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There was some positive news in 2013: the peace treaty signed in the Democratic Republic of Congo between the government and the rebel movement M23, the end of the Euro crisis, the Tunisian constitutional process – conducted in a remarkable spirit of dialogue between all parties concerned which enabled the adoption of an innovative constitution at the very beginning of 2014, the measures adopted by the European Union to improve good governance and the fight against tax evasion - in hopes to undermine the theft of trillions of Euros every year.

Unfortunately, also in 2013, a relentless civil war continued in Syria, the Central African Republic was torn apart, Ukraine experienced a series of violent clashes which led to a dangerous escalation, numerous natural disasters struck populations on every continent and repeated tragic incidents around the island of Lampedusa and the Spanish exclaves of Ceuta and Melilla reminded us that crises, far away as they may seem, multiply the number of economic and political refugees and therefore affect us all. In Switzerland, the need to restore confidence and greater justice was discernable through the massive and unexpected success of the “Minder Initiative” which limited the salaries of corporate executives.

Encouraged by the good news and motivated by the bad, the Foundation continued through 2013 to take initiatives to enhance good governance and peace. This annual report will give you a brief overview of these developments. A visit to our website will provide additional information.

Regarding the management of the Foundation, we were pleased to be able to balance the 2013 accounts through a combination of reductions in certain budget items, increased support from donors and a significant legacy. We hereby express heartfelt gratitude to our sponsors for their efforts. Naturally we will continue to ensure the Foundation’s sustainability based on structurally balanced accounts.

We would also like to highlight the efforts of our employees and volunteers, who provide exemplary service with a smile during both the Caux conferences and the ongoing work of the Foundation between conferences. Without them, the CAUX-Initiatives of Change Foundation would not exist.

As we are faced with the ever increasingly precarious character of peace and understanding between nations, with the pressure and conspicuousness of climate change and food insecurity, and with the damage created by corrupt governments and non-democratic systems, the approach of Initiatives of Change appears as an indispensable component of sustainable solutions.

It is certainly more difficult to accept to be challenged than to denounce the faults of others, more demanding to listen than to speak, more costly to dialogue frankly than to evade tough questions. And yet, without lucidity about our own weaknesses, without the ability to create empathy and to build trust, we would not be able to build bridges between opposing groups. This is the price to pay, and be-
cause the world simply cannot afford to continue as it is, we cannot hesitate for one moment to pay the price of personal change, and commitment to the causes dear to us.

In 2013, the world heard the message of hope of Malala Yousafzai, the very young Pakistani activist fighting for education and women’s rights, who testified in Strasbourg and New York. The world received a vigorous call to humanity addressed by Pope Francis to the rulers of the world as well as to every single citizen, especially during his July 2013 visit to Lampedusa, where he denounced the “globalisation of indifference”. The world also received a final, posthumous message of hope from Nelson Mandela: Yes, changing situations is possible!

This report is evidence that, in 2013, Caux has similarly contributed to new initiatives of change, prompting reasons for hope. Speaking in Caux on July 19 2013, Kofi Annan was particularly sensitive to this and called young people to become agents of change: “One is never too young to become a leader.” This is what we will continue to do in 2014 with your support and participation.

Antoine Jaulmes
President
CAUX-Initiatives of Change Foundation
Conferences and activities of the Foundation

International conferences 2013

Just Governance
The conference on Just Governance, held between June 29 and July 3, 2013, explored the structures and personal qualities which promote ethical, inclusive governance. Described as a "gathering of changemakers" by one of its organisers, the conference provided politicians, government officials, academics, and others from over 30 nations a chance to discuss governance issues from a practical point of view. The themes discussed included corruption, reconciliation after conflict and the role of civil society, and how to enable responsible management of natural resources.

Healing History
The Healing History: overcoming racism, seeking equity, building community conference, designed in collaboration with the W.K. Kellogg Foundation, was held in Caux from July 3 to July 7, 2013. While mostly focusing on inequalities related to race and class in English speaking countries, the conference also addressed issues such as discrimination against the Roma in Kosovo, relations between India and Pakistan in the Punjab, and the aftermath of the civil war in Chad. As participants shared a common concern for wounds left by historical events, they discussed ways to move forward without forgetting their roots.

Caux Dialogue on Land and Security
The Caux Dialogue on Land and Security, held from July 7 to July 11, 2013, brought together people sharing a common concern for desertification, the effects of poor land management, and security. Adopting a unique approach, the conference focused on the link between land degradation and peace. In addition, various workshops looked at the successes and failures of initiatives aiming to preserve land and build trust. The conference was convened by Luc Gnacadja, Executive Secretary of the UN Convention to Combat Desertification (UNCCD), and Mohamed Sahnoun, Chair of the Caux Forum for Human Security. A global initiative to preserve dry lands was signed by the International Union for Conservation of Nature (IUCN) and the UNCCD on July 10.

Trust and Integrity in the Global Economy
The Trust and Integrity in the Global Economy conference, held from July 13 to July 19, 2013, focused on ways to bring economic justice and environmental sustainability in today’s economy. Distinguished keynote speakers from both grassroots and corporate levels spoke of the potential and necessity of ethics in various dimensions of the economy – from education to business – and explored ways for transformation. The conference was closed by Kofi Annan, former Secretary General of the United Nations, who emphasised the importance of the younger generation and the best way to prepare them for their future role.

Children as Actors for Transforming Society
From July 24 to July 30, 2013, the Children as Actors for Transforming Society (CATS) conference, a joint initiative of IofC and the Child-to-Child Trust, took place for the first time. In line with the topic, children were actively involved – around 60 children and teenagers participated in the conference. In the plenaries, as well as in separate children’s workshops and mixed discussion groups, the participants explored ways to enhance children’s participation in fields such as education and post-conflict reconstruction.
Learning to Live in a Multicultural World
From August 1 to August 6 2013, the participants of Learning to Live in a Multicultural World, which this year put a special emphasis on intergenerational trust, experienced a new format for the conference: keynote speeches were abandoned and instead, the conference built mainly on the knowledge of and exchanges between participants. This left room for numerous group discussions, dialogue, and interactive exercises aimed at building trust across cultures, communities and generations and at empowering participants for action.

Seeds of Inspiration
The Seeds of Inspiration conference, held from August 7 to August 12 2013, offered participants an opportunity to share their experiences and the sources of their inspiration, whether an experience of faith, of art, of science, the influence of another person or of a world event. The aim of the conference was to expand people’s horizons, to refresh their commitment and to renew themselves.

Other activities of the Foundation

Seminars and workshops at the Villa Maria
As in previous years, the Villa Maria, an annex to the conference centre, was available for seminars, workshops and retreats outside the summer conferences. Six groups rented the house in January, March, April and May for a period of two to eight days. One event was organised around economic topics, another, facilitated by the well-known consultant Mark Strohm, dealt with “the art of being a wise leader”. A training course, organised in partnership with the Grundtwig Foundation, explored the rights and responsibility of women in today’s society. Another event addressed the rights of children. The University of Geneva also facilitated a workshop at Villa Maria. In February, April, September and November, the CAUX-Initiatives of Change Foundation and IoF International organised several internal training programmes and planning meetings.

Feedback to the Foundation’s representative responsible for rentals in Caux was positive without exception and underlined “the calm atmosphere”, “the beautiful scenery”, the “simple but warm welcome in the Villa Maria”, “the protected, quiet but nevertheless stimulating atmosphere offered by the Villa Maria”.

Friends of Caux
The association Friends of CAUX-Initiatives of Change works actively with the Foundation. Its aim is to offer Swiss participants an opportunity to promote the visibility and activities of the international conference centre in Caux, by organising events in Switzerland and keeping the spirit of Caux alive around the year. At the end of May and beginning of June, the association was present at the markets in Vevey and Montreux to present the Caux Summer conferences. It also maintained dialogue on themes such as forgiveness and anti-corruption at regional meetings during the year.

IoF workshops for students
Since 2012, IoF has been offering workshops to the Swiss branch of AIESEC, the world’s largest student-run organisation. Following the implementation of the workshop, “Your piece in world peace”, at AIESEC’s national assembly and at Fribourg University in 2012, IoF was asked to develop a workshop on team productivity and conflict transformation for AIESEC’s national assembly in spring 2013. This workshop, entitled “Are you pulling on the same rope?”, was repeated at the universities of Fribourg, Zurich and Basel in the autumn of 2013.

Council of Europe (CoE)
The International Non-Governmental Organisations (INGO) Conference of the Council of Europe has elaborated a practical guide to conduct dialogues where they are most needed. Christoph Spreng, a CAUX-Initiatives of Change Foundation member, has coordinated the website for this Dialogue Toolkit, which 5,693 people visited in 2013. The Dialogue Toolkit was requested in the Paris region, where a two-day training was very well received. One participant wrote: “The Dialogue Toolkit is a useful instrument for peace, because it contains methodological and practical keys to bring young and old to fruitful dialogue.” A project submission in Cyprus, based entirely on the Dialogue Toolkit, is awaiting support in order to be implemented.

Public events
On the occasion of the annual assembly of the
CAUX-IofC Foundation, a public panel discussion on the theme “Trust between generations in different cultures: A current challenge” took place on 3 May 2013 in Lucerne. The dialogue that emerged between the 60 participants and the speakers, Kurt Lüscher, sociology professor specialising in intergenerational projects and dialogues, and Karthiyagani Kirupakarasarma, intercultural advisor, mediator and translator, allowed participants not only to discover another generation or culture, but also to explore their own identity.

Caux Books
The Caux bookshop and postal agency continue to serve the conference participants, the village, the hotel school and visiting tourists six days a week. During the summer conference weeks, the opening hours are extended to Sundays. Caux Books produced no new publications during the current year, but there are several new products in the pipeline. The Caux bookshop continues to offer books related to all the conference themes, with authors often attending conference sessions.

Caux Expo
The project of the renewal of the Expo was displayed during the 2013 conferences, with a scale model, texts and photos. Two short video “stories” were also prepared and presented, a “contemporary portrait” telling the story of a Swiss businessman, Jacky Brandt, whose family metal-working business has been connected with the conference centre since 1946, and a “historical portrait” telling the story of Kim Beazley, an Australian politician. Both short videos were produced in English and in French. They were test models for a family of such short videos that will be presented in the Expo and on the Caux and IofC websites.

Archives
We are particularly grateful for the help of Memoriav (Association for the preservation of the audiovisual heritage of Switzerland) which donated CHF 90,000 for the preservation of the films of Initiatives of Change and of the recorded meetings and conferences held in Caux. The work will continue in the archives of the City of Lausanne where the backup job regarding the sound is being done by an external employee, paid by the Caux Foundation. The transfer of the films will be completed in summer 2014. We are happy to see that these archives are being used. For example, Cyril Michaud, a literature student at the University of Lausanne, recently wrote his thesis on four films produced by Moral Re-Armament. Numerous documents relating to the finances of Caux have also been deposited at the archives of the Canton of Vaud. All these documents are in addition to those already handed over since 2001.

Renovations
Last year the last steps in a series of renovations in the Villa Maria were taken and adjustments were made regarding fire regulations and electrical installations. On the second, third and fourth floor the corridor walls were consolidated and fire doors, new locks and emergency lighting were installed. The Caux carpenter started renovating furniture of the best rooms of the house dating from the time of the Caux-Palace. He also installed a sound-absorbing ceiling in the cafeteria which should contribute considerably to the comfort of guests.

As usual, light renovation work has been undertaken in approximately twenty bedrooms at Mountain House.

The switchboard – installed in 1995 – has been updated to meet current standards with new servers and new telephone terminals for switchboard operators.

In addition to work done during the “Week of International Community” we have repainted the railings along the road, and new optic fibre cables have been installed throughout the conference center to improve the IT network.

A contract has been signed for the installation and running of a wood fired heating system which will replace the now obsolete oil fired boilers. It should be fully operational in summer 2015. This system will burn wood to create approximately 80% of the...
necessary heat required for heating and hot water and will use fuel oil for the remaining 20%.

Other news

Welcoming Urs Ziswiler as new Council member
In 2013, after his posting as Ambassador of Switzerland to Spain Urs Ziswiler agreed to join the Council of the CAUX-Initiatives of Change Foundation. Born in Muri (Aargau), Urs Ziswiler holds law degrees from the Universities of Geneva and Zurich, and a post-graduate diploma on developing countries from the Federal Institute of Technology in Zurich. He first worked as an expert for the World Bank in Madagascar, then as a delegate of the International Committee of the Red Cross in Beirut, Gaza, Tel Aviv and Kampala before joining the Swiss Foreign Service in 1979. His long and distinguished diplomatic career led him to Kinshasa, Lagos, Oslo and Tel Aviv before becoming the Swiss chargé d’affaires for Yugoslavia and Bosnia and Herzegovina, and the Swiss ambassador in Canada, USA and Spain. In between these foreign postings, Ambassador Ziswiler also served in Bern in a variety of capacities: spokesman and head of the Information Department in the European Integration Office, head of the Political Division for Human Rights and Humanitarian Policy and coordinator for international refugee policy, head of the Directorate of Political Affairs at the Federal Department of Foreign Affairs and senior diplomatic advisor to the minister of foreign affairs.

Urs Ziswiler has known about Initiatives of Change for many years. In the context of Swiss diplomacy, he has contributed to the development of methods to deal with the past which are at the heart of rebuilding sound societies and promoting lasting peace in former war zones. This is both an important dimension of Swiss diplomacy and a deep conviction of Initiatives of Change – common ground on which several joint initiatives have been built, the most important being the African Great Lakes peace programme.

Urs Ziswiler is married and the father of two children. A music lover, he is a member of the board of the Lucerne Symphony Orchestra.

We are pleased to welcome Ambassador Ziswiler as a new Council member.

Farewell to Erwin Böhi
2013 was marked by the departure of our Secretary General Erwin Böhi after ten years of dedicated service to our Foundation. As a new series of initiatives were about to start, he took the opportunity to return to his native canton of St. Gallen where he holds a mandate of cantonal legislator, in order to resume his previous activities as a coach and a consultant in the political field.

We take this opportunity to extend our heartfelt thanks for his discreet and efficient service as the manager of the Foundation over the last decade, and to wish him well with his new activities.
## Balance sheet

as of December 31

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid assets</td>
<td>135,495</td>
<td>312,029</td>
</tr>
<tr>
<td>Securities</td>
<td>2,651,252</td>
<td>2,586,151</td>
</tr>
<tr>
<td>Trade accounts receivable</td>
<td>292,715</td>
<td>248,940</td>
</tr>
<tr>
<td>Debt Caux Books</td>
<td>66,429</td>
<td>84,555</td>
</tr>
<tr>
<td>Other receivables</td>
<td>38,402</td>
<td>74,351</td>
</tr>
<tr>
<td>Accrued income</td>
<td>13,237</td>
<td>28,421</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,197,530</td>
<td>3,334,446</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Caux Books</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Loan to employee</td>
<td>196,000</td>
<td>223,000</td>
</tr>
<tr>
<td>Non-real-estate assets</td>
<td>104,509</td>
<td>80,411</td>
</tr>
<tr>
<td>Real-estate assets</td>
<td>2,311,501</td>
<td>2,258,501</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>6,022,476</td>
<td>5,931,877</td>
</tr>
<tr>
<td><strong>Restricted assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silvia Zuber Fund</td>
<td>3,410,465</td>
<td>3,369,964</td>
</tr>
<tr>
<td><strong>Total restricted assets</strong></td>
<td>6,022,476</td>
<td>5,931,877</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>9,220,006</td>
<td>9,266,322</td>
</tr>
</tbody>
</table>

| LIABILITIES | | |
| Short-term outside capital | | |
| Trade accounts payable | 208,079 | 352,005 |
| Fixed advance LODH | 900,000 | 900,000 |
| Accrued expenses | 23,155 | 21,924 |
| **Total short-term outside capital** | 1,131,234 | 1,273,929 |
| Long-term outside capital | | |
| Mortgage | 500,000 | 0 |
| Loan | 107,625 | 106,635 |
| **Total long-term outside capital** | 607,625 | 106,635 |
| **Restricted funds** | | |
| Funds for projects and programs | 80,509 | 101,735 |
| Funds for renovations | 88,182 | 86,632 |
| Own restricted funds | 1,699,933 | 2,010,742 |
| Silvia Zuber Fund | 3,410,465 | 3,369,964 |
| **Total restricted funds** | 5,279,089 | 5,569,073 |
| **Organisation capital** | | |
| Free funds | | |
| Renovation fund | 350,396 | 480,774 |
| Fluctuation reserve | 260,000 | 260,000 |
| **Acquired unrestricted capital** | | |
| Foundation’s capital | 1,575,911 | 1,969,229 |
| Result of the year | 15,751 | -393,318 |
| **Total acquired unrestricted capital** | 2,202,058 | 2,316,685 |
| **Total liabilities** | 9,220,006 | 9,266,322 |
### Income statement
for the year ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2013 / CHF</th>
<th>2012 / CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference and seminar contributions</td>
<td>422,525</td>
<td>342,563</td>
</tr>
<tr>
<td>General donations</td>
<td>105,927</td>
<td>77,359</td>
</tr>
<tr>
<td>Earmarked donations</td>
<td>340,716</td>
<td>423,452</td>
</tr>
<tr>
<td>Legacies</td>
<td>544,850</td>
<td>356,620</td>
</tr>
<tr>
<td>Rental income</td>
<td>1,813,285</td>
<td>1,743,218</td>
</tr>
<tr>
<td>Other income</td>
<td>84,051</td>
<td>78,644</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>3,311,354</strong></td>
<td><strong>3,021,856</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013 / CHF</th>
<th>2012 / CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference and seminar expenses</td>
<td>–482,649</td>
<td>–481,697</td>
</tr>
<tr>
<td>Project expenses</td>
<td>–55,377</td>
<td>–90,589</td>
</tr>
<tr>
<td>Public relations, documentation</td>
<td>–87,574</td>
<td>–118,436</td>
</tr>
<tr>
<td>Staff</td>
<td>–1,688,991</td>
<td>–1,848,380</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>–235,859</td>
<td>–408,459</td>
</tr>
<tr>
<td>Operational expenses, rent, insurances</td>
<td>–787,055</td>
<td>–797,437</td>
</tr>
<tr>
<td>Administration, consulting costs</td>
<td>–197,924</td>
<td>–222,090</td>
</tr>
<tr>
<td>Contributions to IoF International</td>
<td>–212,242</td>
<td>–335,000</td>
</tr>
<tr>
<td>Renovations</td>
<td>0</td>
<td>–1,092,344</td>
</tr>
<tr>
<td>Depreciations</td>
<td>–174,811</td>
<td>–146,997</td>
</tr>
<tr>
<td>Taxes</td>
<td>–68,133</td>
<td>–71,651</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>–3,990,614</strong></td>
<td><strong>–5,613,078</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013 / CHF</th>
<th>2012 / CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating result</strong></td>
<td><strong>–679,260</strong></td>
<td><strong>–2,591,222</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013 / CHF</th>
<th>2012 / CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial income</td>
<td>276,936</td>
<td>303,022</td>
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<tr>
<td>Financial expenses</td>
<td>–43,820</td>
<td>–41,630</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td><strong>233,116</strong></td>
<td><strong>261,392</strong></td>
</tr>
<tr>
<td></td>
<td>Amount 1</td>
<td>Amount 2</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>Extraordinary expenses</td>
<td>0</td>
<td>-43,117</td>
</tr>
<tr>
<td>Project contributions Silvia Zuber Fund</td>
<td>-146,885</td>
<td>-260,214</td>
</tr>
<tr>
<td>Financial result Silvia Zuber Fund</td>
<td>187,386</td>
<td>179,537</td>
</tr>
<tr>
<td><strong>Non-operating result</strong></td>
<td><strong>40,501</strong></td>
<td><strong>-123,793</strong></td>
</tr>
<tr>
<td><strong>Annual result before funds result</strong></td>
<td><strong>-405,643</strong></td>
<td><strong>-2,453,624</strong></td>
</tr>
<tr>
<td>Withdrawal from funds for projects and programs</td>
<td>43,968</td>
<td>122,295</td>
</tr>
<tr>
<td>Withdrawal from funds for renovations</td>
<td>2,665</td>
<td>13,295</td>
</tr>
<tr>
<td>Withdrawal from Conference Support Fund</td>
<td>157,827</td>
<td>176,108</td>
</tr>
<tr>
<td>Withdrawal from Caux Action Fund</td>
<td>93,719</td>
<td>94,373</td>
</tr>
<tr>
<td>Withdrawal from various earmarked funds</td>
<td>60,294</td>
<td>349,773</td>
</tr>
<tr>
<td>Withdrawal from Silvia Zuber Fund</td>
<td>146,885</td>
<td>260,214</td>
</tr>
<tr>
<td>Allocation to funds for projects and programs</td>
<td>-22,741</td>
<td>-108,490</td>
</tr>
<tr>
<td>Allocation to fund for renovations</td>
<td>-4,715</td>
<td>-5,500</td>
</tr>
<tr>
<td>Allocation to Silvia Zuber Fund</td>
<td>-187,386</td>
<td>-179,637</td>
</tr>
<tr>
<td><strong>Earmarked funds result</strong></td>
<td><strong>290,515</strong></td>
<td><strong>722,430</strong></td>
</tr>
<tr>
<td>Withdrawal from renovation fund</td>
<td>130,879</td>
<td>1,124,900</td>
</tr>
<tr>
<td>Withdrawal from operating reserve</td>
<td>0</td>
<td>112,975</td>
</tr>
<tr>
<td>Withdrawal from fluctuation reserve</td>
<td>0</td>
<td>100,000</td>
</tr>
<tr>
<td>Allocation to free funds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Free funds result</strong></td>
<td><strong>130,879</strong></td>
<td><strong>1,337,875</strong></td>
</tr>
<tr>
<td><strong>Annual result</strong></td>
<td><strong>15,751</strong></td>
<td><strong>-393,318</strong></td>
</tr>
</tbody>
</table>
Comments on the accounts

Accounting and valuation principles

Accounting principles
Accounting, reporting and valuation principles comply with the Code of Obligations and are in accordance with the Foundation Charter of 30 April 1985. The annual financial statement consists of the balance sheet, income statement and notes.

Changes in accounting policies in the reporting period
The accounting principles have not been changed as of 31 December 2013.

Valuation principles
Foreign currency conversion:
Income and expenses in foreign currencies are converted at the transaction date’s exchange rate. Foreign-currency assets and liabilities are converted at year-end rates.

Securities:
The securities were valued at cost or at market value reported at the end of year.

Tangible assets:
The tangible assets were valued at cost under consideration of the commercially necessary deprecations.

Other assets and liabilities:
The financial accounting of the residual assets – and liabilities – is stated at nominal value.

Divergence from accounting principles
The figures in this year’s financial statement were adjusted in line with the internal financial report and the preceding year’s statement was correspondingly adjusted to maintain continuity of reporting.

Risk management
The risk management system allows us not only to discern potential dangers in good time, but also to take remedial action. This evaluation process includes a systematic evaluation of risks and dangers, their potential impact on the Foundation as a whole, and the introduction and supervision of measures aimed at minimizing risk.

At the AGM held on 4th May 2013, the Council of the Foundation addressed both the risks faced by the Foundation and also its development potential.

Comments on selected balance sheet and income statement items

Balance sheet: assets

Current assets
Liquidity continued to decrease in the current financial year; however, the balance of the revalued securities has increased.

Fixed assets
Caux Books
The publishing house Caux Verlag AG runs a bookshop in Caux. It is a subsidiary of the Foundation, which owns 100% of the share capital.
Real-estate assets
The fire insurance value amounts to CHF 67,712,748 for the real estate and CHF 6,702,000 for the contents.

Restricted assets
The investment portfolio owned by Silvia Zuber has increased in value after positive revaluation, even following withdrawal of contributions to fund projects in Africa and Asia.

BALANCE SHEET: LIABILITIES
Trade accounts payable
This item includes post-employment benefit liabilities of CHF 4,502.

Fixed advance
The loan of CHF 900,000 taken out last year from the Lombard Odier Darier Hentsch Bank, Vevey, has been extended by one year. This is covered by a portfolio of investments deposited with the bank, valued at CHF 2,363,401.

Mortgage
In the current financial year, a mortgage agreement was made with the Bank Credit Suisse, Lucerne, and monies have been advanced in two parts totalling CHF 500,000, the mortgage security being the real estate in Caux which was listed with a book value of CHF 1,631,000 as at 31st December 2013.

Restricted funds
To cover the shortfall of conference income against costs, funds were withdrawn from several sources but principally from the “Caux Support Fund” and the “Caux Action Fund”; as happened last year.

Silvia Zuber Fund
The fund serves to finance projects in Africa and Asia and, during the year, the fund co-financed various current projects in these regions. Moreover, as a result, people from these regions were enabled to participate in our conferences. Despite the asset liquidation required, reserves were increased as a result of the fund’s profitability.

Renovation fund
Depreciation of the renovation accounts were offset against the fund.

Foundation’s capital
During the annual meeting of the Council of the Foundation on 10th May 2014, a request will be made to allocate the surplus of CHF 15,751.25 in the 2013 fiscal year to the Foundation’s capital. This would increase the Foundation’s capital to CHF 1,591,662.02.

Income statement

INCOME
Conference and seminar contributions
Contribution rates were raised resulting in an increased income over last year.

General donations
These include non-earmarked, regular, and sporadic donations as well as income from fundraising activities.

Earmarked donations
These come predominantly from foundations and sister organisations and are, mainly, earmarked for conference expenditure.

Legacies
Fortunately, the Foundation received three major legacies in the year.

Rental income
This includes revenue from the Swiss Hotel Management School (SHMS) including service charges. Increased student numbers resulted in higher rental income in the year. Additional revenue was generated by rental of adjacent buildings.

Other income
This is primarily payments from insurance companies.

EXPENSES
Conference and seminar expenses
This includes expenditure for catering, visitors’ tax, translation equipment, and travel and subsistence costs of the conference organisation teams.
Project expenses
This relates to the archiving of historic film recordings concerning Caux, the main part of which was completed this year.

Public relations, documentation
A redesign of publications lead to a reduction in costs of printing and graphics.

Staff
This total includes the entire staff costs for Caux, Lucerne and Geneva, including additional staff during the conference season. The total is less than last year owing to the loss of two full-time employees and an increased number of volunteers during the conference season.

Repairs and maintenance
A budgetary decision was made to restrict expenditures purely to essential maintenance.

Operational expenses, rent, insurances
Savings were made on contract cleaning and electricity usage.

Administration
Budgetary discipline resulted in a reduction in this overhead.

Contributions to IofC International
Contributions were reduced in accordance with the budget.

Renovations
During the year, minor capital expenditure was made on renovations to an adjacent building and applied to the capital expenditure account. Last year, renovation costs were directly written down and offset against capital expenditure.

Depreciation
Depreciation of the renovation accounts was CHF 130,879. The balance relates to work equipment.

Financial expenses
This total results from interest payments on mortgages and loans, bank charges, and exchange rate losses.

SILVIA ZUBER FUND
Project contributions Silvia Zuber Fund
These contributions originated from the approved projects in receipt of financial support from the restricted funds in accordance with the relevant fund rules.

Financial result Silvia Zuber Fund
This item includes financial income and expenditure as well as the revaluation of the securities in the Silvia Zuber legacy.

FUNDS RESULT
The ability to liquidise some restricted funds produced a positive year-end result.

Withdrawal from earmarked funds
Preceding year reserves for project programmes and renovations were reabsorbed.
Conference Support Fund / Caux Action Fund:
These two funds serve to cover the costs of conference organisers and others who assist with the running of the house during the conference season.

Various earmarked funds:
Last year’s high fund liquidisation explains the difference in contributions made this year.

Silvia Zuber Fund:
Project contributions were made from the fund.

Allocation to earmarked funds
Earmarked donations have created reserves for projects, programmes and renovations for use next year.

Silvia Zuber Fund:
Reserves were increased owing to the financial gains.

Withdrawal from free funds
In the current year, writedowns of the capital expenditure accounts were offset against the capital expenditure fund. In the preceding year, funds were liquidised to cover the amounts needed for the renovation projects undertaken.

FINANCIAL RESULT
Financial income
The total consists of income from securities and revaluation of the investment portfolio.
Principles and organisation

Legal Status

The Aims of the Foundation
• To work for a more just society by strengthening the ethical foundations of democracy;
• to help heal the wounds of history;
• to encourage care and responsibility in family life and personal relationships;
• to strengthen ethical commitment in economic life;
• to forge networks among people from different faiths and cultures.

ORGANISATION

The Council of the Foundation
Jaulmes Antoine, F-Paris, President
Barampama Angelo, CH-Geneva
Lancaster Andrew, AUS-Canberra
Odier Philippe, F-Lyon
Pfeifer Hans-Ruedi, CH-Affoltern a.A.
Snellman-Orphelin Anja, F-Paris
Spreng Christoph, CH-Luzern
Tikkanen Antero, S-Gothenburg
Wolf Maria, D-Munich
Wolvekamp Charlotte, NL-The Hague
Ziswiler Urs, CH-Zurich

Staff in Caux, Geneva and Lucerne

Alongside the permanent employees, the Foundation can also rely on a large number of volunteer workers, helping not only during the international conferences, but also throughout the year by offering their help to the Foundation.

Auditor
PricewaterhouseCoopers AG
Werfstrasse 3
6005 Lucerne