

Company Registration No: 3277668  
Registered Charity No: 1059464



## Report and Financial Statements

# European Christian Mission (Britain)

For the year ended 31 December 2018



# European Christian Mission (Britain)

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# **European Christian Mission (Britain)**

## **Report of the Trustees**

**For the year ended 31 December 2018**

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The Trustees (Directors) have pleasure in presenting their report, together with the financial statements for the year ended 31 December 2018.

### **Legal and administrative details**

The European Christian Mission (Britain) is a “company limited by guarantee and not having a share capital”, company no: 3277668, registered with the Charity Commission, charity no: 1059464, and is governed by the provisions contained within the Memorandum and Articles of Association.

### **Trustees**

Joanne Appleton	Mike McMaster	(Chair)
Don Gyton	Simon Loveless	(Chair of Finance sub-committee)
Tim Herbert	Colyn Robinson	(Treasurer)
Richard Lawson	Esther Ross	
Simone Lockyer	Stephen Thompson	

All Trustees are members of the charitable company and stand as guarantors of the charitable company in the sum of £1 each.

There can be up to twelve Trustees. Once appointed, Trustees serve for a period of four years. At least two Trustees are appointed by the existing board and at least two by the members of the mission at annual general meetings.

All Trustees’ decisions are taken at their quarterly meetings.

### **Trustee induction and training**

A Trustee induction day is provided for new Trustees. An annual 24-hour retreat for Trustees has been run since 2005, at which longer-term issues are addressed and a governance review is conducted.

Remuneration of all UK staff is set with regards to market rates and the relevant experience of the staff member and reviewed on an annual basis to ensure that pay levels are fair.

### **The registered office is:**

European Christian Mission (Britain)  
Unit F34/35  
Moulton Park Business Centre  
Redhouse Road  
Moulton Park  
Northampton  
NN3 6AQ

### **The principal bankers are:**

Lloyds Bank plc  
George Row  
Northampton  
NN1 2HG

### **The auditors are:**

Mazars LLP  
Chartered Accountants  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

### **The solicitors are:**

Anthony Collins  
Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

**European Christian Mission (Britain)**  
**Report of the Trustees (continued)**  
**For the year ended 31 December 2018**

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**Responsibilities of Trustees**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations; the Statement of Recommended Practice (SORP 2015), Financial Reporting Standards applicable in the United Kingdom and Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 surplus or deficit 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;
- 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 company will continue in business.

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.

**Object**

The charity's object is the advancement of the Christian faith in Europe and elsewhere by means of:

- the evangelism of the peoples of Europe, irrespective of background, creed, nationality and current place of residence;
- the encouragement and strengthening of evangelical churches throughout Europe;
- the establishment of evangelical churches; and
- demonstrating the Gospel of Jesus Christ through the relief of poverty and sickness.

**Aims**

The aims of ECM (Britain) in the United Kingdom are:

- to promote ministries of evangelism, church-planting and church development in Europe defined by the Board of Trustees of ECM (International); and
- to recruit, train, send, support and care for workers called and equipped to fulfil such ministries.

## **European Christian Mission (Britain)**

### **Report of the Trustees (continued)**

**For the year ended 31 December 2018**

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#### **Affiliation**

ECM (Britain) is in a covenant relationship with ECM (International) and the terms of this relationship are set out in a Covenant agreement signed by both parties.

The Board of Trustees of ECM (International) is the overall governing body responsible for doctrinal and spiritual principles and the general direction and development of ministries in Europe. The Trustees of ECM (Britain) are responsible for the promotion of the work in Britain, the recruitment and member care of personnel and the raising of resources to further the objectives of the charitable company in Europe.

#### **Principal risks and uncertainties**

Any major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate the risks. Financial sustainability is the major financial risk facing the charity and this is being managed by the UK Director through continued promotion and fundraising and increasing the charity's presence on social media.

#### **Reserves policy**

The Trustees aim to hold unrestricted reserves (that is, those funds not tied up in fixed assets, designated or restricted funds, less pension liability) equal to approximately three month's normal expenditure (£90,000), to cover fluctuations in donation income. Undesignated reserves amount to £137,227 (2017: £462,718) as a result of exceptionally high legacy income in 2016 and 2017. As legacy income is unpredictable, it is expected that this surplus will be absorbed over the next 3 years.

The Trustees also aim to hold 3 months balances in certain restricted funds, i.e. those for our overseas staff, to cover fluctuations in donation income to these funds.

#### **Investment policy**

ECM (Britain) will maintain its legal responsibility to optimise the return on investments. A balance between risk and return will be sought appropriate to the amount of funds available. High risk will not be acceptable but some degree of risk must be accepted to gain a good return. Agreement regarding the type of investment vehicle used will be made by the Trustees at the appropriate juncture.

#### **Grant-making policy**

Grants are made within the ECM network, primarily for approved field projects or similar (e.g. the Good Samaritan Association in Spain) and occasionally to other ECM sending sections to assist their development. Grants are also occasionally given to external partners. Grants may be one-off, multi-year (often on a reducing basis), or open-ended. In most cases, such grants are funded from legacy income or from funds raised specifically for that purpose from donors.

#### **Fundraising policy**

ECM Britain manages most of the communications and fundraising information internally and only uses a commercial participator to fill skills gaps or capacity shortfalls, such as an agency to print the magazine or send a mailing.

## **European Christian Mission (Britain)**

### **Report of the Trustees (continued)**

**For the year ended 31 December 2018**

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#### **Public Benefit**

The Trustees are aware of the Charity Commission's guidance on public benefit and, in particular, the specific guidance offered to charities with these objects. As explained below, the charity has addressed a range of such public benefit and the Trustees confirm that the charity's activities fall within these objects.

Under the Public Benefit guidelines, for religion to be charitable, it must be 'advanced', i.e. promoted or extended. As our charitable objects include the evangelisation of the peoples of Europe, and the establishing and strengthening of evangelical churches across Europe, we consider that we meet this definition.

The identifiable benefits include the transformation of lives through the gospel of Jesus Christ, and the fellowship, friendships and relationships created or restored through participation in the life of a local church. These benefits are available to members of the public from all levels of social life across Europe, as we work in communities ranging from the affluent, such as in Austria, through to the very needy, such as in Bosnia.

Other benefits to wider society include the drug education, prevention and rehabilitation work undertaken by the Good Samaritan Centre Cordoba, Spain; education provided to children and training to adults in Lushnje, Albania; binge-drinking reduction through the work of the Teebus in Carinthia, Austria; and friendship and support offered to immigrants in Gloucester, England. These are just a few examples of the wider social services and benefits provided by churches planted and supported by ECM(B) missionaries.

#### **Review of 2018**

The principal activity of the charitable company is that of Christian missionary work in Europe, specifically in support of church-planting through ECM (International). The main ongoing focus in 2018 was in the areas of recruitment and training of new missionaries, care for existing workers, support for other parts of ECM, and ongoing promotional and fundraising work.

#### Mission Strategy

Our mission strategy continued to be focused on the areas of church-planting, leadership development and social care. Efforts to support this work in Europe, whether through ECM workers or through national church partners, were carried forward through fundraising, recruitment, training and in other practical ways.

#### Sending Missionaries and Supporting National Workers

This remained our core business, with ECM (Britain) missionaries or partners serving in Portugal, Spain, France, England, Austria, Belgium, Netherlands, Croatia, Bosnia, Serbia, Kosovo, Romania and Albania.

#### Investing in the wider ECM Network

In 2018 financial and/or consultancy support was provided to ECM sections or related work in nations including Spain, France and Croatia as well as ECM International, in accordance with our grant-making policy.

## **European Christian Mission (Britain)**

### **Report of the Trustees (continued)**

**For the year ended 31 December 2018**

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#### Brexit

ECM (Britain) is monitoring developments regarding Brexit and is acting to anticipate and manage the resulting risks and uncertainties, including variations in exchange rates and supporting missionaries in mitigating any status changes.

#### Partnering with Others

Given the size of the mission task across Europe, partnering with other Christian organisations continued to be an important focus.

Some of our other ongoing partnerships included:

- Global Connections, an umbrella organisation for those involved in mission work from the UK, for whom we supplied a Council member and helped run a forum for CEOs of member institutions;
- How Will They Hear, a collaboration of Christian organisations seeking to highlight the needs and opportunities amongst migrants and refugees in Europe;
- Redcliffe College, which has a specialisation in European ministry for which we provided a Masters programme lecturer;
- Trans World Radio Europe, a mission organisation with offices on the continent for whom we have agreed to handle applicants from within the UK.

#### **Financial Situation**

Detailed accounts are to be found in the Statement of Financial Activities and Balance Sheet. There was an overall deficit of £39,606 for the year (2017: surplus £283,538). After transfers, there was a deficit in unrestricted funds of £320,358 (2017: surplus £269,193), a surplus in designated funds of £300,587 (2017: deficit £2,476) and a deficit in restricted funds of £19,835 (2017: surplus £16,821).

The deficit before transfers in unrestricted funds of £91,349 (2017: surplus £193,643). Legacy income was at a higher than anticipated level of £25,366 (2017: £130,365). The transfer of £72,991 (2017: £75,550) from restricted to unrestricted funds reflects an allocation of our costs, in line with our accounting policies. The transfer of £302,000 was to designate funds out of unrestricted funds, for the purposes of possible future property purchase.

The designated fund balance of £316,217 (2017: £15,630) reflects the unallocated funds remaining after tithing of the legacy income actually received before 2018.

The Euro/Sterling exchange rate has not worked to our advantage during 2018. Missionary funds have been under pressure due to the decline on value of their income due to the exchange rate. Restricted income £808,749 (2017: £894,611) has decreased and expenditure for the support of missionaries has decreased to £732,690 (2017: £775,092).

## European Christian Mission (Britain)

### Report of the Trustees (continued)

For the year ended 31 December 2018

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#### Human Resources

At the end of 2018, ECM (Britain) had thirty one missionaries, twelve Associate Members (previously termed Partners in Ministry), four accepted missionary candidates, and a number of new candidate leads are being followed up. In addition there were seven salaried staff (full and part-time) and three volunteers.

Missionary recruitment remains an ongoing strategic priority, although the funding of new and existing missionaries remains a challenge, given the high cost of living in most European countries and the changes to the exchange rate.

Remuneration of all UK staff is set with regards to market rates and the relevant experience of the staff member and reviewed on an annual basis to ensure that pay levels are fair.

The Trustees delegate the day-to-day management of the organisation to the British Director.

#### Future Plans

2018 is an important year for ECM Britain as we seek to transition into an increasingly flexible organisation which is increasingly more able to quickly and easily react to the constantly changing needs and opportunities across today's Europe. This will be expressed in the following five areas:

1. **RECRUIT:** We will use the retirement of staff as an opportunity to bring on board new people with the skills needed to help us grow and develop into the organisation ECM Britain needs to be sustainable and successful both now and in the future.
2. **REVIEW:** We continue to review our office and systems needs. As part of this we are retaining the proceeds from our recent property sale so we have the potential to purchase a property in the future.
3. **REVISE:** In light of what we find as we Review, we will make appropriate changes to our core processes, add in appropriate new goals, and increase use of virtual teaming and systems.
4. **RELEASE:** We hope that all of this this will enable ECM Britain to more effectively carry out its primary recruitment, fundraising and promotional activities.
5. **RELATIONSHIPS:** Throughout this process we are committed to maintaining high standards of relationships within our office team, with those we support across Europe, with our partner organisations and with our suppliers.



## **European Christian Mission (Britain)**

### **Report of the Trustees (continued)**

**For the year ended 31 December 2018**

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#### **Statement of disclosure to auditor**

The Trustees have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

As far as the Trustees are aware, there is no relevant audit information of which the company's auditor is unaware.

#### **Auditor**

The auditor, Mazars LLP, have signified their willingness to continue in office. A resolution to reappoint them as auditors will be accepted at the Annual General Meeting.

This report has been prepared in accordance with the special provisions provided by Section 415A of the Companies Act 2006 relating to small companies.

Approved by the board of Trustees and signed on its behalf by:



Richard Lindley  
Company Secretary

Date:

23/7/19

## **European Christian Mission (Britain)**

### **Independent auditor's report to the members of European Christian Mission (Britain)**

**For the year ended 31 December 2018**

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#### **Opinion**

We have audited the financial statements of European Christian Mission (Britain) (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

The Directors' view on the impact of Brexit is disclosed on page 6.

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

#### **Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going

## **European Christian Mission (Britain)**

### **Independent auditor's report to the members of European Christian Mission (Britain) (continued)**

**For the year ended 31 December 2018**

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- concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

## **European Christian Mission (Britain)**

### **Independent auditor's report to the members of European Christian Mission (Britain) (continued)**

**For the year ended 31 December 2018**

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#### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 3 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

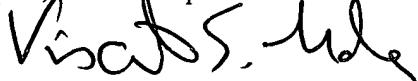
#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Use of the audit report**

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Vincent Marke (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date: 31 July 2019

# European Christian Mission (Britain)

## Statement of Financial Activities For the year ended 31 December 2018

		Unrestricted funds £	Designated funds £	Restricted funds £	Total funds	
	Notes				2018 £	2017 £
<b>Income from:</b>						
Donations and gifts		105,838	679	808,749	915,266	996,490
Legacies receivable	3	25,366	-	-	25,366	130,365
Proceeds on asset sale		-	-	-	-	201,504
Income from investments		1,370	-	-	1,370	82
		<u>132,574</u>	<u>679</u>	<u>808,749</u>	<u>942,002</u>	<u>1,328,441</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>	5	14,883	-	-	14,883	17,824
<b>Charitable activities</b>						
Mission support	6	-	-	732,690	732,690	775,092
Development	6	209,040	-	-	209,040	221,602
Projects	6	-	2,092	22,903	24,995	30,385
		<u>223,923</u>	<u>2,092</u>	<u>755,593</u>	<u>981,608</u>	<u>1,044,903</u>
<b>Surplus / (deficit) for the year</b>	13-14	(91,349)	(1,413)	53,156	(39,606)	283,538
Transfers between funds	15	(229,009)	302,000	(72,991)	-	-
<b>Net movements in funds</b>		<u>(320,358)</u>	<u>300,587</u>	<u>(19,835)</u>	<u>(39,606)</u>	<u>283,538</u>
Balance 1 January		<u>462,881</u>	<u>15,630</u>	<u>476,478</u>	<u>954,989</u>	<u>671,451</u>
<b>Balance at 31 December</b>	16	<u>142,523</u>	<u>316,217</u>	<u>456,643</u>	<u>915,383</u>	<u>954,989</u>

The charity's income and expenditure all relate to continuing operations.

The charity has no recognised gains or losses other than those included above.

The information presented within the Statement of Financial Activities for the year ended 31 December 2018 is equivalent to that which would have to be disclosed in an income and expenditure account and accordingly a separate income and expenditure account has not been presented, as permitted by Companies Act 2006.

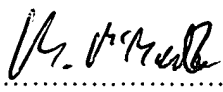
The notes to the financial statements on pages 15 to 25 form part of these financial statements.

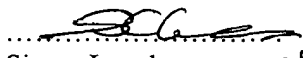
**European Christian Mission (Britain)****Balance Sheet****Company Registration No: 3277668****As at 31 December 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	5,296	965
<b>Current assets</b>			
Debtors	11	58,452	19,007
Cash and cash equivalents		913,118	1,013,612
		971,570	1,032,619
<b>Creditors: amount falling due within one year</b>	12	(11,483)	(18,595)
<b>Net current assets</b>		960,087	1,014,024
Provision for pension liabilities	17	(50,000)	(60,000)
<b>Net assets</b>		915,383	954,989
<b>Funds</b>			
Unrestricted		142,523	462,881
Designated	14	316,217	15,630
Restricted	15	456,643	476,478
		915,383	954,989

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Financial Statements were approved by the board of Trustees and authorised for issue on and signed on its behalf by:

 25<sup>th</sup> July 2019  
 Mike McMaster  
 Trustee

 26/7/19  
 Simon Loveless  
 Trustee

The notes on pages 15 to 25 form part of these financial statements.

**European Christian Mission (Britain)**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net incoming resources	(39,606)	283,538
Depreciation	460	532
Profit on disposal of fixed asset	-	(201,989)
Interest received	(1,370)	(82)
(Increase) / decrease in debtors	(39,443)	(8,693)
Increase / (decrease) in creditors	(17,111)	1,205
	<b>(97,073)</b>	<b>74,511</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(4,792)	(929)
Proceeds from sale of fixed asset	-	302,000
Interest received	1,370	82
	<b>(3,422)</b>	<b>301,153</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(100,494)</b>	<b>375,664</b>
 Opening cash and cash equivalents	 1,013,612	 637,948
Movement	(100,494)	375,664
<b>Closing cash and cash equivalents</b>	<b>913,118</b>	<b>1,013,612</b>

The notes on pages 15 to 25 form part of these financial statements.

# European Christian Mission (Britain)

## Notes to the financial statements For the year ended 31 December 2018

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### 1 Accounting policies

#### (a) Background information

European Christian Mission (Britain) is a company limited by guarantee, incorporated and registered in England and Wales. The address of its registered office and principal place of business is disclosed in the company information.

The principal activity of the charity is the advancement of the Christian faith in Europe and elsewhere. The charity is a public benefit entity.

The financial statements are presented in Sterling and this is the functional currency of the charity.

#### (b) Accounting convention

- (i) The financial statements have been prepared in accordance with the Companies Act 2006, with applicable accounting standards under the historical cost convention and on the basis of going concern.
- (ii) The Charities Statement of Recommended Practice (SORP 2015) and Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS 102) have been followed in the preparation of these financial statements.
- (iii) The use of the going concern basis of accounting is appropriate because, in the opinion of the Trustees, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the charitable company to continue as a going concern.

#### (c) Foreign currency translation

- (i) Income received from overseas is translated into sterling at the relevant exchange rate.
- (ii) Costs incurred overseas are translated at the rate in operation on the date the funds were disbursed.
- (iii) Assets and liabilities denominated in foreign currencies are translated at the rate in operation at the end of the charitable company's financial period.

#### (d) Fund accounting

- (i) The charitable company's unrestricted funds consist of funds which the charitable company may use for its purposes at its discretion.
- (ii) The charitable company has designated certain funds for specific purposes even though there is no legal force to the designations.
- (iii) The charitable company's restricted funds are those where the donor has imposed restrictions on the use of the funds which are legally binding.
- (iv) Charges are made against the income on restricted funds – generally a fixed fee to ECMB Missionaries, up to 15% on project funds and up to 10% for missionaries from



# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

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### 1 Accounting policies (continued)

other sending countries.

#### (e) Voluntary income

- (i) All voluntary income is included as income upon receipt except where the donor requires the sum to be invested to provide income for the charitable company's purposes in which case it is treated as an endowment.
- (ii) Endowments where restrictions have expired or have been lifted during the period have been transferred directly to the general fund.
- (iii) Donations under gift aid together with the associated income tax recovery are recognised as income when the donation is received.
- (iv) Legacies are included in income when notification has been received of the amounts or value of the items bequeathed and notification of when they will be received.
- (v) Donations of items other than cash are included in income at market value on receipt.

#### (f) Investment income

Interest is accrued on a daily basis and is credited to the Statement of Financial Activities.

#### (g) Fixed assets and depreciation

Fixed assets are included in the financial statements at their historical cost and are written off on a straight line basis over their estimated useful lives by depreciation through the Statement of Financial Activities.

- (i) Freehold land is not depreciated. Freehold buildings are depreciated to write down the cost less estimated residual value over the remaining useful life in equal instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than their costs, no depreciation is charged.
- (ii) All assets costing more than £1,000 are capitalised at cost and depreciated.

#### (h) Costs of generating funds

Costs of generating funds expenditure comprises costs incurred in encouraging people and organisations to contribute financially to the charitable company's work. It includes the costs of advertising for funds and the costs of mounting appeals.

#### (i) Charitable expenditure

This includes all expenditure directly related to the objects of the charitable company that of the advancement of Christian faith in Europe and elsewhere, and comprises the following:

# **European Christian Mission (Britain)**

## **Notes to the financial statements**

**For the year ended 31 December 2018**

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### **1 Accounting policies (continued)**

Missionary support costs

Allowances paid to missionaries in accordance with the charitable company's policies.

Development costs

Costs of staffing ECM (Britain) and associated costs of finance, personnel and general administration in supporting the operations for which the charitable company is responsible. These have been allocated in full to development costs and are explained in more detail in the financial statements.

Project costs

Funds paid in support of approved projects, either from incoming donations and gifts received for that purpose, or from unrestricted funds in accordance with the charitable company's policies.

#### **(j) Support costs**

These costs include the costs of governance arrangements which relate to the general running of the charitable company as opposed to the direct management functions inherent in general funds. This includes such terms as external audit, legal advice for the trustees and costs associated with constitutional and statutory matters. These are allocated to development costs.

There was a transfer made between restricted and unrestricted funds which is comprised of charges of up to 15% of the unrestricted overheads to cover attributable development and support overheads.

#### **(k) Operating leases**

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

#### **(l) Financial instruments**

Financial assets and liabilities are recognised on the Balance Sheet when the charity has become a party to the contractual provisions of the instrument.

#### **(m) Pension costs**

Contributions payable to the defined contribution pension scheme are charged to the statement of financial activities in the year to which they relate.

#### **(n) Cash and cash equivalents**

Cash and cash equivalents are 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.

# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

### 2 Comparative Statement of Financial Activities

		Unrestricted funds £	Designated funds £	Restricted funds £	Total funds	
	Notes				2017 £	2016 £
<b>Income from:</b>						
Donations and gifts		101,118	761	894,611	996,490	1,000,164
Legacies receivable	3	130,365	-	-	130,365	110,782
Proceeds on asset sale		201,504	-	-	201,504	-
Income from investments		82	-	-	82	227
		<u>433,069</u>	<u>761</u>	<u>894,611</u>	<u>1,328,441</u>	<u>1,111,173</u>
<b>Expenditure on:</b>						
<i>Raising funds</i>	5	17,824	-	-	17,824	21,325
<i>Charitable activities</i>						
Mission support	6	-	-	775,092	775,092	790,340
Development	6	221,602	-	-	221,602	193,963
Projects	6	-	3,237	27,148	30,385	21,377
		<u>239,666</u>	<u>3,237</u>	<u>802,240</u>	<u>1,044,903</u>	<u>1,027,005</u>
<b>Surplus / (deficit) for the year</b>	13-14	193,643	(2,476)	92,371	283,538	84,168
Transfers between funds	15	75,550	-	(75,550)	-	-
<b>Net movements in funds</b>		<u>269,193</u>	<u>(2,476)</u>	<u>16,821</u>	<u>283,538</u>	<u>84,168</u>
Balance 1 January		<u>193,688</u>	<u>18,106</u>	<u>459,657</u>	<u>671,451</u>	<u>587,283</u>
<b>Balance at 31 December</b>	16	<u>462,881</u>	<u>15,630</u>	<u>476,478</u>	<u>954,989</u>	<u>671,451</u>

# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

### 3 Legacies

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £	2017 £
Legacies received	25,366	-	-	25,366	130,365
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	25,366	-	-	25,366	130,365
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 4 Resources expended

Included in resources expended are:	2018 £	2017 £
Depreciation of owned tangible fixed assets	460	532
Audit and accountancy fees	4,300	4,800
Operating lease equipment	6,040	6,040
	<hr/>	<hr/>

### 5 Expenditure on raising funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £	2017 £
Magazines/Publicity	14,883	-	-	14,883	17,824
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	14,883	-	-	14,883	17,824
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

### 6 Expenditure on charitable activities

	Unrestricted funds £	Designated funds £	Restricted funds £	2018 £	Total 2017 £
<b>Missionary support</b>					
Missionary allowances, expenses and projects	-	-	732,690	732,690	775,092
<b>Development</b>					
Wages and salaries	128,146	-	-	128,146	106,050
Social security costs	5,218	-	-	5,218	5,315
Pension costs	9,636	-	-	9,636	7,577
Development expenses	8,272	-	-	8,272	7,190
Conferences	4,020	-	-	4,020	6,770
Pensions to retired missionaries	10,099	-	-	10,099	12,414
Release of provision	(10,000)	-	-	(10,000)	-
Office costs	44,306	-	-	44,306	52,008
Bank charges	1,286	-	-	1,286	1,267
Depreciation	460	-	-	460	532
Gov costs	6,338	-	-	6,338	15,122
Other costs	1,259	-	-	1,259	7,356
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	209,040	-	732,690	941,730	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Projects</b>					
Project funding	-	2,092	22,203	24,995	30,385

# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

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### 7 Staff costs

Total staff costs for the year were as follows:

	2018 £	2017 £
Wages and salaries	128,146	108,313
Social security costs	5,218	5,315
Employers contribution to pension schemes	9,636	7,577
	<hr/>	<hr/>
	143,000	121,204
	<hr/>	<hr/>

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

2018 Number	2017 Number
8	7
<hr/>	<hr/>

The staff costs and numbers do not include the missionaries working abroad. No employee received remuneration of more than £60,000.

Key personnel: Of the above employed staff, 4 (2017: 4) may be regarded as key management personnel. Their remuneration totalled £98,999 (2017: £97,118).

### 8 Trustees

No remuneration directly or indirectly out of the funds of the charitable company was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them.

Trustees attending meetings for the charitable company are entitled to reimbursement of their travelling expenses as appropriate. £60 was claimed in 2018 (2017: £303).

During the year three Trustees of European Christian Mission (Britain) donated £2,889 (2017: £1,930) in support of the missionaries.

### 9 Taxation

The charitable company is an approved charity and therefore exempt from corporation tax.

# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

### 10 Tangible fixed assets

	<b>Furniture and equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2018	57,022	57,022
Additions	4,792	4,792
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2018	61,814	61,814
	<hr/>	<hr/>
<b>Accumulated depreciation</b>		
At 1 January 2018	56,057	56,057
Charge for the year	460	460
On disposals	-	-
	<hr/>	<hr/>
At 31 December 2018	56,517	56,517
	<hr/>	<hr/>
<b>Net book value</b>		
At 31 December 2018	5,296	5,296
	<hr/>	<hr/>
At 31 December 2017	965	965
	<hr/>	<hr/>

#### Annual depreciation rate

10%-33%

The net book value at 31 December 2018 represents fixed assets used for administration purposes, funded by the charitable company's unrestricted funds.

### 11 Debtors

	<b>2018 £</b>	<b>2017 £</b>
Income tax recoverable	44,335	15,937
Prepayments	4,316	3,070
Other debtors	9,801	-
	<hr/>	<hr/>
	58,452	19,007
	<hr/>	<hr/>

# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	851	2,989
Tax and social security	2,531	2,239
Other creditors	3,262	8,359
Accruals	4,839	5,008
	<u>11,483</u>	<u>18,595</u>

### 13 Funds

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Balance at 1 January 2018	462,881	15,630	476,478	954,989
Surplus/(Deficit) for the year	(91,349)	(1,413)	53,156	(39,606)
Transfers	(229,009)	302,000	(72,991)	-
	<u>142,523</u>	<u>316,217</u>	<u>456,643</u>	<u>915,383</u>

### 14 Designated funds

	Balance at 1.1.18 £	Net movement in 2018 £	Transfer from unrestricted funds £	Balance at 31.12.18 £
Projects	15,630	(1,413)	302,000	316,217

The designated fund represents amounts set aside from unrestricted funds for otherwise unfunded projects.



## European Christian Mission (Britain)

### Notes to the financial statements For the year ended 31 December 2018

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#### 15 Restricted funds

	Balance at 1.1.18 £	Net movement in 2018 £	Transfer to unrestricted funds £	Balance at 31.12.18 £
Missionary staff	385,441	69,187	(72,991)	381,637
Other section staff	37,156	(16,844)	-	20,312
Country funds	28,016	3,350	-	31,366
Projects	25,865	(2,537)	-	23,328
	<hr/>	<hr/>	<hr/>	<hr/>
	476,478	53,156	(72,991)	456,643
	<hr/>	<hr/>	<hr/>	<hr/>

There was a transfer of £72,991 made between restricted and unrestricted funds is comprised of the charges up to 15% of the unrestricted overheads to cover attributable development and support overheads.

#### 16 Analysis of net assets between funds

	Fixed assets £	Current assets £	Creditors & provision £	Total £
Unrestricted funds	5,296	193,577	(61,483)	137,390
Designated funds	-	316,217	-	316,217
Restricted funds	-	461,776	-	461,776
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	5,296	971,570	(61,483)	915,383
	<hr/>	<hr/>	<hr/>	<hr/>

# European Christian Mission (Britain)

## Notes to the financial statements

For the year ended 31 December 2018

### 17 Pension commitments

The charitable company participates in a defined contribution 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 £8,989 (2017: £7,577) for staff in Britain.

The charity makes pension payments to 4 former missionaries (2017: 6) at a cost of £10,099 for the year (2017: £12,414). The payments are mainly made from the charity's unrestricted fund and are charged to the statement of financial activities in the year in which they are paid. During the year, the company adjusted the provision by £10,000 to reduce the commitment to £50,000. This was due to an update in the financial assumptions of the calculation.

The liability of £50,000 (2017: £60,000) recognised in the financial statements is an estimate based on the annual cost and the ages of the former missionaries. This represents the amount provided for the future payments to former missionaries for a period of approximately 4.3 years.

<b>Pension Liability</b>	<b>£</b>
At 1 January 2018	60,000
Charge to Statement of Financial Activities	99
Utilised in the year	(10,099)
	<hr/>
At 31 December 2018	50,000
	<hr/>

### 18 Other financial commitments

At 31 December 2018 the charity was committed to making the following payments under non-cancellable operating leases until the conclusion of those leases:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Operating leases which expire:</b>				
Within 1 year	7,680	6,400	6,106	6,490
Within 2 to 5 years	-	-	6,106	10,842
	<hr/>	<hr/>	<hr/>	<hr/>
	7,680	6,400	12,212	17,332
	<hr/>	<hr/>	<hr/>	<hr/>

### 19 Controlling party

The controlling party is deemed to be the Board of Trustees.