

**INTERNATIONAL FELLOWSHIP OF
EVANGELICAL STUDENTS**

ANNUAL ACCOUNTS 2008

Auditors

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

International Fellowship of Evangelical Students is a UK charity no 247919 and a limited company,
incorporated in London no 876229. Registered office: 321 Banbury Road, Oxford OX2 7JZ.
L'IFES est une organisation déclarée en Suisse.

**REPORT OF THE TRUSTEES OF
THE INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS
For the year ended 31 December 2008**

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 2008. References to IFES refer to the combined activities of IFES (UK) and IFES (Switzerland).

OBJECTIVES AND ACTIVITIES

About IFES

IFES is a network of national student movements committed to being partners in reaching students in every nation with the gospel of Jesus Christ and to sending them out to bear witness to Christ and his teaching. IFES is also committed to helping students apply the lordship of Christ to every aspect of life in every area of society. This includes equipping them to demonstrate the love of God in practical, tangible ways.

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 judgment
- 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 people 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
- the expectation of the personal return of the Lord Jesus Christ

A new vision – living stones

Seven hundred students, staff and other IFES stakeholders from around the world have forged a new vision to take the organisation through to 2020. Recognising the opportunity contained in our huge student base, the vision of living stones is to release student initiative with a view to doubling the number of active, committed members of IFES groups who are influencing their universities and societies for Christ.

Students are at the centre of this vision to grow mighty numbers of 'living stones' for the world: students reaching students with the good news of Jesus Christ, students growing into life-long disciples of Christ, students serving and strengthening the church. We want to nurture, train and equip our students in order to release them, to release their creative energy and initiative as ambassadors of Christ's kingdom, for this generation and those to come.

Growing leaders of integrity

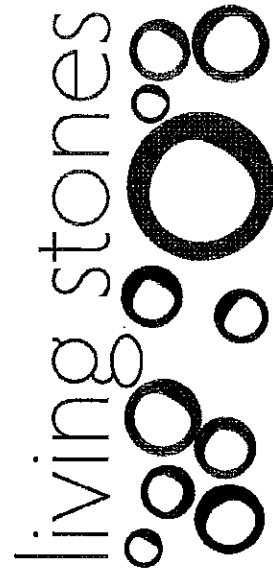
IFES graduates have initiated a number of significant holistic ministries in some of the poorest and most challenging parts of the world, for example the acclaimed reconciliation ministries in Rwanda and Peru, and the world's largest indigenous Christian hospital network in India. Already, World Vision estimates that up to 90% of their leaders worldwide have been formed through an IFES affiliated movement. In some countries in French-speaking Africa, for example, up to 80% of church leaders say the same.

Today, IFES works with about 500,000 students annually. Our aim is to double that number, to impact the lives of one million young people around the world each year. We want to help them take responsibility for the future of this ministry, to grasp the vision with passion and enthusiasm right from the start of their time with IFES, so that, in due course, even more lives may be touched.

Our priorities

To meet this goal of growth and depth of impact, IFES will focus on six key areas, with the aim of releasing student initiative at the heart of all the strategic priorities.

1. Communicating the good news of Jesus Christ – creatively and clearly to campuses throughout the world, in word, in action and through relationships, within and across cultures.
2. Strengthening leadership and formación – through leaders of integrity, impacting the church, the university, all of society.
3. Promoting student-graduate integration – nurturing life-long disciples, committed to student ministry and to being witnesses in the workplace and society.
4. Building sustainable support – through a growing wave of indigenous generosity and involvement.
5. Addressing current global issues – as students, united with the global body of Christ, responding to contemporary challenges from a Christian perspective.
6. Engaging the university – constructively and boldly, with carefully-developed biblical worldviews, demonstrating the integration of faith, life and academic disciplines.



As we work to achieve our vision, every aspect of IFES life will be surrounded and supported by three core commitments of Scripture engagement, community and prayer. In addition, IFES recognises that strong growth needs firm foundations, so we will invest in identifying and initiating excellence and best practice in governance, organisational development, global partnerships, human resources and pastoral care, and research and innovation.

Key areas of focus in 2008

- **IFES symposium on climate change**

Participants from 16 countries across the world gathered in Jamaica in October 2008 for an international symposium on faith and the environment. They learned from experts about the significant challenges posed by global climate change and heard stories of the serious impact of climate change on the environments of countries in South America, the Caribbean, Africa, South Asia and the South Pacific. Key issues were discussed in depth as well as strategies for responding to the pleas for practical help and assistance from participants. Participants also spent time in worship, reflection and meditation on what it means to be stewards of God's

creation and agents of his redemptive work, in the world especially in relation to the Christian's responsibility to care for the poor and most vulnerable in our local and global community. At the end of the conference, in a formal document, participants covenanted together before God to bring about concrete changes in their personal and professional lives, and to encourage the IFES Fellowship to make a similar commitment.

- **Kenya commission 2008**

One of the major events organized by the missions department of FOCUS, the IFES movement in Kenya, is the triennial missions convention, Commission. The 2008 convention included 2,500 delegates from 19 countries. The delegates heard speakers from around the world exhort them to take seriously the command to declare the gospel throughout the whole world. Plenary sessions included talks on reconciliation, community development, the environment and the role of the local church in mission.

The program also included seminars on topics as varied as prayer, being single, fundraising, Christians in politics, sports evangelism and the implication of information technology on missions. In all over 80 different seminars were offered to allow the delegates to explore areas of mission of particular interest.

On the last evening of the convention, the delegates were invited to come forward if they had made a decision to follow God's call to mission. Nearly half the students went forward. Some, like David, saw their call in general terms: he was training to be a teacher and realized that he had a mission to the students in his classroom. Others, like Mark, made a decision to be more outgoing and involved in mission on his campus and not think that evangelism is everyone else's responsibility.

- **European Evangelism Conference**

During Easter 2008, more than 2000 students from about 40 countries gathered in Linz, Austria to learn about evangelism. Because of love, students wanted to understand more about God's love for them. Because of love, they want to pass it on to their friends and the world.

Raluca from Romania writes: *'God showed me how much he loves his children and this fact alone encouraged me more than I could ever imagine. I learned that evangelism isn't something I tick off on my 'to do list', but rather starts from God's desire for all to be saved. The Lord put on my heart the desire to work for him right where I am.'*



I am loved... I love others... I love the world

During the final session, Daniel Bourdagné, IFES General Secretary, commented on a verse from Luke 10:2: The harvest is plentiful, but the workers are few. As he looked out on the participants, Daniel expressed delight that the workers did not seem few, but many. *'Two thousand students! What a potential!'* he said. *'Don't follow a secular spirit of Europe. God wants to use you!'*

- **European evangelists**

Our strategy has been to invite potential and current university evangelists in this past year to visit UK week-long evangelistic events to observe how they are run.

In February and March of 2008, eight people came to observe and participate in university missions in Oxford and Sheffield. They came from Greece, Bulgaria, Czech Republic, Albania, Serbia, Macedonia and Denmark. We have already heard of the trainees engaging in evangelistic and apologetic talks. For example, in the University of Athens an outreach was held in which the young evangelist applied his new knowledge to give a lunch time talk at the event.



Evangelists-in-training visit Oxford

The missions observation was followed up with a conference for potential and current evangelists in Schloss Mittersill, Austria attended by about 60 people from 20 countries across Europe.

- **Uruguay**

When Ricardo Borges and his family arrived to re-pioneer the student ministry in Uruguay two years ago, CBU (Comunidad Bíblica Universitaria) did not have any active student groups.

During 2008, God raised up a committed core of students, and now there are five new CBU groups in five university centres.

At the end of the year, Ricardo reflected: *'It struck me that many of the students shared in their testimonies the joy of having discovered that they were able to prepare by themselves the Bible studies adequate to their context. They also realized these studies could be conducted by themselves, and for many of them it was the first time in their lives they did it. If this was for them a reason to celebrate, you can imagine how much joyful we were!'*



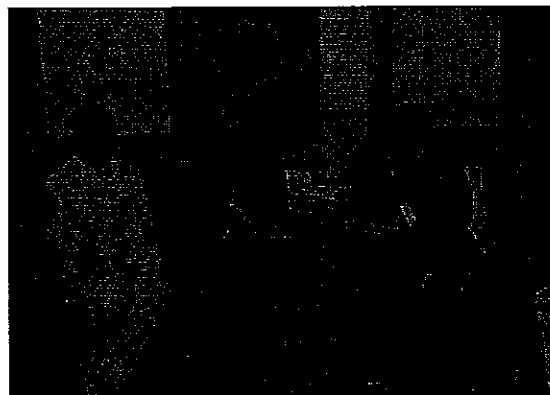
Keissy, a Christian student at one of the new CBU student groups, told Ricardo that she had decided to pray for a classmate she did not know personally, only by sight. Some time later, the classmate came to Keissy and invited her to have a coffee. Keissy was surprised but thrilled: *'It was the other girl who came to talk to me! Isn't it amazing what can happen when you pray?'*

- **HIV/AIDS: South Africa**

IFES believes that communicating the gospel involves not just speaking but action. To that end we place a high priority on reaching out with the love of God in practical ways and addressing current issues in people's lives.

One of the most pressing issues in many areas of the world is the HIV/AIDS pandemic. Africa is especially affected, and IFES has special HIV/AIDS programmes in both the Francophone Africa and the English- and Portuguese-speaking Africa regions. Below is one example of the HIV/AIDS outreach occurring in Africa.

The Students Christian Organization (SCO) organizes training events as part of the Ses'khona Programme. The Zulu phrase *ses'khona* means 'we are here'. It is a phrase said to people at a moment of need or crisis to assure them of the presence of listening, helping friends. Born in the context of South Africa's national HIV/AIDS crisis, the programme includes a series of Bible studies on such topics as gender awareness and sexual wholeness. All IFES staff members received Ses'khona training at their year-end conference.



Discussion session at a Ses'khona training session

A highlight of the training sessions was one which had a visit from a Christian peer educator who is living with HIV/AIDS. She shared how her faith has impacted her own experience of living with HIV and how it has helped in reaching out to others that are HIV-positive. Her input was so effective that the EPSA regional HIV team has decided that all future HIV programmes will include the input of HIV-positive individuals.

- **Eurasia Institute**

Last year, the Institute brought together 120 staff from 10 Eurasian countries (national & international staff, board members and volunteers), along with teachers, the institute staff team and translators, for an intensive two-week program of worship, Bible study, fellowship and training through seminars and week-long classes in five curriculum areas: Bible; theology; practical ministry skills; spiritual formation and engaging the culture. Not only the powerful teaching, but the atmosphere of fellowship and encouragement was greatly appreciated by participants, as the following comments demonstrate:

'God met me in the classes this year and challenged me to truly engage my culture.'

'The majority of what I've learned were practical advices, which I can apply in my work place and in my church; it's good that mostly we worked in groups.'

- **Azusa program**

In response to needs in the region and in support of the 'Living Stones' initiative by IFES, IFES-Eurasia has entered into a partnership with Azusa Pacific University (APU) to offer a fully accredited Master of Arts Degree in Organizational Leadership. Our hope is to make this program available to staff (foreign and national) and volunteers working with our IFES movements in the region and who have a desire to strengthen their abilities and skills as leaders.

Classes for the first year took place in Kherson, Ukraine in August 2008 with 23 students (staff, volunteers, board members, friends of IFES-Eurasia) coming from Kyrgyzstan, Russia, Moldova, Ukraine, Armenia, Georgia, Philippines, Canada and the USA.

A national staffworker from Moldova comments: *'I feel that I am learning a lot and it helps me work better in my team in CSC-Moldova. For example, I have a better picture of how collaboration and creativity may emerge in the student ministry, which will enhance its quality and satisfaction for all involved.'*

Snapshots from IFES movement activities in the rest of the world

- **Dominica: mission in action**

'This is missions!' The statement still echoes in the hearts and minds of the young men and women, students and staff, who took a step of faith in response to a need for an established Christian witness in the schools of Dominica.

Out of a call to actually 'do' missions instead of just having conferences about it, students and staff in the Caribbean decided to cancel their regional conference and instead made plans for the Dominica Missions Project.

For five days, 37 students and staff from across the Caribbean shared about IFES ministry with a goal of inspiring Christian students to establish a group in their school. Plans are now moving ahead to officially establish an IFES movement there. A teacher has committed to being the Dominican representative while IFES regional staff continue to seek others to commit to the work and while a board and a national body are established.



A group from Barbados participated in the Dominica missions outreach

- **Cambodia: fruitful partnerships**

Last year a partnership between OMF Cambodia, Perkantas (the IFES movement in Indonesia) and IFES East Asia bore fruit, as staff workers and team members were identified for a new student work in Cambodia.

Since then, the team has been visiting pastors of local churches and other student group leaders personally to share the vision of FES Cambodia.

So far the response of church leaders has been very positive. The hope is that churches will send their first-year students to a FES Cambodia discipleship program in 2009, which will equip new students to reach out and disciple others on campus. Already, students have started to meet, and a lively Christmas celebration was held in one university department.



- **Cameroon: training future leaders**

Last September, 300 students from the IFES movement in Cameroon (GBEEC) attended their national camp in Ngaoudere and 150 students went to camp in Sangmelima. The campers had a great time of fellowship and learning from each other as well as benefiting from Bible exposition.

In the following month, at the GBEEC national consultation for leaders, all the student group leaders for the university, high school and graduate ministry gathered together to listen to God's Word and look at the direction to take together for the year ahead.

We give thanks for the training opportunities that are available to students in Cameroon through GBEEC, and we look forward to them emerging from the university to take their place in society as Christians who have an impact for the kingdom wherever they go.

- **Jordan: graduate partnerships**

Graduates from Jordan have been very generous in supporting student work in the Middle East and North Africa, even covering the cost of the most recent national conference in Tunisia in its entirety. This is some of the fruit of the young graduates conference held in Jordan in 2006 and Jordan is becoming a model for graduate partnership. The General Secretary for that country reports:



'In Jordan we wanted to involve the graduates in this ministry that they were part of for many years as students, so we sent an email and SMS encouraging them to sponsor one student. We shared the theme and the speakers for each camp and asked them to sponsor a portion of the cost for a single student. We did amazingly for the three camps, receiving 200 sponsorships from graduates!

- **Canada: Christians and conservation**

The environment is passionately discussed on a British Columbia campus where popular majors are natural resource management, environmental studies and wildlife biology. For Christian students, it's an open door to discuss *why* caring for creation is important. This passion led one group of Inter-Varsity (IFES in Canada) students to spend part of their summer at an organic farm dedicated to conservation and Christian community.



The students joined fifteen other people on site. Together they participated in conservation projects, provided organic food for the local community and offered environmental education for school children and adults — all within a context of a Christian community.

- **South Asia: student leaders' missions conference**

Kathmandu, Nepal, was host to this missions event, drawing 60 student leaders from Bangladesh, India, Nepal, Pakistan and Sri Lanka to a beautiful conference centre situated at the foothills of the Himalayas. The theme of the conference revolved around an integral or holistic approach to missions.

Ravi David, Regional Secretary, called the participants to view the entire conference through the lens of practical theology. Students responded enthusiastically to this model and felt comfortable working with it. Many of them expressed their appreciation of the model which so effectively integrated contextual realities with the scriptures. They were also affirmed in the fact that their individual contexts were important and that what was being addressed was real stuff that mattered to them — things they could resonate with such as their language, their culture, and their very local issues.



- **Vanuatu: staff make a difference**

Vanuatu is an archipelago that is home to just over 200,000 people. While 95% of the islanders describe themselves as Christians, many are not fully committed to following Christ, and syncretism is common in rural areas and the outer islands.

Yet 30-40 Christian students from across Vanuatu are meeting together regularly at the University of the South Pacific in the capital. Last year, a graduate from the Australian IFES movement (AFES), spent a year working with the students in Port Vila as part of his apprenticeship with AFES. When Joel arrived in Vanuatu, the group was only about 10 in number, with just one young man attending. A breakthrough came when Joel joined a soccer team for a campus-wide sports day, getting to know the young men and showing them that it is 'okay' to be a committed Christian. Now the group has quadrupled in size!

Key areas of focus for 2009

A top priority in 2009 is the communication and dissemination of the Living Stones vision, and working with our regional staff and national movements to develop implementation plans to achieve the goals of this vision.

At the same time we will continue working towards our new strategic priorities, for example in the following ways:

Strengthening leadership and formación

- Student leadership development and training: Leadership training conferences for students are planned for Europe, the Caribbean, Latin America, the Middle East and North Africa, and Francophone Africa.
- Staff development: Major staff training conferences are planned for the English- and Portuguese-speaking Africa, Latin America and South Asia. Regional support group events for staff are also planned for several regions.

Building sustainable support

- A key element of empowering students is the release of a growing wave of generosity and involvement in supporting the student ministry. IFES is deeply committed to growing its student ministry in all the 152 countries in which it works, into strong, self-sustaining movements that can contribute generously to the work of the worldwide ministry. Indigenous support-raising is therefore a vital aspect of the overall vision.

This is a move away from long-distance, cross-cultural, project-based partnering for ongoing and regular work, and towards locally-raised, regular support. It is a move away from dependence on a few major donors, and towards a broad base of smaller donors. It is a move that we believe will result in increased stability and strength, and greater ability to withstand economic fluctuations, as well as providing the support base for growth.

During the year, IFES will develop and begin to implement a strategy which will deliver strong, financially self-sustaining movements that contribute generously to the work of the worldwide ministry, with a view to doubling the number of students touched each year and released as 'living stones'.

Communicating the good news of Jesus Christ

- Evangelistic Bible study materials: The creation of a new Bible study series, 'Walking with Jesus', is currently underway for use throughout Europe. The series, designed to help Christian students understand evangelism, will focus on some familiar biblical narratives describing encounters with Jesus. The studies will concentrate on modelling Jesus' attitude to specific individuals, rather than seeking to provide a single method or set of skills needed to 'do' evangelism. The aim is for students to learn how creatively to touch the lives of non-Christians, either in groups or as individuals. Funding is needed both to produce and print this series.
- European evangelists: Lindsay Brown, evangelist-at-large with IFES, is the primary mentor of the European Evangelist project. Last year was the first year of this project, and considerable advances were made (see report above). The vision is to see 30 to 50 European university evangelists raised up in the next five-year period and then to see this number extended to every European country within eight years.

Strengthening leaderships and formación; promoting student-graduate integration; building sustainable support

- Web development: As we look to develop the IFES website in 2009, there is great potential to capitalise on the benefits afforded by social media. There already exists a strong community that operates both locally and globally; appropriate and thoughtful application of social media could serve to strengthen this community further, and to help achieve our collective goals.

Investment in a new web infrastructure will enable us to:

- facilitate networking, discussion and interaction, between IFES students, staff, graduates and supporters around the world,
- increase the number of students who engage directly with IFES, and to thereby increase their sense of belonging and ownership of the Fellowship,
- decentralise the production of content and population of web pages, and syndicate resources where they already exist, for example a regional profile could contain information and content generated by a member of the community (with some possible permission restrictions), content imported from an external source (such as a blog), and a host of other resources across a variety of media (photos, videos, documents).

The trustees have pleasure in presenting their report and the accounts for the year ended 31 December 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company's governing document is its Memorandum and Articles of Association. Members must signify in writing their agreement with the Doctrinal Basis of the company. Reference and administrative details can be found on pages 38 and 39.

Structure and decision-making process

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

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

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

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

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

Appointment, induction and training of trustees

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

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

Related charity

IFES (UK) has a related charity, International Fellowship of Evangelical Students, which is registered in Switzerland. Principal contact addresses are the same as for IFES (UK). The principal financial activity of IFES (Switzerland) is to receive donations on behalf of IFES (UK) and pass them on. IFES (UK) donated \$3,349 (2007 \$ 853,398) to IFES (Switzerland) during 2008. It also received \$366,062 in grants from IFES (Switzerland) in 2008 (2007 \$ 1,160,397).

Risk management

During 2008 a major review of the risk register (which was first developed in 2003) was undertaken including asking the regional secretaries to undertake an assessment of the risks in their region. Prior to regional secretaries being asked to assess risk they were given training on risk management. Seventy-three risks were identified at an international level with further risks identified in different regions. These risks were rated for probability and impact.

Control systems already in place to mitigate risks were recognized, and new control systems were identified where sufficient systems were not already established. There will be follow up work in 2009 to ensure that these are put in place. The Finance Committee approved the risk register for implementation.

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

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

Responsibilities of the directors for accounts

As a company limited by guarantee, IFES (UK) is subject to the Companies Act 1985. The directors note that, under company law, it is their responsibility to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the company and of the result for that year. In preparing these accounts, 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 accounts,
- prepared the accounts on the going concern basis unless it is inappropriate to assume that the company will continue its operations.

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

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

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and

- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity'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 2008 are set out in the accounts on pages 20 to 35.

Donation income to IFES (UK) was \$6,791,198 (\$7,535,701 in 2007). This enabled direct charitable expenditure of \$5,853,568 (\$6,181,674) to further the objects of the Fellowship. Due to the restructuring in 2007, a comparison of the combined results of IFES (UK) and IFES (Switzerland) needs to be made to give a true understanding of changes in Financial activity between 2008 and 2007. Total donation income in 2008 (less intercompany transfers) was \$6,638,650 compared to \$6,735,453 in 2007, a decrease of 1%. Total charitable expenditure decreased by 8% from \$6,336,963 to \$5,843,485 with 90% of the 2008 figure being direct costs and 9% allocated support costs and 1% governance.

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

The Fellowship makes payments through 'transmission funds'. These are donations for activities that are not part of IFES' core activities but are within IFES' charitable objects. Payments made to national movements and other external bodies are treated as grants and are included in the 'grants payable' figure of \$2,186,655. 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 (the free reserves of the Fellowship) of between 10% and 15% 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 2009 budget for the Fellowship, this would require a general fund balance of between \$436,000 and \$653,671. At the end of 2008, the general fund was \$699,429. Additionally there were general funds held in IFES (Switzerland) of \$411,955. Across the Fellowship there was therefore a total of \$1,111,384 which was above the target range, being 26% of the operational budget.

Investments

The Finance Committee is currently in the process of reviewing the investment policy and will recommend a revised policy to the trustees for decision in 2009. In the meantime investment funds are being invested on short term deposit. There are no restrictions on the Fellowship's power to invest.

APPOINTMENT OF AUDITORS

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

BY ORDER OF THE BOARD



BEVERLEY HAZELL
Secretary

321 Banbury Road
Oxford
OX2 7JZ
Date: 11 JUNE 2009

STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)
For the year ended 31 December 2008

	Note	Unrestricted Funds \$	Restricted Funds \$	Total Funds 2008 \$	Total 2007 \$
INCOMING RESOURCES					
Donations, legacies and similar incoming resources	2	2,064,798	4,726,400	6,791,198	7,535,701
Activities for generating funds		45,778	6,974	52,752	41,559
Investment Income		8,796	69,512	78,308	103,237
Incoming resources from charitable activities	3	765	32,754	33,519	276,079
Other Incoming Resources				0	3,990
TOTAL INCOMING RESOURCES		2,120,137	4,835,640	6,955,777	7,960,566
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	602,281	-	602,281	414,560
Fundraising trading	6	-	-	-	46,192
Total cost of generating funds		602,281	-	602,281	460,752
Charitable activities					
Student Ministry	4	274,795	5,578,773	5,853,568	6,181,674
Total charitable activities		274,795	5,578,773	5,853,568	6,181,674
Governance costs	7	50,258		50,258	35,849
Total Resources Expended	10	927,334	5,578,773	6,506,107	6,678,275
Net Incoming / (Outgoing) Resources Before Transfers		1,192,803	(743,133)	449,670	1,282,291
Transfers Between Funds	17,18	(584,420)	584,420	-	-
		608,383	(158,713)	449,670	1,282,291
Other Recognised Gains and Losses					
Realised Gains on Investments		-	-	-	-
Unrealised exchange loss	17	(251,817)	(103,773)	(355,590)	
Net Realised Gains		(251,817)	(103,773)	(355,590)	-
Net Movement in Funds		356,566	(262,486)	94,080	1,282,291
Balances brought forward at 1 January		405,633	2,479,779	2,885,412	1,603,121
Balances carried forward at 31 December	17,18	762,199	2,217,293	2,979,492	2,885,412

The company's income and expenses all relate to continuing operations.
The company has no recognised gains or losses other than those shown on this page.
The profit/(loss) for the financial year has been calculated on the historical cost basis,
as modified by the revaluation of investments.
The notes on pages 19 to 31 form part of these accounts.

BALANCE SHEET
As at 31 December 2008

		2008	2007
		\$	\$
FIXED ASSETS			
Tangible Assets	12	<u>18,228</u>	<u>18,017</u>
Debtors: Amounts falling due after one year	13	58,634	48,910
CURRENT ASSETS			
Debtors	13	585,521	1,071,253
Short Term Deposits		1,834,400	1,654,953
Cash at Bank		734,727	457,231
		<u>3,154,648</u>	<u>3,183,437</u>
CREDITORS			
- amounts falling due within one year	14	<u>152,701</u>	<u>211,953</u>
NET CURRENT ASSETS		<u>3,001,947</u>	<u>2,971,484</u>
Total Assets Less Current Liabilities		3,078,809	3,038,411
Creditors: Amounts falling due after one year	15	99,317	152,999
NET ASSETS		<u><u>2,979,492</u></u>	<u><u>2,885,412</u></u>
FUNDS			
Restricted Funds	17	2,217,293	2,479,779
Unrestricted Funds	18	762,199	405,633
		<u><u>2,979,492</u></u>	<u><u>2,885,412</u></u>

Approved by the Board of Directors on 11 June 2009 and signed on its behalf by:

 Director

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

CASHFLOW STATEMENT

For the year ended 31 December 2008

	2008	2007
	\$	\$
Net (outgoing)/incoming resources	94,080	1,282,291
Decrease/(Increase) in debtors	476,008	(847,644)
Increase/(Decrease) in creditors	(112,934)	359,196
Depreciation and profit on disposal	13,207	17,105
Investment income	(78,308)	(103,237)
Exchange gain(on retranslation)	-	-
	<u>392,053</u>	<u>707,711</u>
Net cash inflow/(outflow) from operations		
Returns on investment and servicing of finance	78,308	103,237
Capital expenditure and financial investment	(13,418)	(10,242)
	<u>456,943</u>	<u>800,706</u>
(Decrease)/Increase in cash during the year		
Cash in hand balances		
	2008	2007
	\$	\$
Short term deposits	1,834,400	1,654,953
Cash at bank and in hand	734,727	457,231
	<u>2,569,127</u>	<u>2,112,184</u>
Balances at 31 December 2007	(2,112,184)	(1,311,478)
(Decrease)/Increase in cash for the year	<u>456,943</u>	<u>800,706</u>

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

Interest and other investment income received	78,308	103,237
	<u>78,308</u>	<u>103,237</u>

Capital expenditure and financial investment

Purchase of tangible fixed assets	13,418	10,242
Receipts from sale of tangible fixed assets	-	-
Receipts from sale of fixed asset investments	-	-
	<u>13,418</u>	<u>10,242</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

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

(b) SCOPE OF ACCOUNTS

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

(c) INCOMING RESOURCES

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

(d) CURRENCY EXCHANGE

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

(e) DEPRECIATION AND VALUATION OF FIXED ASSETS

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

(f) DISPOSAL OF FIXED ASSETS

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

(g) RESOURCES EXPENDED

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

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

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

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

(h) PENSIONS

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

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

(i) INTERNATIONAL MINISTRIES

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

(j) COSTS OF GENERATING FUNDS

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

(k) CHARITABLE ACTIVITIES

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

(l) GOVERNANCE COSTS

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

FUND ACCOUNTING

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

1. Restricted Funds

Transmission Funds. The Transmission Funds comprise the unexpended balances of donations held to be applied for specific purposes within IFES. A charge for the costs associated with administration was levied on the intended recipients during 2008. This has been shown in the accounts under note 4 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 funds given for the purchase of a property. They have not yet been applied for the intended use.

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 is transferred to support the work in Central Europe.

Urbana Restricted Fund. The 2006 Urbana Conference in North America donated \$701,000 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.

2. Unrestricted Funds

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

2 INCOME - DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	2008	2007
	\$	\$
Income Analysis		
Up to \$1,000	935,599	958,661
\$1,000-\$5,000	1,569,103	1,507,413
\$5,000-20,000	996,920	840,933
\$20,000-100,000	1,269,554	1,180,878
Over \$100,000	1,653,960	1,887,419
Grants from IFES (Switzerland)	366,062	1,160,397
	<u>6,791,198</u>	<u>7,535,701</u>
Included in the above is the following amount of donations and related tax recoverable received under the Gift Aid Scheme		
<u>IFES Income Fund</u>		
Amounts receivable under Gift Aid		
Net received during year	753,471	764,980
Related tax recoverable	212,517	233,248
	<u>965,988</u>	<u>998,228</u>

Legacies were received in the year of \$550,727 (2007:\$79,679).

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITY

World Assembly fees	(2,700)	249,720
Interaction fees	20,812	25,234
Other event fees	14,033	-
Other	1,374	1,125
	<u>33,519</u>	<u>276,079</u>

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2008 \$	Total Funds 2007 \$
4 CHARITABLE EXPENDITURE				
English and Portuguese Speaking Africa		689,132	689,132	525,407
Francophone Africa		188,507	188,507	248,592
Europe		1,426,594	1,426,594	1,021,036
Eurasia		964,778	964,778	719,659
Innovista		2,591	2,591	4,215
Middle East and North Africa		429,771	429,771	203,996
Latin America		273,479	273,479	219,682
Caribbean		124,875	124,875	75,707
South Asia		177,079	177,079	116,863
East Asia		34,637	34,637	44,993
South Pacific		138,720	138,720	74,091
North America		54,536	54,536	52,578
International Ministries		689,512	689,512	603,599
World Assembly		5,975	5,975	887,646
Grants to IFES		3,349	3,349	853,398
Support costs	274,795	375,238	650,033	530,212
	<u>274,795</u>	<u>5,578,773</u>	<u>5,853,568</u>	<u>6,181,674</u>

Support costs incurred on behalf of the IFES regions were recharged to those regions during the year under review. Total support costs recharged to regions were \$329,708. Support costs were also recharged to International Ministries of \$27,442. These recharged costs are considered as both a contribution towards the costs of administering the funds, and a contribution to the work of the wider Fellowship.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

	Unrestricted Funds US\$	Restricted Funds US\$	Total Funds 2008 US\$	Total Funds 2007 US\$
5 COSTS OF GENERATING VOLUNTARY INCOME				
Staff Costs	181,927		181,927	111,687
Supporter Raising	13,848		13,848	15,081
Appeals & Portfolio	31,668		31,668	23,077
US fundraising	14,137		14,137	45,050
Miscellaneous Expenses	12,033		12,033	7,048
Support costs apportioned - notes 8 & 9	348,668		348,668	212,617
	<u>602,281</u>	<u>-</u>	<u>602,281</u>	<u>414,560</u>
6 FUNDRAISING TRADING				
Materials for resale	-		-	41,605
Support costs apportioned - notes 8 & 9	-		-	4,587
	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,192</u>
7 GOVERNANCE COSTS			2008	2007
			\$	\$
External Audit			13,487	18,831
Executive Committee (Trustee) costs			36,771	17,018
			<u>50,258</u>	<u>35,849</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

8 ANALYSIS OF SUPPORT COSTS FOR APPORTIONMENT

	2008 US\$	2007 US\$
Finance		
Staff Costs	225,596	112,440
Bank charges	17,992	16,106
Other Finance costs	104	3,825
	<u>243,692</u>	<u>132,371</u>
General Management		
Staff Costs	63,509	86,134
Maintenance/Cleaning	10,261	11,770
Stationery & Photocopy costs	8,611	8,331
Postage	5,780	3,082
Telephone/Fax	7,545	8,211
Insurance	13,339	9,657
Legal fees and subscriptions (incl VAT)	1,650	2,522
Property consultancy	20,454	-
Other office expenditure	17,052	10,315
(Gain)/Loss on disposal	347	1
Depreciation	13,207	17,105
	<u>161,755</u>	<u>157,128</u>
Facilities	205,360	99,999
Exchange (gain)/loss		(37,809)
	<u>367,115</u>	<u>219,318</u>
Information Technology		
Staff Costs	69,012	63,182
Support contracts & licenses	13,713	10,504
Equipment and other costs	10,854	11,200
	<u>93,579</u>	<u>84,886</u>
Human Resources		
Staff Costs	80,304	53,907
Recruitment costs	1,747	37,998
Other costs	6,559	9,005
	<u>88,610</u>	<u>100,910</u>
Communications		
Staff Costs	107,428	82,778
Prayer materials	69,247	103,793
World maps/ leaflet	1,498	11,402
Vision materials	10,918	-
Other costs	16,615	11,958
	<u>205,706</u>	<u>209,931</u>
TOTAL FOR APPORTIONMENT	<u>998,702</u>	<u>747,416</u>

9 BASIS OF APPORTIONMENT

Support Cost	Fundraising US\$	Student Ministry US\$	2008	2007	Basis of allocation
			US\$	US\$	
Finance	32,868	210,824	243,692	132,371	No. staff globally
General Management	104,208	57,547	161,755	157,128	No. office staff
IT	60,287	33,292	93,579	84,886	No. office staff
Human Resources	11,952	76,658	88,610	100,910	No. staff globally
Communications	27,745	177,961	205,706	209,931	No. staff globally
Facilities	111,608	93,751	205,359	99,999	Floor area
Exchange loss	-	-	-	37,809	No. staff globally
	<u>348,668</u>	<u>650,033</u>	<u>998,701</u>	<u>747,416</u>	

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

10 TOTAL RESOURCES EXPENDED

	Regional Operations & Salaries US\$	Evangelism & Mission US\$	Conferences & Formacion US\$	Ministry Projects & Literature US\$	Total 2008 US\$	Total 2007 US\$
Student Ministries:						
English and Portuguese Speaking Africa	182,708	423,879	28,059	54,486	689,132	525,407
Francophone Africa	118,437	17,171	40,399	12,500	188,507	248,592
Europe	588,521	747,373	50,517	40,183	1,426,594	1,021,036
Eurasia	339,262	507,608	77,665	40,243	964,778	719,659
Innovista	2,591	-	-	0	2,591	4,215
Middle East and North Africa	167,368	48,276	84,069	130,058	429,771	203,996
Latin America	178,532	70,293	21,054	3,600	273,479	219,682
Caribbean	67,633	57,242	0	0	124,875	75,707
South Asia	60,657	109,322	4,500	2,600	177,079	116,863
East Asia	3,100	26,287	3,270	1,980	34,637	44,993
South Pacific	2,020	136,700	-	-	138,720	74,091
North America	-	54,536	-	-	54,536	52,578
International Ministries	554,101	-	135,411	-	689,512	603,599
World Assembly	-	-	5,975	-	5,975	887,646
Grants to IFES	3,349	-	-	-	3,349	853,398
Support costs apportioned	283,357	274,663	56,329	35,684	650,033	530,212
Fundraising	262,541	254,486	52,192	33,062	602,281	414,560
Fundraising trading	0	0	0	0	0	46,192
Governance costs	50,258	-	-	-	50,258	35,849
	<u>2,864,435</u>	<u>2,727,836</u>	<u>559,440</u>	<u>354,396</u>	<u>6,506,107</u>	<u>6,678,275</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:	2008	2007
Staff Costs	2,122,815	1,762,022
Other Operating Costs	142,115	193,096
Apportioned Support Costs (Notes 8 & 9)	545,898	492,465
Governance Costs	50,258	35,849
Grants to IFES (Switzerland)	3,349	853,398
	<u>2,864,435</u>	<u>3,336,830</u>

Evangelism & Mission:	2008	2007
Grants to national student ministries - Note 22	2,198,687	1,487,193
Pioneering and other mission costs	0	0
Apportioned Support Costs (Notes 8 & 9)	529,149	260,774
	<u>2,727,836</u>	<u>1,747,967</u>

All grants are made to organisations. In 2008 grants were made to 109 (105 in 2007) organisations.

Conferences & Formacion:	2008	2007
Global Conferences	69,728	309,949
Scholarships	33,889	88,139
Regional Conferences & Training	347,302	859,760
Apportioned Support Costs (Notes 8 & 9)	108,521	220,559
	<u>559,440</u>	<u>1,478,407</u>

Ministry Projects & Literature:	2008	2007
Ministry buildings	93,435	
Bible Distribution	99,495	7,196
Other Ministry Projects & Literature work	92,720	90,709
Apportioned Support Costs (Notes 8 & 9)	68,746	17,167
	<u>354,396</u>	<u>115,072</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

11 INFORMATION REGARDING EMPLOYEES

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

	2008	2007
Wages and Salaries	1,926,320	1,499,341
Social Security Costs	121,470	115,127
Pension Costs	148,264	143,333
Other Staff Costs	472,610	402,662
	<u>2,668,664</u>	<u>2,160,463</u>

No employee earned \$111,300 (£60,000) per year or more.

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

	2008	2007
Student Ministries	48	52
Fundraising and Publicity	6	6
Management and Administration	11	11
	<u>65</u>	<u>69</u>

Note staff were transferred from IFES (Switzerland) on 1 April 2007

The data given for 2007 is the average for the 9 months from the 1st of April.

12 TANGIBLE FIXED ASSETS

	Computers US\$	Office Furniture & Equipment US\$	Total US\$
Cost			
At 1 January 2008	26,011	9,111	35,122
Additions during year	12,048	1,370	13,418
Disposals during year			
At 31 December 2008	<u>38,059</u>	<u>10,481</u>	<u>48,540</u>
Depreciation			
At 1 January 2008	14,315	2,790	17,105
Charge during year	10,196	3,011	13,207
Disposals during year	-	-	-
At 31 December 2008	<u>24,511</u>	<u>5,801</u>	<u>30,312</u>
Net Book Values			
at 31 December 2008	<u>13,548</u>	<u>4,680</u>	<u>18,228</u>
at 31 December 2007	<u>11,696</u>	<u>6,321</u>	<u>18,017</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

13 DEBTORS

<i>Current Assets</i>	Notes	2008 US\$	2007 US\$
Due from IFES (Switzerland)		46,334	493,420
Other Debtors		62,711	103,600
Income Receivable		385,058	381,009
Prepayments		65,235	75,828
Capital Revolving Fund Loans	13a	26,183	17,396
		<u>585,521</u>	<u>1,071,253</u>
Long Term Debtors			
Prepayments		0	3,000
Capital Revolving Fund Loans	13a	58,634	45,910
		<u>58,634</u>	<u>48,910</u>

13a Capital Revolving Fund Loans

	Euro Loans €	Euro Loans US\$	US\$ Loans US\$	Total US\$
Balance 1 January 2008	23,522	34,646	28,660	63,306
New Loans			40,000	40,000
Repaid in 2008	(6,216)	(9,212)	(8,240)	(17,452)
Exchange Loss		(1,038)		(1,038)
Balance 31 December 2008	<u>17,306</u>	<u>24,396</u>	<u>60,420</u>	<u>84,816</u>
Repayable before 31.12.2009	6,216	8,763	17,420	26,183
Repayable after 31.12.2009	11,090	15,633	43,000	58,633
	<u>17,306</u>	<u>24,396</u>	<u>60,420</u>	<u>84,816</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 \$106,198. Of this total, \$36,198 represents long term loans (£25,000 sterling) to the Capital Revolving Fund, repayable in 2010 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 2008

14 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	US\$	US\$
<i>Current Liabilities</i>		
Other creditors	94,786	95,406
Accruals and deferred income	57,915	116,547
	<u>152,701</u>	<u>211,953</u>

15 LONG TERM LOANS

	Capital Revolving Fund	General Fund	TOTAL
	US\$	US\$	US\$
At 1 January 2008	89,879	63,120	152,999
Loan repaid	(39,946)		(39,946)
Exchange loss	(13,736)	-	(13,736)
At 31 December 2008	<u>36,197</u>	<u>63,120</u>	<u>99,317</u>

16 COMMITMENTS

IFES (UK) occupies an office at Lambourne House, 321 Banbury Road, Oxford which is occupied on a 10 year lease at an annual rent of \$159,797 (£86,144). The lease expires in 2011.

IFES (UK) assumes responsibility for the payment of the rent on behalf of IFES (Switzerland).

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

17 RESTRICTED FUNDS

FUND	Opening Balance At 1 Jan 2008 US\$	Incoming Resources US\$	Outgoing Resources US\$	Transfers US\$	Unrealised Losses US\$	Closing Balance At 31 Dec 2008 US\$
Priority Funds	221,947	1,772,573	(2,661,471)	837,289	-	170,338
Provisional Funds	611,325	831,897	(692,095)	(32,326)	-	718,801
Transmission Funds	695,150	2,233,870	(2,217,014)	9,398	-	721,404
Property Fund	397,697	-	-	-	(103,773)	293,924
Capital Revolving Funds	70,000	-	-	-	-	70,000
B Fund	94,879	-	(2,218)	-	-	92,661
Urbana Restricted Fund	388,781	-	-	(238,616)	-	150,165
World Assembly	-	(2,700)	(5,975)	8,675	-	-
TOTAL RESTRICTED FUNDS	2,479,779	4,835,640	(5,578,773)	584,420	(103,773)	2,217,293

The Urbana Restricted Fund was given with the intent that it be used for the ministry of particular regions. Transfers were made in the year to those regions' funds. Some expenses were incurred in Priority funds for purposes that funds have been given to Provisional funds. Transfers were made to cover these costs.

Note that the property fund is being maintained at its original sterling value of £203,000, the related exchange loss has thus been allocated to the fund.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008

18 UNRESTRICTED FUNDS

FUND	Opening Balance At 1 Jan 2008	Incoming Resources	Outgoing Resources	Transfers	Unrealised Losses	Closing Balance At 31 Dec 08
	US\$	US\$	US\$	US\$	US\$	US\$
Strategy Fund	40,971	3,150	-	13,889	-	58,010
General Fund	364,662	2,116,987	(927,334)	(598,309)	(251,817)	704,189
TOTAL UNRESTRICTED FUNDS	405,633	2,120,137	(927,334)	(584,420)	(251,817)	762,199

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 2009. 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 2008

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets US\$	Long term debtors US\$	Net Current Assets US\$	Long term Liabilities US\$	Total US\$
Restricted Funds					
Priority Funds			170,544		170,544
Provisional Funds			718,801		718,801
Transmission Funds			721,792		721,792
Property Fund			293,924		293,924
Loan Funds		58,634	47,563	(36,197)	70,000
B Fund			92,661		92,661
Urbana Fund			150,165		150,165
TOTAL RESTRICTED FUNDS	-	58,634	2,195,450	(36,197)	2,217,887
Unrestricted Funds	18,228		802,331	(63,120)	757,439
	<u>18,228</u>	<u>58,634</u>	<u>2,997,781</u>	<u>(99,317)</u>	<u>2,975,326</u>

20 PAYMENTS TO TRUSTEES

The following reimbursements for travel expenses were made to Trustees:

	2008
Sr Dieter Brepohl	3,823
Mr Pascal Ratovona	1,690
Ms Sheyla Ramos	1,953
Ms Muriel Wilson	191
Ms Leah Genita	1,763
Mr Septi Bukula	1,034
Mr Jiries Habash	904
Ms Josephine Romain	2,870
Mr Chris Collins	1,671
	<u>15,899</u>

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

21 RELATED PARTIES

IFES (UK) receives donations from a related Swiss registered Fellowship, IFES (Switzerland). Grants from IFES (Switzerland) are recorded as donation in IFES (UK). In 2008 the total amount of from this source was \$336,062 (2007 \$1,160,397).

In 2008 it made grants to IFES (Switzerland) of \$3,349 (2007:\$853,398).

The transactions with IFES (Switzerland) resulted in a debtor being shown on the IFES (UK) balance sheet at 31 December 2008 of \$46,334 (2007 Debtor of \$493,420).

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

22 GRANTS TO ORGANISATIONS	Direct	Transmission	2008	2007
	Grants	grants	US\$	US\$
Albania	5,000	10,138	15,138	12,788
Australia	-	19,595	19,595	-
Bosnia	1,000	20,074	21,074	13,821
Bulgaria	4,000	30,000	34,000	34,240
Canada	-	42,942	42,942	41,514
Caribbean	5,999	-	5,999	-
Central Asia (7)	-	226,591	226,591	150,182
Czech Republic	3,000	3,167	6,167	-
Chile	-	6,475	6,475	-
Croatia	4,125	46,949	51,074	9,240
East Asia	-	2,409	2,409	22,952
East Africa (2)	4,800	21,900	26,700	-
EX/Eurasia region	-	23,996	23,996	27,785
France	-	18,562	18,562	5,798
Gambia	-	11,567	11,567	9,500
Germany	-	20,510	20,510	9,238
Ghana	-	6,500	6,500	21,721
Guatemala	-	10,548	10,548	9,507
Guyana	-	19,900	19,900	16,092
Haiti	-	11,000	11,000	-
Hong Kong	-	6,562	6,562	-
India	-	6,000	6,000	-
Ireland	-	5,062	5,062	6,131
Jamaica	-	9,843	9,843	10,128
Kenya	-	78,769	78,769	50,556
Latvia	-	5,419	5,419	-
Lebanon	2,000	33,230	35,230	-
Lithuania	-	12,179	12,179	17,289
Macedonia	3,500	19,917	23,417	11,198
Malawi	-	30,450	30,450	16,192
Mexico	-	29,531	29,531	46,191
Middle East/ North Africa (7)	12,686	360	13,046	35,059
Moldova	-	23,080	23,080	27,290
Mozambique	-	8,735	8,735	-
New Zealand	-	112,855	112,855	66,863
Nigeria	-	76,314	76,314	93,057
Poland	12,000	39,088	51,088	35,134
Portugal	-	11,368	11,368	17,298
Romania	2,500	27,517	30,017	22,437
Russia	-	121,380	121,380	128,295
Serbia and Montenegro	4,832	33,191	38,023	17,983
Slovakia	5,000	7,002	12,002	13,070
Slovenia	4,000	14,177	18,177	20,400
South Africa	-	30,944	30,944	-
South Korea	-	11,592	11,592	-
South Asia (5)	10,001	93,321	103,322	19,006
Spain	-	54,678	54,678	10,006
Sudan	-	42,228	42,228	56,333
Tanzania	-	8,100	8,100	-
Uganda	-	79,183	79,183	30,855
Ukraine	-	112,560	112,560	90,722
United Kingdom	-	305,017	305,017	108,809
United States	-	11,594	11,594	11,064
Zimbabwe	-	18,138	18,138	10,500
Grants to other organisations	42,050	39,988	82,038	130,949
Total grants to organisations	126,493	2,072,194	2,198,687	1,487,193

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

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

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

We have audited the accounts for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fellowship and the Fellowship's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Fellowship is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) Standards 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 judgments made by the directors 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 accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its surplus for the year then ended; and
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information in the Report of the Directors' is consistent with the accounts.

CRITCHLEYS

CHARTERED ACCOUNTANTS

and Registered Auditors

Greyfriars Court

Paradise Square

Oxford

Date: *19 June* 2009

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 321 Banbury Road, Oxford, OX2 7JZ. The company's name was changed from IFES Trust on 5 July 2008.

General Secretary: Dr Daniel Bourdagné

Chief Administrative Officer: Mr Timothy Adams

Directors

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

Sr Dieter Brepohl (Chair)

Dr Daniel Bourdagné (General Secretary – ex-officio, non-voting)

Mr Øistein Garcia de Presno (Treasurer)

Mr Septi Bukula

Dr Choong Chee Pang

Dr Chris Collins

Ms Leah Genita

Mr Stefan Gustavsson

Mr Jiries Habash

Dr Augustine Pagolu

Ms Sheyla Ramos

Mr Pascal Ratovona

Ms Josephine Romain

Rev Gernot Spies

Mr Sergei Timchenko

Ms Muriel Wilson

The members of the Company appoint the Directors.

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

Sr Dieter Brepohl (Chair of the International Executive Committee)

Mr Øistein Garcia de Presno (Committee Chair)

Dr Daniel Bourdagné (General Secretary – ex-officio, non-voting)

Mr Dieter Bauer

Sr Braulio Craveiro Filho

Mr John Irwin

Mr Nils Masvie

Mr Flemming Martinussen

Mr Douglas Reynolds

Mr Alan Smith

Mr Simon Webley

Dr Las Newman (Associate General Secretary, ex-officio, non-voting resigned 31 December 2008)

Ms Beverley Hazell (Head of Finance – ex-officio, non-voting)

Mrs Deborah Lake (Head of Advancement – ex-officio, non-voting)

Mr Timothy Adams (Chief Administrative Officer- ex-officio, non-voting appointed 1 November 2008)

Relevant organisations

Bankers

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

Solicitors

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

Auditors

Critchleys Chartered Accountants
Greyfriars Court
Paradise Square
OXFORD
OX1 1BE