

Echoes of Service

Trustees report and financial statements

For the year ended 31 December 2017

ECHOES OF SERVICE

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ECHOES OF SERVICE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees present their annual report and audited financial statements for the year ended 31 December 2017. 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) (effective 1 January 2015). 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 workers and local churches.

Strategies for achieving objectives

In addition to our regular Trustees' meetings, we have bi-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 a major influence in the promotion of mission in local churches; and
3. To develop partnerships with similar groups throughout the world.

During 2017, we continued to make progress on our strategic review (commenced in 2013) and our future role in view of the changing face of mission across the world. This was carried out with our sister organisation, Interlink in Scotland. On 3rd June 2016, the Boards of Interlink and Echoes of Service came to a significant decision, when they unanimously agreed to bring the two organisations together and create a new charity. A Merger Implementation Team and a Transitional Board has been operating in 2017 with a mandate to complete the merger process with the launch of the new charity on 1st January 2018. In June 2017, Echoes International, a new charitable incorporate organisation ('CIO') was created. On 1st January 2018, all the assets and undertaking of Echoes of Service and Interlink were transferred into Echoes International.

The merger has ensured that:

- The fundamental principles on which both Echoes of Service and Interlink are based have not changed;
- The new charity has a physical presence in both Scotland and England and that the new charity will cover the UK;
- The new charity is working with a single set of policies and procedures;
- Duplication has been removed during the transition process; and
- There have been no compulsory redundancies, and no mission worker or employee has been disadvantaged.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Activities for achieving objectives

During the course of 2017 the following activities were undertaken to achieve our goals:

- The development of policies relating to workers linked to us and supporting local churches continued, and any new policies were added to our policy manual.
- We dealt promptly with enquires from our supporters and workers.
- An electronic form of the magazine, called Echoes International Edition, for non-UK subscribers, continued.
- Emergency funding totalling £397,300 was sent to Bangladesh, the Caribbean, Egypt, Ethiopia, India, Italy, Jordan, Kenya, Lebanon, Macedonia, Malawi, Mexico, Moldova, Mozambique, Peru, Syria, Thailand, Turkey, Ukraine, Yemen and Zimbabwe.
- The Trustees and Directors made overseas visits to Brazil, Dominican Republic, Ethiopia, France, Germany, India.

Some of the highlights in the year were:

- A two-day Annual Seminar for mission service group leaders and church leaders in Bath, at which over 80 people attended.
- Attending the CAEF Conference in France and the Wiedenest Conference in Germany.
- Holding Echoes Day in Northern Ireland which was attended by about 200 people.
- During the year we met with UK based organisations GLO, Opal Trust, Brass Tacks and partnered with a number of like-minded service organisations through the Church Support Network Forum.
- Six new workers were added to the Daily Prayer Guide.
- We provided counsel and advice to prospective mission workers and their churches and dealt with other enquiries from those seeking guidance on overseas mission service.
- We met with and debriefed 35 mission workers in 22 separate meetings. Many came to the office in Bath, but several were visited in other locations.
- There were five participants in First Serve; a Gap-year programme for young people co-sponsored with three other organisations but managed from by Echoes.
- Further supplies of Biblical study and reference material to Bible colleges, students and church elders were made in more Latin American countries.
- Echoes magazine was produced and distributed monthly to around 3,000 subscribers.
- Directors and Trustees regularly speak at local churches in various parts of the country, reporting on overseas visits and contributing to mission conferences.

Grant making policies

Gifts received which are designated for mission workers or other purposes are transmitted directly to their accounts on a monthly basis. Monthly allocations are also made to all mission workers listed on the Daily Prayer Guide, using an index that takes into account marital status, size of family and cost of living in their country of work. Gifts from other designated funds such as the Medical, Relief and Poverty, Training, Ministry Support and National Worker funds are made on a half-yearly basis, and these are given for specific objectives that fall under the purposes of these funds. The Trustees review a half-yearly schedule before these are sent. Ad hoc gifts are made in disaster situations and as needs arise; in particular from the Relief Fund for various crises and catastrophes around the world. Consultation takes place between the directors and at least two of the Trustees before distributions are made.

ECHOES OF SERVICE

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Achievements and performance

Review of activities

Our core activities fall into four main areas. These are:

1. The production of mission information for individuals and churches. This is through the publication of a monthly magazine, weekly news emails, the website, two mission bulletins per annum and ad-hoc mission booklets and DVDs;
2. The receipt and transmission of funds for mission support of individuals, specific ministries and institutions;
3. The provision of a wide variety of services to the personnel we support and also advice, guidance and counsel to individuals and church leaders on mission-related issues; and
4. Deputation visits to churches to report on mission, and the running of seminars and mission events to create and maintain interest among our supporters.

Financial review

Total funds held on our balance sheet currently stand at £9.7m, however it should be noted that £1.76m represents "Restricted Funds" and "Endowment Fund" whilst £7.94 million relates to reserves to cover our on-going long term expenditure requirements.

Gift Income fell in most categories in 2017 and by £139,500 (3.6%). The most notable reduction was in Legacies (£501,500 or 43% fall), otherwise there was a 29% increase (£166,900) in Assembly gifts, a 37% increase (£123,800) in Other collective gifts, and a 15% increase (£171,800) in Individual gifts. Overall, there was a clear move towards restricted (designated) giving which now represents 73% of gift income (65% in 2016).

Our main source for unrestricted funds comes from legacies and it is this particular income category which allows us to make the majority of distributions from our Undesignated Funds as detailed in Note 20 totalling £2.39m. As legacy income falls, the remainder of the distributions are financed by the disposal of investments.

Total charitable distributions in the form of grants made to Institutions and Individuals amounted to £4.87m, which represents an increase of £280,700 on the corresponding figures for 2016. Overall resources expended increased by £101,000 to £5,308,800 (£2,389,400 unrestricted and £2,919,400 restricted); distributions from Unrestricted Funds decreased by £115,600 whereas distributions from Restricted Funds increased by £216,700.

As part of the Echoes pastoral responsibilities and networking with global mission service groups, travel by the Trustees increased in 2017 to £39,300 (£29,100 in 2016); the addition of Transition Board meetings in connection with the merger also contributed to the increase.

The number of mission workers on the Daily Prayer Guide at the end of 2017 was 190. These workers serve in 29 countries.

Investment policy and performance

The Trustees have the power to invest all amounts not needed for immediate working capital. The main investment portfolio is managed by Hargreaves Lansdown who invest in a range of funds to achieve balanced growth and income.

The Echoes of Service portfolio showed a net reduction in investments of £452,000 (£278,600 reduction in 2016), excluding transfers of £825,000 to fund operational activities, the increase in value would have been £373,000. The portfolio is producing a dividend yield of 3.66% for the year calculated against the opening market value (3.27% - 2016).

The investment portfolio for the A H Boulton Fund is managed by Charles Stanley & Co Ltd. The value of the A H

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Boulton Fund increased by £14,500 (£18,900 increase in 2016). The Mrs H Maclean Trust increased by £2,400 (£1,000 in 2016). These portfolios produced dividend yields against initial market value in 2017 of 4.92% (4.77 % in 2016) and 5.27% (5.26% in 2016) respectively.

Total investment income amounted to £379,000 (£311,900 – 2016). This included a retrospective tax claim of £51,100 for tax deducted at source since 2013.

Financial review

Going concern

The Board of Trustees made the decision for Echoes of Service to merge with Interlink on 1 January 2018 to form Echoes International. Therefore the charity has not adopted the going concern basis in preparing the financial statements. Further details regarding not adopting the going concern basis can be found in the Statement of Accounting Policies.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks. A risk register is maintained, which details potential risks to the charity and the response to a named event. Our risk register is reviewed annually and any necessary changes are made.

As we operate in an international environment, we review security and risk and continue to use a security expert to ensure that adequate policies are in place to cover potential risks affecting mission workers who are located in insecure areas of the world. Trustees and Directors also seek security advice on travel undertaken to certain countries.

Our Constitution determines that we serve a particular sector within the wider global evangelical movement. Unfortunately, in the UK this sector is becoming increasingly diverse, and in some areas experiencing decline as church attendance and membership decreases. Therefore, the numbers of new mission workers and regular income from churches and individuals is reducing carrying with it a significant risk. In an attempt to mitigate this, the Trustees conduct a concentrated programme of church visitation to report on the challenge of and opportunities for global mission. In addition, the Trustees engage in informal but intentional meetings with church leaders, to discuss aspects of global mission and ensure an awareness in churches of the ministry of Echoes of Service, including the services we provide.

The change in the pattern of giving continues, as donors are increasingly intentional in the allocation of gifts. Unrestricted legacies represent an essential income category, giving Trustees the ability to distribute considerable finance from our Medical, Ministry Support, National Worker and Training Funds. It is unlikely that previous levels of this income category will continue in the future, which will reduce the levels of monies available for distribution. In view of this, we give careful consideration to the amounts distributed and do not commit to long term funding to any beneficiary. In addition, we take opportunities to emphasise the importance to potential legators of this source of charitable giving.

The reliance on investment income to provide a significant contribution towards operational costs is another important income category and the variability on investment returns could constitute a significant financial risk. This is mitigated by utilising the services of experienced investment managers and having a diversified investment portfolio.

Reserves policy

A detailed reserves policy was created, with target levels set for each of our specific funds, which are monitored appropriately; the policy recognises the uncertain nature of our income (dependent on legacies and free-will donations), the long-term responsibilities we hold for the support of the workers on the Daily Prayer Guide, and

ECHOES OF SERVICE

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

the dependence of some key works abroad on regular gifts. In 2015, following a detailed examination of the policy, it was updated to reflect the changing face of mission; the Trustees agreed to reduce the level of Unrestricted Funds to £4.9 million over a 3-5 year period.

Unrestricted Funds at the end of 2017 totalled £7.94m and target reserves on the majority of these funds are set at one year's expenditure; the exceptions being for the Legacies Equalisation Fund (two years) National Worker Fund (three years) and Training Fund (three years).

During 2016, a Strategic Initiatives Fund of £1.5 million was established for the funding of mission projects globally, normally over a 3-year period. Any finance allocated from this fund will be replaced within the following 12-month period. The fund is used for projects outside of the course of regular gifts and finance provided by the charity. The funding is limited to those within the Brethren movement or those with substantial links to the movement.

The Trustees have also set aside a Special Project Fund with £200,000 for activities associated with the merger with Interlink in January 2018.

Plans for the future

As a board of trustees and directors, we remain committed to the service and support of Christian mission in a changing world, both among our supporters who make up our UK base, and the workers and ministries we are linked with around the world. In spite of the fall in income noted in the financial review, the Trustees are confident that the charity has sufficient reserves to meet its current commitments to mission as the merger with Interlink to create Echoes International was successfully concluded in January 2018. Echoes International will take on the responsibilities for the activities of both Echoes of Service and Interlink in Scotland. The merger presented opportunities to make efficiencies and to reallocate funds to help us deliver our vision for the new charity - to see Mission revived in the UK.

The new board remain committed to engage, whenever possible, with linked service agencies in the UK, so that we can achieve a higher degree of cooperation, efficiency and effectiveness in our operations. As had been the case during the 146 years of our existence, our faith and hope rest in God, in whose service we engage, and who we believe will sustain the work of Echoes International, as long as we have a valid role to play in the advance of His kingdom.

Structure, governance and management

Constitution

Echoes of Service was started in 1872 and had no original constitutional documentation but was registered as a charity on 5 August 1965. The Charity Commission sanctioned a scheme dated 29 January 1997, which provided a constitutional basis for the charity, and a framework and firm basis for future administration. The objects for which the charity was established are to act as a mission service agency and to produce a mission magazine to provide spiritual and financial support for those commended from within the Christian brethren movement to work overseas.

Method of appointment or election of Trustees

The Trustees recognise the need to strengthen and add to their number, and potential new additions to the body are discussed at our monthly meetings and particularly at our biannual planning meeting. When it is agreed that a new Trustee should be appointed, an interview is arranged with all the Trustees, when the function, role and the expectations of Trustees are explained. Advice on a new appointment may also be sought from our Advisory Group. New Trustees may attend monthly board meetings for a trial period, before a final appointment is made.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Policies adopted for the induction and training of Trustees

New Trustees are provided with documentation which includes our constitution and Charity Commission guidance documents. They are invited to spend some time in the office to enable them to understand the routine operations of the various departments. The monthly Trustees' meetings allow free discussion and the opportunity to question and examine all our operations.

Key management personnel remuneration

The Trustees consider that the Board of Trustees and the General Director comprise the key management personnel of the charity in charge of directing and controlling the charity and running the charity on a day-to-day basis. All trustees, apart from the General Director, give of their time freely. Details of remuneration and expenses paid to trustees are disclosed in notes 12 and 13.

The pay of the Directors is reviewed annually in a meeting of the non-executive Trustees. Salary increases are not automatic, with a number of factors being considered, such as the current financial position of the charity, average earnings and the present cost of living index. Research is carried out to ensure that salaries are in line with remuneration for equivalent roles for executives within the charity sector in organisations of a similar size and turnover.

Organisational structure and decision making

Details of Trustees who have held office, together with other reference information are shown on page 8.

A body of seven Trustees administers the charity. Three directors are responsible for running the office on a daily basis – Mr J Aitken (General Director and Trustee), Mr RH Abbott (Operations Director) and Mr J Armstrong (Development Director). Mr PJ Young (Chairman), Mr JH Burness, Mr JC Crooks, Mr EJ Noble, Mr AW Park and Mr BG Scholefield constitute the non-executive Trustees. HB Mitchell is currently a Board member. Messrs Park and Scholefield were appointed Trustees on 21 December 2017.

The Board meet for monthly meetings, biannual planning days (March and September), and with the Advisory Group twice a year (March and September), as well as attending other special events. The non-executive Trustees are kept informed of the activities of the office, and the personnel we serve, through regular contact with the office.

Internal accountability is ensured through monthly reporting to the non-executive Trustees, when full financial data and monthly management accounts are scrutinised. A biannual meeting takes place with our Advisory Group, which is made up of nine individuals who have experience in business, finance and mission. The members of this group receive copies of our accounts, travel reports and internal data. This body meets twice a year and acts as an accountability group, think-tank and discussion forum.

Financial software provides high levels of financial information and control, and regular procedures enables close monitoring of assets and fund balances. Our financial programmes are maintained regularly and updated as necessary. The hardware and office systems are covered by an annual contract with our IT consultants, which provides us with the necessary backup when acute problems arise. A routine monthly visit resolves minor issues. All IT systems operate on cloud-based servers and are backed up daily.

Our website is updated weekly. We also use a secure e-commerce portal for donations, ordering of books and other resources, and the processing of magazine subscriptions. We make no charge for transmitting funds, although there may be bank charges levied for transfers made to overseas bank accounts. No deductions are made from gifts for office expenses. Operating expenses are met by gifts designated for this purpose, by income received from investments, and from a small percentage deducted from unrestricted legacies. We do not engage in fundraising activities.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Related party relationships

Trustees are required to disclose all relevant interests and record them in a register of interests. In accordance with the charity's policy, Trustees withdraw from decisions where a conflict of interest arises.

Although some of the Trustees of Echoes of Service are also members of other trusts from which funds are received, the charity has no formal links with any other charity.

Trustees' responsibilities statement

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 England & Wales 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;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

This report was approved by the Trustees, on 30 APRIL 2018 and signed on their behalf by:

Paul John Young, Chairman



ECHOES OF SERVICE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2017

Trustees	John Aitken Dr John Henry Burness James Crawford Crooks Eric Joseph Noble Alan William Park (appointed 21 December 2017) Benjamin Graham Scholefield (appointed 21 December 2017) Paul John Young, Chairman
Charity registered number	234556
Principal office	124 Wells Road Bath BA2 3AH
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
Bankers	National Westminster Bank plc 39 Milsom Street Bath BA1 1DS
Solicitors	Loosemores Alliance House 18/19 High Street Cardiff CF1 2BP
Investment Managers	Hargreaves Lansdown One College Square South Anchor Road Bristol BS1 5HL

ECHOES OF SERVICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ECHOES OF SERVICE

Opinion

We have audited the financial statements of Echoes of Service (the 'charity') for the year ended 31 December 2017 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 FRS 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 2017 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.

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.

Use of the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements for the year ended 31 December 2017, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the basis of the preparation of the financial statements. As described in that note, the charity merged with Interlink to form Echoes International and as such the financial statements have been prepared on the cessation basis.

ECHOES OF SERVICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ECHOES OF SERVICE

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 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
- 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.

ECHOES OF SERVICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ECHOES OF SERVICE

Responsibilities of Trustees

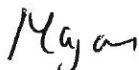
As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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

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

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



Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street
Bristol
BS1 6DP

Date: 30/6/18

ECHOES OF SERVICE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income and endowments from:						
Donations and legacies	2	1,020,858	2,758,498	-	3,779,356	3,918,811
Charitable activities	4	82,155	-	-	82,155	89,216
Investments	3	382,146	6	-	382,152	311,856
Other income		697	12,150	-	12,847	13,682
Total income and endowments		<u>1,485,856</u>	<u>2,770,654</u>	<u>-</u>	<u>4,256,510</u>	<u>4,333,565</u>
Expenditure on:						
Charitable activities		2,389,435	2,919,405	-	5,308,840	5,207,793
Total expenditure	5	<u>2,389,435</u>	<u>2,919,405</u>	<u>-</u>	<u>5,308,840</u>	<u>5,207,793</u>
Net expenditure before investment gains		(903,579)	(148,751)	-	(1,052,330)	(874,228)
Net gains on investments		392,560	-	2,365	394,925	438,016
Net income / (expenditure) before transfers		<u>(511,019)</u>	<u>(148,751)</u>	<u>2,365</u>	<u>(657,405)</u>	<u>(436,212)</u>
Transfers between Funds	20	(1,000)	1,000	-	-	-
Net income / (expenditure) before other recognised gains and losses		<u>(512,019)</u>	<u>(147,751)</u>	<u>2,365</u>	<u>(657,405)</u>	<u>(436,212)</u>
Net movement in funds		<u>(512,019)</u>	<u>(147,751)</u>	<u>2,365</u>	<u>(657,405)</u>	<u>(436,212)</u>
Reconciliation of funds:						
Total funds brought forward		<u>8,450,572</u>	<u>1,751,220</u>	<u>151,536</u>	<u>10,353,328</u>	<u>10,789,540</u>
Total funds carried forward		<u><u>7,938,553</u></u>	<u><u>1,603,469</u></u>	<u><u>153,901</u></u>	<u><u>9,695,923</u></u>	<u><u>10,353,328</u></u>

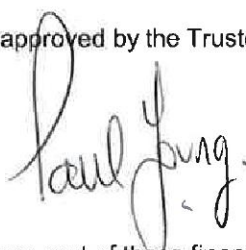
ECHOES OF SERVICE

BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	15	576,536		579,365	
Investment property	16	41,000		41,000	
Total tangible assets			617,536		620,365
Investments	17		8,579,225		9,007,163
			9,196,761		9,627,528
Current assets					
Debtors	18	192,714		269,826	
Cash at bank and in hand		777,304		757,320	
		970,018		1,027,146	
Creditors: amounts falling due within one year	19	(470,856)		(301,346)	
Net current assets			499,162		725,800
Net assets			9,695,923		10,353,328
Charity Funds					
Endowment funds	20		153,901		151,536
Restricted funds	20		1,603,469		1,751,220
Unrestricted funds	20		7,938,553		8,450,572
Total funds			9,695,923		10,353,328

The financial statements were approved by the Trustees on 30th APRIL 2018 and signed on their behalf, by:

Paul John Young, Chairman



The notes on pages 15 to 33 form part of these financial statements.

ECHOES OF SERVICE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	22	(1,167,086)	(1,201,155)
Cash flows from investing activities:			
Dividends, interest and rents from investments		382,152	311,856
Purchase of tangible fixed assets		(17,945)	(3,241)
Proceeds from sale of investments		989,281	2,099,306
Purchase of investments		(166,418)	(1,402,522)
Net cash provided by investing activities		1,187,070	1,005,399
Change in cash and cash equivalents in the year		19,984	(195,756)
Cash and cash equivalents brought forward		757,320	953,076
Cash and cash equivalents carried forward	23	777,304	757,320

The notes on pages 15 to 33 form part of these financial statements.

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies

1.1 General information

Echoes of Service is a registered charity (number 234556), registered in England and Wales. The registered office is 124 Wells Road, Bath, BA2 3AH.

1.2 Basis of preparation of financial statements

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 Charities SORP (FRS 102) published on 16 July 2014 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 with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

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

1.3 Going concern

The charity transferred its trade, assets and liabilities to Echoes International on 1 January 2018 when it merged with Interlink, and will cease trading in the near future. As required by UK accounting standards, the trustees have prepared the financial statements on the basis that the charity is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the Echoes International at their carrying amounts.

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.

Investment income, gains and losses are allocated to the appropriate fund.

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies (continued)

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 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.

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.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies (continued)

1.7 Intangible fixed assets and amortisation

Intangible assets comprise software costs which are capitalised and written off over their estimated useful lives.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Software costs	-	3 years straight line
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1.8 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 value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
L/Term Leasehold Property	-	2% straight line
Fixtures & fittings	-	15 - 33% reducing balance
Computer equipment	-	33.33% straight line
Freehold property improvement	-	10% straight line

1.9 Investment properties

Investment properties are included in the Balance Sheet at their open market value in accordance with FRS102 and are not depreciated.

1.10 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.

1.11 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.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies (continued)

1.13 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.

1.14 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 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.

1.15 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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.

2. Income from donations and legacies

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Assembly Gifts	139,921	596,417	-	736,338	569,444
Other Collective Gifts	79,123	382,718	-	461,841	338,019
Individual Gifts	176,114	1,160,398	-	1,336,512	1,164,715
Trusts	61,396	509,477	-	570,873	671,364
Legacies	564,304	109,488	-	673,792	1,175,269
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	1,020,858	2,758,498	-	3,779,356	3,918,811
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2016	1,362,972	2,555,839	-	3,918,811	

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental income	2,667	-	-	2,667	3,144
Dividend income	378,981	-	-	378,981	307,653
Bank interest	498	6	-	504	1,059
	<u>382,146</u>	<u>6</u>	<u>-</u>	<u>382,152</u>	<u>311,856</u>
Total 2016	<u>311,856</u>	<u>-</u>	<u>-</u>	<u>311,856</u>	

4. Income from charitable activities

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Publishing	82,155	82,155	89,216
	<u>89,216</u>	<u>89,216</u>	
Total 2016	<u>89,216</u>	<u>89,216</u>	

5. Analysis of Expenditure by expenditure type

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Grants and allocations	356,266	20,774	4,747,271	5,124,311	5,021,236
Publishing	-	-	117,750	117,750	141,020
Charitable activities	<u>356,266</u>	<u>20,774</u>	<u>4,865,021</u>	<u>5,242,061</u>	<u>5,162,256</u>
Expenditure on governance	<u>20,592</u>	<u>-</u>	<u>46,187</u>	<u>66,779</u>	<u>45,538</u>
	<u>376,858</u>	<u>20,774</u>	<u>4,911,208</u>	<u>5,308,840</u>	<u>5,207,794</u>
Total 2016	<u>281,666</u>	<u>19,608</u>	<u>4,906,520</u>	<u>5,207,794</u>	

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6. Analysis of grants

	Grants to Institutions 2017 £	Grants to Individuals 2017 £	Total 2017 £	Total 2016 £
Grants and allocations	1,771,273	2,651,790	4,423,063	4,588,307

7. Material grants

	2017 £	2016 £
Operation Mobilisation	117,905	36,250
Manara Ministries	100,084	116,612
SRG	90,000	-
Bethesda (Leprosy) Hospital	78,813	-
Arab World Ministries	50,000	-
Opal Trust	-	100,000
Lebanese Society for Education	-	79,279
Kalene Hospital Hydro Project	-	52,595
Harvest Ministries International	-	44,112
Chitokoloki Hospital	-	18,687
Other grants paid to 165 institutions (2016 - 182 institutions)	1,334,471	1,307,998
Total	1,771,273	1,755,533

8. Direct costs

	Grants and allocation £	Publishing £	Total 2017 £	Total 2016 £
Purchases and booklets	-	441	441	16,993
Publications - Echoes	-	99,471	99,471	84,431
Postage for Magazines	-	17,838	17,838	39,596
Trustee and director costs	18,308	-	18,308	11,150
	18,308	117,750	136,058	152,170
Total 2016	11,150	141,020	152,170	

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. Support costs

	Grants and allocations £	Total 2017 £	Total 2016 £
Subscriptions	5,597	5,597	6,548
Echoes Day	9,210	9,210	6,435
Rates, light, heat and insurance	15,794	15,794	14,638
Cleaning, decorating and repairs	7,239	7,239	3,075
Travelling - Trustees	39,337	39,337	29,102
Travelling - Other	4,816	4,816	900
Printing, telephone, stationery and advertising	26,490	26,490	22,239
Equipment renewals and maintenance	35,844	35,844	18,351
Professional fees	5,074	5,074	3,362
Bank charges	10,910	10,910	9,789
Sundries	7,004	7,004	5,529
Orientation	-	-	459
Missionary initiatives	8,438	8,438	7,879
Website	3,971	3,971	4,210
Publicity	2,748	2,748	2,791
Investment Manager Fees	(1,220)	(1,220)	(892)
Merger expenses	142,956	142,956	8,978
Salaries and honoraria	337,958	337,958	258,778
Depreciation	20,774	20,774	19,608
	<u>682,940</u>	<u>682,940</u>	<u>421,779</u>
Total 2016	<u>421,779</u>	<u>421,779</u>	

10. Governance costs

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	8,174	-	-	8,174	7,200
Auditors' non audit costs	7,174	-	-	7,174	7,312
Trustee meetings	17,644	-	-	17,644	13,082
Advisory group	3,132	-	-	3,132	3,367
Legal Fees	8,349	78	-	8,427	2,753
Bank Charges	-	1,086	-	1,086	85
Board of reference	550	-	-	550	-
Trustee/director costs	17,095	-	-	17,095	10,585
Trustee/director NI	1,788	-	-	1,788	1,153
Trustee/director pension costs	1,709	-	-	1,709	-
	<u>65,615</u>	<u>1,164</u>	<u>-</u>	<u>66,779</u>	<u>45,537</u>

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	20,774	18,968
Amortisation of intangible fixed assets	-	640
Auditor's remuneration - audit	8,174	7,200
Auditor's remuneration - other services	7,174	7,312
Operating lease rentals	13,562	13,562
	<u> </u>	<u> </u>

12. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	315,671	237,114
Social security costs	29,066	21,416
Other pension costs	32,121	23,136
	<u> </u>	<u> </u>
	<u>376,858</u>	<u>281,666</u>

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

	2017 No.	2016 No.
Remunerated Trustees	1	2
Administration	15	10
	<u> </u>	<u> </u>
	<u>16</u>	<u>12</u>

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

Key management personnel includes the Trustees and Operations Directors. The total employee benefits of the key management personnel of the charity were £109,340 (2016: £114,667).

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. Related party transactions

One trustee was remunerated during the year (2016 - 2 trustees), in accordance with the charity scheme, as follows:

	2017 £	2016 £
J Aitken	42,600	42,000
A J Street	<u>-</u>	<u>35,000</u>

The following expenses were incurred on behalf of, or reimbursed to, seven Trustees (2016: seven):

Meals/hotel	10,383	7,439
Travel	25,063	30,605
Telephone	-	677
Sundry	<u>3,252</u>	<u>1,445</u>

During the year retirement benefits were accruing to 1 Trustee (2016 - 2) in respect of defined contribution pension schemes.

2 Trustees made donations totalling £2,650 during the year (2016: £4,402 from three trustees).

14. Intangible fixed assets

	Computer Software £
Cost	
At 1 January 2017 and 31 December 2017	<u>16,297</u>
Amortisation	
At 1 January 2017 and 31 December 2017	<u>16,297</u>
Carrying amount	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

15. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Computer equipment £	Freehold Property Improvements £	Total £
Cost					
At 1 January 2017	766,118	19,463	25,523	6,059	817,163
Additions	-	14,731	3,214	-	17,945
Disposals	-	(5,384)	-	-	(5,384)
At 31 December 2017	766,118	28,810	28,737	6,059	829,724
Depreciation					
At 1 January 2017	199,186	15,713	21,940	959	237,798
Charge for the year	15,322	2,436	2,416	600	20,774
On disposals	-	(5,384)	-	-	(5,384)
At 31 December 2017	214,508	12,765	24,356	1,559	253,188
Net book value					
At 31 December 2017	551,610	16,045	4,381	4,500	576,536
At 31 December 2016	566,932	3,750	3,583	5,100	579,365

16. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017 and 31 December 2017	41,000

The trustees do not consider that the valuation at the year end was materially different from the latest professional valuation.

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

17. Investments

	Listed securities £
Market value	
At 1 January 2017	9,007,163
Additions	166,418
Disposals	(989,281)
Revaluations	394,925
At 31 December 2017	<u>8,579,225</u>
Historical cost	<u>7,537,427</u>

Investments at market value comprise:

	2017 £	2016 £
Listed investments	<u>8,579,225</u>	<u>9,007,163</u>

All the fixed asset investments are held in the UK.

Material investments

At the year end the charity had the following investments representing more than 5% of the investment portfolio by value:

	31 December 2017 £	31 December 2016 £
HL Multi-Manager Income & Growth Trust Income Units	5,032,552	5,294,830
HL Multi-Manager Strategic Bond Trust Income Units	2,273,013	2,493,864
HL Multi-Manager High Income	624,231	667,505
	<u>7,929,796</u>	<u>8,456,199</u>

18. Debtors

	2017 £	2016 £
Other debtors	132,413	229,674
Prepayments and accrued income	34,710	31,279
Tax recoverable	25,591	8,873
	<u>192,714</u>	<u>269,826</u>

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

19. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Magazine subscriptions in advance	-	79,128
Trade creditors	47,007	4,444
Other taxation and social security	21,495	12,104
Other creditors	153,120	175,289
Accruals	249,234	30,381
	<u>470,856</u>	<u>301,346</u>
		£
Deferred income (magazine subscriptions in advance)		
Deferred income at 1 January 2017		79,128
Resources deferred during the year		-
Amounts released from previous years		<u>(79,128)</u>
Deferred income at 31 December 2017		<u>-</u>

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Transfers/ Gains £	Balance at 31 December 2017 £
Unrestricted funds						
General	1,508,971	463,064	(495,073)	(41,500)	-	1,435,462
Investment Property	41,000	-	-	-	-	41,000
Missionary Work	1,011,976	762,853	(1,028,221)	-	-	746,608
Medical	214,957	3,281	(123,546)	-	-	94,692
Legacy Equalisation	2,000,000	-	-	-	-	2,000,000
Special Projects	216,022	75,050	(183,000)	-	-	108,072
MW Transition Fund	-	53,000	-	-	-	53,000
Strategic Initiatives Fund	1,456,000	-	(135,639)	-	-	1,320,361
Equipment and Maintenance	15,107	-	(45,607)	40,500	-	10,000
Publishing Department	42,879	105,750	(126,910)	-	-	21,719
Realised Gains	355,635	-	-	-	123,840	479,475
Revaluation	732,492	-	-	-	261,439	993,931
Ministry Support	209,431	90	(69,803)	-	-	139,718
Poverty Fund	183,759	5,865	(6,000)	-	-	183,624
Training	89,738	-	(80,219)	-	-	9,519
National Worker	125,000	975	(89,100)	-	-	36,875
A H Boulton Fund	247,595	14,099	(6,317)	-	7,281	262,658
Mrs H Maclean Trust	10	1,829	-	-	-	1,839
	<u>8,450,572</u>	<u>1,485,856</u>	<u>(2,389,435)</u>	<u>(1,000)</u>	<u>392,560</u>	<u>7,938,553</u>

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 & 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 with Interlink planned for 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 of Service, and is limited to those within the Brethren movement or those with substantial links to the movement.

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

20. Statement of funds (continued)

Equipment & Maintenance - monies designated by the Trustees for the upkeep of the office property & 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 - details the cumulative gains realised on the transfer from Newton Investment Management Limited to Hargreaves Lansdown and subsequent sales.

Revaluation - details the cumulative gains/losses of the investment portfolio administered by Hargreaves Lansdown.

Missionary Initiatives - monies designated by Trustees for mission initiatives such as conferences, seminars and mission retreats.

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 poverty 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.

Mrs H Maclean Trust - the Trust having been set up for the benefit of Echoes of Service.

A H Boulton Fund - the Fund having been set up for the benefit of Echoes of Service.

Transfers relate to further designations by the Trustees or where they have transferred money to a restricted fund.

Endowment funds

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Transfers/ Gains £	Balance at 31 December 2017 £
Mrs H Maclean Trust	46,536	-	-	-	2,365	48,901
A H Boulton Fund	105,000	-	-	-	-	105,000
	<u>151,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,365</u>	<u>153,901</u>

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

A H Boulton Fund - the Fund having been set up for the benefit of Echoes of Service. The endowment is a permanent endowment.

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

20. Statement of funds (continued)

Restricted funds

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Transfers/ Gains £	Balance at 31 December 2017 £
Missionary	10,000	1,321,289	(1,332,214)	1,000	-	75
Property	572,032	-	(15,922)	-	-	556,110
Personal needs	-	1,110,874	(1,110,874)	-	-	-
Beneficiary Holding	480,611	47,902	1,782	-	-	530,295
Suspense	17,479	404	-	-	-	17,883
Missionaries' Children Fund	18,763	70,559	(48,588)	-	-	40,734
First Serve	37,020	20,713	(22,299)	-	-	35,434
Relief	615,315	198,913	(391,290)	-	-	422,938
	<u>1,751,220</u>	<u>2,770,654</u>	<u>(2,919,405)</u>	<u>1,000</u>	<u>-</u>	<u>1,603,469</u>

Missionary - monies donated for mission workers "ministry/work".

Property - established for the purchase & 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.

Total of funds	<u>10,353,328</u>	<u>4,256,510</u>	<u>(5,308,840)</u>	<u>-</u>	<u>394,925</u>	<u>9,695,923</u>
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ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Transfers/ Gains £	Balance at 31 December 2016 £
Unrestricted funds						
General	1,464,189	450,573	(381,252)	-	(24,539)	1,508,971
Investment Property	41,000	-	-	-	-	41,000
Missionary Work	1,082,075	1,111,806	(1,202,155)	-	20,250	1,011,976
Medical	323,979	16,410	(125,432)	-	-	214,957
Legacy Equalisation	3,000,000	-	-	-	(1,000,000)	2,000,000
Special Projects	-	25,000	(8,978)	-	200,000	216,022
Strategic Initiatives Fund	-	-	(44,000)	-	1,500,000	1,456,000
Equipment and Maintenance	38,116	-	(23,009)	-	-	15,107
Publishing Department	86,558	105,231	(148,910)	-	-	42,879
Realised Gains	1,024,949	-	-	-	(669,314)	355,635
Revaluation	486,041	-	-	-	246,451	732,492
Ministry initiatives	44,703	44	(19,711)	-	(25,036)	-
Ministry Support	467,755	33,754	(292,078)	-	-	209,431
Poverty Fund	187,409	5,950	(9,600)	-	-	183,759
Training	170,238	-	(80,500)	-	-	89,738
National Worker	122,858	200	(154,460)	-	156,402	125,000
A H Boulton Fund	220,700	13,296	(14,954)	-	28,553	247,595
Mrs H Maclean Trust	-	1,780	-	-	(1,770)	10
	<u>8,760,570</u>	<u>1,764,044</u>	<u>(2,505,039)</u>	<u>-</u>	<u>430,997</u>	<u>8,450,572</u>
Endowment funds						
Mrs H Maclean Trust	45,576	-	-	-	960	46,536
A H Boulton Fund	105,000	-	-	-	-	105,000
	<u>150,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>960</u>	<u>151,536</u>

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

20. Statement of funds (continued)

Restricted funds

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Transfers/ Gains £	Balance at 31 December 2016 £
Missionary	-	1,159,426	(1,149,426)	-	-	10,000
Property	581,895	-	(15,922)	-	6,059	572,032
Personal needs	-	1,149,235	(1,149,235)	-	-	-
Beneficiary Holding	534,061	16,024	(69,474)	-	-	480,611
Suspense	41,486	(24,007)	-	-	-	17,479
Missionaries' Children Fund	25,270	40,983	(47,490)	-	-	18,763
First Serve	37,629	22,613	(23,222)	-	-	37,020
Relief	658,053	205,247	(247,985)	-	-	615,315
	<u>1,878,394</u>	<u>2,569,521</u>	<u>(2,702,754)</u>	<u>-</u>	<u>6,059</u>	<u>1,751,220</u>
Total of funds	<u>10,789,540</u>	<u>4,333,565</u>	<u>(5,207,793)</u>	<u>-</u>	<u>438,016</u>	<u>10,353,328</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	20,425	556,110	-	576,535
Investments	7,283,268	1,142,056	153,901	8,579,225
Investment property	41,000	-	-	41,000
Current assets	911,595	58,423	-	970,018
Creditors due within one year	(317,735)	(153,120)	-	(470,855)
	<u>7,938,553</u>	<u>1,603,469</u>	<u>153,901</u>	<u>9,695,923</u>

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £
Tangible fixed assets	7,333	572,032	-	579,365
Investments	7,549,049	1,306,578	151,536	9,007,163
Investment property	41,000	-	-	41,000
Current assets	980,904	46,242	-	1,027,146
Creditors due within one year	(127,714)	(173,632)	-	(301,346)
	<u>8,450,572</u>	<u>1,751,220</u>	<u>151,536</u>	<u>10,353,328</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(657,405)	(436,212)
Adjustment for:		
Depreciation charges	20,774	19,608
Gains on investments	(394,925)	(438,016)
Dividends, interest and rents from investments	(382,152)	(311,856)
Decrease/(increase) in debtors	77,112	(112,629)
Increase in creditors	169,510	77,950
Net cash used in operating activities	<u>(1,167,086)</u>	<u>(1,201,155)</u>

23. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	690,678	663,450
Notice deposits (less than 3 months)	86,626	93,870
Total	<u>777,304</u>	<u>757,320</u>

24. Pension commitments

The charity operates a defined contributions 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 £32,121 (2016 - £23,136).

ECHOES OF SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

25. Operating lease commitments

At 31 December 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	12,432	13,562
Between 1 and 5 years	-	12,432
Total	<u>12,432</u>	<u>25,994</u>

26. Post balance sheet events

On 1 January 2018 Echoes of Service merged with Interlink to form a new charity, Echoes International.

