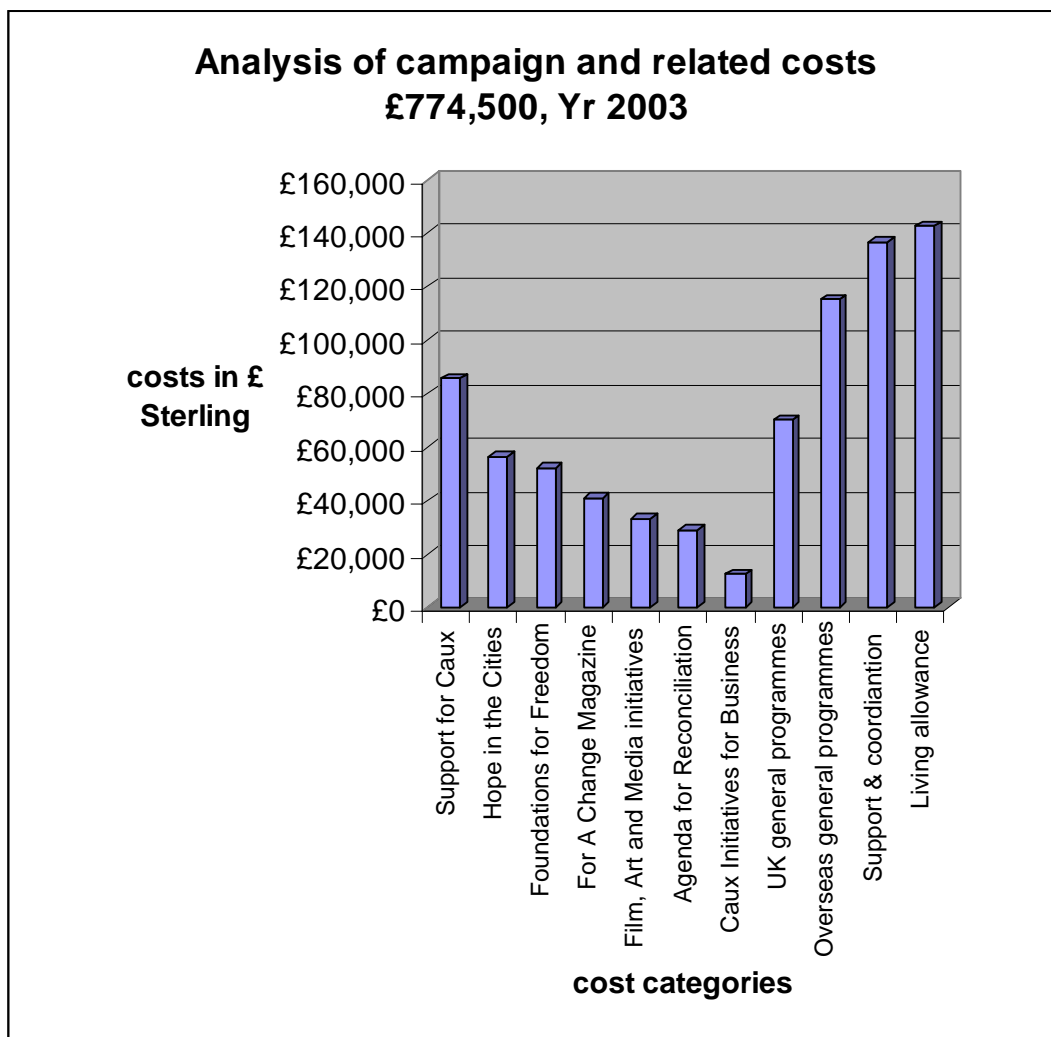
St Alphage House
2 Fore Street
London EC2Y 5DH

UHY Hacker Young
Registered Auditor
Chartered Accountants

24 May 2004



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Further information

Books

Forgiveness—Breaking the Chain of Hate by Michael Henderson
(Grosvenor Books, London, 2002, ISBN: 1 85239 031 X).
'It effects change. A powerful book.' – Archbishop Desmond Tutu.

Faith in Diplomacy by Archie Mackenzie
(Grosvenor Books, London, 2002, ISBN: 1 85239 032 8).
'What distinguishes Mackenzie's account is the emphasis on his involvement with MRA [IC] and the evidence he offers of the movement's salutary influence, both on his own personal life and on world affairs.'
– David Goodall, The Tablet.

Corruption: who cares? by Brian Lightowler
(Caux Books and Grosvenor Books, Australia, 2003, ISBN: 0 9592622 4 5)
'Underlining a message of hope by setting out examples of reforms won by those with principles and the courage to challenge the corrupt' – Jeremy Pope, Transparency International.

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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’.

Magazines

For A Change ISSN: 0959 311X

The international magazine for those who want to make a difference, published six times a year.
www.forachange.co.uk

Videos

The Cross and the Bodhi Tree—two Christian encounters with Buddhism

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

One woman's experience of the liberating power of forgiveness. The story of Mme Irène Laure and the reconciliation between French and German people after World War II. Refer page 11.

Available in 15 languages

Breaking the Chain of Hate

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.

Website

www.uk.initiativesofchange.org

www.icforum.org.uk