

ECHOES INTERNATIONAL

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019

ECHOES INTERNATIONAL

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ECHOES INTERNATIONAL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Current trustees:	David Brown Dr Ian Henry Burness John Gamble (Vice-chair) Hugh Burns Mitchell James Pirie McGregor Simon Prince Alan Hay Smith Stephen Shaw Paul John Young (Chair)
Charity registered number:	1173851 (Charity Commission for England and Wales) SC047797 (Office of the Scottish Charity Regulator)
Principal office:	124 Wells Road BATH BA2 3AH
Executive Directors	John Aitken, General Director Rupert Abbott, Missions Director Jim Armstrong, Operations Director
Auditor:	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND
Bankers:	National Westminster Bank plc 24-25 Stall Street BATH BA1 1QF
Solicitors:	Loosemores Alliance House 18/19 High Street CARDIFF CF1 2BP
Investment Managers:	Rathbone Investment Management Limited Port of Liverpool Building Pier Head LIVERPOOL L3 1NW

ECHOES INTERNATIONAL

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report and audited financial statements for the period ended 31 December 2019. This annual report represents the second report for Echoes International, a charitable incorporated organisation (CIO) registered with the Charity Commission with charity number 1173851 on 17 July 2017. Echoes International is also registered with the Office of the Scottish Charity Regulator (OSCR) with charity number SC047797.

Echoes International started operating from 1 January 2018 through the merger of Echoes of Service (charity number 234556) and Interlink (Scottish charity number SC008063). The merging charities prepared their previous period financial statements to 31 December 2017. On 1 January 2018, all the assets and undertakings of Echoes of Service and Interlink were transferred into Echoes International.

The Trustees confirm that the annual report and the financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements.

Public benefit

The Trustees are aware of the Charity Commission's requirement that each charity carries out its activities with a view to Public Benefit. We believe that this can be clearly demonstrated, not only by the advancement of the Christian religion around the world, but also in our regular support of many social, educational, medical, relief and development projects overseas. The four objectives listed in our review of activities are all carried out for the benefit of the public we serve.

Objectives and activities

Policies and objectives

Policy decisions are taken at our regular Trustees' meetings. These include decisions regarding the compilation of the Daily Prayer Guide, which involves the addition and deletion of names, the allocation of funds for personal support and specific purposes, the administration and maintenance of the office, and contact with mission partners and local churches. In accordance with Regulator's guidance, Safeguarding is considered and discussed at every Board Meeting.

Strategies for achieving objectives

In addition to our regular Trustees' meetings, we have annual planning days when we review the main objectives for the charity set out in our vision statement and assess how well we have managed to achieve them. These three targets are:

1. To be an informed, efficient and sensitive mission service group;
2. To be an influence in the promotion of mission in local churches; and
3. To develop partnerships with similar groups throughout the world.

As part of the merger the Trustees agreed a 3-year strategy which was designed to bring our new vision to life. 2019 was the second year of our strategy. Echoes International's vision is:

"To see Churches who are enthusiastic about mission sending new generations of workers into diverse models of Gospel ministry".

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The strategy was developed to initiate the delivery of this vision.

- Year 1** To better **engage** with stakeholders, churches and those Echoes of Service and Interlink had contact with.
- Year 2** To **enlarge** our influence and reach relevant churches and organisations who are either unaware of the role of Echoes International or had little contact with the previous 2 charities.
- Year 3** To continue our activities from 2019 & 2018 and **review** the effectiveness of the strategy in realisation of our vision and decide on the way forward.

2019 was our second year of the new charity. In addition to our activity initiated last year we were looking to increase our reach and enlarge our constituency across our activity via print, electronic, conference and visit activity.

Activities for achieving objectives

During 2019 Trustees, Executive Directors and staff have been involved in the following:

- We continued to develop the Daily Prayer Guide and monthly Mission Magazine in line with our strategy. The theme of the monthly magazine in 2019 was 21st Century Mission Priorities. In 2018 we launched the revised magazine and offered it free of charge. In 2019 the magazines were charged at £10/annum with the potential for the subscriber to provide a gift towards the costs. The overall readership fell by 241 subscribers which was a little lower than we had expected. Our 2019 position is still higher than it was before the merger – up 6.3%
- The success in engaging and enlarging our audience continued throughout 2019 throughout our Digital channels. We are active in our chosen channels – Facebook, Twitter, Youtube, Instagram and podcasts. Followers are up 23% over the year. 64% of our Social Media Audience is 55 and under. This is an age range both Echoes of Service and Interlink failed adequately to attract prior to the merger. The website which was launched in 2018 continues to show growth both in visitors and page views both up 12% and 13% respectively. We have more than doubled our web activity compared to pre-merger. Both print and digital media are consistent in our messaging and overall our reach is now over 40000 contacts each month.
- The Trustees and Directors embarked on a visit programme to sending and new churches across the UK. This resulted in over 36 churches being visited over 2019
- There were 9 mission partners added to the Daily Prayer Guide and 14 came off the list during the year. Over 4 years prior to the merger the average number of new mission partners each year was 5. The Charity is delighted to see the increased number of mission partners God has called to service.
- We held 4 conferences across England, Wales, Northern Ireland and Scotland. We also hosted the Echoes International Seminar in Bath and in Faskally House near Pitlochry.
- The Trustees and Directors visited the following countries in a bid to better understand the needs of global mission, visit our existing mission partners or carry out reviews of projects run by indigenous workers which the charity currently helps to finance:
 - France, Zambia, Italy, Malta, Botswana, Republic of Ireland, Turkey, Poland and India
- One of our strategic priorities is to send gifted bible teachers to the majority world. 2019 saw the start of this activity. In 2019 the following countries were visited by 8 different individuals willing to volunteer their gift and time: Argentina, Colombia, Dominican Republic and India.

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- The Executive Directors and Trustees were also involved in Mission Worker debriefs throughout the year – either by visiting them in country or by meeting up with them while on furlough – 68 in 2019.
- Emergency funding totalling £202k was sent to a number of countries to help alleviate suffering caused by natural disasters, wars, economic hardship and refugee migration. This was spread across 4 different continents involving 17 different countries.
- In 2018 the Trustees established a fund to sponsor students through Tilsley Bible College. During 2019 four students graduated from 1st year. Another student joined the 1st year course in Sep 2019. The aim of the fund is to encourage and equip more people who have a sense of God's call on their life into cross- cultural mission.

Safeguarding –

During 2018 the Trustees were keen to revise the charity's approach to Safeguarding Children and Vulnerable adults. There were 2 drivers of this action.

1. The previous policies from Interlink and Echoes of Service were needing review and this was initiated as a result of the merger.
2. At the same time the regulators in England and Scotland were writing to charities asking them to demonstrate clearly how they were taking Safeguarding seriously.

The policy and framework were created and agreed by the Trustees during 2018 with the plan to implement the revised procedures across 2019. This was completed in Dec 2019. The new framework covers the following areas –

- **Affiliation** – All associated with the charity, whether employees, volunteers (including Trustees), mission partners, short term mission partners and FirstServers are subject to a set of principles which includes a satisfactory DBS (or equivalent) check.
- **Training** – All associated with the charity will go through regular training appropriate to the role they have. Much of this is done on-line with a be-spoke training programme established during 2019.
- **Giving** – All connected to the charity in receipt of charity grants are first of all asked to sign a Memorandum of Understanding(MOU) which indicates they will work to Safeguarding principles detailed in our policy. No funds will be provided unless the MOU is signed.
- **Reporting** – A monthly report is provided to the board of trustees at every meeting detailing progress with regard to Safeguarding and a register is kept of events discussed. We have had no need to report anything from these meetings to our regulators in 2019.
- **On-going updates** – We have committed to review our Safeguarding Policy every year and we will take advice on the current policy every 3 years. We are due to consult externally on our policy in 2020.

Plans for 2020 –

We plan to carry out a self-audit of our safeguarding progress and identify further actions from this exercise.

Risk and Security –

The Trustees also agreed a Risk and Security policy to help support sending churches and mission partners across the world. The policy was agreed in 2019. This will be operationalised in 2020. The framework will cover – training, risk and security reporting, risk mitigation planning & evacuation plans. The Directors have been liaising with the Foreign and Commonwealth Office, A Risk Consultant and various risk subject matter experts.

In the main our activity over the year can be summarised in the four undernoted areas:

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- Pray** Prayer has been the foundation of the work of Echoes of Service and Interlink since they were established. It is no different for Echoes International. Our communication plan is primarily in place to help all associated with the charity to pray. This covers print, digital and face to face activity.
- Support** We effectively exist to do three things. Support sending churches as they recognise and commend those called to service. Support those called to the field in a variety of ways – prayer, gifting, advice, practical support etc. Support our indigenous brothers and sisters in Christ, across the world where there is a missional need.
- Mobilise** The need for us to go is greater today than it ever has been. The standing command from our Lord and Saviour has not changed. The harvest is plentiful, but the workers are few. Much of the world have not heard the Gospel or have access to God's Word. Over 3.2bn in this world don't know who Jesus Christ is. We have the opportunity to communicate this need.
- Equip** Our Tilsley sponsorship programme, volunteers using their gift in the majority world, the FirstServe programme, the Mission Orientation Programme and the seminars we hold are all aimed to help fulfil this key activity.

2019 has been just as busy as 2018. We can again look back and see God's hand in all that that has been done. We are very conscious that the work is God's and He has chosen the Trustees and Employees to be involved. We take this opportunity to give Him all the glory and praise for another wonderful year.

There is one final point which needs reference as this report is being finalised. We are currently in 2020, living through the impacts of the Covid19 pandemic which seems to have touched every aspect of our society, indeed most countries across the world. Our charity has not been immune to this. Due to investments in our IT infrastructure (over the past 2 years) all staff with Echoes International have been able to work from home and we will continue this approach until Government advice indicates differently. Much of our recent activities have been focussing on how we support the Mission Partners associated with the charity & their sending churches through this period. Our travel plans have been impacted considerably but much of our debriefs etc are being done through video calls. The trustees also recognised the potential impact this virus could have on the majority world. In response the Trustees have created a fund which will allow the Directors to direct monies where the need is greatest. The largest area of uncertainty is how this will impact our financial reserves. The Stockmarket has fluctuated significantly since March 2020 and the road ahead in relation to where it will settle is unknown at the time of writing this report. We simply take comfort in the fact that our God has not been taken by surprise in what is taking place. The One who is Faithful has supported the Mission Service Group since 1872 – through 2 world wars, the great depression, through crisis and times of plenty. Where else would we go in difficult times but Jehovah-jireh – knowing The Lord will provide.

Grant making policies

Any funds received which are designated for Mission Partners or specific ministries are transmitted directly (with no deductions) on a monthly basis. The Trustees allocate gifts at their discretion each month from their undesignated funds to all Mission Partners listed on the Daily Prayer Guide. Funds are also transmitted to short termers as well. The amount of the gift to Mission Partners listed in the Daily Prayer Guide is determined by their marital status, the size of their family & the cost of living in the country they are based, which is based on a UN index which is published regularly.

Gifts are also made in the following circumstances:

- One off and fellowship gifts using the delegated authorities given to the Directors
- Bi-annual gifts to various individuals/ministries agreed by the Trustees
- Ad-hoc situations to cover off disaster situations as the need arises.

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- Strategic projects – Key areas for indigenous workers are supported by Echoes international for a stated period (normally between 3-5 years) to help equip them in establishing their ministry. In 2019 15 new projects were started covering 13 different countries. Projects include:
 - support for elders in Bolivia and Uganda;
 - support for training programmes in Colombia, India, Pakistan, Zambia and Zimbabwe;
 - student ministry in Indonesia;
 - translation work; and
 - pioneer mission training in Myanmar and microbusiness in India.

Financial review –

Total funds held on the balance sheet at 31st December 2019 were £8.6m (2018: £9.7m), of which £1.5m (2018: £1.6m) relates to Restricted Funds and Endowment Funds. The remainder of the Reserves relate to the charity's long-term expenditure requirements.

Gift income was £4.5m (2018: £5.7m, which was significantly augmented by a single sizeable legacy of almost £2.0m). There was a 31% increase in gift income from Assemblies; a 6% decrease in Individual gifts and a 40% increase in gifts from Trusts. The level of Restricted gifts increased to 78% of total gift income.

Total charitable distributions, in the form of grants made to Institutions and Individuals amounted to £5.6m (2018: £5.2m), as shown in note 6 to the financial statements. Overall resources expended increased by £0.5m.

As part of the charity's pastoral responsibilities and networking with global mission groups, and sending churches, travel by Trustees and Executive Directors amounted to £0.05m during the year (2018: £0.06m).

The number of mission partners on the Daily Prayer Guide at the end of 2019 was 185 (2018:190). These partners serve in 29 countries. There are also links with other Institutions and Individuals in a number of other countries.

Investment policy and performance –

The Trustees have the power to invest all amounts not needed for immediate working capital. During 2019, Rathbones continued to manage the investment portfolio. In line with the investment policy approved by the Board during the year, these funds are invested, with Medium Risk profile, in a range of companies and funds designed to achieve a balance of capital growth and income.

The main portfolio had investments with a cost of £7.0m (2018: £8.7m) at the year-end. This portfolio was valued at £7.5m (2018: £8.5m) at 31st December 2019. A further £0.03m was held in cash on investment at the year end. During the year, £1.9m (2018: £0.8m) was withdrawn from investments to distribute as part of the allocations made in accordance with the Charity's objectives. In 2018, £0.9m had been transferred into the main portfolio as part of an in specie distribution from a legacy.

The A H Boulton Fund portfolio had investments with a cost of £0.1m (2018: 0.3m) at the year-end. This portfolio was valued at £0.1m (2018: £0.3m) at 31st December 2019. In 2019, this Fund has been adjusted back to its Permanent Endowment of £0.1m and the remainder of the investments realised and distributed to General Funds.

The Mrs H Maclean Fund and the Ramsden Trust portfolios had investments with a cost of £0.03m and £0.06m respectively, at the 2019 and 2018 year-ends. These portfolios were valued at £0.03m and £0.05m respectively, at 31st December 2019 and 2018. The investments in these Funds, together with the Boulton Fund, are held in a general investment trust managed by Rathbones.

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Reserves policy -

The two regulators across Scotland and England and Wales expect Trustees to decide, publish, implement and monitor their charity's reserves policy so that they can comply with their legal duties to:

- act in the interests of their charity and its beneficiaries
- protect and safeguard the assets of their charity
- act with reasonable care and skill
- ensure their charity is accountable.

In practice, this means that Trustees should develop a reserves policy that:

- fully justifies and clearly explains keeping or not keeping reserves;
- identifies and plans for the maintenance of essential services for beneficiaries;
- reflects the risks of unplanned closure associated with the charity's business model, spending commitments, potential liabilities and financial forecasts;
- helps to address the risks of unplanned closure on their beneficiaries (in particular, vulnerable beneficiaries), staff and volunteers. We make a point of publishing the reserves policy (even if not required to by law) and ensure it is tailored to the charity's circumstances – it should not be just a standard form of wording. It should explain to funders, beneficiaries, the public and the regulators exactly what reserves are kept (or not kept) for and when they are to be used.

In addition to setting the reserves policy for Echoes International, it also details actions which will be taken to ensure the approach is re- assessed annually, taking into consideration associated risks, potential funding changes and financial climates.

For 2019 the Trustees decided to keep the following specific levels of reserve across six operational areas:

	Operational area	Reserve level to be held	Minimum reserve level	Used in 2019
1	Office and Operating Expenses	1 year's equivalent expenses will be retained	£1.15m	No
2	Discretionary Allocation - Mission Workers	2 years equivalent expenses	£2.49m	No
3	Other Mission Support	1 year's normal allocation	£0.15m	No
4	Disaster and poverty relief	£250k to be held	£0.25m	No
5	Strategic projects	2 years allocation to be retained	£1.12m	No
6	Capital requirements	£200k to be held	£0.2m	No
	Total		£5.36m	

The rationale for each fund is detailed in the charity reserves policy which is held on our website - www.echoesinternational.org.uk/reserves-policy. Tapping into the charity's reserves will only be approved once discussed and agreed at the relevant Board Meeting – where this need is highlighted.

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Actual total reserves as at 31 December 2019 were £8.6m (2018: £9.7m), of which £1.5m (2018: £1.6m) was held in restricted and endowment funds which are not available for the general purposes of the charity. In setting the reserve levels the Trustees have designated funds to ensure these are available should the need arise. Designated funds in our reserve categories sit at a total of £5.48m, per the balance sheet.

The unrestricted funds of the charity at 31 December 2019 of £7.1m (2018: £8.1m) represented an excess of £1.74m (2018: £2.65m) over the minimum level of reserves identified in the reserves policy. These funds are available for the general purposes of the charity and are over and above the designated reserves identified above.

These movements in balances are consistent with the 3-year strategy of the charity.

Going concern -

In accordance with our 3-year strategy, the Trustees consider the resources available to the charity as well as the forecast income and expenditure for the forthcoming periods. Based on this analysis, and through the setting and holding of reserves in line with the policy set out above, the Trustees have a reasonable expectation that the charity will continue in operation for at least twelve months from the date of the approval of the financial statements. The Trustees have therefore adopted the going concern basis of accounting in the preparation of the financial statements, as set out in the Accounting Policies.

Risk management -

Over 2019 the Trustees have identified the main risks facing the charity and the Board have delegated the task of managing these risks to the Audit and Risk Committee. The committee comprises of 3 of the Trustees and the Operations Director attends these meetings which are held every 3 months. The Risk Control Framework is discussed at each Board Meeting to ensure all risks are managed and the Trustees are kept up to date with any issues facing the charity.

The main risks facing the charity have been identified and categorised as:

- Reputational
- Financial
- Health and safety
- Compliance
- Strategic
- Operational

A number of specific risks have been identified within each of these classifications and the controls and actions to mitigate our risks are managed by the Audit and Risk Committee and mainly delivered by the Executive Team.

The changing trend of giving from churches, individuals, legacies and trusts is also something which is monitored across the charity from an on-going risk perspective. The reserves policy, our strategic plan and annual financial plan takes these trends into consideration. These items are discussed at every Board Meeting and actions taken accordingly where needed.

We remain a faith-based charity reliant on God who is faithful. Whilst we take steps (detailed above) to ensure we are transparent and accountable to the regulators and charity law requirements, we are always conscious that the resources are His. We are just stewards of what He has provided.

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Plans for the future -

The Trustees of Echoes International remain committed to the strategic aims of the charity established in 2017 as part of the merger. The board remain committed to our vision and values and look to The Lord for His guidance and direction.

Structure, governance and management

Constitution

The constitution of the charity was approved in 2017 by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR). This provides the charity with a framework and guidelines for the Trustees to administer the charity. We continue to be a mission Service Group who work for the worldwide furtherance of the Christian Gospel.

Method of appointment or recruitment of Trustees

The Trustees of Echoes International recognise the importance of a diversified Board with a good spread of capabilities and experience in relation to the Mission Service Group. We have identified the skills and capabilities required and will use the established process to appoint new Trustees as the opportunity arises. When new Trustees are needed the Chair and Vice Chair will approach individuals identified through various sources. They will be interviewed and asked to attend Board Meetings to establish their qualifications, their fit with Board and their comfort with the workings of the Trust. After this process, if both parties are comfortable to proceed, the formal appointment will be made following the Board's endorsement.

Policies adopted for the induction and training of Trustees

New Trustees will be provided with the various documents which detail the Trusts, Vision, Values, Strategy and constitution. Information with regard to Trustee responsibilities detailed by the charity commission will also be reviewed and provided. We will also provide training with regard to Safeguarding and they will be subject to an enhanced police check. Only once the police check and personal references are taken up will the Trustee be appointed.

Key management personnel remuneration

The Board of Trustees are responsible for the running of the charity and meet regularly (normally every 2 months) to ensure the Strategic, Financial, Risk and Operational decisions are made timeously. The Chairman and Trustees are volunteers and give of their time freely. The operational day to day running of the charity has been delegated by the Board to the General Director and his Executive Team – this team is made up by the Missions Director and the Operations Director.

Details of remuneration are disclosed in notes 11 and 12. The Trustees are responsible for reviewing and approving levels of remuneration for the Executive Directors.

Organisational structure and decision making

Details of the Trustees currently in office, together with other reference information, are shown on page 1. The Trustees who served during the period from 1 January 2019 to the date the financial statements were approved were as follows:

Mr Paul Young	Chairman
Mr John Gamble	Vice Chairman
Mr David Brown	
Dr Ian Henry Burness	
Mr Jim Crooks	(resigned 21 st May 2019)
Mr James McGregor	
Mr Hugh Mitchell	
Mr Simon Prince	
Mr Alan Smith	
Mr Stephen Shaw	(Appointed 9 th July 2019)

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The Executive Directors are –

Mr John Aitken
Mr Rupert Abbott
Mr Jim Armstrong

General Director
Mission Director
Operations Director

The Trustees, Executive Directors and other non-voting members attend Board meetings every 2 months on average and annually for a strategic planning meeting.

Accountability is maintained through robust Board reporting by the Executive team including financial, risk, operational and reputational reporting. Bi-annual meetings take place with our Advisory Council who are able to give us an external view of the operations for Echoes International. We also meet with a Board of Reference on an annual basis to ensure wider representation into the church community we serve.

Delegated authorities have been put in place to allow the day to day running of the charity and a financial plan is established for Income, Giving and operational expenses. These positions are monitored at Board Meetings and all aspects of control and performance are transparent to the Board during these meetings.

Financial Software provides our management accounts which feed into the Board. All our IT and software requirements are maintained by an external 3rd party and this gives us full resilience in the event of a major incident. They routinely visit to address operational issues and the Operations Director meets with the Senior Management of the IT company to ensure all service levels and risks are managed according to the contract in place. In addition, in 2018 we have established a CRM and Sharepoint filing system to provide further resilience and making sure all records and files are held in a paperless system. The IT system used is cloud based and backed up daily.

Our websites are all maintained along with our Social Media platforms – we have policies in place for our communication strategy to ensure nothing is communicated which would impact the reputation of the charity. In addition, we took steps and legal advice to ensure Echoes International fully complies with the new GDPR regulations which came into effect in 2018.

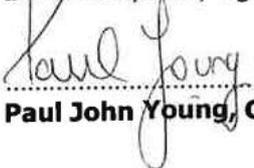
All e-transactions are made securely. Our access to IT and Internet Banking is fully encrypted and accessed via 2-factor authentication.

We continue to make no charges for transmitting funds. Nothing is deducted from gifts towards the running of the charity. Operating expenses are met from specific gifts made towards our expenses, investment income and 10% of all unrestricted legacies received in the year. We do not engage in any fundraising activity. Our sustainability is dependent on a faithful God.

Relationships with other organisations

Trustees are required to disclose relevant interests, and these are noted on a register and kept by the Board. In accordance with the Charity's policy, Trustees withdraw from decisions where a potential conflict of interest exists.

The Trustees' Report was considered and approved by the Trustees at their meeting on 19 May 2020 and subsequently signed on their behalf on 24 June 2020 by:


.....
Paul John Young, Chairman

ECHOES INTERNATIONAL

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of its constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ECHOES INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ECHOES INTERNATIONAL FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Echoes International (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ECHOES INTERNATIONAL (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 11, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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

ECHOES INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ECHOES INTERNATIONAL (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

The report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulation 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

2 JULY 2020

Johnston Carmichael LLP

**Chartered Accountants
Statutory Auditor**

227 West George Street
GLASGOW
G2 2ND

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ECHOES INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Combined Total Funds 2018 £
Income from endowments from:						
Donations and legacies	3	966,594	3,489,885	-	4,456,482	5,721,696
Charitable activities	4	26,957	-	-	26,957	976
Investment income	5	269,520	1,643	-	271,163	198,981
Other income		8,809	19,511	-	28,320	12,502
Total income and endowments		1,271,883	3,511,039	-	4,782,922	5,934,155
Expenditure on:						
Charitable activities	6	3,106,976	3,705,587	-	6,812,563	6,289,264
Total expenditure		3,106,976	3,705,587	-	6,812,563	6,289,264
Net (expenditure) before investment gains/(losses)		(1,835,093)	(194,548)	-	(2,029,641)	(355,109)
Net gains / (losses) on investments		923,401	4,850	10,760	939,011	(371,020)
Net (expenditure)/income	10	(911,692)	(189,698)	10,760	(1,090,630)	(726,129)
Transfers between funds		(29,378)	30,000	(622)	-	-
Net movement in funds		(941,070)	(159,698)	10,138	(1,090,630)	(726,129)
Reconciliation of funds:						
Total funds brought forward		8,089,588	1,471,159	135,191	9,695,938	10,422,067
Total funds carried forward		7,148,518	1,311,461	145,329	8,605,308	9,695,938

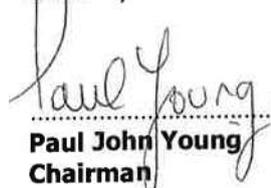
ECHOES INTERNATIONAL

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13	584,879		573,941	
Investment property	14	41,000		41,000	
Total tangible assets			625,879		614,941
Investments	15		7,752,175		8,928,929
			8,378,054		9,543,870
Current assets					
Debtors	16	127,331		111,431	
Cash at bank and in hand		670,671		268,052	
		798,002		379,483	
Creditors: amounts falling due within one year	17	(570,748)		(227,415)	
			227,254		152,068
Net current assets			227,254		152,068
Net assets			8,605,308		9,695,938
Charity funds					
Endowment funds	19		145,329		135,191
Restricted funds	19		1,311,461		1,471,159
Unrestricted funds	19				
- General funds		1,668,842		3,699,531	
- Designated funds		5,479,676		4,390,057	
Total unrestricted funds			7,148,518		8,089,588
Total funds			8,605,308		9,695,938

The financial statements were approved by the Trustees on 24 June 2020
behalf by:

and signed on their


.....
Paul John Young
Chairman

The notes on pages 18 to 39 form part of these financial statements

English Charity No: 1173851
Scottish Charity No: SC047797

ECHOES INTERNATIONAL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by operating activities	20	<u>(1,941,345)</u>	<u>(755,328)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		271,163	198,981
Purchase of tangible fixed assets		(43,445)	(22,194)
Sale of investments		3,513,116	9,318,498
Purchase of investments		(1,761,541)	(9,067,538)
Proceeds from sale of tangible fixed assets		482	-
Movement in cash held as investment		364,189	(360,172)
Net cash provided by investing activities		<u>2,343,964</u>	<u>67,575</u>
Change in cash and cash equivalents in year		402,619	(687,753)
Cash and cash equivalents brought forward		268,052	955,805
Cash and cash equivalents carried forward	21	<u><u>670,671</u></u>	<u><u>268,052</u></u>
Relating to:			
Bank balances and short-term deposits		<u>670,671</u>	<u>268,052</u>

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.1 General information

Echoes International is a charitable incorporated organisation, registered with the Charity Commission in England and Wales (charity number 1173851) and in Scotland with OSCR (charity number SC047797). The registered office is 124 Wells Road, Bath, BA2 3AH. The nature of the charity's operations and principal activities are set out in the Trustees' Report.

1.2 Basis of preparation of financial statements

Echoes International constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities (Accounts and Reports) Regulations 2008.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("the Charities SORP"), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments and investment property and fair value. The principal accounting policies adopted are set out below.

The financial statements are prepared in £ sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.3 Going concern

At the time of approval of these financial statements, the Trustees have considered the resources available to the charity as well as the forecast income and expenditure for at least 12 months from the date of approval. Based on this analysis the Trustees have a reasonable expectation that the charity will continue in operation for at least twelve months from the date of the approval of the financial statements. The Trustees have therefore adopted the going concern basis of accounting in the preparation of the financial statements.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

1 Accounting policies (continued)

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The charity holds two endowment funds, which are those resources received by the charity which represent capital. One of the funds is a permanent endowment, while the other fund is expendable. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund. Investment income, gains and losses (other than endowment fund income) are allocated to the appropriate fund.

1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income recognition is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

1 Accounting policies (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs comprise staff and other costs incurred directly as a result of the charity making grants and allocations, the publication of the magazine and the support of missionaries and projects. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. These costs include costs related to the statutory audit and Trustees' meetings.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

All assets costing more than £300 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual values, over their expected useful lives on the following basis:

Freehold property	2% straight line
Fixtures and fittings	15 – 33% reducing balance + 25% straight line
Computer equipment	33.33% straight line
Freehold property improvements	10% straight line

1.8 Investment properties

Investment property, which is held to earn rentals, is measured at fair value at each reporting date with changes in value recognised in the Statement of Financial Activities.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'gains/(losses) on investments' in the Statement of Financial Activities.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

1 Accounting policies (continued)

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Debtors

Other debtors are recognised at the settlement amount after any trade discount offered.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or at the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

1 Accounting policies (continued)

1.15 Employee benefits

The cost of employee benefits, including any unused holiday entitlement, is recognised in the period in which the employee's services are received.

1.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.17 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. The charity is registered with HMRC as a charity.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

Depreciation

The depreciation of tangible fixed assets is a key area of estimation. The useful life and residual value of fixed assets is considered and a depreciation rate applied accordingly. Details of the depreciation policies applied can be found in the accounting policies section of the notes to the financial statements. The depreciation charge for the year amounts to £32,025 (2018: £31,727). The carrying value of tangible fixed assets at the year-end to which depreciation applies amounts to £584,879 (2018: £573,941).

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

3 Income from donations and legacies

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Assembly gifts	137,379	827,693	-	965,072	735,312
Other collective gifts	199,380	449,566	-	648,946	489,686
Individual gifts	162,323	1,249,834	-	1,412,157	1,505,865
Trusts	31,377	865,210	-	896,587	639,040
Legacies	436,138	97,582	-	533,720	2,351,793
Total donations and legacies	966,594	3,489,885	-	4,456,482	5,721,696
Total 2018	2,855,020	2,866,676	-	5,721,696	

4 Income from charitable activities

	Unrestricted Funds 2019	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Publishing	26,957	-	-	26,957	976
	26,957	-	-	26,957	976
Total 2018	976	-	-	976	

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

5 Investment income

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Rental income	2,006	-	-	2,006	1,192
Dividend income	266,348	1,488	-	267,836	196,896
Bank interest	1,166	155	-	1,321	894
	269,520	1,643	-	271,163	198,981
Total 2018	198,927	54	-	198,981	

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

6 Charitable expenditure

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Grants to organisations (note 7)	690,870	1,209,841	1,900,711	1,830,898
Grants and allocations to individuals	1,260,701	2,463,883	3,724,584	3,348,941
Publishing	126,189	-	126,189	137,044
Support costs (note 8)	988,723	31,863	1,020,586	918,528
Governance costs (note 9)	40,493	-	40,493	53,853
Total	<u>3,106,976</u>	<u>3,705,587</u>	<u>6,812,563</u>	<u>6,289,264</u>
Total 2018	<u>3,185,272</u>	<u>3,103,992</u>	<u>6,289,264</u>	

7 Material grants to organisations (> £50,000 in current or prior year)

	2019 £	2018 £
Chitokoloki Hospital	83,781	20,126
*SRG	77,264	90,000
Gospel Fellowship Trust of India	52,618	64,425
*Manara Ministries	43,058	77,775
Bethesda (Leprosy) Hospital	42,675	56,838
Total of smaller grants paid to other organisations	<u>1,601,315</u>	<u>1,521,734</u>
	<u>1,900,711</u>	<u>1,830,898</u>

*Grants awarded to these organisations were specifically for the purpose of disaster and poverty relief. Grants to other organisations are made in line with the policy described in the Trustees' Report.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

8 Support costs

	2019 £	2018 £
Staff costs	485,432	461,857
Subscriptions	904	5,322
Missionary initiatives and conferences	73,068	51,012
Rates, light, heat and insurance	18,122	15,243
Cleaning, decorating and repairs	23,572	31,436
Travelling – Trustees	18,636	18,006
Travelling – Other	37,296	43,990
Printing, telephone, stationery and advertising	21,349	20,345
Equipment renewals and maintenance	83,030	61,205
Professional fees	116,992	77,038
Bank charges	13,510	12,712
Sundry expenses	73,072	44,591
Website	2,089	2,233
Publicity	21,489	22,637
Merger expenses	-	19,174
Depreciation	32,025	31,727
	<u>1,020,586</u>	<u>918,528</u>

9 Governance costs

	2019 £	2018 £
Auditor's remuneration	20,100	14,005
Auditor's non-audit services	3,875	12,980
Trustee meetings	10,224	19,944
Advisory group	4,141	2,288
Legal fees	1,451	1,597
Board of reference	702	379
Strategic planning	-	2,261
	<u>40,493</u>	<u>53,853</u>

10 Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
Owned by the charity	32,025	31,727
Auditor's remuneration – audit	20,100	14,005
Auditor's remuneration – other services	33,072	12,980
Operating lease rentals	12,432	12,432

Other services provided by the auditor in the current year include taxation compliance services totalling £5,490 (2018: nil) and other financial services of £27,582 (2018: £12,980).

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

11 Staff costs

Staff costs were as follows:	2019	2018
	£	£
Wages and salaries	408,912	395,693
Social security costs	35,356	27,612
Pension contributions	41,164	38,552
	<u>485,432</u>	<u>461,857</u>

The average number of persons employed by the charity during the year was as follows:

	2019	2018
	No	No
Administration	18	18
	<u>18</u>	<u>18</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel include the Trustees and Executive Directors. The total employee benefits of the key management personnel of the charity were £137,477 (2018: £131,391). Trustees are not remunerated (see note 12).

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £41,164 (2018: £38,552).

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

12 Trustee remuneration and expenses

No trustees were remunerated during the current or prior years and no pension contributions were made by the charity to its defined contribution scheme in respect of any trustees.

The following expenses were incurred on behalf of, or reimbursed to, nine trustees (2018: 10 trustees):

	2019	2018
	£	£
Meals/hotels	2,218	2,923
Travel (including overseas)	13,727	15,033
Sundry	25	50
	<u>15,970</u>	<u>18,006</u>

13 Tangible fixed assets

	Freehold Property £	Fixtures & Fittings £	Computer Equipment £	Freehold Property Improvements £	Total £
Cost					
At 1 January 2019	766,118	28,810	88,236	6,059	889,223
Additions	-	2,335	22,510	18,600	43,445
Disposals	-	(1,039)	(587)	-	(1,626)
At 31 December 2019	<u>766,118</u>	<u>30,106</u>	<u>110,159</u>	<u>24,659</u>	<u>931,042</u>
Depreciation					
At 1 January 2019	229,830	16,776	66,517	2,159	315,282
Depreciation charge	15,322	3,629	11,699	1,375	32,025
Disposals	-	(637)	(507)	-	(1,144)
At 31 December 2019	<u>245,152</u>	<u>19,768</u>	<u>77,709</u>	<u>3,534</u>	<u>346,163</u>
Net book value					
At 31 December 2019	<u>520,966</u>	<u>10,338</u>	<u>32,450</u>	<u>21,125</u>	<u>584,879</u>
At 31 December 2018	<u>536,288</u>	<u>12,034</u>	<u>21,719</u>	<u>3,900</u>	<u>573,941</u>

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

14 Investment property

	Freehold Investment Property £
Valuation	
At 31 December 2019 and 31 December 2018	<u>41,000</u>

The valuation was initially based on an independent professional valuation of fair value. The Trustees are satisfied that there has been no material change in this fair value in the current and prior year.

15 Investments

	Total £
Market value	
At 1 January 2019	8,928,929
Purchase of investments	1,761,540
Sale of investments	(3,513,116)
Realised and unrealised gains/(losses)	939,011
Movement in cash held	(364,189)
At 31 December 2019	<u>7,752,175</u>
Historical cost	<u>7,165,480</u>

Investments at market value comprise:

	2019 £	2018 £
Listed investments	7,728,494	8,541,059
Cash held as part of investment portfolio	23,681	387,870
	<u>7,752,175</u>	<u>8,928,929</u>

Material investments

At the year end, the charity had the following spread of listed investments by nature.

	2019 £	2018 £
Fixed interest	2,185,381	1,740,306
UK equities	2,456,222	3,387,792
Overseas equities	2,217,630	2,339,301
Alternative holdings	869,261	1,073,660
	<u>7,728,494</u>	<u>8,541,059</u>

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

16 Debtors

	2019	2018
	£	£
Other debtors	46,032	19,201
Prepayments and accrued income	67,803	81,200
Tax recoverable	13,496	11,030
	<u>127,331</u>	<u>111,431</u>

17 Creditors

	2019	2018
	£	£
Trade creditors	171,595	28,004
Other taxation and social security	21,477	18,972
Other creditors	267,959	102,270
Accruals and deferred income	109,717	78,169
	<u>570,748</u>	<u>227,415</u>

18 Financial instruments

	2019	2018
	£	£
Financial assets		
Measured at fair value through profit or loss	<u>7,752,175</u>	<u>8,928,929</u>

Financial assets measured at fair value through profit or loss comprise fixed asset listed investments, whose fair value is determined using quoted market prices in an active market.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

19 Statement of funds

(a) Statement of funds – current year	Reserve category*	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers In/(Out) £	Gains / (Losses) £	Balance at 31 December 2019 £
Unrestricted funds							
General funds (merger of funds)	1	3,699,531	165,572	(654,077)	(985,903)	-	2,225,123
Echoes of Service – legacy charity fund	1	3,752	275,328	(277,337)	-	-	1,743
Interlink – legacy charity fund	1	10,510	37,717	(37,566)	-	-	10,661
Investment property	1	41,000	-	-	-	-	41,000
Publishing department	1	1,151	29,878	(146,338)	120,000	-	4,691
Realised gains	1	-	-	-	-	147,057	147,057
Unrealised revaluation gains/(losses)	1	(391,122)	-	-	-	776,344	385,222
A H Boulton fund	1	197,962	4,394	(953)	(199,383)	-	2,020
Mrs H Maclean Trust	1	1,839	858	-	(1,372)	-	1,325
Missionary work	2	746,608	720,081	(970,574)	-	-	496,115
MW transition fund	2	53,000	-	(285,600)	285,600	-	53,000
Legacy equalisation	2	2,000,000	-	-	-	-	2,000,000
Medical	3	65,000	1,209	(117,120)	100,911	-	50,000
Special projects	3	94,307	-	(3,746)	-	-	90,561
Ministry support	3	9,480	11,100	(72,250)	61,670	-	10,000
Training	3	19,328	60	(109,887)	110,499	-	20,000
National worker	3	11,885	15,909	(141,709)	153,915	-	40,000
Poverty fund	4	250,615	6,777	(12,500)	5,108	-	250,000
Strategic initiative fund	5	1,074,742	3,000	(180,844)	223,102	-	1,120,000
Equipment and maintenance	6	200,000	-	(96,475)	96,475	-	200,000
		8,089,588	1,271,883	(3,106,976)	(29,378)	923,401	7,148,518

* Category of reserve relates to the six operational areas for reserves described in the charity's reserves policy, as described in the Trustees' Report.

Transfers are to/from the General Funds and relate to designations, or release of designation, by the Trustees or where funds are transferred to a restricted fund to cover a deficit in fund balance. £1.15m of the general funds are designated as a minimum reserve balance for category 1 per the reserves policy. Other designated funds consist of categories 2 through 6.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

19 Statement of funds (continued)

(a) Statement of funds – current year (cont.)

Endowment funds	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers In/(Out) £	Gains / (Losses) £	Balance at 31 December 2019 £
Mrs H Maclean Trust	30,191	-	-	-	3,970	34,161
A H Boulton fund	105,000	-	-	(622)	6,790	111,168
	135,191	-	-	(622)	10,760	145,329
Restricted funds	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers In/(Out) £	Gains / (Losses) £	Balance at 31 December 2019 £
Missionary	293	1,801,535	(1,839,642)	41,674	-	3,860
Property	540,188	-	(15,922)	-	-	524,266
Personal needs	2,828	1,496,666	(1,512,042)	15,000	-	2,452
Beneficiary holding	455,039	75,266	(59,915)	-	-	470,390
Suspense	42,332	-	-	(26,674)	-	15,658
Missionaries' Children fund	87,005	42,076	(44,368)	-	-	84,713
First Serve	17,990	23,627	(38,910)	-	-	2,707
Relief	237,245	69,992	(189,762)	-	-	117,475
Ramsden Fund	53,702	1,719	(5,026)	-	4,850	55,245
Missionary Furlough Fund	34,537	158	-	-	-	34,695
	1,471,159	3,511,039	(3,705,587)	30,000	4,850	1,311,461
Total of funds – 31 December 2019	9,695,938	4,736,629	(6,766,270)	-	939,011	8,605,308

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

19 Statement of funds (continued)

Unrestricted and designated funds

General	Monies designated to enable the trustees to administer the ongoing objectives of the charity.
Investment property	Properties bequeathed under terms of donor's will but subject to "reversionary interest".
Missionary work	Monies received for general disbursement for "The Lord's Work Overseas".
Medical	Monies to purchase medical supplies and equipment in hospitals and clinics.
Legacy equalisation	Monies designated by the Trustees to act as a "reserve" to supplement giving under the above category, missionary work unrestricted, should that important category of gift income decline.
Special projects	A fund set up to provide funding for all activities associated with the merger between Echoes of Service and Interlink from 1 January 2018.
MW transition fund	Monies received from third parties to augment the amounts held by insurers, on behalf of mission workers, to await their return from overseas.
Strategic Initiatives	Monies set aside for the strategic funding of mission projects globally, normally over a 3-year period. The fund is used for projects outside of the course of regular gifts and finance provided by Echoes International and is limited to those within the Brethren movement or those with substantial links to the movement.
Equipment and maintenance	Monies designated by the Trustees for the upkeep of the office property and capital expenditure on equipment.
Publishing department	Monies designated by the Trustees as a "reserve" used for the publishing of books/fact files and production of the Daily Prayer Guide and Echoes magazine.
Realised gains / revaluations	Details the cumulative gains/losses of the investment portfolio administered by Hargreaves Lansdown.
Ministry support	Monies designated by the Trustees for a variety of Christian ministries including literature work, production and distribution of vernacular Bibles and Bible study aids, radio broadcasting and other associated activities.
Poverty	Monies designated by the Trustees to provide financial help in situations of property relief and hardship.
Training	Monies designated by the Trustees to enable Bible colleges training establishments to provide national workers with training in preparation for and continuance in Christian service.
National worker	Monies designated by the Trustees to enable National Service Agencies to distribute monies amongst their own indigenous Christian workers.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

19 Statement of funds (continued)

Unrestricted and designated funds (cont.)

Mrs H Maclean Trust The Trust having been set up for the benefit of Echoes of Services – see also endowment fund element below.

A H Boulton Fund The Fund having been set up for the benefit of Echoes of Services – see also endowment fund element below.

Endowment funds

Mrs H Maclean Trust The Trust having been set up for the benefit of Echoes of Services – the endowment fund is an expendable endowment.

A H Boulton Fund The Fund having been set up for the benefit of Echoes of Services – the endowment fund element below is a permanent endowment.

Restricted funds

Missionary Monies donated for mission workers "ministry / work".

Property Established for the purchase and refurbishment of offices at 124 Wells Road, Bath.

Personal needs Monies donated for mission worker's "personal needs".

Beneficiary holding Monies awaiting distribution instructions from named beneficiary.

Suspense Monies awaiting donor's disbursement instructions.

Missionaries' Children's fund The aim of this fund is to support the children of mission workers commended from UK assemblies to help with the educational expenses incurred, until further education, while their parents are serving on the mission field.

First serve Monies received for the First Serve gap year programme.

Relief Monies donated to assist in relief operations following natural disasters: earthquake, famine, fire and flood.

Ramsden Fund For the provision of accommodation where appropriate and other needs of missionaries while on leave or residing in the UK.

Missionary Furlough Fund The provision of gifts to missionaries on furlough in the UK.

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

19 Statement of funds (continued)

(b) Statement of funds – prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers In/(Out) £	Gains / (Losses) £	Balance at 31 December 2018 £
Unrestricted funds						
General funds (merger of funds)	2,054,648	1,816,918	(918,226)	746,191	-	3,699,531
Echoes of Service – legacy charity fund	3,752	1,239,381	(1,239,381)	-	-	3,752
Interlink – legacy charity fund	10,510	-	-	-	-	10,510
Investment property	41,000	-	-	-	-	41,000
Publishing department	21,719	-	(110,568)	90,000	-	1,151
Realised gains	479,475	-	-	(1,505,467)	1,025,992	-
Unrealised revaluation gains/(losses)	993,931	-	-	-	(1,385,054)	(391,122)
A H Boulton fund	262,658	2,422	-	(53,679)	(13,439)	197,962
Mrs H Maclean Trust	1,839	-	-	-	-	1,839
Missionary work	746,608	-	-	-	-	746,608
MW transition fund	53,000	-	-	-	-	53,000
Legacy equalisation	2,000,000	-	-	-	-	2,000,000
Medical	94,692	-	(110,723)	81,031	-	65,000
Special projects	108,072	-	(13,765)	-	-	94,307
Ministry support	139,718	-	(130,238)	-	-	9,480
Training	9,519	-	(190,190)	200,000	-	19,328
National worker	36,875	-	(144,990)	120,000	-	11,885
Poverty fund	183,624	1,991	-	65,000	-	250,615
Strategic initiative fund	1,320,361	-	(245,619)	-	-	1,074,742
Equipment and maintenance	16,938	-	(81,572)	264,634	-	200,000
	<u>8,578,939</u>	<u>3,060,712</u>	<u>(3,185,272)</u>	<u>7,710</u>	<u>(372,501)</u>	<u>8,089,588</u>

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

19 Statement of funds (continued)

(b) Statement of funds – prior year (cont.)

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers In/(Out) £	Gains / (Losses) £	Balance at 31 December 2018 £
Endowment funds						
Mrs H Maclean Trust	48,901	-	-	(17,710)	(1,000)	30,191
A H Boulton fund	105,000	-	-	-	-	105,000
	<u>153,901</u>	<u>-</u>	<u>-</u>	<u>(17,710)</u>	<u>(1,000)</u>	<u>135,191</u>
	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers In/(Out) £	Gains / (Losses) £	Balance at 31 December 2018 £
Restricted funds						
Missionary	75	1,298,746	(1,303,528)	5,000	-	293
Property	556,100	-	(15,922)	-	-	540,188
Personal needs	-	1,369,337	(1,371,509)	5,000	-	2,828
Beneficiary holding	530,295	25,290	(100,546)	-	-	455,039
Suspense	17,883	24,449	-	-	-	42,332
Missionaries' Children fund	40,734	92,323	(46,052)	-	-	87,005
First Serve	35,434	8,026	(25,470)	-	-	17,990
Relief	422,938	55,272	(240,965)	-	-	237,245
Ramsden Fund	51,221	-	-	-	2,481	53,702
Missionary Furlough Fund	34,537	-	-	-	-	34,537
	<u>1,689,227</u>	<u>2,873,443</u>	<u>(3,103,992)</u>	<u>10,000</u>	<u>2,481</u>	<u>1,471,159</u>
Total of funds – 31 December 2018	<u>10,422,067</u>	<u>5,934,155</u>	<u>(6,289,264)</u>	<u>-</u>	<u>(371,020)</u>	<u>9,695,938</u>

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

19 Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £
Tangible fixed assets	60,613	524,266	-	584,879
Investments	6,880,675	726,171	145,329	7,752,175
Investment property	41,000	-	-	41,000
Current assets	713,289	84,713	-	798,002
Creditors due within one year	(547,059)	(23,689)	-	(570,748)
	<u>7,148,518</u>	<u>1,311,461</u>	<u>145,329</u>	<u>8,605,308</u>

Analysis of net assets between funds – prior year

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total Funds 2018 £
Tangible fixed assets	33,823	540,118	-	573,941
Investments	8,064,262	730,484	134,183	8,928,929
Investment property	41,000	-	-	41,000
Current assets	291,470	87,005	1,008	379,483
Creditors due within one year	(113,863)	(113,552)	-	227,415
	<u>8,089,588</u>	<u>1,471,159</u>	<u>135,191</u>	<u>9,695,938</u>

20 Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,090,630)	(726,129)
Adjustment for:		
Depreciation charges	32,025	31,727
Losses / (gains) on investments	(939,011)	371,020
Dividends, interest and rents from investments	(271,163)	(198,981)
Decrease/(increase) in debtors	(15,900)	122,730
(Decrease) / increase in creditors	343,334	(355,695)
Net cash used in operating activities	<u>(1,941,345)</u>	<u>(755,328)</u>

ECHOES INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

21 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	670,671	268,052
Notice deposits (less than 3 months)	-	-
Total	670,671	268,052

22 Operating lease commitments

At 31 December 2019, the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts payable:		
Within one year	20,444	12,432
Between one and five years	40,888	-
	61,332	12,432

23 Post balance sheet events

Subsequent to the year-end, £0.9 million of fixed asset investments have been employed for operational purposes.

The Trustees have discussed the general impact of the 2020 Covid-19 pandemic on the charity as part of the Trustees' Report. Stock market volatility as a result of the pandemic has reduced the remaining investment holdings by approximately 9% of the carrying value.

The Trustees have not identified any other post balance sheet events requiring either adjustment or disclosure within the financial statements.