

Registered Foreign Company No FC023633

**THE INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS**

*Registered as:*

Union Internationale des Groupes Bibliques Universitaires  
Beau-Site 12  
1004 Lausanne  
Switzerland

**ANNUAL REPORT OF THE EXECUTIVE COMMITTEE  
AND  
FINANCIAL STATEMENTS**

31 December 2006

**Auditors**

**CRITCHLEYS**

Critchleys Chartered Accountants  
Greyfriars Court  
Paradise Square  
OXFORD  
OX1 1BE

**REPORT OF THE INTERNATIONAL EXECUTIVE COMMITTEE  
For the year ended 31 December 2006**

**REFERENCE AND ADMINISTRATIVE DETAILS**

Foreign Company No. FC023633

**MEMBERS OF THE INTERNATIONAL EXECUTIVE COMMITTEE**

The members set out below hold office for four years between meetings of the IFES General Committee, which met during 2003 at the World Assembly. Members of the Executive Committee who served during the year:

Sr Dieter Brepohl (Chairman)	
Mr Lindsay Brown (General Secretary – ex officio non-voting)	
Sr Braulio Craveiro Filho (Treasurer)	
Dr Chris Collins	Dr Atef Mehanny Gendy
Ms Leah Genita	Dr Kornel Herjeczki
Rev Jens-Petter Johnsen	Mr Goh Keat Peng
Mrs Rhona Lawrie-Goveia	Dr Rachael Masake
Sr Francisco Mira Moya	Dr Augustine Pagolu
Mr Pascal Ratovona	Miss Tonica Van der Meer
Ms Muriel Wilson	

Members of the Finance Committee who served during the year:

Sr Dieter Brepohl (Chair of the International Executive Committee)	
Sr Braulio Craveiro Filho (Committee Chairman) (resigned 22 June 2006)	
Mr Alan Gillespie (Committee Chairman) (appointed 22 June 2006)	
Mr Lindsay Brown (General Secretary – ex officio non-voting)	
Mr John Irwin	Miss Vera Karageozian
Mr Nils Masvie	Mr Flemming Martinussen
Mr Lowell Nystrom	Mr Simon Webley
Mr Adrian White (Chief Administrative Officer – ex officio non-voting)	
Mrs Deborah Lake (Head of Advancement)	

**GENERAL SECRETARY AND SENIOR MANAGEMENT TEAM**

The senior management team based at the International Office is made up as follows:

Mr Lindsay Brown (General Secretary)
Mr Las Newman (Associate General Secretary)
Mr Adrian White (Chief Administrative Officer/Head of Finance)
Mrs Deborah Lake (Head of Advancement)
Ms Kirsty Thorburn (Special Assistant to the General Secretary)

**ADDRESS OF OPERATING OFFICE:** 321 Banbury Road, Oxford OX2 7JZ

**RELEVANT ORGANISATIONS**

Bankers

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

Investment Managers

Credit Suisse  
Case Postale 2493  
1002 LAUSANNE  
Switzerland

Solicitors

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

Auditors

Critchleys Chartered Accountants  
Greyfriars Court  
Paradise Square  
OXFORD  
OX1 1BE

The International Executive Committee has pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2006.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The *International Fellowship of Evangelical Students* (hereafter referred to as IFES) is a registered body in Lausanne, Switzerland. It is also a registered foreign company in England & Wales (No FC023633).

### **Governing Document**

The governing document of IFES is its constitution. The constitution outlines the objects of IFES as follows:

“To create an international fellowship of national student evangelical unions or fellowships for the purpose of:

- (A) Seeking to awaken and deepen personal faith in the Lord Jesus Christ and to further evangelistic work among students throughout the world.
- (B) Strengthening the National Evangelical Unions (hereafter referred to as 'movements') and providing for fellowship on a world-wide and regional basis
- (C) Arranging at regular intervals united and regional international conferences.”

### **Structure and Decision-Making Process**

The governing body of the Fellowship is the International General Committee (IGC). This is made up of delegates from each movement that is a member of the Fellowship. The IGC normally meets once every four years, with the last meeting having taken place in 2003. The IGC elects an International Executive Committee (IEC), which is made up of a Chair, Vice-Chair, Treasurer and 12 other voting members, with the General Secretary as an ex-officio, non-voting member. The IEC acts on behalf of the IGC between meetings of the IGC. The IEC meets at least once a year. The IEC appoints the General Secretary.

For internal organisational purposes the world is divided into twelve regions. Each region is directed by a regional secretary who manages expenditure in their region. For each region the direct charitable expenditure represents staff, projects and events which are located in the region and focused on working towards the constitutional objectives of IFES as outlined above. For example, staff will be involved in training and mentoring national movements; production of literature and other resources; and organising events. All of these have the aim of encouraging evangelistic work and strengthening IFES-linked national movements.

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

Continued payment of a partnership grant is dependent on the movement providing regular reports of how the money has been used and how this has helped progress towards the IFES objectives. For partnership grants of over \$10,000 a quarterly report is required from the national movement. For partnership grants of \$10,000 or less an annual report is required. In addition to these reports, regional secretaries monitor the use of the partnership grant during the year. Our aim is to gradually reduce these partnership grants as the national movement becomes better established and more financially self-sufficient.

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

## **Appointment, Induction and Training of Trustees**

The members of the IEC are elected at the IFES International General Committee following regional nominations. At least two names are nominated for each region, and then the Nominations Committee, which is a sub-committee of the IEC, recommends a candidate from each region giving regard to background, gender, age and skills in order to achieve the required skills mix. The aim is to have representation on the IEC from theologians, business people, and people involved in student ministry. Each member of the IEC serves a four year term which may be renewed for a second term.

Immediately following appointment, orientation training is given to new Trustees with a general overview of the Fellowship by the General Secretary, a financial overview by the Head of Finance, and a general introduction to the IEC by the Chairman.

The new Trustees are also provided with key documents – a copy of the constitution, and a copy of 'Inner Workings' which works out the policies and procedures of the Fellowship. The Trustees are encouraged to attend IFES events and to become a member of the Regional Support Group in the region they represent. Other ad hoc training or orientation is given as required.

## **Related Charity**

IFES has a related charity, IFES Trust, which is registered in the United Kingdom as both a charity (No 247919) and a company (No. 876229). Principle contact addresses are the same as for IFES. From its incorporation to the end of the year under review, the principle activity of IFES Trust has been to receive donations and to hold property in the United Kingdom on behalf of IFES. IFES Trust donated \$2,780,447 (£1,510,337) to IFES during 2006. The planned restructuring of IFES and IFES Trust will take effect during 2007, from which point IFES Trust will undertake many of the activities formerly undertaken by IFES.

## **Risk Management**

During 2003, a risk assessment was carried out in order to identify the major risks to which IFES is exposed under the headings Operational Risk, Personnel Risks, Financial Risks, Governance and Management Risks, Reputational Risks, Strategic Risks and Overseas Risks, and a risk register was compiled. During 2004 significant further work was carried out on the risk register, the results of which were presented to the Finance Committee at their meeting in November 2004. A total of 57 potential risks were considered and each was given a rating for probability and impact. Control systems already in place to mitigate risks were recognized, and new control systems were identified where sufficient systems were not already established. The Finance Committee approved the risk register for implementation. During 2005 a dry run of an IT disaster was carried out and the conclusion was that the International Office could recover satisfactorily from such an event. Work continued during the year under review on a dry run of a wider disaster involving the International Office. The major risk facing the Fellowship currently is income protection during the General Secretary Transition period. A lot of work has been done to mitigate this risk. The Trustees confirm that they continue to be satisfied that adequate control actions and monitoring processes are in place to mitigate our exposure to major risks.

## **Responsibilities of the IEC for Financial Statements**

The IEC notes that it is their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fellowship and of the result for that year. In preparing these financial statements, we have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- complied with applicable accounting standards subject to any material departures disclosed and explained in the financial statements, including the Statement of Recommended Practice for Accounting and Reporting by Charities;

- prepared the financial statements on the going concern basis unless it is inappropriate to assume that the Fellowship will continue its operations.

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

The Trustees have elected to have regard to the requirements of the Statement of Recommended Practice ("SORP") on Accounting by Charities (2005) in order to comply with best practice. The accounts comply with current statutory requirements unless otherwise indicated below.

## **OBJECTIVES AND ACTIVITIES**

### **About IFES**

The International Fellowship of Evangelical Students (IFES) exists to reach students in every nation with the gospel of Jesus Christ and to send them into the world to bear witness to Christ and his teaching.

IFES is a community of national student movements who are committed to being partners in global student witness. We share three goals:

- Evangelism – proclaiming Jesus Christ as Saviour, Lord and God to students in every country in the world where there are universities, and leading students to personal faith in Christ.
- *Formación* \* – promoting a life of discipleship and a growing maturity among students associated with our movements and equipping them for a lifetime of service in the family, church and society.
- World mission – equipping and encouraging students to take the good news of Christ to every nation on earth, to be part of the Church's witness of the good news, acting as witnessing communities of salt and light in every area of society and culture.

\* *Formación*: growing deeper in the understanding and practice of the Lordship of Christ in all areas of life.

### **What IFES believes in**

The IFES doctrinal basis is the central truths of Christianity, as revealed in Scripture, including:

- The unity of the Father, Son and Holy Spirit in the Godhead.
- The sovereignty of God in creation, revelation, redemption and final judgement.
- The divine inspiration and entire trustworthiness of Holy Scripture, as originally given, and its supreme authority in all matters of faith and conduct.
- The universal sinfulness and guilt of all men since the fall, rendering them subject to God's wrath and condemnation.
- Redemption from the guilt, penalty, dominion and pollution of sin, solely through the sacrificial death (as our Representative and Substitute) of the Lord Jesus Christ, the incarnate Son of God.
- The bodily resurrection of the Lord Jesus Christ from the dead and His ascension to the right hand of God the Father.
- The presence and power of the Holy Spirit in the work of regeneration.
- The justification of the sinner by the grace of God through faith alone.
- The indwelling and work of the Holy Spirit in the believer.
- The one Holy Universal Church which is the Body of Christ and to which all true believers belong.

## **What is IFES**

- **IFES is a global, inter-denominational partnership of national movements.**

We are a gospel people, united more by our commitment to the primary truths of the gospel as laid out in our doctrinal basis than to any denominational network. The nature of our worldwide Fellowship is expressed primarily through our network of relationships. The structures of IFES serve us in facilitating these relationships. We recognise our dependence upon God in prayer for growth and fruitfulness.

- **IFES is an evangelical movement.**

We seek to submit to the Lordship of Christ in every aspect of life and thought, recognising that the Bible is foundational to all life and ministry. We stress the importance of personal devotional life, prayer, group Bible study, Bible exposition, and biblically-based evangelism. We are committed to broad and deep theological reflection and action based on our acceptance of the final authority of Scripture.

- **IFES is committed to encouraging student responsibility and initiative.**

We want to encourage students to bear witness to Christ in their educational institutions and to support students in engaging the university with the gospel.

- **IFES seeks to provide biblical models of leadership and ministry.**

We seek to follow the sacrificial, servant leadership of our Lord. We believe in team structures, partnership between students and staff, and the importance of discipling through relationships and by example. We recognise our equality and oneness in Christ, and believe in national and contextualised leadership. We are flexible in our methodology of ministry and value indigeneity.

- **IFES is committed to the objectives of evangelism, *formación* and mission.**

We seek to achieve our objectives among students and by students, in partnership with staff, graduates and faculty. We understand mission in an integral sense, embracing both the proclamation of the gospel and the application of its ethical and social implications. Our original vision to pioneer student work on unreached campuses and to establish evangelical student movements in every country of the world remains strong. That vision extends to the advance of the church worldwide as Christian students graduate and go on, by God's grace, to serve in the Church, in academic life and in the marketplace.

## **ACHIEVEMENTS AND PERFORMANCE**

### **IFES' 6 Strategic Priorities:**

1. Evangelism and mission
2. Global partnership
3. Leadership development and *formación*
4. Governance of IFES and national movements
5. Integral approach to ministry
6. Fund development

In the Report of the Executive Committee for the year ended 31 December 2005, the Plans for Future Periods section was based on these six strategic priorities.

## Summary of IFES' work in 2006 in areas of Strategic Priority

### 1. Evangelism and Mission

#### Evangelism

IFES is currently focusing on two initiatives in the area of evangelism which we hope will be of great service to our national movements:

#### a. Gospels in Students' Hands

We reported in 2005 that our gospel distribution project was planned to continue in several regions. As part of this project, Christian students are giving gospels and New Testaments to their friends, along with invitations to small group Bible studies. The following are some examples of the programme's implementation in different parts of the world:



- **South Asia:** Mark's gospel has been translated into 14 languages and is being distributed around the region, particularly focusing on Hindu and Muslim heartlands, accompanied by a specially-written training manual and programme.
- **Francophone Africa:** Daniel Bourdagné, Regional Secretary, coordinated the production of John's gospel under the title '*Vivre Libre*' ('live free'), which is being given to students in about 18 countries. The gospel is attractively presented with 31 Bible studies which can be used over a one month period to introduce students to the person of Christ.
- **English and Portuguese-speaking Africa:** National movements, from the Cape to Sudan, have embarked on a project called 'John for Africa'. At least 50,000 students, in 21 countries, will receive a copy of John's gospel under this initiative.
- **Middle East and North Africa:** 30,000 New Testaments have been produced, alongside a booklet of 15 Bible studies, targeted principally at the majority population. Leaders of the Coptic church responded so well to the IFES-produced materials that they requested a further print run of 40,000 New Testaments to be used amongst students from Coptic backgrounds, principally in Egypt.

Similar projects have taken place in the UK and Croatia, and others are being developed across the Central Europe region.

#### b. Evangelism Resources

IFES is keen to make available evangelism resources for use by the national movements.

**Evangelism Materials:** A wide range of materials is being used by national movements including Alpha, Christianity Explored, Glad You Asked, and the Contagious Christian training course. Several national movements, notably UCCF (UK), have developed very good websites for evangelism and apologetics in the last year.



#### **Evangelism Trainer for Europe:**

Edith Vilamajó, (left), Evangelism Trainer for Europe and formally a staffworker for GBU Spain, concentrated her efforts during 2006 initially on six countries in Central and Western Europe (Spain, Italy, the Netherlands, Finland, Lithuania and Croatia). She has already established models for evangelism in these countries, and it is hoped that they will, in turn, provide examples for other neighbouring nations.

Evangelism is IFES primary calling and a large part of the Fellowship's ministry involves equipping national movements to widen the reach of their evangelism through training, planning and exchange of knowledge and experience. The outworking of this in the last year has been expressed in many ways, including both traditional and creative ways of communicating biblical truth. Examples include:

● **Germany:** In this tough, resistant culture, the national movement (SMD) has focused on a combination of personal evangelism, small group evangelistic Bible study and public missions. Martin Haizmann, Regional Secretary for Central Europe, prepared well-received material on evangelistic Bible studies which is widely used across the country and is now being translated into English for broader use across the region.

● **Week-long Missions:** In 2006, many week-long missions were held in universities. These combined personal evangelism, small group discussion around texts of Scripture, and public proclamation, which proved to be fruitful means of communicating the gospel of Christ.

● **Mongolia:** This young movement now has a few large groups around the capital, Ulaan Baator. Their goal in 2006 was to share the gospel with around 500 students, praying for professions of faith, and integrating new students into weekly Bible studies.

● **French-speaking Countries:** The national movement in France (GBU) has launched its *Passerelles* training programme; one which is already being used in Switzerland, Belgium and French-speaking Canada. French students have developed what they are calling a 'mega-project' of evangelism which includes the *Passerelles* video and evangelistic material, together with other ideas which each local group can adapt to their own situation.



### **Mission**

We reported in 2005 that IFES aims to start a pioneering work in at least one new country every year for the next four years.

IFES longs to see a Christian witness in universities right around the world and is actively pioneering student ministry in places where Christ is not known. We seek to encourage a mission focus among the national movements, and many students have gone on to leave their own contexts to bring the gospel to people elsewhere.

2006 has been an encouraging year for pioneering ministry in IFES. We have been excited by new openings that are being seized to bring the gospel to students in several Muslim-majority countries. (Due to sensitivity issues we are unable to give details). IFES staff in several regions have visited countries where there is not yet a Christian witness among students, and are working to develop contact with believers in those contexts - both through indigenous churches and partnerships with other mission organisations.

The Holy Spirit seems to be doing an unusual work in mobilising students for mission, as evidenced by huge numbers at missions conventions over the last few years. 2006 was notable particularly for the Urbana Missions Convention, held in December, which brought together over 23,000 people in St Louis, USA. Some 70 IFES staff attended this convention and, through the training and support that they received there, will be helping to foster missions conferences in 13 other countries in the coming year. These will, in turn, serve as training grounds for other IFES movements. IFES aim is to touch the lives of a further 50,000 students worldwide in the next three years through mission conferences, with a view to mobilising more students to take the gospel to the ends of the earth. IFES is currently reflecting on how to best channel and stimulate this newfound enthusiasm.

The Fellowship network is valuable source of cross-cultural mission opportunities. IFES ministry has benefited from the work of cross-cultural teams of students who have gone from one national movement to support another. Examples include the teams that are run in the Francophone African countries, and those sent from North American movements to participate in at least 50 'Global Projects' across the world in June, July and August 2006. Teams are involved in a range of different activities, one of them being English language camps in Central Europe, which have proved to be an effective and creative way of reaching non-Christian students in the vacation period.



A key strand of IFES cross-cultural mission program is overseen by IFES InterAction who, across Europe and parts of Eurasia, seek to support national movements in reaching out to both national and international students. Through IFES InterAction in 2006, some 130 young people served on year-teams in strategic European cities such as Nice, Prague and Brussels.

High school ministry continues to be a central part of the calling of at least 40 IFES movements. These are principally in Europe and the Caribbean, although high schools work also forms a major part of the ministry of SCO, the national movement in South Africa. The European high schools work is served well by Ivar Smedsrød. We hope that the appointment in 2005 of Marc Pulvar and Desmond Rogers as Associate Regional Secretaries in the Caribbean will lead to more time and energy being invested in building both the high school and the tertiary ministry across that region.

## 2. Global Partnership

Since IFES last World Assembly in 2003, we have been seeking to strengthen our range and network of partnerships both internally and externally. Here are some examples of the encouraging signs of progress that were seen in 2006:

### Internal Partnerships

- **Cross-cultural Partnerships within Regions:** Most regions have developed cross-cultural partnerships, and the staff exchanges and twinning links between European national movements are now spreading to other parts of the world. These links have been facilitated, for example, by the Europe and Eurasia *InterAction* team which is helping to develop a range of partnership opportunities, such as the teams who help with the English language initiatives during the summer vacation period.
- **Movement to Movement:** The international Fellowship acts as a conduit for staff, support, training and materials, facilitating introductions, assisting with planning and providing some oversight and or mentoring. An example of this is the Trinidadian movement which is helping the Antiguan movement as they appoint a new staff worker to strengthen ministry there, as well as helping rekindle the dormant work in St Vincent and Grenada. Jamaica, Guyana and Belize are strengthening their links with North America, while movements in the southern cone of Latin America are committed to helping support the re-pioneering of the work in Uruguay, the most secular country in the continent. Regional secretaries, and the regional events and opportunities they develop, help to stimulate this type of partnership.
- **Conferences:** Hundreds of partnership links are developing across the world through donations for movements and conferences, students from one movement participating in another's conference, and invitations of speakers from one country to another. There have been an increasing number of sub-regional conferences sponsored by IFES, such as those which have taken place in the last year in the southern cone of Latin America, Southern Africa, South Central Europe and North Central Europe. Each provided valuable opportunities for training, teaching, equipping and the facilitation of partnership links.
- **Exchange Visits:** Many exchange visits took place in 2006. For example, staff from Africa, as well as some from other parts of the world, attended the Eurasian leadership *formación* event in Ukraine, to learn from their model, build partnerships and be equipped to develop a similar training programme in their own regions.

● **Plateforme Francophone:** This network of francophone movements within IFES has developed encouragingly in the past year. Leaders from movements spanning Francophone Africa, Europe and Quebec, have committed themselves to developing links with one another, and making a range of IFES and other resources available in French.

● **Multi-regional Projects:** Some regions are linking together to learn from one another and sharpen their focus in specific areas. Two African regions are embarking on HIV/AIDS awareness programmes in conjunction with one another. They are also planning a joint conference for 25-30 evangelical political leaders from across the continent, with a view to providing a network of fellowship, friendship and encouragement for these graduates of IFES movements who are serving in the political world across Africa.

● **Extranet:** This members' area of our website was launched in October 2005 to provide targeted resources for training, equipping and sharing between movements in a range of areas including evangelism, board training and fund development. We reported in 2005 that we would continue to develop the extranet and, in 2006, IFES worked at increasing the content of this resource base. The extranet is one way in which we are providing more information for national movements to enhance their sense of partnership and ownership of the global IFES movement.

### External Partnerships

● **Other Mission Agencies:** IFES has had a history of healthy relationships with a variety of mission agencies over the years including OMF, Latin Link, Arab World Ministries, CMS and Interserve.

In many regions IFES has helped to develop links between national movements and a whole range of other ministries. In the Caribbean, for example, national movements have links with YWAM, Wycliffe Bible Translators, Youth for Christ, Seed International and, in some cases, Campus Crusade. We have developed particularly strong partnership links with Langham Partnership International and have jointly worked with them on a series of national and regional training events to encourage greater commitment to Bible exposition in different parts of the world. The gospel distributions are the fruit of partnership with the Bible Societies, particularly in South Asia, the Middle East and North Africa.

● **Staff Partnerships:** Staff partnerships contribute enormously to the ministry of IFES. Seconded staff and volunteers accounted for 45% of our total staff in the last year. This is one of the most significant contributions to the Fellowship, and its impact is hard to quantify.

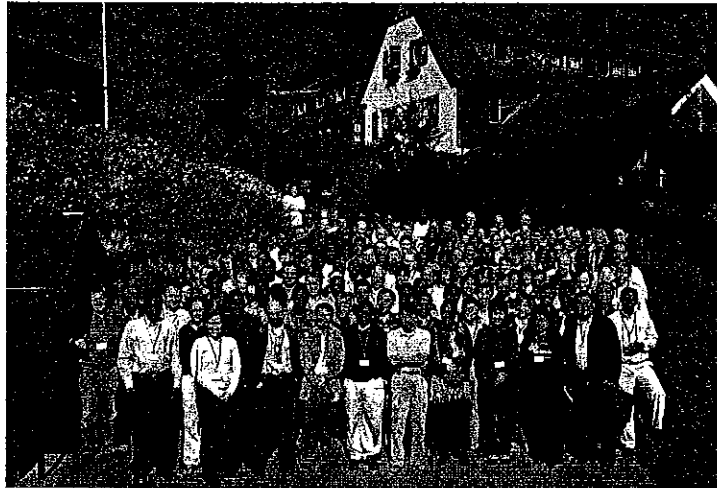
● **Churches:** Over the years, IFES movements have benefited from the support of local churches and have, in turn, provided support for them. We are committed to strengthening relationships between IFES, the national movements and local churches around the world, and encourage our staff and students to be involved in Bible-centred churches.



### **3. Leadership Training and *Formación***

Good leadership is crucial to the development of national movements. To cultivate and maintain high standards in this area across the Fellowship we have continued to strengthen and increase the number of regional team members – in 2006 there were 111. In 2005, we reported our plans for every movement to have at least one visit from an IFES regional team member every 18 months, and one opportunity per year for some kind of training activity.

The value of international training events, hosted by IFES, and bringing together leaders from the wider Fellowship, was highlighted a couple of years ago. We reported in 2005 that as part of our on-going strategy to equip the current and next generation of leaders in IFES, we would bring together national movement leaders for training. Therefore, in Germany in May 2006, IFES hosted a strategic event for 120 general secretaries to strengthen ministry at the national level and to stimulate the growth and development of IFES global ministry. These national and regional leaders, including those from some of the world's poorest and richest countries, were equipped with the theology, skills, resources, and relationships needed to nurture their movements, many of which operate in challenging circumstances, and lead them ably, and with integrity, into the future.



Over the last few years, several regional secretaries have taken considerable steps to provide greater in-depth training for their teams. Regional events are also crucial in helping IFES fulfil its objective of equipping the current and next generation of leaders. Examples include:

- **Eurasia:** A tailored programme has been developed for the personal development of all staff in the region. Since its inception in 2001 it has grown steadily and, in 2006, the annual Eurasia Institute was attended by around 200 people. Many staff working in isolation across the region of Eurasia - geographically the largest in the Fellowship - benefited from the high-quality training and teaching at this event, and from the opportunity for fellowship.

- **French-speaking Africa:** The second 3-month session of an in-depth 3-year training programme took place in 2006. This intensive summer school is supplemented by year-round mentoring for those being trained. Daniel Bourdagné, Regional Secretary, plans to bring together 20 key leaders each year, for the next three years, to form a core of key leaders for the future. A similar initiative will take place in English and Portuguese-speaking Africa in the coming year.

*Right: Brochure for Leadership Training School in French-speaking Africa*



- **Student Leadership Training:** Most regions of the world held student leadership training events in the past year, including in the Middle East and in the South Pacific. They have supplemented training events with Bible Study courses aimed at equipping key Bible study trainers across the region.

#### 4. Governance of IFES and National Movements

We can be grateful to God for the remarkable way he has called the work of IFES to prosper and spread around the world. In 1990, IFES ministry existed in only 100 countries; today it has spread to over 150 countries. We recognise the need to strengthen the structures of our movements appropriately so that they can help to provide a context in which the ministry can continue to flourish both internationally and at national movement level.

## Organisation Development of IFES



We have been able to move forward IFES organisation development process over the last 12 months. In 2006, Joshua Wathanga (pictured left), previously Associate General Secretary of IFES, was responsible for overseeing this work. His - and other - dedicated staff time enabled IFES to take forward the Supervisors' Manual, designed to give IFES staff around the world a foundation of management theory, as well as advice on how to supervise well. They have also helped move forward the process of reviewing and updating regional and national plans, enabling regions to be more focussed and equipped for their multi-faceted ministries.

### Governance of National Movements

The growth of the Fellowship and the movements themselves is an indication of God's good hand upon the movements over the years. Nevertheless, many movements are in the early stages of development and do not yet have adequate structures to provide sufficient support for staff or to enable the work to be as well-ordered as they are dynamic. Several factors contribute to the fragility of many of our movements and, in 2006, IFES sought to address some of these issues:

- Financial difficulties, as the movements decrease dependence on IFES for central support, has led IFES to start work on strengthening the national movements' understanding of how to raise sustainable income.
- Strengthening national movements by training and supporting the national boards which provide oversight and governance for the ministry.

### World Assembly 2007

As reported in 2005, preparations for the quadrennial World Assembly (to be held in July 2007) increased substantially in pace during 2006. A World Assembly Registrar was appointed with a start date of 3<sup>rd</sup> January 2006, working with the Associate General Secretary, to manage the administration involved.

## 5. Integral Approach to Ministry

Regional teams around the world are seeking to ensure an integral approach to ministry in all that is done, working alongside movements to help them bring the lordship of Christ to bear on all aspects of life. They have emphasized the need for biblical reflection on contextual issues affecting students, including the HIV/AIDS pandemic, poverty, ethnicity and race, and have sought to reflect this emphasis in their training programs.

Over the last year, at both regional and national levels, there has been activity to flesh out the implications of this key strategic priority. Examples include:

#### • Pan-African HIV/AIDS ministry:

In response to the AIDS pandemic in Africa, several movements have developed pro-active and result-orientated programmes to meet the needs of both the infected and affected. A consultation in Harare brought together students, staff and associates from nine countries in the southern sub-region, along with representatives from East and West Africa, to review and expand ongoing programmes.

*Right: IFES staff develop their response to the HIV/AIDS pandemic*



As a result of various HIV/AIDS related efforts by FOCUS Uganda, for example, the incidence of sexual activity amongst the students involved in their national movement has been reduced from 14.5% to 12.5% since November 2002, and students are now asking staff for counselling.

SULTM in Lesotho has recruited at least two students from each campus fellowship to serve as HIV/AIDS coordinators and provided training for them. ABEMO Mozambique is using drama to raise awareness. Similar efforts are going on in Malawi, Nigeria and Kenya among others.

Both IFES African regions have appointed staff to coordinate responses to the HIV/AIDS pandemic, provide seminars in universities on sexuality, help in the publication of booklets, and coordinate consultations.

- **USA:** A good example of a national movement's initiative is InterVarsity USA. They have developed many inner-city summer projects which expose students to the deep needs of the country's inner cities, providing them with opportunities to both explain the gospel and demonstrate Christ's love in practical, tangible ways.

- **Caribbean:** The Guyanese movement has developed its LAMP ministry (Local Area Mission Project). Staff take teams to work for a week among native Amerindians in the poorer areas of the country's interior, engaging in food distribution, health checks, direct evangelism and counselling. The Francophone Caribbean sub-region is seeking to develop a similar ministry.

- **Central Europe:** The issue of reconciliation is crucial in some of the Balkan nations. In this context, the Albanian/Serbian camp, which brought together students from both ethnic backgrounds, provided a wonderful context for the students to begin to understand the ethical implications of what it means to be united in Christ. Additionally, a regional forum, under the wing of the Regional Secretary, has helped to facilitate further initiatives in this area.



*Right: Students think together about the practical outworking of their faith in their lives*

- **Christians in the Marketplace:**

We are also trying to develop programs to better equip students to move from the university into the market place. IFES staff member, Tim Vickers, focuses especially on this area with national movements and regional secretaries in Europe and Eurasia, developing graduate programs to equip students to make the transition from university life to the marketplace. In 2006, he hosted a training event for students, staff and graduates from 10 countries across Europe focusing on this key theme.

## **6. Fund Development**

### **2006: Increasing Independence of National Movements**

As we reported in 2005, IFES has been encouraging national movements to become more self-sufficient and less dependent on central grants, and is committed to building indigenous fundraising capacity. To this end, there has been a programme for reducing the level of grants made to national movements year by year and simultaneously an investment in fund development training. In the fiscal year 2005, grants to national movements for their operating costs were \$242,642. This reduced in 2006 to \$174,809. A good indicator of the positive response to this changes is the 29% increase in donations coming to IFES for specific national movements.

### **Increasing the Supporter Base**

In terms of central fund development, the IFES International Office began implementing a strategy which aimed to increase the 'small' or individual supporter base, and to help lessen the Fellowship's dependence on larger scale donations. Simultaneously, we recognised that the Fellowship needed to attract supporters from a younger age group to sustain its income beyond a ten year period. To this end, IFES Advancement Team began the process of redesigning the communications materials of the Fellowship. The measure of success of this process is the fact that the average 'new' contact or supporter for IFES is approximately 20 years younger than the core of those whose support has helped to build the Fellowship into what it is today. The year ended with approximately 13% more supporters, or prospective supporters, than there had been at the start of the year. This has been helped by our strategy to build increased prayer support for IFES ministry.

### **Time Freely Given**

A huge contribution is made to the work of IFES by seconded staff and volunteers, working mainly in IFES teams across the Europe and Eurasia regions helping us to strengthen national movements and to pioneer new ministry. It is not possible to give a reliable figure for the value of the contribution made by these individuals, partly due to the wide diversity of the parts of the world from which they originate. However, we estimate that if the value of their contribution was brought into the figures disclosed in the financial statements, it would increase the reported income for the year by at least 50%. We would like to extend our sincere thanks to these partners in ministry.

### **FINANCIAL REVIEW**

The results of the Fellowship for the year ended 31 December 2006 are set out in the financial statements on pages 17 to 31.

Donation income to IFES was \$5,768,040 (\$5,077,690 in 2005). This enabled direct charitable expenditure of \$5,740,744 (\$5,431,134 in 2005) to further the objects of the Fellowship. The rise of 13.6% in donation income is due in part to the 30% increase in funds raised for specific national movements during the year, mentioned under Achievements and Performance above. Direct charitable expenditure rose by nearly 5.7% as compared to 2005, with 90% of the 2006 figure being direct costs and 10% being allocated support costs. The support costs allocated to student ministry fell by 24% as compared to 2005, and overall support costs fell by 19.6%, this movement being mainly due to exchange rate fluctuations.

The direct charitable expenditure undertaken by IFES during the year under review funded student ministry worldwide, which supported the key objectives of IFES as laid out in the governing document of IFES.

The Fellowship makes payments through what are called "Transmission Funds". These are donations for activities that are not part of IFES' core activities but are within IFES' charitable objectives. Payments that are made to national movements and other external bodies are treated as grants and are included in the Grants Payable figure of \$1,646,046. IFES transfers these payments as received after deduction of a service charge. Recipients are expected to make their own arrangements with local tax authorities to ensure that they meet their responsibilities in that area.

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

## **Reserves Policy**

The Finance Committee has set a target range for the General Fund balance, which are the free reserves of the Fellowship, to be between 10 and 15 per cent of the annual operational budget. This would allow the Fellowship to cover staff, management and support costs allowing operations to continue in the event of a drop in funding. Based on the 2006 budget, this would require a General Fund of around \$500,000. At the end of 2006, the General Fund was \$77,969. This is due to a decision made by the directors of IFES Trust during the year ended 31 December 2005, that IFES Trust should retain General Fund income received in the year ended 31 December 2005, in order to fund the activities historically undertaken by IFES which will be undertaken by IFES Trust once the restructuring of IFES and IFES Trust has taken place. This change in policy met with approval by the Trustees of IFES. The restructuring will take effect during 2007.

The Finance Committee has approved a budget for 2007 that is expected to produce a deficit of \$40,000.

## **Investments**

There are no restrictions on the Fellowship's power to invest. The investment strategy is set by the Trustees with a long-term view to capital growth, using funds not required for medium term operational needs. During 2004 investments held at 31<sup>st</sup> December 2003 were sold, and the proceeds are currently being held on short term deposit with Credit Suisse. The Finance Committee made a decision to take advice on how the proceeds should be invested long-term. A further decision was made to delay taking this advice until the restructuring of IFES and IFES Trust is complete.

The Fellowship's assets are available and adequate to fulfil the obligations of each fund.

## **PLANS FOR FUTURE PERIODS**

2007 is a key year for IFES:

### Transition in Leadership

After 16 years' faithful service to the Fellowship, Lindsay Brown is stepping down as only the third ever General Secretary of IFES. The International Executive Committee (IEC) is delighted to announce that Dr Daniel Bourdagné will be taking over the post from July 2007.

Transition is a challenge for any organisation. Envisioning the team who support the work worldwide, keeping committed supporters on board and helping people to adapt to new leadership are all areas that the Fellowship is seeking to do well.

### World Assembly 2007

IFES holds its quadrennial World Assembly in Hamilton, Canada, from July 11-19<sup>th</sup> 2007, bringing together students and representatives of IFES ministry from 150 countries. This is the Fellowship's main 'business' session, at which its new strategic directions will be decided and the success of the ones that have been implemented for the last 4 years, measured.

This event also forms a key part of the transition in leadership, being the point at which the baton of leadership passes from Lindsay Brown to Daniel Bourdagné. IFES anticipates that many close friends of the Fellowship will be in attendance.

### 60<sup>th</sup> Birthday Celebrations

The Fellowship started with the coming together of 10 movements in 1947, and therefore celebrates its 60<sup>th</sup> year of ministry in 2007. World Assembly 2007 will be the main focus of the celebrations. Additional events and initiatives will enable people from different parts of the Fellowship to participate and to express their gratitude for the way God has seen fit to continue to grow this work through the years.

### The Six Strategic Priorities for 2007:

Six strategic priorities, identified at World Assembly 2003, form the basis of IFES ministry across the 12 regions. These remain the strategic objectives for the period of January 2007 to July 2007, when they will be reviewed at World Assembly by the General Committee. It is the task of that committee to decide whether the Fellowship will continue to work to those objectives, or face new ones from July 2007 to July 2011.

For clarification, the priorities for the coming year for the Fellowship are:

#### **IFES 6 Strategic Priorities:**

1. Evangelism and mission
2. Global partnership
3. Leadership development and formación
4. Governance of IFES and national movements
5. Integral approach to ministry
6. Fund development

Examples of how the Fellowship will seek to work to these priorities include:

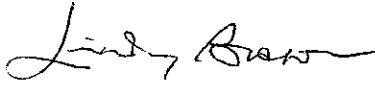
- Evangelism: the gospel distribution projects will continue to be developed and expanded as outlined under Achievements and Performance above. As well as Croatia, where gospel distributions began in 2006, five or six other Central European are planning to embark on their own programmes in the next two years. This programme will be expanded across Africa and in the coming year aims to reach 6000 students in Ghana, 5000 in both Sierra Leone and Ethiopia, and 7000 in Uganda)
- At least three major missions conferences will be held during the year in different parts of world. These will contribute towards IFES three-year goal of seeing 50,000 students receiving scriptural and practical advice on the subject of missions.
- Global Partnership: In 2007, IFES plans to begin the preparation of a paper which will carefully define our ecclesiology and help our national movements see the importance of engaging in local churches, preparing students for their lives beyond university. Also planned is an initiative to widen the use and access of the extranet by a greater number of people from the worldwide Fellowship.
- Fund Development: helping national movements, especially newly-pioneered ones, to develop sustainable and independent funding is a key challenge for IFES. In 2007 we will develop a three year programme which will invest in the strategic planning, implementation skills and infrastructures needed to address this situation.

#### Restructuring of IFES and IFES Trust

During 2007 the planned restructuring of IFES and IFES Trust will take effect, whereby IFES Trust will begin to directly undertake activities previously carried out by IFES, and will be renamed IFES.

**APPOINTMENT OF AUDITORS**

Critchleys have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Finance Committee meeting.



LINDSAY BROWN  
**General Secretary**

Date: *20 July* 2007  
321 Banbury Road  
Oxford  
OX2 7JZ

**STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating Income and Expenditure Account)  
for the year ended 31 December 2006**

	Note	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2006 US\$	Total Funds 2005 US\$
<b>INCOMING RESOURCES</b>					
Donations, legacies and similar incoming resources	2	1,051,204	4,716,836	5,768,040	5,077,690
Activities for generating funds		34,486		34,486	11,496
Investment Income		18,935		18,935	26,987
Other Incoming Resources		2,909	102,405	105,314	83,523
<b>TOTAL INCOMING RESOURCES</b>		<u>1,107,534</u>	<u>4,819,241</u>	<u>5,926,775</u>	<u>5,199,696</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	4	427,303		427,303	503,334
Fundraising trading	5	46,398		46,398	18,019
<b>Total cost of generating funds</b>		<u>473,701</u>	<u>-</u>	<u>473,701</u>	<u>521,353</u>
<b>Charitable activities</b>					
Student Ministry	3,9	113,930	5,626,814	5,740,744	5,431,134
<b>Total charitable activities</b>		<u>113,930</u>	<u>5,626,814</u>	<u>5,740,744</u>	<u>5,431,134</u>
<b>Governance costs</b>	6	61,526		61,526	40,735
<b>Total Resources Expended</b>		<u>649,157</u>	<u>5,626,814</u>	<u>6,275,971</u>	<u>5,993,222</u>
<b>Net Incoming / (Outgoing) Resources Before Transfers</b>		458,377	(807,573)	(349,196)	(793,526)
<b>Transfers Between Funds</b>	16,17	(427,030)	427,030	-	-
<b>Net Incoming / (Outgoing) Resources</b>		<u>31,347</u>	<u>(380,543)</u>	<u>(349,196)</u>	<u>(793,526)</u>
<b>Gains and Losses on Investments</b>					
Realised Gains		-	-	-	-
Unrealised Gains		-	-	-	-
<b>Net Movement in Funds</b>		<u>31,347</u>	<u>(380,543)</u>	<u>(349,196)</u>	<u>(793,526)</u>
Total Funds at 1 January 2006	16,17	83,915	1,990,390	2,074,305	2,867,831
<b>Total Funds at 31 December 2006</b>	16,17	<u>115,262</u>	<u>1,609,847</u>	<u>1,725,109</u>	<u>2,074,305</u>

The notes on pages 19 to 31 form part of these financial statements.

The Fellowship's income and expenditure all relate to continuing operations. The Fellowship has no recognised gains or losses other than those shown on this page.

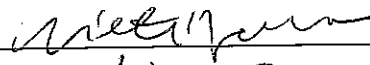
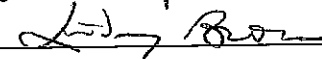
**BALANCE SHEET**  
**As at 31 December 2006**

	Notes	2006		2005	
		US\$	US\$	US\$	US\$
<b>Fixed Assets</b>					
Tangible Assets	11		<u>74,118</u>		<u>104,214</u>
			<u>74,118</u>		<u>104,214</u>
<b>Debtors: Amounts falling due after one year</b>	13		50,697		48,355
<b>Current Assets</b>					
Stock	12	22,146		30,835	
Debtors	13	630,871		665,802	
Short-term deposits		350,000		350,000	
Cash at Bank and in hand		<u>1,124,688</u>		<u>1,145,104</u>	
		<u>2,127,705</u>		<u>2,191,741</u>	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(425,110)</u>		<u>(172,470)</u>	
<b>Net Current Assets</b>			1,702,595		2,019,271
<b>Total Assets Less Current Liabilities</b>			1,827,410		2,171,840
<b>Creditors: Amounts falling due after one year</b>	15		(102,301)		(97,535)
<b>Net Assets</b>			<u>1,725,109</u>		<u>2,074,305</u>
<b>FUNDS</b>					
<b>Restricted Funds</b>					
Priority Funds	16		227,031		165,667
Provisional Funds	16		492,985		939,364
Transmission Funds	16		594,427		464,862
Property Fund	16		103,483		103,483
Capital Revolving Funds	16		70,000		70,000
B Fund	16		121,921		114,014
Urbana Restricted Fund	16		-		133,000
			<u>1,609,847</u>		<u>1,990,390</u>
<b>Unrestricted Funds</b>					
Strategy Fund	17		37,293		80,554
General Fund	17		77,969		3,361
			<u>115,262</u>		<u>83,915</u>
<b>Total Funds</b>			<u>1,725,109</u>		<u>2,074,305</u>

The notes on pages 19 to 31 form part of these financial statements

Approved by the Executive Committee on

2007 and signed on its behalf:

  
 \_\_\_\_\_  
  
 \_\_\_\_\_

Sr. Bráulio-Graveiro-Filho (Treasurer) *Dieter Begold (Chair)*

Mr. Lindsay Brown (General Secretary)

**CASHFLOW STATEMENT**

For the year ended 31 December 2006

	2006	2005
	\$	\$
Net (outgoing)/incoming resources	(349,196)	(793,526)
Decrease/(Increase) in stock	8,689	(25,078)
Decrease/(Increase) in debtors	32,589	(66,615)
Increase/(Decrease) in creditors	257,406	20,138
Depreciation and profit on disposal	17,310	19,566
Profit on disposal of short term deposits	-	-
Investment income	<u>(18,935)</u>	<u>(26,987)</u>
<b>Net cash inflow/(outflow) from operations</b>	<b>(52,137)</b>	<b>(872,502)</b>
Returns on investment and servicing of finance	18,935	26,987
Capital expenditure and financial investment	12,786	(17,037)
<b>(Decrease)/Increase in cash during the year</b>	<b><u>(20,416)</u></b>	<b><u>(862,552)</u></b>
<b>Cash in hand balances</b>		
	2006	2005
	\$	\$
Short term deposits	350,000	350,000
Cash at bank and in hand	<u>1,124,688</u>	<u>1,145,104</u>
	1,474,688	1,495,104
Balances at 31 December 2005	<u>(1,495,104)</u>	<u>(2,357,656)</u>
<b>(Decrease)/Increase in cash for the year</b>	<b><u>(20,416)</u></b>	<b><u>(862,552)</u></b>

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

Interest and other investment income received	18,935	26,987
	<u>18,935</u>	<u>26,987</u>

**Capital expenditure and financial investment**

Purchase of tangible fixed assets	(12,131)	(17,037)
Receipts from sale of tangible fixed assets	33	-
Receipts from sale of fixed asset investments	24,884	-
	<u>12,786</u>	<u>(17,037)</u>

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2006**

### **1. ACCOUNTING POLICIES**

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

The accounts are drawn up in accordance with applicable accounting standards. The Trustees have elected to have regard to the requirements of the Statement of Recommended Practice ("SORP") on Accounting by Charities (2005) in order to comply with best practice. Any exceptions are noted below.

Monetary values are calculated under the historical cost convention, as modified by the revaluation of investments, and the accounts have been prepared on a going concern basis (see note 21).

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

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

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

Donation income is recognised in the Statement of Financial Activities as soon as it is prudent and practicable so to do. 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.

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

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

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

Depreciation is calculated to write off the cost of fixed assets except freehold property on a straight-line basis over their effective useful lives. For computers, office furniture and equipment this is at 25% per annum. Freehold and leasehold properties are valued at cost where readily obtainable and depreciated over 50 years or the length of the lease as appropriate.

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

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

Due to the restructuring of IFES and IFES Trust, some of the fixed assets held by IFES were sold to IFES Trust at their net book value as at 31 December 2006 at the end of the year under review. There was no gain or loss on this transaction. The buildings were retained by IFES.

#### **(g) RESOURCES EXPENDED**

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

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2006

### (h) PENSIONS

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

### (i) INTERNATIONAL MINISTRY

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

### (j) COSTS OF GENERATING FUNDS

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

### (k) CHARITABLE ACTIVITIES

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

### (l) GOVERNANCE COSTS

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation. These costs include external audit and trustees costs.

## FUND ACCOUNTING

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

#### 1. Restricted Funds

*Transmission Funds.* The Transmission Funds comprise the unexpended balances of donations held to be applied for specific purposes within IFES. A charge for the costs associated with administration was levied on the intended recipients during 2006. This has been shown in the accounts under note 3 as having been recharged to the Regions.

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

*Property Fund.* This fund relates to fixed assets purchased using restricted income where the donor approval is required on the use of proceeds raised should the assets be sold.

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

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

*B Fund.* The interest on the B Fund transferred to support the work in Central Europe.

*Urbana Restricted Fund.* The 2003 Urbana Conference in North America donated \$400,000 to IFES on the basis that it was used for particular restricted purposes. Limits were also placed on how much of the fund could be used in each year. The contents of this fund had been used in full by the end of 2006.

#### 2. Unrestricted Funds

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

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

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2006

### 2 DONATION INCOME ANALYSIS

	Total Funds 2006 US\$'s	Total Funds 2005
Individual Donors	1,884,719	2,096,463
Major Donors (gifts over \$5,000)	3,669,483	2,261,382
National Movements	115,388	304,228
Churches	98,450	415,617
Total	<u>5,768,040</u>	<u>5,077,690</u>

### 3 CHARITABLE ACTIVITIES:

#### STUDENT MINISTRY

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2006 US\$	Total Funds 2005 US\$
English and Portuguese Speaking Africa		558,411	558,411	583,496
French Speaking Africa		295,748	295,748	311,532
Western Europe		640,707	640,707	511,293
Central Europe		618,351	618,351	545,362
Eurasia		846,192	846,192	728,388
Innovista		239,569	239,569	356,342
Middle East and North Africa		180,915	180,915	290,564
Latin America		244,491	244,491	262,253
Caribbean		123,975	123,975	120,365
South Asia		162,893	162,893	154,038
East Asia		71,828	71,828	65,947
South Pacific		75,076	75,076	34,825
North America		139,932	139,932	59,227
International Ministry	9,182	941,379	950,561	673,401
Support costs apportioned - notes 7 & 8	104,748	487,347	592,095	734,101
	<u>113,930</u>	<u>5,626,814</u>	<u>5,740,744</u>	<u>5,431,134</u>

Support costs incurred on behalf of the IFES Regions were recharged to those regions during the year under review. Total support costs recharged were \$487,347 (2005 \$534,628). 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. In previous years this figure has been shown under Transfers Between Funds.

### 4 COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2006 US\$	Total Funds 2005 US\$
Staff Costs	138,612		138,612	111,147
Supporter Raising (2005 Direct Mail)	22,065		22,065	17,031
Appeals & Portfolio (2005 Publications)	35,965		35,965	21,788
US fundraising	10,134		10,134	120,000
Miscellaneous Expenses	6,776		6,776	3,095
Support costs apportioned - notes 7 & 8	213,751	-	213,751	230,273
	<u>427,303</u>	<u>-</u>	<u>427,303</u>	<u>503,334</u>

### 5 FUNDRAISING TRADING

Materials for resale	40,768		40,768	11,850
Support costs apportioned - notes 7 & 8	5,630		5,630	6,169
	<u>46,398</u>	<u>-</u>	<u>46,398</u>	<u>18,019</u>

### 6 GOVERNANCE COSTS

External Audit	20,582		20,582	16,685
GS Search Committee costs	23,957		23,957	-
Executive Committee (Trustee) costs	16,987		16,987	24,050
	<u>61,526</u>	<u>-</u>	<u>61,526</u>	<u>40,735</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

**7 ANALYSIS OF SUPPORT COSTS FOR APPORTIONMENT**

	2006 US\$	2005 US\$
<b>Finance</b>		
Staff Costs	131,316	146,604
Bank charges	10,428	11,637
Other Finance costs	-	2,299
	<u>141,744</u>	<u>160,540</u>
<b>General Management</b>		
Staff Costs	131,397	128,290
Maintenance/Cleaning	10,448	12,981
Stationery & Photocopy costs	9,031	6,901
Postage	2,809	1,618
Telephone/Fax	9,589	7,974
Insurance	7,219	5,066
Legal Expenses	-	9,163
Other office expenditure	20,470	21,393
(Gain)/Loss on disposal	(14)	8
Depreciation	15,606	17,840
	<u>206,555</u>	<u>211,234</u>
Facilities	124,835	116,885
Exchange (gain)/loss	(60,543)	99,004
	<u>270,847</u>	<u>427,123</u>
<b>Information Technology</b>		
Staff Costs	76,427	64,161
Support contracts & licenses	13,896	14,416
Equipment and other costs	6,337	5,172
	<u>96,660</u>	<u>83,749</u>
<b>Human Resources</b>		
Staff Costs	69,476	56,456
Recruitment costs	14,996	17,232
Other costs	5,481	2,921
	<u>89,953</u>	<u>76,609</u>
<b>Communications</b>		
Staff Costs	85,069	121,607
Prayer materials	101,811	84,331
Internal communications	16,605	9,592
Other costs	8,787	6,993
	<u>212,272</u>	<u>222,522</u>
<b>TOTAL FOR APPORTIONMENT</b>	<u><b>811,476</b></u>	<u><b>970,543</b></u>

**8 BASIS OF APPORTIONMENT**

Support Cost	Fundraising		Student	2006 US\$	2005 US\$	Basis of allocation
	Fundraising US\$	Trading US\$	Ministry US\$			
Finance	11,792	218	129,734	141,744	160,540	No. staff globally
General Management	86,465	1,601	118,489	206,555	211,234	No. office staff
IT	40,462	749	55,449	96,660	83,749	No. office staff
Human Resources	7,483	139	82,331	89,953	76,609	No. staff globally
Communications	17,659	327	194,286	212,272	222,522	No. staff globally
Facilities	54,927	2,689	67,219	124,835	116,885	Floor area
Exchange loss	(5,037)	(93)	(55,413)	(60,543)	99,004	No. staff globally
	<u>213,751</u>	<u>5,630</u>	<u>592,095</u>	<u>811,476</u>	<u>970,543</u>	

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

**9 TOTAL RESOURCES EXPENDED**

	Regional Operations & Salaries US\$	Evangelism & Mission US\$	Conferences & Formacion US\$	Ministry Projects & Literature US\$	Total 2006 US\$	Total 2005 US\$
Student Ministries:						
English and Portuguese Speaking Africa	177,917	215,114	59,341	106,039	558,411	583,496
French Speaking Africa	167,666	28,384	48,925	50,773	295,748	311,532
Western Europe	427,574	151,552	58,823	2,758	640,707	511,293
Central Europe	194,343	304,004	52,233	67,771	618,351	545,362
Eurasia	280,180	438,177	125,335	2,500	846,192	728,388
Innovista	180,826	54,223	2,865	1,655	239,569	356,342
Middle East and North Africa	127,374	15,347	38,194	0	180,915	290,564
Latin America	134,718	76,150	31,823	1,800	244,491	262,253
Caribbean	59,854	39,003	25,118	0	123,975	120,365
South Asia	53,059	88,134	13,700	8,000	162,893	154,038
East Asia	332	65,287	6,209	0	71,828	65,947
South Pacific	201	74,456	419	0	75,076	34,825
North America	0	139,932	0	-	139,932	59,227
International Ministry	596,802	0	333,443	20,316	950,561	673,401
Management & Admin costs apportioned	276,097	194,323	91,589	30,085	592,095	970,543
Fundraising	199,254	140,239	66,098	21,712	427,303	273,061
Fundraising trading	21,636	15,228	7,177	2,358	46,398	11,850
Governance costs	61,526				61,526	40,735
	<u>2,959,359</u>	<u>2,039,553</u>	<u>961,292</u>	<u>315,767</u>	<u>6,275,971</u>	<u>5,993,222</u>

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

**Regional Operations & Salaries:**

Staff Costs	2,067,830	1,797,366
Other Operating Costs	333,016	427,349
Apportioned Support Costs - Notes 7 & 8	496,987	594,637
Governance Costs	61,526	40,735
	<u>2,959,359</u>	<u>2,860,087</u>

Of the staff costs included under Regional Operations and Salaries, \$1,828,497 (2005 \$1,627,701) represents ministry staff serving worldwide.

**Evangelism & Mission:**

Grants to national student ministries - Note 22	1,587,384	1,396,649
Ministry staff costs	58,457	43,004
Pioneering and other mission costs	43,922	27,233
Apportioned Support Costs - Notes 7 & 8	349,790	392,079
	<u>2,039,553</u>	<u>1,858,965</u>

All grants are made to organisations. In 2006 grants were made to 101 (112 in 2005) organisations.

**Conferences & Formacion:**

Global Conferences	309,949	209,822
Scholarships	88,139	69,359
Regional Conferences & Training	398,340	550,233
Apportioned Support Costs - Notes 7 & 8	164,864	221,692
	<u>961,292</u>	<u>1,051,106</u>

**Ministry Projects & Literature:**

Gospel Distribution	165,551	70,610
Grants to national student ministries - Note 22	58,662	37,187
Other Ministry Projects & Literature work	37,399	68,221
Apportioned Support Costs - Notes 7 & 8	54,155	47,047
	<u>315,767</u>	<u>223,065</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

**10 INFORMATION REGARDING EMPLOYEES**

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

	2006	2005
Wages and Salaries	2,034,821	1,863,945
Social Security Costs	155,801	130,381
Pension Costs	189,974	152,700
Other Staff Costs	377,987	321,608
	<u>2,758,584</u>	<u>2,468,634</u>

No employee earned \$97,955 (£50,000) per year or more.

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

	2006	2005
Student Ministries	59	62
Fundraising and Publicity	6	5
Management and Administration	10	10
	<u>75</u>	<u>77</u>

**11 TANGIBLE FIXED ASSETS**

	Freehold Property US\$	Leasehold Property US\$	Computers US\$	Office Furniture & Equipment US\$	Total US\$
<i>Cost</i>					
At 1 January 2006	33,029	52,850	158,011	70,929	314,819
Additions during year	-	-	8,548	3,583	12,131
Disposals during year			(166,559)	(74,512)	(241,071)
At 31 December 2006	<u>33,029</u>	<u>52,850</u>	-	-	<u>85,879</u>
<i>Depreciation</i>					
At 1 January 2006	2,644	7,399	131,928	68,634	210,605
Charge during year	661	1,057	13,348	2,258	17,324
Disposals during year			(145,276)	(70,892)	(216,168)
At 31 December 2006	<u>3,305</u>	<u>8,456</u>	-	-	<u>11,761</u>
<i>Net Book Values</i>					
at 31 December 2006	<u>29,724</u>	<u>44,394</u>	-	-	<u>74,118</u>
at 31 December 2005	<u>30,385</u>	<u>45,451</u>	26,083	2,295	104,214

Due to the restructuring of IFES and IFES Trust, some of the Fixed Assets of IFES were sold to IFES Trust at their net book value as at 31 December 2006 at the end of the year under review. Only the buildings have been retained by IFES.

**12 STOCK**

The stock figure on the face of the balance sheet represents a stock of booklets held at the year end. These booklets were produced for resale in order to generate incoming funds.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

**13 DEBTORS**

<i>Current Assets</i>	Notes	2006 US\$	2005 US\$
Due from IFES Trust		0	143,137
Other Debtors		187,760	43,156
Income Receivable		351,749	377,236
Prepayments		66,959	59,586
Capital Revolving Fund Loans	11a	<u>24,403</u>	<u>42,687</u>
		<u>630,871</u>	<u>665,802</u>
Long Term Debtors			
Capital Revolving Fund Loans	11a	50,697	48,355

**13a Capital Revolving Fund Loans**

	Sterling Loans £	Euro Loans €	£/€ Loans US\$	US\$ Loans US\$	Total US\$
Balance 1 January 2006	15,000	27,943	58,524	32,518	91,042
New Loans	-	8,500	10,902	10,000	20,902
Repaid in 2005	(11,143)	(7,661)	(30,341)	(12,720)	(43,061)
Exchange Gain	-	-	6,217	-	6,217
Balance 31 December 2006	<u>3,857</u>	<u>28,782</u>	<u>45,302</u>	<u>29,798</u>	<u>75,100</u>
Repayable before 31.12.2006	3,857	6,216	15,763	8,640	24,403
Repayable after 31.12.2006	-	22,566	29,539	21,158	50,697
	<u>3,857</u>	<u>28,782</u>	<u>45,302</u>	<u>29,798</u>	<u>75,100</u>

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

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

The total sum available from general assets for loans from the Capital Revolving Fund is \$109,182 (2005 \$104,416). Of this total, \$39,182 (2005 \$34,416) represents long term loans (£20,000 Sterling) to the Capital Revolving Fund, repayable in 2008 or later. The balance of \$70,000 is permanent capital. The long term loans were revalued at the year end.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

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

	2006	2005
<i>Current Liabilities</i>	US\$	US\$
Due to IFES Trust	195,066	0
Creditors	48,082	38,100
Accruals	181,962	134,370
	<u>425,110</u>	<u>172,470</u>

**15 LONG TERM LOANS**

	Capital Revolving Fund US\$	General Fund US\$	TOTAL US\$
At 1 January 2006	34,416	63,119	97,535
Exchange loss	4,766	-	4,766
31st December 2006	<u>39,182</u>	<u>63,119</u>	<u>102,301</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

**16 RESTRICTED FUNDS**

FUND	Opening Balance 1st Jan 2006	B/F Reallocated Between Funds	Incoming Resources	Outgoing Resources	Transfers	Closing Balance 31st Dec 2006
Priority Funds	165,667		2,138,634	(3,035,013)	957,743	227,031
Provisional Funds	939,364		968,713	(994,529)	(420,563)	492,985
Transmission Funds	464,862		1,703,987	(1,597,272)	22,850	594,427
Property Fund	103,483		-	-	-	103,483
Capital Revolving Funds	70,000		-	-	-	70,000
B Fund	114,014		7,907	-	-	121,921
Urbana Restricted Fund	133,000		-	-	(133,000)	-
<b>TOTAL RESTRICTED FUNDS</b>	<b>1,990,390</b>	<b>-</b>	<b>4,819,241</b>	<b>(5,626,814)</b>	<b>427,030</b>	<b>1,609,847</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

**17 UNRESTRICTED FUNDS**

<b>FUND</b>	<b>Opening Balance 1st Jan 2006</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers</b>	<b>Realised Gains</b>	<b>Closing Balance 31st Dec 2006</b>
Strategy Fund	80,554	5,650	(9,183)	(39,728)	-	37,293
General Fund	3,361	1,101,884	(639,974)	(387,302)	-	77,969
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>83,915</b>	<b>1,107,534</b>	<b>(649,157)</b>	<b>(427,030)</b>	<b>-</b>	<b>115,262</b>

**Transfers between funds**

Transfers between funds are normally made to offset any deficit in a restricted fund that was not likely to be offset by income during 2007. Restricted funds that were applicable, i.e. that were restricted to a more general area, were used first. For example, surpluses in restricted funds for the work in Central 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 2006**

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible Fixed Assets US\$	Long term debtors US\$	Net Current Assets US\$	Long term Liabilities US\$	Total US\$
<b>Restricted Funds</b>					
Priority Funds	-	-	227,031	-	227,031
Provisional Funds	-	-	492,985	-	492,985
Transmission Funds	-	-	594,427	-	594,427
Property Fund	77,554	-	25,929	-	103,483
Loan Funds	-	50,697	121,604	(102,301)	70,000
B Fund	-	-	121,921	-	121,921
<b>TOTAL RESTRICTED FUND:</b>	<b>77,554</b>	<b>50,697</b>	<b>1,583,897</b>	<b>(102,301)</b>	<b>1,609,847</b>
<b>Unrestricted Funds</b>	<b>(3,436)</b>		<b>118,698</b>		<b>115,262</b>
	<b>74,118</b>	<b>50,697</b>	<b>1,702,595</b>	<b>(102,301)</b>	<b>1,725,109</b>

**19 PAYMENTS TO EXECUTIVE COMMITTEE MEMBERS**

The following reimbursements for travel expenses were made to Executive Committee Members:

Sr Dieter Brepohl	\$1,435.50
Dr Rachael Masake	\$878.00
M Pascal Ratovona	\$1,295.00
Miss Tonica Van Der Meer	\$2,683.00
Ms Muriel Wilson	\$230.57
Dr Chris Collins	\$1,695.84
Ms Leah Genita	\$2,342.75
Sr Augustine Pagolu	\$600.00
Rev Jens-Petter Johnsen	\$142.45
Sr Francisco Mira Moya	\$1,185.02
Dr Kornel Herjeczki	\$1,112.14

No other members of the Executive Committee have received remuneration or have been reimbursed expenses by IFES.

**20 RELATED PARTIES**

IFES receives donations from a related UK registered Fellowship, IFES Trust, which exists to collect UK donations for the purpose of supporting the work of IFES. Grants from IFES Trust are recorded as donations in IFES. In 2006, the total amount of income recorded from this source was \$2,780,447. Due to the restructuring of IFES and IFES Trust, IFES sold some of its Fixed Assets to IFES Trust at their net book value as at 31 December 2006 at the end of the year under review. The transactions with IFES Trust during the year resulted in a creditor being shown on the IFES balance sheet at 31 December 2006 of \$195,066 (2005 Debtor of \$143,137). This balance was repaid to IFES Trust before the end of February 2007.

IFES assumes responsibility for the payment of rent on behalf of IFES Trust. In 2006 the rent paid amounted to \$190,875 (2005 \$196,314).

**21 GOING CONCERN**

Further to a review of the structure of IFES and IFES Trust, the two organisations are being restructured in order that the majority of the activities formerly undertaken by IFES should now be undertaken by IFES Trust. This restructuring has been approved both by the Directors of IFES Trust and by the Executive Committee of IFES and will take effect from 1 January 2007. The Executive Committee of IFES can confirm that IFES will continue to be a going concern, and will still undertake activities that relate to the General Committee of IFES.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2006**

**22 GRANTS TO ORGANISATIONS**

	2006 US\$	2005 US\$
Russia	147,850	121,485
Ukraine	91,680	83,160
United Kingdom	90,263	15,544
Central Asia	89,024	78,897
United States	87,725	14,652
New Zealand	65,086	21,000
Nepal	63,641	2,500
Nigeria	54,039	62,710
Canada	52,207	44,575
FAF/French-speaking Africa	47,337	13,321
Uganda	47,276	56,432
Belarus	46,094	27,321
Poland	38,287	58,854
Gambia	33,768	7,686
Serbia and Montenegro	32,780	23,772
Bulgaria	30,200	22,700
Lithuania	24,581	34,338
Romania	24,405	34,562
Kenya	24,352	41,908
Moldova	24,340	20,669
Mexico	22,932	19,818
Switzerland	20,345	29,134
Bosnia	20,344	19,239
Republic of South Africa	19,238	31,626
China	18,471	28,176
Ghana	17,500	9,100
Slovakia	17,213	25,044
Macedonia	16,799	25,601
EX/Eurasia region	15,326	26,212
Albania	14,373	14,632
Latvia	14,318	46,194
Jamaica	14,070	13,209
Armenia	13,682	11,302
Slovenia	13,550	10,066
Spain	12,714	2,179
Guatemala	12,317	-
Bangladesh	11,763	22,158
Sudan	10,499	7,449
Croatia	10,450	9,835
Czech Republic	10,312	6,911
Austria	10,301	-
Hungary	8,702	-
Hong Kong	8,535	10,023
Azerbaijan	7,981	150
Malawi	7,952	11,350
Turkey	7,600	908
Ecuador	7,286	8,848
Trinidad	7,232	2,292
Italy	6,989	6,529
Portugal	6,740	14,901
Pakistan	6,455	8,257
Angola	5,665	8,700
Zimbabwe	5,400	1,800
India	5,100	2,074
Fiji	5,000	5,000
Bolivia	5,000	5,000
Grants to other organisations	112,957	204,033
<b>Total Grants to Organisations</b>	<b>1,646,046</b>	<b>1,433,836</b>

Direct grants are made from regional budgets to assist the work of the most fragile movements. These are mainly funded by donations restricted to the work in those regions. Remaining grants are made from restricted income and reflect the donors' intent to support student ministry around the world.

**Independent auditors' report to the Executive Committee of The International Fellowship of Evangelical Students  
For the year ended 31 December 2006**

We have audited the accounts of The International Fellowship of Evangelical Students for the year ended 31 December 2006 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The accounts have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

This report is made solely to the Fellowship's Executive Committee members, as a body. Our audit work has been undertaken so that we might state to the Fellowship's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fellowship and the Fellowship's Executive Committee members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of the Executive Committee and Auditors**

The Executive Committee members' responsibilities for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Executive Committee members' responsibilities.

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

We report to you our opinion as to whether the accounts give a true and fair view. We also report to you if, in our opinion, the Executive Committee members' report is not consistent with the accounts, if the Fellowship has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding Executive Committee members' remuneration and transactions with the Fellowship is not disclosed.

We read other information contained in the Executive Committee members' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

**Basis of Audit Opinion**

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Fellowship's affairs as at 31 December 2006 and of its incoming resources and application of resources for the year then ended.

**CRITCHLEYS**  
CHARTERED ACCOUNTANTS  
and Registered Auditors  
Greyfriars Court  
Paradise Square  
Oxford.  
Date: 5 September 2007