




The Leprosy  
Mission  
New Zealand

# Annual Report 2018





*“Dear friends,  
since God so loved us,  
we also ought to love  
one another.”*

**1 John 4:1**

## Our Story

- For over 100 years the Leprosy Mission New Zealand (LMNZ) has been creating life-changing connections between New Zealanders and people affected by leprosy throughout the world.
- We are dedicated to curing, caring for and restoring leprosy-affected people, families and communities.
- Over the last 25 years, 15 million people have been cured, but there are still 5 million people affected by leprosy today.
- LMNZ, in partnership with our supporters and the Leprosy Mission Global Fellowship, are dedicated to transforming lives and ending leprosy.

LMNZ is a member of the Leprosy Mission Global Fellowship, and we share the following Vision, Mission and Values:

**Vision:** Leprosy Defeated, Lives Transformed.

**Mission Statement:** Following Jesus Christ, The Leprosy Mission seeks to bring about transformation; breaking the chains of leprosy, empowering people to attain healing, dignity and life in all its fullness.

**Our Values:** Because we follow Jesus Christ, 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. The Leprosy Mission New Zealand has policies and a safeguarding code of conduct addressing child and vulnerable adult protection. 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:

Email: [enquiries@leprosymission.org.nz](mailto:enquiries@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 Charities Services, part of the Department of Internal Affairs.

Website: [charities.govt.nz](http://charities.govt.nz)



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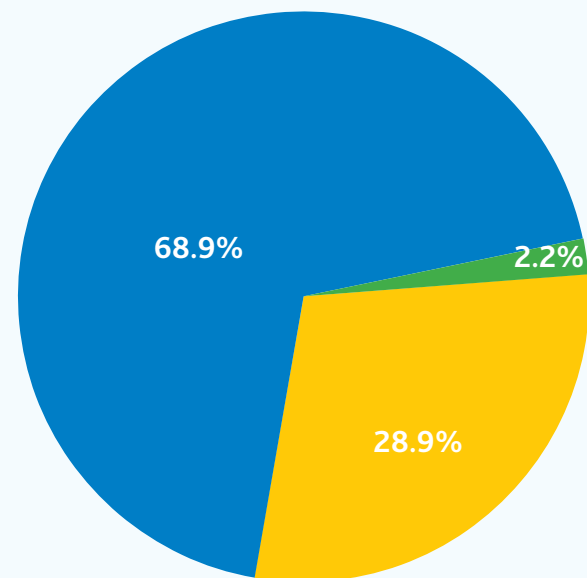
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Thank You 41

*We would like to say a heartfelt thank you to  
Bruce Millar, Jane Walker, Michael Bradley,  
Phil Johnstone and Richard Ashim Mondal for  
the amazing photographs featured in  
this annual report.*



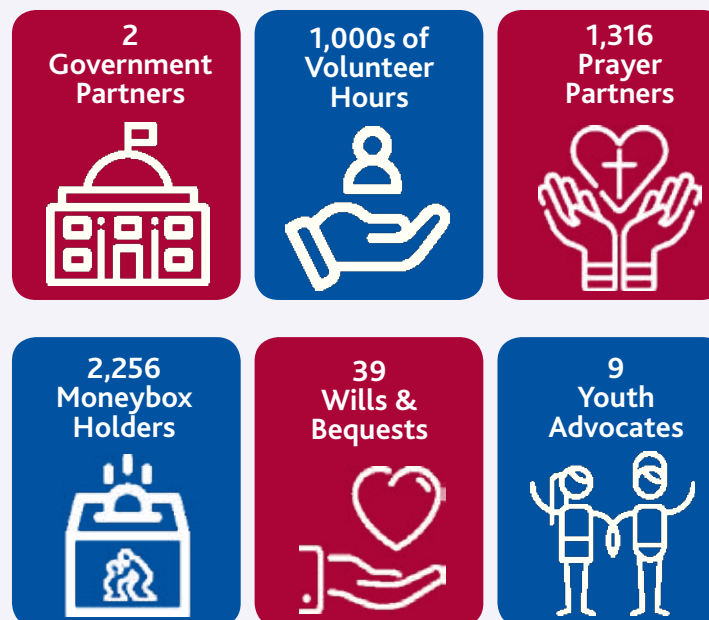
## Income Received



NZ Government Grants	28.9%	\$1,222,367
Private Income	68.9%	\$2,913,258
Interest/ Other Income	2.2%	\$93,745
<b>Total</b>	<b>100.0%</b>	<b>\$4,229,370</b>

## Thank you for your generosity

Our sincere thanks to all our wonderful supporters. Thanks to your commitment to our mission, we are able to make a difference to the lives of leprosy-affected communities we work with in the Pacific, Asia and Africa.



## Welcome

### Annual Report of The Leprosy Mission New Zealand Incorporated

*"Heal the sick, raise the dead, cleanse those who have leprosy, drive out demons. Freely you have received; freely give." Matthew 10:8*

The scripture above speaks to me of our shared mission to see leprosy defeated and the lives of those with leprosy transformed.

Thank you for partnering with us in this mission. It is with great pleasure that I present the 2018 Annual Report to you, as we reflect on a year of promises fulfilled and future promises given.

In our projects, we have seen the changes in the lives of people and communities affected by leprosy transformed. We have witnessed leprosy affected people cured, cared for and restored to their communities. Each person is precious in the sight of God. Each story shared with you during 2018 is a story of hardship, determination and joy. The lives of Shanti, Maya, Hasan, Oswald, Thresia and Khaleida are lives that matter. If it were not for your support their challenges would be overwhelming.

From the heart we thank you for your donations, your time, your prayers and your commitment to people affected by leprosy.

Leprosy Mission New Zealand has grown its supporter base by welcoming more new supporters to join our journey to end leprosy. Donations have increased over 2017 driven by generous giving from our existing faithful supporters and by reaching new supporters, touched by the relevance of leprosy today for many children and families.

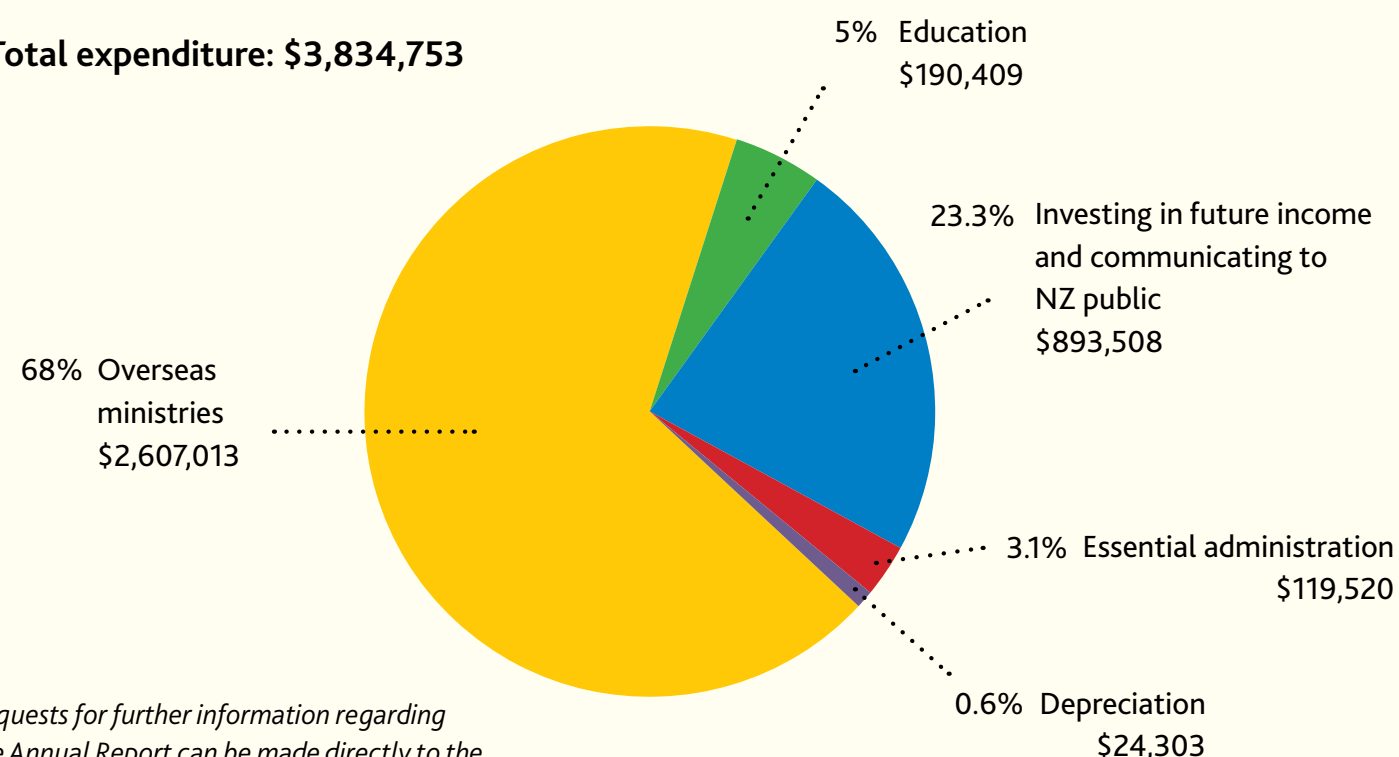
### Financials

Income for the year ending 31 December 2018 was \$4,229,370.

Operating expenditure for the year was \$1,227,740 and the amount committed to Overseas Ministry was \$2,607,013.

## Where the money goes

Total expenditure: \$3,834,753



Requests for further information regarding the Annual Report can be made directly to the Executive Director, The Leprosy Mission New Zealand.



The overall surplus for the year of \$394,617 will be used to fund future projects and the effective running of the organisation.

### Leprosy Mission Global Fellowship

As one of the 29 members of the Leprosy Mission Global Fellowship, we join together to maximise our impact for people affected by leprosy.

The Global Strategy 2019-23 was adopted by Global Fellowship members in September 2018 with ambitious strategic priorities towards ending leprosy. These strategic priorities are Zero Transmission, Zero Disability and Zero Discrimination and a confirmation that in all our work we are Christ centred.

### The New Zealand Focus

As we look forward in New Zealand to the finalisation of the Leprosy Mission New Zealand's Strategic Plan, it is encouraging that the work already supported by you, to cure, care for and restore people affected by leprosy, is clearly aligned to these Global Strategic Priorities.

We continue to work in partnership with Leprosy Mission implementing countries and grassroots organisations in Bangladesh, Bougainville, Papua New Guinea, Ethiopia, India and Nepal, while strengthening relationships with the Netherlands Leprosy Relief in Indonesia.

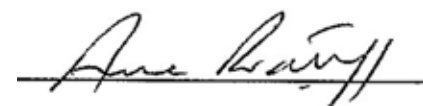
We are thankful for funding in 2018 through the NZ Aid Programme (New Zealand Government's official aid for developing countries) for projects in Bangladesh, Papua New Guinea and Bougainville.

On behalf of the LMNZ Board, I would like to thank our supporters, members and volunteers for their gifts and prayers over the last twelve months. Your caring and compassionate love for people affected by leprosy, and the continued provision of our Lord, gives a promise of hope for the future.

By God's grace, and by your investment, all this has been possible; and much greater things will be done.

I do hope you enjoy reading more about the work you have made possible in the pages ahead.

With God's blessings,



**Anne Ratliff**  
BOARD CHAIR  
The Leprosy Mission New Zealand  
Incorporated



## Who we are

### Board

**Anne Ratliff** PostGradDipBus, PMER - Board Chair

**Grant Pollock** BBS, CA - Treasurer

**Andrew Stott** BCom/BA, MBA

**Jo Burnett** BNurs

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

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

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

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

### Executive Director

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

### Auditor

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

### Hon-Solicitors

**Gaze Burt**



# Cure

Leprosy is a disease associated with poverty. It is curable.

Your support has helped find and diagnose those affected by leprosy, it has helped them start multi drug therapy treatment and has ensured they followed this treatment consistently to be fully cured.

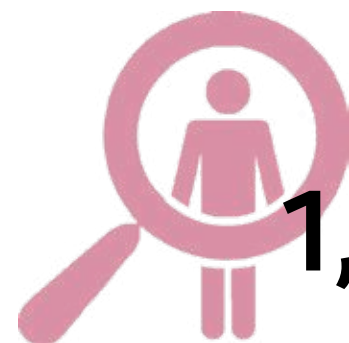
## Zero Transmission of leprosy can be achieved by:

- Early detection and treatment of new leprosy cases, which helps interrupt the transmission of leprosy
- Reducing infection risk through Post-Exposure Prophylaxis (PEP), a one-dose of Rifampicin to people that are close contacts.
- Improving water, sanitation and hygiene to reduce contamination and to prevent secondary infections for people affected by leprosy.

## Indonesia

Indonesia has the third highest number of new leprosy cases in the world. Leprosy Mission New Zealand has entered into a funding partnership with Netherlands Leprosy Relief - Indonesia to support the **PEPCOM project** in Indonesia.

The project specifically targets a high leprosy endemic region in West-Java to stop transmission. Through active case finding, new leprosy cases are detected to receive treatment. The community awareness programme will identify and support close contacts of a person affected by leprosy to receive a dose of Rifampicin, reducing the risk of transmission of leprosy.



**1,125** new leprosy cases were diagnosed in New Zealand supported projects.

## Bougainville

Bougainville is an island that has been ravaged by civil war and poverty. It is one where leprosy hotspots still exist today. Leprosy Mission New Zealand through its supporters and in partnership with the NZ Government's Aid Programme leads The **Bougainville Healthy Community Programme** which strengthens communities helping them to be healthy and leprosy free.

Village Health Volunteers assist in the detection of leprosy and other diseases and also educate and empower preventive actions to improve community water facilities and waste management.

The people of Bougainville empowered by you, are creating a healthy community to live in and a future free of leprosy.

**1,730** leprosy cases were put on multi-drug therapy treatment in New Zealand supported projects.



# Oswald receiving the cure

Little 5 year old Oswald lives in a leprosy hotspot - it is a remote village in a small poverty stricken village one hour out of Buka in Bougainville.

He lives with his grandparents who are his full time carers.

Once you drive 10 minutes out of Buka you are in bush and rough terrain. Because of the difficult terrain it is isolated from medical clinics. There is little or no transport which means people tackle the journey on foot. This can be very difficult if people are unwell or have a disability.

When Bougainville Healthy Communities Programme Village health workers met Oswald, he had already developed tell-tale leprosy patches on his body, thickened earlobes and an ulcer on his right foot.

Having leprosy can lead to a lifetime of disability and it can also mean missing education which can result in a lifetime of poverty.

Village health workers refer children like Oswald for diagnosis and support them at the health centres to ensure they receive the full course of the cure.

*Oswald likes to help his grandmother in the vegetable garden.*



Through the love and generosity of supporters like you, Oswald and others affected by leprosy in Bougainville have the best gift that they could ever receive - access to the cure for leprosy and a bright future!



# Care

Disability is not an inevitable consequence of leprosy but people continue to be affected by disability if not treated early. **Thanks to you** we can provide cutting edge healthcare to people affected by leprosy.

Hospitals that you support provide reconstructive surgery, physiotherapy and ulcer treatment. In our projects, people affected by leprosy are taught self-care for ulcers to prevent disability and provided with assistive equipment, crutches and wheelchairs as well as prosthetics.

## Nepal

The Leprosy Mission New Zealand is a supporting partner of the Leprosy Mission's **Anandaban Hospital** in Nepal.

The hospital's goal is to provide comprehensive quality care for leprosy-affected patients and basic medical services to the catchment community.

One of the symptoms of leprosy is the loss of sensation in the hands and feet. People affected by leprosy don't feel pain if they injure themselves. Injuries can result in ulcers forming and, if these are not treated, amputation of part or the entire limb may be necessary. The highly trained staff at Anandaban hospital provide life transforming surgery, physiotherapy and ulcer treatment to leprosy affected people.

Providing a pair of sandals to a leprosy-affected person is important. For children, women and men who would otherwise walk barefoot through parasite-infested fields, these sandals prevent infection and protect their health. Thank you to the many existing and new supporters that have joined Leprosy Mission New Zealand in 2018 to provide protective sandals for leprosy-affected feet.



445

people received ulcer treatment and reconstructive surgery in New Zealand supported projects.

## India

The Leprosy Mission New Zealand has been supporting **Muzaffapur Hospital** over an extended period of time and are delighted that the hospital is now fully sustainable for their everyday operational costs.

Through your wonderful support over the years, they have now been able to derive enough income from non-leprosy patient fees to cover the costs of leprosy patients. In 2018, your support enabled essential equipment to be purchased to enhance the delivery of hospital services.



6,005

people were taught about self-care for ulcers in New Zealand supported projects.



2,505

pairs of protective sandals were provided in New Zealand supported projects.



3,571

people supplied assistive devices (prosthetics, crutches and wheelchairs etc) in New Zealand supported projects.



*"I'm glad that we found Anandaban Hospital. Doctors and nurses here take good care of Shanti."*

Shanti's father says.

Hands are an amazing gift of God's creation. They help us to cook, work, eat, communicate... so many things.

Shanti is a brave young girl from Nepal whose hands have been devastated by the effects of leprosy.

Shanti was diagnosed with leprosy at just 11 years old. She took medication and believed herself to be cured, but she wasn't. At the age of 20 Shanti was cooking with hot oil and burned her hand.

The blisters became infected and were simply not healing like they were supposed to. When she went to her local hospital they recommended amputation. As you can imagine, Shanti was terrified and in a state of shock.

Her only hope was the Leprosy Mission's Anandaban Hospital which your kind donations support. It is some 19 hours away from Shanti's home over rough and mountainous terrain.

When Shanti arrived at the hospital, she was put in the kind hands of the nursing staff who treated her burns.



Happily for Shanti, she did not have to lose her fingers. But because of her leprosy, her thumbs are unable to hold things properly.

Shanti received reconstructive surgery at Anadaban – one hand at a time to correct the clawing on both of her hands – each followed by at least 4 months of physiotherapy to help her tendons grow strong again.

Dr. Indra Napit and his team at Anandaban Hospital are experts at what they do, a Godsend in Nepal, offering people like Shanti free treatment for their leprosy, and any medical procedures they require, all supported by kind donors like you. **Thank you.**





# Restore

In the projects you support people affected by leprosy are restored back to their communities and empowered to challenge injustice and self-advocate for their rights and entitlements.

New Zealand supports livelihoods development in all its projects. This involves livelihoods training and opportunities for income generating activities, that people affected by leprosy need to lift themselves out of poverty and build a better future for themselves and their families.

Self-help groups are an important way through which people affected by leprosy are restored back into their families and communities. In self-help groups, people affected by leprosy can come together and save funds that can be given as loans to their members, they can share knowledge on self-care and are provided business related trainings.

38 countries still have legislation that discriminates against people affected by leprosy. Led by the empowerment of leprosy affected people Leprosy Mission New Zealand as part of the Global fellowship advocates for the removal of discriminatory legislation.

Together with your support we will see leprosy affected people enjoy full participation in public, social, economic and cultural life.

## Papua New Guinea

**The Sustainable Livelihoods Development Programme's** goal is: Sustainable livelihoods and health for individuals, families and communities affected by leprosy and disability in PNG.

2018 was the second year the Leprosy Mission New Zealand led this project. Communities receive training on income generation, gender, health and managing micro-credit. 78 community facilitators raised awareness on leprosy in 50 communities and help refer patients to health clinics.

**3,475** people in self help groups in New Zealand supported projects.



**5,771** people were trained in advocacy, leadership and rights in New Zealand supported projects.

## Bangladesh

**The Chittagong People Led Development programme** gives people affected by leprosy and disability the skills and support they need to become full, self-reliant and productive members of their communities.

3,475 people affected by leprosy and disability are part of self-help groups in our project in Bangladesh. In the self-help group members collectively develop savings and are then able to access loans to start up new businesses.

Self-help group members are supported and trained in skills to pursue new employment and business opportunities. The businesses leprosy affected people have opened are wide ranging including; tailoring, cow rearing, vegetable gardening, vermicomposting, grocery and clothing businesses.

As members economic independence and confidence grows, so too does their ability to pursue their rights as equal members of society.

## Ethiopia

The Leprosy Mission New Zealand continues to provide **educational support grants** for children affected by leprosy in Ethiopia.



**1,086**

Village Health Volunteers were trained in Health Development in New Zealand supported projects.





# Restored by you, Hasan can hope again.

When the Leprosy Mission health worker first met Hasan, his growth was stunted by malnutrition and poverty. Hasan and his family lived in a tiny rented hut made from corrugated iron and they barely had enough money for food once the rent was paid.

Hasan's mother, Hagera, was devastated when she found out Hasan had leprosy. Worse still, the community turned against Hasan and his family because they believed leprosy is a curse from God.

Thankfully, with your help, Hasan received multi-drug therapy to cure his leprosy. And because of early detection, Hasan did not develop any form of disability. He can go to school and play with his friends as he so dearly wishes. Leprosy Mission also partner with the local community to raise awareness and reduce the stigma and discrimination.

*"Health workers came to the self-help group and talked to us about the causes of leprosy and its consequences and educated the local community. Now we are aware about leprosy. We are happy because we know there is nothing to worry about." Hagera says.*



Hasan's mother, Hagera, is now an active member of a Leprosy Mission self-help group.

Hagera was able to take out a loan from the self-help group to build a new mud house. This was life-changing as the family no longer have to spend a huge portion of their tiny income on rent.

*"I want to be a doctor when I grow up so I can do good things for other people." Hasan says joyfully.*





# Global Fellowship

The Leprosy Mission was founded in 1874 and has played a major part internationally in working towards the elimination of leprosy.

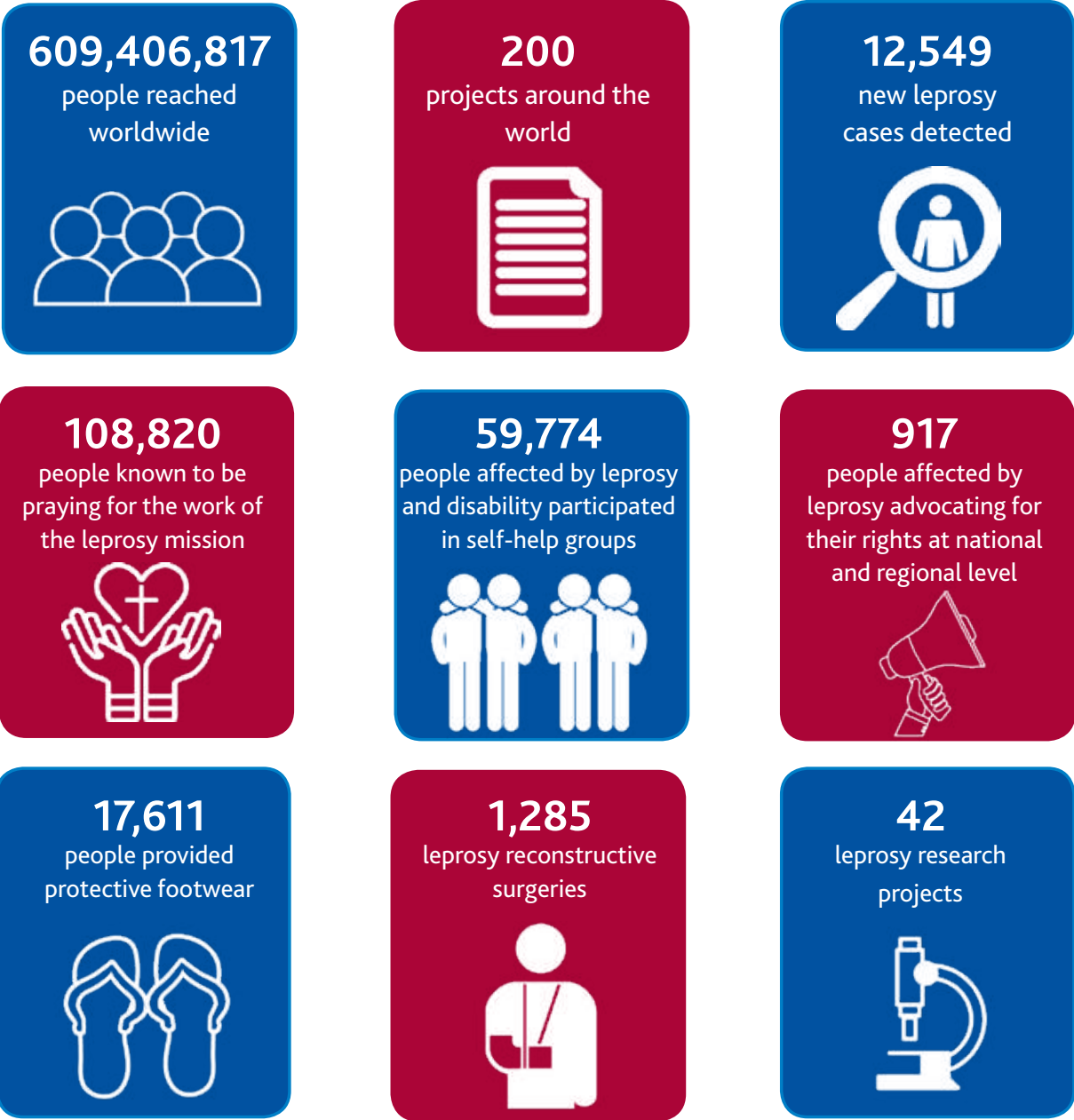
Today, The Leprosy Mission Global Fellowship is a global federation of 29 Leprosy Mission national organisations.

We work together towards our shared vision of *leprosy defeated, lives transformed*. The two halves of that vision are equally important. As a holistic charity we focus on the physical, social, spiritual and psychological needs of people affected by leprosy.

Together in 2018, the Global Fellowship has achieved many successes to take us closer to our vision.



Photo caption: Brent Morgan, TLM International Director and Amar Timalina, Global Fellowship Board Member and personally affected by leprosy, made a powerful statement representing the voices of people affected by leprosy at the UN conference.



## Global Advocacy

The Leprosy Mission Global Fellowship was represented at the UN Conference of the State Parties to the Convention on the Rights of Persons with Disabilities. International Director Brent Morgan addressed to the 102 government representatives, UN officials and diplomats. This was the first time for the Leprosy Mission to be on the UN platform and to address the rights of people affected by leprosy.

The Leprosy Mission global advocacy has led the World Health Organisation (WHO) to include two indicators in their 2018 Annual Data collections on action taken to implement the Principles and Guidelines to eliminate discrimination against people affected by leprosy.

Through Leprosy Mission advocacy, UN treaty bodies are now seeking information from the national government of leprosy priority countries such as Ethiopia, Philippines and Nigeria on the steps taken to address discrimination against persons affected by leprosy.

It is only through the support of member countries and supporters like you across the world that enables the International Office to advocate on in these global forums for people affected by leprosy. Thank you.





# 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. The Leprosy Mission New Zealand 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 material 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 2018. 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 2018. After reviewing internal financial reports and budgets, the Board believe that The Leprosy Mission New Zealand Incorporated 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 2018

Income Resources	Notes	2018 \$	2017 \$
<b>Revenue From Non-Exchange Transaction</b>			
Donations	4f(i),8	2,162,099	2,005,575
Trusts/Corporates/Major Gifts	4f(i)	138,093	140,254
Bequests	4f(ii)	613,066	631,022
NZ Government Grants from MFAT <sup>1</sup>	4f(iii),9	1,222,367	1,463,639
		<b>4,135,625</b>	<b>4,240,490</b>
<b>Revenue From Exchange Transactions</b>			
Interest and Other revenues	4g(i),(ii)	93,745	87,175
<b>TOTAL Incoming Resources</b>		<b>4,229,370</b>	<b>4,327,665</b>
<b>Resources Expended</b>			
Overseas Ministry	9	2,607,013	2,716,160
Education		190,409	232,535
Marketing and Promotion		893,508	764,078
Administration		119,520	137,135
Depreciation	4b	24,303	20,625
<b>TOTAL Resources Expended</b>		<b>3,834,753</b>	<b>3,870,533</b>
<b>Surplus/(Deficit) for the year</b>		<b>394,617</b>	<b>457,132</b>
<b>Transfer to Reserves</b>	17d, 17e		<b>(250,000)</b>
<b>General Funds carried forward</b>		<b>394,617</b>	<b>207,132</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 2018

	Notes	2018 \$	2017 \$
<b>Balance at beginning of year</b>		2,833,612	2,376,480
<b>General Fund</b>	17a		
<b>Lend n Mend Fund</b>	17b		
<b>Restricted Capital Fund</b>	17c		
<b>Bequest Reserves</b>	17d		
<b>Project Reserves</b>	17e		
<b>Working Capital Reserves</b>	17f		
<b>Holiday pay Reserve</b>	17g		
<b>Surplus/(Deficit) for the year</b>		394,617	457,132
<b>Balance at end of year</b>		<b>3,228,229</b>	<b>2,833,612</b>

The accompanying notes form an integral part of these financial statements



# The Leprosy Mission New Zealand Incorporated



# The Leprosy Mission New Zealand Incorporated



## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
<b>Current Assets</b>			
Bank Accounts, Cash and Deposits	10	3,101,683	2,865,290
Accounts Receivable & Prepayments	4d	1 01,880	255,190
Inventory		3,207	4,152
		3,206,770	3,124,632
<b>Current Liabilities</b>			
<b>Less Current Liabilities - Accounts Payable</b>	4e	131,098	124,596
Less Funds committed for future remittances	11	382,806	702,233
<b>WORKING CAPITAL</b>		<b>2,692,866</b>	<b>2,297,803</b>
<b>Non Current Assets</b>			
Equipment, Furniture & Fixtures, Motor Vehicles	15	48,708	53,154
Advances (Share of Partnership)	16	477,037	473,037
Investments	4c	9,618	9,618
<b>TOTAL NON CURRENT ASSETS</b>		<b>535,363</b>	<b>535,809</b>
<b>TOTAL ASSETS</b>		<b>3,228,229</b>	<b>2,833,612</b>
<b>Equity</b>			
General Funds	17a	792,549	1,047,932
Lend n Mend Fund (Restricted)	17b	36,345	36,345
Restricted Capital Fund	17c	314,335	314,335
Bequest Reserves	17d	0	0
Project Reserve	17e	1,500,000	850,000
Working Capital Reserve	17f	485,000	485,000
Holiday Pay Reserve	17g	100,000	100,000
<b>TOTAL EQUITY</b>		<b>3,228,229</b>	<b>2,833,612</b>

Grant Pollock CA  
TREASURER

Gillian Whitley  
EXECUTIVE DIRECTOR

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
<b>Cash flows from operating activities</b>		
Donations and bequests	3,066,568	2,735,193
Government Grants	1,222,367	1,463,639
<b>Payments</b>		
Remittances made to overseas ministries	(2,926,440)	(2,572,768)
Payment to suppliers & employees	(1,195,991)	(1,118,769)
<b>Net cash from operating activities</b>	<b>166,504</b>	<b>507,295</b>
<b>Cash flows from investing activities</b>		
<b>Net cash from investing activities</b>	<b>69,889</b>	<b>52,829</b>
Net increase/(decrease) in cash and cash equivalents	236,393	560,124
Cash and cash equivalents at beginning of period	2,865,290	2,305,166
<b>Cash and cash equivalents at end of period</b>	<b>3,101,683</b>	<b>2,865,290</b>
<b>Reconciliation with reported operating surplus</b>		
Reported surplus/(loss)	394,617	457,132
Depreciation	24,303	20,625
Less (Increase)/Decrease in Inventory	944	(1,500)
Interest and Other Income	(93,745)	(87,175)
(Increase)/Decrease in Accounts Receivables and Prepayments	153,310	(41,658)
Increase/(Decrease) in Accounts Payable	6,502	16,479
Increase/(Decrease) in funds committed to remittances	(319,427)	143,392
<b>Net cash inflow from operating activities</b>	<b>166,504</b>	<b>507,295</b>

The accompanying notes form an integral part of these financial statements





# Notes to the Financial Statements

For the year ended 31 December 2018

## 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 2018. These statements will be authorised for issue after the Board meeting on 25 th May 2019.

## 3. Basis 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 New Zealand 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 New Zealand 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 Leprosy Mission New Zealand 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 2018 the last sale listed on the Nasdaq Exchange was US\$ 44.83 per share. There were no dividends received in 2018.
- (iv) The Leprosy Mission New Zealand has a third share of a 5 share interest in freehold land in the Maori Freehold Land known as Anakiwi No. 10 Block. We received dividends of NZ\$105 in 2018.

#### (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-EXCHANGE 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) *Government Grants*  
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 an extension of the 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 comprehensive revenue and expenses as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive revenue and expenses when the right to receive payments is established.
- (i) *Sale of books*  
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.

### 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 comprehensive revenue and expenses 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

	2018 \$	2017 \$
Appeal Donations	1,574,705	1,450,683
Partner's Programme	491,002	467,025
Money Boxes	54,843	55,236
General Donations	41,549	32,631
<b>TOTAL</b>	<b>2,162,099</b>	<b>2,005,575</b>

## 9. Overseas Ministry & Grants

	2018 \$	2017 \$
Grants <sup>1</sup>	1,197,367	1,463,639
Private Funds	1,409,646	1,252,521
<b>TOTAL</b>	<b>2,607,013</b>	<b>2,716,160</b>

<sup>1</sup> New Zealand Aid

It is Leprosy Mission New Zealand's policy to advise the 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 2019 received from MFAT (Ministry of Foreign Affairs and Trade) totalled \$382,806 and will be remitted after balance date.

## 12. Changes in Accounting Policies

There have been no material changes in accounting policies by the entity during the period covered by these financial statements. All policies have been applied on a basis consistent with those used in previous years.

## 13. Related Party Transactions

There have been no material related party transactions during the financial year for which these financial statements are prepared.

## 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>2018</b>					
Equipment	422,118	15,643	394,631		27,487
Furniture	83,939	3,618	77,422		6,517
Motor Vehicles	25,260	5,042	10,555		14,704
	<b>531,317</b>	<b>24,303</b>	<b>482,608</b>		<b>48,708</b>
<b>2017</b>					
Equipment	410,045	13,275	378,989		31,056
Furniture	76,155	2,308	73,803		2,352
Motor Vehicles	25,260	5,042	5,514		19,746
	<b>516,460</b>	<b>20,625</b>	<b>458,307</b>		<b>53,154</b>

## 16. Advances - Share of Partnership

	2018 \$	2017 \$
Balance as per Restricted Capital	473,037	468,237
Add Other Advances:		
Advance towards maintenance fund	4800	4800
<b>TOTAL Advances</b>	<b>477,837</b>	<b>473,037</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	\$3,500,000
Value of Improvements	\$300,000
<b>Capital Value</b>	<b>\$3,800,000</b>

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



## 17. Equity

The equity comprises of the following:

(a)			
<b>General Funds</b>		<b>2018</b>	<b>2017</b>
		\$	\$
Balance at beginning of year		1,047,932	840,800
Add: Surplus/(Deficit) for the year after transfers		394,617	207,132
Add: Transfer from general funds		(650,000)	
<b>Balance at end of year including funds committed to future remittances</b>		<b>792,549</b>	<b>1,047,932</b>
(b)			
<b>Lend n Mend Fund</b>		<b>2018</b>	<b>2017</b>
		\$	\$
Balance at beginning of year		36,345	36,345
Add: <i>(as per financials)</i>			
Less : <i>(as per financials)</i>			
<b>Balance at end of year</b>		<b>36,345</b>	<b>36,345</b>
(c)			
<b>Restricted Capital Fund</b>		<b>2018</b>	<b>2017</b>
		\$	\$
Balance at beginning of year		314,335	314,335
Add: <i>(as per financials)</i>			
Less : <i>(as per financials)</i>			
<b>Balance at end of year</b>		<b>314,335</b>	<b>314,335</b>
(d)			
<b>Bequest Reserve</b>		<b>2018</b>	<b>2017</b>
		\$	\$
Balance at beginning of year		0	500,000
Add: <i>(as per financials)</i>			
Less: Transferred to Project Reserve			(500,000)
<b>Balance at end of year</b>		<b>0</b>	<b>0</b>
(e)			
<b>Project and Other Reserves</b>		<b>2018</b>	<b>2017</b>
		\$	\$
Balance at beginning of year		850,000	100,000
Add: Transferred from Bequest Reserve			750,000
Less: Transferred from General Funds		650,000	
<b>Balance at end of year</b>		<b>1,500,000</b>	<b>850,000</b>

(f)			
<b>Working Capital Reserve</b>		<b>2018</b>	<b>2017</b>
		\$	\$
Balance at beginning of year		485,000	485,000
Add: <i>(as per financials)</i>			
Less: <i>(as per financials)</i>			
<b>Balance at end of year</b>		<b>485,000</b>	<b>485,000</b>
(g)			
<b>Holiday Pay Reserve</b>		<b>2018</b>	<b>2017</b>
		\$	\$
Balance at beginning of year		100,000	100,000
Add: <i>(as per financials)</i>			
Less: <i>(as per financials)</i>			
<b>Balance at end of year</b>		<b>100,000</b>	<b>100,000</b>





# Independent Auditor's Report

To the Board of The Leprosy Mission New Zealand (NZ) for the year ended 31st December 2018

## Opinion

We have audited the financial statements of The Leprosy Mission NZ, which comprises the statement of comprehensive income, the statement of changes in equity, the statement of financial position as at 31 December 2018, the statement of cash flows for the year then ended, and notes 1 to 17 to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Leprosy Mission NZ as at 31 December 2018 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 other relationship with, or interests in, The Leprosy Mission NZ.

## 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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 NZ IPSAS with the Reduced Disclosure Regime, (as issued by the External Report Board (XRB) 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)



Integrity Audit  
20 March 2019



# Statement of Service Performance

*Leprosy Mission New Zealand  
For the year ended 2018*

## Description of entities outcomes

Resource and support field programmes that cure, care for and restore people with leprosy

## Description and quantifications of entity's outputs

### Chittagong People-led Development Programme - Bangladesh

- Total of 3,475 members in 275 Self-Help Groups structured in 9 Federations under 1 community based organisation, Disabled People's Association DAPA.
- 104 (82 Female, 22 Male) leaders of Federation and DAPA trained in advocacy and rights.
- 378 (227 Female, 151 Male) participants received technical advice, mentoring and support to identify and run income generating activities.
- 3,717 loans issued to members of SHGs with 97.75% loan repayment.

### Bougainville Healthy Communities Programme - Bougainville

- BHCP is now operating in 12 Districts out of a total of 13 Districts in the Autonomous Region of Bougainville. It is active in 835 out of 862 communities.
- 1,163 village support visits in 2018.
- 1,013 (559 Female, 454 Male) Village Health Volunteers trained in Health Development.
- 720 Village Leaders (286 Female, 434 Male) trained in Leadership and Governance.
- 116 Leprosy cases refereed by Village Health Volunteers in 2018.

### Sustainable Livelihoods Development Programme - PNG

- A total of 73 (31 Female, 42 Male) Community Facilitators trained and providing support to 31 communities on livelihoods and health.
- 40 Leaders Trained (18 Female, 22 Male) from 19 communities on Leadership and Community Development.
- 562 (283 Female, and 279 Male) community members trained on Livelihoods Development & Business Mentoring.
- 563 leprosy affected people (194 Female, 369 Male) in target communities on MDT.



*Photo caption: Gillian Whitley, LMNZ Executive Director  
with Board members.*

## Thank You

### Financial supporters

We would like to acknowledge all of our financial supporters including individual donors, bequestors who have left legacy gifts or memorium gifts, The New Zealand Aid Programme (Ministry of Foreign Affairs and Trade), churches and businesses, and The David Ellison Charitable Trust.

### Board and Committee

The Leprosy Mission is convened by a highly skilled and committed group of volunteers. These are fixed term elected positions. In 2018 Dr Susan Maiava BSc (Hons) MA (Distinction), PhD completed her term and we honour and thank her for her services during her time. We are very thankful for the commitment of our Committee members and our dedicated Board members who give their time and skills and support us so willingly.

### Prayer Partners

We would also like to thank our Prayer Partners for continuing to remember our work in their prayers. Wellesley Bailey, Founder of the Leprosy Mission said "The Mission has been born and cradled in prayer. It has been brought up on prayer; it has been nourished on prayer; and prayer has been at the bottom of its success since the first moments of its life."

### Field partners and Global Fellowship

We would like to thank our field partners who are on the frontline carrying out the mission. And to the Leprosy Mission Global Fellowship led by the international office. Together we each play our part in supporting each other to see leprosy defeated and lives transformed.

### Volunteers

Over the last 12 months our volunteers have given countless hours of their time, and we cannot begin to express just how much of a difference this has made to our work. Volunteers are vital to a small organisation such as ours.

### Youth Advocates

Every year the Leprosy Mission New Zealand sends a group of young people to Nepal for a mission trip. In 2018, they raised over \$25,000 to help upgrade the prosthetics & orthotics equipment at The Leprosy Mission Nepal's Anandaban Hospital.



# Cure One Today

A world without  
leprosy  
tomorrow

