

Company no. 04475254
Charity no. 1096449

**ECHO for Extra Choices in
Herefordshire Limited**

Report and Unaudited Financial Statements

31 March 2021

ECHO for Extra Choices in Herefordshire Limited

Reference and administrative details

For the year ended 31 March 2021

Company number	04475254
Charity number	1096449
Registered office and operational address	40-42 West Street Leominster Herefordshire HR6 8ES
Secretary	Mike Cook
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Caroline Arthur Joint chair until December 2020, chair from December 2020 Susan Nash Joint chair until December 2020 Christopher Blum Appointed 3 December 2020 Beverley Davies Amanda Hamblin Joy House Rosemary Hunt Paul Scott Resigned 23 July 2020 Janet Smith Jason Stuchbery Blaise White
Chief executive officer	Mike Cook
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

ECHO for Extra Choices in Herefordshire Limited

Report of the trustees

For the year ended 31 March 2021

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 Limited (the company) for the year ended 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Objectives and activities

Purposes and aims

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

- 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; and
- 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 aims, 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 aims 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, of a society where all people with disabilities are heard, valued, respected and supported to make choices and flourish, we have identified six strategic aims and in support of these a number of objectives.

Choice: To support our participants to be happy & healthy with a variety of stimulating choices.

ECHO for Extra Choices in Herefordshire Limited

Report of the trustees

For the year ended 31 March 2021

Support: To give the right support and encouragement to build confidence and teach skills that enrich our participants' lives.

Community: To support people to have a good social life, to help them keep in touch with friends and get involved in the community.

Involvement: To give the time, respect and support needed for our participants to be involved in the planning, decision making and the running of ECHO.

Quality: To provide high quality services that are integrated, visible and have value to the community.

Collaboration: To build connections with other organisations and support our participants to join their activities, giving them more opportunities.

How our activities deliver public benefit

Our main activities and whom 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 150 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

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. 125 people currently attend our day services, which is the major source of our funding. In total, we provide over 57,000 hours of service over the year. Our contractual services are supported by 40 staff and 150 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 on an 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.

ECHO for Extra Choices in Herefordshire Limited

Report of the trustees

For the year ended 31 March 2021

Community connections

Community connections supporting individuals to play an active part in their local area; make friends; get involved and positively contribute to local community life. By giving back to their community our participants feel valued and grow in confidence.

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. Our participants get to work with a variety of individuals and widen their horizons through the experience and knowledge that the volunteers bring. Volunteers working with ECHO have the opportunity to support others and build their skills and experience, which can be a stepping stone 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 both 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 to determine the make-up of our trustee board.
- We ensure that participants are represented on our trustee board. Currently 30% 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. Participant trustees take part in the recruitment process of new staff. They meet as a group and interview and score candidates on the same basis as the interview panel.
- 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 letting us know what they think it 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 further afield.

ECHO for Extra Choices in Herefordshire Limited

Report of the trustees

For the year ended 31 March 2021

Financial review

Principal funding sources

The principal funding sources for the charity are currently grants income (£306,885) and fees income in the form of commissioned funding from Herefordshire Council and direct payments from individual self-funders (£457,011). In anticipation of increasing constraints on local authority expenditure, the charity continues to seek funding from a much wider range of sources including increased income from our commercial activity. To support our fundraising activities we have convened a Marketing and Fundraising sub group of the board. As well as scrutinising the organisation's fundraising activities the group has also overseen the development of a fundraising plan, which sets out the targets for this piece of work.

Investment policy

ECHO has invested £221,468 of its cash assets 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 to 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:

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

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

- an analysis of existing funds;
- a review of future income streams with an assessment of their reliability;
- a review of committed expenditure and how far this is controllable; and
- 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 £294,446. This is the amount needed to meet 6 months' core salaries and running costs plus non-cancellable debt.

Free reserves stand at £355,757 (2020: £240,320), calculated as the unrestricted funds, less the designated funds. While this exceeds the current target level, the Trustees are conscious that additional expenditure will be necessary as the charity emerges from the pandemic and having set a deficit budget for 2021-22 they anticipate that reserves will reduce to around the target figure over the coming year.

ECHO for Extra Choices in Herefordshire Limited

Report of the trustees

For the year ended 31 March 2021

Plans for future periods

We are now operating in a world that is still adjusting to the effect of a global pandemic. The market is still adjusting and funding from grant making bodies is in flux, with many trusts and foundations focussing on crisis funding.

Over the last year ECHO has worked in partnership with other organisations to share information, provide mutual support and avoid unnecessary conflicts for resources.

Providing evidence of effectiveness, positive outcomes and value for money is increasingly important, in retaining existing contracts and securing new funding. ECHO will take the upheaval that COVID-19 has caused and turn this into a positive opportunity to review what we do.

COVID-19

The charity is taking the following steps to mitigate the continuing threats that COVID-19 may pose to the organisation:

- ECHO will use a risk assessment process to decide when it is appropriate to stop or restart activities.

The Trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved for the following reasons:

- The charity holds unrestricted reserves of £362,271;
- There are fewer unknowns - we have the processes and COVID precautions in place to deal quickly and effectively with any changes to national guidance; and
- The National Lottery Community Fund have also confirmed that they will continue to support our existing grant.

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, they may be put forward for re-election.

All Trustees must be members of ECHO. A member may be appointed Trustee if they are an existing Trustee retiring by rotation; or they are recommended by the other Trustees; or they are 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 the 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

ECHO for Extra Choices in Herefordshire Limited

Report of the trustees

For the year ended 31 March 2021

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.

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.

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 at least every 3 months and are responsible for the strategic direction and policy of the charity. At present, the Board has ten 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 4 sub-groups of the board (Finance, HR, Fundraising and Marketing, and Quality). 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

ECHO undertook reassessment for the Trusted Charity Mark in 2020 and was pleased to be awarded the highest level 2 award.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law 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 income and expenditure of the charity for that period. In preparing those 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and

ECHO for Extra Choices in Herefordshire Limited

Report of the trustees

For the year ended 31 March 2021

- 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 which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the 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.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were re-appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 2 September 2021 and signed on their behalf by

Blaise White

Blaise White - Treasurer

Independent examiner's report

To the trustees of

ECHO for Extra Choices in Herefordshire Limited

I report to the trustees on my examination of the accounts of ECHO for Extra Choices in Herefordshire Limited (the charitable company) for the year ended 31 March 2021, which are set out on pages 10 to 27.

Responsibilities and basis of report

As the trustees of the charitable company (and also 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 as 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 examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

- (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 accounting requirements of section 396 of the 2006 Act other than any requirement that 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 to charities preparing their accounts in accordance with the Financial Reporting Standard 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.

Alison Godfrey

Date: 6 September 2021

Alison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

ECHO for Extra Choices in Herefordshire Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Income from:					
Donations	3	8,109	100,776	108,885	58,131
Charitable activities	4	209,189	584,308	793,497	643,871
Other trading activities	5	-	14,231	14,231	53,849
Investments		-	4,331	4,331	2,752
Total income		<u>217,298</u>	<u>703,646</u>	<u>920,944</u>	<u>758,603</u>
Expenditure on:					
Raising funds		-	38,842	38,842	20,959
Charitable activities		<u>188,109</u>	<u>560,076</u>	<u>748,185</u>	<u>790,077</u>
Total expenditure	7, 8, 9	<u>188,109</u>	<u>598,918</u>	<u>787,027</u>	<u>811,036</u>
Net income / (expenditure)		29,189	104,728	133,917	(52,433)
Transfers between funds		<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds	10	31,189	102,728	133,917	(52,433)
Reconciliation of funds:					
Total funds brought forward		<u>29,695</u>	<u>259,543</u>	<u>289,238</u>	<u>341,671</u>
Total funds carried forward		<u><u>60,884</u></u>	<u><u>362,271</u></u>	<u><u>423,155</u></u>	<u><u>289,238</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 18 to the accounts.

ECHO for Extra Choices in Herefordshire Limited

Balance sheet

As at 31 March 2021

	Note	£	2021 £	Restated 2020 £
Fixed assets				
Tangible assets	13		2,999	4,799
Current assets				
Debtors	14	48,141		37,802
Current asset investments		221,468		150,000
Cash at bank and in hand		183,130		126,723
			452,739	314,525
Liabilities				
Creditors: amounts falling due within 1 year	15	(32,583)		(30,086)
Net current assets			420,156	284,439
Net assets	17		423,155	289,238
Funds	18			
Restricted funds			60,884	29,695
Unrestricted funds				
Designated funds			6,514	19,223
General funds			355,757	240,320
Total charity funds			423,155	289,238

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 2 September 2021 and signed on their behalf by

Blaise White

Blaise White - Treasurer

ECHO for Extra Choices in Herefordshire Limited

Statement of cash flows

For the year ended 31 March 2021

	2021	2020
	£	£
Cash used in operating activities:		
Net movement in funds	133,917	(52,433)
<i>Adjustments for:</i>		
Depreciation charges	1,800	600
Dividends, interest and rents from investments	(4,331)	(2,752)
Decrease / (increase) in debtors	(10,339)	10,221
Increase / (decrease) in creditors	<u>2,497</u>	<u>(16,773)</u>
Net cash provided by / (used in) operating activities	<u>123,544</u>	<u>(61,137)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	4,331	2,752
Purchase of tangible fixed assets	<u>-</u>	<u>(5,399)</u>
Net cash provided by / (used in) investing activities	<u>4,331</u>	<u>(2,647)</u>
Increase / (decrease) in cash and cash equivalents in the year	127,875	(63,784)
Cash and cash equivalents at the beginning of the year	<u>276,723</u>	<u>340,507</u>
Cash and cash equivalents at the end of the year	<u>404,598</u>	<u>276,723</u>
Represented by:	2021	2020
	£	£
Current asset investments	221,468	150,000
Cash at bank and in hand	<u>183,130</u>	<u>126,723</u>
	<u>404,598</u>	<u>276,723</u>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies

ECHO for Extra Choices in Herefordshire Limited 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 note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves and having considered the impact of the ongoing Covid pandemic. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 received in advance of events is deferred until criteria for income recognition are met.

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

e) 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

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between activities on a basis consistent with the use of resources. This has resulted in the following apportionment during the year:

	2021	2020
Raising funds	2.8%	2.6%
Charitable activities	97.2%	97.4%

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Fixtures and fittings	3 years straight line
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j) Debtors

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

k) Cash at bank and in hand

Cash at bank and cash 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.

l) Current asset investments

Deposit accounts and other liquid unlisted investments with a maturity date of more than three months from the date of acquisition or opening of the account are deemed to be held for investment and are therefore classified as current asset investments.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) 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 recognised at amortised cost using the effective interest method.

o) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

p) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

q) Accounting estimates and key judgements

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

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

Accounting estimates and key judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2020 Total £
Income from:			
Donations	7,341	50,790	58,131
Charitable activities	101,552	542,319	643,871
Other trading activities	2,744	51,105	53,849
Investments	-	2,752	2,752
Total income	111,637	646,966	758,603
Expenditure on:			
Raising funds	-	20,959	20,959
Charitable activities	131,358	658,719	790,077
Total expenditure	131,358	679,678	811,036
Net expenditure and net movement in funds	(19,721)	(32,712)	(52,433)

3. Income from donations

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Donations	8,109	43,601	51,710	58,131
Coronavirus Job Retention Scheme	-	57,175	57,175	-
Total income from donations	8,109	100,776	108,885	58,131

£7,341 of donations in the prior period were restricted.

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

4. Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £
Grants	209,189	97,696	306,885
Fees for activities	-	457,011	457,011
Other income	-	15,416	15,416
Contracts	-	14,185	14,185
Total income from charitable activities	209,189	584,308	793,497

Prior period comparative

	Restricted £	Unrestricted £	2020 Total £
Grants	96,241	-	96,241
Fees for activities	-	491,933	491,933
Other income	1,060	24,386	25,446
Contracts	4,251	26,000	30,251
Total income from charitable activities	101,552	542,319	643,871

5. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £
Shop, cafe and theatre sales	-	14,231	14,231

Prior period comparative

	Restricted £	Unrestricted £	2020 Total £
Shop, cafe and theatre sales	2,744	51,105	53,849

6. Government grants

The charitable company received government grant income in the year under the Coronavirus Job Retention Scheme and from Arts Council England. The total value of such grants in the period ending 31 March 2021 was £78,202 (2020: £5,304). There are no unfulfilled conditions or contingencies attaching to these grants in 2020/21.

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

7. Analysis of expenditure by type

	Staff Costs £	Other Costs £	2021 Total £
Raising funds	38,842	-	38,842
Total raising funds	38,842	-	38,842
Charitable activities before governance costs	536,470	199,935	736,405
Governance costs allocated to charitable activities	9,278	2,502	11,780
Total expenditure on charitable activities	545,748	202,437	748,185
Total expenditure 2021:	<u>584,590</u>	<u>202,437</u>	<u>787,027</u>
Prior period comparative			
	Staff Costs £	Other Costs £	2020 Total £
Raising funds	20,959	-	20,959
Total raising funds	20,959	-	20,959
Charitable activities before governance costs	536,979	240,537	777,516
Governance costs allocated to charitable activities	9,030	3,531	12,561
Total expenditure on charitable activities	546,009	244,068	790,077
Total expenditure 2020:	<u>566,968</u>	<u>244,068</u>	<u>811,036</u>

8. Resources expended by activity

	Direct costs £	Support costs: staff £	Support costs: office £	Support costs: premises £	2021 Total £
Education and training	10,574	2,552	502	243	13,870
Development and volunteering	45,717	12,552	2,467	1,194	61,930
Sport and leisure	19,513	310	61	29	19,913
Day opportunities	317,369	86,009	16,904	8,182	428,465
General	250,197	9,795	1,925	932	262,849
Total expenditure 2021:	<u>643,371</u>	<u>111,218</u>	<u>21,858</u>	<u>10,581</u>	<u>787,027</u>

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

8. Resources expended by activity (continued)

Prior period comparative:	Direct costs £	Support costs: staff £	Support costs: office £	Support costs: premises £	2020 Total £
Education and training	19,517	10,164	1,634	1,173	32,488
Development and volunteering	39,485	11,746	1,889	1,356	54,476
Sport and leisure	21,214	3,028	487	350	25,079
Day opportunities	356,511	72,115	11,596	8,325	448,547
General	<u>238,498</u>	<u>9,362</u>	<u>1,505</u>	<u>1,081</u>	<u>250,446</u>
Total expenditure 2020:	<u><u>675,225</u></u>	<u><u>106,415</u></u>	<u><u>17,111</u></u>	<u><u>12,285</u></u>	<u><u>811,036</u></u>

9. Analysis of support and governance costs allocations

	Raising funds £	Charitable activities £	Support costs £	Governance costs £	2021 Total £
Direct costs	34,749	596,841	143,657	11,780	787,027
Reallocation of support costs	4,093	139,564	(143,657)	-	-
Reallocation of governance costs	-	11,780	-	(11,780)	-
Total expenditure 2021:	<u><u>38,842</u></u>	<u><u>748,185</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>787,027</u></u>

Prior period comparative:	Raising funds £	Charitable activities £	Support costs £	Governance costs £	2020 Total £
Direct costs	17,379	645,285	135,811	12,561	811,036
Reallocation of support costs	3,580	132,231	(135,811)	-	-
Reallocation of governance costs	-	12,561	-	(12,561)	-
Total expenditure 2020:	<u><u>20,959</u></u>	<u><u>790,077</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>811,036</u></u>

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

10. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Depreciation	1,800	600
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	386	771
Independent examiners' remuneration:		
▪ Independent examination (including VAT)	<u>1,920</u>	<u>1,800</u>

During the year, one trustee had expenses reimbursed relating to postage and stationary and finance training (2020: three, travel).

11. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	535,452	517,968
Social security costs	32,248	32,343
Pension costs	<u>16,890</u>	<u>16,657</u>
Subtotal: staff costs before relief staff	584,590	566,968
<i>Add: relief staff</i>	<u>35,828</u>	<u>30,164</u>
Total staff costs:	<u><u>620,418</u></u>	<u><u>597,132</u></u>

Relief staff costs are charged to the activity to which they relate.

No employee earned more than £60,000 during the year. The key management personnel of the charitable company comprise the Trustees and Chief Executive Officer. The total employee benefits of the key management personnel were £43,629 (2020: £42,462).

	2021 No.	2020 No.
Average head count	<u>47</u>	<u>46</u>
Full time equivalent	<u>24</u>	<u>24</u>

12. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

13. Tangible fixed assets	Fixtures and fittings £
Cost	
At 1 April 2020	5,399
Additions in year	<u>-</u>
At 31 March 2021	<u>5,399</u>
Depreciation	
At 1 April 2020	600
Charge for the year	<u>1,800</u>
At 31 March 2021	<u>2,400</u>
Net book value At 31 March 2021	<u><u>2,999</u></u>
At 31 March 2020	<u><u>4,799</u></u>

14. Debtors	2021 £	2020 £
Trade debtors	31,683	28,008
Prepayments and accrued income	16,458	9,238
Other debtors	<u>-</u>	<u>556</u>
	<u><u>48,141</u></u>	<u><u>37,802</u></u>

15. Creditors : amounts due within 1 year	2021 £	2020 £
Trade creditors	18,843	10,331
Accruals	7,741	5,187
Deferred income (see note 16)	3,575	3,475
Other creditors	2,424	2,891
Other taxation and social security	<u>-</u>	<u>8,202</u>
	<u><u>32,583</u></u>	<u><u>30,086</u></u>

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

16. Deferred income

	2021 £	2020 £
At 1 April 2020	3,475	-
Deferred during the year	100	3,475
Released during the year	<u>-</u>	<u>-</u>
At 31 March 2021	<u><u>3,575</u></u>	<u><u>3,475</u></u>

Deferred income relates to income for events invoiced in advance of the event date.

17. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	2,999	-	-	2,999
Current assets	57,885	6,514	388,340	452,739
Current liabilities	<u>-</u>	<u>-</u>	<u>(32,583)</u>	<u>(32,583)</u>
Net assets at 31 March 2021	<u><u>60,884</u></u>	<u><u>6,514</u></u>	<u><u>355,757</u></u>	<u><u>423,155</u></u>
Prior period comparative	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	4,799	-	-	4,799
Current assets	24,896	19,223	270,406	314,525
Current liabilities	<u>-</u>	<u>-</u>	<u>(30,086)</u>	<u>(30,086)</u>
Net assets at 31 March 2020	<u><u>29,695</u></u>	<u><u>19,223</u></u>	<u><u>240,320</u></u>	<u><u>289,238</u></u>

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

18. Movements in funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2021 £
Restricted funds					
Big Lottery Fund (Inclusive Volunteering)	5,497	69,366	(69,383)	-	5,480
E F Bulmer Benevolent Fund	1,883	-	(1,883)	-	-
Edward Gosling Foundation	11,219	-	(100)	-	11,119
Arts Council	-	21,027	(21,027)	-	-
Eveson Charitable Trust	4,505	15,000	(12,005)	-	7,500
Acheeva Bed	5,591	-	(1,800)	-	3,791
About Face	1,000	1,750	-	-	2,750
Big Lottery (COVID)	-	83,722	(80,795)	-	2,927
Screwfix	-	5,000	-	-	5,000
HSBC	-	15,000	-	-	15,000
Friday lifelinks	-	450	-	-	450
Priory	-	2,500	(1,116)	-	1,384
Eaton Barn	-	1,359	-	2,000	3,359
Saxon Hall café	-	2,124	-	-	2,124
Total restricted funds	29,695	217,298	(188,109)	2,000	60,884
Unrestricted funds					
<i>Designated funds:</i>					
About Face Theatre Company	7,668	66,255	(73,923)	-	-
Wednesday lifelinks	1,206	17,417	(16,542)	-	2,081
Friday lifelinks	2,000	22,679	(22,679)	-	2,000
Smart Arts storytelling project	2,000	10,894	(11,133)	-	1,761
Clever Betsy crafts and retail	2,000	48,505	(50,405)	-	100
Saxon Hall café	3,600	7,104	(10,801)	-	(97)
Craft projects and activities	(1,966)	52,600	(50,178)	-	456
Sport and leisure	2,715	5,890	(8,392)	-	213
<i>Total designated funds</i>	19,223	231,344	(244,053)	-	6,514
General funds	240,320	472,302	(354,865)	(2,000)	355,757
Total unrestricted funds	259,543	703,646	(598,918)	(2,000)	362,271
Total funds	289,238	920,944	(787,027)	-	423,155

Transfers between funds represent a match funding contribution by Echo from free reserves to restricted funds as part of a fundraiser for a new heating system for Eaton Barn.

Notes to the financial statements

For the year ended 31 March 2021

18. Movements in funds (continued)

Purposes of restricted funds

Big Lottery Fund (Inclusive Volunteering)

Year 3 of a 5-year "Inclusive Volunteering" grant for hard to reach groups. A 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.

E F Bulmer Benevolent Fund (volunteer support)

To contribute towards the salary and other costs of our participant involvement work. This work enables people with learning disabilities to take a full and meaningful role in the running of our organisation.

Edward Gosling Foundation

To develop sports opportunities for disabled people in Herefordshire. Working alongside Special Olympics GB, becoming the lead body for sports in the county. This fund was carried over due to lack of ability to undertake sports activities during 2020-2021.

Arts Council

Support for About Face, our theatre company, to help it through the COVID pandemic and ensure its ongoing sustainability.

Eveson Charitable Trust

To part fund the salary and other costs of our Deputy Chief officer, Life Skills and Leisure. Her work enables people with learning disabilities to lead full, inclusive and purposeful lives and to develop community networks and relationships.

Acheeva Bed

To raise and spend money on a HI/LOW bed to enable relaxation; and additional sensory items for the room.

About Face

Funds raised for the About Face Theatre Company.

Big Lottery (COVID)

This was funding to help support ECHO through the COVID pandemic. Funding was used to secure the long-term sustainability of ECHO by supporting key roles and costs of ECHO and to prepare the organisation for re-opening and the additional costs to being COVID compliant. There was also funding (including capital items) to help participants access online services.

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

Screwfix

Funding to improve our furniture upcycling project Studio Mirai including the provision of external storage to better manage donations and development of our outdoor space to enable outdoor working.

HSBC

Funding to improve facilities at our Clever Betsy project and refurbishment of the ECHO shop space.

Friday lifelinks

Funds to support activities of Friday lifelinks, a voluntary community support group, doing shopping for older or housebound people.

Priory

Funds raised to support specific activities within the Priory Project.

Eaton Barn

Funds to provide Eaton Barn Community Garden, ECHO's horticultural project, with a new heating system.

Saxon Hall café

Funding to support the Saxon Hall community café, run by ECHO in partnership with Saxon Hall.

Purposes of designated funds

About Face Theatre Company

The theatre company works with actors with learning disabilities delivering high quality theatre to festivals, community halls and other venues.

Wednesday lifelinks and Friday lifelinks

Providing voluntary community support, doing shopping for older or housebound people, arts and craft activities, and cooking and eating together. They are active fundraisers, hosting coffee mornings and market stalls to raise money for their project and ECHO.

Smart Arts storytelling project

A storytelling group helping to develop imagination and memory. Discovering hidden talent through song, signing, music and art.

Clever Betsy crafts and retail

Making and selling a range of crafts from cards to rugs. The group learn a variety of skills in craft making and sort donated goods to sell in the retail shop. Learning to serve customers and maintaining

Saxon Hall café

In partnership with Saxon Hall, the group prepare and offer a small range of cakes, lunches, teas and coffees in their café two days a week.

Craft projects and activities

Offering various craft opportunities to adults with learning disabilities based across Hereford and Leominster, including weaving, and developing craft skills with materials.

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

18. Movements in funds (continued)

Sport and leisure

Supporting a range of sport and leisure activities for adults with learning disabilities, football, tennis, yoga, and club nights.

Prior period comparative	At 1 April 2019 £	Income £	Expenditure £	Transfers between £	At 31 March 2020 £
Restricted funds					
Big Lottery Fund	13,101	65,423	(73,027)	-	5,497
The Croft Trust	79	-	(79)	-	-
E F Bulmer Benevolent Fund	1,955	7,500	(7,572)	-	1,883
Edward Gosling Foundation	-	11,219	-	-	11,219
Arts Council	9,306	5,304	(14,610)	-	-
Elmley Foundation	5,000	-	(5,000)	-	-
Eveson	9,685	15,000	(20,180)	-	4,505
Marshfields Welfare Fund	3,240	-	(3,240)	-	-
Bailey Thomas	(48)	-	-	48	-
Big Lottery Fund (Building Capabilities)	4,373	-	(4,373)	-	-
Acheeva Bed	-	6,191	(600)	-	5,591
About Face	-	1,000	-	-	1,000
Royal Horticultural Society	2,677	-	(2,677)	-	-
Total restricted funds	49,368	111,637	(131,358)	48	29,695
Unrestricted funds					
<i>Designated funds:</i>					
About Face Theatre Company	34,116	81,970	(108,418)	-	7,668
Wednesday lifelinks	2,125	15,576	(16,495)	-	1,206
Friday lifelinks	13,871	23,104	(34,975)	-	2,000
Smart Arts storytelling project	19,338	11,193	(28,531)	-	2,000
Clever Betsy crafts and retail	5,439	65,402	(68,841)	-	2,000
Saxon Hall café	3,552	12,126	(12,078)	-	3,600
Craft projects and activities	(5,220)	68,424	(65,170)	-	(1,966)
Sport and leisure	5,061	18,079	(20,425)	-	2,715
Development fund	25,000	-	(25,000)	-	-
<i>Total designated funds</i>	103,282	295,874	(379,933)	-	19,223
General funds	189,021	351,092	(299,745)	(48)	240,320
Total unrestricted funds	292,303	646,966	(679,678)	(48)	259,543
Total funds	341,671	758,603	(811,036)	-	289,238

ECHO for Extra Choices in Herefordshire Limited

Notes to the financial statements

For the year ended 31 March 2021

19. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2021	2020
	£	£
Amount falling due:		
Within 1 year	38,228	23,762
Within 1 - 5 years	18,300	<u>36,600</u>
	<u>56,528</u>	<u>60,362</u>

20. Related party transactions

There were no related party transactions during the current or prior year.

21. Prior period restatement

The prior period has been restated to reclassify £150,000 held in cash at bank and in hand to current asset investments.