

**INTERNATIONAL FELLOWSHIP OF  
EVANGELICAL STUDENTS**

**ANNUAL ACCOUNTS 2011**

Auditors

CRITCHLEYS LLP  
Greyfriars Court  
Paradise Square  
OXFORD  
OX1 1BE



International Fellowship of Evangelical Students is a UK charity no 247919 and a limited company, registered in England and Wales no 876229. Registered office: 5 Blue Boar Street, Oxford, OX1 4EE.  
L'IFES est une organisation déclarée en Suisse.

## **REPORT OF THE TRUSTEES OF THE INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS For the year ended 31 December 2011**

The trustees of the International Fellowship of Evangelical Students – IFES (UK) – have pleasure in presenting their annual report and the audited accounts for the year ended 31 December 2011. References to IFES refer to the combined activities of IFES (UK) and IFES (Switzerland). The Trustees confirm they have complied with their duty under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

### **OBJECTIVES AND ACTIVITIES**

#### **Mission Statement**

IFES's objects are to advance the Christian faith by:

- Promoting, supporting and maintaining an international fellowship of national Student Evangelical Unions or Fellowships (national movements);
- Seeking to awaken and deepen personal faith in the Lord Jesus Christ and to further evangelistic work among students throughout the world; and
- Providing for fellowship on a worldwide and regional basis.

IFES mission is to reach students in every country with the good news of the gospel and help them to grow in their faith, equipping them to make a positive impact in the university, in the church and in wider society.

#### **IFES vision to 2020 – Living Stones**

The IFES vision to 2020 is called Living Stones, based on a verse in 1 Peter:

*As you come to him, the Living Stone – rejected by human beings but chosen by God and precious to him – you also, like living stones, are being built into a spiritual house to be a holy priesthood, offering spiritual sacrifices acceptable to God through Jesus Christ. 1 Peter 2:4-5 (TNIV)*

We want to nurture and train students to be "living stones", equipped to creatively engage the university and to take their place in that 'spiritual house'. Currently IFES works with about 500,000 students annually. Recognising the opportunity contained in IFES' huge student base, the vision of Living Stones is to double the number of active, committed members of IFES groups who are influencing their universities and societies for Christ.

To meet this goal we focus on six key strategic priorities, with the aim of releasing student initiative at the heart of all of them.

- **Communicating the good news** of Jesus Christ in word, action and through relationships
- **Strengthening leadership and formación** (personal development) through training and equipping students and graduates to impact the church, university and society
- **Promoting student-graduate integration** so that students continue to live out their faith, serving others and giving back to the student community in their adult lives
- **Building sustainable support** through growing indigenous generosity and involvement
- **Addressing current global issues** by responding to contemporary challenges from a Christian perspective



- **Engaging the university** constructively and boldly, with carefully-developed biblical worldviews to demonstrate the integration of faith, life and academic disciplines

It is our hope that every aspect of IFES life will also be supported by three core commitments: scripture engagement, community and prayer.

### **Public benefit**

As stated above, IFES' overall objective is to help students bear witness to Christ and his teaching, applying it to every aspect of life in every area of society. This includes equipping them to demonstrate the love of God in practical, tangible ways. For example, in Africa there is a strong programme of educating young people concerning HIV/AIDS, and many IFES groups regularly assist the poor and disadvantaged in their context.

As we encourage Christian students to be faithful to God, and to share their faith with others, the benefit extends beyond individuals and produces leaders in society who promote ethical standards and have a positive influence on their context. Whilst we would like everyone to embrace Christian values and beliefs, however, we respect the rights of others to hold differing viewpoints and would never coerce acceptance of our views.

IFES works worldwide, wherever there are universities in whichever countries we have permission to enter. We believe in indigenous leadership and strive to ensure that, where possible, nationals who know the local context lead the movements. There are no membership fees, and anyone who is interested is welcome to join in all activities.

### **Key areas of focus in 2011**

The ministry of IFES supports student work in over 150 different countries and as such is expansive and diverse. The goal of IFES' Living Stones Vision is to see double the number of students involved as active, committed members of IFES groups, and influencing their societies for Christ. We seek to build this through strategic work at the international, regional, and national movement levels. The following section highlights areas that were particularly significant in 2011.

### **Internationally**

#### **World Assembly 2011**

The largest event of 2011 was the IFES World Assembly. Every four years, students, staff and board members from IFES student movements come together in celebration of what God is doing on campuses across the world and to renew the vision for the global fellowship. In July 2011 this event, the IFES World Assembly, took place in Krakow, Poland, a location chosen in part as a way of celebrating the remarkable way God has been working among students in the former communist countries since 1989. 680 participants represented 132 countries at the event. One significant aspect of the 2011 World Assembly was that 120 students were able to attend, more than have ever been represented at the World Assembly. There were also a number of participants who are working in pioneering situations around the world. One young staffworker from Mexico wrote about the World Assembly: *"El Señor usó esta experiencia para confirmar su llamado a mi vida para servirle en el ministerio estudiantil en los años por venir"* (The Lord used this experience to confirm His calling on my life to serve Him in student ministry in the years to come.)

### **Ministry of the General Secretary**

Another way IFES seeks to strengthen and support national movements is through the leadership and encouragement of the General Secretary, Daniel Bourdannié. Daniel visited many different national movements during 2011 and through these trips he had the opportunity to share the Living Stones Vision and inspire national movements, staff and students. Key visits included travelling to East Asia in June, where he spoke at the Singapore National Student Leadership Consultation and Perkantas National Student Leaders' Consultation in Indonesia. He also took a role in the Living Stones Vision Conference held by the Mexican national movement, COMPA, in October. In addition, Daniel visited movements in Switzerland for the IFES Europe General Secretaries' meeting, and Chile and Poland where he took part in the International Executive Committee meetings. He also represented IFES at the Vision Africa Conference in Ouagadougou, Burkina Faso.

### **Helping students connect with the Bible**

IFES believes that good use of the Bible is central in helping students to grow in their faith and share it with the students around them. Training students and staff in ways to understand Scripture better and apply it to their contexts is a crucial part of building the Living Stones Vision. As part of this training we hosted a consultation on Scripture Engagement within IFES. The consultation particularly focused on considering how IFES can promote the use of Scripture in a media and technology driven world. 35 people attended the consultation which was held in Singapore in February. Participants were under 35 years of age and chosen to represent the different IFES regions.

### **Training national movements fundraising**

A challenge in the current economic climate is that there is a serious lack of local resources and national ownership of IFES movements. The Indigenous Support Development (ISD) program was set up to discuss and discern the realities of fund development and to help national movements to develop more stable local fundraising. Kehinde Ojo was appointed in February to lead the ISD program and he identified staff to work in the 5 focus regions: MENA (Middle East & North Africa), the Caribbean (CARIFES), Eurasia, English and Portuguese Speaking Africa and Francophone Africa. Research was then undergone, resulting in 3 IFES National Movements being selected from each of the 5 regions. Kehinde also facilitated workshops on Indigenous Funding in the Francophone Africa regional office, at the Eurasia Staff Institute, IFES World Assembly, a Caribbean regional conference, and at the Tanzania Staff Orientation.

### **International Service Centre, 5 Blue Boar Street**

Having a central 'Service Centre' is an important way we sustain the on-going work of IFES. IFES has had a restricted property fund since the mid 1990's when a legacy was received for the purpose of buying an office. This was added to with a pledge of £1million made to IFES and UCCF (the IFES member movement in the UK) and IFES in 2008. After an extensive search process IFES and UCCF jointly purchased a new office building in the centre of Oxford on 26<sup>th</sup> May 2011. After some refurbishment work we moved into the new office at 5 Blue Boar Street on 1 November. Oxford is a good location not only because it is an important centre of academic life, but also for the purpose of IFES it is easily accessible from major UK airports.

## **Regionally**

### **Investing in the Leaders of IFES national movements**

Two consultations for Leadership Development were held in Africa during July and August. The first of these took place in English speaking Africa. Sixteen young leaders took part, and represented 8 countries: Botswana, South Sudan, Uganda, Ethiopia, Ghana, Tanzania, Nigeria and Gambia and amongst the subjects covered were Hermeneutics, Governance and Accountability and Contemporary Urban Missions. The second consultation was held in Abidjan, and the national directors of IFES movements in Madagascar, Togo, Mauritania, Cameroon, Mali and Burkina Faso were able to attend.

From 2<sup>nd</sup> - 19<sup>th</sup> June IFES also held a Leadership Institute in Kiev, Ukraine for 130 key national leaders from across Eurasia. These consultations and the work on Leadership Development provided staff with a solid theological base and biblical worldview that can be transferred to students in a culturally relevant, context-sensitive manner.

### **Middle East and North Africa Regional Student Conference**

Each region holds central conferences across the year. One particularly encouraging one in 2011 was the MENA Regional Student Conference in Alexandria in August. 180 students from 9 countries were able to attend the meeting, which focussed on the IFES 'Living Stones' vision. It was great to see students also attend from a few of the countries where IFES does not yet have a national movement but is currently involved with pioneering work.

## **National Movements**

In addition to the above, [IFES Switzerland] also helped support the global fellowship by giving towards projects specifically in the Francophone Africa and European regions. The following are some highlights from movements in those regions:

- **Francophone Africa**

GBU Congo held their triennial national congress in Kinshasa in 2011. They were encouraged that GBU groups, staff and board members from all over the country were able to travel to the conference where they spent time strategizing for the next 3 years.

- **Europe**

OSCER Romania organised evangelistic ski camps throughout the country, with themes such as 'Slalom through life'. 250 students attended one of these events and over 100 students had the opportunity to connect with one another, talk about life issues and discuss the gospel.

- **SLOVENIA**

ZVESH officially became an IFES member movement at the 2011 World Assembly in Poland. Since then, ZVESH started spending time engaging with Occupy Ljubljana protesters gathered in front of the Slovene stock exchange. It wasn't too long before they

were invited to present a workshop on their alternative ideas. Nenad, ZVESh General Secretary, writes: *'Most of the protesters, especially those who stay overnight and are there all day long, are students, but there are also a number of homeless people and later in the day they're joined by intellectuals and professionals, who support the protest. 'We've had fantastic conversations and handed out many copies of the booklet Recesija (Recession), which the Slovenia Bible Society had prepared. This booklet talks about how the bible speaks directly and unequivocally to a world that is dominated by injustice, exploitation and oppression.'*

## **Pioneering**

Pioneering new ministry is also important within the IFES vision, as there are many countries where there is no ministry amongst students. At the moment we are working to pioneer in three countries in South Asia, two countries in Europe and two Gulf states. In Uruguay we are re-pioneering the ministry and have seen growth since the ministry restarted five years ago, with 8 active student groups in Uruguayan universities. In May 2011 they held their fourth national Formación gathering, attended by 42 students. 13 students accepted the challenge to take part in a task group that gathered together for four weeks to develop new ways to reach out their friends when exploring the Bible together.

We are encouraged that in spite of great economic uncertainty and political instability we are seeing the work grown and expand around the world. We are very grateful to our many supporters around the world and to God for all that has been made possible through faithful prayer and financial provision in 2011.

## **Key Areas for focus in 2012**

The top priorities of IFES in 2012 will be to continue to build stronger national movements, particularly in the area of effective governance, strong leadership and sustainable indigenous funding. Alongside this we plan initiatives to reinforce our core commitments: scripture engagement, prayer and community.

### **▪ Governance**

From 2012 to 2014, eight qualified trainers will provide governance training for 63 IFES student movements around the world. Trainers will be seasoned leaders within IFES regional teams and have a proven, successful track record of pioneering and growing healthy movements. IFES Regional Secretaries will nominate each trainer, ensuring each is qualified and familiar with IFES student movements within their respective region. In order to do training in the native language of the national movements we are planning to have one Arabic, one Spanish, two French, and four English trainers.

### **▪ Leadership Development**

We have a number of different regionally-based leadership training initiatives planned for the next 12 months including training programs for national leaders in Latin America, English-speaking Africa, French-speaking Africa, and Eurasia. In addition to these programs, over the coming 12 months we are planning to look more systematically at the way that we engage in leadership

development around the world. We will also be hosting a small global consultation for our regional staff who are involved in leadership training and bring in outside expertise to looking at different models of training and forming leaders including e-learning, mentoring, and coaching.

- **Indigenous Support Development**

Our Indigenous Support Development program will hold an international consultation in early 2012. This will begin a program of mentoring staff in 15 countries in the area of fundraising. We will also be providing matching funds as an incentive for these movements to raise local funds from local donors. For every \$1 raised under this scheme we will be able to match with \$1.

- **Scripture Engagement**

Sabine Kaltoff, formerly Head of Student Ministry in our German movement, has just been hired as Secretary for Scripture Engagement. One of her immediate projects is to work with a Digital Task Force who will be looking to pilot some new ideas using web and social media to engage students with God's Word. She is also working with our Regional Secretaries to develop regional initiatives in this area. During her first year in post, Sabine's main role will be to investigate and promote good practice in helping students engage with the Bible, and be a catalyst for new initiatives.

## **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. Reference and administrative details can be found on pages 31 and 32.

### **Structure and decision-making process**

The company is overseen by its board of directors and is managed by the senior officers of the company. The directors of the company are the same as those of IFES (Switzerland).

For internal organisational purposes, IFES divides the world into eleven regions. Each region is directed by a regional secretary who manages expenditure in their region. For each region, the direct charitable expenditure represents staff, projects and events which are located in the region and focused on working towards the objectives of IFES, as laid out in this report.

In addition to direct charitable expenditure, each regional secretary may recommend the payments of partnership grants to IFES-linked national movements within their region. The purpose of these grants is primarily to enable the employment of a national staff worker - a key factor in the growth and indigenisation of a national movement.

Continued payment of a partnership grant is dependent on the movement providing an annual report of how the money has been used and how this has helped progress towards the IFES objectives. In addition to these reports, regional secretaries monitor the use of the partnership grant during the year. Our aim is to gradually reduce these partnership grants as the national movement becomes better established and more financially self-sufficient.

The administration and fundraising work of IFES is carried out in the International Service Centre, which is directed by the Chief Administrative Officer.



### **Appointment, induction and training of trustees**

The process for the training and appointment of trustees mirrors that of IFES (Switzerland).

- The members of the IEC (International Executive Committee of IFES (Switzerland)) are elected by the IFES International General Committee following regional nominations. At least two names are nominated for each region and then the Nominations Committee, which is a sub-committee of the IEC, recommends a candidate from each region giving regard to background, gender, age and skills in order to achieve the required skills mix. These new members of the IEC will also be appointed as Directors of IFES (UK). The aim is to have representation on the IEC from theologians, business people, and people involved in student ministry. Each member of the IEC will serve a four year term which may be renewed for a second term.
- Immediately following appointment, orientation training will be given to new trustees with a general overview of the Fellowship by the General Secretary, a financial overview by the Head of Finance, and a general introduction to the IEC/Board of IFES (UK) by the Chair. They will also be given specific training on the role and responsibilities of trustees of a UK charity.
- The new trustees will also be provided with key documents – a copy of the Memorandum and Articles of IFES (UK), and a copy of 'Inner Workings' which works out the policies and procedures of the Fellowship. The trustees are encouraged to attend IFES events and to become a member of the Regional Support Group in the region they represent. Other ad hoc training or orientation is given as required.

### **Related charity**

IFES (UK) has a related charity, International Fellowship of Evangelical Students, which is registered in Switzerland. Principal contact address is 4 Avenue de Provence, 1007, Lausanne, Suisse . IFES (UK) donated \$561,408 (2010:\$32) to IFES (Switzerland) during 2011. It also received \$61,410 in grants from IFES (Switzerland) in 2011 (2010 \$143,910) and paid \$328,323 for staff provided by IFES (UK).

### **Risk management**

A major review of the risk register was undertaken in 2008 including asking the regional secretaries to undertake an assessment of the risks in their region. Prior to regional secretaries being asked to assess risk they were given training on risk management. Seventy-three risks were identified at an international level with further risks identified in different regions. These risks were rated for probability and impact.

Control systems already in place to mitigate risks were recognized, and new control systems were identified where sufficient systems were not already established. The Finance Committee approved the risk register for implementation.

The major risks identified included inadequate oversight of personnel issues; weak plans, targets and budgets; loss of tax status in the United States; failure of bankers, and overseas staff being affected by exchange movements. Plans are being put in place to mitigate our exposure to these risks. Major changes in the risk register will be reviewed annually.

In 2012 new risks were identified related to the mortgage on the office, the joint ownership of the building, regional responsibility for funding, and online comment by Senior staff All risks were

reviewed and scores revised according to current expectations. Two risks were removed from the register.

The trustees confirm that they continue to be satisfied that adequate control actions and monitoring processes are in place to manage our exposure to major risks.

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware; and each Director has taken all steps that they ought to have taken as a director in order to make themselves aware of relevant audit information and to establish that the charitable company's auditors are aware of that information.

### **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.

## **FINANCIAL REVIEW**

The results of the company for the year ended 31 December 2011 are set out in the accounts on pages 13 to 28.

Donation income to IFES (UK) was \$7,653,913 (\$5,277,895 in 2010). This enabled direct charitable expenditure of \$6,195,512 (\$5,912,777 in 2010) to further the objects of the Fellowship. Total donation income in 2011 for IFES (UK) and IFES (Switzerland) (less intercompany transfers) was \$7,523,116 compared to \$5,404,582 in 2010, an increase of 39%. Total charitable expenditure increased by 3 % from \$6,409,123 to \$6,624,545 with 91% of the 2011 figure being direct costs and 8% cost of generating funds and 1% governance.

There were significant events in 2011, one of which was the purchase on a long lease of the new office for the International Service centre in Oxford. This was purchased jointly with UCCF, the UK member movement at a cost of £3.225 million (\$5.43 million). This was partly financed by a loan for £800,000 (\$1,236,250) from National Westminster Bank Plc secured by a charge over the property. IFES (Switzerland) organised the quadrennial World Assembly in Poland for which IFES (UK) received donations and passed them onto IFES (Switzerland). This was a challenging year for IFES due to the economic situation and ongoing fundraising challenges, these led to a deficit on General Fund in IFES (UK) of \$10,674. During the year the Finance Committee, Trustees and Management considered how to change the budgeting and funding responsibility within the organisation to ensure an improvement in the financial health of the organisation.

The Fellowship makes payments through 'transmission funds'. These are donations for activities that are not part of IFES' core activities but are within IFES' charitable objects. Payments made to national movements and other external bodies are treated as grants and are included in the 'grants payable' figure of \$2,068,081. IFES transfers these payments as received after deduction of a service charge. Recipients are expected to make their own arrangements with local tax authorities to ensure that they meet their responsibilities in that area.

The Fellowship uses a defined contribution pension scheme. It is part of group arrangements under the Trusteeship of Global Connections (formerly the Evangelical Missionary Alliance). Legal & General Assurance Society Limited runs the scheme. The scheme consists of two parts, an 'approved' scheme for employees who are subject to UK tax, and an 'unapproved' scheme for those who are not. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Fellowship in the year.

### **Reserves policy**

IFES holds reserves for the following reasons.

1. to fund working capital
2. to fund operational activities in the event of shortfalls in income
3. to set aside funds to invest in the longer term development of the organisation.

IFES has set a target range for the General Fund Balance to be between 10 and 25% of the annual operational budget. Based on the 2012 budget for IFES, this would require a general fund balance of between \$340,000 and \$850,200. At the end of 2011, the general fund has a negative balance of \$10,674. Additionally there were general funds held in IFES (Switzerland) of \$549,290. Across the Fellowship there was therefore a total of \$538,616 which was in the middle of the target range, being 16% of the operational budget. The trustees are seeking to increase General

Fund in IFES (UK) to an appropriate level over the next few years and have set a budget with a projected surplus of \$155,000 for 2012.

## **Investments**

### Short term investments

The following funds will only be invested for a maximum of three months as they may be required in the short term: transmission funds, priority funds, provisional funds, the B fund, and general funds being held to fund operational activities in the event of shortfalls in income

In keeping with our reasons for holding these funds, IFES seeks to maintain high liquidity of investments. Given this requirement we seek to achieve as high a return as is feasible while maintaining the security of the assets. To achieve this, IFES will invest with institutions that have a high security rating in fixed interest term deposits.

Funds held in the Urbana Fund and the Strategy fund not needed in the current financial year will be invested for the period that they are not required. IFES will seek to protect the capital of these funds. To achieve this, IFES will invest with institutions that have a high security rating in fixed interest term deposits.

### Longer term investments

Investment in freehold (or similar) property will be considered where it would significantly reduce the ongoing operational costs of the organisation or where it would enable the retention of senior staff. Funds which can be used for this purpose are: the designated property fund and general funds greater than those required to fund operational activity in the event of a shortfall.

Other funds that are being held for the long term use of the charity (where the capital is not required within the next five years) will be invested in a mixture of bonds and equities. IFES currently holds no funds on this basis and the Treasurer in consultation with the Head of Finance will decide the appropriate mixture at the time when it has such funds to invest, given its desire to maximise returns while maintaining the value of the capital on a longer term basis.

### Currencies

The general funds that are being held to maintain operational activities in the event of a shortfall, are held in a mixture of Sterling, Euros and Dollars in relation to the proportion of budgeted operational costs that are in these currencies. Other funds are maintained in the currency that will be expended though this is partly dependent upon the currency spread of incoming gifts.

### General

The investment strategy will be reviewed annually in light of IFES needs at the time, anticipated needs for the future, the types of fund being held and current market conditions.

We seek to avoid investing in companies about which we have ethical concerns eg armaments, tobacco, gambling and alcohol, these also being particularly sensitive to students.

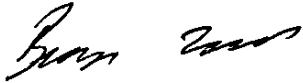
The charity holds funds in the following institutions: US Bank, HSBC, Natwest, CCLA, CAF bank and AIB. It seeks to ensure that the Fitch short term debt rating for institutions where it holds funds is F1+.

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

## **APPOINTMENT OF AUDITORS**

Critchleys LLP, who were appointed during the year, have signified their willingness to continue in office. A resolution proposing the appointment of auditors will be put to annual general meeting in due course.

## **BY ORDER OF THE BOARD**



BEVERLEY JOSHUA  
***Secretary***

5 Blue Boar Street  
Oxford  
OX1 4EE  
Date: 12 JUNE 2012

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)**  
**For the year ended 31 December 2011**

	<b>Note</b>	<b>Unrestricted Funds \$</b>	<b>Restricted Funds \$</b>	<b>Total Funds 2011 \$</b>	<b>Total 2010 \$</b>
<b>INCOMING RESOURCES</b>					
Donations, legacies and similar incoming resources	2	1,057,781	6,596,132	7,653,913	5,277,895
Activities for generating funds		46,159	21,733	67,892	53,466
Investment Income		-	9,113	9,113	5,890
Incoming resources from charitable activities	3	123	17,954	18,077	40,717
Other Incoming Resources		-	5,230	5,230	-
<b>TOTAL INCOMING RESOURCES</b>		<b>1,104,063</b>	<b>6,650,162</b>	<b>7,754,225</b>	<b>5,377,968</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	5	316,044	245,128	561,172	389,317
<b>Total cost of generating funds</b>		<b>316,044</b>	<b>245,128</b>	<b>561,172</b>	<b>389,317</b>
<b>Charitable activities</b>					
Student Ministry	4	544,490	5,651,022	6,195,512	5,912,777
<b>Total charitable activities</b>		<b>544,490</b>	<b>5,651,022</b>	<b>6,195,512</b>	<b>5,912,777</b>
<b>Governance costs</b>					
	6	16,110	25,459	41,569	68,424
<b>Total Resources Expended</b>	9	<b>876,644</b>	<b>5,921,609</b>	<b>6,798,253</b>	<b>6,370,518</b>
<b>Net Incoming / (Outgoing) Resources Before Transfers</b>					
		227,419	728,553	955,972	(992,550)
<b>Transfers Between Funds</b>					
	16,17	1,142,036	(1,142,036)	-	-
<b>Net Movement in Funds</b>		<b>1,369,455</b>	<b>(413,483)</b>	<b>955,972</b>	<b>(992,550)</b>
Balances brought forward at 1 January		137,958	2,653,384	2,791,342	3,783,892
<b>Balances carried forward at 31 December</b>	16,17	<b>1,507,413</b>	<b>2,239,901</b>	<b>3,747,314</b>	<b>2,791,342</b>

**BALANCE SHEET**  
**As at 31 December 2011**

		<b>2011</b> <b>\$</b>	<b>2010</b> <b>\$</b>
<b>FIXED ASSETS</b>			
Tangible Assets	11	<u><b>3,428,701</b></u>	<u>598,271</u>
Debtors: Amounts falling due after one year	12	<u><b>16,191</b></u>	<u>30,283</u>
<b>CURRENT ASSETS</b>			
Debtors	12	<b>584,516</b>	558,810
Short Term Deposits		<b>0</b>	1,262,726
Cash at Bank		<u><b>1,346,564</b></u>	<u>611,274</u>
		<u><b>1,931,080</b></u>	<u>2,432,810</u>
<b>CREDITORS</b>			
- amounts falling due within one year	13	<u><b>379,372</b></u>	<u>168,232</u>
<b>NET CURRENT ASSETS</b>		<u><b>1,551,708</b></u>	<u>2,264,578</u>
<b>Total Assets Less Current Liabilities</b>		<b>4,996,600</b>	2,893,132
<b>Creditors: Amounts falling due after one year</b>	14	<b>1,249,286</b>	101,790
<b>NET ASSETS</b>		<u><u><b>3,747,314</b></u></u>	<u><u>2,791,342</u></u>
<b>FUNDS</b>			
Restricted Funds	16	<b>2,239,901</b>	2,653,384
Unrestricted Funds	17	<b>1,507,413</b>	137,958
		<u><u><b>3,747,314</b></u></u>	<u><u>2,791,342</u></u>

Approved by the Board of Directors on 12 June 2012 and signed on its behalf by:



Director

The notes on pages 15 to 28 form part of these accounts.

**CASHFLOW STATEMENT****For the year ended 31 December 2011**

	2011 \$	2010 \$
Net (outgoing)/incoming resources	955,972	(992,550)
Decrease/(Increase) in debtors	(11,614)	(16,281)
Increase/(Decrease) in creditors	1,358,637	(132,684)
Depreciation and profit on disposal	95,525	33,239
Investment income	(9,113)	(5,890)
<b>Net cash inflow/(outflow) from operations</b>	<b>2,389,407</b>	<b>(1,114,166)</b>
Returns on investment and servicing of finance	9,113	5,890
Capital expenditure and financial investment	(2,925,956)	(575,502)
<b>(Decrease)/Increase in cash during the year</b>	<b><u>(527,436)</u></b>	<b><u>(1,683,778)</u></b>
<b>Cash in hand balances</b>		
	2011 \$	2010 \$
Short term deposits	-	1,262,726
Cash at bank and in hand	1,346,564	611,274
	<u>1,346,564</u>	<u>1,874,000</u>
Balances at 31 December 2010	<u>(1,874,000)</u>	<u>(3,557,778)</u>
<b>(Decrease)/Increase in cash for the year</b>	<b><u>(527,436)</u></b>	<b><u>(1,683,778)</u></b>

**Analysis of cash flows for headings in the cash flow statement****Returns on Investments and servicing of finance**

Interest and other investment income received	9,113	5,890
	<u>9,113</u>	<u>5,890</u>

**Capital expenditure and financial investment**

Purchase of tangible fixed assets	2,925,956	575,502
Receipts from sale of tangible fixed assets	-	-
Receipts from sale of fixed asset investments	-	-
	<u>2,925,956</u>	<u>575,502</u>



## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2011**

### **1. ACCOUNTING POLICIES**

#### **(a) BASIS OF PREPARATION**

The accounts are drawn up in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting by Charities (2005)<sup>1</sup>. Monetary values are calculated under the historical cost convention, as modified by the revaluation of investments the accounts have been prepared on a going concern basis.

#### **(b) SCOPE OF ACCOUNTS**

IFES is a worldwide affiliation of autonomous national student movements. Direct bilateral arrangements for co-operation between two or more national student movements, including the secondment of staff, are not accounted for by IFES. The accounts include IFES Regional Offices and associated staff and exclude autonomous national student movements.

#### **(c) INCOMING RESOURCES**

Donations received under Gift Aid, and other donations, are recognised as income when received. The tax recoverable under Gift Aid is recognised as income when it becomes receivable. Resources will not be recognised until the conditions for receipt have been met and there is reasonable assurance of receipt. Conference income is accounted for on a receivable basis. Legacy income is recognised when the charity is advised by the personal representative of an estate that payment will be made and the amount involved can be reliably quantified.

#### **(d) CURRENCY EXCHANGE**

Assets, liabilities, income and costs expressed in foreign currencies are translated into US dollars at rates of exchange ruling on the date at which the transaction occurs, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date. Differences arising on the translation of such items are dealt with in the Statement of Financial Activities.

#### **(e) DEPRECIATION AND VALUATION OF FIXED ASSETS**

Depreciation is calculated to write off the cost of fixed assets (except land) on a straight-line basis over their effective useful lives. For buildings this is at 2% per annum. For computers, office furniture and equipment this is at 25% per annum.

#### **(f) DISPOSAL OF FIXED ASSETS**

Surpluses and deficits on disposal and depreciation of fixed assets are credited or charged to the Statement of Financial Activities.

#### **(g) 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.

- \* Finance costs are allocated on the basis of all employees worldwide
- \* IT costs are allocated on the basis of office based employees
- \* Facilities costs are allocated on the basis of floor area used
- \* Human resources costs are allocated on the basis of all employees worldwide
- \* Communications costs are allocated on the basis of all employees worldwide
- \* General Management costs are allocated on the basis of office based employees

## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2011

#### (h) PENSIONS

The Fellowship uses a defined contribution pension scheme. It is part of Group arrangements under the Trusteeship of the Evangelical Missionary Alliance. The scheme is run by Legal & General Assurance Society Limited. The scheme consists of two parts, an "approved" scheme for employees who are subject to UK tax, and an "unapproved" scheme for those who are not.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Fellowship in the year.

#### (i) INTERNATIONAL MINISTRIES

These are costs associated with the work of IFES that cannot be allocated against a particular region or country, whether due to the international nature of the work or the materiality of the expenditure

#### (j) COSTS OF GENERATING FUNDS

Costs of generating funds comprise all costs identified as wholly or mainly attributable to the generation of incoming resources other than from charitable activities and include an apportionment of overheads.

#### (k) CHARITABLE ACTIVITIES

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the charity. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of overhead.

#### (l) 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. These costs include external audit and trustees' costs.

## FUND ACCOUNTING

The International Fellowship of Evangelical Students has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

### 1. Restricted Funds

*Transmission Funds.* The Transmission Funds comprise the unexpended balances of donations held to be applied for specific purposes within IFES. A charge for the costs associated with administration was levied on the intended recipients during 2009. This has been shown in the accounts under note 4 as having been recharged to the regions.

*Property Fund.* This fund is given for the purchase of a property. They were applied in the year

*Provisional Funds.* The activities undertaken from Provisional Funds are those that will only go ahead if specific money has been raised to enable them to do so.

*Priority Funds.* Priority expenditure is for activities that are of sufficient importance to the work of the Fellowship that unrestricted funds will be applied to meet any shortfall in restricted income.

*Vision fund.* This relates to gifts received for the implementation of the Living Stones vision.

*Indigenous Fund Development fund.* This relates to funds received to help national movements build their indigenous support base.

*Capital Revolving fund* relates to money designated for the use of making loans to IFES staff.

*Bauer Fund.* The interest on the B Fund is transferred to the European region.

*Urbana fund.* This relates to offerings received from the 2009 Urbana Conference.

### 2. Unrestricted Funds

*Strategy Fund.* The Strategy Fund is used to pay for strategic events in the life of the Fellowship, particularly the four yearly World Assembly.

*General Fund.* This fund is made up of donations given for the general work of IFES with no restriction on their application by the donor. Income from this fund is used to offset shortfalls in income for specific purposes in the Priority Fund. The IFES (UK) Trustees may designate these funds for certain purposes but they are not restricted to being used solely for those purposes.

Property fund has been designated by the trustees at the value of the property and assets purchased with the restricted funds received.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2011**

**2 INCOME - DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES**

	2011 \$	2010 \$
Income Analysis		
Up to \$1,000	2,430,001	2,206,797
\$1,000-\$5,000	1,132,103	961,172
\$5,000-20,000	1,065,326	833,719
\$20,000-100,000	1,176,097	597,297
Over \$100,000	1,460,653	535,000
Grants from IFES (Switzerland)	389,733	143,910
	<u>7,653,913</u>	<u>5,277,895</u>
Included in the above is the following amount of donations and related tax recoverable received under the Gift Aid Scheme		
<u>IFES Income Fund</u>		
Amounts receivable under Gift Aid		
Net received during year	817,897	682,220
Related tax recoverable	213,919	193,445
	<u>1,031,816</u>	<u>875,665</u>

Legacies were received in the year of \$122,840 (2010: 71,875.)

**3 INCOMING RESOURCES FROM CHARITABLE ACTIVITY**

Interaction fees	16,872	28,195
Other event fees	860	6,617
Other	345	5,905
	<u>18,077</u>	<u>40,717</u>

**4 CHARITABLE EXPENDITURE**

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2011 \$	Total Funds 2010 \$
English and Portuguese Speaking Africa		595,715	595,715	517,659
Francophone Africa		136,425	136,425	199,526
Europe		1,335,136	1,335,136	1,481,191
Eurasia		777,688	777,688	837,258
Innovista		0	0	7,987
Middle East and North Africa		296,629	296,629	290,038
Latin America		237,606	237,606	247,050
Caribbean		169,223	169,223	162,850
South Asia		65,400	65,400	103,134
East Asia		92,575	92,575	91,775
South Pacific		117,517	117,517	111,834
North America		64,581	64,581	77,294
International Ministries		620,722	620,722	854,692
Grants to IFES		561,408	561,408	32
Support costs	544,490	580,397	1,124,887	930,457
	<u>544,490</u>	<u>5,651,022</u>	<u>6,195,512</u>	<u>5,912,777</u>

Support costs incurred on behalf of the IFES regions were recharged to those regions during the year under review. Total support costs recharged to regions were \$328,909. Support costs were also recharged to International Ministries of \$35,535. These recharged costs are considered as both a contribution towards the costs of administering the funds, and a contribution to the work of the wider Fellowship.

**NOTES TO THE ACCOUNTS****For the year ended 31 December 2011**

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2011 US\$	Total Funds 2010 US\$
<b>5 COSTS OF GENERATING VOLUNTARY INCOME</b>				
Staff Costs	74,271		74,271	34,809
Supporter Raising	10,420		10,420	2,336
Appeals & Portfolio	14,932		14,932	14,932
US fundraising	132	25,866	25,998	104,627
Miscellaneous Expenses	11,940		11,940	7,973
Support costs apportioned - notes 7 & 8	204,349	219,262	423,611	224,640
	<u>316,044</u>	<u>245,128</u>	<u>561,172</u>	<u>389,317</u>

<b>6 GOVERNANCE COSTS</b>	2011	2010
	\$	\$
External Audit	16,110	14,359
Executive Committee (Trustee) costs	25,459	54,065
	<u>41,569</u>	<u>68,424</u>

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2011

### 7 ANALYSIS OF SUPPORT COSTS FOR APPORTIONMENT

	2011 US\$	2010 US\$
<b>Finance</b>		
Staff Costs	181,901	164,738
Bank charges	25,311	16,784
Other Finance costs	174,650	54,204
	<u>381,862</u>	<u>235,726</u>
<b>General Management</b>		
Staff Costs	108,774	122,015
Maintenance/Cleaning	11,236	9,268
Stationery & Photocopy costs	3,097	2,296
Postage	1,832	2,027
Telephone/Fax	9,346	8,844
Insurance	4,874	2,898
Legal fees and subscriptions (incl VAT)	3,253	3,399
Property project costs	471,750	36,248
Mortgage interest	19,062	
Other office expenditure	16,917	17,361
Depreciation	95,525	33,239
	<u>745,666</u>	<u>237,595</u>
Facilities	140,805	187,293
Exchange (gain)/loss	- 155,162	66,358
	<u>731,309</u>	<u>491,246</u>
<b>Information Technology</b>		
Staff Costs	65,976	52,581
Support contracts & licenses	19,108	13,008
Equipment and other costs	1,585	2,887
	<u>86,669</u>	<u>68,476</u>
<b>Human Resources</b>		
Staff Costs	70,150	60,583
Recruitment costs	819	833
Other costs	7,890	3,702
	<u>78,859</u>	<u>65,118</u>
<b>Communications</b>		
Staff Costs	167,303	194,542
Prayer materials	65,231	66,350
Directory	1,710	1,116
Vision materials	1,450	2,608
Other costs	34,105	29,915
	<u>269,799</u>	<u>294,531</u>
<b>TOTAL FOR APPORTIONMENT</b>	<u>1,548,498</u>	<u>1,155,097</u>

### 8 BASIS OF APPORTIONMENT

Support Cost	Fundraising US\$	Student Ministry US\$	2011 US\$	2010 US\$	Basis of allocation
Finance	12,656	369,206	381,862	235,726	No staff globally
General Management	310,876	434,790	745,666	237,594	No office staff
IT	36,133	50,536	86,669	68,476	No office staff
Human Resources	2,614	76,245	78,859	65,118	No staff globally
Communications	8,942	260,857	269,799	294,532	No staff globally
Facilities	57,533	83,272	140,805	187,293	Floor area
Exchange loss	(5,143)	(150,019)	(155,162)	66,358	No staff globally
	<u>423,611</u>	<u>1,124,887</u>	<u>1,548,498</u>	<u>1,155,097</u>	

# NOTES TO THE ACCOUNTS

For the year ended 31 December 2011

## 9 TOTAL RESOURCES EXPENDED

	Regional Operations & Salaries	Strategic Priorities	Firm Foundations Core Objects	Grants	Total 2011
	US\$	US\$	US\$	US\$	US\$
Student Ministries:					
English and Portuguese Speaking Africa	124,156	44,670	-	426,889	595,715
Francophone Africa	91,701	25,054	1,690	17,980	136,425
Europe	670,506	36,391	-	628,239	1,335,136
Eurasia	174,510	55,935	-	547,243	777,688
Innovista	-	-	-	-	0
Middle East and North Africa	179,597	64,912	1,500	50,620	296,629
Latin America	180,184	-	-	57,422	237,606
Caribbean	87,381	12,250	-	69,592	169,223
South Asia	23,836	-	-	41,564	65,400
East Asia	11,585	12,800	-	68,190	92,575
South Pacific	190	-	-	117,327	117,517
North America	54	-	-	64,527	64,581
International Ministries	480,574	94,001	44,256	1,891	620,722
Grants to IFES	561,408	-	-	-	561,408
Support costs apportioned	504,984	86,318	11,836	521,749	1,124,887
Fundraising	251,921	43,061	5,905	260,285	561,172
Governance costs	41,569	-	-	-	41,569
	<u>3,384,156</u>	<u>475,392</u>	<u>65,187</u>	<u>2,873,518</u>	<u>6,798,253</u>

IFES only has one charitable activity, which is student ministry. The breakdown of this activity into the categories shown above is intended to better convey the nature of this student ministry. The support costs which have been apportioned to student ministry, together with the Fundraising costs, have been allocated to the different headings above by being weighted in proportion to the total regional expenditure for that heading.

Regional Operations & Salaries	2011	2010
Staff Costs	1,929,114	1,923,821
Other Operating Costs	95,159	115,103
Apportioned Support Costs (Notes 7& 8)	756,905	540,389
Governance Costs	41,569	68,424
Grants to IFES (Switzerland)	561,408	32
	<u>3,384,155</u>	<u>2,647,769</u>

Strategic Priorities	2011	2010
Communicating the Good News	113,589	195,414
Leadership and Formation	91,093	252,217
Student Graduate integration	8,821	90,157
Indigenous Support Development	66,081	75,132
Engaging the University	19,355	68,508
Global Issues	48,094	133,127
Apportioned Support Costs (Notes 7& 8)	129,379	215,883
	<u>476,412</u>	<u>1,030,438</u>

Other		
Firm Foundations	1,000	19,255
Core commitments	46,446	5,607
Apportioned Support Costs (Notes 7& 8)	17,741	6,590
	<u>65,187</u>	<u>31,452</u>

	2011	2010
Grants to national student ministries - Note 21	2,068,081	2,064,747
Interaction	23,401	36,558
Apportioned Support Costs (Notes 7& 8)	782,034	556,912
	<u>2,873,516</u>	<u>2,658,217</u>

All grants are made to organisations. In 2011 grants were made to 115 organisations (110 2010)

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2011

### 10 INFORMATION REGARDING EMPLOYEES

Total staff costs worldwide, including support staff, during the year under review were:

	2011	2010
Wages and Salaries	1,918,676	1,881,560
Social Security Costs	121,735	132,289
Pension Costs	152,980	162,042
Other Staff Costs	404,098	377,199
	<u>2,597,489</u>	<u>2,553,090</u>

No employee earned \$92,718 (£60,000) per year or more.

The average number of employees, analysed by function, was:

	2011	2010
Student Ministries	45	48
Communicatons	5	4
Supporter relations	2	2
Management and Administration	11	11
	<u>63</u>	<u>65</u>

### 11 TANGIBLE FIXED ASSETS

	Leasehold Property US\$	Freehold Property US\$	Leasehold Improvements US\$	Computers US\$	Office Furniture & Equipment US\$	Total US\$
Cost						
At 1 January 2011		563,399		100,579	14,325	678,303
Additions during year	2,758,789		53,486	23,770	89,911	2,925,956
Disposals during year				(1,729)	(1,133)	(2,862)
At 31 December 2011	<u>2,758,789</u>	<u>563,399</u>	<u>53,486</u>	<u>122,620</u>	<u>103,103</u>	<u>3,601,397</u>
Depreciation						
At 1 January 2011		8,588		60,352	11,092	80,032
Charge during year	44,213	8,588	5,710	26,530	10,484	95,525
Disposals during year				(1,729)	(1,132)	(2,861)
At 31 December 2011	<u>44,213</u>	<u>17,176</u>	<u>5,710</u>	<u>85,153</u>	<u>20,444</u>	<u>172,696</u>
Net Book Values						
At 31 December 2011	<u>2,714,576</u>	<u>546,223</u>	<u>47,776</u>	<u>37,467</u>	<u>82,659</u>	<u>3,428,701</u>
At 31 December 2010	<u>-</u>	<u>554,811</u>	<u>-</u>	<u>40,227</u>	<u>3,233</u>	<u>598,271</u>

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2011

### 12 DEBTORS

<i>Current Assets</i>	Notes	2011 US\$	2010 US\$
Due from IFES (Switzerland)		60,946	12,252
Other Debtors		53,462	52,903
Income Receivable		440,124	374,560
Prepayments		15,622	91,146
Capital Revolving Fund Loans	12a	14,362	27,949
		<u>584,516</u>	<u>558,810</u>
Long Term Debtors			
Prepayments		-	-
Capital Revolving Fund Loans	12a	16,191	30,283
		<u>16,191</u>	<u>30,283</u>

### 12a Capital Revolving Fund Loans

	Sterling Loans £	Sterling Loans US\$	Euro Loans €	Euro Loans US\$	US\$ Loans US\$	Total US\$
Balance 1 January 2011	4400	6806	4,874	6,459	44,967	58,232
New Loans	-	-	-	-	-	-
Repaid in 2011	(1,200)	(1,927)	(4,662)	(6,576)	(19,633)	(28,136)
Exchange gain		66		392		458
Balance 31 December 2011	<u>3,200</u>	<u>4,945</u>	<u>212</u>	<u>275</u>	<u>25,334</u>	<u>30,554</u>
Repayable before 31.12 2012						-
Repayable after 31 12.2012	<u>3,200</u>	<u>4,945</u>	<u>212</u>	<u>275</u>	<u>25,334</u>	<u>30,554</u>

The exchange gain arises on the revaluation in US dollars at the year end of loans fixed and repayable in pounds Sterling and in Euros

The Capital Revolving Fund uses money designated for the use of making loans to IFES staff. These loans are made to allow staff to do their work in the most effective way but the assets paid for are the property of the staff once the loan is paid off.

The total sum available from general assets for loans from the Capital Revolving Fund is \$108,633. Of this total, \$38,633 represents a long term loan (£25,000 sterling) to the Capital Revolving Fund, repayable in 2013 or later.

The balance of \$70,000 is permanent capital. The long-term loans were revalued at the year end.



**NOTES TO THE ACCOUNTS**

For the year ended 31 December 2011

**13 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
<i>Current Liabilities</i>	US\$	US\$
Trade Creditors	90,891	45,333
Due to IFES (Switzerland)	-	-
Due to UCCF	59,147	-
Other creditors	34,514	72,668
Accruals and deferred income	106,114	50,231
Bank loan (due within 1 year)	88,706	
	<u>379,372</u>	<u>168,232</u>

**14 LONG TERM LOANS**

	Capital Revolving Fund US\$	General Fund US\$	Secured Bank Loan US\$	TOTAL US\$
At 1 January 2011	38,670	63,120		101,790
Loan taken out in year			1,147,534	1,147,534
Loan repaid	-	-		0
Exchange gain	(38)	-		(38)
At 31 December 2011	<u>38,632</u>	<u>63,120</u>	<u>1,147,534</u>	<u>1,249,286</u>

The secured bank loan is secured on the Leasehold Office property. Of the loan due after more than one year \$354,826 is due within 5 years, \$792,708 is due after 5 years.

**15 COMMITMENTS**

IFES and UCCF jointly have a contract with NJR Cool Space Ltd for \$ 598,082 (£387, 032.70 ) of which \$445,207 (£288,104 )has been charged or accrued for There remains a commitment of \$152,875 (£98,928) to be paid to the contractor IFES is jointly liable for this with UCCF

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2011**

**16 RESTRICTED FUNDS**

FUND	Opening Balance At 1 Jan 2011 US\$	Incoming Resources US\$	Outgoing Resources US\$	Transfers US\$	Unrealised Losses/ Gains US\$	Closing Balance At 31 Dec 2011 US\$
Priority Funds	243,107	1,740,186	(2,398,971)	615,717		200,039
Provisional Funds	400,617	2,081,705	(788,135)	(1,305,816)		388,371
Transmission Funds	701,225	2,307,968	(2,095,210)	9,073		923,056
Property Fund	314,000			(314,000)		-
Indigenous fund development fund	570,363	-	(64,661)	(33,317)		472,385
Capital Revolving Fund	70,000					70,000
B Fund	46,572	-	(10,014)	(10,000)		26,558
Urbana restricted Fund	307,500	-	(29)	(147,979)		159,492
World Assembly	-	517,122	(561,408)	44,286		-
<b>TOTAL RESTRICTED FUNDS</b>	<b>2,653,384</b>	<b>6,646,981</b>	<b>(5,918,428)</b>	<b>(1,142,036)</b>	<b>-</b>	<b>2,239,901</b>

**NOTES TO THE ACCOUNTS**  
For the year ended 31 December 2011

**17 UNRESTRICTED FUNDS**

<b>FUND</b>	<b>Opening Balance At 1 Jan 2011</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers</b>	<b>Closing Balance At 31 Dec 2011</b>
	US\$	US\$	US\$	US\$	US\$
<b>Designated Funds:</b>					
Strategy Fund	43,038	-	-	(43,038)	-
Property Fund	43,038	-	-	1,518,087	1,518,087
				1,475,049	1,518,087
<b>Unrestricted Fund:</b>					
General Fund	94,920	1,104,063	(876,644)	(333,013)	(10,674)
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>137,958</b>	<b>1,104,063</b>	<b>(876,644)</b>	<b>1,142,036</b>	<b>1,507,413</b>

**Transfers between funds**

Transfers between funds are normally made to offset any deficit in a restricted fund that was not likely to be offset by income during 2011. Restricted funds that were applicable, i.e. that were restricted to a more general area, were used first. For example, surpluses in restricted funds for the work in Europe generally were used to offset any deficits in particular funds within that sub-region. If there were insufficient restricted funds for this purpose, General Funds were used to offset the deficit

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2011

### 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets US\$	Long term debtors US\$	Net Current Assets US\$	Long term Liabilities US\$	Total US\$
<b>Restricted Funds</b>					
Priority Funds			200,039		200,039
Provisional Funds			388,371		388,371
Transmission Funds			923,056		923,056
Urbana			159,492		159,492
Indigeneous Fund Dev Fund			472,385		472,385
Other funds		16,191	118,999	(38,632)	96,558
<b>TOTAL RESTRICTED FUNDS</b>	-	16,191	2,262,342	(38,632)	2,239,901
<b>Designated Funds</b>	2,825,913		(97,172)	(1,210,654)	1,518,087
<b>Unrestricted Funds</b>	602,788		(613,462)		(10,674)
	<u>3,428,701</u>	<u>16,191</u>	<u>1,551,708</u>	<u>(1,249,286)</u>	<u>3,747,314</u>

The following reimbursements for travel expenses were made to Trustees

	UK	Swiss	2011
Mr Pascal Ratovona	5,545		5,545
Ms Sheyla Ramos	1,038	1,602	2,640
Mr Augustine Pagolu	200	1,506	1,706
Mr Chong Chee Pang	1,333		1,333
Mr Sergei Timchenko	1,667		1,667
Mr Septi Bukula	1,769		1,769
Ms Josephine Romain	2,000	2,373	4,373
Mr Chris Collins	2,980		2,980
Ms Leah Genita	4,698		4,698
Ms Havila Jupudi	942		942
Mr Michel Kenmogne	1,565		1,565
Mr Jines Habash	1,055		1,055
	<u>24,792</u>	<u>5,481</u>	<u>30,273</u>

No other Trustees have received remuneration or have been reimbursed expenses by IFES.

### 19 RELATED PARTIES

IFES (UK) receives donations from a related Swiss registered Fellowship, IFES (Switzerland). Grants from IFES (Switzerland) are recorded as donations in IFES (UK). In 2011 the total amount from this source was \$389,733 (2010 \$143,910)

In 2011 it made grants to IFES (Switzerland) of \$561,408 (2010:\$32)

The transactions with IFES (Switzerland) resulted in a debtor being shown on the IFES (UK) balance sheet at 31 December 2011 of \$60,946 (2010 Debtor of \$12,252).

IFES (UK) lets a freehold property original cost £370,000 (\$563,399) to the General Secretary for a market rent

# NOTES TO THE ACCOUNTS

For the year ended 31 December 2011

<b>20 GRANTS TO ORGANISATIONS</b>	<b>Direct Grants</b>	<b>Other grants</b>	<b>2011 US\$</b>	<b>2010 US\$</b>
Albania	5,000	11,669	16,669	18,217
Australia	-	9,210	9,210	319
Belgium GBU	-	8,896	8,896	-
Bolivia	2,250	2,954	5,204	3,600
Bosnia	-	32,122	32,122	28,392
Botswana	-	39,528	39,528	33,509
Bulgaria	1,000	22,815	23,815	29,060
Canada (2)	-	36,075	36,075	43,563
Central Asia (4)	-	254,212	254,212	196,421
Croatia	3,500	5,083	8,583	8,580
East Africa (3)	7,200	48,426	55,626	61,820
East Asia (2)	-	31,701	31,701	48,581
EX/Eurasia region (7)	1,662	118,235	119,897	112,617
Europe	-	98,787	98,787	95,601
Fiji	3,500	1,985	5,485	4,000
France	-	14,089	14,089	17,142
Gambia	-	12,476	12,476	14,056
Germany	-	13,287	13,287	10,980
Ghana	-	24,898	24,898	29,493
Guatemala	-	8,800	8,800	7,641
Guyana	1,547	16,394	17,941	27,600
Haiti	20,000	1,680	21,680	15,000
Hungary	-	11,383	11,383	-
Jamaica	-	15,826	15,826	11,334
Japan	-	27,389	27,389	8,553
Kenya	-	54,629	54,629	28,636
Korea (South)	-	6,640	6,640	-
Lebanon	2,008	17,000	19,008	1,900
Macedonia	2,000	10,604	12,604	12,846
Malawi	-	12,550	12,550	14,000
Mexico	-	36,842	36,842	22,695
Middle East/ North Africa (7)	25,800	5,812	31,612	51,599
Moldova	-	22,445	22,445	73,471
New Zealand	-	99,998	99,998	107,308
Nigeria	-	96,989	96,989	95,907
Poland	-	22,650	22,650	30,341
Portugal	-	14,396	14,396	4,052
Romania	-	32,714	32,714	31,737
Russia	-	59,190	59,190	67,060
Serbia and Montenegro	1,000	34,634	35,634	39,879
Slovakia	-	5,948	5,948	6,880
Slovenia	1,000	4,850	5,850	36,100
South Africa	-	71,780	71,780	-
South Asia (4)	-	39,844	39,844	32,885
Spain	-	117,498	117,498	66,897
Switzerland (2)	-	24,894	24,894	24,090
Uganda	-	45,016	45,016	45,840
Ukraine	-	91,500	91,500	82,650
United Kingdom	-	85,208	85,208	123,365
United States	-	28,451	28,451	9,677
Grants to other organisations	9,425	71,187	80,612	228,853
Total grants to organisations	86,892	1,981,189	2,068,081	2,064,747

Direct grants are made from regional budgets to assist the work of the most fragile movements

Other grants are from restricted income and reflect the donor's intention to support a particular movement

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IFES (UK)**

We have audited the financial statements of IFES (UK) for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. 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 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 charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Robert Kirtland  
Senior Statutory Auditor

For and on behalf of Critchleys LLP, Statutory Auditor  
Oxford

3/7/2012

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The Company is limited by guarantee and does not have a share capital. The company's full name is International Fellowship of Evangelical Students, referred to herein as IFES (UK). Its registered company number is 876229 and registered charity number 247919. The Registered Office is 5 Blue Boar Street, Oxford Oxford, OX1 4EE.

**General Secretary:** Dr Daniel Bourdagné

**Chief Administrative Officer:** Mr Timothy Adams

### **Directors**

The Directors set out below, who also act as Trustees for the charitable activities of the company are:

Sr Dieter Brepohl (resigned 4<sup>th</sup> August 2011)  
Mr Øistein Garcia de Presno (Treasurer)  
Mr Septi Bukula  
Dr Choong Chee Pang  
Dr Chris Collins  
Dr Nishan de Mel (appointed 4<sup>th</sup> August 2011)  
Ms Leah Genita (resigned 4<sup>th</sup> August 2011)  
Mr Stefan Gustavsson  
Mr Jines Habash  
Mr Timothee Joset (appointed 4<sup>th</sup> August 2011)  
Ms Havila Jupudi (appointed 4<sup>th</sup> August 2011)  
Dr Michel Kenmogne (appointed 4<sup>th</sup> August 2011)  
Dr Augustine Pagolu (resigned 4<sup>th</sup> August 2011)  
Ms Sheyla Ramos  
Mr Pascal Ratovona (resigned 4<sup>th</sup> August 2011)  
Ms Josephine Romain  
Dr Glenn Smith (appointed 4<sup>th</sup> August 2011)  
Rev Gernot Spies  
Mr Sergei Timchenko  
Ms Muriel Wilson (died 6<sup>th</sup> June 2011)

The members of the Company appoint the Directors.

Members of the Finance Committee who served during the year are:

Sr Dieter Brepohl (Chair of the International Executive Committee)  
Mr Øistein Garcia de Presno (Committee Chair)  
Dr Daniel Bourdagné (General Secretary – ex-officio, non-voting)  
Mr John Kinder (appointed 4<sup>th</sup> August 2011)  
Mr Nils Masvie  
Mr Flemming Martinussen (resigned 4<sup>th</sup> August 2011)  
Mr Douglas Reynolds  
Mr Alan Smith  
Mr Simon Webley (resigned 4<sup>th</sup> August 2011)  
Mrs Beverley Joshua (Head of Finance – ex-officio, non-voting)  
Mr Timothy Adams (Chief Administrative Officer- ex-officio, non-voting)



## **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

### *Auditors*

Critchleys LLP  
Greyfriars Court  
Paradise Square  
OXFORD  
OX1 1BE