

The Leprosy Mission New Zealand  
**Annual Report**  
**2008/09**



Our Global Goal:  
To eradicate the causes and consequences of leprosy.



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**Cover Image** Self Help Groups are composed of members of a community affected by leprosy, stigma, poverty and discrimination. What makes this Self Help Group picture special, is that it shows a female member of the group standing to speak. In Nepal, a woman's voice is not often heard, especially if she is also affected by leprosy. It is a good sign of the positive impact that Self Help Groups can have, that this woman feels safe enough to stand tall and speak.

# INTRODUCTION

*"Defend the cause of the weak and fatherless, maintain the rights of the poor and oppressed." Psalm 82:3*

## OUR GLOBAL GOAL: TO ERADICATE THE CAUSES AND CONSEQUENCES OF LEPROSY.

### Haere Mai, Welcome

On behalf of the Board of The Leprosy Mission New Zealand Incorporated, I am pleased to present our Annual Report for the financial year ending 30th June 2009.

As I reflect back on the last twelve months, we have much to be thankful for. Our God continues to provide and we honour Him for all that has been achieved over the last year. Wellesley Bailey, our founder, stressed the importance of prayer in the life of the mission. We are blessed to have a faithful group of prayer supporters who continue to lift up the work of The Leprosy Mission. We are thankful for our supporters who continue to give generously of their time and resources. Most have been partnering with the Mission for decades. We acknowledge too the management and staff of The Leprosy Mission New Zealand and their commitment to serve those affected by leprosy.

The global economic climate has been very difficult over the last twelve months. While we have seen the effects of this here in New Zealand, the impact on the poor in the developing world is greater still. People affected by leprosy are often marginalised and excluded from communities. They are frequently the poorest of the poor.

In the last year we continued to partner with leprosy affected people groups in Ethiopia, Nepal, India, Bangladesh, China, and Papua New Guinea. In addition to this, a new partnership has been established in Brazil. Details of some of the things achieved in the last twelve months are outlined in a later section of this report. In April we hosted an Annual Reflection in Auckland for which field partners from HANDA China, ENAPAL Ethiopia, and IDEA International attended and shared their experiences of working with people affected by leprosy. We continue to be inspired by the courage and dedication of our partners.

In July we said farewell to David Hall who served as Executive Director for sixteen years. David has been a faithful servant to those affected by leprosy and he will be greatly missed both here in New Zealand and within the wider Leprosy Mission International family. We wish him every blessing for his retirement. Replacing David as Executive Director is Brent Morgan who joined the organisation in July. We welcome Brent to The Leprosy Mission New Zealand.

On behalf of all people experiencing leprosy we say 'thank you' for your support in prayer, time and resources which you have so generously made available.

With God's blessing,

A handwritten signature in black ink, appearing to read 'Ross Dillion'.

Ross Dillion  
The Leprosy Mission New Zealand Board Chair

# THE LEPROSY MISSION NEW ZEALAND INCORPORATED

## BOARD

**Rt Rev Dr John Evans** MDiv, DMin, QSM – **President (end Nov 2008)**  
**Ross Dillon** LLB (Hons), MComLaw (Hons) – **Chair**  
**Anne Ratliff** DipGrad Bus, P.M.E.R – **Deputy Chair**  
**Marianne Salmon** BAgSci, MBA – **Deputy Chair (end Nov 2008)**  
**Grant Pollock** CA – **Treasurer**  
**Dick McDonald** BCom, FCA (retired), Dip Tchg – **Treasurer (end Nov 2008)**  
**Rev Barry Charlton** DipMin  
**Rev Kathleen Gavin (end Nov 2008)**  
**Stephanie Humphries**  
**Dr Susan Maiava** BSc (Hons), MA(Dist), PhD  
**Peter McGhee** NDA, GradDipMgt, GradDipEthics, MBS (Hons)  
**Kirisimasi Poasa**  
**Beverley Turnbull** MA, BA, DipTchg (end Nov 2008)

## SENIOR STAFF

**Brent Morgan** BA, MBA – **Executive Director (begin July 2009)**  
**David Hall** CEng, MIET, MFINZ – **Executive Director (end June 2009)**  
**Isabelle Duff** MPhil – **Programmes Director**  
**Wayne McKenzie** DipFA, DipTheol, FFINZ, CFRE – **Fundraising and Marketing Director**  
**Martin Malkaney** BCom, ACA – **Finance Manager**

## AUDITOR

**Robert J Gilmour** MMS, BCom, CA, MIIA

## HON – SOLICITORS

**Gaze Burt**

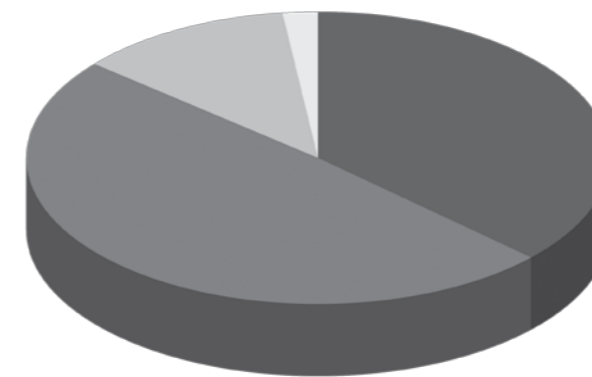
# GRANTS AND EXPENDITURE

## THE YEAR IN FIGURES

This summary financial information has been derived from the financial statements.

### INCOME RECEIVED

■ Government      ■ Bequest  
 ■ Donations      ■ Interest + Others

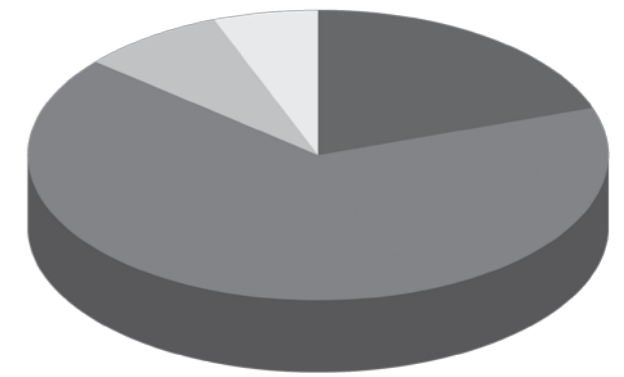


### INCOME RECEIVED

Government	\$2,052,996
Donations	\$1,529,130
Bequest	\$512,213
Interest + Others	<u>\$92,736</u>
<b>Total</b>	<b>\$4,187,075</b>

### RESOURCES EXPENDED

■ Project + Field Work      ■ Customer Service/Admin  
 ■ Marketing      ■ Education



### EXPENDITURE

Project + Field Work	\$2,892,034
Marketing	\$852,007
Customer Service/Administration	\$353,522
Education	<u>\$251,043</u>
<b>Total</b>	<b>\$4,348,606</b>

# ACHIEVEMENTS IN THE 2008/2009 YEAR

Over the past year The Leprosy Mission New Zealand (TLMNZ) has remitted \$2,683,645 to projects in the field. The year 2008/09 has been an exciting one. Some TLMNZ projects have concluded successfully, others have been initiated, and we look forward to the positive impact that they will have. Other projects continue on their path of improving the lives of people affected by leprosy. Partnering with people affected by leprosy, we work together towards a world without stigma or discrimination.

Following is a summary of some of the year's achievements for The Leprosy Mission New Zealand, and partners:

## BANGLADESH



Total Remittances 2008/09 \$500,000

Partners with TLM Bangladesh

Chittagong Hill Tracts  
Well-Being Project \$250,000  
Chittagong Sustainable  
Development Project \$250,000

- 210 Orientation Programmes held where large groups can attend i.e. garment factories, schools.
- 12 advocacy meetings held between TLM Bangladesh and key civil society leaders.
- Leprosy clinics integrated with general health system.
- 60,000 residents surveyed in slum areas of Chittagong regarding standards of living.
- 100 Self Help Group leaders attended training courses to improve leadership skills and knowledge.
- Networks created with other NGOs for increased sharing of knowledge.
- 20,000 students attended leprosy awareness and education sessions.
- 7,000 people affected by leprosy received education about hygiene, leprosy, and other diseases.

## ETHIOPIA



Total Remittances 2008/09 \$330,514

Partners with ENAPAL – Ethiopia National Association of People Affected by Leprosy

Addis Ababa Association  
Empowerment Project \$61,771  
Capacity Building Project \$250,000  
Organisational Growth and Sustainability Project \$18,743

- All 63 associations, ENAPAL staff and board received training to enhance and expand their current skills, such as computing, finance, planning, management, advocacy, and socio-economic rehabilitation.
- Chairpersons from all 63 Associations attended workshops to improve skills in governance, administration and financial management.
- Representatives from all 63 Associations attended a workshop following an external audit of ENAPAL's methodology.
- A 21-minute radio programme was created and aired on national radio every two weeks.
- Grain Mills opened and began working to generate income for ENAPAL members.
- A Participatory Needs Assessment, including survey in Abune Hara area, was initiated.

## INDIA



Total Remittances 2008/09 \$591,214

Partners with TLM India

Empowerment of Village Women \$232,549  
Empowering Communities \$244,503  
Muzaffarpur Community Hospital \$79,339  
Vadathorasalur Vocational Training Centre (VTC) \$34,823

- 12 different vocational training courses offered at centres.
- 120 VTC student graduates this year.
- 520 people treated at Muzaffarpur hospital for leprosy complications.
- 12,000 laboratory diagnoses carried out in Muzaffarpur.
- 6,399 dermatology examinations.
- 1,025 sets of footwear provided.
- 50 reconstructive surgeries conducted for those affected by leprosy.
- Continued to advocate for literacy and empowerment of women through billboards and as part of TLM message.
- Initiated adult literacy classes.
- Health education provided to communities about TB, family planning, nutrition, leprosy, HIV/AIDS.
- Increasing numbers benefiting from Self Help Group empowerment.
- Increased disaster preparedness for many communities.
- Education for potential employers to consider trainees from VTC.
- Occupational therapists assisted those with disabilities for best training.

## NEPAL



Total Remittances 2008/09 \$354,514

Partners with The Leprosy Mission Nepal

Community Active Participation (CAP) Project \$142,621  
Psychosocial Wellbeing Project \$211,893

- Reached half way point in this project plan and progressing successfully.
- Self Help Groups now functioning well, this year SHG members received training on Micro enterprise.
- 2008 activities focused at increasing economic wellbeing, social participation general health and sanitation.
- Increased communication and information sharing with other SHG, other NGO's and local government.
- Activities such as street theatre to increase community awareness and wider understanding of leprosy.

## BRAZIL

Total Remittances 2008/09 \$30,025

Partners with IDEA – Integration Dignity and Economic Advancement

Brazil Scoping Study \$30,025

- Scoping study to investigate opportunities for working with people affected by leprosy in Brazil. Initiated 2009, completion 2010.

## CHINA



Total Remittances 2008/09 \$472,170

Partners with HANDA – Rehabilitation and Welfare Association

Socio-Psychological Empowerment Projects (x3) \$373,297  
Eyesight Saving Project \$98,873

- 6,000 public education packs about leprosy distributed.
- 5,000 students attended leprosy education and awareness presentations.
- 1,000 participated in International Day for Dignity and Respect, run by HANDA.
- Media-exchange meetings held – improved media understanding about leprosy, and thus willingness to cover such events and communicate correct information.
- 59 leprosy villages held health education workshops, including leprosy and nutrition.
- 1,200 eye examinations – help and follow-up care provided.
- 110 eyelid repair operations.
- 198 cataract operations.

## PAPUA NEW GUINEA



Total Remittances 2008/09 \$405,208

Partners with Autonomous Bougainville Government

Bougainville Healthy Communities Programme \$405,208

- Programme will be expanded to cover all districts of Bougainville.
- Four pilot districts completed set-up of community-based model of healthcare.
- First 3½-year phase of the programme completed successfully.
- 300 village communities now have improved healthcare, self-help skills and access to Government health services.
- NZ \$1.4 million NZAID funding agreed for next three-year phase.
- Bougainville Government agreed to support this programme by integrating it into the Government health system.

# 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 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, senior staff and, where appropriate, external specialists. 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.

## MANAGEMENT

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

The Leprosy Mission New Zealand is led by Brent Morgan who took over from David Hall on 1 July 2009. The Senior Management Team consists of 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 misstatement or loss. These controls include:

- A Strategic Plan approved by the Board. The Board and staff worked 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.

## STATEMENT ON CORPORATE GOVERNANCE

The Board is responsible 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 2009. 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 2009. 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.

# FINANCIAL STATEMENTS

## THE LEPROSY MISSION NEW ZEALAND INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

Incoming Resources	Notes	12 months 2009 \$	12 months 2008 \$
Donations Income	10b	1,450,491	1,530,803
Trust/Corporates	14	78,639	23,238
NZ Governments Grants – KOHA	10b, 15	1,651,375	1,390,375
NZ Governments Grants – OTHER	10b, 15	401,621	460,999
Bequests	10c	512,213	796,462
Interest and Other Income	5c, 10a	92,736	125,026
<b>TOTAL INCOMING RESOURCES</b>		<b>\$4,187,075</b>	<b>\$4,326,903</b>

Resources Expended			
Field Remittances	15	2,592,431	3,423,295
TLM International Remittances	15	91,214	121,590
Project and Field Work	15	198,511	100,434
Education		251,043	130,118
Marketing and Promotion		852,007	807,052
Customer Services and Administration		289,373	300,556
Depreciation	4c	74,027	66,490
<b>TOTAL RESOURCES EXPENDED</b>		<b>\$4,348,606</b>	<b>\$4,949,535</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(\$161,531)</b>	<b>(\$622,632)</b>

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 2009

	Notes	2009 \$	2008 \$
Balance at beginning of year		847,462	1,447,094
Lend n Mend	17c	(19,940)	–
Leprosy Social Research Fund	17d	10,000	23,000
Ethiopian Building Fund	17e	5,000	
(Deficit)/Surplus for the year		(161,531)	(622,632)
<b>BALANCE AT END OF YEAR</b>		<b>\$680,991</b>	<b>\$847,462</b>

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 2009

	Notes	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Bank Accounts, Cash and Deposits	7	204,810	222,279
Accounts Receivable & Prepayments	6	66,467	86,411
		<b>\$271,277</b>	<b>\$308,690</b>
<b>CURRENT LIABILITIES</b>			
Less Current Liabilities – Accounts Payable	8, 9	170,644	161,435
<b>WORKING CAPITAL</b>		<b>\$100,633</b>	<b>\$147,255</b>
<b>NON CURRENT ASSETS</b>			
Investments	5	15,473	105,548
Advances (Share of Partnership)	4a,16	441,037	441,037
Equipment, Furniture & Fixtures, Motor Vehicles	4	123,848	153,622
<b>TOTAL NON CURRENT ASSETS</b>		<b>\$580,358</b>	<b>\$700,207</b>
<b>TOTAL ASSETS</b>		<b>\$680,991</b>	<b>\$847,462</b>
<b>EQUITY</b>			
Restricted Capital Fund	17a	314,335	314,335
General Funds	17b	274,501	436,032
Lend n Mend Fund (Restricted)	17c	54,155	74,095
Leprosy Social Research Fund	17d	33,000	23,000
Capital Project – Ethiopian Building	17e	5,000	
<b>TOTAL EQUITY</b>		<b>\$680,991</b>	<b>\$847,462</b>

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



Grant Pollock CA  
TREASURER



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

# THE LEPROSY MISSION NEW ZEALAND INCORPORATED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash inflow from donors	2,041,343	2,350,503
Cash inflow from Government funds	2,052,996	1,851,374
Cash received from interest and other sources	92,735	125,026
Movements in Accounts Receivable	19,944	(53,287)
Movements in Accounts Payable	9,209	20,363
Salaries to employees	(982,425)	(903,542)
Operating costs	(608,508)	(434,618)
Remittances	(2,683,645)	(3,544,885)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(\$58,351)</b>	<b>(\$589,066)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments	85,135	(63,982)
Purchase of Assets	(44,253)	(85,706)
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>\$40,882</b>	<b>(\$149,688)</b>
Net Cash decrease	(17,469)	(738,754)
Bank Balance at 1.06.2008	222,279	961,033
<b>BANK BALANCE 30.06.2009</b>	<b>\$204,810</b>	<b>\$222,279</b>
Reconciliation with reported operating surplus		
Reported surplus/deficit	(161,531)	(622,632)
Add non-cash items		
Depreciation	74,027	66,490
Add (less) movements in other working capital items:		
(Increase)/Decrease in Accounts Receivables	19,944	(53,287)
Increase/(Decrease) in Accounts Payable	9,209	20,363
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(\$58,351)</b>	<b>(\$589,066)</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2009

## 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 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.

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 2009. The financial statements were authorised for issue by the Board on 7 November 2009.

## 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 second financial statements prepared in accordance with NZ IFRS.

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 \$1,202,000 as at 12 September 2008.
- A valuation from Auckland City dated 30 June 2008 from their web site established the following values

Land Value	\$1,170,000
Value of Improvements	\$710,000
Capital Value	\$1,880,000

## (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
- Office equipment – 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 Depreciation for Year \$	Accumulated Depreciation b/f \$	Carrying Amount \$
<b>2009 Consolidated</b>				
Equipment	298,824	54,226	160,325	84,273
Furniture	63,335	11,334	26,106	25,895
Motor Vehicles	42,792	8,467	20,645	13,680
	<b>\$404,951</b>	<b>\$74,027</b>	<b>\$207,076</b>	<b>\$123,848</b>
<b>2008 Consolidated</b>				
Equipment	251,678	50,112	107,321	94,245
Furniture	63,335	9,801	16,305	37,229
Motor Vehicles	42,792	6,577	14,068	22,147
	<b>\$357,805</b>	<b>\$66,490</b>	<b>\$137,694</b>	<b>\$153,621</b>

## 5. INVESTMENTS

- The policy of the Mission is to make available all possible funds for immediate leprosy work. Specific funds are invested pending utilisation.
- Investments are shown in the Balance Sheet at the lower of acquisition cost or market value.
- 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 2009, the last sale listed on the New York Stock Exchange was USD 39.87 per share. An average of US .56 cents per share dividend was paid out in 3 instalments for the year 2008-2009 totalling up to NZ\$504.77.
- 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 and sick leave.

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

## 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.

## 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. DONATION INCOME

This income is made up of the following

	2009 12 months \$	2008 12 months \$
Appeal Donations	1,009,055	1,033,045
Partner's Programme	234,125	229,084
Money Boxes	101,356	107,117
General Donations	105,955	161,558
Trust/Corporate	78,639	23,238
Other Income (including interest)	92,736	125,026
<b>TOTAL</b>	<b>\$1,621,866</b>	<b>\$1,679,068</b>

## 15. REMITTANCES & KOHA GRANTS

Remittances made during the 12 months ending 30 June 2009 to the International Budget amounted to \$2,683,645. This consisted of \$1,651,375 of KOHA grant and \$401,621 from other government sources with the balance made up of donation income of \$630,649. These are shown as separate items in the accounts.

In this report under the heading "Achievements in the 2008/2009 Year" (Pg 6), details of all remittances made from the Block Grant during the year from 1 July 2008 to 30 June 2009 have been listed. NZAID has a policy that all funds received have to be remitted within the NZAID financial year.

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

## 16. ADVANCES – SHARE OF PARTNERSHIP

There is no 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
<b>Balance as per Restricted Capital</b>	<b>\$292,500</b>
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
<b>TOTAL Advances</b>	<b>\$441,037</b>

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

## 17. 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
	<b>\$314,335</b>

### (b)

	\$
<b>General Funds</b>	
Balance at beginning of year	436,032
Less deficit for year	(161,531)
<b>Balance at end of year</b>	<b>\$274,501</b>

### (c)

	\$
<b>The Lend n Mend Fund</b>	
This is invested in short and medium-term deposits and represents cash advanced to the Leprosy Mission New Zealand at no interest, and may be repayable to the lender on demand	74,095
Less Monies paid back or transferred to bequests	(19,940)
<b>Balance at end of year</b>	<b>\$54,155</b>

### (d)

	\$
<b>The Leprosy Social Research Fund</b>	
This has been established to provide funds for people doing research in leprosy related issues. In July 2009, this money has been invested at current interest rates with the banks.	<b>\$33,000</b>

### (e)

	\$
<b>Ethiopian Building Fund</b>	
In July 2009, this amount has been invested at current interest rates with the banks.	<b>\$5,000</b>

# 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 10 to 13. 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 2009. This information is stated in accordance with the accounting policies set out on pages 14 to 17.

## 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 2009.

## 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.

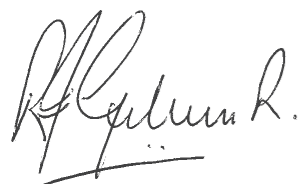
## QUALIFIED OPINION

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 10 to 13 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 2009 and the results of its operations for the 12 month period ended on that date.

**My audit was completed on 7 October 2009 and my qualified opinion is expressed at that date.**



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

# THANK YOU

Every effort counts, and every person who has given to or prayed for The Leprosy Mission New Zealand has contributed towards eradicating the causes and consequences of leprosy, stigma and discrimination. On behalf of all of those affected by leprosy, we extend a heartfelt 'thank you'.

The Leprosy Mission New Zealand would also like to acknowledge the ongoing support of The Leprosy Mission global network, our international partners, the New Zealand Government through NZAID, support groups such as the Christchurch Committee, our hardworking volunteers, staff and donors: individuals, businesses and trusts.

We wish to specifically acknowledge the generous support of the following: The David Ellison Charitable Trust, Danesmead Charitable Trust, P C & H P W Green Charitable Trust.

Only through your prayers and ongoing generosity are we able to continue with this essential work.



**“Speak up for those who cannot speak for themselves, for the rights of all who are destitute. Speak up and judge fairly, defend the rights of the poor and needy.”**  
**Proverbs 31:8-9 NIV**



The Leprosy Mission New Zealand

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