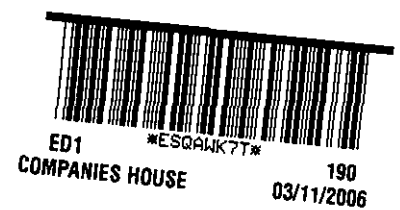


IFES TRUST
ANNUAL ACCOUNTS 2005

Auditors

CRITCHLEYS
Critchleys Chartered Accountants
Greyfriars Court
Paradise Square
OXFORD
OX1 1BE

IFES Trust is a Company Limited by Guarantee No. 876229,
Registered Charity No. 247919 and a Member, Global Connections
Registered Address: 321 Banbury Road, Oxford, Oxfordshire. OX2 7JZ
Telephone: 01865 292 555 Fax: 01865 292 556 Email: info@ifesworld.org



IFES Trust
Report of the Directors for the year ended 31 December 2005

REFERENCE AND ADMINISTRATIVE DETAILS

The Company is limited by guarantee and does not have a share capital. The company's full name is IFES Trust, its registered company number is 876229 and registered charity number 247919. The Registered Office is 321 Banbury Road, Oxford, OX2 7JZ.

Directors

The Directors set out below, who also act as Trustees for the charitable activities of the company, have held office during the whole of the period from 1 January 2005 to the date of this report:

Sir Frederick Catherwood
Mr John Kinder
Mr Joshua Wathanga
Mr Simon Webley

The members of the Company appoint the Directors.

Relevant Organisations

Bankers

National Westminster Bank plc
315 Station Road
HARROW
Middlesex
HA1 2AD

Solicitors

Anthony Collins Solicitors
St Philips Gate
5 Waterloo Street
BIRMINGHAM
B2 5PG

Investment Managers

Credit Suisse
Case Postale 2493
1002 Lausanne
SWITZERLAND

Auditors

Critchleys Chartered Accountants
Greyfriars Court
Paradise Square
OXFORD
OX1 1BE

IFES Trust
Report of the Directors for the year ended 31 December 2005

The Directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company's governing document is its Memorandum and Articles of Association. Members must signify in writing their agreement with the Doctrinal Basis of the company.

Structure and Decision-Making Process

The company has no employees, and is governed by its board of directors.

The activities of IFES Trust are functionally overseen and managed by the senior officers of the International Fellowship of Evangelical Students (IFES), who make day to day decisions regarding the running of IFES Trust as part of their management of IFES. The board of directors of IFES Trust have delegated this responsibility to the managers and employees of IFES.

Appointment, Induction and Training of Trustees

The directors are chosen because they are based in the UK and are familiar with the work of IFES (the International Fellowship of Evangelical Students), to which IFES Trust makes grants in order to enable worldwide student ministry. They are selected with regard to their background in business, ministry, or the UK national student movement.

Any new Trustees would be appointed bearing in mind knowledge of IFES and business experience, and would be selected to fill the gap that had emerged in the skills mix. On appointment, the directors are given a copy of the Memorandum and Articles of Association of IFES Trust, and are also given an understanding of the constitution and ministry of IFES.

Responsibilities of the Directors for financial statements

As a company limited by guarantee, IFES Trust is subject to the Companies Act 1985. The Directors note that, under company law, it is their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the result for that year. In preparing these financial statements, we have:

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are prudent and reasonable,
- complied with applicable accounting standards subject to any material departures disclosed and explained in the financial statements,
- prepared the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue its operations.

We are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the company. We are also responsible for safeguarding the assets of the company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

The accounts comply with current statutory requirements and with the requirements of the company's Memorandum and Articles of Association.

IFES Trust
Report of the Directors for the year ended 31 December 2005

Taxation status of the company

The company, as a charity, registered number 247919, is exempt from taxation under Section 360 of the Income and Corporation Taxes Act 1988.

OBJECTIVES AND ACTIVITIES

The key objective of IFES Trust is to promote and support evangelical student ministry worldwide. This was accomplished during the year under review by means of grants made for the advancement of the Christian faith in association with the world-wide evangelistic ministry of the International Fellowship of Evangelical Students (IFES) and its member movements. IFES is a Swiss registered charity. The staff of IFES undertake the company's fund-raising activity and administration.

During the year under review IFES Trust received income and made distributions in order to fund the work of IFES as represented in the IFES budget, and in accordance with donors' intentions for the funding of other work carried on within the world-wide evangelistic ministry of IFES.

The IFES Property (International) Fund holds a donation of £203,000, which was received in 1994 on specific terms with the purpose of enabling IFES to buy property at an appropriate time in order to reduce the annual expenditure of the IFES International Administration in the long term. There is currently no proposal to purchase property for IFES. This fund has been invested at Sterling money market rates with the Charities Aid Foundation. In 1997 an interest-free loan of £100,000 was made to Lindsay Brown, IFES General Secretary, from this fund, with the original donor's agreement, thus reducing the interest earning investment to £103,000 as at 31 December 2005. This loan was granted to enable him to purchase a larger property, so that he could work from home and fulfil his role more effectively. It is anticipated that this loan will be repaid during the coming year.

The company holds one lease in Oxford for which all operating expenses are paid by IFES. Details are shown in Note 10 to the Financial Statements.

ACHIEVEMENTS AND PERFORMANCE

During the year under review IFES Trust facilitated evangelical student ministry worldwide by means of grants made for the advancement of the Christian faith in association with the world-wide evangelistic ministry of the International Fellowship of Evangelical Students (IFES) and its member movements.

Ministry objectives achieved by this means in 2005, as reported by the Trustees of IFES in their annual report, were as follows:

1. Mission and Evangelism

The Holy Spirit seems to be doing an unusual work in mobilising for mission, evidenced in part by huge numbers at missions conferences in Korea, Taiwan, Sudan, Kenya, Mexico and Nigeria over the latter part of 2004 and the start of 2005. In addition, IFES groups in 22 German universities ran week-long evangelistic missions, as did a similar number in the UK. It has been heartening too to see renewed evangelistic efforts in France, a country very resistant to Christian activity, with the launch of an evangelistic training program that is already being used in Switzerland, Belgium and French-speaking Canada. To support the work in Europe, IFES has employed an evangelism trainer and is making a range of evangelism resources available. In the last year, pioneering work has begun in Dubai, Algeria, Mauritania and Equatorial Guinea and a major gospel distribution program has been initiated in the whole of Africa, the Middle East and South Asia.

IFES Trust
Report of the Directors for the year ended 31 December 2005

2. Integral Ministry

Students are being challenged to apply biblical truth to every area of their lives and to the society around them. Across Africa, several movements have developed initiatives to meet the needs of those affected by the AIDS pandemic. Meanwhile, in the USA, InterVarsity has developed summer projects to expose students to the deep needs of the inner-cities and provide them with opportunities to explain the gospel and demonstrate Christ's love in tangible ways. And in the Balkans, an Albanian-Serbian camp provided students with a context to understand the ethical implications of what it means to be united in Christ. At the same time, work with graduates, especially in Europe and in the Caribbean, continues to help students with the transition to the workplace. In April 2005, a major graduate marketplace conference was held in Jamaica to emphasise the need for social and spiritual transformation.

3. Partnerships between Movements

We have been pleased by the development of partnerships between countries. The Trinidadian movement has supported the one in Antigua, and several Latin American countries are committed to the re-pioneering of work in Uruguay. 'Plateforme', a network of French-speaking movements spanning Francophone Africa, Europe and Quebec, has been launched, which aims to resource and equip French-speaking students in their evangelism and discipleship. Staff exchanges, teams, twinning links and joint conferences have enabled staff and students to learn from each other. This will be further facilitated by our 'extranet'; a web-based feature which allows national movements to share news and ideas with those from other countries.

4. Organisation Development and Governance

To ensure the flourishing of IFES ministry we have been trying to strengthen the structures of our movements and ensure that all our staff are cared for. Several national boards have received valuable training and more frequent regional training events have taken place for senior leaders. Additionally, we have sought to strengthen support networks, build up the sabbatical and scholarship resource fund, and ensure that each staff worker has a clear role description and supervision in this.

5. Leadership Development

We are aware of the need to equip current and next generation leaders in IFES. Several regional secretaries have sought to provide greater in-depth training for their staff through various schemes, such as the three week training Institute for staff in Eurasia and the Leadership training school in French-speaking Africa with its intensive summer program and year-round mentoring scheme. In October 2005, 60 'emerging leaders' gathered from around the world for an international *formación* conference. Student training conferences have also taken place in the past year in Poland, Suriname, South Africa and Egypt.

FINANCIAL REVIEW

The results of the company for the year ended 31 December 2005 are set out in the financial statements on pages 7 to 16.

Donation income of £1,170,507 in 2005 (£1,277,739 in 2004) enabled the Company to make grants to IFES totalling £824,933 (£1,260,773 in 2004). There was a balance in the IFES Income Fund of £8,782 at 31 December 2005 (a balance of £8,782 at 31 December 2004). There was a balance in unrestricted funds of £337,290 at 31 December 2005 (£Nil in 2004).

IFES Trust

Report of the Directors for the year ended 31 December 2005

During the year under review the investments held on behalf of the IFES Property (Designated) Fund were disposed of resulting in a realised gain of £1,042. This realised gain comprises the following (2004 figures follow in parentheses):

A realised increase in the market value of the investments of £1,042 (£Nil),
An unrealised increase in the market value of the investments of £Nil (£502).

There are no restrictions on the charity's power to invest.

Because of the nature of the company, it has historically been the policy of the charity to maintain minimal unrestricted reserves in order to maximise transfers to IFES. However, during the year under review IFES Trust retained £337,290 of income that would historically have been used to make grants to IFES. This is due to the proposed restructuring of IFES and IFES Trust that will result in IFES Trust gradually taking over the activities that have historically been undertaken by IFES. This has been treated as unrestricted income.

The Trustees have examined the major risks to which the charity is exposed, in particular those related to the operations and finances. They are satisfied that systems and controls are in place to mitigate these risks and that ongoing initiatives are expected to result in better management of some of the key risk areas.

PLANS FOR FUTURE PERIODS

For the first part of 2006 the company's principal activity will continue to be to receive donations in the United Kingdom, hold funds and make grants for the advancement of the Christian faith in association with the world-wide evangelistic ministry of the International Fellowship of Evangelical Students (IFES) and its member movements.

However, during the year ended 31 December 2006 a restructuring of IFES and IFES Trust is planned which will result in IFES Trust gradually taking over the activities that have historically been undertaken by IFES. The consequence of this is that plans for future periods as reported by the Trustees of IFES in their annual report also constitute the plans for future periods of IFES Trust, and are as follows:

1. Mission and Evangelism

During 2006 our major gospel distribution program in Africa, the Middle East and South Asia will continue, to be extended to Eastern Europe. IFES aims to start a pioneering work in at least one new country every year for the next four years.

2. Partnerships between Movements

We will continue to develop our 'extranet', as explained under Achievements and Performance. In addition, to ensure the strengthening of the National Movements, it is planned that every movement will have the opportunity to have at least 1 visit from an IFES regional team member every 18 months, and 1 opportunity per year for some kind of training activity.

3. Leadership Development

As part of our on-going strategy to equip current and next generation leaders in IFES, about 120 general secretaries will come together for training in May 2006.

IFES Trust
Report of the Directors for the year ended 31 December 2005

4. Fund Development

We aim to continue our program for reducing the level of partnership grants made to national movements year by year. Our aim during 2006 and the following years is that national movements who received a partnership grant in 2005 should become increasingly self-supporting as they do their own fundraising work.

5. World Assembly

In July 2007 we will hold our quadrennial World Assembly, which will be our main international conference during that year, and will facilitate the next meeting of the International General Committee. Work on planning and preparing for this conference was started during 2004, has continued during 2005, and will substantially increase in pace during 2006. A World Assembly Registrar was appointed with a start date of 3rd January 2006 who is working with our Associate General Secretary to manage the administration involved.

APPOINTMENT OF AUDITORS

Critchleys, who were appointed during the year, have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

BY ORDER OF THE BOARD



ADRIAN WHITE

Secretary

321 Banbury Road
Oxford
OX2 7JZ
Date: 2006

STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)
For the year ended 31 December 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Restricted 2004 £
INCOMING RESOURCES					
Donations	3	353,193	817,314	1,170,507	1,277,739
Investment Income		4,444	-	4,444	3,794
		357,637	817,314	1,174,951	1,281,533
Exchange Surplus / (Deficit)		(370)	-	(370)	(234)
TOTAL INCOMING RESOURCES		357,267	817,314	1,174,581	1,281,299
RESOURCES EXPENDED					
Charitable activities					
Student Ministry		18,305	817,314	835,619	1,268,938
Total charitable activities		18,305	817,314	835,619	1,268,938
Governance costs		2,714	-	2,714	3,166
Total Resources Expended		21,019	817,314	838,333	1,272,104
Net Income/(Expenditure) for the year		336,248	-	336,248	9,195
Gains / (Losses) on Investment Assets:					
Realised Gains	7	1,042	-	1,042	-
Realised Currency Gains/(Losses)		-	-	-	-
Unrealised Gains/(Losses) on Investments		-	-	-	502
Net Unrealised Gains / (Losses)		1,042	-	1,042	502
Net Movement in Funds		337,290	-	337,290	9,697
Balances brought forward at 1 January		-	211,782	211,782	202,085
Balances carried forward at 31 December	12,13	337,290	211,782	549,072	211,782

The company's income and expenses all relate to continuing operations.

The company has no recognised gains or losses other than those shown on this page.

The profit/(loss) for the financial year has been calculated on the historical cost basis, as modified by the revaluation of investments.


The notes on pages 7 to 18 form part of these accounts.

All funds held by IFES Trust have historically been treated as Restricted Funds. In the year under review General Funds retained are treated as Unrestricted. See Note 2 for analysis by Funds.

BALANCE SHEET
As at 31 December 2005

		2005 £	2004 £
FIXED ASSETS			
Investments	7	-	6,233
Debtors: Amounts falling due after one year	8	100,000	100,000
CURRENT ASSETS			
Debtors	8	26,794	37,420
Short Term Deposits		110,646	106,277
Cash at Bank		397,526	51,884
		534,966	195,581
CREDITORS			
- amounts falling due within one year	9	85,894	90,032
NET CURRENT ASSETS		449,072	105,549
NET ASSETS		549,072	211,782
FUNDS			
Restricted Funds	12,14	211,782	211,782
Unrestricted Funds	13,14	337,290	-
		549,072	211,782

Approved by the Board of Directors on ^{15 September.} July 2006 and signed on its behalf by:


 _____ Director

The notes on pages 7 to 13 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2005

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the 'Statement of Recommended Practice Accounting by Charities (2000)'.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments and on a going concern basis.

(b) Donation Income

Donations received under Deed of Covenant or Gift Aid, and other donations, are recognised as income when received. The tax recoverable under Deeds of Covenant or Gift Aid is recognised as income when it becomes receivable.

Normally all accounting, legal and other services are carried out by IFES at no cost to IFES Trust. As the Trustees do not consider that it is possible to reliably quantify the value of these services to IFES Trust, no related intangible income has been disclosed under Donations in these accounts.

Exceptionally in 2004, legal costs relating to the proposed restructuring of IFES Trust were borne directly by IFES Trust. See note 13 - Going Concern.

(c) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. As in this case there is only one activity, grants payable for the purpose of student ministry, and IFES Trust does not incur any fundraising costs, all these amounts have been allocated to student ministry.

(d) Charitable Activities

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the charity. In this case these costs consist entirely of grants payable to IFES for the purpose of student ministry.

Grants payable are accounted for on a payments basis. Grants are only paid to IFES.

(e) Governance Costs

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation. In the case of IFES Trust these costs consist only of the audit fee.

(f) Investment income

Investment income is recognised when received.

(g) Investments

Investments have been included in the accounts at market value and calculated using the mid-market values and Sterling exchange rates at the balance sheet date. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities. All investments were disposed of during the year under review.

(h) Foreign currency balances

Assets denominated in foreign currencies are converted into Sterling at the quoted market rates ruling at the balance sheet date and exchange differences arising are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2004

2. ANALYSIS OF STATEMENT OF FINANCIAL ACTIVITIES BY FUND

All funds held by IFES Trust are restricted Funds since all donations received by IFES Trust are given under trust to be used in furtherance of the first object of the company, namely: "To hold property upon and generally to act as trustee of charitable trusts in connection with an unincorporated association known as "the International Fellowship of Evangelical Students""

Donations are received either under specific trusts in relation to the work of IFES, shown as "IFES Restricted Fund Income", or they are assumed to be given under a general trust to be used for IFES, shown as "IFES General Fund Income". This assumption is based on the practice that all communication with donors to IFES Trust refers to the ministry of IFES and the benefits achieved in that ministry by donations to IFES Trust.

**NOTES TO THE FINANCIAL
STATEMENTS**
For the year ended 31 December 2005

FUND STATEMENT 2005

	Note	Unrestricted Funds £	Restricted Funds	IFES Property (International) £	Total Funds £
Income and Expenditure					
Incoming Resources					
Donations	3	353,193	817,314	-	1,170,507
Investment Income		4,444	-	-	4,444
Exchange Surplus/(Deficit)		(370)	-	-	(370)
Total Incoming Resources		357,267	817,314	-	1,174,581
Resources Expended					
Charitable activities					
Student Ministry		(18,305)	(817,314)	-	(835,619)
Total charitable activities		(18,305)	(817,314)	-	(835,619)
Governance costs		(2,714)	-	-	(2,714)
Total Resources Expended		(21,019)	(817,314)	-	(838,333)
Net Incoming / (Outgoing) Resources before transfers		336,248	-	-	336,248
Net Incoming / (Outgoing) Resources for the Year		336,248	-	-	336,248
Gains / (Losses) on Investment Assets:					
Realised Gains/(Losses on Investments)		1,042	-	-	1,042
Net Realised Gains / (Losses)		1,042	-	-	1,042
Net Movement in Funds		337,290	-	-	337,290
Balances brought forward at 1 January		-	8,782	203,000	211,782
Balances carried forward at 31 December	12,13	337,290	8,782	203,000	549,072

2004 Comparatives are disclosed on page 9

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2005

FUND STATEMENT 2004

	Note	IFES General Fund Income £	IFES Restricted Fund Income	IFES Property (International) £	Total of Restricted Funds £
Income and Expenditure					
Incoming Resources					
Donations	3	378,895	898,844	-	1,277,739
Investment Income		-	-	3,794	3,794
Exchange Surplus/(Deficit)		(234)	-	-	(234)
Total Incoming Resources		378,661	898,844	3,794	1,281,299
Resources Expended					
Charitable activities					
Student Ministry		(370,094)	(898,844)	-	(1,268,938)
Total charitable activities		(370,094)	(898,844)	-	(1,268,938)
Governance costs		(3,166)	-	-	(3,166)
Total Resources Expended		(373,260)	(898,844)	-	(1,272,104)
Net Incoming / (Outgoing) Resources before transfers		5,401	-	3,794	9,195
Transfers between funds:					
To IFES Income Fund		794	-	(794)	-
Net Incoming / (Outgoing) Resources for the Year		6,195	-	3,000	9,195
Gains / (Losses) on Investment Assets:					
Unrealised Gains/(Losses) on Investments		502	-	-	502
Net Unrealised Gains / (Losses)		502	-	-	502
Net Movement in Funds		6,697	-	3,000	9,697
Balances brought forward at 1 January		2,085	-	200,000	202,085
Balances carried forward at 31 December	12	8,782	-	203,000	211,782

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2005

3. INCOME - DONATIONS RECEIVED

	2005 £	2004 £
Amounts receivable under Deed of Covenant or Gift Aid		
Net received during year	359,040	366,972
Related tax recoverable	<u>95,962</u>	<u>111,460</u>
	455,002	478,432
Other donations	<u>715,505</u>	<u>799,307</u>
	<u><u>1,170,507</u></u>	<u><u>1,277,739</u></u>

4. CHARITABLE EXPENDITURE

	2005 £	2004 £
Grants to IFES	824,933	1,260,773
Support costs	10,686	8,165
	<u>835,619</u>	<u>1,268,938</u>

5. GOVERNANCE COSTS

	2005 £	2004 £
External Audit	2,714	3,166
	<u>2,714</u>	<u>3,166</u>

6. BASIS OF ALLOCATION

	2005 £	2004 £
<u>Support cost</u>	Student Ministry	Student Ministry
Legal fees and subscriptions (incl VAT)	7,944	5,693
Sundry Expenses (incl VAT)	<u>2,742</u>	<u>2,472</u>
	<u><u>10,686</u></u>	<u><u>8,165</u></u>

As IFES Trust has no costs of generating voluntary income, and only one area of direct charitable expenditure, which is student ministry, all support costs have been allocated to Student Ministry.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2005

7. INVESTMENTS

MOVEMENTS DURING THE YEAR

	Market Value at 31/12/2004 £	Purchases/ (Disposals) in 2005 £	Market Gain/(Loss) in 2005 £	Exchange Gain/(Loss) in 2005 £	Market Value at 31/12/2005 £
Shares					
UK Shares	6,233	- 7,275	1,042	-	-
Totals at market value:	<u>6,233</u>	<u>- 7,275</u>	<u>1,042</u>	<u>-</u>	<u>-</u>
Totals at cost:	<u>5,734</u>				<u>5,734</u>

8. DEBTORS

	31/12/2005 £	31/12/2004 £
Amounts due after one year		
Long Term Loans	100,000	100,000
Amounts due within one year:		
Charity Vouchers awaiting repayment	6,505	5,093
Income Tax recoverable	6,849	14,412
Other Income Receivable	<u>13,440</u>	<u>17,915</u>
	<u>126,794</u>	<u>137,420</u>

LONG TERM LOAN

In 1996 the Directors agreed to loan £100,000 from the IFES Property (International) Fund in IFES Trust to the Capital Revolving (Staff Loans) Fund in IFES. A loan of £100,000 was made by IFES to Mr. Lindsay Brown, General Secretary of IFES and a Director of IFES Trust during part of the year. After Mr. Brown's resignation as a Director of IFES Trust the loan was repaid by IFES and a new loan of £100,000 was made to Mr. Brown by IFES Trust which is secured by a charge on his property. It is his intention for the loan to be repaid during 2006.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2005

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2005 £	31/12/2004 £
Current account IFES	83,180	87,447
Accruals and Miscellaneous Creditors	<u>2,714</u>	<u>2,585</u>
	<u>85,894</u>	<u>90,032</u>

10. DIRECTORS

None of the Directors received or waived any emoluments in respect of services to the company during the year (2004 £Nil). None of the directors received or waived any expenses in respect of services to the company during the year (2004 £Nil).

11. COMMITMENTS

IFES Trust occupies an office at Lambourne House, 321 Banbury Road, Oxford which is occupied on a 10 year lease at an annual rent of £86,144. The lease expires in 2011.

IFES assumes responsibility for the payment of the rent on behalf of IFES Trust.

12. RESTRICTED FUNDS

	IFES Income Fund £	Other Restricted Funds £	IFES Property (International) £	Total of Restricted funds £
At 1 January 2005	8,782	-	203,000	211,782
Incoming Resources	-	817,314	-	817,314
Outgoing Resources	-	(817,314)	-	(817,314)
Transfers between funds	-	-	-	-
Realised and Unrealised Gains	-	-	-	-
At 31 December 2005	<u>8,782</u>	<u>-</u>	<u>203,000</u>	<u>211,782</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2005

13. UNRESTRICTED FUNDS

	Unrestricted Funds £	Total of Unrestricted Funds £
At 1 January 2005	-	-
Incoming Resources	357,267	357,267
Outgoing Resources	(21,019)	(21,019)
Realised and Unrealised Gains	1,042	1,042
At 31 December 2005	<u>337,290</u>	<u>337,290</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments £	Net Current Assets / (Liabilities) £	Total £
IFES Income Fund	-	8,782	8,782
IFES Property (International) Fund	-	203,000	203,000
Total Restricted Funds	-	211,782	211,782
Unrestricted Funds	-	337,290	337,290
	-	<u>549,072</u>	<u>549,072</u>

15. RELATED PARTY TRANSACTIONS

IFES Trust exists to collect donations in support of the work of the International Fellowship of Evangelical Students (IFES), a Swiss registered organisation. Donations passed to IFES are recorded as a grant. In 2005, the total amount of the grant was £824,993 (2004 £1,260,773) of which £83,180 remained outstanding and shown as a creditor in the IFES Trust balance sheet at 31.12.05 (2004 £87,447).

16. GOING CONCERN

The Trustees are reviewing the structure of operations in IFES Trust and its interactions with IFES. The current proposed restructuring would involve IFES Trust taking over the majority of the activities previously undertaken by the Swiss registered charity IFES. This is expected to take place during 2006. There is no expectation or likelihood that IFES Trust will cease to be a going concern.

**Independent auditors' report to the Members of IFES Trust
For the year ended 31 December 2005**

We have audited the accounts of IFES Trust for the year ended 31 December 2005 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The accounts have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Executive Committee and Auditors

As described in the Statement of Directors' responsibilities, the Directors are responsible for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the accounts 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 Directors' report is not consistent with the accounts, 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 Directors' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Executive Committee members in the preparation of the accounts, and of whether the accounting policies are appropriate to the Fellowship'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 accounts 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 accounts.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2005 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985

CRITCHLEYS
CHARTERED ACCOUNTANTS
and Registered Auditors
Greyfriars Court
Paradise Square
Oxford.
Date: 25 September 2006