



INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS

ANNUAL ACCOUNTS 2016

Auditors

CROWE CLARK WHITEHILL LLP
Aquis House
49-51 Blagrove Street
READING
RG1 1PL

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 Su

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COMPANIES HOUSE

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 OX1 4EE.

BOARD AND FINANCE COMMITTEE

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

Mr Septi Bukula (Treasurer)
 Dr Chris Collins (Chair)
 Dr Nishan de Mel
 Mr David Edmund
 Mrs Renee Gibson
 Ms Valerie Goold
 Mrs Janat Nurbay Hetrick (resigned 16 June 2016)
 Rev Riad Kassis
 Dr Michel Kenmogne
 Mrs Mi Sook Lim
 Rev Samuel McCook
 Ms Esther Phua
 Mr Timothy Rudge
 Dr Glenn Smith
 Mr Vinicio J Zuquino Barrientos

The members of the company appoint the Directors.

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

Mr Septi Bukula (committee Chair)
 Mr Chris Collins (Chair of the IFES Board)
 Mrs Eleanor Ehresman
 Mr John Kinder
 Mr Simon Lau
 Mr Alan Smith
 Dr Daniel Bourdagné (General Secretary – ex-officio, non-voting)
 Mr Nick Addo (Chief Financial Officer – ex-officio, non-voting)
 Mr Timothy Adams (Associate General Secretary for Operations- ex-officio, non-voting)
 Mr Martin Haizmann (Associate General Secretary – ex-officio, non-voting)

OFFICERS

General Secretary:
 Associate General Secretary for Operations:
 Company Secretary:

Dr Daniel Bourdagné
 Mr Timothy Adams
 Mr Nicholas Addo

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

Crowe Clark Whitehill LLP
Aquis House
49-51 Blagrove Street
READING
RG1 1PL

REPORT OF THE TRUSTEES OF THE INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS

For the year ended 31 December 2016

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 2016.

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 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

OBJECTIVES AND ACTIVITIES

Mission Statement

IFES objects are to advance the Christian faith by:

- promoting, supporting and maintaining an international fellowship of national Christian student ministries (hereinafter referred to as “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. The Living Stones Vision 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, each of which has at its heart the aim of releasing student initiative.

- **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 lives beyond graduation
- **Building sustainable support** through growing local support 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

Every aspect of IFES life is undergirded by three core commitments: scripture engagement, community and prayer.

Public benefit

As stated above, the overall objective of IFES 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 the wake of Hurricane Matthew, the most powerful storm to hit the Caribbean region in a decade, students from around the region and beyond joined together to provide aid and support to those affected. Support was raised, especially for the GBEUH, the IFES national movement in Haiti. IFES General Secretary, Daniel Bourdagné, was able to visit GBEUH in November to encourage the students, staff and Board members of the movement.

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, 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.

STRATEGIC REPORT

Achievements and Performance

The IFES Living Stones vision is implemented through our network of independent national movements across 173 countries. This report describes how we have used the resources available to us in 2016 towards:

1. Communicating the good news
2. Pioneering new countries and new campuses
3. Strengthening leadership and formación
4. Supporting and strengthening national movements

1. COMMUNICATING THE GOOD NEWS

MISSION WEEKS

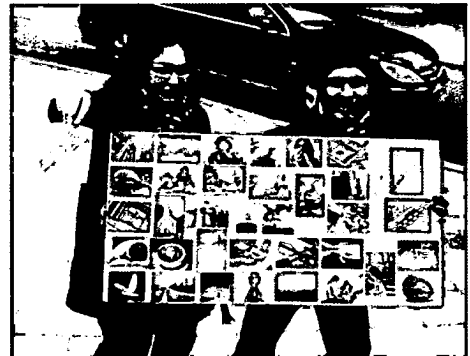
University mission weeks are a tried and tested way of drawing together the students on a campus and the local churches, and mobilising them for effective evangelistic outreach. In 2016 more than 150 university mission weeks were held in Europe and Eurasia. IFES supported many of these through our FEUER Network and through partnerships with Ravi Zacharias International Ministries and Veritas Forum. These mission weeks served as a catalyst to mobilise Christian students to witness on their campuses. Events ranged in size from 300 to more than 1,000 students.

The BCSU Bulgaria mission week in April is a special story. Focused on the topic "Who Will You Be?", this three-day event featured thought-provoking questions on identity led by BCSU students and students from universities in Varna, followed by invitations to attend meetings in the evening. Sevda, a student who helped with the event in April, was sceptical, but once she got involved in conversations with other students, her opinion changed:

"I can boldly say that this one of the best weeks I've had in BCSU. I felt the great joy of being a public witness for God. There were students who didn't want to hear about God at all, but there were many others who were very open about what we had to say. While I was talking with the students I understood how much I wanted them to be saved, something I cannot feel if I don't go out and talk to them."

Sevda, a student in Bulgaria

IFES students launch mission week outreaches on European campuses which have had no public proclamation of the gospel for years. Pictured below are mission outreach events in Malta (left) and Bulgaria (right).



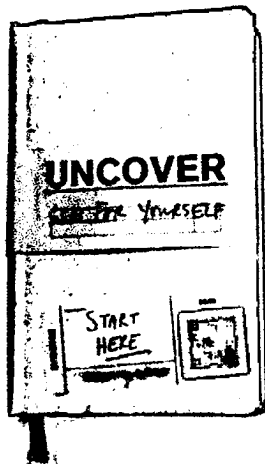
SHARING EVANGELISM RESOURCES

A growing base of good quality evangelism resources is making it possible for national movements to connect with larger numbers of students. The French Caribbean "I Love L.A." (I Love Luke-Acts) program was originally developed in France, and the UK Uncover program is being replicated in many other countries.

In the next two years, I Love L.A. will have reached more than 5,000 students through its guide for reading the Gospel of Luke and the book of Acts. Marc Pulvar, director of I Love L.A. and Associate Regional Secretary of the Caribbean Region, wants to see students fall in love with Scripture and share it with others:

"Our goal is to develop among students a stronger culture of scripture engagement that they will have not only as students, but as graduates and professionals. And that they will carry it and develop it in their local church culture, in their everyday life. To the point that they will invite their non-Christian friends to evangelistic Bible studies that they will themselves initiate."

Marc Pulvar, Associate Regional Secretary for the Caribbean



Uncover is an evangelism project designed by UCCF, the IFES member movement in Great Britain. IFES has partnered with UCCF to facilitate translation and sharing of this resource, and since 2011 over 260,000 Uncover gospels and 115,000 Uncover seeker Bible studies have been distributed in 20 languages. The focus on the gospels allows students to discover for themselves the person of Jesus and includes study questions and space for writing notes.

INNOVATION: INSPIRING EVANGELISM

The Inspiring Evangelism seed-grant program attracted creative evangelism ideas from students in 21 different national movements. Releasing student initiative for evangelism is a high priority and grants were prioritized for programs that had potential to be sustainable, relevant in their contexts, and replicable by other movements. Three creative projects included:

- Students in Gambia noticed the growing popularity of indigenous Senegambian music and worked together to write and create Christian music in this form for local radio in their majority Muslim context.
- Students in Ethiopia are prohibited from talking about the gospel on campus. IFES students provided information packs that assisted students to share their faith with friends on campus during large birthday parties that are authorized.
- A cultural exchange was established in Ukraine between Christian students from the west of the country and seekers from the east. Students invite each other to stay together in their home areas.

2. PIONEERING STUDENT MINISTRY IN 31 NEW COUNTRIES

Today, 31 countries around the world are in one of the eight stages of IFES ministry pioneering. Two highlights of our 2016 pioneering projects include Timor Leste in East Asia and countries in the Middle East and North Africa (MENA) region.



Leaders from FES Malaysia en-route to Timor Leste

IFES has been enthusiastically exploring pioneering in Timor Leste, Asia's youngest nation, since 2011. With regular trips by IFES staff, as well as national movement staff and students from Malaysia and Singapore, we have built solid relationships on the ground. In late 2015, FES, the IFES movement in Malaysia was invited by the church in Timor Leste to send two staff to pioneer student ministry. These two staff have now completed their first year in Timor Leste, and have begun to make strong connections with local students.

Pioneering in the MENA region took a very significant step forward in 2016. A successful regional consultation on Islam increased interest and raised support for new staff to engage in

pioneering ministry in the region. We currently have affiliated ministry in 10 MENA countries and now there is advanced pioneering in all nine remaining countries.

We are also seeing positive developments in the capital city of a sensitive country that has experienced much turmoil and conflict. After years of ministry only in the north of the country, we are praying for opportunities for ministry in the south. The number of Christian students is small since many have left to seek refuge in safer countries, but among the students who attended a recent training there was a Muslim student who was eager to learn about the Bible: "You answered many, many of my questions, especially about the Bible. I will start a comparative study in the next year between the Qur'an and the Bible." Our staff person responded, "I'll be happy to help."

3. STRENGTHENING LEADERSHIP AND FORMACIÓN

In 2016 we launched the Global Leadership Initiative through which we hope to invest in the next generation of student ministry leaders for IFES. The two main aims of this program are firstly to provide a learning experience that gives exposure to the international IFES community, and secondly to develop life-long learners, equipped for gospel leadership in a global context. From 140 applications, we selected 20 people to participate in this 18-month program. The program was launched with a first training conference in Oxford, UK from 29 November to 5 December 2016.

In addition to the Global Leadership Initiative, over 40 regional leadership development events were hosted by IFES regions in 2016, providing a significant increase in access to training for thousands of student

leaders, national movement staff and board members, as well as regional teams on topics such as outreach and discipleship, management and governance.

Our long-term vision is to grow students into lifelong disciples of Christ and to release leaders of integrity and vision from all 11 regions of the world into a wide range of vocations. We build on the concept of formación, growing the whole person at every level (physical, emotional, intellectual and spiritual) and provide experiences and opportunities that will shape their leadership 10, 20 and 30 years into the future, in whatever contexts they find themselves.



The Caribbean region leadership training program is called CASET. It ran from 29 March to 3 April 2016 in Trinidad. A total of 80 participants attended from 16 countries. This included 40 staff from national movements, 25 student leaders and 15 volunteers, resource personnel and supporters.

In Eurasia, we held a two-week training institute for all staff in the region. Among the 12 Eurasian countries, significant regional conflict created a need to address reconciliation as part of our leadership development for staff

and students. The June 2016 Eurasia staff institute incorporated additional days for this purpose. Coming from Ukraine, Tina attended the student Formación conference and not only grew in her understanding of leadership, but also in connecting with others across borders:

"I have never experienced such richness, beauty and diversity of cultures in one place... when students from Russia and Ukraine, [and two other countries currently at war with each other] were saying goodbyes to each other. Only Jesus makes it possible for us to love and accept each other, no matter what political tensions our countries are enduring at the moment."

Tina, CCX Ukraine student after the Eurasia Formación event

4. SUPPORTING AND STRENGTHENING NATIONAL MOVEMENTS

In 2016, IFES regional teams, International Services and the global ministries of Indigenous Support Development, Governance Training, Scripture Engagement and Ministry Impact delivered their greatest impact to-date in supporting and strengthening national student movements.

REGIONAL STAFF TEAMS

During the year in each of the 11 IFES regions, the regional staff teams coached and mentored hundreds of emerging leaders; provided pastoral care; trained thousands of students and staff through more than 40 regional conferences, consultations and forums; and led pioneering efforts in 30 countries.

In Europe, in addition to the regional staff team, we also run a program called IFES InterAction which facilitates short-term and long-term cross cultural mission opportunities. In 2016 IFES InterAction had 60 workers in 23 cities in 17 European countries. These workers came mostly from the USA (24) and UK (20), as well as several Australians (5). Others were from Norway, the Netherlands, Portugal, New Zealand, Italy, Germany and Albania.

INTERNATIONAL SERVICES

At the time of writing the last Trustees Report we were in the process of establishing IFES Asia, a fully-owned subsidiary of IFES based in Malaysia. On 1 March 2016, we opened a new office in Kuala Lumpur, Malaysia which currently houses a new IT development team with the goal of strengthening communications between national movements through use of the internet and shared systems. This office is led by Mr Nick Goh who began work as the first IFES Chief Information Officer in February 2016.

The Asia office is working with our existing office to develop our web presence, assist in global fund development, provide resources such as prayer guides and prayer profiles, support financial reporting and host the annual World Student Day which unites our global movement – students, staff, and supporters – to celebrate all that God is doing through IFES and to pray for one another. In October, students from all over the world posted online 70 videos sharing their prayer requests.

2016 also saw the launch of our new brand identity which included a new logo as well as agreed brand language. This has now been implemented in all internal and external publications, on the website and in social media.

GLOBAL MINISTRIES

Our global ministries are seeing great success in enabling national movements to be strong in areas of scripture engagement, support development, forward-looking governance and measurement of ministry impact. A healthy, outward-focused national movement is better able to live out the shared IFES vision for reaching more students.



IFES Senior Staff Team meeting in Germany in June 2016

INDIGENOUS SUPPORT DEVELOPMENT

Indigenous Support Development training strengthens a national movement's capabilities for building local financial support. In April 2016, 20 participants from nine countries attended the West Africa Sub-Regional Consultation for Indigenous Support Development in Abidjan, Côte d'Ivoire. The IFES Regional Secretary for Francophone Africa writes, "The impact upon participants was instant! One of the participants recruited three new partners the following week with clear commitments to ministry support!"

This story is also being repeated in Latin America, English- and Portuguese-Speaking Africa and Eurasia with the addition of coaching for seven more national movements. The Francophone Africa region has added a full-time staff person to sustain the momentum.

While helping national movements to expand their local fundraising and become more self-sustaining, it also enables them to grow their links with the local church.

GOVERNANCE DEVELOPMENT

Since 2012, our team of twenty governance trainers have equipped more than 110 national movement boards to deliver good governance practice, far exceeding our target of 60. In 2016, we launched phase two

of the governance program which will incorporate ongoing governance coaching for the specific contexts of each national board.

"This training perfectly answered the questions we had been facing as a board. It is a great tool, was brilliantly brought to us and we are grateful to God for this work on governance made available."

Board member, GBU Portugal

We know that good governance is one of the most important foundations upon which healthy, growing national student movements are sustained, and we are encouraged by the high levels of national movement participation.

SCRIPTURE ENGAGEMENT

From our foundation in 1947, we have been passionately committed to student ministry that takes God's Word seriously. Since the multi-lingual scripture engagement booklet, *The Word Among Us*, was introduced at World Assembly in Mexico in 2015, a total of 9,000 booklets have been used in ministry. Since then, regions have begun sharing their best conference outlines and scripture engagement resources.

Sarah, a chemistry and physics student in Mexico, encountered Jesus through Compa Mexico's dedication to scripture engagement:

"I'm a scientific person. I want to be sure of something before I believe in it. If somebody had shown me a miracle, I don't think that I would have believed. But I love to read; I love words. Jesus came into my life through his Word. I discovered that all the evidence necessary to believe in Jesus is there in the Bible, the Word of God."

Sarah, a student in Mexico

MINISTRY IMPACT

With broad input from the Fellowship, in 2016 the Ministry Impact task force defined the indicators and metrics that our national movements see as crucial for tracking effectiveness. New tools for tracking ministry impact have been translated into five languages. The Ministry Impact initiative will ensure that each national movement can assess their ministries and work strategically towards achieving their goals. The team is working with our Malaysian office to develop a database and reporting tool which can be used by national movements, as well as providing data and reports at a regional and international level. They have also completed a training resource to help national movement staff understand how metrics can support good decision making and fruitful ministry. This training course will be tested in March 2017 in the Eurasia region.

PLANS FOR THE FUTURE

2017 will see us continue to focus on the priorities mentioned in this report: communicating the good news, pioneering in new countries and new campuses, strengthening leadership and formación, and supporting and strengthening national movement. In addition, we intend to focus on the following.

Prayer and Generosity

Daniel Bourdagné, IFES General Secretary benefitted from a sabbatical in the first part of 2016 and returned with a call to IFES to deepen our understanding and practice of prayer and generosity. His goal is to gather together a small group in the last quarter of 2017 to explore how to embed these priorities within IFES movements.

Global Leadership Initiative

The second of three Global Leadership Initiative training events will be held in Ghana in June 2017. In addition to the training events, the participants have been assigned mentors who will help them to develop skills for leadership in the context of an inter-cultural, international organisation such as IFES.

Ministry Metrics – Ministry Impact

In 2017 we plan to launch a database and reporting tool and a training program linked to this. The goal is to help national movements track the impact of their ministry over time and enable them to make better informed strategy decisions.

Living Stones – beyond 2020

Our Living Stones vision framework was designed to guide our planning until 2020. In 2017 we will continue a formal evaluation of Living Stones and begin a process of consultation with our key stakeholders (national movements, staff, board members and external partners) so that we are able to present a renewed vision framework and plan to the World Assembly in 2019.

Engaging the University

IFES has been awarded a grant from the Templeton Foundation in the USA for a project on engaging the university which will be taken forward in 2017. The intention is to make available high quality resources that will help students and professors of different academic disciplines think through what the Bible says about their fields of study. Initially the project will focus on identifying what resources already exist, with a view to filling gaps by producing study guides.

RISK MANAGEMENT, PRINCIPAL RISKS AND UNCERTAINTIES

Formal responsibility for the management of risk has been delegated to the Finance Committee. This committee reviewed the formal risk register in April 2016 and at their request an external firm of accountants was appointed to undertake an independent risk assessment, review relevant policy and procedure documents, and verify actual practice where possible. Their initial report identified four areas for improvement as follows:

- Increased awareness of compliance policies and procedures
- Enhanced financial accountability of national movements
- Building oversight processes within regional offices
- Communication of key compliance policies throughout the movement

The senior management is expected to report to the Finance Committee in April 2017 on progress already made in these areas, with an action plan for 2017 to ensure the changes are embedded in the operational culture of IFES at all levels.

Many of the major risks identified in the risk register remain relevant, such as failure of governance leading to a loss of focus and/or non-achievement of the Living Stones vision, travel risks, adverse publicity that could discredit the organisation, and failure of ICT systems, including a heightened risk of hacking.

As an organisation which is entirely funded by voluntary giving and which operates globally, we face ongoing challenges including over-reliance on a small number of large donors from one country, currency rate movements, the risk of cyber fraud, and the potential impact on our work of volatile political situations.

As trustees, our overall assessment is that adequate control measures are in place for all known risks and that proactive monitoring by senior managers is sufficient to ensure that any major new risks are identified and included in our risk register.

PAY POLICY FOR SENIOR MANAGEMENT

The IFES board of directors, who are also the trustees, and the IFES senior staff team comprise the key management personnel in charge of directing, controlling and running the operations of IFES (UK). All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 21 to the accounts.

The pay of the staff team is reviewed annually and normally increased in line with UK inflation. Given both the global spread of IFES staff and the university focus of our work, the directors take into account remuneration packages of local IFES national movements, university lecturers and NGOs of similar size when determining pay packages for senior regional and international staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company's governing document is its Articles of Association. The Articles of Association were amended in June 2016 to reflect changes agreed in the objects and terminology of the Constitution of IFES (Switzerland) at the World Assembly in 2015. On appointment, members of IFES (UK) must signify in writing their agreement with the doctrinal basis of the company.

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. The ministry in 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 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 payment 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 partnership grants as the national movement becomes better established and more financially self-sufficient.

APPOINTMENT, INDUCTION AND TRAINING OF TRUSTEES

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

- The members of the Board of IFES (Switzerland) are elected by the IFES International General Committee following regional nominations. Nominations are received from each region and the Nominating Committee, a sub-committee of the Board, recommends a candidate from each region giving regard to background, gender, age and skills in order to achieve the required skills mix. New members of the Board are also appointed as Directors of IFES (UK). The aim is to have representation on the Board from theologians, business people, and people involved in student ministry. Each member of the Board serves a four-year term which may be renewed for a second term.
- Orientation is given to new trustees with a general overview of the Fellowship by the Associate General Secretary (Operations), a financial overview by the Chief Financial Officer, and a general introduction to the Board of IFES (UK) by the Chair and the General Secretary. They also receive specific training on the role and responsibilities of trustees of a UK charity.
- New trustees are provided with key documents including the Articles of Association of IFES (UK) and the policies and procedures of the Fellowship. Trustees are encouraged to participate in IFES events in the region they represent. There is a regular update at each Board meeting on any developments in UK charity law that they should be aware of. 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. Its principal contact address is 4 Avenue de Provence, 1007 Lausanne, Switzerland.

Transactions between IFES (UK) and IFES (Switzerland) during 2016 have been reflected in the notes to the accounts (2015 – none).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of IFES (UK) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group 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 2016 are set out in the accounts on pages 18 – 34.

Total incoming resources (income) for the year reduced marginally from approximately US \$7.79 million in 2015 to US \$7.54 million in 2016. While income from charitable activities went down by US \$413,000 compared to 2015 when we had the World Assembly, donation income went up by US \$206,000, partially offsetting the fall in charitable activities income. The stability we have enjoyed in the last few years has given us the cushion to accelerate work on various mission fronts including the establishment of the new office in

Malaysia. Expenditure, however, dropped overall by approximately 8%. This is due primarily to the weaker pound pushing down operational costs in the UK and the distorting impact of the World Assembly in the 2015 figures.

The Fellowship makes grant payments through national movements' 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 US \$1,645,125. IFES makes these grants on a request basis 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 operates a defined contribution pension scheme for its staff in the UK and a retirement savings plan for its overseas staff. The UK scheme is an approved scheme with Royal London and is open to employees who are subject to UK tax. The overseas scheme is a savings plan set up for overseas staff of member agencies of Global Connections. Funds in the overseas scheme are managed by Zurich International. Pension costs charged in the Statement of Financial Activities represent the total contributions payable by the Fellowship in the year.

THANKS TO ALL OUR PARTNERS

IFES would like to express our deepest gratitude for every gift received in 2016. We are thankful for all who supported IFES ministry with prayer, volunteering or finances throughout the year.

We would like to thank trusts and foundations who, identifying the strategic nature of student ministry, awarded capacity-building, project-specific and general operating grants of up to \$1,000,000 in the reporting period. In addition, supporting churches have given generously to specific staff, national movements and projects; without the money, personnel and prayer that these partnerships represent, our work would be impossible. Finally, we acknowledge the incredible supporter base we have across the globe: individuals who see what God is doing through this ministry and regularly pray and give towards the work. Since we are unable to meet everyone face-to-face, we take this opportunity to say thank you in this report.

Under the terms of their grant, we specifically acknowledge a gift from the Evangelical-Lutheran Church of Wuertemberg (Germany) of €10,000 (US \$10,627) towards student ministry in Europe.

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 free reserves to be between 10% and 25% of the annual operational budget. The 2017 budget for IFES would require a free reserves figure between US \$394,000 and US \$985,000. At the end of 2016, the general fund had a balance of US \$1,195,194. Additionally, there were general funds held in IFES (Switzerland) of US \$608,124 and a designated property fund of US \$1,527,705 giving total unrestricted funds across the Fellowship of US \$3,331,023.

The majority of these unrestricted funds are in the form of tangible fixed assets, including our registered office. The value of tangible fixed assets in IFES (UK) and IFES (Switzerland) totals US \$3,182,084. This means that the available free reserves of IFES are US \$148,939. The Board and senior management have taken advice on this matter and are working on a revised reserves policy which will reference free reserves.

INVESTMENTS

The IFES Finance Committee has agreed an investment strategy which is reviewed annually to ensure that funds are managed wisely and with regard to good stewardship. The investment policy states that IFES will avoid investing in companies about which we have ethical concerns such as armaments, tobacco, gambling and alcohol.

The charity holds funds in the following institutions: US Bank, Natwest, Barclays Bank Plc, Scottish Widows, Santander, 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

The auditors, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

The Trustees Report and the Strategic report have been approved

BY ORDER OF THE BOARD



CHRIS COLLINS
Chair of the Board

5 Blue Boar Street, Oxford OX1 4EE

Date: 9 June 2017



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IFES UK

We have audited the financial statements of IFES UK for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes set out on pages 21 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable 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 charitable 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 charitable 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 trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose 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 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 Strategic report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and the charitable company's affairs as at 31 December 2016 and of the group's 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 based on the work undertaken in the course of our audit

- the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report and Strategic report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IFES UK

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the trustees' annual report.

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:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company 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.

A handwritten signature in black ink, appearing to read 'Alastair Lyon'.

Alastair Lyon
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

19 June 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)
For the year ended 31 December 2016

	Note	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2016 US\$	Total 2015 US\$
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	1,435,879	5,730,502	7,166,381	6,959,938
Fundraising and other trading activities		52,945	9,000	61,945	69,846
Investments			3,295	3,295	2,772
Charitable activities	3	-	282,173	282,173	694,933
Other sources			27,712	27,712	66,900
TOTAL		1,488,824	6,052,682	7,541,506	7,794,389
EXPENDITURE ON:					
Raising funds	5	371,071	-	371,071	397,400
Charitable activities					
Student ministry	4	1,341,042	4,974,491	6,315,533	6,876,707
TOTAL	9	1,712,113	4,974,491	6,686,604	7,274,107
Net income/(expenditure)					
Before transfers		(223,289)	1,078,191	854,902	520,282
Transfers between funds	18,19	548,840	(548,840)	-	-
Net movement in funds		325,551	529,351	854,902	520,282
Balances brought forward at 1 January		2,397,348	4,041,771	6,439,119	5,918,837
Balances carried forward at 31 December	18,19	2,722,899	4,571,122	7,294,021	6,439,119

A breakdown by fund type of the 2015 figures is provided under note 10.

The company has no recognised gains or losses other than those shown on this page.
The notes on pages 21 to 34 form part of these accounts.

BALANCE SHEET

As at 31 December 2016

Company number: 876229

		Group		Charity	
		2016 US\$	2015 US\$	2016 US\$	2015 US\$
FIXED ASSETS					
Tangible assets	12	3,148,260	3,233,179	3,138,847	3,233,179
Investments	13	-	-	1	-
		<u>3,148,260</u>	<u>3,233,179</u>	<u>3,138,848</u>	<u>3,233,179</u>
Debtors: Amounts falling due after one year	14	<u>144,825</u>	<u>40,836</u>	<u>144,825</u>	<u>40,836</u>
CURRENT ASSETS					
Debtors	14	1,197,394	1,164,257	1,290,181	1,164,257
Cash at bank		<u>3,155,869</u>	<u>2,311,095</u>	<u>3,069,943</u>	<u>2,311,095</u>
		<u>4,353,263</u>	<u>3,475,352</u>	<u>4,360,124</u>	<u>3,475,352</u>
CREDITORS					
Amounts falling due within one year	15	<u>(291,017)</u>	<u>(232,840)</u>	<u>(288,467)</u>	<u>(232,840)</u>
NET CURRENT ASSETS		<u>4,062,246</u>	<u>3,242,512</u>	<u>4,071,657</u>	<u>3,242,512</u>
Total assets less current liabilities		<u>7,355,331</u>	<u>6,516,527</u>	<u>7,355,330</u>	<u>6,516,527</u>
Creditors: Amounts falling due after one year	16	(61,310)	(77,409)	(61,310)	(77,409)
NET ASSETS		<u><u>7,294,021</u></u>	<u><u>6,439,118</u></u>	<u><u>7,294,020</u></u>	<u><u>6,439,118</u></u>
FUNDS					
Restricted funds	18	4,571,122	4,041,771	4,571,121	4,041,771
Unrestricted funds	19	2,722,899	2,397,347	2,722,899	2,397,347
		<u><u>7,294,021</u></u>	<u><u>6,439,118</u></u>	<u><u>7,294,020</u></u>	<u><u>6,439,118</u></u>

Approved by the Board of Directors on 9 June 2017 and signed on its behalf by:



CHRIS COLLINS

Director

The notes on pages 21 to 34 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	2016 US\$	2016 US\$	2015 US\$
Cash flows from operating activities:			
Net movement in funds		854,902	520,282
Decrease/(increase) in debtors		(31,988)	180,846
Increase/(decrease) in creditors		58,202	62,516
Gain on disposal of fixed assets		(220)	-
Depreciation		116,000	116,736
Investment income		(3,295)	(2,772)
Revaluation and exchange (gains)/loss		(10,353)	(36,421)
Net cash provided by operating activities		983,248	841,187
Cash flows from investing activities			
Interest and other investment income received	3,295		2,772
Proceeds of disposal	3,614		-
Purchase of tangible fixed assets	(34,475)		(33,709)
Net cash (used in) investing activities		(27,566)	(30,937)
Cash flows from financing activities			
New capital revolving fund loan made	(130,247)		(15,000)
Repayments of capital revolving staff loans	19,478		42,142
Repayment of loans	(139)		(965,141)
Net cash (used in) financing activities		(110,908)	(937,999)
Change in cash and cash equivalents in the year		844,774	(127,749)
Movement in cash and cash equivalents		2016 US\$	2015 US\$
Increase/ (decrease) in cash in the year		844,774	(127,749)
Cash and cash equivalents at 1 January		2,311,095	2,438,844
Cash and cash equivalents at 31 December		3,155,869	2,311,095
Analysis of cash and cash equivalents		2016 US\$	2015 US\$
Cash in hand		91,872	45,939
Notice deposits (less than 3 months)		2,777,097	1,976,867
Other currency holdings		286,900	288,289
Net Cash		3,155,869	2,311,095

The notes on pages 21 to 34 form part of these accounts.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

(b) BASIS OF CONSOLIDATION

The consolidated accounts include the trading activities, assets and liabilities of the group's subsidiary company in accordance with the Charity SORP. Intra-group transactions have been eliminated on consolidation. The subsidiary company was incorporated on 20 January 2016, as such the results for 2015 are for the charity only. No separate SOFA or income and expenditure account have been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

IFES UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(c) 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.

(d) GOING CONCERN

Having reviewed the funding facilities available to the Group together with the Group's future projected cash flows, the trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(e) INCOME

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.

(f) 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.

(g) 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 10-25% per annum. Leasehold improvements are capitalised where the value of the asset is over \$750, and other fixed assets are capitalised if the value is over \$150.

NOTES TO THE ACCOUNTS**For the year ended 31 December 2016****(h) DISPOSAL OF FIXED ASSETS**

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

(i) FINANCIAL INSTRUMENTS

The charity holds only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at fair value. Note 21 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to debtor balances excluding prepayments, and financial liabilities referring to all creditors excluding deferred income and social security and other taxes.

(j) EXPENDITURE

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

(k) PENSIONS

The Fellowship uses two defined contribution pension schemes. For employees who are subject to UK tax, contributions are made to a scheme run by Royal London. For overseas employees it is part of a group arrangement under the trusteeship of Global Connections and run by Zurich International Life Ltd.

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

(l) 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.

(m) RAISING FUNDS

Raising funds expenditure comprises 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.

(n) 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 overheads.

(o) SIGNIFICANT JUDGEMENTS AND ESTIMATES

The trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

(p) INVESTMENTS

Unlisted investments are carried at historic cost.

NOTES TO THE ACCOUNTS**For the year ended 31 December 2016****(q) 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:

(i) Restricted Funds

National movement funds. The national movement funds comprise the unexpended balances of donations held to be applied for national movements. A charge for the costs associated with administration is levied on the intended recipients each year.

Project funds. The activities undertaken from project 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.

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

Capital revolving fund. This relates to money designated for the use of making loans to IFES staff.

Urbana fund. This relates to offerings received from the Urbana Conference held every four years.

(ii) Unrestricted Funds

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 donations received for it less the revenue expenditure and depreciation on the building.

2 INCOME - DONATIONS AND LEGACIES

Income analysis by country of donor	2016 US\$	2015 US\$
United States of America	4,458,315	3,864,792
United Kingdom	1,391,228	1,637,327
Canada	735,443	510,845
Switzerland	12,239	179,677
Germany	238,733	385,507
Norway	112,232	146,830
Australia	21,358	56,155
Singapore	7,459	15,982
Denmark	24,445	28,537
Republic of Ireland	16,395	21,560
Netherlands	40,106	28,302
Other	108,428	84,424
	<u>7,166,381</u>	<u>6,959,938</u>

Legacies received in the year amounted to \$117,823 (2015: \$86,018).

3 INCOME FROM CHARITABLE ACTIVITIES

	2016 US\$	2015 US\$
World Assembly	496	557,405
IFES Interaction fees	28,421	32,498
Other event fees	253,256	105,030
	<u>282,173</u>	<u>694,933</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2016 US\$	Total Funds 2015 US\$
4 CHARITABLE ACTIVITIES EXPENDITURE				
English and Portuguese-Speaking Africa	-	480,592	480,592	453,458
Francophone Africa	-	401,351	401,351	236,063
Europe	-	1,261,848	1,261,848	1,202,819
Eurasia	-	754,232	754,232	702,752
Middle East and North Africa	-	478,822	478,822	385,069
Latin America	-	244,030	244,030	248,747
Caribbean	-	191,695	191,695	135,919
South Asia	-	85,571	85,571	192,596
East Asia	-	128,208	128,208	155,303
South Pacific	-	128,410	128,410	215,177
North America	-	64,491	64,491	42,538
International Ministries	442,461	755,241	1,197,702	1,967,146
Support costs	898,581	-	898,581	939,120
	1,341,042	4,974,491	6,315,533	6,876,706

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 \$230,824 (2015: \$189,583). Support costs were also recharged to International Ministries of \$110,411 (2015: \$109,999). 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.

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2016 US\$	Total Funds 2015 US\$
5 RAISING FUNDS EXPENDITURE				
Staff costs	82,634	-	82,634	100,261
Supporter raising	10,120	-	10,120	8,468
Appeals & portfolio	11,555	-	11,555	8,262
Prayer materials	28,920	-	28,920	35,398
Miscellaneous expenses	3,699	-	3,699	3,420
Support costs apportioned - notes 7 & 8	234,143	-	234,143	241,592
	371,071	-	371,071	397,400

6 GOVERNANCE COSTS

	2016 US\$	2015 US\$
External audit	19,800	20,374
Committee costs	27,946	45,809
	47,746	66,183

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

7 ANALYSIS OF SUPPORT COSTS FOR APPORTIONMENT

	2016 US\$	2015 US\$
Finance		
Staff costs	210,113	221,662
Bank charges	16,222	16,976
Other finance costs	28,140	30,527
	<u>254,475</u>	<u>269,165</u>
General Management		
Staff costs	135,299	262,797
Maintenance/cleaning	47,849	42,700
Stationery & photocopy costs	1,672	2,185
Postage	2,697	4,447
Telephone/fax	4,284	5,961
Insurance	6,478	450
Legal fees and subscriptions (incl VAT)	7,840	11,572
Mortgage interest	-	15,587
Other office expenditure	18,620	4,337
Depreciation	106,437	116,733
	<u>331,176</u>	<u>466,769</u>
Facilities	19,780	23,488
Exchange loss	152,016	19,698
	<u>502,972</u>	<u>509,955</u>
Information Technology		
Staff costs	19,876	23,639
Support contracts and licenses	18,770	15,641
Equipment and other costs	8,640	10,267
	<u>47,286</u>	<u>49,547</u>
Human Resources		
Staff costs	73,571	77,898
Recruitment costs	8,459	413
Other costs	6,831	10,375
	<u>88,861</u>	<u>88,686</u>
Communications		
Staff costs	192,542	188,947
Other costs	46,588	74,412
	<u>239,130</u>	<u>263,359</u>
TOTAL FOR APPORTIONMENT	<u>1,132,724</u>	<u>1,180,712</u>

8 BASIS OF APPORTIONMENT

Support Cost	Fundraising US\$	2016 Student ministry US\$	Total US\$	Fundraising US\$	2015 Student Ministry US\$	Total US\$	Basis of allocation
Finance	16,091	238,384	254,475	11,170	257,995	269,165	No. staff globally
General management	165,588	165,588	331,176	186,427	280,342	466,769	No. office staff
IT	23,643	23,643	47,286	19,789	29,758	49,547	No. office staff
Human resources	5,619	83,242	88,861	3,680	85,006	88,686	No. staff globally
Communications	15,120	224,010	239,130	10,929	252,430	263,359	No. staff globally
Facilities	8,082	11,698	19,780	9,597	13,891	23,488	Floor area
Exchange (gain)/loss	-	152,016	152,016	-	19,698	19,698	No. currency transfe
	<u>234,143</u>	<u>898,581</u>	<u>1,132,724</u>	<u>241,592</u>	<u>939,120</u>	<u>1,180,712</u>	

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

9 TOTAL EXPENDITURE

	Regional Operations & Salaries	Strategic Priorities	Firm Foundations Core Objects	Grants	Total 2016	Total 2015
	US\$	US\$	US\$	US\$	US\$	US\$
Student Ministries						
English and Port.-Speaking Africa	124,190	118,792	43,758	193,852	480,592	453,458
Francophone Africa	110,997	205,431	67,842	17,081	401,351	236,063
Europe	484,273	196,608	3,285	577,682	1,261,848	1,202,819
Eurasia	232,074	119,763	892	401,503	754,232	702,752
Middle East and North Africa	224,171	236,725	2,019	15,907	478,822	385,069
Latin America	116,987	27,267	14,915	84,861	244,030	248,747
Caribbean	84,193	47,960	13,299	46,243	191,695	135,919
South Asia	12,492	18,121	5,614	49,344	85,571	192,596
East Asia	2,107	12,000	6,006	108,095	128,208	155,303
South Pacific	-	-	4,824	123,586	128,410	215,177
North America	-	-	-	64,491	64,491	42,538
International Ministries	665,597	264,962	267,143	-	1,197,702	1,967,146
Other support costs	341,235	206,961	71,263	279,122	898,581	939,120
Fundraising	141,195	85,360	29,392	115,124	371,071	397,400
	2,539,511	1,539,950	530,252	2,076,891	6,686,604	7,274,107

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.

9 TOTAL RESOURCES EXPENDED (CONT)**Regional Operations & Salaries:**

	2016 US\$	2015 US\$
Staff costs	1,532,684	1,292,399
Other operating costs	524,397	680,239
Fundraising and apportioned support costs (notes 7 & 8)	482,430	444,031
	2,539,511	2,416,669

Strategic Priorities:

Communicating the Good News	336,986	219,189
Leadership and Formacion	733,590	259,087
Student Graduate integration	15,710	2,108
Indigeneous Support Development	73,656	101,818
Engaging the University	63,495	72,646
Global Issues	24,192	65,480
Fundraising and apportioned support costs (notes 7 & 8)	292,321	162,142
	1,539,950	882,470

Other:

Firm Foundations	370,517	251,352
Core Commitments	59,080	932,752
Fundraising and apportioned support costs (notes 7 & 8)	100,655	266,536
	530,252	1,450,640

Grants to national student ministries - note 23	1,645,125	2,013,110
IFES Interaction	37,520	47,407
Fundraising and apportioned support costs (notes 7 & 8)	394,246	463,811
	2,076,891	2,524,328

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

10 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2015 US\$
INCOME AND ENDOWMENT FROM:			
Donations and legacies	1,747,920	5,212,018	6,959,938
Fundraising and other trading activities	61,657	8,189	69,846
Investment	219	2,553	2,772
Charitable activities	-	694,933	694,933
Other sources		66,900	66,900
TOTAL	1,809,796	5,984,593	7,794,389
EXPENDITURE ON:			
Raising funds	397,400	-	397,400
Charitable activities			
Student ministry	1,595,832	5,280,875	6,876,707
Total	1,993,232	5,280,875	7,274,107
Net income/(expenditure)			
Before transfers	(183,436)	703,718	520,282
Transfers between funds	556,973	(556,973)	-
Net movement in funds	373,537	146,745	520,282
Balances brought forward at 1 January	2,023,811	3,895,026	5,918,837
Balances carried forward at 31 December	2,397,348	4,041,771	6,439,119

11 INFORMATION REGARDING EMPLOYEES

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

	2016 US\$	2015 US\$
Wages and salaries	1,913,790	1,972,773
Social security costs	106,010	105,455
Pension costs	171,824	185,112
Other staff costs	55,095	108,639
	2,246,719	2,371,979

No employee earned \$80,958 (£60,000) per year or more (2015: none).

The average number of employees during the year, analysed by function, was:

	2016	2015
Student ministries	37	40
Communications	6	3
Supporter relations	3	2
Senior management	6	5
Other management and administration	17	14
	69	64

Total remuneration for senior management in the year was \$384,577 (2015 - \$345,932).

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

12 TANGIBLE FIXED ASSETS

Group	Leasehold Property US\$	Freehold Property US\$	Leasehold Improvements US\$	Computers US\$	Office Furniture & Equipment US\$	Total US\$
Cost						
At 1 January 2016	2,758,789	563,399	88,793	249,412	130,246	3,790,639
Additions during year	-	-	-	31,129	3,346	34,475
Disposals during year	-	-	-	(10,017)	(3,270)	(13,287)
At 31 December 2016	<u>2,758,789</u>	<u>563,399</u>	<u>88,793</u>	<u>270,524</u>	<u>130,322</u>	<u>3,811,827</u>
Depreciation						
At 1 January 2016	221,063	51,528	43,166	173,019	68,684	557,460
Charge during year	44,213	8,588	8,641	42,651	11,907	116,000
Disposals during year	-	-	-	(6,623)	(3,270)	(9,893)
At 31 December 2016	<u>265,276</u>	<u>60,116</u>	<u>51,807</u>	<u>209,047</u>	<u>77,321</u>	<u>663,567</u>
Net book values						
At 31 December 2016	<u>2,493,513</u>	<u>503,283</u>	<u>36,986</u>	<u>61,477</u>	<u>53,001</u>	<u>3,148,260</u>
At 1 January 2016	<u>2,537,726</u>	<u>511,871</u>	<u>45,627</u>	<u>76,393</u>	<u>61,562</u>	<u>3,233,179</u>

Charity	Leasehold Property US\$	Freehold Property US\$	Leasehold Improvements US\$	Computers US\$	Office Furniture & Equipment US\$	Total US\$
Cost						
At 1 January 2016	2,758,789	563,399	88,793	249,412	130,246	3,790,639
Additions during year	-	-	-	23,092	819	23,911
Disposals during year	-	-	-	(10,017)	(3,270)	(13,287)
At 31 December 2016	<u>2,758,789</u>	<u>563,399</u>	<u>88,793</u>	<u>262,487</u>	<u>127,795</u>	<u>3,801,263</u>
Depreciation						
At 1 January 2016	221,063	51,528	43,166	173,019	68,684	557,460
Charge during year	44,213	8,588	8,641	41,824	11,583	114,849
Disposals during year	-	-	-	(6,623)	(3,270)	(9,893)
At 31 December 2016	<u>265,276</u>	<u>60,116</u>	<u>51,807</u>	<u>208,220</u>	<u>76,997</u>	<u>662,416</u>
Net book values						
At 31 December 2016	<u>2,493,513</u>	<u>503,283</u>	<u>36,986</u>	<u>54,267</u>	<u>50,798</u>	<u>3,138,847</u>
At 1 January 2016	<u>2,537,726</u>	<u>511,871</u>	<u>45,627</u>	<u>76,393</u>	<u>61,562</u>	<u>3,233,179</u>

13 INVESTMENTS

	Group Investment in subsidiaries US\$	Charity Investment in subsidiaries US\$
Cost		
Additions during year	-	1
At 31 December 2016	<u>-</u>	<u>1</u>

IFES UK own the entire share capital of IFES Asia SDN. BHD, a company incorporated in Malaysia on January 20, 2016 to help IFES make better use of technology in its ministry and outreach.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

14 DEBTORS

	Group		Charity	
<i>Current Assets</i>	2016	2015	2016	2015
	US\$	US\$	US\$	US\$
Due from IFES (Switzerland)	-	36,199	-	36,199
Other debtors	16,295	54,872	109,082	54,872
Income receivable	1,143,026	1,031,999	1,143,026	1,031,999
Prepayments	14,684	18,947	14,684	18,947
Capital revolving fund loans	23,389	22,240	23,389	22,240
	1,197,394	1,164,257	1,290,181	1,164,257
<i>Long Term Debtors</i>				
Capital revolving fund loans	144,825	40,836	144,825	40,836

15 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015	2016	2015
	US\$	US\$	US\$	US\$
Trade creditors	53,247	90,260	53,247	90,260
Other creditors	111,909	102,436	111,909	102,436
Accruals and deferred income	71,683	39,996	69,133	39,996
Due to IFES (Switzerland)	54,055	-	54,055	-
Other loans (due within 1 year)	123	148	123	148
	291,017	232,840	288,467	232,840

Included within other creditors is \$25,996 (2015: \$23,982) in relation to social security and other taxes.

16 LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015	2016	2015
	US\$	US\$	US\$	US\$
Property fund loan	30,470	38,476	30,470	38,476
Capital revolving fund loan	30,840	38,933	30,840	38,933
	61,310	77,409	61,310	77,409

17 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016, IFES had future minimum lease payments under non-cancellable operating leases as follows

	2016	2015
	US\$	US\$
Not later than 1 year	2,760	1,700
Later than 1 year but not later than 5 years	4,830	4,250
	7,590	5,950

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

18 RESTRICTED FUNDS

Group	Opening Balance at 1 Jan 2016	Incoming resources	Outgoing resources	Transfers	Closing Balance at 31 Dec 2016
	US\$	US\$	US\$	US\$	US\$
a) By fund					
Priority funds	472,834	1,122,411	(1,464,401)	379,373	510,217
Project funds	2,270,558	2,848,764	(1,812,634)	(816,295)	2,490,393
National movement funds	1,127,778	1,667,340	(1,629,724)	60,407	1,225,801
Indigenous fund development fund	80,094	49,344	(67,732)	(23,554)	38,152
Urbana restricted fund	20,507	364,823	-	(148,771)	236,559
Capital revolving fund	70,000	-	-	-	70,000
TOTAL RESTRICTED FUNDS	4,041,771	6,052,682	(4,974,491)	(548,840)	4,571,122

A description of each of these funds is detailed under accounting policy note 1(n).

By region	Opening Balance at 1 Jan 2016	Incoming resources	Outgoing resources	Transfers	Closing Balance at 31 Dec 2016
	US\$	US\$	US\$	US\$	US\$
Caribbean	81,804	107,572	(191,695)	61,641	59,322
East Asia	105,683	156,387	(128,208)	6,786	140,648
English and Pt Speaking Africa	347,730	519,830	(480,592)	24,323	411,291
Europe	726,387	1,150,252	(1,261,848)	134,496	749,287
Eurasia	471,776	630,738	(754,232)	26,621	374,903
Francophone Africa	136,324	150,542	(401,351)	244,703	130,218
International Ministries	1,784,338	2,327,310	(755,241)	(1,224,103)	2,132,304
Latin America	146,675	139,382	(244,030)	88,518	130,545
Middle East and North Africa	52,608	498,658	(478,822)	79,774	152,218
South Asia	75,193	166,632	(85,571)	(25,545)	130,709
South Pacific	97,482	143,156	(128,410)	33,440	145,668
North America	15,771	62,223	(64,491)	506	14,009
TOTAL RESTRICTED FUNDS	4,041,771	6,052,682	(4,974,491)	(548,840)	4,571,122

Charity	Opening Balance at 1 Jan 2016	Incoming resources	Outgoing resources	Transfers	Closing Balance at 31 Dec 2016
	US\$	US\$	US\$	US\$	US\$
a) By fund					
Priority funds	472,834	1,122,411	(1,464,401)	379,373	510,217
Project funds	2,270,558	2,848,764	(1,812,634)	(816,295)	2,490,392
National movement funds	1,127,778	1,667,340	(1,629,724)	60,407	1,225,801
Indigenous fund development fund	80,094	49,344	(67,732)	(23,554)	38,152
Urbana restricted fund	20,507	364,823	-	(148,771)	236,559
Capital revolving fund	70,000	-	-	-	70,000
TOTAL RESTRICTED FUNDS	4,041,771	6,052,682	(4,974,491)	(548,840)	4,571,121

By region	Opening Balance at 1 Jan 2016	Incoming resources	Outgoing resources	Transfers	Closing Balance at 31 Dec 2016
	US\$	US\$	US\$	US\$	US\$
Caribbean.	81,804	107,572	(191,695)	61,641	59,322
East Asia	105,683	156,387	(128,208)	6,786	140,648
English and Pt Speaking Africa	347,730	519,830	(480,592)	24,323	411,291
Europe	726,387	1,150,252	(1,261,848)	134,496	749,287
Eurasia	471,776	630,738	(754,232)	26,621	374,903
Francophone Africa	136,324	150,542	(401,351)	244,703	130,218
International Ministries	1,784,338	2,327,310	(755,241)	(1,224,103)	2,132,303
Latin America	146,675	139,382	(244,030)	88,518	130,545
Middle East and North Africa	52,608	498,658	(478,822)	79,774	152,218
South Asia	75,193	166,632	(85,571)	(25,545)	130,709
South Pacific	97,482	143,156	(128,410)	33,440	145,668
North America	15,771	62,223	(64,491)	506	14,009
TOTAL RESTRICTED FUNDS	4,041,771	6,052,682	(4,974,491)	(548,840)	4,571,121

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

19 UNRESTRICTED FUNDS

Group	Opening Balance at 1 Jan 2016 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing Balance at 31 Dec 2016 US\$
Designated funds:					
Property fund	1,527,705	-	-	-	1,527,705
Unrestricted fund:					
General fund	869,643	1,488,824	(1,712,113)	548,840	1,195,194
TOTAL UNRESTRICTED FUNDS	2,397,348	1,488,824	(1,712,113)	548,840	2,722,899

Charity	Opening Balance at 1 Jan 2016 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing Balance at 31 Dec 2016 US\$
Designated funds:					
Property fund	1,527,705				1,527,705
Unrestricted fund:					
General fund	869,643	1,488,824	(1,712,113)	548,840	1,195,194
TOTAL UNRESTRICTED FUNDS	2,397,348	1,488,824	(1,712,113)	548,840	2,722,899

Transfers between funds

IFES has a general policy of levying a service charge of between 10% and 15% on all gifts received to help cover the costs of administering the different funds and form part of the transfer between funds.

Transfers between funds are also made to offset any deficit in a restricted fund that is not likely to be offset by income during 2017. Restricted funds that were applicable but 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 2016

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Tangible fixed assets US\$	Long term debtors US\$	Net current assets US\$	Long term liabilities US\$	Total US\$
Restricted funds					
Priority funds	-	-	510,217	-	510,217
Project funds	-	-	2,490,393	-	2,490,393
National movement funds	-	-	1,225,801	-	1,225,801
Indigenous fund development fund	-	-	38,152	-	38,152
Urbana restricted fund	-	-	236,559	-	236,559
Capital revolving fund	-	144,825	(43,985)	(30,840)	70,000
TOTAL RESTRICTED FUNDS	-	144,825	4,457,137	(30,840)	4,571,122
Designated funds	1,558,175	-		(30,470)	1,527,705
Unrestricted funds	1,590,085	-	(394,891)	-	1,195,194
	3,148,260	144,825	4,062,246	(61,310)	7,294,021

Charity	Fixed assets US\$	Long term debtors US\$	Net current assets US\$	Long term liabilities US\$	Total US\$
Restricted funds					
Priority funds	-	-	510,217	-	510,217
Project funds	-	-	2,490,392	-	2,490,392
National movement funds	-	-	1,225,801	-	1,225,801
Indigenous fund development fund	-	-	38,152	-	38,152
Urbana restricted fund	-	-	236,559	-	236,559
Capital revolving fund	-	144,825	(43,985)	(30,840)	70,000
TOTAL RESTRICTED FUNDS	-	144,825	4,457,136	(30,840)	4,571,121
Designated funds	1,558,175	-		(30,470)	1,527,705
Unrestricted funds	1,580,673	-	(385,479)	-	1,195,194
	3,138,848	144,825	4,071,657	(61,310)	7,294,020

NOTES TO THE ACCOUNTS**For the year ended 31 December 2016****21 FINANCIAL INSTRUMENTS**

Financial assets held at amortised cost are cash in hand and at bank and debtors excluding prepayments and financial liabilities held at amortised cost are all creditors excluding deferred income and social security and other taxes.

	Group		Charity	
	2016	2015	2016	2015
	US\$	US\$	US\$	US\$
Financial assets measured at amortised costs				
Cash at bank	3,155,869	2,311,095	3,069,943	2,311,095
Debtors	1,327,535	1,186,146	1,420,322	1,186,146
	4,483,404	3,497,241	4,490,265	3,497,241
Financial liabilities measured at amortised costs				
Creditors	326,330	286,267	323,780	286,267

	Group	
	2016	2015
	US\$	US\$
Total interest income for financial assets held at amortised cost	3,293	2,772

22 RELATED PARTIES

The following reimbursements for travel expenses were made to trustees:

	2016		2015	
	No of trustees	US\$	No of trustees	US\$
Reimbursed to trustees				
Committee meetings	11	11,358	8	11,351
	11	11,358	8	11,351

No emoluments have been paid to the trustees (2015 - \$nil). Trustees can be reimbursed for their travel and subsistence expenses in attending meetings. Additionally, trustees may occasionally visit IFES programmes within their region, with costs of such trips being met by the charity. Trustees are encouraged to visit at least one international programme in every four year term served.

There are two related bodies linked to IFES (UK): IFES Switzerland, a registered organisation with similar objectives in Switzerland and IFES/USA, a tax exempt non-profit organisation and classified as a public charity in the USA. IFES Switzerland shares a common board with IFES (UK) whereas relations with IFES/USA are covered by an annually signed agreement called the Agreement for Cooperative Ministry Activities and Funding under which the treasurer and an officer of IFES (UK) sit on the board of IFES/USA as non-voting members.

Gifts for the wider work of IFES are often routed via these sister organisations. They in turn, pass on these gifts to IFES (UK) as donations/grants less any applicable charges. During the year to 31 December 2016 IFES (UK) received \$4.46 million from IFES/USA (2015: \$3.86 million) and no donations/grants from IFES Switzerland (2015: \$0).

The transactions with IFES (Switzerland) resulted in a creditor being shown on the IFES (UK) balance sheet at 31 December 2016 of \$52,074 (2015 Debtor of \$36,199).

During the year, IFES (UK) set up a trading subsidiary in Malaysia, IFES Asia, to harness the effective use of technology across the IFES fellowship. Operational costs of this subsidiary for the year was \$214,400 and amount due from the subsidiary at the year end was \$94,000.

IFES (UK) lets a freehold property, original cost £370,000 (\$547,674), to the General Secretary for a rent of \$16,192 (£12,000) per annum.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2016

	Direct grants	Other grants	2016 US\$	2015 US\$
23 GRANTS TO ORGANISATIONS				
Albania	-	33,524	33,524	41,744
Bolivia	-	-	-	2,116
Bosnia	-	55,037	55,037	67,305
Bulgaria	-	11,181	11,181	16,571
Canada (2)	-	43,401	43,401	35,238
Caribbean(2)	-	35,753	35,753	16,846
Croatia	-	6,997	6,997	200
East Asia	-	94,383	94,383	108,053
English and Portuguese-Speaking Africa (11)	-	108,090	108,090	119,489
Eurasia (8)	-	234,898	234,898	285,699
Europe (16)	-	157,584	157,584	131,224
France	-	8,667	8,667	24,664
Francophone Africa (7)	-	17,081	17,081	51,740
Ghana	-	-	-	35,920
Guatemala	-	9,112	9,112	11,105
Guyana	-	10,490	10,490	-
Haiti	-	-	-	-
Japan	-	12,706	12,706	10,006
Kenya	-	31,814	31,814	45,570
Latin America (11)	-	40,227	40,227	52,889
Lithuania	-	7,030	7,030	10,095
Macedonia	-	10,012	10,012	-
Mexico	-	35,522	35,522	29,195
Middle East and North Africa (5)	-	15,907	15,907	41,219
Moldova	-	13,707	13,707	19,960
New Zealand	-	105,411	105,411	133,680
Nigeria	-	37,292	37,292	37,276
Philippines	-	1,006	1,006	3,418
Poland	-	7,858	7,858	5,712
Portugal	-	4,260	4,260	6,152
Romania (2)	-	15,981	15,981	19,513
Russia	-	40,016	40,016	41,121
Serbia and Montenegro	-	94,964	94,964	100,925
South Africa	-	4,650	4,650	21,046
South Asia (5)	-	49,344	49,344	65,084
South Pacific (3)	-	18,175	18,175	63,048
Spain	-	48,486	48,486	78,394
St Vincent and the Grenadines	-	-	-	2,097
Switzerland (2)	-	12,517	12,517	21,496
Uganda	-	12,006	12,006	33,588
Ukraine	-	112,882	112,882	141,410
United Kingdom	-	66,064	66,064	75,001
United States	-	21,090	21,090	7,302
Total grants to organisations	-	1,645,125	1,645,125	2,013,110

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.
 All grants are made to organisations. In 2016 grants were made to 110 organisations (2015: 124)

23 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is IFES (Switzerland), a company incorporated in Switzerland.