



INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS

ANNUAL ACCOUNTS AND TRUSTEES REPORT 2017

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

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
 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

Barclays Bank plc
UK Retail and Business Banking
Multi Client Servicing
LEICESTER
LE87 2BB

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 2017

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 2017.

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

The objects of IFES are to advance the Christian faith by:

- promoting, supporting and maintaining an international fellowship of national Christian student ministries (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 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”. When the Living Stones vision was formulated in 2007, IFES was working with around 500,000 students globally. The Living Stones Vision is to double that number of active, committed members of IFES groups who are influencing their universities and societies for Christ.

To achieve this goal, we have adopted 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 ministry is undergirded by three core commitments: **scripture engagement, community and prayer.**

Public benefit

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. There have been occasions in 2017 when students and staff of IFES movements have come together to demonstrate compassion and generosity to communities that have been struck by devastation and loss. Following a tragic mudslide in August in Freetown, Sierra Leone, the IFES movement SLEFES came alongside students whose families had suffered loss, offering practical and emotional support. In September, many Caribbean islands were devastated by Hurricanes Irma and Maria. The Caribbean region mobilised support within the region and was able to send four containers – with relief supplies, including food, water, mattresses, building materials, generators, medical kits, tarpaulins and other items to Dominica and Saint Martin. A team of staff and volunteers was also sent to provide psychological, medical, and building construction interventions to the affected communities.

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 in their context. While 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 understand the local context lead the movements. There are no membership fees and anyone who is interested is welcome to join in all activities.

ACHIEVEMENTS AND PERFORMANCE

Evangelism

Mission Weeks

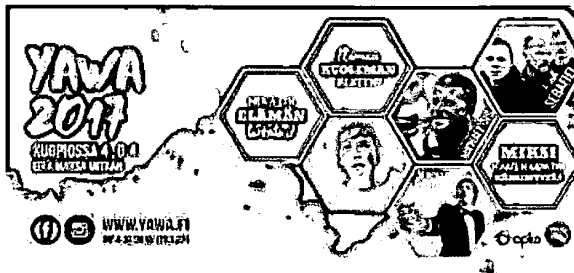
As a key means of communicating the good news of Jesus to students, many IFES movements hold evangelistic mission weeks run by the local student groups with a program of events and talks. 2017 was a year of fruitful university mission weeks, with 190 events being held in 30 countries across Europe and Eurasia. Several universities put on the week of evangelistic events for the first time.

OPKO Finland was one of those, and faced strong opposition from university authorities. Unable to meet or hand out flyers on campus, a venue had to be hired in the town centre. To their surprise, over 100 people came to the first evening event, and by the last event there were 170 – a brilliant turn-out for a small group running their first-ever mission. Mission weeks are not only wonderful gospel-sharing opportunities; they can also be very formative times for the Christian students who get involved and speak to their friends about Jesus, maybe for the first time. OPKO students reflected on the week:

“Finnish people are more open to the gospel than I thought.”

“Mission weeks *can* work in Finland too!”

“I have more confidence in sharing my faith now. I learned a lot from Michael’s sessions about how to talk to people.”



Presence – European Student Evangelism Conference

IFES Europe hosted its 10th European Student Evangelism Conference in 2017 bringing together 1700 students from 47 countries. Teaching spoke into diverse cultures and tackled many of the different challenges of student ministry in Europe today, helping Christian students to think about how they can most effectively share their faith with their non-Christian friends.

One of many encouragements from the conference was seeing students connect with students from other movements and cities. Many were excited about their partnership in mission. After Presence, Ichthus Belgium student leader Ruth went to Leuven to help with their mission week and later shared:

"It has been amazing! About 30 people decided to come to the follow-up. A lot were interested. Some didn't want to come to the next talk because they said they would become a Christian if they'd come. Some became Christians. Some want to come to the IFES movement. We had lots and lots of good conversations."

Regional events such as Presence both serve to equip individual students to share their faith, and also play an important part in strengthening the identity of IFES as a global fellowship.

Innovation: Inspiring Evangelism

Since 2015, the Innovation Evangelism Project has provided small seed funding grants to encourage innovation at the local level. During the course of 2017, 47 student-initiated projects were funded by the Innovation project, spanning 32 countries in nine regions. Here are some highlights from the year:

Students of **ABUB Brazil** organised a literary forum in Rio de Janeiro to explore Christian themes in the fictional works of Tolkien and Lewis through debates, panel discussions and workshops. 150 people attended from 16 different schools, institutions and universities. Most importantly, the forum succeeded in opening bridges of dialogue within the academic world, while at the same time communicating the message of the gospel and promoting the Brazilian national movement.

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In **GHAFES Ghana**, students held two interfaith evenings on the topics of "Peace in Christianity and Islam" and "Jesus – man, prophet or God?" with Christian and Muslim presenters sharing at both. The first evening drew over 250 students and on the second night, the auditorium was full 15 minutes before the talks began. Over 450 students came to hear the debate about the deity of Jesus, of which only about 20% were Christians. The panel moderator said, "I have not seen anything like this in Ghana before". The project will continue until May 2018.

Pioneering

Middle East & North Africa Region (MENA)

We have been encouraged to see pioneering initiatives bearing fruit in 2017 throughout the MENA region. Two regional leaders are now in place who will help to support pioneering work in nine countries.

Another key investment during the year has been the MENA regional and sub-regional conferences which have enabled hundreds of students and graduates to realise they are part of a larger body of Christ, beyond their borders and cultures. These conferences provided opportunities for Bible teaching, evangelism training and much-needed fellowship. Participants reflected on the impact the conferences had on them:

"It helped me to realize how much I need to study the Bible more and more, to look differently at other people, and to realize we have a calling. It encouraged me to share the person of Jesus more."

"At this conference I learned that I am not alone."

"I had the chance to experience true fellowship and communion like I have never before, to meet amazing people and to learn to love them. From now on they will be a part of my life, my prayers, my thoughts — a part of me, really!"

South Asia

The fledgling movement in Myanmar has become increasingly connected with the wider IFES fellowship through participation in training opportunities with other movements and a regional Engaging the University conference in Sri Lanka. Healthy partnerships between the board, the staff and the local church are developing. MFES is now present in three universities and is engaging with 100 students.

One MFES Myanmar student shared: "we started with about ten members but now it is spreading through different universities and more are involved. We have great fellowship and training at Summer Camp. God has been doing great miracles, and though sometimes we felt it impossible, he is changing students' lives and building up our faith."

East Asia

In **Timor Leste** the first part-time staff person is now in place and is working alongside two staff from Malaysia. This team organised two camps in 2017 for 50 students, building a good platform for sustaining and growing ministry.

Leadership Development

Global Leadership Initiative

Launched in 2016, the Global Leadership Initiative (GLI) is a program that has been developed to invest in the next generation of leaders in IFES through an 18-month training program.

The second gathering of the GLI took place in early June 2017 in Ghana, with the third and final gathering scheduled for March 2018 in Sri Lanka. The 20 participants range in ages from 23-36, with countries from all regions represented: Armenia, Austria, Brazil, Gambia, Ghana, India, Israel, Indonesia, Mexico, Nepal, Rwanda, Sri Lanka, Sweden, Trinidad and Tobago, Ukraine, and USA.

Feedback has been so positive that we have already committed to running a second cohort, scheduled to start sometime in 2019. We praise God for this opportunity to train up the next generation of leaders and look forward to seeing how these individuals will impact their contexts around the world.



The first cohort of the Global Leadership Initiative

Centre Africain du Christianisme Contemporain (CACC)



A number of regions have developed leadership institutes in order to provide intensive and contextual leadership training for staff from IFES movements. In Francophone Africa, the institute is the *Centre Africain du Christianisme Contemporain* (African Centre for Contemporary Christianity). In 2017, 18 staff members from 11 national movements attended leadership training at CACC.

Hajarimanana Razafinjato, the Secretary for Graduate Ministry in UGBM Madagascar reflected: "The modules on "African Traditional Religion" "Soteriology" (the doctrine of salvation) and "Integral Mission" have given me an awareness of the need to contextualize evangelism approaches for greater effectiveness. This challenges me since I am conscious that the evangelism methods we have used so far are not very effective. I will ensure that our students understand it so that they consciously work to identify both creative and relevant ways to evangelise in Madagascar."

Institute of Staff Development and Training (ISDT)

The regional institute in English- and Portuguese-speaking Africa (EPSA) is the Institute of Staff Development and Training (ISDT). In 2017, this program brought together 24 participants from 11 national movements across the EPSA region.

FOCUS Uganda's Training Secretary, Mark Karuhanga, was particularly struck by the Living Stones Vision course and reflected: "I found that I was not engaging the whole university. I just concentrated on only students. But this has to change."

IFES Eurasia Formación

147 student leaders from ten countries across Eurasia attended a two-week training event in Ukraine. Teaching focused on evangelism in different contexts, including evangelism to Muslim and Orthodox believers, and helped students explore the biblical call to take the gospel "To the Ends of the Earth". Seminars also taught practical skills such as organising a mission event and apologetics. One student from Armenia was particularly challenged during the conference: "I want to tell lots of people about God. I want to tell people in countries that really need to hear... so maybe that's India, China, Malaysia, and especially Muslim countries – I really want to share the gospel there".



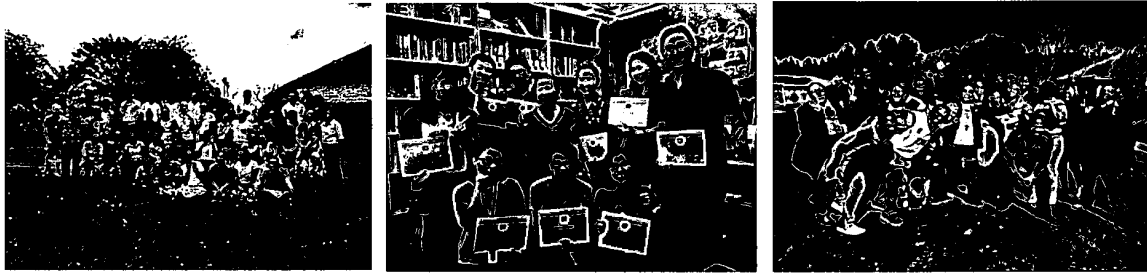
78 students committed to pray or give towards another movement in Eurasia. 24 students made the commitment to go and serve in mission with another Eurasian movement.

Strengthening and supporting national movements

IFES seeks to strengthen and support our national movements in a variety of ways. A number of global ministries have been established to provide resources and training that national movements and regions can draw on according to their needs. These include Scripture Engagement, Governance Development, Indigenous Support Development and Engaging the University. In addition to these areas of ministry, from time to time we develop initiatives such as the e-learning and ministry impact programs which you can read about below. The team in the IFES International Services Asia office, established in 2015, has been instrumental in helping us to move ahead with several of these new projects such as e-learning and developing the online Ministry Impact tool.

Governance Development

Since 2012, 121 initial Governance Development Trainings have been delivered to national movements across all the IFES regions helping boards to deliver good governance practice in each movement. Phase two of the program was launched in 2016 and to date, 37 refresher follow-up visits have been made. These visits aim to provide ongoing governance coaching nuanced to the context of each national board. Several movements in Latin America, Francophone Africa and the Caribbean have also signed up for a coaching scheme. This program has been enthusiastically received across the fellowship. It is a strategic means by which IFES can promote good practice and strengthen the governance of national movements. The benefits, however, go far beyond the life of the national movement as board members learn skills which will also serve them well in their professional lives and in wider society.



From left to right: Solomon Islands, Initial Training, August 2017; Thailand, Follow-Up Visit, January 2018; South Africa, Follow-Up Visit, August 2017

Indigenous Support Development (ISD)

The ISD program equips and trains national movements to develop sustainable funding through partnerships at the local level. The program has now been introduced in 54 countries across seven regions: the Caribbean, English- and Portuguese-speaking Africa (EPSA), East Asia, Europe, Francophone Africa and Latin America. National movements in these countries are seeing partnerships growing, new staff recruited and more students reached with the gospel.

General Secretary Flemlyn Ragobeer shared how ISD is helping IS/IVCF Guyana reach more students with the good news of Jesus:

"We have grown in the number of donors, partnerships with churches and general funds. As a result, we have been able to serve more students with our regular programs and have initiated new ones like our HOPE Suicide Prevention Program. Due to the increase in funds, we can travel to more distant counties in Guyana, taking the gospel and training to the students and teachers we serve."

Scripture Engagement

The Scripture Engagement program works alongside national movements and regions to help strengthen Scripture engagement in this generation of students. This includes visiting, teaching, mentoring, equipping, networking and developing resources, always in close partnership with national and regional staff.

Hajarimanana Razafinjato from Madagascar found the Scripture Engagement course at CACC particularly helpful:

"I run the Graduate Ministry within my movement and the course on Scripture Engagement has equipped me in writing Bible study guides. This has always been the Achilles heel of our national movement and I am confident that this skill will revolutionize our ministry."

The Scripture Engagement team was strengthened in 2017 with the appointment of Ricardo Borges from Brazil as Associate Secretary for Scripture Engagement.

Capacity expansion

Expanding capacity in the EPSA region was a priority for 2017. Leaders from across EPSA worked together with IFES senior leaders on a strategic planning process through the early part of 2017. They identified key issues to be addressed in the region in order to grow capacity and see more students reached.

The team recommended that two additional positions be created, one as a full-time fundraiser and funding trainer, and the second as a two-year long administrative and research position to provide assistance in areas of critical need.



The team at the Nairobi Consultation

World Student Day

World Student Day in October 2017 saw a record 400,000 people reached on Facebook. For the first time we gave people the option of registering that they had prayed and 900 did so through the website on the day itself. We were particularly encouraged to receive 248 prayer cards from 100 countries and several videos students had made themselves, inviting people around the world to pray for them. The theme of World Student Day 2017 was generosity.

e-learning

The aim of introducing an e-learning program within IFES is to use technology to make accessible existing resources and training in a cost-effective, convenient and collaborative way. An e-learning pilot, focusing on two courses from the Governance Development Program ran from June to September 2017. Board members from nine countries across six regions participated and gave positive feedback. Following this pilot, in 2018 the e-learning team will work on creating e-learning modules in collaboration with the following ministries: Ministry Impact, Effectiveness Program, Governance (further modules), and Big Issues in the University.

Ministry Impact

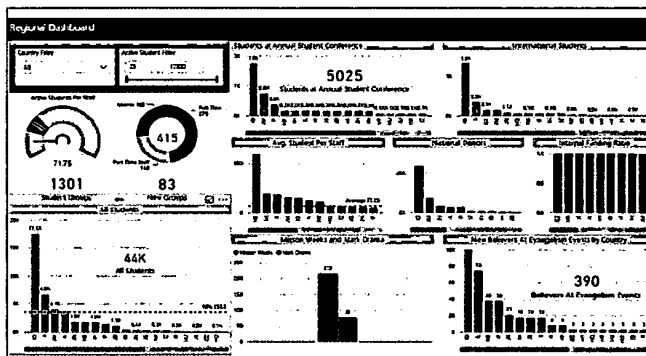
The Ministry Impact program has been developed with the goal of nurturing a culture of evaluating ministry impact, in order to grow and sustain IFES ministries. The program aims to come alongside national movements on a journey of learning through evaluation, helping them to understand the impact and effectiveness of their ministries, and thus make informed and strategic ministry decisions.

Some of the indicators to be evaluated include:

- The percentage of student leaders equipped to influence other students in discipleship and in communicating the good news of Jesus Christ
- Whether staff feel valued and supported to serve God effectively
- Whether the national movement is self-sustainable through local, indigenous funding

A Ministry Impact pilot was carried out in November 2017 with participation of 11 national movements. Some further improvements have been made and the Ministry Impact tool will be launched across the Fellowship in March 2018.

The General Secretary of TCS Thailand commented: "Great initiatives. We are very impressed by the process, web-based tool and many clarifications."



A screenshot of the regional dashboard for the Ministry Impact program

TCS Thailand plans to use the evaluation findings to help develop their new strategic plans for the movement.

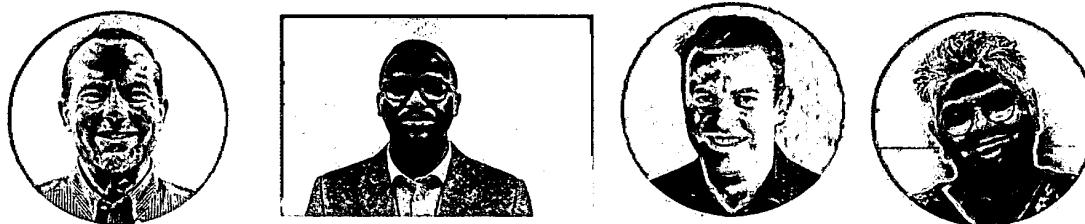
Engaging the University - Big Issues in the University

The Big Issues in the University project started in March 2017 to help students and faculty members consider how to bring a Christian heart and mind to the university, to inspire Christian conversations across the academic world, and to better serve the academic community.

Over the past few months, regional consultations have taken place in Tanzania, Sri Lanka and Australia. Organised in partnership with local movements, these consultations have brought together individuals from different countries to share and learn together about the issues and questions facing Christians in their universities. Further consultations will be taking place in Germany, Panama and the USA in the coming months.

A survey is being taken of students, academics and IFES staff to help understand the different university contexts individuals are facing and the types of resources that would be useful to them as they seek to engage their universities.

New Regional Secretaries



2017 saw the appointment of four new regional secretaries: Kurt Thiel (North America), Zelalem Abebe (EPSA), David Walter (South Pacific) and Annette Arulrajah (East Asia). All four have previously been involved in IFES student ministry in different capacities. A senior staff orientation was held in November at the International Services (UK) office in Oxford.

Coming up in 2018

World Assembly 2019 and new leadership for IFES

2018 will be a year of preparation for World Assembly 2019, taking place in Durban, South Africa. The theme is: *Messengers of Hope. The University in God's Story.*

World Assembly 2019 will also mark the handover from IFES General Secretary Daniel Bourdagné to his successor. Daniel will have served as General Secretary for 12 years. The IFES Board has initiated a search and discernment process for the next General Secretary which will continue through 2018.



Breaking New Ground & World Student Day

Breaking New Ground is an exciting new initiative encouraging, supporting and resourcing a new wave of pioneering around the world. Developed in response to a Fellowship-wide survey, the project aims to see at least 100 new student groups established in the next two years. It will focus on helping existing IFES national movements pioneer student ministry in new cities and campuses. The project will facilitate national movements sharing ideas and resources with each other, and will provide seed-funding where money is a barrier to moving forward.

Nigel Pollock is heading up the project. He will bring together a small team of pioneering champions, experienced staff who will act as trainers and catalysts in the regions where we see the biggest potential for growth.

Even in recent weeks and months, student ministry has been pioneered in universities in Georgia, Côte d'Ivoire and New Zealand, and further conversations are taking place for pioneering in Luxembourg, Norway, Mexico and India. In Mumbai for example, UESI India has identified 140 colleges in and around the city where there are no cell groups. Through the Breaking New Ground project we plan to help them begin a program of outreach and expansion to these colleges.



On World Student Day in 2018 we will focus our prayers on pioneering around the world, encouraging students to consider how they could pioneer new work on their campus and giving them an opportunity to give to the Breaking New Ground initiative.

RISK MANAGEMENT, PRINCIPLE RISKS AND UNCERTAINTIES

Formal responsibility for the management of risk has been delegated to the Finance Committee. Following an external review undertaken in 2016 of our policies, procedures and practices with regards to risk, the following four areas were identified for improvement:

- 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 fellowship

Steps have been taken throughout 2017 to ensure that these areas have been addressed, with changes embedded in the operational culture of IFES at all levels. Policies have been reviewed to ensure they are fit for purpose and easily understood. There has been a focus on improved orientation for new staff and refresher training for existing staff to raise awareness of policies against money laundering, bribery, fraud and cybercrime.

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.

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 and economic 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 20 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. 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 candidates 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 of 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 introduction to the Board of IFES (UK) by the Chair and the General Secretary, a general overview of the Fellowship by the Associate General Secretary (Operations), a financial overview by the Chief Financial Officer, and 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 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 2017 have been reflected in the notes to the accounts (2016 – \$27,802).

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 2017 are set out in the accounts on pages 22 - 42.

Total incoming resources (income) for the year increased marginally from approximately US\$7.54 million in 2016 to US\$7.78 million in 2017. While income from donations and legacies went down by US\$104,406 compared to 2016, this was more than compensated for by an increase in charitable activities income in excess of US\$300,000. The stability we have enjoyed in the last few years has given us the cushion to accelerate work on various mission fronts in Europe and Eurasia as well as ongoing investment in the support base. Expenditure, not surprisingly went up by 12% overall.

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\$2,605,163. 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 2017. 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 wonderful supporter base we have around the world: 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 \$11,873) 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

We have set a target range for the free reserves to be between 10% and 25% of the annual operational budget. The 2018 budget for IFES would require a free reserves figure between US \$360,000 and US \$900,000. At the end of 2017, the general fund had a balance of US \$1,192,865. Additionally, there were general funds held in IFES (Switzerland) of US \$741,390 and a designated property fund of US \$1,527,705 giving total unrestricted funds across the Fellowship of US \$3,461,960.

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\$3,095,887. This means that the available free reserves of IFES are US\$366,073.

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.

During 2017, the Finance Committee and senior management have worked on a revised Investment and Reserves policy which addresses more comprehensively the specific needs and risks that the company may encounter. This will be brought to the Board for discussion and approval in 2018.

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: 11 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS

Opinion

We have audited the financial statements of International Fellowship of Evangelical Students for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 and of the group's incoming resources and application of resources 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information

and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters 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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 15 - 16, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

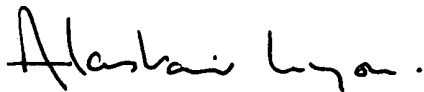
Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



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

18 June 2018

Crowe Clark Whitehill LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 December 2017

	Note	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2017 US\$	Total 2016 US\$
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	1,059,387	6,002,588	7,061,975	7,166,381
Fundraising and other trading activities		57,390	10,291	67,681	61,945
Investments		14,568	-	14,568	3,295
Charitable activities	3	-	629,253	629,253	282,173
Other sources		725	7,351	8,076	27,712
TOTAL		1,132,070	6,649,483	7,781,553	7,541,506
EXPENDITURE ON:					
Raising funds	5	358,191	1,300	359,491	371,071
Charitable activities					
Student ministry	4	915,667	6,196,770	7,112,437	6,315,533
TOTAL	9	1,273,858	6,198,070	7,471,928	6,686,604
Net income/(expenditure)					
Before transfers		(141,788)	451,413	309,625	854,902
Transfers between funds	16,17	139,459	(139,459)	-	-
Net movement in funds		(2,329)	311,954	309,625	854,902
Balances brought forward at 1 January		2,722,899	4,571,122	7,294,021	6,439,119
Balances carried forward at 31 December	16,17	2,720,570	4,883,076	7,603,646	7,294,021

A breakdown by fund type of the 2016 figures is provided under note 8.

The company has no recognised gains or losses other than those shown on this page. The notes on pages 25 to 42 form part of these accounts.

BALANCE SHEET as at 31 December 2017
Company number: 876229

		Group		Charity	
		2017	2016	2017	2016
		US\$	US\$	US\$	US\$
FIXED ASSETS					
Tangible assets	10	3,063,120	3,148,260	3,047,615	3,138,847
Investments	11	-	-	1	1
		<u>3,063,120</u>	<u>3,148,260</u>	<u>3,047,616</u>	<u>3,138,848</u>
Debtors: Amounts falling due after one year	12	<u>139,242</u>	<u>144,825</u>	<u>139,242</u>	<u>144,825</u>
CURRENT ASSETS					
Debtors	12	1,415,991	1,197,394	1,449,131	1,290,181
Cash at bank		<u>3,302,525</u>	<u>3,155,869</u>	<u>3,282,531</u>	<u>3,069,943</u>
		<u>4,718,516</u>	<u>4,353,263</u>	<u>4,731,662</u>	<u>4,360,124</u>
CREDITORS					
Amounts falling due within one year	13	<u>(250,451)</u>	<u>(291,017)</u>	<u>(248,094)</u>	<u>(288,467)</u>
NET CURRENT ASSETS		<u>4,468,065</u>	<u>4,062,246</u>	<u>4,483,568</u>	<u>4,071,657</u>
Total assets less current liabilities		7,670,427	7,355,331	7,670,426	7,355,330
Creditors: Amounts falling due after one year	14	<u>(66,781)</u>	<u>(61,310)</u>	<u>(66,781)</u>	<u>(61,310)</u>
NET ASSETS		<u><u>7,603,646</u></u>	<u><u>7,294,021</u></u>	<u><u>7,603,645</u></u>	<u><u>7,294,020</u></u>
FUNDS					
Restricted funds	16	4,883,076	4,571,122	4,883,075	4,571,121
Unrestricted funds	17	2,720,570	2,722,899	2,720,570	2,722,899
		<u><u>7,603,646</u></u>	<u><u>7,294,021</u></u>	<u><u>7,603,645</u></u>	<u><u>7,294,020</u></u>

Approved by the Board of Directors on
and signed on its behalf by



Director - CHRIS COLLINS

The notes on pages 25 to 42 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017 US\$	2016 US\$
Cash flows from operating activities:		
Net movement in funds	309,625	854,902
Decrease/(increase) in debtors	(214,214)	(31,988)
Increase/(decrease) in creditors	(40,578)	58,202
Gain on disposal of fixed assets	571	(220)
Depreciation	123,567	116,000
Investment income	(14,568)	(3,295)
Revaluation and exchange (gains)/loss	(1,646)	(10,353)
Net cash provided by operating activities	162,757	983,248
Cash flows from investing activities		
Interest and other investment income received	14,568	3,295
Proceeds of disposal	-	3,614
Purchase of tangible fixed assets	(38,998)	(34,475)
Net cash (used in) investing activities	(24,430)	(27,566)
Cash flows from financing activities		
New capital revolving fund loan made	(12,358)	(130,247)
Repayments of capital revolving staff loans	20,549	19,478
Repayment of loans	138	(139)
Net cash (used in) financing activities	8,329	(110,908)
Change in cash and cash equivalents in the year	146,656	844,774
Movement in cash and cash equivalents	2017 US\$	2016 US\$
Increase/(decrease) in cash in the year	146,656	844,774
Cash and cash equivalents at 1 January	3,155,869	2,311,095
Cash and cash equivalents at 31 December	3,302,525	3,155,869
Analysis of cash and cash equivalents	2017 US\$	2016 US\$
Cash in hand	39,475	91,872
Notice deposits (less than 3 months)	2,949,123	2,777,097
Other currency holdings	313,927	286,900
Net Cash	3,302,525	3,155,869

The notes on pages 25 to 42 form part of these accounts.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

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. 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 value 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 2017

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 19 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.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

p) Investments

Unlisted investments are carried at historic cost.

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: These 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: This 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.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

2. Income – donations and legacies

	2017	2016
Income analysis by country of donor	US\$	US\$
United States of America	4,327,467	4,458,315
United Kingdom	1,596,194	1,391,228
Canada	474,556	735,443
Bahamas	185,892	-
Switzerland	10,332	12,239
Germany	121,694	238,733
Norway	108,333	112,232
Australia	22,164	21,358
Singapore	14,183	7,459
Denmark	47,530	24,445
Republic of Ireland	8,951	16,395
Netherlands	15,131	40,106
Other	129,548	108,428
	7,061,975	7,166,381

Legacies received in the year amounted to \$127,830 (2016: \$117,823).

3. Income from charitable activities

	2017	2016
	US\$	US\$
World Assembly	-	496
IFES Interaction fees	27,177	28,421
Other event fees	602,076	253,256
	629,253	282,173

4. Charitable activities expenditure

	Unrestricted funds	Restricted funds	Total funds 2017	Total funds 2016
	US\$	US\$	US\$	US\$
English- and Portuguese-Speaking Africa	-	396,433	396,433	480,592
Francophone Africa	-	396,549	396,549	401,351
Europe	-	1,671,872	1,671,872	1,261,848
Eurasia	-	809,619	809,619	754,232
Middle East and North Africa	-	462,356	462,356	478,822
Latin America	-	251,677	251,677	244,030
Caribbean	-	230,492	230,492	191,695
South Asia	-	103,645	103,645	85,571
East Asia	-	134,088	134,088	128,208
South Pacific	-	94,203	94,203	128,410
North America	-	75,370	75,370	64,491
International Ministries		1,156,968	1,156,968	1,197,702
Support costs	915,667	413,498	1,329,165	898,581
	915,667	6,196,770	7,112,437	6,315,533

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

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 \$1,023,708 (2016: \$230,824). Support costs were also recharged to International Ministries of \$305,457 (2016: \$110,411). 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.

5. Raising funds expenditure

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2017 US\$	Total Funds 2016 US\$
Staff costs	92,507	-	92,507	82,634
Supporter raising	14,800	-	14,800	10,120
Appeals & portfolio	12,972	1,300	14,272	11,555
Prayer materials	38,434	-	38,434	28,920
Miscellaneous expenses	2,851	-	2,851	3,699
Support costs apportioned (notes 7 & 8)	196,627	-	196,627	234,143
	358,191	1,300	359,491	371,071

6a. Analysis of Charitable Activities by Mission Priorities

	Direct costs US\$	Support costs US\$	2017 US\$	2016 US\$
Evangelism	835,747	190,113	1,025,860	674,616
Pioneering	254,049	57,790	311,839	171,423
Leadership development	860,621	214,305	1,074,926	1,167,297
Strengthening & supporting national movements	1,227,692	279,271	1,506,963	1,370,140
Direct grants to national movements	2,605,163	587,686	3,192,849	2,932,057
	5,783,272	1,329,165	7,112,437	6,315,533

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

6b. Analysis of Charitable Activities by Mission Priorities and Regional Allocation

	Evangelism	Pioneering	Leadership development	Strengthening & supporting NMs	Direct grants to NMs	2017	2016
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Caribbean	63,276	-	24,135	52,186	90,895	230,492	191,695
East Asia	-	16,768	-	4,157	113,163	134,088	128,208
English- & Portuguese-speaking Africa	7,939	-	68,251	62,200	258,043	396,433	480,592
Europe	683,912	174	62,310	60,744	864,732	1,671,872	1,261,848
Eurasia	13,282	-	108,887	924	686,526	809,619	754,232
Francophone Africa	-	-	157,504	147,080	91,965	396,549	401,351
Latin America	7,969	2,180	48,431	19,003	174,094	251,677	244,030
Middle East & North Africa	-	149,320	231,107	40,680	41,249	462,356	478,822
South Asia	-	11,699	23,621	28,850	38,475	102,645	85,571
South Pacific	-	-	8,707	236	85,260	94,203	128,410
North America	-	-	-	-	75,370	75,370	64,491
International ministries	59,369	73,908	127,668	811,632	84,391	1,156,968	1,197,702
	835,747	254,049	860,621	1,227,692	2,604,163	5,782,272	5,416,952
Support costs	190,113	57,790	214,305	279,271	587,686	1,329,165	898,581
	1,025,860	311,839	1,074,926	1,506,963	3,191,849	7,111,437	6,315,533

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

7. Apportionment of support costs

Support Cost	Evangelism	Pioneering	Leadership development	Strengthening & supporting NMs	Direct grants to NMs	Raising funds US\$	2017 Total US\$	2016 Total US\$	Basis of allocation
Finance	33,847	10,289	34,854	49,720	105,505	6,596	240,811	254,475	Direct costs
General management	117,763	35,797	121,268	172,991	367,085	22,949	837,853	592,135	Direct costs
Communications	20,295	6,169	20,899	29,813	63,263	148,348	288,787	239,130	Staff time
Senior management	4,047	1,230	22,701	5,945	7,691	15,974	57,588	46,984	Staff time
Governance	14,161	4,305	14,583	20,802	44,142	2,760	100,753	47,746	Direct costs
	190,113	57,790	214,305	279,271	587,686	196,627	1,525,792	1,180,470	

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

8. Statement of Financial Activities for the year ended 31 December 2016

	Unrestricted funds US\$	Restricted funds US\$	Total funds 2016 US\$
INCOME AND ENDOWMENT FROM:			
Donations and legacies	1,435,879	5,730,502	7,166,381
Fundraising and other trading activities	52,945	9,000	61,945
Investment	-	3,295	3,295
Charitable activities	-	282,173	282,173
Other sources	-	27,712	27,712
TOTAL	1,488,824	6,052,682	7,541,506
EXPENDITURE ON:			
Raising funds	371,071	-	371,071
Charitable activities			
Student ministry	1,341,042	4,974,491	6,315,533
Total charitable activities	1,341,042	4,974,491	6,315,533
Total	1,712,113	4,974,491	6,686,604
Net income/(expenditure)			
Before transfers	(223,289)	1,078,191	854,902
Transfers between funds	548,840	(548,840)	-
Net movement in funds	325,551	529,351	854,902
Balances brought forward at 1 January	2,397,348	4,041,771	6,439,119
Balances carried forward at 31 December	2,722,899	4,571,122	7,294,021

9. Information regarding employees

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

	2017 US\$	2016 US\$
Wages and salaries	2,070,831	1,913,790
Social security costs	115,244	106,010
Pension costs	213,065	171,824
Other staff costs	48,279	55,095
	2,447,419	2,246,719

One employee earned more than \$80,947 (£60,000) per year (2016: none)

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

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

	2017	2016
Student ministries	37	37
Communications	5	6
Supporter relations	2	3
Senior management	6	6
Other management and administration	20	17
	<u>70</u>	<u>69</u>

Total remuneration for senior management in the year was \$410,815 (2016 - \$384,577).

10. 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 2017	2,758,789	563,399	88,793	270,524	130,322	3,811,827
Additions during year	-	-	-	26,157	12,841	38,998
Disposals during year	-	-	-	(2,287)		(2,287)
At 31 December 2017	<u>2,758,789</u>	<u>563,399</u>	<u>88,793</u>	<u>294,394</u>	<u>143,163</u>	<u>3,848,538</u>
Depreciation						
At 1 January 2017	265,276	60,116	51,807	209,047	77,321	663,567
Charge during year	44,212	8,588	8,640	48,024	14,103	123,567
Disposals during year				(1,716)		(1,716)
At 31 December 2017	<u>309,488</u>	<u>68,704</u>	<u>60,447</u>	<u>255,355</u>	<u>91,424</u>	<u>785,418</u>
Net book values						
At 31 December 2017	<u>2,449,301</u>	<u>494,695</u>	<u>28,346</u>	<u>39,039</u>	<u>51,739</u>	<u>3,063,120</u>
At 1 January 2017	<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>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

Charity	Leasehold property US\$	Freehold property US\$	Leasehold improve- ments US\$	Computers US\$	Office furniture & equipment US\$	Total US\$
Cost						
At 1 January 2017	2,758,789	563,399	88,793	262,487	127,795	3,801,263
Additions during year	-	-	-	20,228	7,217	27,445
Disposals during year	-	-	-	(2,287)		(2,287)
At 31 December 2017	<u>2,758,789</u>	<u>563,399</u>	<u>88,793</u>	<u>280,428</u>	<u>135,012</u>	<u>3,826,421</u>
Depreciation						
At 1 January 2017	265,276	60,116	51,807	208,220	76,997	662,416
Charge during year	44,212	8,588	8,640	44,199	12,467	118,106
Disposals during year				(1,716)		(1,716)
At 31 December 2017	<u>309,488</u>	<u>68,704</u>	<u>60,447</u>	<u>250,703</u>	<u>89,464</u>	<u>778,806</u>
Net book values						
At 31 December 2017	<u>2,449,301</u>	<u>494,695</u>	<u>28,346</u>	<u>29,725</u>	<u>45,548</u>	<u>3,047,615</u>
At 1 January 2017	<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>

11. Investments

	Group Investment in subsidiaries US\$	Charity Investment in subsidiaries US\$
Cost		
At 31 January 2017	-	1
At 31 December 2017	<u>-</u>	<u>1</u>

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

12. Debtors

	Group		Charity	
<i>Current Assets</i>	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Due from IFES (Switzerland)	-	-	-	-
Other debtors	35,488	16,295	71,065	109,082
Income receivable	1,336,138	1,143,026	1,336,138	1,143,026
Prepayments	16,593	14,684	14,156	14,684
Capital revolving fund loans	27,772	23,389	27,772	23,389
	<u>1,415,991</u>	<u>1,197,394</u>	<u>1,449,131</u>	<u>1,290,181</u>
Long Term Debtors				
Capital revolving fund loans	<u>139,242</u>	<u>144,825</u>	<u>139,242</u>	<u>144,825</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

13. Liabilities amounts falling due within one year

	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Trade creditors	109,570	53,247	109,570	53,247
Other creditors	45,707	111,909	45,707	111,909
Accruals and deferred income	34,191	71,683	31,834	69,133
Due to IFES (Switzerland)	60,848	54,055	60,848	54,055
Other loans (due within 1 year)	135	123	135	123
	<u>250,451</u>	<u>291,017</u>	<u>248,094</u>	<u>288,467</u>

Included within other creditors is \$25,449 (2016: \$25,996) in relation to social security and other taxes.

14. Liabilities: amounts falling due after more than one year

	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Property fund loan	33,053	30,470	33,053	30,470
Capital revolving fund loan	33,728	30,840	33,728	30,840
	<u>66,781</u>	<u>61,310</u>	<u>66,781</u>	<u>61,310</u>

15. Commitments under operating leases

At 31 December 2017, IFES had future minimum lease payments under non-cancellable operating leases as follows

	2017 US\$	2016 US\$
Not later than 1 year	3,019	2,760
Later than 1 year but not later than 5 years	2,264	4,830
	<u>5,283</u>	<u>7,590</u>

16. Restricted funds

Group

a) By fund

	Opening balance at 1 Jan 2017 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing balance at 31 Dec 2017 US\$
Priority funds	510,217	1,197,771	(1,890,390)	777,968	595,566
Project funds	2,765,104	3,431,531	(2,403,153)	(906,765)	2,886,717
National movement funds	1,225,801	2,020,181	(1,904,527)	(10,662)	1,330,793
Capital revolving fund	70,000	-	-	-	70,000
TOTAL RESTRICTED FUNDS	<u>4,571,122</u>	<u>6,649,483</u>	<u>(6,198,070)</u>	<u>(139,459)</u>	<u>4,883,076</u>

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

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

b) By region

	Opening balance at 1 Jan 2017 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing balance at 31 Dec 2017 US\$
Caribbean	59,322	144,754	(230,492)	137,917	111,501
East Asia	140,648	179,474	(134,088)	27,023	213,057
English- and Portuguese- speaking Africa	411,291	242,564	(396,433)	119,918	377,340
Europe	749,287	1,688,824	(1,671,872)	66,861	833,100
Eurasia	374,903	686,607	(809,619)	184,925	436,816
Francophone Africa	130,218	143,179	(396,549)	208,803	85,651
International Ministries	2,132,304	2,533,674	(1,571,766)	(1,188,809)	1,905,403
Latin America	130,545	130,242	(251,677)	140,373	149,483
Middle East and North Africa	152,218	523,175	(462,356)	60,539	273,576
South Asia	130,709	102,194	(103,645)	56,443	185,701
South Pacific	145,668	118,731	(94,203)	37,354	207,550
North America	14,009	156,065	(75,370)	9,194	103,898
TOTAL RESTRICTED FUNDS	4,571,122	6,649,483	(6,198,070)	(139,459)	4,883,076

Charity

a) By fund

	Opening balance at 1 Jan 2017 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing balance at 31 Dec 2017 US\$
Priority funds	510,217	1,197,771	(1,890,390)	777,968	595,566
Project funds	2,765,103	3,431,531	(2,403,153)	(906,765)	2,886,716
National movement funds	1,225,801	2,020,181	(1,904,527)	(10,662)	1,330,793
Capital revolving fund	70,000	-	-	-	70,000
TOTAL RESTRICTED FUNDS	4,571,121	6,649,483	(6,198,070)	(139,459)	4,883,075

b) By region

	Opening balance at 1 Jan 2017 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing balance at 31 Dec 2017 US\$
Caribbean	59,322	144,754	(230,492)	137,917	111,501
East Asia	140,648	179,474	(134,088)	27,023	213,057
English- and Portuguese- speaking Africa	411,291	242,564	(396,433)	119,918	377,340
Europe	749,287	1,688,824	(1,671,872)	66,861	833,100
Eurasia	374,903	686,607	(809,619)	184,925	436,816
Francophone Africa	130,218	143,179	(396,549)	208,803	85,651
International Ministries	2,132,303	2,533,674	(1,571,766)	(1,188,809)	1,905,402
Latin America	130,545	130,242	(251,677)	140,373	149,483
Middle East and North Africa	152,218	523,175	(462,356)	60,539	273,576
South Asia	130,709	102,194	(103,645)	56,443	185,701
South Pacific	145,668	118,731	(94,203)	37,354	207,550
North America	14,009	156,065	(75,370)	9,194	103,898
TOTAL RESTRICTED FUNDS	4,571,121	6,649,483	(6,198,070)	(139,459)	4,883,075

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

17. Unrestricted funds

Group

	Opening balance at 1 Jan 2017 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing balance at 31 Dec 2017 US\$
Designated funds:					
Property fund	1,527,705	-	-	-	1,527,705
Unrestricted fund:					
General fund	1,195,194	1,132,070	(1,273,858)	139,459	1,192,865
TOTAL UNRESTRICTED FUNDS	2,722,899	1,132,070	(1,273,858)	139,459	2,720,570

Charity

	Opening balance at 1 Jan 2017 US\$	Incoming resources US\$	Outgoing resources US\$	Transfers US\$	Closing balance at 31 Dec 2017 US\$
Designated funds:					
Property fund	1,527,705	-	-	-	1,527,705
Unrestricted fund:					
General fund	1,195,194	1,132,070	(1,273,858)	139,459	1,192,865
TOTAL UNRESTRICTED FUNDS	2,722,899	1,132,070	(1,273,858)	139,459	2,720,570

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 2018. 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 2017

18. 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	-	-	595,566	-	595,566
Project funds	-	-	2,886,717	-	2,886,717
National movement funds	-	-	1,330,793	-	1,330,793
Capital revolving fund	-	139,242	(35,514)	(33,728)	70,000
TOTAL RESTRICTED FUNDS	-	139,242	4,777,562	(33,728)	4,883,076
Designated funds	1,560,758	-		(33,053)	1,527,705
Unrestricted funds	1,502,362	-	(309,497)	-	1,192,865
	3,063,120	139,242	4,468,065	(66,781)	7,603,646

Charity

	Tangible fixed assets US\$	Long term debtors US\$	Net current assets US\$	Long term liabilities US\$	Total US\$
Restricted funds					
Priority funds	-	-	595,566	-	595,566
Project funds	-	-	2,886,716	-	2,886,716
National movement funds	-	-	1,330,793	-	1,330,793
Capital revolving fund	-	139,242	(35,514)	(33,728)	70,000
TOTAL RESTRICTED FUNDS	-	139,242	4,777,561	(33,728)	4,883,075
Designated funds	1,560,758	-		(33,053)	1,527,705
Unrestricted funds	1,486,858	-	(293,993)	-	1,192,865
	3,047,616	139,242	4,483,568	(66,781)	7,603,645

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

19. Financial instruments

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

	Group		Charity	
	2017	2016	2017	2016
	US\$	US\$	US\$	US\$
Financial assets measured at amortised costs				
Cash at bank	3,302,525	3,155,869	3,282,532	3,069,943
Debtors	1,538,640	1,327,535	1,535,365	1,420,322
	4,841,165	4,483,404	4,817,897	4,490,265
Financial liabilities measured at amortised costs				
Creditors	291,784	326,330	289,427	323,780
	Group			
	2017	2016		
	US\$	US\$		
Total interest income for financial assets held at amortised cost	14,568	3,293		

20. Related parties

The following reimbursements for travel expenses were made to trustees:

	2017		2016	
	Number of trustees	US\$	Number of trustees	US\$
Reimbursed to trustees for committee meetings	10	15,713	11	11,358
	10	15,713	11	11,358

No emoluments have been paid to the trustees (2016 - \$nil). Trustees can be reimbursed for their travel and subsistence expenses in attending meetings. Additionally, trustees may occasionally visit IFES programs within their region, with costs of such trips being met by the charity. Trustees are encouraged to visit at least one international program 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.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

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 \$4.25 million from IFES/USA (2016: \$4.46 million) and no donations/grants from IFES Switzerland (2016: \$0).

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

In 2016, 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 were \$376,662 (2016 - \$214,400) and the amount due from the subsidiary at the year end was \$38,852 (2016 - \$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 2017

Grants to organisations

	Direct grants	Support costs	2017 US\$	2016 US\$
GRANTS TO ORGANISATIONS				
Albania	45,624	-	45,624	33,524
Bolivia	-	-	-	-
Bosnia	30,236	-	30,236	55,037
Bulgaria	13,186	-	13,186	11,181
Canada (2)	52,153	-	52,153	43,401
Caribbean(4)	30,272	39,275	69,547	35,753
Croatia	12,883	-	12,883	6,997
East Asia (4)	62,751	1,028	63,779	94,383
English and Portuguese-Speaking Africa (11)	59,975	73,628	133,603	108,090
Eurasia (8)	336,314	133,708	470,022	234,898
Europe (19)	252,362	248,982	501,344	157,584
France	9,967	-	9,967	8,667
Francophone Africa (16)	62,139	29,826	91,965	17,081
Ghana	30,006	-	30,006	-
Guatemala	6,512	-	6,512	9,112
Guyana	10,336	-	10,336	10,490
Haiti	11,012	-	11,012	-
Japan	21,006	-	21,006	12,706
Kenya	20,006	-	20,006	31,814
Latin America (14)	65,893	68,188	134,081	40,227
Lithuania	14,507	-	14,507	7,030
Macedonia	15,853	-	15,853	10,012
Mexico	33,501	-	33,501	35,522
Middle East and North Africa (5)	28,056	13,193	41,249	15,907
Moldova	25,312	-	25,312	13,707
New Zealand	63,579	-	63,579	105,411
Nigeria	31,467	-	31,467	37,292
Philippines	31,429	-	31,429	1,006
Poland	2,514	-	2,514	7,858
Portugal	1,092	-	1,092	4,260
Romania	14,337	-	14,337	15,981
Russia	61,145	-	61,145	40,016
Serbia and Montenegro	45,994	-	45,994	94,964
South Africa	32,041	-	32,041	4,650
South Asia (6)	31,112	8,363	39,475	49,344
South Pacific (2)	21,325	176	21,501	18,175
Spain	87,340	-	87,340	48,486
St Vincent and the Grenadines	-	-	-	-
Switzerland (2)	30	-	30	12,517
Uganda	10,920	-	10,920	12,006
Ukraine	130,047	-	130,047	112,882
United Kingdom	71,304	-	71,304	66,064
United States	23,217	-	23,217	21,090
Miscellaneous grant	80,041	-	80,041	-
Total grants to organisations	1,988,796	616,367	2,605,163	1,645,125

NOTES TO THE ACCOUNTS

For the year ended 31 December 2017

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 2017, grants were made to 116 organisations (2016: 110).

21. Ultimate parent undertaking

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