



**Building trust across the world's divides**

*Initiatives of Change International*

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## 2008 Annual Report

**INITIATIVES OF CHANGE INTERNATIONAL**  
**Report and accounts**  
**For the year ended 31 December 2007**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>General Information</b>	<b>1</b>
<b>Principles &amp; Purposes</b>	<b>2</b>
<b>Statement of Executive Committee's Responsibilities</b>	<b>3</b>
<b>Auditor's Report</b>	<b>4</b>
<b>Income and Expenditure Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>7</b>
<b>Notes to the Accounts</b>	<b>8 to 13</b>

# INITIATIVES OF CHANGE INTERNATIONAL

## General Information

For the year ended 31 December 2007

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### **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**

Mohamed Sahnoun, Algeria and Switzerland, President  
Richard W. B. Ruffin, USA, Executive Vice President  
Christopher Evans, UK, Treasurer  
Michael Brown, Australia  
Antoine Jaulmes, France  
Andrew Lancaster, Australia  
Haridas Nair, Malaysia  
Inese Voika, Latvia  
Jorulf Silde, Norway

### **Secretariat**

Tehmina Siganporia

### **Counsel**

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	PostFinance
1800 Vevey	1631 Bulle
Switzerland	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 2007**

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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".

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# **INITIATIVES OF CHANGE INTERNATIONAL**

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## **Statement of Executive Committee's Responsibilities**

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**For the year ended 31 December 2007**

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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**

MOHAMED SAHNOUN

**VICE PRESIDENT**

RICHARD W. B. RUFFIN

Date:

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**INITIATIVES OF CHANGE INTERNATIONAL**

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**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF**

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**INITIATIVES OF CHANGE INTERNATIONAL**

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1) We have audited the accompanying financial statements of Initiatives of Change International set out on pages 5 to 13 which comprise the balance sheet as at 31 December 2007 and income statement and 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 control 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 control. 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 2007 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 : 4<sup>th</sup> July 2008

# INITIATIVES OF CHANGE INTERNATIONAL

## Income and Expenditure Account

### For the year ended 31 December 2007

	Notes	2007	2006
		CHF	CHF
<b>INCOME</b>			
Membership Fees	1	21,400	11,619
Donations from IofC National Associations	2	272,702	198,892
Other Donations Received	3	14,134	53,715
Donation of Office Space		6,000	6,000
Income from Transnational Projects	4	553,097	227,462
Interest and Exchange Differences	5	5,800	(2,853)
		<u>873,133</u>	<u>494,835</u>
<b>EXPENDITURE</b>			
Work with International Organisations	6	164,782	136,102
International Website & Communications	7	113,569	32,094
International Council	8	55,833	56,667
Transnational Projects (See Note 4)		532,444	212,794
Administration & Overheads	9	30,075	6,906
		<u>896,703</u>	<u>444,563</u>
<b>(DEFICIT)/SURPLUS FROM OPERATION</b>		<u>(23,570)</u>	<u>50,272</u>

**Note:**

- (1) All the figures are rounded up to the nearest Swiss Franc.
- (2) The notes on page 8 to 13 form an integral part of these accounts.

# INITIATIVES OF CHANGE INTERNATIONAL

## Balance Sheet

as at 31 December 2007

	Notes	2007	2006
		CHF	CHF
<b><u>ASSETS</u></b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	10	5,012	-
		<u>5,012</u>	<u>-</u>
<b>Current Assets</b>			
Accounts Receivable	11	129,383	34,654
Cash at Bank and in Hand	12	193,820	223,677
		<u>323,203</u>	<u>258,331</u>
<b>TOTAL ASSETS</b>		<u>328,215</u>	<u>258,331</u>
<b><u>RESERVES &amp; LIABILITIES</u></b>			
<b>General Reserves Fund Account</b>			
Balance as at 1 January 2007		128,840	78,568
(Deficit)/Surplus for the Year		(23,570)	50,272
Balance at 31 December 2007		<u>105,270</u>	<u>128,840</u>
<b>Current Liabilities</b>			
Accounts Payable & Advance Receipts	13	222,945	129,491
		<u>222,945</u>	<u>129,491</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>328,215</u>	<u>258,331</u>

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

..... 2008, and signed on its behalf by : -

**PRESIDENT**

MOHAMED SAHNOUN

**VICE PRESIDENT**

RICHARD W. B. RUFFIN

**TREASURER**

CHRISTOPHER EVANS



# INITIATIVES OF CHANGE INTERNATIONAL

## Cash flow Statement

### For the year ended 31 December 2007

	<b>2007</b>	<b>2006</b>
	<b>CHF</b>	<b>CHF</b>
<b>Cash Flow From Operating Activities:</b>		
(Deficit)/Surplus from Operation	-23,570	50,272
Adjustments for:		
Depreciation Charge	1,002	-
<b>Operating (Deficit)/Surplus before Working Capital Changes:</b>	<b>-22,568</b>	<b>50,272</b>
(Increase) in Accounts Receivable	-94,729	-8,278
Increase in Accounts Payable and Advance Receipts	93,454	16,698
<b>Cash Flow from Operating Activities</b>	<b>-23,843</b>	<b>58,692</b>
<b>Net Cash from Operating Activities</b>	<b>-23,843</b>	<b>58,692</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-6,014	-
<b>Net Cash from Investing Activities</b>	<b>-6,014</b>	<b>-</b>
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	<b>-29,857</b>	<b>58,692</b>
<b><u>MOVEMENT IN CASH AND CASH EQUIVALENTS - NOTE 14</u></b>		
At 1 January 2007	223,677	164,985
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	<b>-29,857</b>	<b>58,692</b>
At 31 December 2007	CHF 193,820	223,677

**INITIATIVES OF CHANGE INTERNATIONAL****Notes to the Accounts****For the year ended 31 December 2007**

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**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 Machines are capitalised and depreciated at an annual rate of 33.33% where the cost incurred is over CHF 2,000.

Expense below this amount is written off to Office Costs, in the year it is incurred.

**Income**

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

**Receivables**

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off in the year in which they are identified.

**Tax**

No tax has been provided for in the accounts.

**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 2007

<b>1</b>	<b><u>MEMBERSHIP FEES</u></b>	<b>2007</b>	<b>2006</b>
		<b>CHF</b>	<b>CHF</b>
	Australia	2,000	1,000
	Brazil	200	-
	Canada	2,000	1,000
	Denmark	1,000	500
	Finland	200	-
	France	2,000	1,000
	Germany	200	200
	India	2,000	1,000
	Japan	1,000	1,000
	Kenya	200	194
	Netherlands	2,000	1,000
	New Zealand	200	200
	Nigeria	200	200
	Norway	1,000	500
	South Africa	200	200
	Sweden	1,000	500
	Switzerland	2,000	1,000
	UK	2,000	1,000
	USA	2,000	1,000
	Uganda	-	125
		21,400	11,619

<b>2</b>	<b><u>DONATIONS FROM IC/MRA BODIES</u></b>	<b>2007</b>	<b>2006</b>
		<b>CHF</b>	<b>CHF</b>
	Australia	21,630	11,413
	Brazil	200	-
	Canada	347	-
	Denmark	400	900
	France	32,319	20,813
	Germany	200	519
	Japan	-	300
	Kenya	563	-
	Netherlands	13,974	12,246
	New Zealand	1,870	-
	Nigeria	400	178
	Norway	2,480	-
	South Africa	1,080	3,115
	Sweden	17,130	6,051
	Switzerland	37,000	31,000
	UK	92,393	59,265
	USA	50,716	53,092
		272,700	198,892

**INITIATIVES OF CHANGE INTERNATIONAL**
**Notes to the Accounts**
**For the year ended 31 December 2007**

<b>3 OTHER DONATIONS RECEIVED</b>	<b>2007</b>	<b>2006</b>
	<b>CHF</b>	<b>CHF</b>
Individual Donors (incl. CHF 8,850 in memory of Marcel Grandy)	11,820	11,261
Irene Prestwich Trust	-	18,100
Tirley Garth Trust	-	24,354
Austin Trust	2,314	-
	<b>14,134</b>	<b>53,715</b>

In addition to the financial contributions listed above, the Executive Committee would like to express its gratitude to:-

- Canon Inc., Japan for the gift of a printer/photocopier for the Association's Geneva office
- The Trustees of IofC in India, who provided free accommodation to the International Council worth over

CHF 1,900 during 2007

- 49 individuals and a church congregation in Switzerland, who contributed a total of CHF 24,170 towards

the costs of setting up the new office in Geneva, which the Association shares with IofC-Switzerland.

These gifts were paid to IofC-Switzerland.

**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.

	<b>Cote D'Ivoire Project CHF</b>	<b>Great Lakes (Burundi) Project CHF</b>	<b>2007 Total CHF</b>	<b>2006 Total CHF</b>
Brought forward	-	-	-	2,800
Funded by Swiss Federal Department of Foreign Affairs	-	553,097	553,097	227,462
<b>Total Grants Received</b>	-	553,097	553,097	230,262
Expenditure	(2,217)	(530,227)	(532,444)	(212,794)
Disbursement	2,217	-	2,217	-
Retained for IA overheads	-	(22,870)	(22,870)	(14,668)
<b>Recorded as Income</b>	-	(553,097)	(553,097)	(227,462)
<b>Carried forward</b> (See Note 13)	-	-	-	2,800

## INITIATIVES OF CHANGE INTERNATIONAL

## Notes to the Accounts

For the year ended 31 December 2007

<b>5</b>	<b><u>INTEREST &amp; EXCHANGE DIFFERENCES</u></b>	<b>2007</b>	<b>2006</b>
		<b>CHF</b>	<b>CHF</b>
	Bank Interest	9	23
	Exchange Gain	10,034	2,803
	Exchange Loss	(4,243)	(5,679)
		<u>5,800</u>	<u>(2,853)</u>
<b>6</b>	<b><u>WORK WITH INTERNATIONAL ORGANISATIONS</u></b>	<b>2007</b>	<b>2006</b>
	<b>Geneva</b>	<b>CHF</b>	<b>CHF</b>
	Gross Wages	90,710	83,794
	Social Insurance	21,304	10,652
	Representation	15,496	17,287
	Conferences	1,928	2,072
	Office Rent	6,000	6,000
	Travel	12,872	5,014
	Printing and Office Costs	14,138	9,876
	<b>Total for Geneva</b>	<u>162,449</u>	<u>134,695</u>
	<b>New York</b>	399	209
	<b>Strasbourg</b>	1,935	1,198
		<u>164,783</u>	<u>136,102</u>
<b>7</b>	<b><u>INTERNATIONAL WEBSITE &amp; COMMUNICATIONS</u></b>	<b>2007</b>	<b>2006</b>
		<b>CHF</b>	<b>CHF</b>
	International Website	49,096	20,938
	Communications	64,473	11,156
		<u>113,569</u>	<u>32,094</u>
<b>8</b>	<b><u>INTERNATIONAL COUNCIL</u></b>	<b>2006</b>	<b>2005</b>
		<b>CHF</b>	<b>CHF</b>
	Council Meeting, Caux	18,544	15,218
	Council Meeting, Caux 2	11,648	-
	Council Meeting, India	10,698	-
	Council Meeting, Malaysia	-	18,480
	Council Meeting, UK	2,407	14,609
	Outreach Services	9,820	2,363
	Developing Global Communication Strategy	-	4,446
	Carbon Offset	995	1,150
	Overheads and Office Costs	1,721	401
		<u>55,834</u>	<u>56,667</u>

## INITIATIVES OF CHANGE INTERNATIONAL

## Notes to the Accounts

For the year ended 31 December 2007

<b>9 <u>ADMINISTRATION AND OVERHEADS</u></b>	<b>2007</b>	<b>2006</b>
	<b>CHF</b>	<b>CHF</b>
Accountancy Fees	6,660	6,300
President's Budget	564	-
Membership Services	11,641	-
Governance, Overheads & Others Expenditure	11,210	606
	<u>30,074</u>	<u>6,906</u>

<b>10 <u>PROPERTY, PLANT &amp; EQUIPMENT</u></b>	<b>2007</b>	<b>2006</b>
	<b>Total</b>	<b>Total</b>
	<b>CHF</b>	<b>CHF</b>
<b><u>Cost</u></b>		
Additions	6,014	-
At 31 December 2007	<u>6,014</u>	<u>-</u>
<b><u>Depreciation</u></b>		
Charge for the year	1,002	-
At 31 December 2007	<u>1,002</u>	<u>-</u>
<b><u>Net Book Value</u></b>		
At 31 December 2007	<u>5,012</u>	<u>-</u>

<b>11 <u>ACCOUNTS RECEIVABLE</u></b>	<b>2007</b>	<b>2006</b>
	<b>CHF</b>	<b>CHF</b>
Sundry Debtors	24,182	2,303
Withholding Tax on Interest Received	-	36
Travel advances to International Council members	4,076	-
Swiss Department of Foreign Affairs	94,569	19,954
Advance - International Website	6,556	12,361
	<u>129,383</u>	<u>34,654</u>

**12 CASH AT BANK AND IN HAND**

The Cash at Bank and in hand of Swiss Francs 193,820 includes three foreign currencies translated at the rate existing at the Balance Sheet date. The currencies are: Sterling pounds, US Dollars and Euros.

	<b>2007</b>	<b>2006</b>
	<b>CHF</b>	<b>CHF</b>
Cash at Bank and in hand	193,820	223,677
	<u>193,820</u>	<u>223,677</u>

## INITIATIVES OF CHANGE INTERNATIONAL

## Notes to the Accounts

For the year ended 31 December 2007

<b>13 <u>ACCOUNTS PAYABLE AND ADVANCE RECEIPTS</u></b>	<b>2007</b>	<b>2006</b>
	<b>CHF</b>	<b>CHF</b>
<b>Grants Received in Advance For Year 2008</b>		
- From IofC-France	-	12,841
- From IofC-USA	-	8,362
- Communication Strategy	-	22,206
<b>Transnational Projects</b>		
- Owed to IofC France (Projects)	207,955	63,577
- Grants carried forward to 2007 (See Note 4)	-	2,800
<b>Accounts Payable</b>	14,990	19,705
	<u>222,945</u>	<u>129,491</u>

**14 CASH AND CASH EQUIVALENTS**

	<b>At 1</b>	<b>Cash</b>	<b>At 31</b>
	<b>January 2007</b>	<b>Flows</b>	<b>December</b>
	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>
Cash at Bank and on Hand	223,677	(29,857)	193,820
	<u>223,677</u>	<u>(29,857)</u>	<u>193,820</u>

**15 CURRENCY**

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