

The Leprosy Mission New Zealand

Annual Report

2007/08



The Right to a Life of Dignity



Contents

The Right to a Life of Dignity.....	1
Our Global Vision	2
Leprosy – A Disease of Our Time.....	4
The Rights of People Experiencing Leprosy.....	6
Our Structure, Governance and Management.....	8
Achievements in the 2007/08 Year.....	9
Financial Review.....	12
The Way Forward	14
Financial Statements.....	16
Auditors Report.....	27



Cover Story – Eppli belongs to a family that is experiencing leprosy and facing an uncertain future. But with Eppli's involvement in TLM's Vocational Training Programme and the further education made possible, she hopes to set up her own

sewing business. With her increased confidence, and advocacy related skills she is also voicing her opinions regarding her rights in society, rather than being stigmatised because of leprosy in her family. Image(c) Peter Lemieux

THE RIGHT TO A LIFE OF DIGNITY

Haere Mai, Welcome

The Board of The Leprosy Mission New Zealand Incorporated has pleasure in presenting this new look, more substantive Annual Report for the financial year ending 30th June 2008. We trust it will provide you with a clear view of all that has been achieved, and what we plan for the future.

Our founder, Wellesley Bailey, regularly stressed the importance of prayer in the work of the Mission. We would like to thank all our faithful prayer partners who continue to pray for the work of The Leprosy Mission New Zealand.

On behalf of people experiencing leprosy, we say 'thank you' for the support in time and resources, which you have so generously made available. We value all that is achieved by our volunteers, both to provide the essential governance function of our organisation as well as providing help in many other ways. We are unable to quantify the contribution volunteers make in financial terms, but we do record here our immense gratitude for all the time and energy invested. Opportunities arising from this assistance have brought about life changing transformations for thousands of people and their communities. Many of these people have asked us to pass on their thanks to the people of New Zealand, who live so far away, but who care enough to provide resources that bring about such positive change.

Thank you.

Ka kite ano

Ross Dillon

TLMNZ Board Chair

David Hall

TLMNZ Executive Director

The Board of The Leprosy Mission New Zealand Incorporated

Rt Rev Dr John Evans MDiv, DMin, QSM - President

Ross Dillon LLB(Hons), MComLaw (Hons) - Chair

Marianne Salmon B Ag Sci, MBA - Deputy Chair

Dick McDonald BCom, FCA (Retired), DipTchg - Treasurer

Rev. Barry Charlton Dip Min

Rev. Kathleen Gavin

Stephanie Humphries

Dr Susan Maiava BSc (Hons), MA(Dist), PhD

Peter McGhee NDA, GradDipMgt, GradDipEthics, MBS (Hons)

Kirisimasi Poasa

Beverley Turnbull MA, BA, Dip Teaching

Senior Staff:

David Hall C.Eng, MIET, MFINZ - Executive Director

Isabelle Duff MPhil - Programmes Director

Wayne McKenzie DipFA, DipTheol, CFRE - Fundraising and Marketing Director

Martin Malkaney BCom - Finance Manager

Auditor:

Robert J Gilmour MMS, BCom, CA, MIIA

Hon - Solicitors:

Gaze Burt

OUR GLOBAL VISION

A world without leprosy

Our Global Goal

To eradicate the causes and consequences of leprosy

Our Values

Our values are modelled on Jesus and we rely on the grace of God to demonstrate this in our actions and in our prayers. Accordingly we act with:

Courage of Conviction, working with integrity, being creative and radical, bold and innovative – without fear of failure – in pursuit of making the greatest possible impact on eradicating the causes and consequences of leprosy

Transparency and Honesty, being professional and accountable at all levels, including to people experiencing the causes and consequences of leprosy, for the effectiveness of our actions and open in our communications with others

Equity and Justice, requiring us to work to ensure equal opportunity and human rights of everyone experiencing the causes and consequences of leprosy; irrespective of race, age, gender, sexual orientation, HIV status, colour, class, ethnicity, disability, location and religion.

Humility and Mutual Respect, in our presentation and behaviour, working in partnerships, listening and learning, recognising that we are part of a wider alliance committed to eradicating the causes and consequences of leprosy.

Solidarity, with people experiencing the causes and consequences of leprosy which will be our only bias as we advocate with them for their human rights, freedom and dignity.

Our Mandate

The Leprosy Mission New Zealand, relying on the grace of God and motivated by Jesus Christ, exists to join in mutual partnership with individuals, families, communities and organisations to share resources, experience and learning in order to eradicate the causes and consequences of leprosy, and actively supports the right to a life of dignity for all people.

Our Collective Commitment

The Leprosy Mission New Zealand by its activities and actions will always promote the value of each person, all of whom are created in the image of God, as exemplified by the life of Jesus Christ and revealed in the Christian scriptures. These will be reflected by giving priority to authentic partnerships and participation which are God-given principles illustrated by the relationship of the Trinity.

As long as leprosy affects individuals and communities, we are committed to doing all we can to break its power and impact. For The Leprosy Mission New Zealand this means we are called to collective action to take sides with people experiencing leprosy, disability and social exclusion, and to support their ideas, aspirations and actions.

It is an offer of partnership, an offer to join hands with our supporters and others in eradicating the causes and consequences of leprosy and fighting for justice and dignity.

We are continually informed and inspired by the resilience, ingenuity and struggles of people experiencing leprosy, disability and social exclusion, and the communities in which we work. Our resolve is constantly strengthened by the progress, be it big or small, that people experiencing leprosy make in claiming and expanding their voices, choices and rights towards a dignified life.

We will walk alongside people experiencing leprosy, disability and social exclusion and support every step and action they take in claiming their rights. There are some gains and achievements so far, but not enough. We must keep up the pace and continue the fight.

The world around us is changing fast and the context of our work is getting ever more complex. We recognise and respond to the changing context of our work. It is about staying on course with our agenda. Responding to new challenges and bringing focus to our work.

We place high priority on our partnerships, in particular with grassroots membership organisations made up of people experiencing leprosy. Their full participation as equal partners with us in discussions and decision-making is our response to their plea, "Please don't talk about us and make decisions for us, without us."

We strengthen our focus on women's rights because we believe that the eradication of the causes and consequences of leprosy will simply not be possible without ensuring safety, security and dignity for women experiencing leprosy, who otherwise stand to lose the most.

'At least here in the ulcer ward I am surrounded by new friends who share my pain and make me feel like a person again and not an animal. I pray to God that my family and neighbours will accept me and relieve my troubles'

- Kamla 67 – Naini, India



Our Distinctive Approach

What makes TLMNZ different? The answer lies in the way we work; a people-centred approach with the poorest of the poor and most disadvantaged, based both on our cumulative experience and that of other front line groups fighting the causes and consequences of leprosy¹. In the late 1800s we focussed our work almost exclusively on providing palliative care and the necessities of life for people experiencing leprosy that had nowhere to go. Significant medical breakthroughs occurred through the 20th century, such as reconstructive surgery followed by curative treatment in the mid 1980s, and changed the face of leprosy interventions. We soon learned that, whilst the cure was a remarkable achievement, it was not enough. It failed to address the social issues surrounding the disease and it did not lift people out of poverty.

In the 1990s we developed our work to also address the multiple deprivations that characterise leprosy and to improve the living standards of people experiencing leprosy and enable them to remain in their communities. Leprosy does not only affect one person, it impacts whole families and communities. We provided money, raw materials, training for income generation activities, vocational training, basic education opportunities, and more. We learnt that addressing the visible conditions

of leprosy and poverty often did improve the quality of people's lives, but only while those materials lasted and we continued to provide them.

Since 2000, our work shifted significantly to focus not only on the disease, but also on the causes and consequences of the disease. We realised that we could not do this alone. We needed to further develop our partnerships and alliances and our work began to focus on the challenge to become an enabling organisation. Our aim became one of amplifying the unheard voices of people experiencing leprosy and arguing for change in the attitudes, policies and practices of powerful people, institutions and governments. This has profoundly changed who we are and how we view the world.

The causes and consequences of leprosy are most often rooted in poverty, discrimination, injustice and ignorance. Therefore, in all aspects of our work we will attempt to address the structural causes of such problems and not only the consequences.

¹ Also known as Hansen's Disease

LEPROSY – A DISEASE OF OUR TIME

Leprosy is a disease that attacks the nerves and is caused by a bacillus called mycobacterium leprae. If untreated, a person with leprosy may lose sensation in their hands and feet and for this reason run the risk of serious injury from daily activities such as cooking or walking with bare feet. Disability results, along with severe ulcers, which take months of rest to heal. Training on how to manage disabilities helps people prevent further injury to themselves. Surgery can restore movement to certain parts of the body. However, lost sensation can never be restored, which is why it is so important to make testing and treatment for leprosy as accessible as possible.

The disease's devastating physical and emotional effects mean many people are terrified of leprosy as a diagnosis, which often leads to social exclusion. Sadly a community's lack of knowledge about the facts of leprosy often mean a person who has started treatment and is no longer contagious will experience the same social exclusion regardless. This can result in a person losing their family, spouse, job and home. Leprosy is most common in areas affected by poverty and both disabilities and social exclusion can exacerbate an already desperate financial situation. But even worse, it often means people lose their dignity and their reason for living.

The Impact of Leprosy

Leprosy is still a serious problem for many countries around the world. At the end of 2006 some 260,000 people had been diagnosed with leprosy and registered for treatment that year,² but it is thought that annually many more cases go unreported. The social discrimination associated with leprosy means some people would rather hide their symptoms than seek diagnosis and treatment.

Leprosy is still endemic in the Democratic Republic of Congo, Mozambique, Nepal and Brazil³. However over half of all new cases are found in India.

Official data from National Ministries of Health suggest that globally annual leprosy detection rates have been declining. This reduction has been mostly in South Asia, mainly India. In contrast, the number of new cases in other regions has been generally static although some countries have reported increases, e.g. Indonesia.

This reduction is encouraging but it only measures part of the problem. New case figures give no indication of the number of people who have been cured but still suffer the effects of the disease and need support. It also does not take into account those who do not come forward for treatment.

Generally, government operated community health centres are responsible for the initial diagnosis and treatment of leprosy, with the main exceptions being Nigeria, DR Congo and Bangladesh. Despite the availability of leprosy services from local government health centres a significant number of people, particularly in India; still seek diagnosis and treatment from The Leprosy Mission's⁴ (TLM) hospitals. In 2007 some 15,000 people sought help from TLM's services. Although early diagnosis and treatment of leprosy is the key to preventing disability, and therefore reducing stigma, significant numbers of people delay seeking help usually due to their fear of the stigma which is what positive diagnosis will mean. The global leprosy disability rate of 15.6% (WHO grade 1 and 2 combined)⁵ is an indication of the fear and subsequently delayed diagnosis and treatment. In India the combined leprosy disability rate on diagnosis is 37.3%⁶, which is of concern. It may be an indication that the impact of the Government of India's intensive awareness raising campaigns conducted between 1998 and 2005 are beginning to diminish, with disturbing results. TLM strongly advocates for access to good health care and clear education about leprosy, as a way of reducing the apparently high levels of unreported new cases and the levels of irreversible disability.

Although much progress has been made on medically treating leprosy and its complications, little is known about the dynamics of its transmission and there is no effective vaccine. However, we do know that when health infrastructures are improved, along with access to them, and the standard of living improves in parallel, then leprosy can virtually disappear. This happened in Europe in the 19th century and later in the 20th century in a number of countries including Japan, South Korea, China, Thailand and Taiwan.

2 World Health Organisation (WHO) Weekly Epidemiological Record 22 June 2007.

3 WHO June 2007. These countries have new case detection rates of one or more persons for every 10,000 population.

4 When the term The Leprosy Mission (TLM) is used in this document it means the global organisation, not only New Zealand.

5 TLM International Annual Statistical Report for 2007

6 TLM International Annual Statistical Report for 2007



In 2003 the World Health Organisation (WHO) began an international effort to eliminate leprosy, in 2006 India declared that it had reached the WHO elimination target of less than one case per 10,000 population. However, with India's huge population this actually means there are a staggering number of people each year still being diagnosed with leprosy.

All agencies and governments involved in leprosy work are encouraged by WHO's Global Strategy for 2006-2010 to:

- Sustain leprosy activities
- Improve the quality of their services
- Work for social equity and justice in gender and human rights issues
- Encourage prevention and proper management for disabilities and impairments
- Rehabilitate people disabled by leprosy

There remains much to learn about leprosy and much more to achieve in tackling both its causes and consequences.

"Why should there be a stigma about leprosy any more than any other disease?"

Gandhi

THE RIGHTS OF PEOPLE EXPERIENCING LEPROSY¹ ARE VIOLATED EVERY DAY

People affected by leprosy have been oppressed by society for centuries. The most devastating impact is the loss of dignity through stigma, discrimination and injustice. The right to dignity is fundamental: not only is it enshrined in the Universal Declaration of Human Rights of 1948; it was exemplified and taught by the life of Jesus Christ centuries before

TLMNZ is committed through our activities and actions to always promote the value of each person, all of whom are created in the image of God, as exemplified by the life of Jesus Christ and revealed in the Christian scriptures.

TLMNZ views human rights as a catalyst that can contribute to and transform the practice of development from a focus of identifying and meeting needs to enabling people to recognise and claim rights that are enshrined in the Universal Declaration of Human Rights⁷. TLMNZ believes that without this respect of dignity, and an understanding and promotion of human rights, there will be no solution to the structural causes of poverty and therefore little possibility of eradicating the causes and consequences of leprosy.

The fact that for centuries leprosy has disabled and socially excluded people, provides strong impetus to TLMNZ to strike out and work strategically within a human rights framework. Integrating human rights into development may take various forms: projects directly targeted at realising specific rights for specific groups or in support of human rights organisations; in the design of country programmes and global initiatives; and mainstreaming of human rights into all development assistance.

To ensure that the rights of people experiencing leprosy, people with disabilities and people that are socially excluded are respected, promoted, protected and fulfilled means that as an organisation we require institutional change at all levels in policy and in the ways in which we work.

Taking Sides with People Experiencing Leprosy

We are committed to the right of a life of dignity for people who experience leprosy, disability and social exclusion. We believe that the associated human rights abuses can only be eradicated when people are enabled to mobilise, take charge of their lives and act to claim their rights.

The causes and consequences of leprosy and related injustice and human rights abuses often reside outside the areas where the worst symptoms are found. Challenges to the root causes of poverty and injustice should not only be made at the level where individuals, families and communities are directly affected, but must be a collective responsibility of civil society, governments and international organisations.

We will act against injustice and human rights abuses on all fronts, local to global. Global advocacy and campaigning offers the greatest potential for increased impact through collaboration between partners. We aim to achieve coherence and connectedness between our actions at different levels of society. We derive legitimacy and authority to pursue advocacy⁸ by taking sides with people experiencing leprosy. Our advocacy is a planned strategic process aiming to bring about societal structural change.

Women Experiencing Leprosy Lose the Most

Woman experiencing leprosy, already battling the deprivations imposed by lack of food, clean water, shelter and employment, are subject to cruel daily discriminations on the basis of their sex. These commonly include not being allowed to own property, keep the money they earn, or access the education that could offer a better future. This lack of power can be life-threatening. Women experiencing leprosy face all of these, plus others such as being immediately divorced by their husband on diagnosis, murdered or committing suicide. Sexual abuse and forced prostitution is rife.

Women make up 70% of the world's 1.3 billion people living in poverty, 65% of the world's refugees and two-thirds of the world's illiterate population⁹. Women experiencing leprosy make up part of these figures, and are profoundly more disadvantaged.

Gender discrimination affects every aspect of women's lives, including the ways their needs are addressed and their human rights. We believe there will only be sustainable change when women are able to fully participate in decision making about issues affecting them and their families. We view women as agents of change rather than solely as beneficiaries of development projects.

Mainstreaming a gender perspective is the process of assessing the implications for women, children and men of any planned action, including legislation, policies and programmes, in all areas and at all levels. It is a strategy for making women's, children's and men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic, and societal spheres so that all benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.¹⁰

People Experiencing Leprosy are Differently Abled, Not Disabled

A radical alternative to the medical concept of disability asserts that people are disadvantaged, not by their impairments, but as a result of the limitations imposed on them by attitudinal, social, cultural, economic and environmental barriers to their participation in society. Rejecting the idea of abnormality, although not the importance of medical intervention or impairment prevention, the social model points to the normality of impairment within any population. What is not normal, it is argued, is being discriminated against and socially excluded because of having impairment. This is what is disabling.¹¹

We are committed to creating enabling environments as well as advocating for the rights of people with disability as in the UN Convention of the Rights of Persons with Disability (2007). Disability mainstreaming is clearly mandated by the International Disability Movement, as represented by Disabled Peoples' Organisations (DPOs) and by the passing of the UN Convention of Rights of Persons with Disability.

Call to Action: Working With, Not For, People Experiencing Leprosy

Authentic partnerships, involving strong, supportive and ongoing relationships, with shared decision-making that offers mutual advantage is how we aim to work. Our partnerships are centred on a common purpose, with each partner respecting the other's values, forming the foundation for good development practice. We take seriously the plea from people experiencing leprosy, "Please don't talk about us and make decisions for us, without us."

"Working with others" is central to how we operate. While we can achieve some limited change on our own, we can achieve so much more sustainable change by working in wide-ranging partnerships. We are committed to building partnerships that are inclusive, accountable and empowering – based on transparency and honesty, equity and justice, humility and mutual respect, and solidarity.

Giving People Experiencing Leprosy Choices and Voices

Grassroots membership organisations, made up of people experiencing leprosy, disability and social exclusion, are beginning to stand together in solidarity as human rights organisations. They are demanding to be heard. We are committed to listening and acting together with them. We firmly believe that the finest struggles with the best results are those fought by oppressed people themselves.¹² Appropriate consciousness-raising is vital and necessary, and fundamental to our work, so that people oppressed by leprosy can struggle for their own interests and not leave their fate to others. We are committed to supporting people experiencing leprosy that form their own organisations allowing them to fulfil their right to decide what is in their own best interests.

- 1 Experiencing leprosy: includes those diagnosed with the disease, as well as those socially disadvantaged by being associated through family or community with the disease.
- 2 Nyamu-Musembi & Cornwall: What is a Rights Based Approach All About? Perspectives from International Development Agencies. Governance and Social Research Resource Centre. 2004
- 3 Advocacy as distinct from awareness raising which focuses on providing information.
- 4 See: <http://www.endpoverty2015.org/goals/gender-equity>
- 5 UN Economic and Social Council 1997 Report
- 6 Disability KAR Knowledge and Research, 2005 Disabled People at the heart of disability research. <http://www.disabilitykar.net/>
- 7 Freire, Paulo. (1989) Pedagogy of the Oppressed. New York, Continuum

OUR STRUCTURE, GOVERNANCE and MANAGEMENT

Structure

The Leprosy Mission was founded in 1874 in Dublin, Ireland. The Leprosy Mission New Zealand commenced fundraising activities in New Zealand in 1912, initially as an "Auxiliary" of The Leprosy Mission. In New Zealand an unincorporated society was formed in the 1940s and an incorporated society in accordance with the Incorporated Societies Act of 1908, in 2000. The Leprosy Mission New Zealand is an autonomous member of the wider network of The Leprosy Mission International which is now represented in various ways in 53 countries. Currently, The Leprosy Mission New Zealand Inc is in the process of being registered with the newly formed New Zealand Charities Commission.

The Board

The Board is elected by the membership of the Incorporated Society. It has the legal responsibility for ensuring the effective use of resources in accordance with the objectives of the Society. The Board also provides effective governance, strategic leadership and direction.

New Zealand law requires the Board to prepare financial statements that give a true and fair view of the financial position of the Society at the end of each financial year and the operating results for the year.

The Board has three Committees: Programmes, Marketing and Resources. Membership of each includes Board members and, where appropriate, external specialists and senior staff. Terms of Reference for the Committees includes the following:

- To develop and review policy, for recommendation to the Board.
- To ensure strategies, plans and programmes are consistent with the values and goals of the organisation
- To debate strategic issues, review and critique medium and long-term strategy and make recommendations and observations regarding the same to the Board.
- To advise and act as a reference point for staff in the development of ideas and proposals.
- To monitor and evaluate performance against the Corporate Strategic Plan.

Meetings take place two or three times annually, usually for a full day. The Resource Committee meets more often for shorter sessions. Non staff members of the Resource Committee function as an Audit Committee. The external auditor has access to the Audit Committee and meets with the Committee at the beginning and end of the audit.

Risk Review

The Resource Committee, in 2005, undertook a comprehensive review of potential risks to the Society and developed a formal Risk Management Plan that was approved by the Board. This plan is regularly reviewed by the Resource Committee and management. In the 2007/8 year an addition was made to the Risk Management Plan to mitigate the possible risk of implementing regions and/or countries failing to implement and/or report on projects or programmes funded by the Society in accordance with the Funding Agreement.

Management

Responsibility for strategy, planning and the daily management of operations is delegated to the executive team of directors led by the Executive Director. The Executive Director reports to the Board at each Board meeting.

The Leprosy Mission New Zealand was led by David Hall through 2007/8 with Isabelle Duff, Programmes Director; Wayne McKenzie, Fundraising and Marketing Director; and Martin Malkaney, Finance Manager.

Systems of internal control are designed to provide reasonable, but not absolute, assurance against mis-statement or loss. These controls include:

- A Strategic Plan approved by the Board. The Board and staff have been working on a new Strategic Plan for the period 2009-2012.
- An Annual Budget, including a Capital Expenditure budget, approved by the Board.
- Regular consideration by the Board of financial results, variance from budget and non financial indicators.
- Quality assurance relating to best practice for all programmes and projects supported by TLMNZ
- Delegation of authority and segregation of duties
- Identification and management of risk.

ACHIEVEMENTS IN THE 2007/2008 YEAR

Our priorities in 2007/8 focused on contributing to the strengthening of grass roots leprosy organisations, working alongside partners in community development projects, education for children and leprosy hospitals.

The Allocation of Monies

In 2007/8 we received financial support from NZAID¹³ through the KOHA-PICD¹⁴ scheme, Humanitarian Assistance Fund (HAF), the Asia Development Assistance Fund (ADAF) and the Bougainville Bilateral Desk. This funding, together with the donations and bequests from our individual supporters, and trusts and churches around New Zealand, allowed us to support the following projects and programmes:

Funds from HAF (NZAID) and Individual Supporters:

Country	Partner	Project Title	Total Grant NZ \$	Supporter Funds \$	2007/08 HAF \$
Bangladesh	HEED Bangladesh	South Asia Flood Relief Project	50,000	5,000	45,000
India	TLM India	South Asia Flood Relief Project	87,500	7,500	80,000
TOTAL			\$ 137,500	\$ 12,500	\$ 125,000

Funds from ADAF (NZAID):

Country	Partner	Project Title	2007/08 ADAF Full Grant \$
Bangladesh	HEED Bangladesh	CIHAD (Community Initiatives for Health and Development)	100,507
TOTAL			\$ 100,507

With NZAID Papua New Guinea Bi-lateral Desk Funding:

Country	Partner	Project Title	2007/08 Full Grant \$
Papua New Guinea	Bougainville Healthy Communities Project	Healthy Communities Project	165,862
TOTAL			\$ 165,862

¹³ The New Zealand Government's Overseas Development Agency

¹⁴ Kaihono hei Oranga Hapori o te Ao - Partnerships for International Community Development.

Funds from KOHA (NZAID) and Individual Supporters (4:1):

Country	Partner	Project Title	Total Grant \$	Supporter Funds \$	2007/08 KOHA \$
Bangladesh	TLM Chittagong	Chittagong Hill Tracts Well-being Project	250,000	50,000	200,000
Bangladesh	TLM Chittagong	Chittagong Urban Leprosy Project	151,717	30,343	121,375
Bangladesh	TLM Chittagong	Chittagong Community-Based Rehabilitation Project	155,291	31,058	124,233
Nepal	L MN ¹	Community Active Participation (CAP) Project	250,000	50,000	200,000
Nepal	LMN	Feasibility Study for a replicated CAP Project	20,382	4,076	16,306
India	TLM India	Women's Empowerment Project, Muzzafarpur & Purulia	42,025	8,405	33,620
India	TLM India	Women's Empowerment, Uttar Pradesh, Participatory Needs Assessment Study	51,475	10,295	41,180
India	TLM India	Sivagangai, Tamil Nadu, Participatory Needs Assessment Study	40,048	8,010	32,039
India	TLM India	Vizianagaram & Vishakapatnam, Andhra Pradesh, Participatory Needs Assessment Study	40,344	8,069	32,275
India	TLM India	Pondicherry Participatory Needs Assessment Study	43,553	8,711	34,843
Ethiopia	ENAPAL ²	ENAPAL Capacity Building Project	250,000	50,000	200,000
Ethiopia	ENAPAL	ENAPAL Organisational Growth and Sustainability Project	7,597	1,519	6,077
Ethiopia	ENAPAL	Promotion of Grass Roots Advocacy Project, Addis Ababa	53,543	10,709	42,835
Ethiopia	ENAPAL	Abune Hara Monastery Participatory Needs Assessment Study	58,719	11,744	46,975
Ethiopia	ENAPAL	Awassa Community Participatory Needs Assessment Study	56,751	11,350	45,401
China	HANDA	HANDA Socio-Psychological Empowerment Project	164,662	32,932	131,729
China	HANDA	HANDA Capacity Building Project	63,863	12,773	51,090
Papua New Guinea	TLM PNG	Opportunity for Equality Project	37,998	7,600	30,398
TOTAL			\$ 1,737,968	\$ 347,594	\$ 1,390,375

With TLMNZ Supporters Funding:

Country	Partner	Project Title	Total NZ \$
India	TLM India	Muzzafarpur Community Hospital, Bihar	419,264
India	TLM India	Faizabad Vocational Training Centre, Uttar Pradesh	52,182
India	TLM India	Princess Diana Media Centre, Delhi	171,018
India	TLM India	CADIP Phase One	166,073
India	TLM India	CADIP Phase Two	160,299
India	TLM India	Vadathorasalur Vocational Training Centre, Tamil Nadu	36,527
India	TLM India	Vizianagaram Vocational Training Centre, Andhra Pradesh	13,433
India	TLM India	Bihar Gems Multi Speciality Hospital	6,679
India	TLM India	Tirunelveli Leprosy Colony Project	7,748
India	TLM India	Rajahmundry Leprosy Colony	12,022
Nepal	International Nepal Fellowship	Green Pastures Hospital	23,243
TOTAL			\$ 1,069,489

With TLMNZ Supporters Funding:

General	Purpose	Total NZ \$
Delegates to ILC 2008	Five people who have experienced leprosy to be delegates at International Leprosy Congress 2008, Hyderabad, India	9,088
The Leprosy Mission International	TLMNZ's contribution as part of the overall TLM network	324,548
TOTAL		\$ 333,636

Our total remittances for the 2007/8 year, as outlined above, were \$3,544,884.

FINANCIAL REVIEW

Staff

Our staff are one of our greatest resources, and the calibre of our current staff is evident as we see strengthened operations and increases in our various fundraising programmes. The Board acknowledges and thanks the staff for their commitment and hard work over the last financial year.

Grants and Expenditure

The total remittances for the work with people experiencing leprosy in 2007/8 were \$3,544,884. A record. In 2005 the National Councils met in Dublin and pledged to double their remittances to the field over the next 5 years. With this in mind we at TLMNZ set up the Dublin Declaration Fund that would hold excess funds received in any given year, to be spread over future remittances thus enabling a steady increase in funds to the field with the aim of meeting the Dublin Declaration.

In 2006 we received some large bequests and the Board set aside an amount to this fund. This year we have been able to remit approximately \$500,000 more than the excess of our income over our expenditure by drawing down the funds from the Dublin Declaration Fund. Currently we have remitted all the monies set aside in this fund.

Resource Raising

We are fortunate to have three primary income streams contributing to the sum total required:

- Support from individuals, trusts and churches
- Bequests
- Grants from the NZ Government.

A 12 month comparison was required as last year's report only covered 7 months to 30 June 2007 due a change in balance date. Below we give a comparison between the 12 months to 30 June 2008 and 20 June 2007:

Total Income

Overall our income for the year ending 30 June 2008 was **\$4,326,904**

For the 12 months ending 30 June 2007 our income was **\$3,685,448**

Support from Individuals, Trusts and Churches:

12 months to 30 June 2008	\$1,679,068
12 months to 30 June 2007	\$1,446,543

This represents an overall 16% increase over the previous 12 months. Much of the increase came from excellent responses to the direct mails which has a 50% higher return than the previous 12 months. The response to GOOD GIFTS catalogue which is part of the direct mail has been very successful too, both financially and in attracting new supporters. This has enabled us to close down the Trading operation and focus more on this income stream.

BEQUESTS:

12 months to 30 June 2008	\$796,462
12 months to 30 June 2007	\$956,315

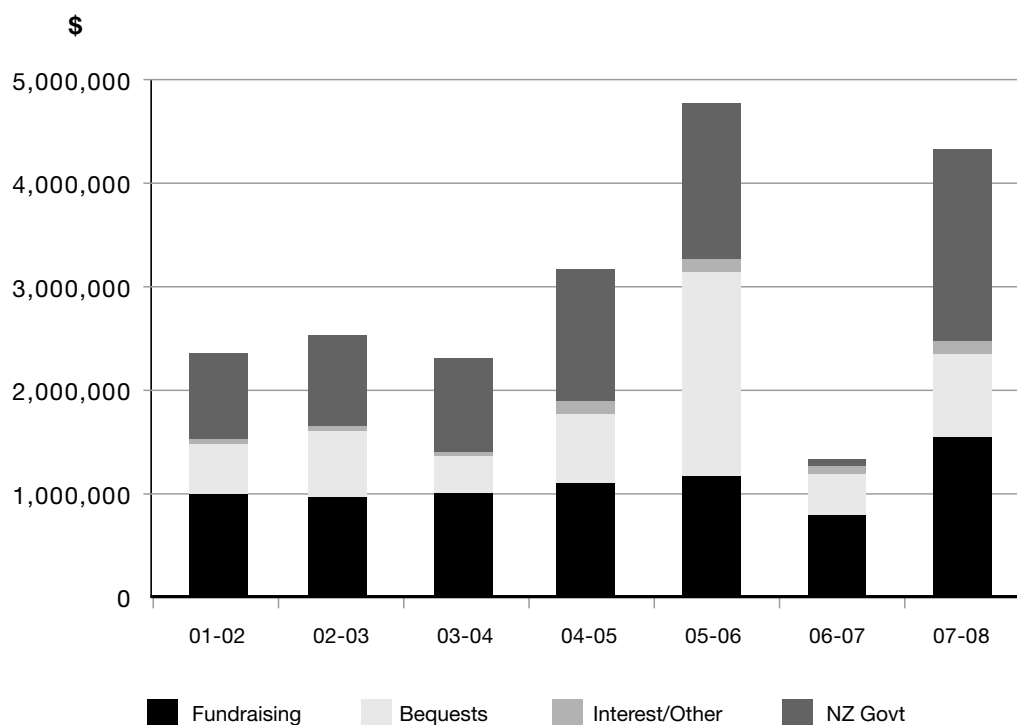
The 2008 result reflects the long term average.

GOVERNMENT GRANTS:

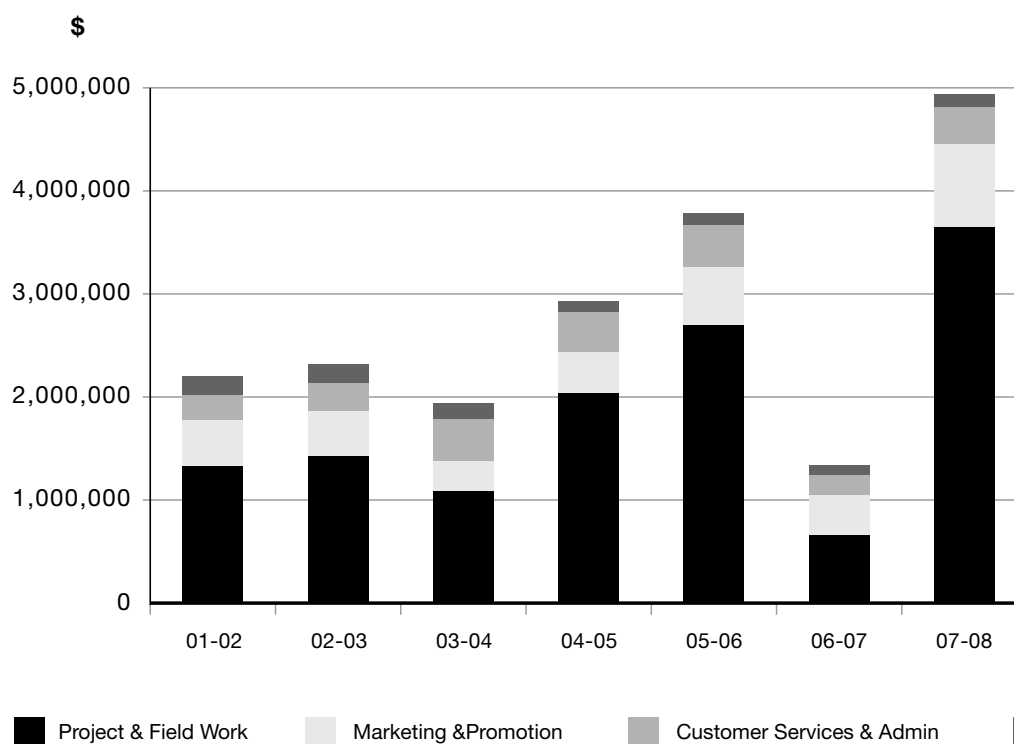
12 months to 30 June 2008	\$1,851,374
12 months to 30 June 2007	\$1,292,589

Compared to 2007 the 2008 result was an increase of 43%. Our base Block Grant from the KOHA-PICD scheme continues to increase, and reached \$1.5 million this year including administration and appraisal, monitoring and evaluation allowances. Our base Block Grant has doubled in the last four years. The base Block Grant cannot be reduced unless the Government makes a major reduction in the funding of NZAID.

Income Trends*



Expenditure Trends *



(Figures for 2006-07 cover a 7 month period only, due to a change in the financial reporting dates, and does not include substantial funding figures from NZ Aid and supporter Appeals.)

THE WAY FORWARD

Our new four-year Strategic Plan (2009-2012) for The Leprosy Mission New Zealand is entitled “The Right to a Life of Dignity” and outlines our priorities for the next four years. This plan will be formally endorsed by the Board at its meeting in November 2008. A full copy will be available on request, after this date.

The Board will monitor progress and report against the Strategic Plan in future years.

“The Right to a Life of Dignity” is outlined as follows:

People experiencing the causes and consequences of leprosy are exercising their power to secure their right to a life of dignity.

Aspirational Objective 1:

TLMNZ is an innovative, learning, active and committed member of the wider TLM network and related partners, contributing meaningfully to its global strategy, responding appropriately to meet the constantly changing external environment.

Strategy 1.1: We prioritise the inclusion of grassroots leprosy membership organisations¹⁵ as equal players.

Rationale: TLMNZ believes¹⁶ the finest struggles with the best results are those fought by oppressed people themselves. This means TLMNZ will support people experiencing leprosy¹⁷ that form their own organisations

Strategy 1.2: We contribute to and constructively influence the changing shape of the TLM network¹⁸.

Rationale: TLMNZ is committed to working strategically and collectively in mutual ¹⁹partnership within the TLM network to achieve our global vision and goal. We aspire to be a deliberately reflective learning organisation, incorporating change into our ongoing plans for improved practice to achieve our organisational goal. We recognise we have a responsibility to share our learning and experience with our partners, and to listen and respond to them, which contributes to the changing shape of the TLM network, its global strategy, and the way in which we work.

¹⁵ Grassroots organisations are self governing organisations of people experiencing leprosy.

¹⁶ Freire, Paulo. (1989) *Pedagogy of the Oppressed*. New York, Continuum

¹⁷ Experiencing leprosy: includes those diagnosed with the disease, as well as those socially disadvantaged by being associated with it.

¹⁸ TLM network: includes all TLM entities around the world.

¹⁹ General Enquiry Report: David Evans 2005, page 21

Strategy 1.3: Together with people experiencing leprosy, and our partners, we strengthen the collective capacity to achieve our shared organisational goals.

Rationale: On our own we cannot achieve our global vision and goal, but in working with our partners we have a collective capacity and strength which brings us closer to achieving our organisational goals. The needs of people experiencing leprosy, the disabled and socially excluded, are so great that we require sufficient capacity to meet those needs and to ensure their rights are respected, protected and fulfilled.

Strategy 1.4: Together with people experiencing leprosy and our partners we advocate against leprosy related injustice and human rights abuses on all fronts.

Rationale: Global advocacy and campaigning offers the greatest potential for increased impact through collaboration between partners. We aim to achieve coherence and connectedness between our actions at different levels of society. Our advocacy is a planned strategic process aiming to bring about societal structural change relating to the causes and consequences of leprosy. We derive legitimacy and authority to pursue advocacy from our relationship with, and support of, the people and communities with whom we work.

Strategy 1.5: We remain aware of, analyse and adapt to the external environment in which we work.

Rationale: Political, economic, social, technological, and environmental change has a direct impact on all aspects of our work and we need to adapt accordingly in order to achieve our organisational goal. Implications for our organisation are clear: if we are to fulfil our goal of eradicating the causes and consequences of leprosy from the face of the earth, we must respond to changing global realities, build on our successes and embrace change to improve our effectiveness and impact.

Aspirational Objective 2:

TLMNZ is a well recognized, trusted and professional development organisation throughout NZ and overseas working to achieve our vision of a world without leprosy.

Strategy 2.1: We have increased effectiveness as a professional development organisation.

Rationale: We take responsibility for our decisions and actions by adopting best practice and appropriate sector standards, because what we do directly impacts people's lives. No engagement is neutral.

Strategy 2.2: Public awareness, preference and knowledge of our work has increased.

Rationale: Through our work, our organisational name and brand image resonates with the NZ public as a preferred cutting-edge organisation, which results in an informed, engaged and expanding supporter base.

Aspirational Objective 3:

TLMNZ explicitly demonstrates its values through the governance and management of its policies, relationships, and resources.

Strategy 3.1: Effective Board governance and leadership enables TLMNZ to operate as a professional development organisation in order to achieve its goal.

Rationale: A shared vision between Board and Staff is essential for harmonious working relationships and organisational solidarity, which reflects a progressive and creative culture where together we can share dreams with people experiencing leprosy.

Strategy 3.2: Innovative and skilled management team and staff enable TLMNZ to operate as a professional development organisation in order to achieve its goals.

Rationale: As TLMNZ is entering a new phase of organisational growth we need to transform organisational capability to meet growth targets. To achieve this, we need a management team and staff that pushes boundaries, challenges norms, and works with integrity. We are committed to being accountable to all our stakeholders, particularly to people experiencing leprosy, disability and social exclusion.

FINANCIAL STATEMENTS

Statement on Corporate Governance

It is the Board's responsibility to prepare 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 financial statements set out in this report have been prepared by management in accordance with generally accepted accounting practice. They are based on appropriate accounting policies which have been consistently applied and which are 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 non-staff members of the Resources committee. The external auditor has access to this committee and met with it following completion of the audit for the 12 months ended 30 June 2008. 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 will be appointed each year based on recommendations of the audit committee.

Internal Control

To fulfil its responsibilities, management maintains adequate accounting records and has developed and continues to maintain a system of internal controls.

No breakdowns were identified in the systems of internal control for the 12 months ended 30 June 2008.

After reviewing internal financial reports and budgets, the Board believe that The Leprosy Mission New Zealand will continue to be a going concern in the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.



THE LEPROSY MISSION NEW ZEALAND INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

Incoming Resources	Notes	12 months 2008 \$	7 months 2007 \$
Donations Income	10b	1,530,803	728,051
Trusts/Corporates		23,238	70,820
NZ Government Grants - KOHA	10b, 16	1,390,375	64,031
NZ Government Grants - Other	10b, 16	460,999	-
Bequests	10c	796,462	392,331
Interest and Other Income	10a	125,026	78,162
TOTAL Incoming Resources		\$ 4,326,903	\$ 1,333,395
Resources Expended			
Field Remittances	16	3,423,295	455,847
TLM International Remittances	16	121,590	69,822
Project and Field Work	16	100,434	125,993
Education		130,118	95,051
Marketing and Promotion		807,052	394,526
Customer Services and Administration		300,556	161,578
Depreciation	4c	66,490	32,701
TOTAL Resources Expended		\$ 4,949,535	\$ 1,335,519
Surplus/(Deficit) for the year		(\$ 622,632)	(\$ 2,124)

The accompanying notes form an integral part of these financial statements

THE LEPROSY MISSION NEW ZEALAND INCORPORATED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
Balance at beginning of year		1,447,094	1,455,647
MH Feist Memorial Scholarship Fund		-	(1,429)
Lend n Mend		-	(5,000)
Leprosy Social Research Fund	18d	23,000	-
(Deficit)/Surplus for the year		(622,632)	(2,124)
Balance at end of year		\$ 847,462	\$ 1,447,094

The accompanying notes form an integral part of these financial statements

THE LEPROSY MISSION NEW ZEALAND INCORPORATED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2008

	Notes	12months 2008 \$	7 months 2007 \$
Current Assets			
Bank Accounts, Cash and Deposits	7	222,279	961,033
Accounts Receivable & Prepayments	6	86,411	33,125
		\$ 308,690	\$ 994,158
Current Liabilities			
Less Current Liabilities – Accounts Payable	8,9	161,435	141,072
WORKING CAPITAL		\$ 147,255	\$ 853,086
Non Current Assets			
Investments	5	105,548	105,548
Advances (Share of Partnership)	4a,17	441,037	354,054
Equipment, Furniture & Fixtures, Motor Vehicles	4a,4c	153,622	134,406
TOTAL NON CURRENT ASSETS		\$ 700,207	\$ 594,008
TOTAL ASSETS		\$ 847,462	\$ 1,447,094
Equity			
Restricted Capital Fund	18a	314,335	314,335
General Funds	18b	436,032	514,868
Lend n Mend Fund (Restricted)	18c	74,095	74,095
Leprosy Social Research Fund	18d	23,000	-
Dublin Declaration Fund	18e	-	543,796
TOTAL EQUITY		\$ 847,462	\$ 1,447,094

The accompanying notes form an integral part of these financial statements

R C McDonald BCom FCA (Retired) DipTchg
TREASURER

Ross Dillon LLB (Hons), MCom Law (Hons)
CHAIRMAN

THE LEPROSY MISSION NEW ZEALAND INCORPORATED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	12 months 2008 \$		7 months 2007 \$	
Cash flow from operating activities				
Cash inflow from donors	2,350,503		1,191,201	
Cash inflow from Government funds	1,851,374		(34,034)	
Cash received from interest and other sources	125,026		78,162	
Movements in Accounts Receivable	(53,287)		(4,244)	
Movements in Accounts Payable	20,363		34,513	
Salaries to employees	(903,543)		(472,162)	
Operating costs	(434,618)		(304,985)	
Remittances	(3,544,885)		(1,482,174)	
Net Cash outflow from operating activities		(\$ 589,065)		(\$ 993,723)
Cash flow from investing activities				
Investments	(63,984)		-	
Purchase of Assets	(85,706)		(65,099)	
Net Cash outflow from investing activities		(\$ 149,689)		(\$ 65,099)
Net Cash decrease		(738,754)		(1,058,822)
Bank Balance at 1.06.2007		961,033		2,019,855
Bank Balance 30.06.2008		\$ 222,279		\$ 961,033
Reconciliation with reported operating surplus				
Reported surplus		(622,632)		(2,124)
Add non-cash items				
Depreciation		66,490		32,701
Add (less) movements in other working capital items:				
Increase in Accounts Receivables		(53,287)		(4,244)
Increase in Accounts Payable		20,363		34,513
Decrease in recoveries received in advance		-		(98,065)
Decrease in funds committed for remittances		-		(956,505)
Net cash outflow from operating activities		(\$ 589,065)		(\$ 993,723)

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2008

1. Reporting Entity

The Leprosy Mission New Zealand Incorporated is a charitable organisation, based in Auckland, which is incorporated under the Charitable Trusts Act 1957 and awaiting registration under the Charities Act 2005. 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, United Kingdom.

TLMNZ physical address:

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

2. Date of Authorisation

The financial statements of the Leprosy Mission New Zealand are for the year ended 30 June 2008. The financial statements were authorised for issue by the Board on 15 November 2008.

3. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to IFRSs (NZ IFRSs) and other applicable Financial Reporting Standards, as appropriate for public benefit entities that qualify for, and apply, differential reporting concessions.

The Leprosy Mission New Zealand is a public benefit entity that raises funds together with NZAID grants for leprosy related work done overseas. The Leprosy Mission New Zealand is required by its constitution to prepare general purpose financial statements.

The Leprosy Mission New Zealand qualifies for differential reporting concessions as it does not have public accountability and it is not large. All available differential reporting exemptions allowed under the Framework for Differential Reporting for Entities Applying New Zealand Equivalents to IFRSs Reporting Regime have been applied, except for:

- NZ IAS 12.NZ5.3: the Leprosy Mission New Zealand has not used the rates of depreciation permitted for income tax purposes because we are a tax exempt entity.
- NZ IAS 18.NZ6.1: the Leprosy Mission New Zealand's financial statements are prepared on a GST exclusive basis
- NZ IAS 18.35(b): the Leprosy Mission New Zealand has disclosed each significant category of revenue.

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.

These are the Leprosy Mission New Zealand's first financial statements prepared in accordance with NZ IFRSs and NZ IFRS 1 has been applied. An explanation of how the transition to NZ IFRSs has affected the financial position and financial performance of The Leprosy Mission New Zealand is provided in note 19.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position at 1 July 2007 for the purposes of the transition to NZ IFRSs.

4. Equipment, Furniture & Fixtures and Motor Vehicles

(a) Owned Assets

Assets are comprised of 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 in the Mission Centre Partnership at 591 Dominion Road. Except for interest in the Missions Centre Partnership, all assets have been recorded at cost less accumulated depreciation value.

- A valuation of the building for insurance purposes stated that the reinstatement value was \$ 1,173,000 as at 17 September 2007.
- A valuation from Auckland City dated 30 June 2008 from their web site established the following values

Land Value	\$1,040,000
Value of Improvements	\$ 560,000
Capital Value	\$1,600,000

During the financial year the Missions Centre Partnership upgraded the roof of the building at 591, Dominion Road. 50% of the cost of the upgrade was advanced by The Leprosy Mission New Zealand.

(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:

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

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

(c) Equipment, Furniture and Motor Vehicles

	Cost \$	Current Year \$	Accumulated Depreciation \$	Carrying Amount \$
2008 Consolidated				
Equipment	251,678	50,112	157,433	94,245
Furniture	63,335	9,801	26,106	37,229
Motor Vehicles	42,792	6,577	20,645	22,147
	\$ 357,805	\$ 66,490	\$ 204,184	\$ 153,621
2007 Consolidated				
Equipment	25,899	3,015	14,068	11,832
Furniture	46,181	5,229	16,305	29,876
Motor Vehicles	200,019	24,457	107,321	92,698
	\$ 272,099	\$ 32,701	\$ 137,694	\$ 134,406

5. Investments

- (a) The policy of the Mission is to make available all possible funds for immediate leprosy work. Specific funds are invested pending utilisation.
- (b) Investments are shown in the Balance Sheet at the lower of acquisition cost or market value.
- (c) 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 30 June 2008 the last sale listed was at USD 39.69 per share on the New York Stock Exchange. A US .36 cents per share dividend was paid out each quarter for the first three quarters in 2007-2008. In the last quarter there was a .39 cent per share dividend paid out.
- (d) The Mission has a third share of a 5 share interest in freehold land in the Maori Freehold Land known as Anakiwi No. 10 Block.

6. Receivables

Receivables are recognised at the original invoice amount less impairment losses. This balance is made up of prepayments, GST refund and expenses incurred on behalf of The Leprosy Mission International (TLMI)

7. Cash and Cash Balances

Cash comprises deposits with The Bank of New Zealand. A gift of \$ 5000 has been invested with a financial company on the instructions of the donor.

8. Employee Benefit Liabilities

A provision for employee entitlements is recognised for benefits earned by employees but not paid at reporting date. Employee benefits include salaries, wages, annual leave, long-service leave and sick leave.

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Sick leave will be accrued from 1 July 2008.

9. 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. These amounts are usually settled in 30 days.

Given their short term nature, the carrying values of trade and other payables are considered a reasonable approximation of their fair values.

10. Income

(a) Finance Income (interest and dividend Income)

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

(b) 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 requirements of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

(c) Bequests

Bequests are recognised in the statement of financial performance when received. Starting 1 July 2008 a bequest will be recognised when probate of the will has been granted, receipt of the bequest is probable and the amount of the bequest can be measured reliably resulting in an accrual.

In 2005 the National Councils met and pledged to double their remittances to the field over the next 5 years. With this in mind The Leprosy Mission New Zealand established the Dublin Declaration Fund that would hold excess funds received in any given year and spread them over future remittances to enable a steady increase in funding to the field with the aim of meeting the Dublin Declaration. In 2006 we received some large bequests and the Board set aside an amount to this fund. This year we have been able to remit approximately \$500,000 more than the excess of our income over our expenditure by drawing down the funds from the Dublin Declaration Fund.

11. 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. No grants have been made this financial year.

12. 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.

13. Goods and Services Tax

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

14. Change in the Balance Date

As a result of a change in the balance date of The Leprosy Mission New Zealand from 30 November to 30 June, the comparative figures will have a 12 month comparison for the current year as compared to a 7 month comparison for the last financial period. From the following year there will be a 12 month comparison for both financial years.

15. Donation Income

This income has been collated for a 12 month period in 2007 to give a proper comparison and is a consolidated total made up of the following

	2008 12 months \$	2007 12 months \$
Appeal Donations	1,033,045	746,628
Partner's Programme	229,084	260,118
Money Boxes	107,117	119,770
General Donations	161,558	129,518
Trust/Corporate	23,238	78,925
Other Income	125,026	148,959
Trading	-	(37,375)
TOTAL	\$ 1,679,068	\$ 1,446,543

16. Remittances & KOHA Grants

Remittances made during the 12 months ending 30 June 2008 to the International Budget amounted to \$3,544,885. This consisted of \$ 1,390,375 of KOHA grant and \$ 460,999 from other government sources together with \$ 543,796 from the Dublin Declaration Fund with the balance made up of donation income of \$ 1,149,715. These are shown as separate items in the accounts.

In this report under the heading – “The Allocation of Monies” (Pg 9-11) details of all remittances made from the Block Grant during the year from 1 July 2007 to 30 June 2008 have been listed. NZAID has a policy that all funds received have to be remitted within the NZAID financial year and now that we have aligned our financial year to NZAID's financial year all expenses and remittances have been accounted for in the current financial year with no carry forward amounts.

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

17. Advances – Share of Partnership

There is a change in the balance of the advances over the year.

	\$
TLMNZ share of original purchase price	220,000
The cost of subsequent improvements	72,500
Balance as per Restricted Capital	292,500
Add Other Advances:	
Capital purchases	19,670
Advance towards windows replacement	32,639
Advance towards roof consultancy and signage	9,245
Advance of 50% cost of roof	86,983
TOTAL Advances	\$ 441,037

These advances are repayable in the event of the Leprosy Mission New Zealand withdrawing from the partnership. During the 2007/2008 financial year the partnership replaced the roof of the Missions Centre. The Missions contribution of 50% of the total cost was \$ 86,983.

18. Equity

(a) The equity of TLMNZ comprises the following:

The Restricted Capital Fund is comprised of Short term deposits 50% share of premises & improvements at 591 Dominion Rd, as advanced to the Missions Centre Partnership

	\$
	21,835
	292,500
	\$ 314,335

(b)

General Funds	\$
Balance at beginning of year	514,868
(including \$ 36,936 transferred from Asset Replacement Fund)	
Add transfer from Dublin Declaration Fund	543,796
	\$ 1,058,664
Less deficit for year	(622,632)
Balance at end of year	\$ 436,032

(c)

The Lend 'n Mend Fund is invested in short term deposits	\$
The Lend 'n Mend Fund represents cash advanced to the Leprosy Mission New Zealand at no interest, and may be repayable to the lender on demand	\$ 74,095

(d)

The Leprosy Social Research Fund	\$
This has been established to provide funds for people doing research in leprosy related issues. The money collected is invested at current interest rates with the banks.	\$ 23,000

(e)

Dublin Declaration Fund	\$
As at 30 June 2008, all monies set aside in this fund have been remitted	-

19. Impact of adoption of NZ IFRSs

On 1 July 2007 The Leprosy Mission New Zealand adopted NZ IFRSs for the first time. This required retrospective application of all NZ IFRSs to comparative information.

Explanatory notes

The changes arising from the adoption of NZ IFRSs are as follows:

1. Interest free loans (Lend n Mend) received by The Leprosy Mission New Zealand are invested at current interest rates with the bank and the interest earned is used in the work of the Mission. These loans are repayable on call. The balance of the Lend n Mend Fund as at 30 June 2008 is \$ 74,095.
2. A liability for sick leave will be accrued in the financial statement for the year ending 30 June 2009. Currently only the salary, wages and annual leave have been accrued. A liability of \$131,282 was recognised as at 30 June 2008
3. From 1 July 2008, Bequests will be recognised when probate of the will has been granted, receipt of the bequest is probable and the amount of the bequest can be measured reliably. Previously bequests were recognised at the time of receipt. The Leprosy Mission New Zealand recognised bequests of \$796,462 in the year ended 30 June 2008.

AUDITOR'S REPORT

To the readers of the Financial Report of The Leprosy Mission New Zealand Incorporated

I have audited the Financial Report on pages 17 to 20. The Financial Report provides information about the past financial performance of The Leprosy Mission New Zealand Incorporated and its financial position as at 30 June 2008. This information is stated in accordance with the accounting policies set out on pages 21 to 26.

Governing Body Responsibilities

The Board, as the governing body, is responsible for the preparation of a financial report which fairly reflects the financial position of The Leprosy Mission New Zealand Incorporated as at 30 June 2008.

Auditor's Responsibilities

It is my responsibility to express an independent opinion on the financial report presented by The Leprosy Mission New Zealand Incorporated and report my opinion to you.

Basis of Opinion

An audit includes examining, on test basis evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- * the significant estimates and judgements made by The Leprosy Mission New Zealand Incorporated in the preparation of the financial report, and
- * whether the accounting policies are appropriate to The Leprosy Mission New Zealand Incorporated's circumstances, consistently applied and adequately disclosed.

I conducted my audit in accordance with generally accepted auditing standards in New Zealand except that my work was limited as explained below. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary. I obtained sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in my capacity as auditor I have no relationship with or interest in The Leprosy Mission New Zealand Incorporated.

Qualified Opinion

The Leprosy Mission New Zealand Incorporated's income included donations from money boxes. Owing to the nature of this source of income there were no satisfactory procedures which I could adopt to confirm independently that all amounts to The Leprosy Mission New Zealand Incorporated were properly received.

In my opinion

- * Proper accounting records have been kept by The Leprosy Mission New Zealand Incorporated as appears from my examination of their records.
- * Except for the inability of being able to independently confirm the money box donations received, the financial report in pages 17 to 20 complies with generally accepted accounting practice and gives a true and fair view of the financial position of The Leprosy Mission New Zealand Incorporated as at 30 June 2008 and the results of its operations for the 12 month period ended on that date.

My audit was completed on 30 September 2008 and my qualified opinion is expressed at that date.



Robert J Gilmour, MMS, B Com, CA, MIIA.
AUCKLAND



"I had this feeling in my left hand; it felt a bit smaller than the right hand, as if it was shrinking, and there were nodules on my skin" but in the Indonesian community where Akhmadi lives, leprosy is feared so as a young boy he dropped out of school and spent a year inside. Now with MDT treatment Akhmadi is feeling much better, and can face the community with his wide smile and confidence in his future.



The Leprosy Mission New Zealand has a number of partners who are responsible for the implementation of the projects we fund. Our Project Partners: HEED Bangladesh, ENAPAL (Ethiopia), HANDA (China), TLM Bangladesh, TLM India, Leprosy Mission Nepal, TLM Papua New Guinea. We would like to acknowledge the vital contribution our partners make to advancing the goal of the eradication of the causes and consequences of leprosy.

The Leprosy Mission is a member of the Council of International Development (CID), the NZ umbrella group for development and humanitarian agencies, TLMNZ would like to acknowledge the support of the New Zealand government funds through KOHA, Bilateral and ADAF schemes.

This is an annual publication and is available upon request to all members of the public. The Leprosy Mission New Zealand is proud of the transparency of all operations and spending and is happy to provide you with further copies of this Annual Report 2007/2008.



For all enquiries please contact:

The Leprosy Mission: PO Box 10227, Dominion Road, Balmoral, Auckland 1446

Freephone: 0800 862 873 **Email:** enquiries@leprosymission.org.nz

Editors: Isabelle Duff, David Hall, Martin Malkaney, Ross Dillon, Cathy McIntosh