

EMMS INTERNATIONAL

Trustees' Report and Financial Statements For the year ended 31 March 2023

EMMS International is a Charity. Registered in Scotland No: SC032327
A company limited by guarantee. Registered in Scotland No: SC224402
Registered Office: 57 Albion Road, Edinburgh, EH7 5QY

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Introduction

The Trustees (who are also Directors for purposes of Company Law) are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2023 which are also prepared to meet the requirements for a trustees' report and accounts for Charity Law purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Activities

Our Vision:

A just world in which all people have access to good quality and dignified healthcare.

Our Objectives:

EMMS International is Scotland's longest-serving international healthcare charity. Since 1841, from our base in Scotland, we have set out to heal the sick in some of the poorest communities in the world.

Today, we continue to improve health, currently in Malawi, Nepal, India and Scotland, where poverty exists. We do this through a multi-faceted approach, developing healthcare resources via education, improving infrastructure and the environment, tackling inequalities and discrimination based on matters such as age, disability, sex, religion or belief, and so empowering the vulnerable.

We help families in countries challenged by poverty and disease to gain access to a range of healthcare services, and help break the cycle of poverty and injustice by creating sustainable healthcare solutions with our partners. We stand with some of the most vulnerable in society to promote justice, giving them power over their own lives by providing them with an education to earn a living, whilst creating a stronger health service which helps protect their local environments. We give not only hope for the future, but real, tangible, sustainable change.

The objects of EMMS as stated in our Memorandum of Association (updated 20 September 2022) are:

1. The prevention or relief of poverty;
2. The advancement of health;
3. The advancement of education;
4. The saving of lives;
5. The advancement of human rights, conflict resolution or reconciliation;
6. The advancement of environmental protection or improvement;
7. The relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
8. Such other object as is charitable, not falling under the preceding sub-clauses and that may reasonably be regarded as similar to any of the preceding sub-clauses.

With the foregoing objects to be carried out throughout the world in accordance with Christian faith for the benefit of people of all faiths and none.

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Working through Partnerships (Grants Policy)

EMMS International is not a grant-giving organisation.

EMMS implements with partner organisations in the countries where we work. We sign Project Agreements with our partners, including statements of when we shall transfer funds to our partners, on what the money is to be spent, and requiring quarterly narrative and financial reporting from partners to EMMS International. All money spent in our projects is for agreed specific purposes, and EMMS International monitors regularly to ensure that all aspects of our Project Agreement are met, that funds have been used for the purposes for which they were intended, and all funds are managed professionally and transparently. EMMS International conducts regular due diligence on our partners. EMMS International does not support our partners with their general running costs. We do not invite organisations to request partnership with us, but rather select and seek to develop partnerships with organisations with whom we can jointly pursue our aims.

Charitable and Political Donations

EMMS International made no charitable donations during the year outside the scope of its own objects. No donations were made for any political purposes.

Achievements and Performance

Overview of Activities and Highlights of 2022-23

Operational overview

2022-23 brought a welcome return to our annual growth in programmes and cost-efficiency since 2019. After 2021-22's low expenditure due to UK aid cuts and devastating COVID-19 in India, in 2022-23 we restarted our 2 largest ever projects and developed 5 continuing projects. Our expenditure on projects was its highest ever, £1.2 million, and the proportion of our total expenditure spent on charitable activities climbed back to a very high 89%, showing excellent value for donors' money. We helped over 356,200 poor and vulnerable people and trained 580 staff.

Programmes update

EMMS's partners and projects in 2022-2023 were:

India Duncan Hospital, in Bihar, for: <ul style="list-style-type: none">• Building a new College of Nursing• Increasing solar power at the hospital• Vulnerable women studying healthcare Jiwan Jyoti and Kachhwa Hospitals, in Uttar Pradesh, for: <ul style="list-style-type: none">• Solar power installation	Malawi Mulanje Mission Hospital (CCAP), for: <ul style="list-style-type: none">• Improved water and sanitation in health centres, and improved income generation at the hospital• Reducing teenage pregnancies Ekwendeni College of Health Sciences, and Kamuzu University of Health Sciences, for: <ul style="list-style-type: none">• Healthcare fees for women
Nepal INF International, for: <ul style="list-style-type: none">• Palliative care development• Care for Cure - for people with leprosy	UK Voice of Carers Across Lothian (VOCAL), for: <ul style="list-style-type: none">• Hawthorn Brae Breaks

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India

We started building Duncan Hospital's new College of Nursing to the standards of the Indian Nursing Council, so that Duncan Hospital will be able to deliver a BSc. We continued to improve Duncan Hospital's solar power generation and use, to reduce its vulnerability to grid power cuts. We continued to support vulnerable women to study for healthcare careers and to start their first jobs in Duncan Hospital.

Nepal

We started our FCDO-funded project Sunita, to develop rural district models of palliative care. A successful first year included training many healthcare staff and volunteers, community members, teachers and pupils. The palliative care nurse whom we support continued to study for a Masters in Nursing. We restarted INF's leprosy programme, which had lost funding while efforts were focussed on COVID-19.

Malawi

Responding to cholera exacerbated by Storm Freddy, we improved rural health centres' water and sanitation. We improved Mulanje Mission Hospital's solar power and income generation, and reduced teenage pregnancies. Students whom we had sponsored graduated from Ekwendeni College and Kamuzu University of Health Sciences and started work; and we began sponsoring nurses studying for a BSc.

UK

After 130 years of ownership by EMMS and our predecessor Edinburgh Medical Missionary Society, our Hawthorn Brae fund had become a partnership with Voice of Carers Across Lothian (VOCAL). In 2022-23, having renovated a house in Perthshire and called it Hawthorn Brae, VOCAL gave breaks to people of limited means living with life-limiting illness in Edinburgh. This continued the wishes of legator Margaret Sanson.

Fundraising Update

2022/23 has been reported to be a 'year like no other' in relation to fundraising across the sector, with reports of fewer people making donations to charity due to the current economic climate in the UK, war in Ukraine and the legacy of the COVID-19 pandemic.

Despite this, fundraising has demonstrated agility and resilience, seeking to focus on the acquisition of new donors to set against forecast attrition within the sector.

The year saw the delivery of a new fundraising strategy which sought to widen the range of income streams from which we solicit funds, whilst continuing our focus on traditional income through Trusts and Foundations, Community Fundraising, and Individual Giving. New work to engage with donors through corporate giving and partnerships and legacy giving was developed.

We created the Champion of Change regular giving initiative to encourage new regular donors and to retain loyalty to our existing supporters, developed materials for corporate and legacy giving, initiated an ambassador scheme to help our message travel throughout the UK, and hosted our first in-person event since COVID-19, The International Festival of Nine Lessons and Carols. We increased our appeals to three per year, one of which was accompanied by the newly created Global News, the others with Healing Hands. Two additional emergency appeals were initiated due to the cholera crisis and Storm Freddy in Malawi.

Restricted funds raised for the Duncan Centenary Vision in India were given a significant lift through support from generous donors, as were funds for water and sanitation in Malawi, to respond to the cholera crisis.

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We look forward to the year ahead, where we continue to engage with new audiences to help us deliver our vital programmes to those who need us most.

We thank our supporters in these financially challenging times and greatly appreciate their generosity to help others less fortunate.

Thanks

The Trustees would like to record their sincere thanks to their diligent staff team who work tirelessly to deliver our work efficiently and effectively, particularly during recovery from the COVID-19 pandemic.

The Trustees would also like to thank and acknowledge all our donors without whose faithful support our work would not be possible. Particular thanks are extended to the following organisations and those who prefer to remain anonymous.

- Anchor Foundation
- Ascent Charitable Fund
- Bangor Worldwide Missionary Convention
- Binks Trust
- Bishop Radford Trust
- Christadelphian Samaritan Fund
- CMS Social Impact Fund
- Duncan Hospital Charitable Trust
- Echo International Health Services Ltd
- Erica Leonard Trust
- Forest Hill Charitable Trust
- Foreign, Commonwealth & Development Office
- Grace Trust
- Morel Charitable Trust
- Radio Cracker
- Rainford Trust
- Seedfield Trust
- SMB Charitable Trust
- St Lazarus Charitable Trust
- The James Tudor Foundation
- Tillyloss Trust
- Tula Trust

Financial Review

Funding

The work of EMMS is funded primarily by individual voluntary donations, grants from charitable trusts and institutional donors. The day-to-day responsibility for finances is delegated to the Director of Finance.

Results for the Year

We are pleased to be able to report particularly high levels of income and charitable spend in 2022-23. Key points to note are:

- Donations, grants and legacy income increased to £1,901,138 (2022: £667,428). The growth was due to two main factors: firstly, significant funding was received for our work at the Duncan Hospital in India and secondly Project Sunita, which is mainly FCDO-funded, began in April 2022. Our expenditure on charitable activities increased to £1,430,726 (2022: £871,315) largely due to further projects undertaken at the Duncan Hospital and a full year of Project Sunita. Our charitable expenditure accounted for 89% of total expenditure (2022: 87%).
- In terms of our unrestricted funds, the overall total increased by £137,762, due to strong levels of income generation and prudent cost management. Unrestricted reserves at the year-end were £879,198 (2022: £741,436). Of these, £209,855 (2022: £156,812) were designated for use in Project Sunita. Restricted funds balances were £1,886,594 (2022: £1,727,109). These restricted funds are for future planned expenditure on new and ongoing programmes.

Investment Policy

Our investment portfolio is managed by investment managers in accordance with agreed criteria approved by the Board. Reflecting the weakness in markets generally in 2022-23 as well as a small disposal, the value of the investment reduced by £13,181 to £147,041 (2022: £160,222). The trustees are satisfied with this performance given general market conditions. In accordance with our Environmental Policy, we do not hold investments in companies which we believe are harmful to the climate and/or the environment. In accordance with our Standards & Ethical Policy we do not hold investments in companies involved in gambling, tobacco production, fossil fuels, destruction of the environment, tax avoidance, child labour, pay below a living wage, weapons manufacture and supply, or pornography.

Reserves Policy

It is the policy of EMMS International to distribute its net income in the form of grants or donations in support of its objects. It is anticipated that any surplus funds at the close of the year would be distributed in the following year or years, while retaining sufficient accumulated funds to meet all expenditure commitments for at least six months.

The Trustees have forecast the level of free reserves (undesignated and unrestricted funds not tied up in fixed assets) that the charity will require to sustain its operations over the period at £425,000. The actual free reserves (excluding designated reserves of £209,855 (2022: £156,812)) as at 31 March 2023 were £666,742 (2022: £584,110). These additional resources provide an immediate buffer to mitigate any environmental or economic risks that may affect our programmes or organisation, and ensure that we have the resources to take on new projects that may require advance funding to our partners ahead of associated income being received.

Risk Management

The Trustees have a documented register of the risks to which EMMS International is exposed, and the potential impact and likelihood of any of those risks occurring. This is reviewed quarterly by the Leadership Team, Finance Committee and Board. Where changes to the risk framework are highlighted by the changing environment in which the charity operates, actions are put into place to ensure that the system of management control within the charity continues to meet the needs of the Board to make effective decisions and manage exposure to those risks.

The major risks to EMMS are summarised below, together with the planned mitigating actions.

<u>Risk</u>	<u>Mitigation</u>
Cyber-attack – ransomware, data breach, malware, phone scamming	Contracting out IT support to a skilled company, and regular training of staff and trustees.
Financial – significant reduction in income levels or sharp rise in costs result in going concern risk	Income is generated from a wide variety of sources; programme payments are made only from received or committed funds; performance is monitored against the approved Budget and Fundraising Strategy and discussed monthly by the EMMS staff and quarterly by the EMMS Board.
Operational – EMMS is unable to operate e.g. due to loss of key systems or office	EMMS has a Business Continuity Plan which is updated annually. All staff can work remotely with full access to systems which are all backed up remotely.
Ineffective governance – board of trustees lack skills, knowledge or time	Annual Board Effectiveness Review and recruitment to fill skills gaps; trustee induction provided, regular Board training e.g. on safeguarding.

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Plans for Future Periods

In India, we shall continue construction of Duncan Hospital's College of Nursing, support more vulnerable girls into college to study healthcare, and install solar power at Kachhwa and Jivan Jyoti Hospitals.

In Nepal, we shall continue our UK Aid Match-funded Sunita project to develop models of rural district palliative care, which lift the burden of care off children, and we shall develop plans to eliminate leprosy.

In Malawi, we shall help more women to graduate into healthcare jobs, improve more rural health centres' water and sanitation, improve Mulanje Mission Hospital's sustainability, and reduce teenage pregnancies.

In Scotland, we shall investigate starting a new project, to help tackle an intractable health problem.

We shall explore how to help Society Living with COVID Long-Term, helping partners overseas to reduce current and future impacts of COVID-19, and One Health, doing our bit to help avoid another pandemic.

Structure, Governance and Management

Constitution

EMMS International ("EMMS") is a company limited by guarantee and registered in Scotland (SC0224402). It is a registered Scottish charity (SC032327) and is governed by its Memorandum and Articles of Association.

Appointment and Induction of Trustees

The Board of Trustees comprises not less than four and not more than twenty Trustees and held four Board meetings and one Annual General Meeting during the period. The Trustees are responsible for stewardship of the charity, public accountability and development of an appropriate strategy. Day-to-day responsibility for the operation and management of the charity is delegated to the Chief Executive.

Upon appointment, trustees are provided with induction and then with ongoing training on key areas such as safeguarding. EMMS staff provide training to address any gaps identified.

Trustees are appointed by the Board through a nomination process, as detailed in the Articles of Association and supplemented by selection and election policies as defined by the Board. The Chair of the Board of Trustees is elected from among the number of Trustees. Trustees serve for a period of three years before having to submit themselves for re-election. A maximum term for any Trustee is nine years, at which point they must stand down for a period of at least one year before being eligible for re-election.

Trustees may be appointed to sub-committees reporting to the Board. In addition, the Board may establish time-limited project groups to deal with specific issues as required. The sub-committees are the Finance, Audit and Investment Committee and the Safeguarding Committee.

Remuneration of Key Management Personnel

Key management personnel remuneration is decided by the board with reference to appropriate comparatives. All staff salaries are reviewed annually.

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Reference and Administrative Details

Scottish Charity number:	SC032327	
Company number:	SC224402	
Trustees:	Rev Dr John Cowie Dr Helen Morrison Tawachi Nyasulu Thorsten Koenig Calum Gubby Ann McKechin Ian Farrimond Alison Franks Jennie Chinembiri Alison Campbell	Chair (appointed 4 October 2022) (appointed 24 March 2023) (appointed 24 March 2023) (resigned 4 October 2022) (resigned 4 October 2022; Vice Chair until 4 October 2022) (resigned 24 March 2023) (resigned 4 June 2023)
Company Secretary:	Monica Itangata Douglas Clarke	(until 24 March 2023) (from 24 March 2023)
Key management personnel:	Dr Cathy Ratcliff	Chief Executive and Director of International Programmes
Registered office and operational address:	57 Albion Road Edinburgh EH7 5QY	
Senior Statutory Auditor:	Kevin Cattanach	
Independent auditors:	Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AT EH11 1YH	
Solicitors	Gillespie Macandrew 5 Atholl Crescent Edinburgh EH3 8EJ	
Bankers	Bank of Scotland PO Box 17235 Edinburgh	
Investment managers	Rathbone Investment Management George House 50 George Square Glasgow G2 1EH	

Statement of Trustees' Responsibilities

The Trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its income and expenditure for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention of fraud and other irregularities.

In preparing this report the Trustees have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

Statement as to disclosure of information to auditors

The Trustees have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. As far as the Trustees are aware, there is no relevant information of which the charity's auditors are unaware.

This report was approved by the Board of Trustees on 27 June 2023 and signed on their behalf by:

Rev Dr John A Cowie
Digitally signed by
Rev Dr John A Cowie
Date: 2023.06.28
11:06:40 +01'00'

Rev Dr John Cowie
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF

EMMS INTERNATIONAL
FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of EMMS International (the 'charitable company') for the year ended 31 March 2023, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), 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 FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 themselves. 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 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 directors' report, prepared for the purposes of company law and included in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included with 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included 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, Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report, included within report of the trustees, and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other

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purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Cattnach (Senior Statutory Auditor)
for and on behalf of Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AS

27 June 2023

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of Financial Activities (incorporating Income and Expenditure account)

For the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Income and endowments							
Donations and legacies	4	306,571	1,170,747	1,477,318	213,304	318,151	531,455
Charitable activities	5	-	423,820	423,820	-	135,973	135,973
Other income	6	-	-	-	(100)	-	(100)
Investments	6	7,904	-	7,904	1,412	-	1,412
Total income and endowments		314,475	1,594,567	1,909,042	214,616	454,124	668,740
Expenditure							
Raising funds	7	169,114	106	169,220	133,996	508	134,504
Charitable activities	8	(4,250)	1,434,976	1,430,726	106,938	764,377	871,315
Total expenditure		164,864	1,435,082	1,599,946	240,934	764,885	1,005,819
Gains on investments	13	(11,849)	-	(11,849)	8,025	-	8,025
Net (expenditure)/income		137,762	159,485	297,247	(18,293)	(310,761)	(329,054)
Transfers between funds	16	-	-	-	(29,348)	29,348	-
Net movement in funds		137,762	159,485	297,247	(47,641)	(281,413)	(329,054)
Total funds brought forward		741,436	1,727,109	2,468,545	789,077	2,008,522	2,797,599
Total funds carried forward		879,198	1,886,594	2,765,792	741,436	1,727,109	2,468,545
Represented by:							
General fund	16	669,343	-	669,343	584,624	-	584,624
Designated funds	16	209,855	-	209,855	156,812	-	156,812
Restricted funds	16	-	1,886,594	1,886,594	-	1,727,109	1,727,109
Total funds		879,198	1,886,594	2,765,792	741,436	1,727,109	2,468,545

All income and expenditure derive from continuing activities.

The notes on pages 18 to 27 form part of these financial statements.

Balance sheet

As at 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Fixed assets							
Tangible assets	12	2,601	-	2,601	514	-	514
Investments	13	147,041	-	147,041	160,222	-	160,222
Total fixed assets		149,642	-	149,642	160,736	-	160,736
Current assets							
Debtors	14	15,891	45,603	61,494	17,772	-	17,772
Cash and cash equivalents		739,135	1,863,542	2,602,677	583,203	1,730,817	2,314,020
Total current assets		755,026	1,909,145	2,664,171	600,975	1,730,817	2,331,792
Liabilities							
Creditors: falling due within one year	15	25,470	22,551	48,021	20,275	3,708	23,983
Net current assets		729,556	1,886,594	2,616,150	580,700	1,727,109	2,307,809
Total assets less current liabilities		879,198	1,886,594	2,765,792	741,436	1,727,109	2,468,545
Net assets		879,198	1,886,594	2,765,792	741,436	1,727,109	2,468,545
Funds of the Charity							
General fund	16	669,343	-	669,343	584,624	-	584,624
Designated fund	16	209,855	-	209,855	156,812	-	156,812
Restricted funds	16	-	1,886,594	1,886,594	-	1,727,109	1,727,109
Total funds		879,198	1,886,594	2,765,792	741,436	1,727,109	2,468,545

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

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the accounts; and

The financial statements were approved by the Trustees on 27 June 2023 and signed on their behalf by:

Rev Dr John A
Cowie

Digitally signed by Rev Dr John A
Cowie
Date: 2023.06.28 11:07:31 +01'00'

Rev Dr John Cowie
Chair

The notes on pages 18 to 27 form part of these financial statements.

EMMS International

Statement of Cash Flows

For the year ended 31 March 2023

	2023	2022
	Total	Total
	£	£
Cash flows from operating activities		
Net (expenditure)/income for the year	297,247	(329,054)
Adjust for non-cash items:		
Depreciation	1,337	172
Investment income	(7,904)	(1,412)
Net losses/ (gains) on investments	11,849	(8,025)
Decrease/(increase) in debtors	(43,722)	70,237
(Decrease)/increase in creditors	24,038	(15,714)
Cash inflow/(outflow) from operating activities	282,845	(283,796)
Cash flows from investing activities		
Investment income	7,904	1,412
Proceeds from sale of investments	1,332	156,520
Purchase of investments	-	(154,557)
Purchase of tangible fixed assets	(3,424)	(686)
Cash provided by investing activities	5,812	2,689
Change in cash and cash equivalents in the year	288,657	(281,107)
Cash and cash equivalents at the start of the year	2,314,020	2,595,127
Cash and cash equivalents at the end of the year	2,602,677	2,314,020

The notes on pages 18 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

1. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (“Charities SORP (FRS 102)”) and the Companies Act 2006.

EMMS meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared on a going concern basis as there are no material uncertainties about the charity’s ability to continue its operations. The charity has successfully coped with the uncertainties created by COVID-19 since March 2020 thereby further supporting the use of the going concern basis. The financial statements are prepared in sterling which is the functional currency of the charity.

The principal accounting policies are set out below.

1.a Donations, grants and legacies

Donations and grants are credited to income on a receivable basis. Institutional income is recognised to match the underlying expenditure which this income is intended to meet.

Legacies are included as income when received or when the charity has been advised that payment of a legacy will be made, and the amount involved can be quantified.

Gifts in kind, which comprise donated medical equipment and pro bono consultancy work, are included at a valuation which is an estimate of the financial cost borne by the donor where such cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

1.b Institutional income

Institutional income includes government income received under contract or where entitlement to grant funding is subject to specific conditions and is recognised as earned when the conditions are met and is deferred when not.

1.c Other Income

Other income comprises foreign exchange gains and losses. These represent gains and losses arising in respect of non-sterling cash balances and are recorded in the period in which they arise.

1.d Investments

Income from investments is included when receivable by the charity.

1.e Expenditure

Expenditure is included on an accruals basis, inclusive of VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Other costs, including governance costs, are incurred which support all activities or enable activities to take place. These costs are apportioned between activities in the same proportion as total direct expenditure has been incurred in undertaking these activities.

Expenditure on raising funds are costs incurred in fundraising and investment management.

Expenditure on charitable activities comprises programme expenditure and communication and advocacy costs.

1.f Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and are depreciated over their expected useful lives as follows:

Computer equipment	33 1/3 % pa straight line
Other equipment and furniture	20% pa straight line

All assets are capitalised where their expected useful life is three years or more.

1.g Investments

Quoted investments are independently valued at middle market price as at the Balance Sheet date.

Gains and losses on investments comprise realised gains and losses and unrealised gains and losses. Realised gains and losses on investments represent the difference between the sale proceeds and the valuation at the previous year's balance sheet date or, where purchased during the year, cost, and are recorded in the Statement of Financial Activities in the year in which they arise. Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and the valuation at the previous year's balance sheet date, or when purchased during the year and recorded in the Statement of Financial Activities.

1.h Fund accounting

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Board.

Designated funds are funds which have been set aside by the trustees out of unrestricted general funds for specific purposes.

Restricted funds are funds which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.i Pension scheme and pension costs

The charity operates a defined contribution pension scheme. Contributions payable to the scheme are charged to the Statement of Financial Activities in the period to which they relate. The other pension cost is in respect of an ongoing obligation to pay a pension to one individual. In the opinion of the Trustees the present value of the obligation is not material.

1.j Financial instruments

Financial instruments are recognised in the Statement of Financial Activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition they are accounted for as set out below.

The charity only enters into basic financial instruments. At the end of each reporting period basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial assets are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

2. Judgements and Key Sources of Estimation Uncertainty

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

There were no material judgements and key sources of estimation uncertainty in the preparation of the financial statements.

3. Legal Status of the Charity

The charity is a company limited by guarantee, registered in Scotland and has no share capital.

EMMS International

Notes to the financial statements
For the year ended 31 March 2023

4. Income from donations and legacies

	Unrestricted funds	Restricted funds	2023 Total	Unrestricted funds	Restricted funds	2022 Total
	£	£	£	£	£	£
Individual giving	196,834	148,166	345,000	163,383	79,763	243,146
Trusts and foundations	55,000	401,168	456,168	-	225,258	225,258
Church and community fundraising	33,783	4,958	38,741	13,682	11,130	24,812
Corporate and sponsorship	4,157	605,000	609,157	-	-	-
Legacies	16,797	11,455	28,252	36,239	2,000	38,239
	306,571	1,170,747	1,477,318	213,304	318,151	531,455

5. Income from charitable activities

	Unrestricted funds	Restricted funds	2023 Total	Unrestricted funds	Restricted funds	2022 Total
	£	£	£	£	£	£
Trusts and foundations	-	26,443	26,443	-	50,000	50,000
Institutional funding - FCDO	-	397,377	397,377	-	85,973	85,973
	-	423,820	423,820	-	135,973	135,973

6. Other income

	Unrestricted funds	Restricted funds	2023 Total	Unrestricted funds	Restricted funds	2022 Total
	£	£	£	£	£	£
Foreign exchange (losses)	-	-	-	(100)	-	(100)
	-	-	-	(100)	-	(100)

7. Income from investments

	Unrestricted funds	Restricted funds	2023 Total	Unrestricted funds	Restricted funds	2022 Total
	£	£	£	£	£	£
Investment income	3	-	3	375	-	375
Bank interest	7,901	-	7,901	1,037	-	1,037
	7,904	-	7,904	1,412	-	1,412

EMMS International

Notes to the financial statements
For the year ended 31 March 2023

8. EXPENDITURE

	Raising funds	Charitable activities	2023 Total	Raising funds	Charitable activities	2022 Total
	£	£	£	£	£	£
Direct costs:						
Programmes (grants awarded)	-	1,192,887	1,192,887	-	642,077	642,077
Staff related costs	128,037	145,219	273,256	103,621	132,769	236,390
Events and community fundraising	5,014	-	5,014	-	-	-
Information	10,044	5,305	15,349	7,169	7,580	14,749
Other costs	17,405	13,582	30,987	13,004	19,505	32,509
Total direct costs	160,500	1,356,993	1,517,493	123,794	801,931	925,725
Support costs:						
Staff related costs	5,537	46,811	52,348	6,664	43,171	49,835
Other costs	3,183	26,922	30,105	4,046	26,213	30,259
Total support costs	8,720	73,733	82,453	10,710	69,384	80,094
Total expenditure	169,220	1,430,726	1,599,946	134,504	871,315	1,005,819

Costs relating to a particular activity are allocated directly to that activity. Other costs are incurred which support all activities or enable activities to take place. These support costs, including governance costs of £9,300 (2022: £7,680), are apportioned between activities in the same proportion as total direct expenditure has been incurred in undertaking these activities.

9. Analysis of expenditure by country

2023 Expenditure by country was as follows:

	Malawi	India	Nepal	Total
	£	£	£	£
Programmes (grants awarded)	104,545	626,708	471,590	1,202,843
Staff and other programmes costs	22,627	138,671	70,835	232,133
Total charitable expenditure	127,172	765,379	542,425	1,434,976
Fundraising costs	106	-	-	106
Total restricted expenditure	127,278	765,379	542,425	1,435,082

2022 Expenditure by country was as follows:

	Malawi	India	Nepal	Total
	£	£	£	£
Programmes (grants awarded)	327,567	260,283	44,839	632,689
Staff and other programmes costs	72,359	57,021	2,308	131,688
Total charitable expenditure	399,926	317,304	47,147	764,377
Fundraising costs	508	-	-	508
Total restricted expenditure	400,434	317,304	47,147	764,885

EMMS International

Notes to the financial statements
For the year ended 31 March 2023

10. Net movement in funds

	2023	2022
	Total	Total
	£	£
This is stated after charging:		
Auditor's remuneration	9,300	7,680
Depreciation	1,337	172
Operating lease cost	2,189	2,392

11. Staff costs and key management remuneration

	2023	2022
	Total	Total
	£	£
Gross salaries	266,623	226,205
Employer national insurance costs	25,644	20,095
Pension costs	25,091	29,179
	<u>317,358</u>	<u>275,479</u>
Average number of employees:		
Fundraising	2.8	2.2
Programme management, communication and advocacy	3.0	2.8
	<u>5.8</u>	<u>5.0</u>

The number of employees whose annual remuneration was between £60,000 and £70,000 was 1 (2022: 1).

The total remuneration of key management personnel, being the Chief Executive, during the year was £78,444 (2022: £73,398).

The pension fund is a defined contribution scheme with assets held by a fund external to the charity. All eligible employees are entitled to join the scheme. During the year, we made contributions on behalf of 8 employees (2022: 7).

No accrual has been made for holiday pay at the year-end as amounts due are considered immaterial.

EMMS International

Notes to the financial statements
For the year ended 31 March 2023

12. Tangible fixed assets

	Computer equipment and furniture £	Total £
Cost		
At 1 April 2022	7,430	7,430
Additions	3,424	3,424
Disposals	(466)	(466)
At 31 March 2023	<u>10,388</u>	<u>10,388</u>
Depreciation		
At 1 April 2022	6,916	6,916
Charge for year	1,337	1,337
Impairment	-	-
Eliminated on disposals	(466)	(466)
At 31 March 2023	<u>7,787</u>	<u>7,787</u>
Net book value		
At 31 March 2023	<u>2,601</u>	<u>2,601</u>
At 31 March 2022	<u>514</u>	<u>514</u>

13. Investments

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
UK listed investments:						
At 1 April	160,222	-	160,222	154,160	-	154,160
Additions in year	-	-	-	154,557	-	154,557
Disposals in year	(1,332)	-	(1,332)	(156,520)	-	(156,520)
Net (losses)/ gains in year	(11,849)	-	(11,849)	8,025	-	8,025
Market value at 31 March	<u>147,041</u>	<u>-</u>	<u>147,041</u>	<u>160,222</u>	<u>-</u>	<u>160,222</u>
Historical cost at 31 March	<u>145,920</u>	<u>-</u>	<u>145,920</u>	<u>145,920</u>	<u>-</u>	<u>145,920</u>

Investments at 31 March are listed below:

Listed investments	146,276	-	146,276	159,815	-	159,815
Cash in portfolio	765	-	765	407	-	407
Market value at 31 March	<u>147,041</u>	<u>-</u>	<u>147,041</u>	<u>160,222</u>	<u>-</u>	<u>160,222</u>

14. Debtors

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Income tax recoverable	3,428	-	3,428	8,071	-	8,071
Prepayments	11,369	-	11,369	9,103	-	9,103
Other debtors	1,094	45,603	46,697	598	-	598
	<u>15,891</u>	<u>45,603</u>	<u>61,494</u>	<u>17,772</u>	<u>-</u>	<u>17,772</u>

EMMS International

Notes to the financial statements
For the year ended 31 March 2023

15. Creditors: falling due within one year	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Trade creditors	4,801	-	4,801	5,097	-	5,097
Taxation and social security	8,789	-	8,789	6,195	-	6,195
Accruals	11,880	3,708	15,588	8,983	3,708	12,691
	25,470	3,708	29,178	20,275	3,708	23,983
Deferred income	-	18,843	18,843	-	-	-
	25,470	22,551	48,021	20,275	3,708	23,983

Deferred income comprises monies received from the Foreign, Commonwealth and Development Office for Project Sunita which have not yet been matched by project spend. These monies will be recognised as income in 2023-24.

16. Funds analysis

Current year

	Balance at 01.04.22	Income	Expenditure	Transfers	Investment (losses)	Balance at 31.03.23
	£	£	£	£	£	£
Unrestricted funds						
General fund	584,624	314,475	(164,864)	(53,043)	(11,849)	669,343
Nepal designated fund	156,812	-	-	53,043	-	209,855
Total unrestricted funds	741,436	314,475	(164,864)	-	(11,849)	879,198
Restricted funds						
Malawi fund	916	132,235	(127,278)	-	-	5,873
India fund	1,551,829	1,052,330	(765,379)	-	-	1,838,780
Nepal fund	174,364	410,002	(542,425)	-	-	41,941
Total restricted funds	1,727,109	1,594,567	(1,435,082)	-	-	1,886,594

Prior year

	Balance at 01.04.21	Income	Expenditure	Transfers	Investment gains	Balance at 31.3.22
	£	£	£	£	£	£
Unrestricted funds						
General fund	603,655	214,616	(240,934)	(738)	8,025	584,624
Nepal designated fund	185,422	-	-	(28,610)	-	156,812
Total unrestricted funds	789,077	214,616	(240,934)	(29,348)	8,025	741,436
Restricted funds						
Malawi fund	42,582	358,030	(400,434)	738	-	916
India fund	1,842,039	27,094	(317,304)	-	-	1,551,829
Nepal fund	123,901	69,000	(47,147)	28,610	-	174,364
Total restricted funds	2,008,522	454,124	(764,885)	29,348	-	1,727,109

EMMS International

Notes to the financial statements
For the year ended 31 March 2023

Explanation of funds

The *General fund* represents all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is restricted.

The *Nepal designated fund* represents monies ringfenced by the Board to be applied to the Sunita project to augment the funding which will be provided by the FCDO. The project started on 1 April 2022. During 2022-23 a transfer of £53,043 from the General Fund was made to match EMMS's commitment to the project as at 31st March 2023. This commitment is represented by the designated fund (£209,855) and the Sunita restricted fund (£41,941). In 2021-22 £28,610 was transferred out of the fund to pay for costs prior to Sunita starting, although these costs should actually have been met from the General Fund.

The *Restricted funds* (by country) represents donations and grants received to support our health training and care projects in those named countries. In 2021-22, £738 was transferred from the General Fund to meet the remaining expenditure in a project in Malawi which ended in June 2021.

17. Analysis of net assets between funds

	Tangible		Net current	Total
	fixed assets	Investments	assets	
	£	£	£	£
General fund	2,601	147,041	519,701	669,343
Designated fund	-	-	209,855	209,855
Restricted funds	-	-	1,886,594	1,886,594
Total net assets at 31st March 2023	2,601	147,041	2,616,150	2,765,792

	Tangible		Net current	Total
	fixed assets	Investments	assets	
	£	£	£	£
General fund	514	160,222	423,888	584,624
Designated fund	-	-	156,812	156,812
Restricted funds	-	-	1,727,109	1,727,109
Total net assets at 31st March 2022	514	160,222	2,307,809	2,468,545

18. Trustees' and other related parties' transactions

One trustee was reimbursed travel expenses of £36 (2022: nil).

Unrestricted donations of £990 were received from 5 trustees during the year (2022: £10,160 from 4 trustees).

There were no transactions with other related parties during the year (2022: nil).

19. Operating lease commitments

At 31 March 2023, the Charity had annual commitments under non-cancellable operating leases, as follows:

	2023	2022
	Total	Total
	£	£
Not later than one year	1,094	879
	1,094	879

The operating lease relates to the office in Edinburgh, and was amended in April 2022.

20. Contingent liabilities

EMMS International's current Centenary Vision projects in India totalling £4.5M are scheduled for final completion in late 2026 and funds continue to be successfully raised for these. Based on projections as at 31 March 2023, a further £1.1M of funds required to be raised to augment the £1.8M of India funds held at the year end. Of this £1.1M still to be raised, £0.8M was received in June 2023, thus £0.3M is still to be raised for these projects to become fully funded.