

Registered number: 04475254
Charity number: 1096449

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

(A company limited by guarantee)

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ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

Joy House, (Joint Chair)
Rose Hunt, (Joint Chair)
Blaise White, Treasurer
Amanda Hamblin
Sue Robbins
Janet Smith (appointed 20 September 2018)
Paul Scott
Richard Smith
Jason Stuchbery
Michelle Tilbury
Beverley Davies (appointed 20 September 2018)
Fiona Ritchie (resigned 1 October 2018)

Company registered number

04475254

Charity registered number

1096449

Registered office

40 West Street, Leominster, HR6 8ES

Company secretary

Fiona Ritchie (Until October 2018)
Mike Cook (From October 2018)

Accountants

Whittingham Riddell LLP, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of ECHO for Extra Choices in Herefordshire Ltd (the company) for the year ended 31 March 2019. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company'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).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Our Aims and objectives

Purposes and Aims

Our charity's purposes as set out in the objects contained in the company's memorandum of association are to:

- To advance education of persons resident in the County of Herefordshire and the immediate neighbourhood thereof, in particular (but without prejudice to the generality of the foregoing) by:
 - Enabling adults with learning or physical disabilities or mental health difficulties to attend ordinary educational activities.
 - Organising special mixed ability courses for the benefit of adults with learning or physical disabilities or mental health difficulties.
 - Organising specialist educational or training opportunities for the benefit of adults with learning or physical disabilities or mental health difficulties
- To provide or assist in the provision of facilities for recreation or other leisure time occupation in the interests of social welfare with the object of improving the conditions of life for all persons with learning or physical disability or mental health difficulties.
- To support adults with learning and physical disabilities or mental health difficulties to access leisure, volunteering and employment opportunities with the object of improving the conditions of their lives and increasing their opportunities for inclusion in the community.

Our mission is to make a real difference to the lives of disabled people in Herefordshire, supporting them to be valued members of the community. Our aims fully reflect the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

ECHO is a dynamic local organisation that promotes and delivers services for disabled people in Herefordshire. To achieve our vision, we have identified three strategic aims and in support of these a number of strategic objectives underpinned by a set of outcomes.

1. Services

To continue to provide a wide range of opportunities which are sustainable, high quality and meet the needs of disabled people in Herefordshire.

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

2. Involvement

To involve, include and listen to our participants about the services we provide and how ECHO is run.

To build and sustain relationships and partnerships with the wider community and other organisations to increase choice and opportunities for disabled people.

3. A well run organisation

To build a sustainable organisation which is financially secure, has high quality staff, volunteers and governance, with an excellent reputation.

How our activities deliver public benefit

Our main activities and who we try to help are described below. All our charitable activities focus on improving the lives of disabled people in Herefordshire and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our services?

Our objects and funding limit the services we provide to those resident in Herefordshire and the surrounding area. We currently have 150 members using our services. In addition approximately 100 other people access our services on an ad hoc basis. Demand for our day services is limited by people's access to funding via the Council's Adult Social Care service, but some individuals fund their place from their own income. Leisure and social activities are charged on attendance.

Equal access to our services is an important issue for us. We monitor use of our services by gender, disability, ethnicity and sexual orientation. We believe equal access to our services is vital to our success and that successful outcomes must be shared by all communities that use our services.

The main areas of our charitable activity and services are separated into three areas:

Contractual Services

Contractual services are those where people are receiving a regular service and have a contract in place. These services are funded through personal budgets and social care spot purchases.

They continue to be the main area of our business and we run activities 5 days a week. 111 people currently attend our day services which is the major source of our funding. In total we provide over 60,000 hours of service over the year. Our contractual services are supported by 35 staff and 100 volunteers. All our day services aim to support participants to learn new skills, grow in self-confidence and be seen to be actively contributing to the local community.

Leisure and social activities

Leisure, social and other activities are largely drop in, pay as you go activities which are self-funding or supported by small grants. The majority of ECHO members access our leisure and social activities either on a regular or ad hoc basis. Many of these opportunities give people the chance to access ordinary community activities. They also encourage the development of natural relationships and friendships.

Community connections

Community connections support people to be active members of their community. This includes grant funded projects such as Inclusive Volunteering, which allow us to develop innovative new opportunities.

This work is about supporting individuals to play an active part in their local area; making friends; getting involved and positively contributing to local community life. We achieve this through:

- Inclusive volunteering – supporting people to contribute to their local community by becoming a volunteer. This is a five-year project supported by the National Lottery Community Fund which started in June 2018. The project aims to increase the volunteering opportunities for those with additional needs.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Volunteer Recruitment and Support

Volunteers are a vital part of our organisation. Without them we would not be able to deliver the range and quality of services that we do. Volunteers allow us to work more flexibly and bring a depth of experiences and backgrounds which enrich our organisation.

The benefits of volunteering are reciprocal, for our participants they get to work with a variety of individuals and widen their horizons through the experience and knowledge that they bring. For the volunteer working with ECHO they have the opportunity to support others and build their skills and experience which can be a steppingstone to employment or other opportunities.

We have a strong commitment to encouraging volunteers who may have their own support needs and our new National Lottery Community Fund project builds upon previous work to develop this ethos even further. We actively encourage our own participants to volunteer within ECHO activities and with other organisations. We are also working with partner organisations to provide opportunities for others with varied support needs. We recognise that incorporating volunteers with their own support needs is not always easy, but we believe that it is the right thing to do and with the correct support something that can be mutually beneficial.

Participant Involvement

ECHO believes that disabled people should be able to play an active part in planning and decisions that affect their lives. We therefore have a strong commitment to participant involvement in all aspects of our work.

This commitment is demonstrated throughout the organisation:

- We encourage everyone who accesses our services to become members of ECHO. This gives them rights to vote at our AGM on issues relating to ECHO's management and determine the make-up of our Trustee board.
- We ensure that participants are represented on our Trustee Board. Currently 45% of our board are Participant Trustees. These individuals are full board members and have the same legal and other responsibilities as other members. Every week we have a trustee support meeting to give them the support they need to fulfil their roles.
- Our Rep group meets weekly to discuss the work of ECHO and wider issues of national and local interest. The Rep group helps provide a sounding board for new ideas and projects as well as let us know what they think is important for ECHO to be aware of.
- Participants are involved in the planning of the activities that they attend. We also ensure that participants are a key part of the process of evaluating all our activities.
- We also support our service users to take part in other meetings and consultations both in Herefordshire and wider afield.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Financial Review

Principal Funding Sources

The principal funding sources for the charity are currently grants income (£115,326) and commissioned and direct payments fees income from Herefordshire Council and individual self-funders (£476,494). In anticipation of increasing constraints on local authority expenditure, the charity continues to seek funding from a much wider range of sources including earned income from our 2 charity shops. The marketing and fundraising officer has clear targets to generate income, including focusing on increasing the number of regular monthly donors.

Investment Policy

ECHO has approximately £340,507 of cash, which is invested to provide income for expenditure on our charitable objectives. The trustees are governed by the memorandum, amended on 3rd July 2008 which sets out a general power of investment (section 4(h)). ECHO's assets are invested in short-medium term deposit accounts.

ECHO seeks to produce the best financial return within an acceptable level of risk. ECHO's investment objective is to maximise investment income for expenditure on its objectives.

Any single deposit should not exceed the value covered by the Financial Services Compensation Scheme to mitigate risk. The value and income generated from investments is monitored by the finance officer and reviewed annually by the finance subcommittee of the board of Trustees.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. The trustees believe ECHO needs reserves to cover setbacks in funding or cash flow due to reliance on:

- a) Short term grant funding and;
- b) The uncertainty created by the move to personalized budgets whereby individuals can choose to stop purchasing services at short notice; and to
- c) Reduce the impact of risks from the external environment.

In considering the appropriate level of reserves the trustees took into account:

1. an analysis of existing funds;
2. a review of future income streams with an assessment of their reliability;
3. a review of committed expenditure and how far this is controllable; and
4. an assessment of the risks facing the charity, and how likely these are to materialise.

In the light of the above our target level of reserves is £234,500. This is the amount needed to meet:

- All redundancy costs
- 6 months core salaries and running costs
- Outstanding non-cancellable lease commitments.

Free reserves stand at £189,021 (2018: £194,827), calculated as the unrestricted funds less the designated funds. Given the current shortfall in reserves, trustees will review the amounts designated in the coming year and move sufficient funds back into general funds to restore reserves to the target level.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Plans for Future Periods

We find ourselves in a period of uncertainty both locally and nationally and ECHO must remain a dynamic organisation to weather the challenges this presents and thrive. The market is increasingly competitive and funding from traditional sources is becoming ever more stretched.

ECHO will therefore continue to develop new ideas and respond to opportunities and needs that arise. In order to ensure that resources are maximised across the sector ECHO will work in partnership with other organisations to develop projects and bids and ensure that where possible conflicting projects are avoided.

Diversifying our income sources remains a key aim and we are setting up a new Marketing and Fundraising group to help identify how best to do this. We will however ensure that we work closely with our current funders to maintain and develop these sources of income.

Providing evidence of effectiveness, positive outcomes and value for money is increasingly important, both in retaining existing contracts and securing new funding. To better do this ECHO has invested in a new database system to record and report on the organisations activities. This database will be in operation in mid-2019. It is essential that trustees and senior staff undertake horizon scanning to understand local and national social care policy in order to be proactive and stay current.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of Board of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. ECHO is required to have a minimum of 3 and a maximum of 15 trustees. Trustees are elected at the Annual General Meeting. One third of the trustees retire each year. The trustees to retire each year are those who have been trustees the longest (since their last election). If a trustee retires by rotation, he may be put forward for re-election.

All trustees must be members of ECHO. A member may be appointed trustee if he is an existing trustee retiring by rotation; or he is recommended by the other trustees; or he is nominated in writing by another member. The nomination must be sent to ECHO not less than 14 days nor more than 35 days before the date of the meeting. The nominated trustee must also sign to say they are willing to be elected.

The Board seeks to ensure that our participant group is appropriately reflected in the diversity of the trustee body. The Board actively encourages its participants to consider standing for election and provides a range of advocacy support to meet the needs of individuals putting themselves forward.

Trustee Induction and Training

All trustees are given a full induction pack outlining their roles and responsibilities as trustees and directors of the company. All trustees are offered the opportunity to attend external trustee training sessions. Appropriate additional support is provided to beneficiary trustees or any other trustees with additional support needs. Feedback from new trustees about their induction has been very positive. A grant from the Tudor Trust has enabled us to work with Values Based Leadership on strengthening the strategic role of the board in the charity's governance.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Risk Management

The Trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, beneficiaries and visitors. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Organisational Structure

ECHO has a board of trustees who meet every 2 to 3 months and are responsible for the strategic direction and policy of the charity. At present the Board has eleven members from a variety of backgrounds relevant to the work of the charity. The Chief Officer/ Company Secretary also sits on the Committee but has no voting rights. There are currently 3 sub-groups of the board (Finance, HR and Quality) and a fourth (Marketing and Fundraising) which is in development. All have their own terms of reference and delegated powers.

Day to day responsibility for the running of the charity and its services rests with the Chief Officer and the staff team. The Chief Officer is responsible for ensuring that the charity delivers the services specified and that key outcomes are met.

Quality Assurance

In 2016 ECHO achieved PQASSO (to be known in the future as the Trusted Charity Mark) Quality Mark Level 2 standard (which is endorsed by the Charity Commission). This accreditation expires in 2019 and we plan to reapply and gain accreditation when this happens.

Trustees responsibilities

The trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which 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 Companies Act 2006. 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.

Members of the Board

Members of the Board, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

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

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also directors of Echo for Extra Choices in Herefordshire Limited for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees, on 5th September 2019 and signed on their behalf by:



Blaise White, Treasurer

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

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INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2019

Independent Examiner's Report to the Trustees of Echo for Extra Choices in Herefordshire Ltd (the 'charitable company')

I report to the charity Trustees on my examination of the accounts of the charitable company for the year ended 31 March 2019.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

Responsibilities and Basis of Report

As the Trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the audit because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Signed:

Dated:

S J Tweedie BSc FCA DChA

Whittingham Riddell LLP
Chartered Accountants
Shrewsbury

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
	Note				
Donations and legacies	2	48,464	-	48,464	31,324
Charitable activities	3	545,566	123,003	668,569	535,866
Other trading activities	4	49,860	-	49,860	38,318
Investments	5	<u>1,263</u>	<u>-</u>	<u>1,263</u>	<u>1,042</u>
TOTAL INCOME		<u>645,153</u>	123,003	<u>768,156</u>	<u>606,550</u>
EXPENDITURE ON:					
Raising funds		16,332	-	16,332	37,436
Charitable activities	8	<u>620,036</u>	<u>121,762</u>	<u>741,798</u>	<u>545,429</u>
TOTAL EXPENDITURE	6	<u>636,368</u>	<u>121,762</u>	<u>758,130</u>	<u>582,865</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		<u>8,785</u>	<u>1,241</u>	<u>10,026</u>	<u>23,685</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>283,518</u>	<u>48,127</u>	<u>331,645</u>	<u>307,960</u>
TOTAL FUNDS CARRIED FORWARD		<u>292,303</u>	<u>49,368</u>	<u>341,671</u>	<u>331,645</u>

The notes on pages 13 to 25 form part of these financial statements.

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

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BALANCE SHEET AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets			-		-
CURRENT ASSETS					
Debtors	12	48,023		46,411	
Cash at bank and in hand		<u>340,507</u>		<u>322,475</u>	
TOTAL ASSETS		<u>388,530</u>		<u>368,886</u>	
CREDITORS: amounts falling due within one year	13	<u>(46,859)</u>		<u>(37,241)</u>	
NET CURRENT ASSETS			<u>341,671</u>		<u>331,645</u>
NET ASSETS			<u>341,671</u>		<u>331,645</u>
CHARITY FUNDS					
Restricted Funds	14		49,368		48,126
General Funds	14		189,021		194,826
Designated funds	14		103,282		88,692
TOTAL FUNDS			<u>341,671</u>		<u>331,645</u>

The charitable company's financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies regime.

The Trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charitable company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 5th September 2019 and signed on their behalf, by:



Blaise White, Treasurer

The notes on pages 13 to 25 form part of these financial statements.

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

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**CASHFLOW STATEMENT
AS AT 31 MARCH 2019**

	2019	2018
Cashflows from operating activities		
Cash generated from operations	<u>18,032</u>	<u>24,027</u>
Net cash provided by (used in) operating activities	<u>18,032</u>	
Cash and cash equivalents at the beginning of the reporting period	322,475	298,448
Cash and cash equivalents at the end of the reporting period	<u>340,507</u>	<u>322,475</u>
Change in cash and cash equivalents in the reporting period	<u>18,032</u>	<u>24,027</u>
Reconciliation of Net Income (expenditure) to Net cashflow from operating activities (per statement of financial activities)		
Net Income (expenditure) per statement of financial activities	10,026	23,685
Adjustments for:		
Depreciation charges		
(Increase)/decrease in debtors	-1,612	-14,509
(Decrease)/increase in creditors	<u>9,618</u>	<u>14,851</u>
Net cash provided by (used in) operating activities	<u>18,032</u>	<u>24,027</u>

ECHO FOR EXTRA CHOICES IN HEREFORDSHIRE LTD

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Echo for Extra Choices in Herefordshire Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.3 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 charitable company 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 charitable company 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.

1.4 Income

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

Donated services or facilities are recognised when the charitable company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charitable company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 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.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

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

1.7 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.

1.8 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.

1.9 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 charitable company 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

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1.10 Financial instruments

The charitable company 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.

1.11 Pensions

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	<u>48,464</u>	-	<u>48,464</u>	<u>31,324</u>
Total for 2018	<u>31,324</u>	=	<u>31,324</u>	

2. INCOME FROM DONATIONS AND LEGACIES

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Grants and contract income	-	123,003	123,003	76,443
Fees for activities	476,494	-	476,494	412,373
Other income	22,810	-	22,810	19,096
Contracts	<u>46,262</u>	=	<u>46,262</u>	<u>27,954</u>
	<u>545,566</u>	123,003	<u>668,569</u>	<u>535,866</u>
Total for 2018	<u>474,423</u>	<u>61,443</u>	<u>535,866</u>	

4. FUNDRAISING INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising	<u>49,860</u>	=	<u>49,860</u>	<u>4,392</u>
Total for 2018	<u>4,392</u>	=	<u>4,392</u>	

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5. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>1,263</u>	=	<u>1,263</u>	<u>1,042</u>
Total for 2018	<u>1,042</u>	=	<u>1,042</u>	

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Fundraising expenditures	<u>14,186</u>	<u>2,146</u>	<u>16,332</u>	<u>37,436</u>
Costs of generating funds	14,186	2,146	16,332	37,436
Expenditure on charitable activities	490,675	239,389	730,064	537,796
Expenditure on governance (note 8)	<u>8,424</u>	<u>3,310</u>	<u>11,734</u>	<u>7,633</u>
	<u>513,285</u>	<u>244,845</u>	<u>758,130</u>	<u>582,865</u>
Total 2018	<u>421,641</u>	<u>161,224</u>	<u>582,865</u>	

7. RESOURCES EXPENDED BY ACTIVITY

	Direct Costs £	Support Costs Staff £	Support Costs Office £	Support Costs Premises £	2019 £
Education & Training	13,785	2,292	453	406	16,936
Development & Volunteering	37,933	9,857	1,948	1,745	51,483
Sport & Leisure	13,431	2,947	582	521	17,481
Day Opportunities	307,773	65,434	13,453	12,116	398,776
General	253,673	14,390	2,844	2,547	273,454
Total	<u>626,595</u>	<u>94,920</u>	<u>19,280</u>	<u>17,335</u>	<u>758,130</u>

Support costs have been allocated on the basis of time spent on each activity.

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

8. GOVERNANCE COSTS

	Total funds	<i>Total funds</i>
	2019	<i>2018</i>
	£	<i>£</i>
Bank charges	400	629
AGM Costs	727	652
Trustee meeting expenses	1,120	-
Independent examination	1,050	750
Annual return	13	13
Share of payroll costs	<u>8,424</u>	<u>5,589</u>
	<u>11,734</u>	<u>7,633</u>

9. NET INCOME/ (EXPENDITURE)

During the year, no Trustees received any remuneration (2018 - £NIL)

During the year, no Trustees received any benefit in kind (2018 - £NIL)

During the year, 1 Trustee received reimbursement of £325 travel expenses (2018 - £NIL)

10. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £1,050 (2018: £750)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	454,843	356,764
Social security costs	29,837	44,581
Other pension costs	28,604	20,296
	<u>513,285</u>	<u>421,641</u>

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

2019 No.	2018 No.
43	39

Average headcount expressed as a full time equivalent:

2019 No.	2018 No.
23	22

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

12. DEBTORS

	2019 £	2018 £
Trade debtors	33,729	33,446
Other debtors	2,112	3,141
Prepayments and accrued income	12,182	9,824
	<u>48,023</u>	<u>46,411</u>

13. CREDITORS

	2019 £	2018 £
Trade creditors	32,238	19,064
Other taxation and social security	7,371	6,758
Other creditors	5,600	75
Accruals and deferred income	1,650	11,344
	<u>46,859</u>	<u>37,241</u>

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

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 April 2018	Income	Expenditure	Transfers in/out	Balance at 31 March 2019
	£	£	£	£	£
Designated funds					
About Face Theatre Company	32,428	81,822	(80,134)		34,116
Wednesday Lifelinks supported volunteering	-	14,548	(12,423)		2,125
Friday Lifelinks supported volunteering	8,650	22,720	(17,499)		13,871
Smart Arts Storytelling project	14,108	11,042	(5,812)		19,338
Clever Betsy Crafts & Retail	-	65,812	(60,373)		5,439
Saxon Hall Café	1,161	9,463	(7,072)		3,552
Craft projects & activities	-	66,909	(72,129)		(5,220)
Sport & Leisure	7,345	16,946	(19,230)		5,061
Development Fund	25,000	-	-		25,000
Total Designated	88,692	289,262	(274,672)		103,282
General Funds	194,826	355,891	(361,696)		189,021
Total Unrestricted funds	283,518	645,153	(636,368)		292,303

Designated funds are held for specific ECHO activities as listed above and are used for the continuation of these activities in future periods. The Development Fund is intended to be used to increase capacity for development of new activities when required.

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

14. STATEMENT OF FUNDS (continued)

Restricted funds	Balance at 1 April 2018	Income	Expenditure	Transfers in/out	Balance at 31 March 2019
Big Lottery Fund (Inclusive Volunteering)	-	66,826	(53,725)		13,101
The Croft Trust (Rural Crafts)	79	-	-		79
E F Bulmer Benevolent Fund (Volunteer Support)	-	5,000	(3,045)		1,955
Eveson	9,181	15,000	(14,496)		9,685
Marshfields welfare fund (includes EF Bulmer)	8,003	-	(4,763)		3,240
Tudor Trust	19,876	-	(19,876)		-
Bailey Thomas	10,988	-	(11,036)		(48)
Big Lottery Fund (Building Capabilities)	-	15,000	(10,627)		4,373
Arts Foundation	-	13,500	(4,194)		9,306
Elmley Foundation	-	5,000	-		5,000
Royal Horticultural Society	-	2677	-		2677
Total Restricted	48,127	123,003	(121,762)		49,368
Total Funds	331,645	768,156	(758,130)		341,671

Big Lottery Fund

Year 5 of a 5 year "Inclusive Volunteering" grant to enable people with learning disabilities to contribute as active citizens; and be recognised for the skills, talents and value they bring to society. This is achieved through a supported volunteering programme and a buddying scheme.

The Croft Trust

A grant to support a Rural Crafts horticulture project.

E F Bulmer Benevolent Fund (Volunteer Support)

Two grants to support Volunteer Support Work to ensure that our growing pool of volunteers are given ongoing training and support to enable them to fulfil their roles.

Bailey Thomas

Grant towards Community Development work - salary for Operations Manager.

Marshfields Welfare Fund (includes EF Bulmer)

Grants to support Volunteer Support Work to ensure that our growing pool of volunteers are given ongoing training and support to enable them to fulfil their roles.

The Eveson Charitable Trust

To support our Community Connections work through part funding the salary of our operations manager. Community Connections supports our participants in a wide range of community focused opportunities.

Tudor Trust

This fund was to assess the needs of the organisation and tackle key issues identified. The fund was used to commission a CRM database and develop IT access for individual projects.

Big Lottery Fund (Building Capabilities)

Built into the Above Big Lottery Fund-This fund is available to organisations that have received a community grant to help strengthen the organisation. This money was used for, a strengths review and following this, development of IT, training and organisational structure.

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

Arts Council

The funding was provided to develop a touring show of actors with learning disabilities from the About Face Theatre Company (ECHO). The show celebrates the planet and its diversity through the re-telling of different creation stories.

The Elmley Foundation

To support part of the Arts Council award. This was to support the About Theatre production of 'Creation Stories'. As the fund was awarded in Feb 19 the full amount was carried over to support the project in 2019/20.

Royal Horticultural Society

This was towards the cost of developing a sensory garden at our Eaton project. The funds arrived in early Mar19 and were carried over to start work on the new garden in Apr 19

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds					
About Face Theatre Company	39,107	64,607	(70,547)	(739)	32,428
Wednesday Lifelinks supported volunteering	7,645	11,967	(13,278)	(6,334)	-
Friday Lifelinks supported volunteering	8,217	18,038	(17,605)	-	8,650
Smart Arts Storytelling project	10,570	13,182	(9,644)	-	14,108
About Face Theatre School	3,447	11,139	(14,586)	-	-
Craft projects & activities	10,110	74,845	(68,486)	(16,469)	-
Sport & leisure	2,434	16,770	(11,986)	128	7,346
Development Fund	60,000	-	-	(35,000)	25,000
Marshfields Horticulture, Furniture upcycling, Life skills	-	198,248	(168,857)	(29,391)	-
Saxon Hall Café	-	2,365	(1,205)	-	1,160
Clever Betsy Crafts & Retail	-	56,879	(53,949)	(2,930)	-
	<u>141,530</u>	<u>468,040</u>	<u>430,143</u>	<u>(90,735)</u>	<u>88,692</u>
General funds					
General Funds	149,941	77,067	(123,053)	90,872	194,827
Total Unrestricted funds	<u>291,471</u>	<u>545,107</u>	<u>(553,196)</u>	<u>137</u>	<u>283,519</u>

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

14. STATEMENT OF FUNDS PRIOR YEAR (continued)

Restricted funds	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Big Lottery Fund (Inclusive Volunteering)	7,506	-	(7,575)	69	-
The Croft Trsut (Rural Crafts)	1,055	-	(976)	-	79
E F Bulmer Benevolent Fund (Volunteer Support)	2,257	5,000	(7,644)	387	-
Masonic Charitable Trust (Social and Leisure)	1,657	-	(1,657)	-	-
Santander (Healthy Friday Initiative)	4,014	-	(3,421)	(593)	-
Morrison Foundation (Forbury Refurbishment)	-	20,000	(124)	-	19,876
Bailey Thomas	-	14,650	(3,663)	-	10,987
Marshfields Welfare Fund (includes EF Bulmer)	-	6,793	1,210	-	8,003
The Eveson Charitable Trust	-	15,000	(5,819)	-	9,181
	<u>16,489</u>	<u>61,443</u>	<u>(29,669)</u>	<u>(137)</u>	<u>48,126</u>
Total of funds	<u>307,960</u>	<u>606,550</u>	<u>(582,865)</u>		<u>331,645</u>

15. SUMMARY OF FUNDS

SUMMARY OF FUNDS – CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds	88,692	289,262	(274,672)	-	103,282
General Funds	<u>194,826</u>	<u>355,892</u>	<u>(361,696)</u>	-	<u>189,022</u>
	283,518	645,153	(636,368)	-	292,304
Restricted funds	<u>48,127</u>	<u>123,003</u>	<u>(121,762)</u>	=	<u>49,368</u>
	<u>331,645</u>	<u>768,156</u>	<u>(758,130)</u>	=	<u>341,671</u>

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

SUMMARY OF FUNDS – PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds	141,530	468,040	(430,143)	(90,735)	88,692
General Funds	<u>149,941</u>	<u>77,067</u>	<u>(123,053)</u>	<u>90,872</u>	<u>194,827</u>
	291,471	545,107	(533,196)	137	283,519
Restricted funds	<u>16,489</u>	<u>61,443</u>	<u>(29,669)</u>	<u>(137)</u>	<u>48,126</u>
	<u>307,960</u>	<u>606,550</u>	<u>(582,865)</u>	<u>=</u>	<u>331,645</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS, CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Current assets	339,162	49,368	388,530
Creditors due within one year	(46,859)	-	(46,859)
	<u>292,303</u>	<u>49,368</u>	<u>341,671</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS, PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Current assets	320,760	48,126	368,886
Creditors due within one year	(37,241)	-	(37,241)
	<u>283,519</u>	<u>48,126</u>	<u>331,645</u>

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

17. PENSION COMMITMENTS

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £28,604 (2018 - £20,296). Contributions totalling £1,417 were payable to the fund at the balance sheet date and are included in creditors.

18. OPERATING LEASE COMMITMENTS

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

	2019 £	2018 £
Amounts payable:		
Within 1 year	17,816	14,678
Between 1 and 5 years	<u>107,886</u>	<u>25,602</u>
Total	<u>125,702</u>	<u>40,280</u>

19. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

