

# Annual Report 2016



The Leprosy  
Mission  
New Zealand





## **Vision**

Leprosy Defeated, Lives Transformed.

## **Mission Statement**

Following Jesus Christ, the Leprosy Mission strives to break the chains of leprosy, empowering people to attain healing, dignity and life in all its fullness.

## **Values**

Because we follow Jesus we value: Compassion, Justice, Integrity, Inclusion and Humility.

## **Our commitment to you**

While The Leprosy Mission New Zealand holds itself to the highest standards in all activities it undertakes, there may be times when this standard cannot always be achieved or be perceived to be achieved. In the event of a complaint being received by The Leprosy Mission New Zealand, we will endeavour to investigate, put things right and learn from the experience.

In the first instance, please contact us:

Website: [leprosymission.org.nz](http://leprosymission.org.nz)

Phone: +64 9 630 2818

Freephone: 0800 862 873 (NZ Only)

If you have raised a complaint with The Leprosy Mission New Zealand and are unsatisfied with the response to that complaint you may contact;

The Council for International Development (CID), a sector organisation which The Leprosy Mission New Zealand is a member of and must adhere to its code of conduct. Website: [cid.org.nz](http://cid.org.nz)

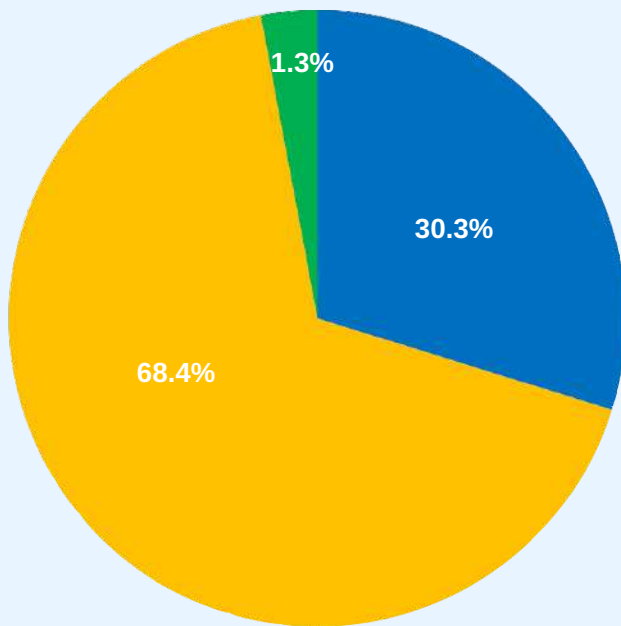
Or you can contact the Charity services. Website: [charities.govt.nz](http://charities.govt.nz)



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## Income Received



NZ Government Grants	30.3%	\$1,527,299
Private Income	68.4%	\$3,451,587
Interest/ Other Income	1.3%	\$67,817
<b>Total</b>	<b>100.0%</b>	<b>\$5,046,703</b>

## Thank you for your generosity

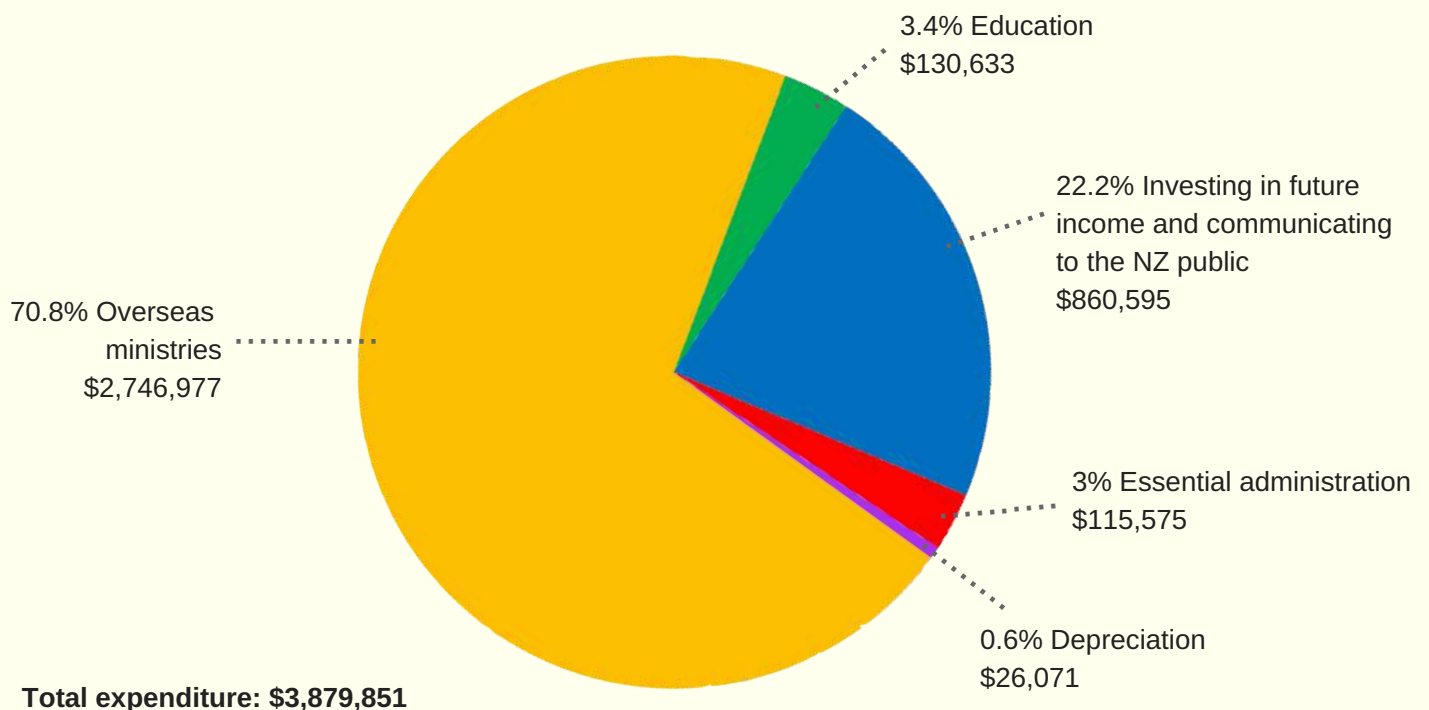
Our sincere thanks to all our wonderful supporters. Your commitment to our mission makes such a difference every day to the leprosy-affected communities we work with in the Pacific, northern Africa and Asia.

To our many volunteers, who contributed more than 22,750 hours of your invaluable time in 2016 – thank you! Your loyalty and devotion as Moneybox collectors, Board and committee members, prayer partners, community volunteers, Youth Advocates, as well as office, stamp and mailout volunteers, is extraordinary.

Our grateful thanks also go to our field partners, members of the Leprosy Mission Global Fellowship and The New Zealand Aid Programme, the New Zealand Government's official aid for developing countries.

We are also thankful to those supporters who kindly remembered the work of the Leprosy Mission in their Will.

## Where the money goes







## Annual Report of The Leprosy Mission New Zealand Incorporated

*The steadfast love of the Lord never ceases; his mercies never come to an end; they are new every morning; great is your faithfulness.*

*Lamentations 3:22-23 (ESV)*

It is a privilege to bring you the Annual Report for the Leprosy Mission New Zealand Incorporated for 2016.

We are humbled by the compassion and generosity of our supporters who faithfully share our global vision of “Leprosy defeated, Lives transformed”. Together we can fulfill our mission to bring healing, hope and love for people affected by leprosy. You can read the impact you make through your commitment towards curing, caring for and restoring individual lives, families and communities in many of the countries you support.

Many people contribute to the overall effectiveness of The Leprosy Mission New Zealand (LMNZ) and thanks is extended to all the volunteers and staff around the world for their time and expertise. Their dedicated work is the practical demonstration of Christ’s love in action.

Your prayers, support and encouragement are vital to all we do. Thank you.

This report is a review of our work and achievements over the past year and outlines the key focus for LMNZ for 2017 and beyond.

### Financials

Income for the year ending 31 December 2016 was \$5,046,703.

Operating expenditure for the year was \$1,132,874 and the amount committed to Overseas Ministry was \$2,746,977.

This resulted in an overall surplus for the year of \$1,166,852 which will be used to fund operations and future remittances.

I would like to thank the management team, all employees and volunteers for their contribution to these excellent results.

### Leprosy Mission Global Fellowship

The Leprosy Mission Global Fellowship members meeting was held in London in September 2016. Gillian Whitley and I attended this meeting which brings together the twenty-nine member countries of the global network. At this meeting we focussed on the five-year review of the Global Fellowship model and priorities going forward to achieve our vision of “Leprosy Defeated and Lives Transformed”.

There will be a focus in the coming years to build the capacity of all member countries, reducing the reliance on The Leprosy Mission International office and growing global income to hasten the timeline of defeating leprosy. There is much to celebrate with research projects continuing to investigate the transmission and interruption of the leprosy bacteria, member countries without a local Board of Trustees developing towards self-governance, and a greater focus on global advocacy raising awareness that leprosy can be defeated within a generation.

Resourcing our work is a constant challenge and we continue to work collaboratively within the Global Fellowship and with partners to ensure that we reach even more people affected by leprosy.

## The New Zealand Focus

LMNZ continued to implement its Strategic Plan 2014-18 focusing on three key strategic priorities;

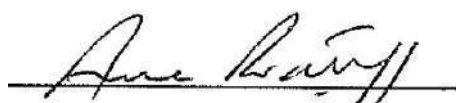
- Engage New Zealanders in ending leprosy and transforming lives.
- Resource and support field programmes that cure, care for and restore people with leprosy.
- Actively partner with the Leprosy Mission Global Network to end global leprosy.

Total income has increased over 2015 with generous bequests and donations from supporters prayerfully and financially supporting our work in Bangladesh, Ethiopia, India, Nepal, Papua New Guinea and Bougainville. The NZ Aid Programme (New Zealand Government's official aid for developing countries) is a key funding partner for our projects in Bangladesh, Papua New Guinea and Bougainville.

In 2016 I was delighted to welcome Gillian Whitley as our new Executive Director and she is already ensuring continuity of the momentum gained and adding fresh insights to the organisation. The Board acknowledge and thank the staff for their constant hard work, prayer and passion.

On behalf of the Board, it is a pleasure to thank all our supporters, members and volunteers for their generosity and prayers over the last twelve months. Together and with God's grace, we continue to bring lasting transformation to some of the most vulnerable people in the world.

With blessings,



**Anne Ratliff**

BOARD CHAIR

The Leprosy Mission New Zealand Incorporated

## Board

**Anne Ratliff** PostGradDipBus, P.M.E.R. - Board Chair

**Grant Pollock** BBS, CA - Treasurer

**Jo Burnett** BNurs

**Odele Habets** BHSc, PostGradDipDev (Distinction),  
GradDip (Biblical Studies/ Theology)

**Phil Johnstone** BA (Hons), Dipjour

**Dr Susan Maiava** BSc (Hons) MA (Distinction), PhD

**Rev. Kathleen Gavin** Dip Physio, Dip Biblical Studies,  
Dip Clinical/ Pastoral Counselling

**Dr Ramon Pink** MBChB, MPH, FNZCPHM

**Andrew Stott** BCom/BA, MBA

**Dr. Peter McGhee** NDA, MBus (Hons), MEd (Hons), PhD

## Executive Director

**Gillian Whitley** MBS(HR Management),  
PGDipArts(Psych)

## Auditor

**Peter Conaglen** PP, BMS, Dip Min

## Hon-Solicitors

**Gaze Burt**

# Bangladesh



## Chittagong People-led Development Project Bangladesh (CPDP)

**Project Goal:** Improved quality of life for disadvantaged people, particularly those affected by leprosy and disability- through social and economic development facilitated through Self-Help Groups (SHGs).

### OBJECTIVES

#### Objective One:

Self-help groups functioning under a sustainable Federation and Association structure - to support economic and social development of their members.

#### Objective Two:

Increased incomes - through sustainable income generation activities.

#### Objective Three:

Increased social inclusion and engagement in the broader community.

### ACHIEVEMENTS

- Total membership of SHGs grew to 225 groups with 3,389 members.
- SHG membership is 79% female and 74% of the leadership positions are occupied by females.
- The Federations achieved their target financial sustainability goal of 80%. The Association has achieved financial sustainability of 11% against a target of 14%.
- Due to the leadership training provided by the Federation and Association 30% of groups are managing their core functions independently including planning, mentoring and convening meetings.
- The project delivered a range of Income Generation Activity training such as: basic farming, weaving, simple business plan development and vocational training.
- Monitoring surveys of SHG members in 2016 found that 81% of SHG members reported that their income had increased.
- Increased income has enabled SHG members to pay for school fees for their children and reduced child labour.
- Loans were given to SHG members to start small businesses and the loan repayment rate is 100% and saving levels continue to grow.
- The participation in social activities and the inclusion of members affected by leprosy increased in significant areas with 98% now included in wedding ceremonies, 92% in worship services, 81% in shopping and 75% in state services. In 2016, 82% took part in the family decision-making processes against a baseline of 55%.
- The development of skills in self-care for leprosy patients and their families has increased. In 2016 a number of new members with prosthetic limbs developed ulcers and they were provided with self-care training. As a result the ulcers were healed and managed. This reflects the overall trend throughout the project.
- The Federation Field Officers discussed rights issues with all groups at least quarterly. This increased the knowledge of members about their rights and what help they are entitled to as a citizen within their country's social support services.



# Bangladesh



## Chittagong Hill Tracts Leprosy and Economic Development Project

The project started in January 2012 and ended in 2016. This is a final summary of the project.

**Overall Project Goal:** Reduced poverty in the Chittagong Hill Tracts through elimination of leprosy as a public health issue and the improved health, economic and social situation of people (and communities) affected by leprosy and physical disability.

### OBJECTIVES

#### Objective One:

Reduced incidence and prevalence of leprosy.

### ACHIEVEMENTS

- The project has been very successful in reducing the leprosy prevalence rate in target communities.
- The project achieved a new case prevalence rate of 0.73/10,000 in comparison to its original target of 0.75/10,000.
- Community based volunteers, health practitioners and other stakeholders received specialised leprosy case detection training which resulted in the increased rate of early detection in target communities.

#### Objective Two:

Improved health of people and communities affected by leprosy and disabilities through: targeted general public health education aiming at better overall community health in areas with high levels of leprosy; improved treatment of leprosy and leprosy-related ill-health; improved care for leprosy-related and general disability with a focus on improved self-care practices.

- 23 community wells were installed and repaired. Through training and support the supply of clean water has increased and the contraction of waterborne diseases has decreased.
- Training on nutritional food was delivered to the majority of community members and the intake of locally grown fruits, vegetables and fish has increased.

#### Objective Three:

Sustainable, self-managing self-help groups (SHGs) operating to support the economic and social development of people (and families) affected by leprosy and physical disabilities.

- The level of savings for all groups is increasing and plans for the use of these savings are impressively aspirational.
- Most of the SHGs are functioning well without any formal supervision. The groups maintain proper records and meet on a monthly basis, this is a direct result of leadership and SHG training given by the project. New members are joining the groups regularly.

#### Objective Four:

Self-help group members' family incomes increase through engagement in sustainable income generation activities.

- SHGs have helped members to set up small scale income generating activities like cow, pig and goat rearing, local fruit and vegetable cultivation, traditional 'Jum' (mixed grain and vegetable cultivation in hilly areas) cultivation.
- Income generation activity has improved the economic and social condition of people in target communities. The average household income has increased which has led to increased savings.
- All SHGs have now received seed funding to enable them distribute loans to members.



### Objective Five:

Increased social inclusion and engagement of group members in the broader community through: improved physical fitness for work; pursuit of new social and economic opportunities; increased awareness of rights and state/social entitlements and how to access them.

- The project has been instrumental in reducing stigma related to leprosy and disability and restoring rights to vulnerable and marginalised people.
- Leprosy and disability affected people and other marginalised people are now receiving a monthly allowance of around 300Tk (\$5) per month from the government.
- 80% of community leaders supported leprosy and disability awareness activities. The leaders are now referring leprosy and disability cases to local health centres rather than traditional healers.

### Yasin's Story

A year ago Yasin, 10 years old, and his small family were struggling. They didn't have the basics in life, and because Yasin couldn't afford exercise books, pencils and the school fees his education was threatened. His mother Kulsuma joined her local self-help group and took a course on leadership and business skills. She took a small loan of \$130 and bought a cow. She now makes a small living selling the milk and this is enough to pay for food, clothing and school fees for her family. Yasin was also gifted a Back to School kit including a school bag, exercise books and pens to last all year. He is now very happy he can go to school every day, in fact he is doing so well in mathematics he scored the best in his class!



A second chance for this family in Bangladesh.



Yasin proudly wears his backpack gifted through the Back to School Kit.

Last year he thought he was so poor that he had no prospects of continuing with his schooling, so he thought he had no future. Now he dreams about becoming an engineer.

# Papua New Guinea



## Bougainville Healthy Communities Programme (BHCP)

**Project Goal:** Healthier Bougainville Communities through Village and Government Sharing Responsibility for good health.

OBJECTIVES	ACHIEVEMENTS
<p><b>Objective One:</b> Reduced incidence and severity of disease and illness.</p>	<ul style="list-style-type: none"> <li>• By the end of 2016 BHCP was operating in 12 of Bougainville's 13 districts representing more than 95% of its total population.</li> <li>• There is an increased proportion of Bougainville rural communities with improved health as a result of participating in all components of the healthy communities programme.</li> </ul>
<p><b>Objective Two:</b> Stronger village governance and leadership.</p>	<ul style="list-style-type: none"> <li>• A total of 2,145 leaders have now been trained on village leadership and governance.</li> <li>• Leadership in 712 out of a total of 817 village communities has been actively involved in supporting BHCP activities.</li> <li>• Currently 80% of the 712 communities reporting have active Village Authorities.</li> </ul>
<p><b>Objective Three:</b> Improved health practices in rural communities.</p>	<ul style="list-style-type: none"> <li>• The number of communities with a safe water supply has increased from under 30% to over 90%.</li> <li>• Increased proportion of families with a toilet and other sanitation provisions.</li> <li>• An increased proportion of babies are now being born under supervised situations, and mothers are now attending antenatal clinics.</li> </ul>
<p><b>Objective Four:</b> Improved community demand for, access to, and use of, basic health services in rural Bougainville.</p>	<ul style="list-style-type: none"> <li>• 284 new cases of leprosy out of 331 suspected cases and 819 diagnosed cases of TB from 898 suspected cases. Those diagnosed with leprosy are now undertaking a managed treatment programme using Multi-Drug Therapy.</li> <li>• 2,427 babies were born under safe conditions out of 2,558 total babies born in 2016.</li> </ul>
<p><b>Objective Five:</b> BHCP Healthy Communities model, and its funding and management, integrated into government health system with growing collaboration between village communities, local health facilities, their staff and health programmes, with support from local level Government.</p>	<ul style="list-style-type: none"> <li>• All health facility staff from 32 health facilities were involved in BHCP field activities. This included a range of activities, such as leprosy tracking orientation and health awareness.</li> <li>• BHCP continues to work very closely with the Autonomous Bougainville Government health system for sustainability.</li> </ul>



**Objective Six:**

Village leaders utilising village and government resources to implement village development plans.

- 374 villages now have Chief-led village action plans.
- Village Treasuries have been established in 325 villages. This will be further strengthened by enhanced training and the effective use of model villages to showcase the implementation of village development plans.
- Increasing numbers of village communities are accessing resources from Government and political members including vital resources like water tanks and roads.

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**Objective Seven:**

Increasing village-based knowledge on preventing illness and disease, identifying its occurrence, and promoting referral to, and use of health facilities for diagnosis and treatment.

- A total of 11,524 health awareness activities were conducted in the 712 communities reporting.
- Over 65% of village communities have active Health Committees.

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**Objective Eight:**

Village leaders understand village government requirements, the value of strong village leadership and have the skills, support and motivation to develop strong village governance.

- Over 90% of BHCP community leaders have completed basic leadership and governance training.
- By the end of 2016 a total of 2,145 leaders had received training, with 994 receiving advanced level training.



# Papua New Guinea



## The Papua New Guinea Leprosy Control Partnership

This project started in January 2013 and ended in 2016. This is a final summary of the project.

**Overall Project Goal:** Reduced leprosy burden in Papua New Guinea.

OBJECTIVES	ACHIEVEMENTS
<b>Objective One:</b> Sustainable reduction in the number of new leprosy cases in all of PNG's Provinces.	<ul style="list-style-type: none"><li>• The provision of leprosy health services in PNG has been revived and reinvigorated, and communities are now more aware of the possible existence of leprosy around them.</li><li>• Health Care Workers received leprosy training through the project, and are now able to detect untreated leprosy cases. This will lead to early diagnosis and a reduction in disability. The new cases will eventually decrease after some years of continued case-finding efforts.</li></ul>
<b>Objective Two:</b> Undertake active leprosy case finding in high prevalence locations.	<ul style="list-style-type: none"><li>• 388 (Female – 89 and Male - 299) new leprosy cases found in 2015. Results for 2016 were not available at time of printing.</li><li>• 2 skin clinics in Central PNG resulted in finding 37 new cases of leprosy and case detection in Western PNG resulted in finding 22 new cases of leprosy.</li></ul>
<b>Objective Three:</b> Improve the national leprosy control case management, review and monitoring system.	<ul style="list-style-type: none"><li>• Since the World Health Organisation's External Review of the National Department of Health's Leprosy Strategy 2011-2015, the National Leprosy Elimination Task Force has been revived and has been meeting at least monthly since July 2015.</li><li>• The Leprosy Manual of Operations publication has been revised and distributed to all provinces. In total 2,000 copies were distributed at a provincial level.</li><li>• TLM provided technical input for developing PNG National Leprosy Strategic Plan 2016-2020.</li><li>• TLM PNG will be an implementing partner for National Leprosy Elimination Program 2016-2020.</li></ul>
<b>Objective Four:</b> Leprosy control and management training provided for health staff nationwide, specific to the level of health facility.	<ul style="list-style-type: none"><li>• Training was conducted including training for health staff and district facilitators.</li><li>• 90% of trained staff retained and shared leprosy knowledge.</li><li>• 136 health care workers received 1 week of leprosy training in 2015 and in 2016 they were working in 158 health facilities.</li><li>• The number of new identified cases has increased which reflects improved diagnosis which could lead to a reduction in leprosy related disability.</li></ul>



### Objective Five:

Targeted activities carried out in high leprosy prevalence locations to:

- raise awareness and mobilise communities to seek treatment
- promote prevention of disability
- promote inclusion of leprosy affected people

- 16 villages were visited to give leprosy awareness talks, reaching a total of 12,446 listeners.
- 2 Elementary schools and 18 Primary schools received education about leprosy involving 4,742 students. 169 teachers from 20 schools were given in-service training on the basics of leprosy.
- In 2 high prevalence provinces radio coverage raising awareness about leprosy was conducted.
- Leprosy awareness was conducted in hot spot communities and schools reaching a total of 3,597 students and 162 teachers in the East New Britain province and 452 people in the National Capital District.
- 83 leprosy ambassadors were appointed in the National Capital District.
- World Leprosy Day was celebrated in 6 hot spot districts of 2 high prevalence provinces.

### Objective Six:

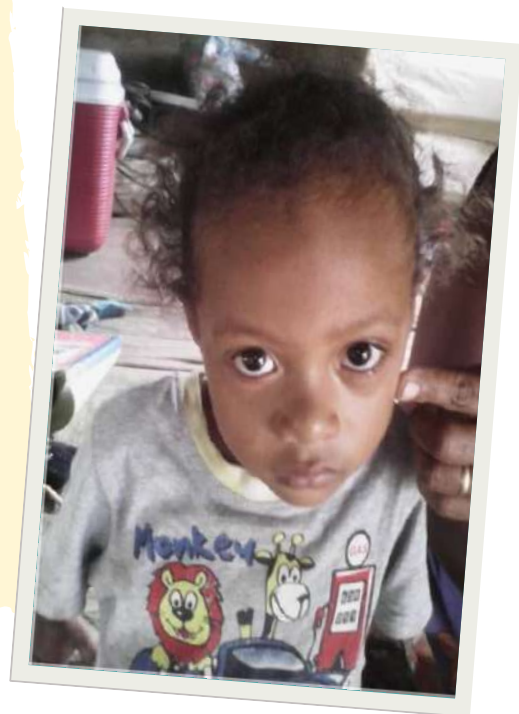
Network of government and civil society organisations established to facilitate their role in addressing leprosy through inclusive development.

- Networking and partnerships are established through the stakeholder meetings and integrated with other activities of the project.
- See objective 3.

### Early detection works miracles!

Lavu was only 4 years old when he first developed white patches on his face. It is devastating to see such a young child suffering from leprosy. Thankfully - with help from Robert Kauga, a village health volunteer, Lavu was transferred to the local Health Facility to be examined by the Health Worker. Lavu was given a six-month course of multi-drug therapy, the cure for leprosy, and his progress was monitored by Robert.

By completing the treatment and receiving care and support from Robert and the Leprosy Mission, Lavu is now completely cured of leprosy. Because of early detection, Lavu has not developed any disability or noticeable problems. He is able to go to school and play with his friends. There is so much to celebrate!



# Nepal



## Anandaban Hospital Support Project

**Project Goal:** Provide comprehensive quality care for leprosy affected patients and basic medical services to the catchment community.

### OBJECTIVES

#### Objective One:

To provide tertiary level leprosy health services.

### ACHIEVEMENTS

- 575 ulcer patients received outpatient visits, 283 ulcer patients received inpatient services and 182 received septic surgery.
- 177 reconstructive surgeries were performed including hand, foot and eye surgery.
- 154 new leprosy cases were diagnosed with an 86% completion rate for Multi-Drug Therapy.

#### Objective Two:

To provide general health services to people in the Lalpur district.

- Anandaban Hospital provided care and treatment for 33,727 people through in-patient and out-patient services.
- 1,333 visits to the in-patients department including medical, maternity, general surgery and orthopedic-surgery.

#### Objective Three:

To provide assistance to the community and repair vital structures following the earthquakes in 2015.

- The hospital continues to provide counselling and community supplies to earthquake affected people.
- Construction of the general medical ward, trauma ward, staff living quarters and the water tank is underway.

Apart from hospital support, every year The Leprosy Mission New Zealand will send a group of Youth Advocates to Nepal for a mission trip.

In 2016, they raised \$28,000 for a 4WD for Anandaban Hospital.

"I feel so blessed to have been given this opportunity to be able to share my experiences. It is so exciting to be able to change the ideas that people, especially young people my own age, have about leprosy, and how they can so easily be a part of supporting leprosy-affected people." -- Katy Edwards, 2016 Youth Advocate





# India



## Leprosy Mission Hospital in Muzaffarpur

**Project Goal:** Enhanced comprehensive quality care for people affected by leprosy.

### OBJECTIVES

#### Objective One:

Provide high quality, comprehensive specialist leprosy services.

#### Objective Two:

Provide secondary care services in Dermatology and primary care in Ophthalmology.

#### Objective Three:

Identify students for, and implement the Catch Them Young (CTY) education project in association with the other LM Centres across India.

### ACHIEVEMENTS

- 1,938 new cases of leprosy were diagnosed and treated with Multi-Drug Therapy.
  - 70 reconstructive surgeries were conducted including hand, foot and eye surgery.
  - 412 pairs of protective footwear were provided to patients who had lost the feeling in their feet.
  - 277 patients were admitted for ulcers.
  - 322 leprosy reaction and neuritis patients were treated.
- 
- 74,644 people came for dermatology consultations and treatments were undertaken.
- 
- This year 1,008 children (497 girls and 511 boys) have been supported with financial assistance to continue their education through the CTY project. This assistance will pay for school fees, books, uniforms and other related costs.
  - 835 children are attending school, 121 are university students and 52 students are pursuing professional courses such as Nursing, Engineering and IT.
  - A talent show was organised in which more than 50 children participated. It was the first time any of the children had performed on a stage and it provided a platform for them to express themselves.



## Vocational Training Centre in Faizabad

**Project Goal:** Families affected by leprosy and disability achieve enhanced earning capacity on a sustainable basis and are in the main stream of society.

### OBJECTIVES

#### Objective One:

Impart marketable vocational skills to people affected by leprosy and disability.

#### Objective Two:

Enhance the socio-economic status of people affected by leprosy and disability through skills training and employment.

#### Objective Three:

Enrich the lives of people affected by leprosy and disability through provision of additional activities such as counselling and life-skill training.

#### Objective Four:

Encourage people affected by leprosy and disability to be self-sufficient.

#### Objective Five:

To provide tertiary level leprosy health services and general health care to the community through the onsite hospital.

### ACHIEVEMENTS

- 103 students enrolled in the Vocational Training Centre (VTC) for vocational courses including computing, electronics, mechanics and tailoring.
- Of those that attended courses through the project 98.7% of students were successfully trained in academic exams and 80% are now in placements and 3% are self-employed.
- 57 students went for on the job training at TLM Hospitals, Coco Cola, Vilal Electronic Faizabad, Amit Motors and Parak Dairy Faizabad.
- The counselling team visited 40 high leprosy prevalent areas.
- Daily self-care exercises are performed under the guidance of the VTC warden & TLM Hospital Physiotherapist.
- Awareness programmes on leprosy, gender, neglected tropical diseases (NTD), water, sanitation and hygiene (WASH) and Human Rights were conducted.
- A range of extracurricular activities were conducted including daily devotions, sports and music, literary studies and life-skill training.
- All students at the VTC learn vital life-skills such as cooking, cleaning and general care and wellbeing.
- 100% of the graduates employed are working under fair trade conditions.
- 126 patients were referred for Multi-Drug Therapy, 63 pairs of protective shoes were distributed and 65 complicated ulcers were managed.
- 20,960 dermatology patients were registered and there were 48,390 revisits.
- 202 minor surgeries were performed.

# Ethiopia



**Partner:** ENAPAL (Ethiopian National Association of Persons Affected by Leprosy).

## Educational Support for Children Affected by Leprosy

**Project Goal:** Educational support grants for children affected by leprosy

### OBJECTIVES

#### Objective One:

Providing scholarship support to children from impoverished families of people affected by leprosy.

### ACHIEVEMENTS

- Project coordinating committees were organised in each local association and the target committees participated in discussions regarding the project objectives.
- 236 children (106 females) received educational support in 9 local associations across Ethiopia.
- Educational materials were procured and distributed to children affected by leprosy including 3,288 exercise books, 1,680 pens, 840 pencils and grants of 69,400Birr (\$4,324) for school uniforms and registration fees.
- A small number of adults were supported in attending evening classes to attain a school leaving certificate to give them better job prospects.



# Financial Statements

## Statement on Corporate Governance

The Board is responsible for preparing financial statements that give a true and fair view of the financial position of The Leprosy Mission New Zealand at the end of a financial year and the operating results for that year. The external auditor is responsible for expressing an opinion on the financial report, based on a review and assessment of the conclusions drawn from evidence obtained in the course of the audit.

The general purpose financial statements set out in this report have been prepared by management in accordance with generally accepted accounting practice under the Financial Reporting Act 2013. LMNZ has taken early adoption of the NZ International Public Sector Accounting Standards [NZ IPSAS] tier 2. They are based on appropriate accounting policies which have been consistently applied and supported by reasonable judgements and estimates.

### The Board

The Board retains full and effective control over the society, monitors executive management and ensures that decisions on materials matters are in the hands of the Board.

### Audit Committee

The audit committee is composed of members of the Resources committee. The external auditor has access to this committee and has met with the committee following completion of the audit for the 12 months ended 31 December 2016. Matters considered included a review of the financial statements and accounting policies, the effectiveness of management information and other systems of internal control and the auditor's findings. The auditor is appointed each year based on recommendations of the audit committee.

### Internal Control

To fulfil its responsibilities, management maintains adequate accounting records and a system of internal controls which is monitored periodically. No breakdowns were identified in the systems of internal control for the 12 months ended 31 December 2016. After reviewing internal financial reports and budgets, the Board believe that The Leprosy Mission New Zealand will continue to be a going concern in the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.



# The Leprosy Mission New Zealand Incorporated



## STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2016

Incoming Resources	Notes	2016 \$	2015 \$
Donations	4f(i),8	1,865,082	1,971,337
Trusts/Corporates/Major Gifts	4f(i)	184,546	139,113
Bequests	4f(ii)	1,401,959	432,610
Interest and Other revenues	4g9(i),(ii)	67,817	124,276
NZ Government Grants from MFAT <sup>1</sup>	4f(iii),9	1,527,299	2,054,370
<b>TOTAL Incoming Resources</b>		<b>5,046,703</b>	<b>4,721,706</b>
<b>Resources Expended</b>			
Overseas Ministry	9	2,746,977	3,102,634
Education		130,633	106,332
Marketing and Promotion		860,595	855,350
Administration		115,575	181,125
Depreciation	4b, 12	26,071	27,092
<b>TOTAL Resources Expended</b>		<b>3,879,851</b>	<b>4,272,533</b>
<b>Surplus/(Deficit) for the year</b>		<b>1,166,852</b>	<b>449,173</b>
<b>Transfer to Reserves</b>	17d-17g	<b>(1,185,000)</b>	
<b>General Funds carried forward</b>		<b>(18,148)</b>	<b>449,173</b>

<sup>1</sup> Ministry of Foreign Affairs and Trade

The accompanying notes form an integral part of these financial statements

# The Leprosy Mission New Zealand Incorporated



## STATEMENT OF CHANGES IN EQUITY / NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Balance at beginning of year		1,210,653	664,870
General Fund	17a	(25)	96,610
Lend n Mend Fund	17b	(1,000)	
Restricted Capital Fund	17c		
Bequest Reserves	17d		
Project Reserves	17e		
Working Capital Reserve	17f		
Holiday pay Reserve	17g		
Surplus/(Deficit) for the year		1,166,852	449,173
<b>Balance at end of year</b>		<b>2,376,480</b>	<b>1,210,653</b>

*The accompanying notes form an integral part of these financial statements*



# The Leprosy Mission New Zealand Incorporated



## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Current Assets			
Bank Accounts, Cash and Deposits	10	2,305,166	1,899,899
Accounts Receivable & Prepayments	4d	213,533	155,469
Inventory		2,651	5,059
		<b>2,521,350</b>	<b>2,060,427</b>
Current Liabilities			
Less Current Liabilities – Accounts Payable	4e	108,117	109,662
Less Funds committed for future remittances	11	558,841	1,250,930
<b>WORKING CAPITAL</b>		<b>1,854,392</b>	<b>699,835</b>
Non Current Assets			
Equipment, Furniture & Fixtures, Motor Vehicles	15	44,233	37,763
Advances (Share of Partnership)	16	468,237	463,437
Investments	4c	9,618	9,618
<b>TOTAL NON CURRENT ASSETS</b>		<b>522,088</b>	<b>510,818</b>
<b>TOTAL ASSETS</b>		<b>2,376,480</b>	<b>1,210,653</b>
Equity			
General Funds	17a	840,800	858,973
Lend n Mend Fund (Restricted)	17b	36,345	37,345
Restricted Capital Fund	17c	314,335	314,335
Bequest Reserves	17d	500,000	
Project Reserve	17e	100,000	
Working Capital Reserve	17f	485,000	
Holiday Pay Reserve	17g	100,000	
<b>TOTAL EQUITY</b>		<b>2,376,480</b>	<b>1,210,653</b>

The accompanying notes form an integral part of these financial statements

Grant Pollock CA  
TREASURER

Gillian Whitley  
EXECUTIVE DIRECTOR

# The Leprosy Mission New Zealand Incorporated



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
<b>Cash flows from operating activities</b>		
Donations and bequests	3,393,523	2,563,831
Government Grants	1,527,299	2,054,370
<b>Payments</b>		
Remittances made to overseas ministries	(3,439,066)	(4,025,838)
Payment to suppliers & employees	(1,105,939)	(1,201,322)
<b>Net cash from operating activities</b>	<b>375,817</b>	<b>(608,959)</b>
<b>Cash flows from investing activities</b>		
<b>Net cash from investing activities</b>	<b>29,450</b>	<b>204,548</b>
Net increase/ (decrease) in cash and cash equivalents	405,267	(404,411)
Cash and cash equivalents at beginning of period	1,899,899	2,304,310
<b>Cash and cash equivalents at end of period</b>	<b>2,305,166</b>	<b>1,899,899</b>
<b>Reconciliation with reported operating surplus</b>		
Reported surplus/ (loss)	1,166,852	449,174
Depreciation	26,071	27,092
Less (Increase)/ Decrease in Inventory	2,409	(590)
Interest and Other Income	(67,817)	(124,276)
(Increase)/Decrease in Accounts Receivables and Prepayments	(58,064)	20,770
Increase/(Decrease) in Accounts Payable	(1,545)	(57,925)
Increase/(Decrease) in funds committed to remittances	(692,089)	(923,204)
<b>Net cash inflow from operating activities</b>	<b>375,817</b>	<b>(608,959)</b>

The accompanying notes form an integral part of these financial statements



# Notes to the Financial Statements

**For the year ended 31 December 2016**

## **1. Reporting Entity**

The Leprosy Mission New Zealand Incorporated is a charitable organisation, based in Auckland, incorporated under the Charitable Trusts Act 1957 and registered under the Charities Act 2005 as Charities Registration No. CC37638. It provides essential services and support to people experiencing the causes and consequences of leprosy. The Leprosy Mission New Zealand is represented on the Leprosy Mission International Board based in Brentford, UK.

Physical address:

The Leprosy Mission New Zealand Incorporated  
591, Dominion Road,  
Balmoral,  
AUCKLAND 1041.

## **2. Date of Authorisation**

The current financial statements of the Leprosy Mission New Zealand are for the year ended 31 December 2016. These statements will be authorised for issue after the Board meeting on 20th May 2017.

## **3. Basics of Preparation**

### *Statement of Compliance*

The general purpose financial statements have been prepared in accordance with the requirements of the rules of the Society as stated in Section 12 and these comply with the Accounting Standards Framework (Not-For-profit Entities).

The financial statements of the Leprosy Mission NZ have been prepared in accordance with Generally Accepted Accounting Practices. [NZ GAAP] They comply with the Public Benefit Entity NZ International Public Sector Accounting Standards [NZ IPSAS], with application of Reduced Disclosure Requirements (RDR), as authorised by the External Reporting Board under the Financial Reporting Act 2013.

Under this framework, the Leprosy Mission Incorporated is classified as a Tier 2 reporting entity. Leprosy Mission New Zealand is a public benefit entity that raises funds together with the NZ government grants for leprosy related work done overseas.



The stated accounting framework and accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in New Zealand Dollars (NZD) rounded to the nearest dollar.

The financial statements are prepared on the historical cost basis.

#### **4. Accounting Policies**

##### **(a) Owned Assets**

Assets comprise furniture and fixtures, office equipment and vehicles in addition to an interest in the Missions Centre Partnership of which The Leprosy Mission New Zealand owns a 50% share at 591 Dominion Road. Except for interest in the Missions Centre Partnership, all assets have been recorded at cost less accumulated depreciation.

##### **(b) Depreciation**

Depreciation is calculated so as to write off the cost of furniture and fixtures, office equipment and vehicles, on a straight-line basis over the expected useful economic lives of the assets concerned.

The estimated useful lives of assets are as follows:

- Computers and software – 3 years
- Furniture and Fixtures 5 years
- Motor vehicles 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

##### **(c) Investments**

- (i) The policy of the Mission is to make available all possible funds for immediate leprosy work. Specific funds are invested so as to only utilise the interest when received.
- (ii) Investments are shown in the Statement of Financial Position at the lower of cost or market value.
- (iii) The Leprosy Mission New Zealand's investments comprise cash together with 300 shares in Pacific Gas & Electric Company which were bequeathed to the Leprosy Mission New Zealand by a supporter. The fair value of quoted securities is determined based on bid prices at the balance sheet date. The book value of this investment remains unchanged from 2003. However as at 31 December 2016 the last sale listed on the New York Stock Exchange was USD 53.19 per share. Dividends with an average of US .48 cents per share were paid out in 4 installments for the 12 month period to December 2016, totaling NZ\$ 563.54.
- (iv) The Mission has a third share of a 5 share interest in freehold land in the Maori Freehold Land known as Anakiwi No. 10 Block.

##### **(d) Receivables**

Receivables are recognised at the original invoice amount less impairment losses. This balance is made up of a current account balance with the Leprosy Mission International, prepayments and GST.

##### **(e) Payables**

Trade and other payables represent liabilities for goods and services provided to the Leprosy Mission New Zealand and which have not been paid at the end of the financial year. Given their short term nature, the carrying values of trade and other payables are considered a reasonable approximation of their fair values.

An accrual for Holiday Pay reflects the balances owing to staff at balance date and is measured at the amounts expected to be paid when the liabilities are settled. Sick leave requests greater than any annual entitlement are considered insignificant and have not been accrued into employee end of year entitlements.

**(f) Revenue *NON-EXCHANGEABLE TRANSACTIONS***

**(i) *Grants and Donations***

Grant and donation income is recognised as income when it becomes receivable unless the Leprosy Mission New Zealand has a liability to repay the grant if the requirement of the grant or donation is not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

**(ii) *Bequests***

Bequests are recognised in the statement of Comprehensive Revenue when received.

**(iii) Contracts with the Ministry of Foreign Affairs and Trade [MFAT] are based on 3 to 5 year terms with a schedule of annual payment dates. The contracts have performance reporting dates along with a financial accountability reporting inclusive of any unspent balance. Formal negotiations take place with the MFAT on any unspent project funds as to repayment, or an application to apply the unspent funds to a similar project(s). On this basis, the revenue recognition policy is to treat government contracts as a current liability until the funds are expended on the authorised project, and the administration of the project.**

**(g) Revenue *EXCHANGE TRANSACTIONS***

**(i) *Finance Income (Interest and other Income)***

Interest is recognised in the statement of financial performance as it accrues, using the effective interest method. Dividend income is recognised in the statement of financial performance when the right to receive payments is established.

**(ii) Revenue from the traded goods and services are recognised when the agreed goods & services have been delivered and the amount of revenue can be reliably measured. At this stage, the benefits of the service and products has been delivered to the respective client.**

Currency gains (if any) is recognised as "Other Income" at the end of the financial period after providing for currency gains of NZAID funded projects to future remittances.

## **5. Emergency Grants**

Grants made for emergency purposes are recognised as expenses when approved and the recipient has met all necessary conditions to be entitled to the payment.

## **6. Income Tax**

The Leprosy Mission New Zealand is wholly exempt from New Zealand income tax and gift duty having fully complied with all statutory conditions for these exemptions.

## **7. Goods and Services Tax**

The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which are stated inclusive of GST.

## 8. Donation Income

This income is made up of the following

	2016 \$	2015 \$
Appeal Donations	1,304,706	1,349,281
Partner's Programme	450,343	483,539
Money Boxes	68,740	70,969
General Donations	41,293	67,548
<b>TOTAL</b>	<b>1,865,082</b>	<b>1,971,337</b>

## 9. Overseas Ministry & Grants

	2016 \$	2015 \$
NZAID Grants <sup>1</sup>	1,527,299	2,054,370
Private Funds	1,219,678	1,048,264
<b>TOTAL</b>	<b>2,746,977</b>	<b>3,102,634</b>

<sup>1</sup> *New Zealand Aid*

It is TLMNZ's policy to advise The Leprosy Mission International office of donations received for specified purposes.

## 10. Cash and Cash Balances

Cash comprises deposits with The Bank of New Zealand.

## 11. Funds Committed For Future Remittances

NZAID grants for 2017 received from MFAT (Ministry of Foreign Affairs and Trade) totaled \$558,841 and will be remitted after balance date.

## 12. Changes in Accounting Policies

The comparative year reporting is under NZ IFRS. These figures have not been restated under NZ IPSAS given that there are no material affects in the changed reporting requirements. There have been no other material changes in accounting policies by the entity during the period covered by these financial statements. All other policies have been applied on a basis consistent with those used in previous years.

## 13. Related Party Transactions

The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which are stated inclusive of GST.



## 14. Accounting for Events After Balance Date

No significant events have occurred since balance date that would require a change to these Financial Statements.

## 15. Equipment, Furniture and Motor Vehicles

	Cost	Current Period	Accumulated	Written Off	Carrying
		Depreciation		Amount	
<b>2016</b>					
Equipment	380,500	16,598	365,713		14,787
Furniture	77,738	2,307	73,081		4,657
Motor Vehicles	52,954	7,166	28,165		24,789
	<b>511,192</b>	<b>26,071</b>	<b>466,959</b>		<b>44,233</b>
<b>2015</b>					
Equipment	366,123	17,488	349,116		17,007
Furniture	76,154	2,246	70,774		5,380
Motor Vehicles	36,847	7,359	21,471		15,376
	<b>479,125</b>	<b>27,092</b>	<b>441,361</b>		<b>37,763</b>

## 16. Advances – Share of Partnership

	2016 \$	2015 \$
Balance as per Restricted Capital	463,437	458,637
<i>Add Other Advances:</i>		
Advance towards maintenance fund	4,800	4,800
<b>TOTAL Advances</b>	<b>468,237</b>	<b>463,437</b>

- A reinstatement valuation of the building was prepared by Seagars (Auckland) Ltd in October 2016 and the valuation was estimated to be \$ 2,300,000.
- A valuation from the Auckland City Council web site had the following values

Land Value	\$2,400,000
Value of Improvements	\$400,000
<b>Capital Value</b>	<b>\$2,800,000</b>

These advances are repayable in the event of the Leprosy Mission New Zealand withdrawing from the partnership.

## 17. Equity

The equity of TLMNZ comprises the following:

(a)

### General Funds

	2016	2015
	\$	\$
Balance at beginning of year	858,973	313,190
Add: Surplus/ (Deficit) for the year	(18,148)	449,173
Add: Transfer to general funds	(25)	96,610
<b>Balance at end of year</b>	<b>840,800</b>	<b>858,973</b>

(b)

### Lend n Mend Fund

	2016	2015
	\$	\$
Balance at beginning of year	37,345	37,345
Less: Monies paid back or transferred to bequests	(1,000)	
<b>Balance at end of year</b>	<b>36,345</b>	<b>37,345</b>

(c)

### Restricted Capital Fund

	2016	2015
	\$	\$
Balance at beginning of year	314,335	314,335
Short term deposits		
Advances to Mission Centre Partnership		
<b>Balance at end of year</b>	<b>314,335</b>	<b>314,335</b>

(d)

### Bequest Reserve

	2016	2015
	\$	\$
Balance at beginning of year	0	
Add: Transferred to Bequest Reserve	500,000	
Add: interest earned on deposits		
Less: Transferred to General Funds		
<b>Balance at end of year</b>	<b>500,000</b>	<b>0</b>

(e)

### Project Reserve

	2016	2015
	\$	\$
Balance at beginning of year	0	
Add: Transferred to Project Reserve	100,000	
Less: Transferred to General Funds		
<b>Balance at end of year</b>	<b>100,000</b>	<b>0</b>

(f)

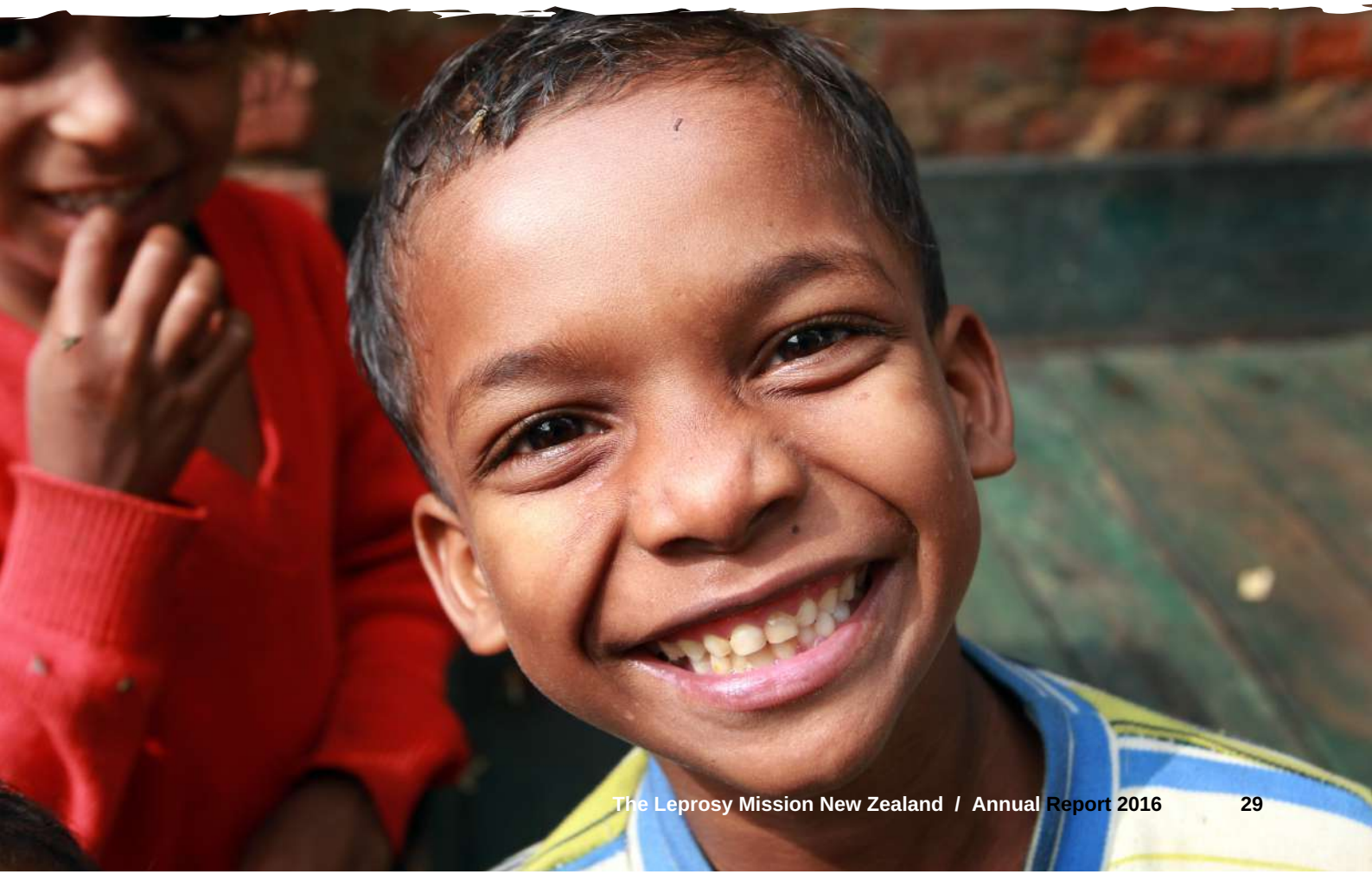
**Working Capital Reserve**

	<b>2016</b>	<b>2015</b>
	\$	\$
Balance at beginning of year	0	
Add: Transferred to Working Capital Reserve	485,000	
Add: Interest earned on deposits		
Less: Transferred to General Funds		
<b>Balance at end of year</b>	<b>485,000</b>	<b>0</b>

(g)

**Holiday Pay Reserve**

	<b>2016</b>	<b>2015</b>
	\$	\$
Balance at beginning of year	0	
Add: Transferred to Project Reserve	100,000	
Less: Transferred to General Funds		
<b>Balance at end of year</b>	<b>100,000</b>	<b>0</b>





# *Independent Auditor's Report*

*To Board of The Leprosy Mission for the year ended 31st December 2016*

## **Opinion**

We have audited the financial statements of The Leprosy Mission on page 18 to 29, which comprises the statement of financial position as at 31 December 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 18 to 29 present fairly, in all material respects, the financial position of The Leprosy Mission as at 31 December 2016 and its financial performance and its cash flows for the year then ended, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Leprosy Mission in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, 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.

Other than in our capacity as auditor we have no relationship with, or interests in, The Leprosy Mission.

## **Restriction on Responsibility**

This report is made solely to the Board, as a body, in accordance with section 42F of the Charities Act 2005, the Financial Reporting Act 2013, and their constitution. Our audit work has been undertaken so that we might state to the Board 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 Board as a body, for our audit work, for this report, or for the opinions we have formed.

## **Other information**

The Board is responsible for the other information in the annual report. The other information comprises the financial overview, board chair report, and project achievements, but does not include the financial statements and our auditor's report 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 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.

## **Board Responsibility for the Financial Statements**

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, (as issued by the External Report Board under the Financial Reporting Act 2013) and for such internal control as the Board determines 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 Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the entity or to cease operations, or has 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 (NZ) 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 the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at [https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)

A handwritten signature in blue ink that reads "Integrity Audit". The signature is written in a cursive, flowing style.

---

Integrity Audit  
15 March 2017



## *Thank You*

On behalf of people and families affected by leprosy we would like to thank every single one of you who have supported us on our mission.

We would like to acknowledge all of our financial supporters including individual donors, those who have passed away and so thoughtfully remembered us in their Will, The New Zealand Aid Programme, The New Zealand Government's official aid for developing countries, businesses and suppliers, and The David Ellison Charitable Trust.

Over the last 12 months our volunteers have donated a staggering 22,750 hours of their time, and we cannot begin to express just how much of a difference this has made to our work. We would also like to thank our Prayer Partners for continuing to remember our work in their prayers.

We are very thankful for the on-going commitment of our Committee members, our Society members and our dedicated Board members who give their time and support us willingly.

Finally we would like to thank our field partners and the Leprosy Mission Global Fellowship for all of their hard work and support. We would also like to say a heartfelt thank you to Bruce Millar, Eloise Johnstone, Michael Bradley, Phil Johnstone and Tom Bradley for the amazing photographs being featured in this annual report.





**Cure One  
Today**

**A world without leprosy  
tomorrow**

The Leprosy Mission New Zealand  
PO Box 96262, Balmoral, Auckland 1342, New Zealand  
591 Dominion Rd, Auckland 1041, New Zealand  
FP 0800 862 873 P +64 9 630 2818 F +64 9 623 1865  
E [enquiries@leprosymission.org.nz](mailto:enquiries@leprosymission.org.nz) W [www.leprosymission.org.nz](http://www.leprosymission.org.nz)  
Facebook [www.facebook.com/leprosymissionnz](https://www.facebook.com/leprosymissionnz)  
Registered Charity Number CC 37638



**The Leprosy  
Mission**  
New Zealand