




The Leprosy  
Mission

New Zealand

Te Mihana Tūwhenua o Aotearoa

# Annual Report 2019





***"You are the light of the world. A town built on a hill cannot be hidden."***

**Matthew 5:14**

## **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 not satisfied with the response to that complaint you may contact:

Fundraising Institute of New Zealand, a sector organisation of which The Leprosy Mission New Zealand is a member and which commits to ethical and best practice fundraising.

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

You can also contact Charities Services, part of the Department of Internal Affairs.

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

The Council for International Development (CID), the national umbrella agency for NZ organisations working in International Development.

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



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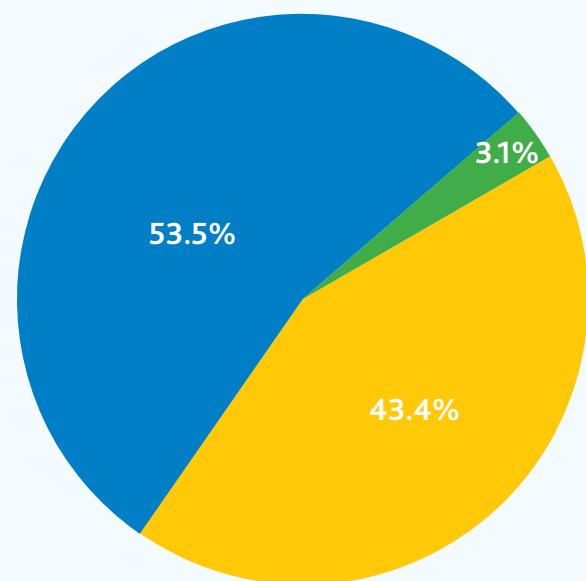
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*We would like to say a heartfelt thank you to  
Bruce Millar, Jane Walker, Jasleen Kler,  
Jasper Oei, Kelsey Kwan, Michael Bradley,  
Phil Johnstone for the amazing photographs  
featured in this annual report.*



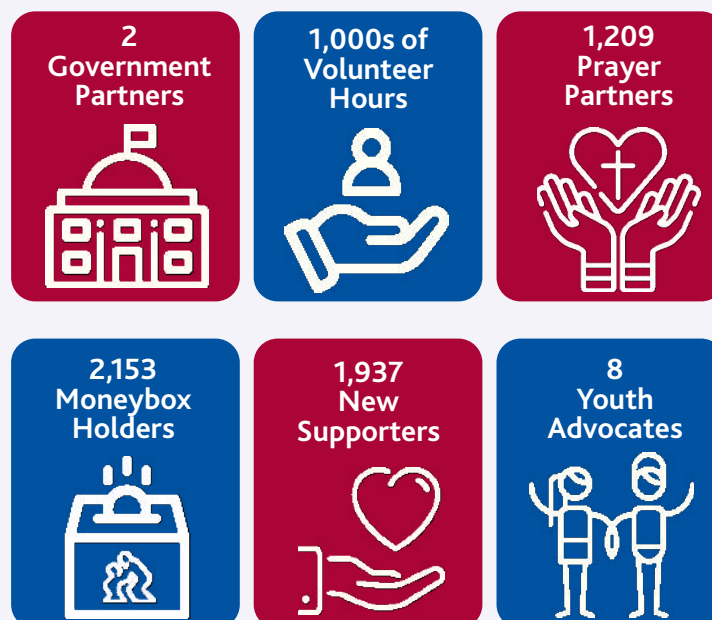
## Income Received



NZ Government Grants	43.4%	\$2,256,748
Private Income	53.5%	\$2,781,246
Interest/ Other Income	3.1%	\$159,386
<b>Total</b>	<b>100.0%</b>	<b>\$5,197,380</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

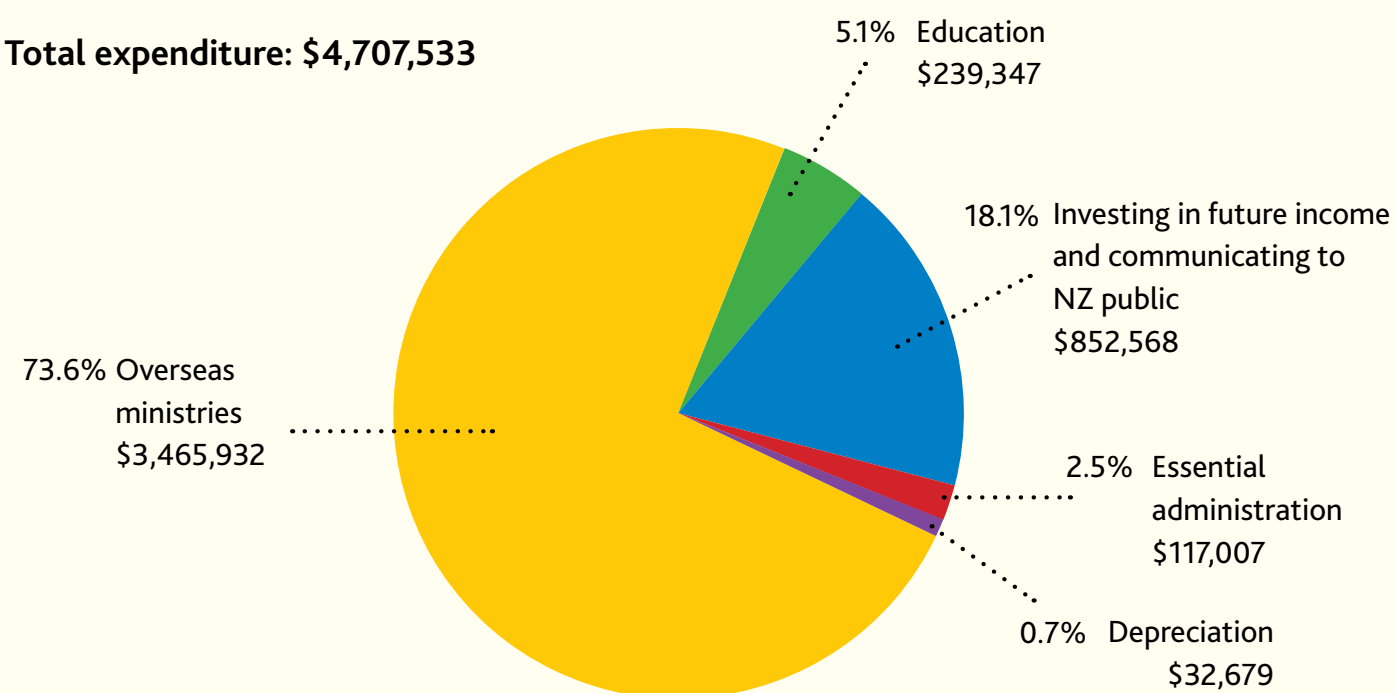
## Annual Report of The Leprosy Mission New Zealand Incorporated

*'Peace be to you, and peace be to your home and peace be to all that you have.'*

*1 Samuel 25:6*

## Where the money goes

**Total expenditure: \$4,707,533**



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

I write this in 2020 to reflect on our 2019 year; however I would like to start by saying you have all been in my prayers and thoughts as the world is navigating its way through such unsettling times with the Covid-19 pandemic.

The scripture above provides us reassurance, as He has been faithful in the past, He is faithful now and will be into the future, that regardless of what we face, He is with us.

On behalf of the LMNZ Board, I am pleased to present the 2019 Annual Report to you. We would like to thank our supporters, members and volunteers for their gifts, their time and their prayers. The Annual Report is an opportunity to highlight and celebrate what can be achieved with loving care and support for people affected by leprosy, and the continued provision of our Lord.

2019 was a pivotal year as we finalised Leprosy Mission New Zealand's strategic plan 2019-2023. It is encouraging that the work already supported by you to cure, care for and restore those affected by leprosy is clearly aligned to the Global Fellowship Strategic Plan 2019-23 of Zero Transmission, Zero Disability and Zero Discrimination.

In 2019 we increased donations over 2018 and welcomed new supporters to join our journey to end leprosy. We were able to increase our commitment to Overseas Ministry.

### Financials

Income for the year ending 31 December 2019 was \$5,197,380.

Operating expenditure for the year was \$1,241,601 and the amount committed to Overseas Ministry was \$3,465,932.



The overall surplus for the year of \$489,847 will be used to fund future projects and the effective running of the organisation.

### Leprosy Mission Global Fellowship

As one of the 30 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 implemented in 2019 by Global Fellowship members 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.

Zero Transmission is the focus priority of the Global Strategy and the aim is to have Zero Transmission of leprosy by 2035. In New Zealand we have adopted this goal and communicate this message as No Child with Leprosy by 2035.

### The New Zealand Focus

Leprosy Mission New Zealand works in partnership with Leprosy Mission implementing countries, grassroots organisations and as a supporting partner in Bangladesh, Bougainville, Ethiopia, India, Indonesia, Nepal and Papua New Guinea.

Each story shared with you from these partner countries during 2019 is a story of hardship, determination and joy. Each person is precious in the sight of God. The lives of Abu from Bangladesh, the twins Philomon and Philomena from Bougainville, Heizen from PNG, Kanti from India and Lalsari and Bishal from Nepal are lives, along

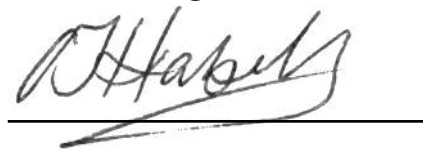
with many others, that have been blessed through your support. As each of them overcome leprosy their lives become an inspiration to us all.

We continue to be grateful to each of our faithful supporters as well as new supporters who have been moved by these stories and have reached out and given their time, gifts and prayers to heal people around the world of leprosy. This work is made possible by God's Grace and your commitment.

We are thankful for funding in 2019 through the Ministry of Foreign Affairs and Trade (MFAT) NZ Aid Programme for projects in Papua New Guinea and Bougainville.

We do hope you enjoy reading the pages of this 2019 Annual Report. It is a testament to how New Zealand is contributing to a world where the vision of *leprosy defeated and lives transformed* is fulfilled.

With blessings,



**Odele Habets**  
BOARD CHAIR  
The Leprosy Mission New Zealand  
Incorporated



## Who we are

### Board Chair

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

### Board

**Grant Pollock** BBS, CA - Treasurer

**Anne Ratliff** PostGradDipBus, P.M.E.R

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

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

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

**Andrew Stott** BCom/BA, MBA

**Jo Burnett** BNurs

**Blair Matheson** MBA

**Andre Stuart** BE

### Executive Director

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

### Auditor

**Peter Conaglen** PP, BMS, Dip Min  
Charity Integrity Audit

### Hon-Solicitors

**Gaze Burt**



# Cure *Zero Transmission*

Leprosy is a disease associated with poverty. It is easily 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 is a supporting partner of Netherlands Leprosy Relief - Indonesia to support the **PEPCOM project** in Indonesia.

The project specifically targets the district of Indramayu - 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, an antibiotic, reducing the risk of transmission of leprosy. Studies show that this may reduce the likelihood of contacts developing leprosy by up to 60%.



**1,754** 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 Autonomous Bougainville Government and the NZ Government's Aid Programme, supports the **Bougainville Healthy Communities Programme**. Covering more than 95% of the population, this project strengthens communities by improving their health, hygiene and governance practices.

The staff training team delivers training to Village Health Volunteers on health, water, sanitation, rights and community governance.

Village Health Volunteers and the Leprosy Control Officers assist in the detection, diagnosis and treatment of leprosy and other diseases; the project also educates and empowers preventive actions to improve community water facilities and waste management.

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

**1,683**

people affected by leprosy received multi-drug therapy treatment in New Zealand supported projects.



# Heizen is cured of leprosy

Swollen nodes started developing on Heizen's ears and elbows, and his left hand started to claw from nerve damage, leaving Heizen unable to write or play his favourite sport - touch rugby. Heizen became too weak to go to school. He couldn't even help his mother with simple household chores.

At just 12 years old, Heizen was diagnosed with leprosy with the help of **village health volunteers** in his community.

Thankfully, because of our incredible supporters, Heizen was taken good care of by local village health volunteers, Peter and Flora. They took Heizen to a nearby health clinic and ensured he received and completed his full course of multi-drug therapy.

Heizen is now cured of leprosy! He is back at school, with new school stationary and a proper uniform.

*"I enjoy writing and maths. I'm looking forward to going back to school!" Heizen rejoices.*

It is vital that we train community members to detect leprosy and provide treatment. These village health volunteers enable us to reach some of the most remote places on earth, travelling through difficult terrain to ensure children like Heizen are diagnosed and can complete treatment to overcome leprosy.



Through the love and kindness of supporters like you, Heizen and others affected by leprosy in Papua New Guinea have the best gift that they could ever receive - access to the cure for leprosy and a bright future!



# Care *Zero Disability*

Disability is not an inevitable consequence of leprosy but people continue to be affected by it 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 Kathmandu. Anandaban means 'Forest of Joy' as the hospital is located in the Kathmandu hills surrounded by trees. The name also reflects the warm welcome and holistic care provided at the hospital which is a centre of excellence in Nepal.

Anandaban Hospital provides comprehensive quality care for people affected by leprosy including clinical diagnosis, physiotherapy, ulcer care, surgery and prosthetics. As a hospital close to local communities, there is provision of general and emergency medical services to the catchment community for fee-paying patients.

Each year the Youth Advocates from New Zealand have an immersion experience at Anandaban Hospital, staying on campus and witnessing the work of each specialty area while meeting people affected by leprosy and the medical and support staff on the frontline. In 2019, their project was to raise funds for a hospital bus to transport staff and supplies for satellite clinics.



824

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

## India

LMNZ 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. Financial support has transferred to the Leprosy Mission's **Salur Hospital in Andhra Pradesh (south-east India)** aiming to partner with them towards sustainability.

The connection with Muzaffapur Hospital has been significant and links with the surrounding villages strong. As a result, a new community project was developed to support these local communities impacted by leprosy to be more resilient through children's education, youth preparedness for work, health awareness and life skills.



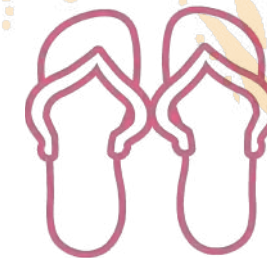
4,705

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



1,335

people received physiotherapy in New Zealand supported projects.



3,564

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



2,179

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



*"I give thanks to God. I would like to say thank you... Thank you so much for caring about me and my family," says Lalsari.*

In Nepal, Lalsari and her 9 year old son Bishal have both faced the devastating consequences of leprosy.

Bishal was first diagnosed when Lalsari noticed patches on Bishal's hands. Having also contracted leprosy in the past, she knew the telltale signs. What she didn't know was how Bishal's leprosy would affect the whole family.

Shunned by members of their local community, Bishal's young body also reacted against the leprosy bacteria. Lalsari was forced to leave her husband and daughter and take Bishal urgently to the hospital.

Thanks to our incredible supporters, and the love and care from doctors and nurses at Anandaban, Bishal was put on a 24 month course of multi-drug therapy and is now **cured of leprosy**.

He also received medication to fight against leprosy reaction (an immune system response to leprosy bacteria) and he is now making good progress with his recovery. Bishal's family would never have been able to afford this special care and are very grateful.

**Lalsari and her family now have hope for the future.**



*"I have not lost hope. As long as there is life, there is hope, I can do something to earn a living and take care of my children. I can be happy again," Lalsari says.*

Through the Leprosy Mission **community outreach programme**, both Lalsari and her husband have found jobs at a nearby paper factory in Kathmandu. The paper factory also provides accommodation for its workers, giving Lalsari and her husband a place to call home. **The family is united thanks to you.**

Bishal is now back at school and he enjoys learning with his friends.

*'Now I feel belonging. I have a place to stay and work,' Lalsari says gratefully.*





# Restore *Zero Discrimination*

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 in order to lift themselves out of poverty and build a better future for themselves and their families.

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.

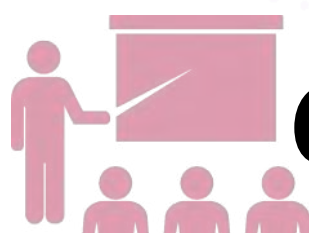
## India

In 2019, The Leprosy Mission New Zealand and The Leprosy Mission Trust India started a new programme called **Children Unite for Action** to meet the educational needs of children and youth in communities affected by leprosy. Over the course of five years, the project will work with 1200 young boys and girls affected by leprosy & other disabilities and ensure these children have the necessary skills and knowledge to access quality education and attain desired careers.

## Ethiopia

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

**3,824** people in self-help groups in New Zealand supported projects.



**6,068** 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 fully self-reliant and active members of their communities.

Self-help groups have been the key to the project's success. In the self-help group, members receive training, collectively develop savings and are then able to access loans to start up new businesses. The businesses people affected by leprosy have opened are wide-ranging including: tailoring, cow rearing, vegetable gardening, vermicomposting, grocery and clothing businesses.

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



**1,294**

people were trained in income generating activities in New Zealand supported projects.

**1,152**



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

## 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.

2019 was the third year the Leprosy Mission New Zealand worked in partnership with The Leprosy Mission PNG. Communities received training on income generation, gender issues, health and managing micro-credit. 93 Community Facilitators raised awareness of leprosy in 50 communities and referred patients to health clinics.



# Abu's life is transformed

Abu was only 13 years old when he contracted leprosy. Due to the terrible stigma surrounding the disease in his community, Abu was thrown out of his home. Without any support, Abu was forced to leave school and beg for food.

Left untreated, both of Abu's hands became clawed and his feet developed terrible ulcers. To add to the nightmare, villagers in his community threatened him with physical violence, leaving Abu fearing for his life.

*"Go away," they said, "or we will throw you in the river."*

Abu couldn't go to school, or even the local tea stall in his community. Abu was alone, in pain and unwanted.



Thankfully, Abu was put in touch with one of the local Leprosy Mission self-help groups that our supporters' donations help to fund. There, he was given a cure for his leprosy and the opportunity to catch up on some of the learning he had missed through not going to school.

Abu was taught to care for the ulcer on his foot, and shown physiotherapy for his hands. He felt love and a sense of belonging for the first time, and has now been accepted by his wider community who now have a better understanding of leprosy.



Abu was also given business development training and a loan to start up his own modest grocery shop. He is now a successful businessman and can earn enough money to provide for his family and support his children's education.



Abu is the President of his self-help group. Despite the pain he has gone through, Abu's heart is full of love and he advocates for and helps others who are affected by leprosy in his community.

*"People affected by leprosy need help, not the rejection that I experienced as a child. Let's not leave them in that place," Abu says.*



# 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 30 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 2019, the Global Fellowship has achieved many successes to take us closer to our vision.



Photo caption: Brent Morgan, TLM International Director and Amar Timalisina, 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 in 2019.

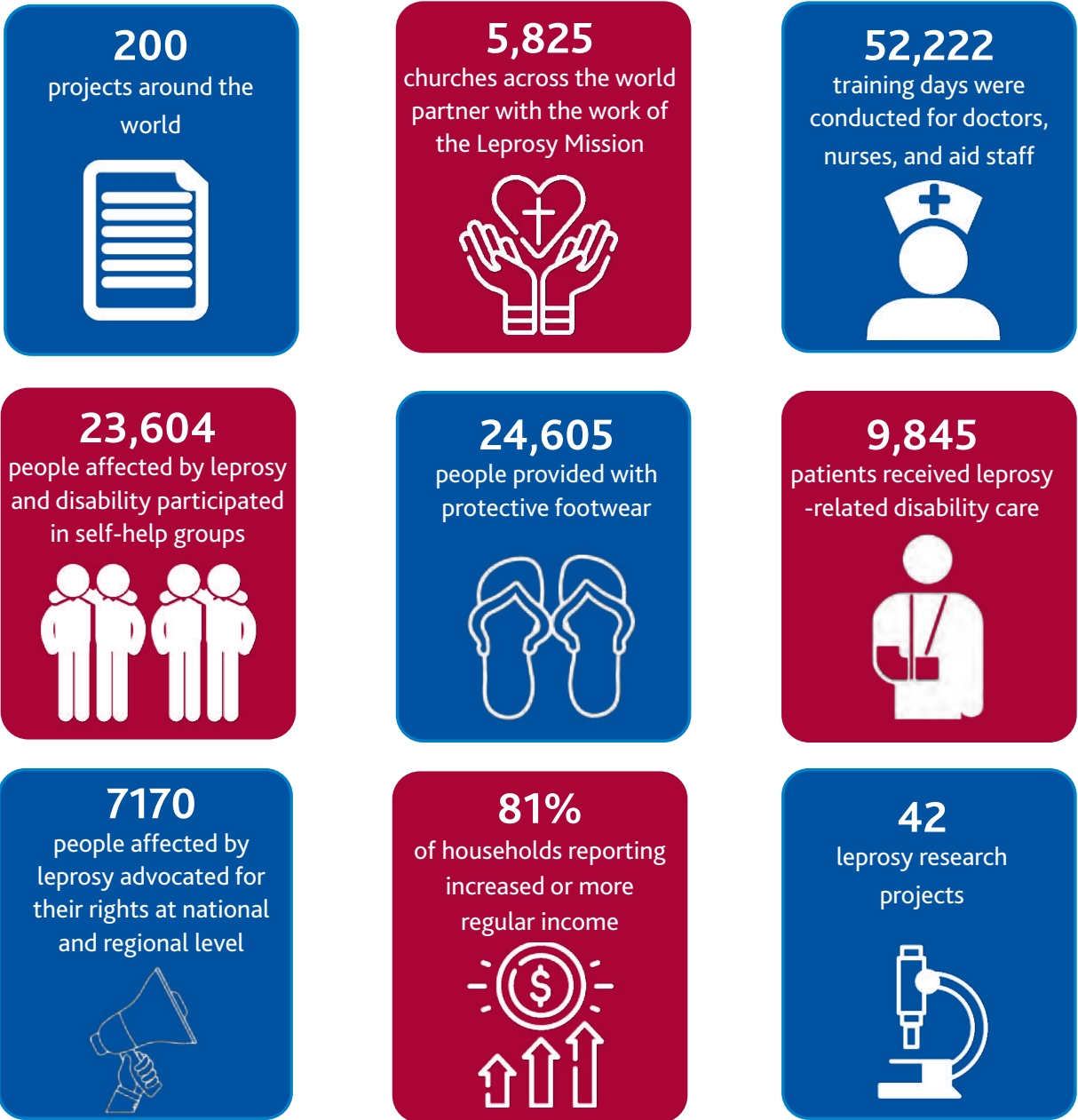
## Global Advocacy

The Leprosy Mission is actively engaging with UN agencies, through different mechanisms, to uphold the dignity and human rights of persons affected by leprosy and persons with disabilities.

The Leprosy Mission global advocacy has focused its work on the Convention on the Rights of Persons with Disabilities (CRPD) and has been annually attending the Conference of the State Parties to the CRPD. At these meetings, The Leprosy Mission has the opportunity to raise awareness of the issues faced by people affected by leprosy and ensure that their rights are considered by the UN and the State Parties.

The Leprosy Mission has also ensured that people affected by leprosy have been able to speak on their own behalf at the United Nations. Amar Timalisina attended the CRPD Conference of the State Parties in 2018 and 2019 and in April 2019, U Soe Win from Myanmar also met with the CRPD Committee in Geneva.

It is only supporters like you in member countries across the world that enables the International Office and people affected by leprosy to advocate in these global forums to bring about change in this world. 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 2019. 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 2019. 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



# The Leprosy Mission New Zealand Incorporated



STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES FOR  
THE YEAR ENDED 31 DECEMBER 2019

All figures are in NZ dollars \$

Income Resources	Notes	2019	2018
<b>Revenue From Non-Exchange Transaction</b>			
Donations	4f(i),8	2,311,842	2,162,099
Trusts/Corporates/Major Gifts	4f(i)	171,012	138,093
Bequests	4f(ii)	298,392	613,006
NZ Government Grants from MFAT <sup>1</sup>	4f(iii),9	2,256,748	1,222,367
		<b>5,037,994</b>	<b>4,135,625</b>
<b>Revenue From Exchange Transactions</b>			
Interest and Other revenues	4g(i),(ii)	159,386	93,745
<b>TOTAL Incoming Resources</b>		<b>5,197,380</b>	<b>4,229,370</b>
<b>Resources Expended</b>			
Overseas Ministry	9	3,465,932	2,607,013
Education		239,347	190,409
Fundraising and Promotion		852,568	893,508
Administration		117,007	119,520
Depreciation	4b	32,679	24,303
<b>TOTAL Resources Expended</b>		<b>4,707,533</b>	<b>3,834,753</b>
<b>Surplus/(Deficit) for the year</b>		<b>489,847</b>	<b>394,617</b>
<b>Transfer to Reserves</b>			
<b>General Funds carried forward</b>		<b>489,847</b>	<b>394,617</b>

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

The accompanying notes form an integral part of these financial statements



STATEMENT OF CHANGES IN EQUITY/ NET ASSETS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
<b>Balance at beginning of year</b>		3,228,229	2,833,612
General Fund	17a	(4,681)	
Lend n Mend Fund	17b		
Restricted Capital Fund	17c		
Project Reserves	17e		
Working Capital Reserves	17f		
Holiday pay Reserve	17g		
<b>Surplus/(Deficit) for the year</b>		<b>489,847</b>	<b>394,617</b>
<b>Balance at end of year</b>		<b>3,713,396</b>	<b>3,228,229</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 2019

	Notes	2019	2018
<b>Current Assets</b>			
Bank Accounts, Cash and Deposits	10	3,568,632	3,101,683
Accounts Receivable & Prepayments	4d	161,916	101,880
Inventory		2,507	3,207
		<b>3,733,055</b>	<b>3,206,770</b>
<b>Current Liabilities</b>			
Less Current Liabilities - Accounts Payable	4e	145,629	131,098
Less Funds committed for future remittances	11	413,966	382,806
<b>WORKING CAPITAL</b>		<b>3,173,460</b>	<b>2,692,866</b>
<b>Non Current Assets</b>			
Equipment, Furniture & Fixtures, Motor Vehicles	15	48,881	48,708
Advances (Share of Partnership)	16	481,437	477,037
Investments	4c	9,618	9,618
<b>TOTAL NON CURRENT ASSETS</b>		<b>539,936</b>	<b>535,363</b>
<b>TOTAL ASSETS</b>		<b>3,713,396</b>	<b>3,228,229</b>
<b>Equity</b>			
General Funds	17a	777,716	792,549
Lend n Mend Fund (Restricted)	17b	36,345	36,345
Restricted Capital Fund	17c	314,335	314,335
Project Reserve	17e	2,000,000	1,500,000
Working Capital Reserve	17f	485,000	485,000
Holiday Pay Reserve	17g	100,000	100,000
<b>TOTAL EQUITY</b>		<b>3,713,396</b>	<b>3,228,229</b>

The accompanying notes form an integral part of these financial statements

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
<b>Cash flows from operating activities</b>		
Donations and bequests	2,721,211	3,066,568
Government Grants	2,256,748	1,222,367
<b>Payments</b>		
Remittances made to overseas ministries	(3,434,772)	(2,926,440)
Payment to suppliers & employees	(1,193,691)	(1,195,991)
<b>Net cash from operating activities</b>	<b>349,496</b>	<b>166,504</b>
<b>Cash flows from investing activities</b>		
<b>Net cash from investing activities</b>	<b>117,453</b>	<b>69,889</b>
Net increase/(decrease) in cash and cash equivalents	466,949	236,393
Cash and cash equivalents at beginning of period	3,101,683	2,865,290
<b>Cash and cash equivalents at end of period</b>	<b>3,568,632</b>	<b>3,101,683</b>
<b>Reconciliation with reported operating surplus</b>		
Reported surplus/(loss)	389,847	394,617
Depreciation	32,679	24,303
Less (Increase)/Decrease in Inventory	700	944
Interest and Other Income	(159,386)	(93,745)
(Increase)/Decrease in Accounts Receivables and Prepayments	(60,035)	153,310
Increase/(Decrease) in Accounts Payable	14,531	6,502
Increase/(Decrease) in funds committed to remittances	31,160	(319,427)
<b>Net cash inflow from operating activities</b>	<b>349,496</b>	<b>166,504</b>

The accompanying notes form an integral part of these financial statements





# Notes to the Financial Statements

For the year ended 31 December 2019

## 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 2019. These statements will be authorised for issue after the Board meeting on 11<sup>th</sup> August 2020.

## 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 Public Benefit Entity 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 2019 the last sale listed on the Nasdaq Exchange was USO 10.87 per share. There were no dividends received in 2019.
- (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 2019.

#### (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

	2019	2018
Appeal Donations	1,739,664	1,574,705
Partner's Programme	504,849	491,002
Money Boxes	49,821	54,843
General Donations	17,508	41,549
<b>TOTAL</b>	<b>2,311,842</b>	<b>2,162,099</b>

## 9. Overseas Ministry & Grants

	2018	2017
Grants <sup>1</sup>	2,236,748	1,197,367
Private Funds	1,229,184	1,409,646
<b>TOTAL</b>	<b>3,465,932</b>	<b>2,607,013</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 \$413,966 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

Leprosy Mission New Zealand conducts an internal audit every year for the Bougainville Healthy Communities Programme (BHCP) project. The internal audit comprises a desk-audit followed by a site visit to Bougainville to complete a full internal

audit which is required for reporting to MFAT. Grant Pollock CA, a member of The Leprosy Mission NZ Board conducts this audit and is paid a fee which is determined and agreed in the BHCP project budget with MFAT. All travel, accommodation and incidentals for the site visit are covered under the agreed budget.

## 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>2019</b>					
Equipment	452,643	23,773	418,404		34,239
Furniture	83,939	3,864	78,960		4,979
Motor Vehicles	25,260	5,042	15,597		9,663
	<b>561,842</b>	<b>32,679</b>	<b>512,961</b>		<b>48,881</b>
<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>

## 16. Advances - Share of Partnership

	2019	2018
Balance as per Restricted Capital	477,037	473,037
Add Other Advances:		
Advance towards maintenance fund	4,400	4,000
<b>TOTAL Advances</b>	<b>481,437</b>	<b>477,037</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>2019</b>	<b>2018</b>
	Balance at beginning of year	792,549	1,047,932
	Add: Surplus/(Deficit) for the year after transfers	489,847	394,617
	Less: Prior period adjustment	(4,680)	
	Add: Transfer from general funds	(500,000)	(650,000)
	<b>Balance at end of year including funds committed to future remittances</b>	<b>777,716</b>	<b>792,549</b>
(b)	<b>Lend n Mend Fund</b>	<b>2019</b>	<b>2018</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>2019</b>	<b>2018</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>
(e)	<b>Project and Other Reserves</b>	<b>2019</b>	<b>2018</b>
	Balance at beginning of year	1,500,000	850,000
	Add: Transferred from Bequest Reserve	500,000	650,000
	Less:		
	<b>Balance at end of year</b>	<b>2,000,000</b>	<b>1,500,000</b>

(f)

<b>Working Capital Reserve</b>	<b>2019</b>	<b>2018</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>2019</b>	<b>2018</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>

**Charity**  
INTEGRITY AUDIT  
CHARTERED ACCOUNTANTS





# Independent Auditor's Report

To the Board of The Leprosy Mission New Zealand (NZ) for the year ended 31st December 2019

## 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 2019, the statement of cash flows for the year then ended, and notes 1 to 12 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 2019 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)



Charity Integrity Audit  
17<sup>th</sup> April 2020



# Statement of Service Performance

## Leprosy Mission New Zealand

For the year ended 2019

### 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 3,824 members in 248 Self-Help Groups structured in 11 Federations under 1 community-based organisation (Disabled People's Association).
- 235 (79 Male, 156 Female) leaders of Federation and DAPA trained in advocacy and rights.
- 304 (173 Male, 131 Female) participants received technical advice, mentoring and support to identify and run income generating activities.
- 2129 (396 Male, 1733 Female) loans issued to members of Self-Help Groups. Total received was Tk46,831,800 with an average loan per member of Tk 21,997.

#### 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 850 out of 862 communities.
- 966 village and Ward support visits in 2019.
- 1,700 Village Health Volunteers trained in health development.
- 1,964 Village Leaders trained (1,080 Male, 884 Female) in Leadership and Community Development.
- 164 new confirmed leprosy cases in 2019.

#### Sustainable Livelihoods Development Programme, Papua New Guinea

- A total of 93 (48 Male, 45 Female) Community Facilitators trained and providing support to 50 communities on livelihoods and health.
- 50 leaders trained (30 Male, 20 Female) from 50 communities on Leadership and Community Development.
- 1,081 (556 Male, 525 Female) community members trained on Livelihoods Development & Business Mentoring.
- 449 people affected by leprosy in target communities on Multi-drug therapy.



Photo caption: 2019 Youth Advocates with Anandaban Hospital staff in Nepal.

#### 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.

#### Board and Committee

The Leprosy Mission is governed by a highly skilled and committed volunteer Board. These are fixed term elected positions. In 2019, Anne Ratliff stepped down as Board Chair. We honour and thank Anne for her services and expertise in the past seven years as Board Chair and her ongoing commitment as the Vice Chair of The Leprosy Mission Global Fellowship Board. We are also very thankful for the commitment of our Committee members and our dedicated Board members who give their time and skills to support the Mission so willingly.

#### Prayer Partners

Prayer is fundamental to our work. We would like to thank our Prayer Partners for continuing to remember our work in their thoughts and prayers.

#### 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 and 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 give thanks and praise for their enthusiasm. We appreciate their vital help in our office, their churches and communities.

#### Youth Advocates

Each year the Leprosy Mission Youth Advocates have an immersion experience in Nepal. In 2019, they raised over \$25,000 for a new bus for the Mission's Anandaban Hospital in Kathmandu.

#### Staff

Lastly, we want to acknowledge the Leprosy Mission staff team for their service and dedication in defeating leprosy and transforming lives.





*Thank you*

for making this life-changing  
work possible!





**Cure One Today**

**A world without  
leprosy  
tomorrow**