



The Leprosy
Mission
Australia

ANNUAL REPORT 2016

HOPE
HEALING
♥ DIGNITY



The Leprosy Mission Australia is proud to partner with a number of organisations in achieving its vision of Transformation: People healed and living in community with dignity, opportunity and hope.



ACFID

The Leprosy Mission Australia (TLMA) is a member of the Australian Council for International Development and is a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability, and financial management. TLMA is committed to full adherence to the ACFID Code of Conduct.

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Making a complaint

If for any reason you are not happy with your dealings with TLMA, you may lodge a complaint with us:

- By telephone (Freecall): **1800 LEPROSY**
- By email: tlmaust@leprosymission.org.au
- By Post:
**Private and Confidential
Chairman of the Board
The Leprosy Mission Australia
PO Box 293
BOX HILL VIC 3128**



Australian Government
Department of Foreign Affairs and Trade



DFAT

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If you have any concerns that TLMA may not be complying with the ACFID Code of Conduct and would like to lodge a complaint, this can be done in a number of ways:

- Via ACFID's website: www.acfid.asn.au
- By filling in a complaint form or enquiry form and emailing it to: code@acfid.asn.au
- By filling in a complaint form or enquiry form and posting it to:
**Chair
ACFID Code of Conduct Committee
c/- ACFID
Private Bag 3
DEAKIN ACT 2600**



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HOPE
HEALING
♥ DIGNITY

Working together with supporters, staff and partners - we're not only providing a cure to those people affected by leprosy, but also giving hope and dignity so they can transform their lives.

About The Leprosy Mission

The Leprosy Mission (TLM) is an international Christian organisation which helps people affected by leprosy.

Founded in 1874, The Leprosy Mission is the oldest and largest leprosy-focussed organisation in the world today.

TLM is an international federation of 31 member countries, has over 2,000 staff and implements and supports more than 200 projects in 21 Implementing Countries.

Our expertise is in the detection, treatment, care and rehabilitation of people and communities affected by leprosy.

The Mission works in cooperation with governments, local communities, partner and local health organisations, the World Health Organisation (WHO), local Non-Government Organisations (NGOs), local churches, Christian partners and many others to achieve its Vision and Mission.

Through media and awareness campaigns, we challenge prejudices and misconceptions about leprosy. We work with community groups to encourage them to join together to find ways to make their needs heard and to become self-supporting.

STRATEGIC PRIORITIES

The Leprosy Mission Australia:

1. has a reliable and sustainable source of income to resource the projects to which it is committed
2. partners with a spectrum of projects which effectively address the causes and consequences of leprosy
3. participates actively in a Global Fellowship to contribute expertise, share ideas and learn from others
4. has a clear governance and organisational structure to ensure effectiveness and transparency
5. has an integrated approach between its promotional strategic objectives and programmatic objectives in order to maximise outcomes and ensure appropriate and transparent donor engagement
6. maintains and strengthens partnerships with key implementing country partners towards enhanced strategies and maximised outcomes for people affected by leprosy

We see Transformation:

People healed and living in community with dignity, opportunity and hope

Leprosy Defeated. Lives Transformed.

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

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

VISION
MISSION
VALUES

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ABOUT US

HIGHLIGHTS

How we helped change lives in **2015-16**

1,317
Micro Credit Training
Loans provided



1,105
new contacts
financially supported
for the first time



66,326
People reached
through health
promotion activities



1,685
people in
Self-Help Groups



2,398
People supplied
assistive devices



24,820
payments received
from supporters



1,173
Leprosy cases
diagnosed



\$2,545,156
received in
donations and gifts
from supporters



49
supporters left a
Gift in Will



1,029
Health workers trained
in leprosy detection
and management



179
Reconstructive
surgeries



152
Disability accessible
toilets provided



585
children received
Scholarships



5,458
people reached through
screening or
contact tracing activities



1,746
People with leprosy
received disability
prevention training



16,206
people reached with
WASH Promotion
Activities



\$977,499
Gifts in Will received
from supporters




REPORT



**Colin Martin
Chairman**

It is an understatement to say that this really has been a year of exciting progress and change and that God has blessed us abundantly.

Sheldon Rankin, our Chief Executive Officer, has led the team in the National Office, through a process of understanding and how our business works and how we can better engage supporters and donors as integral members of the TLMA team. It is important to understand the drivers of our business outcomes and this has been a central part of this year's activities. This process has continued to be the focus of prayer for guidance, integrity and passion.

The Management team and the TLMA Staff and Volunteers have worked hard to bring about a significant turn-around in our financial outcome for the year. They have achieved, among other things, greater efficiencies in fundraising, reduced costs in administration, better inventory control in merchandising and better interaction with donors and other stakeholders. This has resulted in a budget surplus of \$530,000 and ongoing support for our international programmes at levels just below that of the previous year.

We continue to support leprosy affected people and people with disability in India, Nepal, Nigeria, Thailand, Papua New Guinea and Timor Leste.

It is now five years since the formation of the Global Fellowship and The Leprosy Mission International (TLMI) is currently actively engaged in a review of the new structure. The resignation

in August, of Geoff Warne, the International Director of TLMI, means that there may be some changes in both perspectives and priorities within TLMI. Geoff has been replaced by Brent Morgan, the CEO of TLMNZ and we look forward to working with Brent, who has been a very capable, godly and supportive colleague of TLMA, in his role in NZ.

The Board and CEO have been keen to review our Strategic focus throughout the year, particularly in view of the TLMI review. The CEO has been very active in forging closer bonds between TLMA and TLMI. We continue to have a significant input into the International organisation, with Ken Martin remaining Chairman of the TLMI Board and Pam Packett being a Board member. TLMA is represented on three of the Member Appointed Working Groups, reporting to the TLMI Board.

The CEO and I, were able to attend the Global Fellowship Meetings in London in September and shared a time of great cross cultural fellowship, with much prayer, thought and discussion as we dealt with issues which affect TLM globally. This year's meetings focussed around a theme of "Unity", as we try to maximise our impact through working together.

As an organisation, we need to prayerfully and purposefully look at our projects and seek to be effective and efficient in our activities. We need to ensure that we reach as many people affected by leprosy as possible and change as many lives as possible. This may mean changing our focus and priorities, as we work with our

current Supporting Country partners. It may be appropriate to consider our role in other countries which may have greater needs. It may be that we need to engage with our SC partners and assist them to develop their own fundraising capacity, to augment the financial support that we can provide and to increase their own, in-country effectiveness.

We started the year with the full complement of twelve Board members, each bringing particular skills to the table.

Dr Roger Donbavand resigned in January 2016, so that he might return to live in the UK. Roger was a member of the Prayer, Promotion and Fundraising Committee (PPFC) and his skills in marketing were greatly appreciated.

In February, we were deeply saddened by the death of Trevor Spicer, after a long illness. Trevor spent thirty months on the Board and was Finance Director (Hon), Chairman of the Finance, Audit and Risk Committee (FARC), and a member of the Human Resources and Governance Committee (HRGC) and the Investment Committee (IC). Trevor was a wise advisor and a powerful Christian witness in these roles.

I would like to acknowledge the staff and volunteers in the National Office, who have needed to be very resilient this year, in the face of a very substantial work load and a very significant change process. This has been far from easy at times but the results for the year show the fruits of their commitment, passion, love and prayers.

We were very pleased to welcome Philip Hamilton to TLMA in February, as our International Programs Manager. Philip came to us from the International Program Department at TLMI and brings with him a wealth of experience and wisdom.

We continue to thank God for the ongoing service of Natalie Smith, who is now the Country Leader in PNG. This is a difficult role for Natalie as she works to strengthen contacts with the PNG Department of Health and to develop opportunities to partner in leprosy related activities and projects. There is a great need in PNG and TLMA is seeking to expand its role on behalf of those people affected by leprosy. We continue to support Natalie financially and in prayer.

TLMA also continues to support the work of Trevor and Heather Smith in Thailand both at McKean Hospital and in the remote areas where leprosy remains an active problem.

We continue to have great support from the Auxiliaries, Support Groups, churches and individuals around Australia who understand the debilitating and socially devastating effects of leprosy. We thank them for their ongoing support, both in prayer and financially and for the impact that they have on the lives of so many people.

We do have a supporter base which could be said to be "older", however God continues to raise up more "older folk" to fill the gaps in our groups and auxiliaries. It is a great joy to see the passion and commitment and capacity of people who have seen

the vision of "Leprosy defeated. Lives transformed."

I had the privilege of visiting Timor Leste in May and spending time with Nona Lisnehan, the Country Leader and the team from TLMTL during the Country Learning Workshop. I also visited some projects with Philip Hamilton and James Montgomery. I sincerely wish that you could all see, first hand, the impact of your efforts on behalf of those people affected by leprosy and disability in Timor. God is indeed gracious in allowing us to serve Him in this work.

Thank you for your ongoing support and prayers, as we move into the next year of service, trusting in God's grace and favour. There remains much to do and we pray for God's continual guidance and blessing in His work.



Sheldon Rankin
Chief Executive Officer

I am delighted to report upon the excellent results that this year has brought!

Consolidating upon the refocusing of the organisation, we experienced a 4% growth in donation revenue, the most critical revenue stream for an organisation such as ours. In addition this growth was 11% ahead of budget.

This continues our pattern of excellent results. Growth was achieved whilst continuing to reduce our operational costs. These costs reduced by 11% year on year! This brings TLMA into line with the performance of comparable organisations in our sector.

Our decision to focus our core business has paid handsome dividends in being able to get good communications into the hands of our supporters. The messages have been streamlined and the leprosy messaging has been re-emphasised. Our work is certainly complex, but we remain the only leprosy focused organisation in Australia. As such I believe that we owe our supporters evidence of the impact that they are having in partnership with our Implementing Partners overseas.

This improved communication strategy would not have been possible without the excellent reporting from our colleagues in the field. Many supporters have praised us for interesting and meaningful newsletters that keep them informed about the fight against leprosy as well as the life transforming stories about those affected by leprosy. Partners in Nigeria, Timor Leste, India, Nepal

and Papua New Guinea have provided us with necessary timely project information to enable us to better market the organisation.

As we look to the year ahead, our desire is to continue the positive trends that have started:

- To continue increasing our support for people who have been affected by leprosy.
- To provide clear, compelling cases for project donations.
- To introduce an enhanced project monitoring and management system, to track the long-term impact of our work.

Finally, I would like to say thank you:

- To the staff for your excellent efforts in making us a more effective and better organisation;
- To the Board I pass on my appreciation for your steadfast support and your willingness to allow new approaches. You enabled change to happen;
- To our dedicated volunteers, you have increased your commitment and giving making sure that our campaigns and new initiatives were a success;
- To our many loyal supporters, your ongoing and often sacrificial generosity and interest in our work is wonderful and greatly appreciated.
- To our colleagues in the field and the children and families with whom they work a special, thank you!

I believe that we can defeat leprosy, and transform lives!

Nepal Earthquake Update

Thanks to you 1,570 earthquake affected households are now safe and secure.

Funds provided by you are continuing to be used as the Anandaban Hospital buildings continue to be repaired and rebuilt to earthquake standards.

Construction of the General Ward (previously the Temporary Surgery Ward) is underway and should be completed by the end of this year.

The building has been constructed in line with the Government of Nepal's Building Code and will be used for 4-5 years whilst the new, main hospital building is constructed. Eventually, this building will be used for storage and office space.

The demolition of the Guest House completed a month ago and all the materials that can be re-used for the construction of the new building have been kept safely and recorded.

The map and architectural drawing of the Guest House is being finalised.

Similarly, the demolition of staff quarters has been completed and reusable materials have been kept safe. The site is being cleared for the foundation to be dug.

James Montgomery our International Programs Officer installed a nifty camera. **You can view live footage of progress of the General Ward at <http://nepal.photosentinel.com.au>**



Scan the QR Code with your phone to watch the video!

EVALUATIONS HELP US TO RECOGNISE AREAS FOR IMPROVEMENT AND GREATER IMPACT IN THE FUTURE



To ensure that our projects overseas have the greatest possible impact in seeing “leprosy defeated and lives transformed” TLMA conducts regular evaluations of its work. These evaluations help us to recognise areas for improvement, share lessons learned and allow for greater impact in the future. In the past year, one evaluation was conducted:

The Timor Leste National Disability Awareness Project, March 2016

Before the project came to the end of its five year cycle in June 2016, an end term evaluation was undertaken to assess the impact and effectiveness of the project towards social inclusion and increased equality for people affected by leprosy and/or disability in Timor Leste.

Significant findings and conclusions from the project evaluation were as follows:

- There has been a significant contribution towards empowering those with disability and leprosy in community decision making. This success has been attributed to the promotion of disability inclusion through Self-Help Groups (SHGs), and has developed a strong support system at the grassroots level.
- Community awareness raising and the promotion of disability issues as cross-cutting priorities have proven a success with local development stakeholders. This has also developed mutual collaboration with the private sector and has strengthened the support system at the local level for people affected by leprosy and disability. However the evaluation also found that SHGs will require further strengthening in order to continue advocating for their rights and to network more with government and other organisations in order to be sustainable long term.
- There has been increased acceptance and behaviour change towards the inclusion of students with disabilities in the education system. Furthermore, the project has succeeded in creating an

enabling physical environment for those with disabilities (e.g. through the provision of ramps and accessible toilets).

The findings and learnings of the evaluation have been incorporated into a new project, The Rights for People with Disability Project which commenced in July 2016. Strengthening the capacity of local partners and SHGs is being prioritised towards increased sustainability and enhanced coordination/partnership with local development organisations. This will seek to build on the evaluation learning, challenging ongoing inequality and furthering disability inclusion policy at a national/ institutional level through a grassroots approach.

Leprosy defeated
Lives transformed

EMPOWERING PEOPLE WITH DISABILITY (PARTICULARLY AS A RESULT OF LEPROSY) TO LEAD DISCRIMINATION FREE, HEALTHY AND DIGNIFIED LIVES.



RECLAIM Eastern Development Region Project

The RECLAIM EDR project works to develop communities in rural Nepal through the empowerment of people with disability (particularly as a result of leprosy), enabling them to lead discrimination free, healthy and dignified lives, and to be change agents. The project is implemented by Nepal Leprosy Fellowship.

The project is now four years into its five year cycle, and achieved the following key successes in the last year:

- 78 new cases of leprosy detected by Self Help Groups (SHGs).
- Improved functional ability for 238 SHG members through the provision of assistive devices (e.g. wheelchairs, crutches) and increased prevention of disability (e.g. through protective shoes).
- 230 members of SHGs have undertaken income generation activities through savings schemes.
- Leadership development training provided to 320 SHG members.
- Because of strong advocacy and lobbying efforts, government authorities distributed 30 tri-cycles, 24 wheelchairs and 41 crutches to the SHG/DPO members.

Participatory Action for Community Empowerment and Development in Chitwan Makwanpur and Parsa (PACED CHAMP)

The PACED CHAMP project works in a participatory way to improve the social, material and health related well-being of people affected by leprosy and other disability as well as other marginalised people from selected communities in the Chitwan, Makwanpur and Parsa districts of Nepal. This project is implemented by Leprosy Mission Nepal.

In its second year of a five year cycle, the following successes have been achieved:

- 16 education sessions provided on domestic and gender violence issues to SHGs.
- 3 community awareness events organised to educate community members on leprosy.
- Health and hygiene training provided to 741 project participants.
- 27 people received physiotherapy services and 21 people provided with assistive devices (such as walking frames and wheelchairs).

Nepal Education Program

The Education Program of Leprosy Mission Nepal helps ensure that children affected by leprosy and or disability (as well as children from families affected by leprosy/disability) don't miss out on getting an education. Over the latest report period, the education program provided support

for 126 of these children. This includes support for primary, secondary and tertiary education.

Nepal Self Care Unit

The Self Care Unit at Anandaban Hospital conducts a practical education program for patients experiencing sensory loss and muscle weakness as a result of leprosy. Before returning home, staff teach patients about how to prevent and care for wounds as well as how to prevent further disability. As part of the program, patients are able to practice completing daily tasks such as cooking and are taught strategies to prevent injury, which is particularly important for people with sensory loss. Over the course of the last year, the Self Care Unit has provided over 200 assistive devices (e.g. mirrors, canvas shoes, eye glasses), completed over 130 kitchen safety training sessions and 147 self care training sessions.



Nepal

HOPE
HEALING
DIGNITY

PROJECTS

WORKING WITH COMMUNITIES, THE TIMOR LESTE MINISTRY OF HEALTH AND OTHER LOCAL HEALTH FACILITIES TO STRENGTHEN EARLY DETECTION OF LEPROSY



Better Health for Communities affected by leprosy in high endemic districts of Timor Leste

This project works with communities, the Timor Leste Ministry of Health and other local partners to strengthen early detection of leprosy - towards better prevention and management of disability in affected communities in Oecusse, Dili and Baucau districts of Timor Leste.

Some key successes of the project in the last year:

- 198 health workers trained in diagnosis, management and prevention of disability.
- Education and screening conducted across 50 schools (resulted in 18,886 students screened and 3 new leprosy cases identified and treated).
- Community level screening activities resulted in 13 new cases of leprosy being diagnosed and treated.
- 63 people with disability received assistive devices.
- 24,150 people reached through telecommunication messages on early detection and disability prevention.
- 3 new self care groups formed to address early signs and prevention of disability.

The Rural Timor Leste Community Based Rehabilitation (CBR) "Enablement" Project

This project commenced in July 2015, building upon the successes of the previous Rural Timor Leste Community Based Rehabilitation (CBR) "Enablement" Project. It aims to increase social participation for people with disabilities and improve economic and health outcomes, primarily through Self Help Groups.

Having just completed its first year of a five year cycle, the following are initial key successes:

- 72 community and family members of people affected by leprosy and disability participated in training.
- 24 Self Help Groups (SHGs) operating to address the needs of people affected by leprosy and disability, including increased social inclusion.
- 34 people with disability referred for assistive aids through the CBR outreach services to enable increased participation in daily activities.

The Timor Leste National Disability Awareness Project

This project works in close partnership with Ra'es Hadomi Timor Oan-The National Disabled Persons Organisation of Timor Leste. It aims to strengthen the voice of people with disabilities in Timor Leste, both politically and within local communities. This means the project activities range from advocating for

government policies that include people with disabilities (e.g. equal rights to education) to working at a community level to give people with disabilities access to small loans and training so they can start their own small business.

Some key successes of the project in the last year:

- 28 schools trained in facilitating the integration of children with disabilities.
- 8 schools made more physically accessible to children with disabilities.
- Scholarships provided to 27 young people and adults with disabilities to assist with access to education or training.
- 21 community buildings provided with disability accessible bathrooms.
- 17 students commenced a Community Based Rehabilitation (CBR) vocational training course at the University of Timor Leste through the support of the project.

The Timor Leste National Disability Awareness Project came to an end in June 2016. The learning and successes of this project have led to the development of a new project, the Rights for People with Disabilities project, which commenced in July 2016.



IMPROVING ACCESS TO QUALITY LEPROSY, DISABILITY AND NEGLECTED TROPICAL DISEASE (NTD) SERVICES



Integrated Neglected Tropical Disease (NTD) and Disability Project in Zamfara State

This project aims to increase communities' access to quality leprosy, lymphatic filariasis (LF) and disability services in Zamfara State, Nigeria within an integrated health system. The project works in partnership with the Government of Nigeria to improve health services at a local level as well as working with communities to help ensure that people with disabilities are included in society.

Some of the achievements in the Integrated NTD Project's second year include:

- 30 government health workers trained in leprosy and LF diagnosis and management.
- 3 community clinics renovated and equipped to provide enhanced leprosy and LF services.
- 19 new leprosy cases and 48 new LF cases detected.
- Campaigns conducted across two large communities to educate people on water, hygiene and sanitation practices to prevent NTDs and leprosy related issues.
- Installation of a borehole for the Kuga community providing access to safe drinking water in the area and reducing the risk of water borne diseases.



Nigeria

PROVIDING MULTI-DRUG THERAPY, RECONSTRUCTIVE SURGERY, REHABILITATION AND ULCER CARE



The Kothara Hospital and the Philadelphia Leprosy Hospital Salur

These hospitals provide much needed medical care to people affected by leprosy including Multi-Drug Therapy, reconstructive surgery, rehabilitation and ulcer care. As well as leprosy care, the hospitals also provide general medical services to their local communities.

In the last year, the hospitals saw:

- 203 people received reconstructive surgery for leprosy impairments across both hospitals.
- 750 appropriate footwear, orthotic aids and prosthesis provided to people affected by leprosy to improve mobility and function across both hospitals.
- 4,384 people affected by leprosy received physiotherapy services in the Philadelphia Leprosy Hospital Salur.

The Partnerships, Advocacy, Research and Training towards Inclusion (PARTI) project.

The project aims to assist people with disabilities to claim their rights in regards to employment, education, healthcare and community participation. Engaging with people with disabilities at a village level, the PARTI Project assists groups to advocate for their rights. In its second year it has focussed on training for early case detection, creating a leprosy interest forum and awareness programs through school competitions.

Some of the projects achievements in the last year include:

- 85 paediatric workers trained in the detection of leprosy and developmental delay.
- Partnerships created with 20 other Non-Government Organisations (NGOs) to create further awareness about leprosy and reduce discrimination.
- 51 students participated in drawing, essay writing and public speaking competitions about leprosy related topics.



STRENGTHENING LEPROSY AND DISABILITY SERVICES IN THE NORTHERN AND WESTERN BORDER REGIONS OF THAILAND



The McKean Rehabilitation Centre Leprosy Control and Rehabilitation Project

The McKean Leprosy Control and Rehabilitation Project is now in its second year of its three-year cycle. The project strengthens leprosy and disability services in the northern and western border of Thailand through promoting detection of new leprosy cases and providing appropriate treatment and supporting government and health care workers. In addition, project staff also provide high quality disability services to marginalised and disadvantaged people.

Over the last year, the project has had the following successes:

- 32 people with leprosy and/or disability participated in sustainable livelihood training.
- 138 people with leprosy treated through McKean Rehabilitation Centre and community services.
- 18 new leprosy patients identified and treated.
- 139 assistive devices given to people with disabilities to support increased function and independence.
- 207 medical workers trained in leprosy diagnosis and management.



APPROPRIATE MEDICAL TREATMENT PROVIDED TO PEOPLE AFFECTED BY LEPROSY, IMPROVED DETECTION AND MANAGEMENT OF NEW CASES TO HINDER THE SPREAD OF THE DISEASE



The PNG Leprosy Control Partnership Project

In December 2015, this project completed its third and final year but was permitted an extension of government funding throughout 2016 to finalise activities. This project aimed to address the medical and social consequences of leprosy and thus reduce the leprosy burden in PNG. The project also worked to provide opportunities for people affected by leprosy to gain paid employment and help communities to recognise the rights of people affected by leprosy so they can participate in their communities.

Some key achievements of the PNG project in the last year:

- 15 'leprosy ambassadors' - people affected by leprosy (or from families affected by leprosy) conducted community awareness talks about leprosy.
- Community level health staff (community mobilisers) visited 66 villages in 5 hotspot areas of the 4 high leprosy endemic provinces.
- 8 stakeholder meetings and volunteer trainings were conducted in 5 high leprosy endemic provinces by community mobilisers.
- Leprosy training was conducted in 6 priority provinces with high rates of leprosy by government officials.



The Leprosy Mission Australia is governed by a Board of Directors, comprised of members from various fields of expertise within the community. Members include representatives from financial, medical, field service, promotional and marketing, and human resource fields.

The following National Council members are the elected governance body for 2015-16, and known as the National Board.

BOARD

Colin Leonard Martin

GAICD, MB.BS, DRANZCOG, Grad.Dip. FM, MPH&TM, FRACGP
General Medical Practitioner

Appointed Director 12 July 2012
Appointed Chairman 20 September 2014
Member of TLMA's International Program Committee as well as the Human Resources and Governance Committee

Colin has practised as a rural procedural GP and practice administrator for 35 years, with a focus on people in need. He retired from practice in June 2016. His field work experience in Nepal over a period of 9 months, from 2009-2014, allowed him to develop an understanding of the problems and issues facing that country in the implementation of services and programs. He has also been able to see the work of TLMA and its partners in PNG, Timor Leste, India and Thailand.

Steven Meredith

Grad Dip Mgt, GAICD
Banking and Business Management

Appointed Director 21 October 2013
Appointed Deputy Chair 20 September 2014
Chair of TLMA's Human Resources and Governance Committee

Steven has over 25 years of banking, corporate treasury and business development and possesses expertise in corporate governance, finance, risk management and succession planning. He has held a number of senior executive leadership roles, both domestically and internationally. Steven is a qualified company Director. He is actively involved in leadership in his local church and is passionate about supporting the work of Christian, Not for Profit and missionary organisations in Melbourne.

Peter Jeffrey Geddes

BMin Tech Hons, GAICD, FAusIMM
Engineering Consultant

Appointed Director 16 May 2011
Member of TLMA's Finance, Audit and Risk Committee as well as the Investment Committee (previously LFA Committee)

Peter brings 31 years of technical, management and consulting experience in Boards. His expertise includes the areas of management, risk, governance and finance.

Stephen Lockrey

B.Comm., CA
Risk Management

Appointed Director 21 October 2013
Member of TLMA's Finance, Audit and Risk Committee as well as the International Program Committee

Stephen has extensive Aid and Development industry experience following 10 years as Chief Financial Officer with an aid and development NGO. He brings finance and risk management expertise to this role. Stephen has wide Not for Profit Board experience, currently a Board member of Jubilee Housing Inc.

Chrisy Savvides

B Visual Communications
Graphic Designer

Elected Director 16 Oct 2006.
Appointed Director 16 October 2006
Member of TLMA's Prayer, Engagement and Fundraising Committee

Chrisy has had 30 years advertising experience. Initially she was with an international advertising agency, Ogilvy & Mather (8 years), then Australian agency, Harris Robinson & Courtenay (5 years), followed by another smaller agency (8 years) and now freelance. Her clients included a few Not for Profit organisations.

Robert Charles Stuart Swanton

FCPA
Company Director

Appointed Director 2 October 1995
Member of TLMA's Finance, Audit and Risk Committee as well as the Investment Committee (previously LFA Committee)

Robert is a retired Accountant and Financial/Investment Advisor. He served as Deputy Chairman of the TLMA Board from 11 February 2000 to 15 May 2006 and then Chairman from 15 May 2006 to 21 April 2012.

Adam Walker

BA LLB (Hons) LLM (Commercial Law)
Law, Governance and Management

Appointed Director 21 October 2013
Member of TLMA's Human Resources and Governance Committee

Adam is currently a partner with Gagens Lawyers, primarily practising in technology, intellectual property and competition and consumer law. He is a member of the Law Institute of Victoria, the Franchise Council of Australia and New Zealand and the Victorian Society for Computers and the Law. Adam brings with him broad experience in commercial and corporate law, supported by a Master of Laws (Commercial Law) postgraduate qualification.

Tanya McPharlane

MBA (Law) CCC BN AFCHSM MAICD

Appointed Director 9 February 2015
Member of TLMA's Human Resources and Governance Committee

With a 33 year career as a registered nurse and nurse administrator, Tanya is an administrator and governance consultant practising primarily in the

Health and Aged Care Industry. She is a member of the Australian Institute of Company Directors, an Associate Fellow of the Australasian College of Health Service Managers and a Mentor for Leadership Victoria and the ACHSM. Tanya brings with her broad experience in health and aged care; clinical, operational, business and human resource management. Her experience is supported by a Master of Business Administration (Law) and directorship, auditing and clinical postgraduate qualifications.

Rev. Kevin Keegan

Grad.Cert.NFP Management; Grad. Dip.Th, B.Th, TAE40110 Cert IV
Training & Assessment, Cert.Ministry Consultancy, Cert.Ordnation

Appointed Director 9 February 2015
Member of TLMA's Prayer, Engagement and Fundraising Committee

Kevin is the CEO/National Director of FEBC Australia and an ordained Baptist minister. With qualifications in theology, Not for Profit management, consultancy and training, 25 years of leading churches and 3 years chairing an international mission association – Kevin brings leadership, strategy, theological thinking, cross-cultural awareness and mission experience to this position.

Grace Asten

Masters of Social Science (International Development): RMIT. Bachelor of Arts: Australian National University. Diploma of Government: Australian Public Service Commission

Appointed Director 9 February 2015
Member of TLMA's International Program Committee
Having worked with support and field

teams in Australia and the United Kingdom as well as East, West and Southern Africa, Grace brings a wide range of experience from across small and large NGOs in the international development sector. Grace holds a Masters Degree in International Development and has a passion for effective community development which empowers communities to draw on their strengths to work together towards community defined goals.

Retired from the Board

Trevor Spicer

B.Bus, CPA, MAICD, AFAIM
Hon. Financial Director

Appointed Director 17 July 2013
Member of TLMA's Finance, Audit and Risk Committee as well as the Human Resources and Governance Committee. Resigned 7 February 2017.

Trevor is a CPA, a member of the Australian Institute of Company Directors, an Associate Fellow of the Australian Institute of Management and a member of the Australasian Compliance Institute. He brings high-level financial, strategic planning, risk management and governance skills to this position. Trevor also serves on Boards of several other Christian and Not for Profit organisations.

Roger Donbavand

B.A. (Hons) Ph.D
Branding, Marketing, Strategy

Appointed Director 9 February 2015
Chair of TLMA's Prayer, Engagement and Fundraising Committee. Resigned 15 January 2016.

Having been the General Manager at Mission Australia, Roger brings a wide variety of Not for Profit experience. He is a consultant for Opportunity



Dedicated staff and volunteers are
Working with Passion
to create a world without leprosy

Supporters and donors of The Leprosy Mission Australia are part of a global movement of people striving to achieve a world without leprosy.

The Leprosy Mission Australia is one of 31 member countries which make up the Global Fellowship of the international organisation of The Leprosy Mission. Each country has the same vision – a world without leprosy – but works to fulfill this vision in different ways. The 31 countries include both Supporting Countries (those that raise funds for projects overseas) and Implementing Countries (those that receive TLM funds for use in TLM projects). Currently, India is the Implementing Country with the largest number of TLM projects.

Australia, a Supporting Country, focuses its work on funding projects in **Nigeria, Papua New Guinea, Timor Leste, Nepal, India and Thailand**, and works to provide expertise as well as funds to the projects we partner with.

Supporters can be assured that The Leprosy Mission Australia is part of a worldwide organisation with around 2,000 staff with more than 135 years of experience in working with leprosy.

MEMBERS

National Council Members General Members

Dr W Britton
Mr S Coombe (resigned 29 June 2016)
Mrs J Davis
Mr P Geddes
Mr S Lockrey
Dr C Martin
Mrs P Packett
Dr B Pandey
Miss M Ronalds (resigned AGM 2015)
Dr A M Sandland
Mr T Spicer (resigned 7 Feb 2016)
Mr R Swanton
Miss C Sawides
Mrs D Scott
Mrs M Thompson
Mr A Walker
Rev K Keegan
Mrs G Asten
Mrs T McPharlane

State Representative Members of National Council

Queensland
Ms B Cunningham
Ms J Satish
Ms R Deighton
Western Australia
Mrs A Steed
Miss H Newton
Victoria
Dr B Edwards
Mr D Horsburgh
Tasmania
Miss M Mead
Miss M Green (from AGM 2015)
New South Wales
Mrs S Martin
Ms J Walmsley

South Australia

Mrs J Moulton (from AGM 2015)
Mrs N Macaitis (from AGM 2015)
Mrs J Marshman (from AGM 2015)

Life Members

Mrs Hilda Berends
Mrs Margery Bonsor
Mrs Joy Billingham
Mrs Jean Branson (Deceased 16 Feb 2015)
Mr Tom Broderick
Mr Robert & Mrs Martry Cole
Mr Ray & Mrs Betty Dorn
Mr Ian Milne
Mrs Jean Porteous
Mrs Denise Scott
Mr Keith Skillicorn
Mr Jack & Mrs Netta Torrance
Dr Grace Warren
Mrs Ruth Wheatley
Mrs Pam Packett
Dr (Alister) Murray Sandland
Mr Sid Coombe
Mrs Jenny Davis
Mr Ron Dawes
Mr Peter Warren
Miss Betty Cunningham
Mrs Anne Steed
Dr Russell Conway

Officers

Chairman:
Dr Colin Martin
Deputy Chair:
Mr Steven Meredith
Finance Director (Hon.):
Mr Peter Geddes
Chief Executive Officer:
Mr Sheldon Rankin

National Office Staff

Donor Services Department

Donor Services Coordinator

Mrs Amanda Cameron

Senior Donor Services Officer

Mrs Glenda Hunt

Donor Services Officer

Ms Georgie Barclay

Casual Staff

Mr Evan Trchala
Mr Jared Catchpoole
Mr Wayne Lewis
Mr John Schoer
Mrs Lizzie Schoer
Miss Nicole Hepworth
Miss Laura Ong
Mrs Linda Fortmann (from Feb 2016)
Mrs Lisa Struzengger (from Feb 2016)

International Programs Department

International Program Manager

Mrs Helen Fernandes (until August 2015)
Mr Philip Hamilton (from February 2016)

International Program Officer:

Mr James Montgomery

Merchandise Department

Merchandise Coordinator

Mr Supun Thejana

Casual Staff

Mr Joel Fernandes
Miss Jill Ponting

Volunteer staff

Mr Steve Reidy-Crofts
Mr Wayne Lewis
Mr John Plant
Ms Felicity Daly

National Engagement Department

Digital Communications Coordinator

Mr Andrew Hateley

Relationship Manager

Mrs Pam Lake

Direct Mail Coordinator

Mr Paul Andrews

Marketing Assistant

Ms Belinda Pettman (from March 2016)

Casual Staff

Ms Amy Prentice (from March 2016)

Volunteer Staff

Monthly mail-out packers group led by Helen O'Rouke

Finance Department

Finance and Admin Manager

Mr Mark Richardson

Accounting Supervisor

Mrs Geraldine Toh (4 days)

Accounting Officer

Mr Kent Zang

Data Analyst

Mr Simon Xue

Casual Staff

Mr Anm Islam (from September 2014)

Mr Aaron Shen (from October 2014)

Volunteer Staff

Mr Bill McDonald

Various accounting interns

Office Management

Front Desk

Ms Miriam Ullrich

EA/HR

Ms Bronwyn Taylor



Your Gifts of Love raised
\$261,090
 to support people affected
 by leprosy and disability

Thanks to your
 Gifts of Love, Thakni
 now earns an income
 making it easier to pay the
 family's daily expenses.



Your Gifts of Love
 are Changing Lives!



The Leprosy
 Mission
 Australia



YEAR
 ENDING
 30 JUNE
 2016

AUDITED FINANCIAL STATEMENTS



**The Leprosy Mission Australia
(A Company Limited by Guarantee)**

ACN: 067 616 193
ABN: 52 354 004 543

Financial Statements
For the Year Ended
30 June 2016

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FINANCES



Directors' Report
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Income Operating Statement in ACFID Code of Conduct format
Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
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Directors' Declaration
Auditor's Report

The Leprosy Mission Australia

ABN 52 354 004 543
(A Company Limited by Guarantee)

DIRECTORS' REPORT

Your directors present their report on the company for the year ended 30 June 2016

Directors

The names of the directors in office at the date of this report or who have held office during the year are:

Mrs Grace Asten	Dr Roger Donbavand (resigned 15/01/2016)
Mr Peter Geddes	Rev. Kevin Keegan
Mr Stephen Lockrey	Dr Colin Martin
Mrs Tanya McPharlane	Mr Steve Meredith
Miss Chrisy Savvides	Mr Trevor Spicer (resigned 07/02/2016)
Mr Robert Swanton	Mr Adam Walker

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the company, as a Christian charity, is to raise funds for overseas aid in order that the physical, mental, social and spiritual needs of sufferers of leprosy can be assisted in their cure and rehabilitation from leprosy. No significant changes in the nature of this activity occurred during the year.

The company's objectives are:

- To minister in the name of Jesus Christ to the physical, mental, social and spiritual needs of individuals and communities disadvantaged by leprosy.
- To work with those affected by leprosy or other disabilities in a manner which provides rehabilitation and subsequent integration into society.
- To uphold the dignity of those with whom we minister and to see transformation in their lives.
- To engage in projects in partnership with others to focus on the relief of poverty and the creation of sustainable development within communities.
- To work towards the ultimate eradication of leprosy.

To achieve these objectives, the company has adopted the following strategies:

- Increasing the number of people supporting the Mission.
- Encouraging a Vibrant Prayer Ministry.
- Developing a Partnership Programme with Churches and Christian Schools.
- Recruiting Volunteer Ambassadors promoting The Leprosy Mission Australia in the Community.
- Refining and enhancing a Key Donor / Bequest program.
- Resourcing and Empowering Implementing Countries.
- Maintaining Department of Foreign Affairs & Trade (DFAT) Australian Aid accreditation and appropriate funding to our needs for specific projects.

2016 Results in Summary

The Leprosy Mission Australia (TLMA) has achieved a surplus for the year of \$530k whilst generally maintaining budgeted support for international programs in seven countries, with the majority of support directed to Timor Leste, Nepal and India.

The annual result reflected the expected revenue decrease in Australian Government Grant (DFAT) funds (down \$200k from \$1.24M) and in Investment Income (down \$95k from \$264k); offset by Other Grants (up \$71k from \$500).

Expenditures were down for Program implementation (down \$510k from \$3.31M), expenditure savings to last year in Fundraising (down \$121k from \$883k) and Merchandise (down \$138k from \$589k).

Revenue totalling \$5.13M resulted in \$2.80M being spent on programme implementation; including \$209k on Community Education. Government funding provided a total of \$1.11M or 21.7% of the total revenue. The yield of 55% to international programs for the year decreased from last year's 62%, due to the reduced DFAT grant and the increased surplus.

The financial health of the organisation is sound; underpinned by a stable donor base, the DFAT five year accreditation confirmation in 2015 and \$1.46M of financial assets. Financial assets are ungeared and actively managed using specialist advice to achieve long-term market competitive returns. TLMA's Balance Sheet (as summarised in the Statement of Financial Position) has been strengthened by the surplus (+\$530k) and by the (+\$585k) revaluation of the Box Hill office premises.

Our financial objective in 2016-17 is to sustainably increase donor revenues by enhancing the number and quality of donor relationships while maintaining tight controls on costs.

The Leprosy Mission Australia

ACN 067 616 193
ABN 52 354 004 543
(A Company Limited by Guarantee)

Financial Statements
For The Year Ended to 30 June 2016

Key Performance Measures

The company assesses its own performance through the use of both quantitative and qualitative measures. The following measures are used by the Board & management to assess the financial sustainability of the company and whether the company's objectives are being achieved.

	2016		2015	
	Year to 30 June	Year to 30 June	Year to 30 June	Year to 30 June
	Actual	Target	Actual	Target
International Aid and Development Programs				
Total Number of Projects Supported	15	14	16	16
Percentage of projects visited by Programs Staff:				
Projects on 12 month review cycle	100.0%	100.0%	83.3%	100.0%
Projects on 24 month review cycle	37.5%	50.0%	62.5%	50.0%
Total Number of Projects with Government Funding	6	6	6	6
Total DFAT Australian Government Aid Grant Amount	\$ 1,041,530	N/A	\$ 1,241,522	N/A
Remittance amount by Country:				
• India	\$ 420,286	\$ 328,524	\$ 531,514	\$ 324,845
• Nepal	\$ 611,201	\$ 470,754	\$ 412,406	\$ 395,977
• Nigeria	\$ 141,092	\$ 141,092	\$ 134,157	\$ 153,791
• PNG	\$ 80,362	\$ 80,362	\$ 127,213	\$ 132,050
• Timor Leste	\$ 643,555	\$ 629,068	\$ 915,747	\$ 1,008,427
• Myanmar	\$ 13,100	\$ 13,100	\$ 28,828	\$ 20,000
• Thailand	\$ 94,851	\$ 72,550	\$ 103,258	\$ 80,944
Total Disbursements to Programs (including DFAT)	\$ 2,004,447	\$ 1,735,450	\$ 2,253,122	\$ 2,116,034
Percentage of Funds for primary medical care	35.8%	37.4%	39.6%	34.4%
Percentage of funds allocated to community development projects	50.9%	55.7%	53.7%	61.6%
Percentage of funds allocated to other projects	13.3%	6.9%	6.7%	4.0%
Operational and Financial				
Total number of sales and donations received	24,820		26,572	
Proportion of funding provided by:	Note			
• Government	2	21.7%	20.0%	23.1%
• Fundraising	2	64.9%	69.0%	61.5%
• Merchandise	2	9.9%	8.0%	10.4%
• Investments & other revenue	2	3.6%	3.0%	5.0%
Proportion of funding spent on:				
• International Programs				
Total Disbursements (Including DFAT)		39.1%	40.8%	41.9%
Support Costs (Including DFAT)		11.4%	11.9%	16.1%
• Community Education Costs		4.1%	3.0%	3.5%
Yield as a % of total revenue less asset sales		54.6%	55.7%	61.6%
• Fundraising	3	14.9%	18.2%	16.4%
• Merchandise	3	8.8%	15.4%	10.9%
• Investments		1.6%	1.0%	0.8%
• Accountability & Administration	3	9.8%	9.7%	9.3%

Respective Funding sources and Expenditure items are expressed as a % of their individual amounts to Total Revenue less Non Operating Activities (i.e. asset sale proceeds). All of these respective amounts appear on Page 16, apart from International Programs and Investment costs which appear in the Income Operating Statement on Page 6.

Information on Directors

The particulars of the qualifications, experience and special responsibilities of each director as at 30/06/2016 are as follows:

Grace Asten	Masters of Social Science (International Development): RMIT Bachelor of Arts: Australian National University.	Appointed Director 9 February 2015. Diploma of Government: Australian Public Service Commission.
Experience across small and large NGOs in the international development sector, having worked with support and field teams in Australia and the United Kingdom, as well as East, West and Southern Africa. Grace has a passion for effective community development which empowers communities to draw on their strengths to work together towards community defined goals. Member of the International Program Committee.		
Peter Jeffrey Geddes	BMin Tech Hons, GAICD, FAusIMM Engineering Consultant.	Appointed Director 16 May 2011.
Management, Risk, Governance and Finance. 32 years of Technical, Management and Consulting experience in the international mining industry, including cross-cultural roles. Experienced on public and private mining company boards. Chair of the Finance, Audit and Risk Committee, Member of the Investments Committee.		
Rev. Kevin Keegan	Grad.Cert.NFP Management; Grad.Dip.Th, B.Th, TAE40110 Cert IV Training & Assessment, Cert.Ministry Consultancy, Cert.Ordnation	Appointed Director 9 February 2015.
Kevin is the CEO/National Director of FEBC Australia, and an ordained Baptist minister. 26 years of leading churches & 3 years chairing an international mission association: Kevin brings leadership, strategy, theological thinking, cross-cultural awareness and mission experience to the Board. Member of the Prayer, Promotion and Fundraising Committee.		
Stephen Lockrey	B.Comm., CA Risk Management	Appointed Director 21 October 2013.
Finance experience and risk management experience, Aid & Development industry experience. CFO role (10 years) with an aid and development NGO, wide NFP Board experience. Board member of Jubilee Housing Inc. Member of the Finance, Audit and Risk Committee, Member of the International Program Committee.		
Colin Leonard Martin	GAICD, MBBS, DRANZCOG, Grad Dip FM, MPH&TM, FRACGP General Medical Practitioner.	Appointed Director 12 July 2012.
Having spent nine months in Nepal working with staff at Anandaban Hospital, has allowed for an understanding of the issues facing that country in terms of implementation of services and programmes. Colin has been a rural GP and practice administrator for 35 years. Member of the International Programmes Committee and the Human Resources and Governance Committee. Chair of the Board of The Leprosy Mission Australia.		
Tanya McPharlane	MBA(Law) CCC BN AFCHSM MAICD	Appointed Director 9 February 2015.
With a 32 year career as a registered nurse and nurse administrator, she is currently a governance consultant, practising primarily in the Healthcare Industry. Tanya brings with her broad experience in healthcare: clinical, operational, business and human resource management. Member of the Human Resources and Governance Committee.		
Steve Meredith	Grad Dip Mgt, GAICD Banking & Business Management.	Appointed Director 21 October 2013.
Over 25 years of banking, corporate treasury, human resources and business development experience. Held a number of senior executive leadership roles with National Australia Bank, both domestically and internationally (UK / USA / Asia), leading a variety of functions and teams. Consulted to international banks in the U.S and Canada on talent management, succession planning and executive recruitment. Chairman of the Human Resources and Governance Committee.		
Chrisy Savvides	B Visual Communications Graphic Designer.	Appointed Director 16 October 2006.
31 years in advertising. Initially with an international advertising agency, Ogilvy & Mather (8yrs), then Australian agency, Harris Robinson & Courtenay (5yrs), another smaller agency for 8 years, then decided to freelance. Clients include a few 'not-for-profits'. Chairman of the Prayer, Promotion and Fundraising Committee.		
Robert Charles Stuart Swanton	F CPA Company Director.	Appointed Director 2 October 1995.
Retired Accountant and Financial/Investment Adviser. Deputy Chairman from 11 February 2000 to 15 May 2006; Chairman of Board from 15 May 2006 to 21 April 2012. Member of the Finance, Audit and Risk Committee and member of the Investment Committee.		
Adam Walker	BA LLB (Hons) LLM(Commercial Law) Law, governance & management	Appointed Director 21 October 2013.
Partner of the law firm, Gadens, practicing in commercial and corporate law. Member of the Human Resources & Governance Committee.		

Directors' Meetings

Director	No. of Eligible Meetings	No. of Meetings Attended
Mrs Grace Asten	4	3
Dr Roger Donbavand	3	2
Mr Peter Jeffrey Geddes	5	4
Rev. Kevin Keegan	5	3
Mr Stephen Lockrey	5	4
Dr Colin Leonard Martin	5	5
Mrs Tanya McPharlane	5	5
Mr Steve Meredith	5	5
Miss Chrisy Savvides	5	5
Mr Trevor Spicer	3	1
Mr Robert Charles Stuart Swanton	5	5
Mr Adam Walker	5	4

Directors' Benefits

Since the end of the previous financial year no director has received or become entitled to receive a benefit other than:

- A benefit included in the aggregate amount of emoluments received and due and receivable by directors shown in the accounts; or
- The fixed salary of a full-time employee of the company or related body corporate, by reason of a contract made by the company or a related body corporate with a director, a firm of which the director is a member or an entity in which he has a substantial financial interest.

Directors' and Auditors' Indemnification

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs or expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception of the following matter,

- During or since the financial year, the company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company. The contract of insurance prohibits disclosure of the extent of cover or the premiums paid in respect of such insurance.

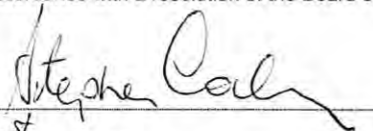
Proceedings on behalf of Company

The company was not a party to any proceedings during the year, nor is aware of any pending proceedings.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 5 of the directors' report

Signed in accordance with a resolution of the Board of Directors:


Director

Dated: 31st August 2016


Director

The Leprosy Mission Australia
ABN 52 354 004 543

Auditors Independence Declaration under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Board Members of The Leprosy Mission Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson

Saward Dawson Chartered Accountants

Jeffrey Tulk

Jeffrey Tulk
Partner
Blackburn

Dated: 31/8/16

INCOME OPERATING STATEMENT IN ACFID CODE OF CONDUCT FORMAT
for the year ended 30 JUNE 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
REVENUE			
Donations and Gifts			
• Monetary	2a	2,545,156	2,549,269
• Non Monetary	2a	-	-
Bequests and Legacies	2a	977,499	945,209
Grants			
• Department of Foreign Affairs and Trade (DFAT)	2a	1,041,530	1,241,522
• Other Australia	2a	71,196	500
• Other Overseas		-	-
Merchandise Income	2a	312,553	370,412
Investment Income	2b	168,609	263,914
Proceeds from Sale of Fixed Assets	2c	-	2,897
Other Income	2a	13,601	7,284
Revenue for International Political or Religious Proselytisation Programs		-	-
TOTAL REVENUE	2c	5,130,144	5,381,007
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
• DFAT Grants - Funds to International Programs	21	889,462	1,046,953
• DFAT Grants - In Australia Costs		58,963	99,295
• DFAT Grants - Admin/Overhead Costs		100,023	81,385
• The Leprosy Mission Australia's Funds to International Programs		902,213	1,025,404
• Others' Projects, Channelled Funds		212,772	181,380
• Program Support Costs to Projects		427,915	687,838
Total International Programs		2,591,348	3,122,255
Community Education Costs		209,428	189,008
Fundraising Costs - Public	3	762,645	883,452
- Govt, Multilateral and Private Sector		-	-
Merchandise - Cost of Goods Sold	3	139,511	176,675
- Operating Costs	3	310,917	412,139
Investment Expenses		82,804	44,155
Costs of Fixed Assets Sold		-	3,219
Accountability and Administration	3	503,195	499,667
Non-Monetary Expenditure		-	-
Total International Aid and Development Programs Expenditure		4,599,848	5,330,570
Expenditure for International Political Programs		-	-
Expenditure for International Religious Proselytisation Programs		-	-
Domestic Programs Expenditure (Incl Monetary & Non Monetary)		-	-
TOTAL EXPENDITURE		4,599,848	5,330,570
Excess/(Shortfall) of Revenue over Expenditure		530,296	50,437

The above Income Operating Statement should be read in conjunction with the accompanying notes

Statement of Comprehensive Income for the year ended 30 June 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Net current surplus	530,296	50,437
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
Gain on Revaluation of Non-Current Assets	585,000	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Net fair value remeasurement gains/(losses) on available-for-sale financial assets	(80,344)	(49,812)
Total other comprehensive income	504,656	(49,812)
Total comprehensive income	1,034,952	625

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position as at 30 June 2016

		\$	\$
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Current Assets			
Cash and Cash Equivalents	6	1,153,698	738,636
Trade and Other Receivables	7	78,096	93,818
Inventories	8	64,668	109,609
Financial Assets	9	1,460,446	1,542,101
Other Assets	10	59,554	28,663
Total Current Assets		<u>2,816,462</u>	<u>2,512,827</u>
Non-Current Assets			
Property, Plant and Equipment	11	2,674,394	2,078,114
Total Non-Current Assets		<u>2,674,394</u>	<u>2,078,114</u>
Total Assets		<u>5,490,856</u>	<u>4,590,941</u>
Current Liabilities			
Trade and Other Payables	12	101,944	107,161
DFAT Grants Received in Advance		-	71,196
Borrowings	13	-	50,000
Short Term Provisions	14	98,755	113,692
Total Current Liabilities		<u>200,699</u>	<u>342,049</u>
Non-Current Liabilities			
Long Term Provisions	14	14,873	8,560
Total Non-Current Liabilities		<u>14,873</u>	<u>8,560</u>
Total Liabilities		<u>215,572</u>	<u>350,609</u>
Net Assets		<u>5,275,284</u>	<u>4,240,332</u>
Equity			
Reserves	18	3,273,206	2,768,550
Retained Earnings		2,002,078	1,471,782
Total Equity		<u>5,275,284</u>	<u>4,240,332</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity for the year ended 30 June 2016

	Retained Earnings	Asset Revaluation Reserve	Financial Asset Revaluation Reserve	TLMA Investment Fund	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	1,421,345	1,413,045	280,897	1,124,420	4,239,707
Surplus from Operating Activities	50,437	-	-	-	50,437
Revaluation increment/decrement of Assets	-	-	(49,812)	-	(49,812)
Balance at 30 June 2015	<u>1,471,782</u>	<u>1,413,045</u>	<u>231,085</u>	<u>1,124,420</u>	<u>4,240,332</u>
Surplus from Operating Activities	530,296	-	-	-	530,296
Revaluation increment/decrement of Assets	-	585,000	(80,344)	-	504,656
Balance at 30 June 2016	<u>2,002,078</u>	<u>1,998,045</u>	<u>150,741</u>	<u>1,124,420</u>	<u>5,275,284</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows for the year ended 30 June 2016

		\$	\$
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities			
Receipts from supporters and other income		3,881,958	4,012,984
Payments to overseas aid, suppliers and employees		(4,599,916)	(5,523,342)
Grants received		1,145,683	1,425,682
Interest received		23,075	26,601
Dividends & Distributions received		145,534	116,364
Net Cash Inflow from Operating Activities	15	<u>596,334</u>	<u>58,289</u>
Cash Flows from Investing Activities			
Proceeds from the sale of Property, Plant and Equipment		-	2,897
Proceeds on sale of investment securities		257,682	663,598
Payment for property, plant and equipment		(77,690)	(119,892)
Payment for investments		(311,264)	(676,900)
Net Cash Inflow / (Outflow) from Investing Activities		<u>(131,272)</u>	<u>(130,297)</u>
Cash Flows From Financing Activities			
Repayment of Borrowings		(50,000)	-
Net Cash Outflow from Financing Activities		<u>(50,000)</u>	<u>-</u>
Net Increase/(Decrease) In Cash Held		415,062	(72,008)
Cash at the beginning of the Financial Year		738,636	810,644
Cash at the end of the Financial Year	6	<u>1,153,698</u>	<u>738,636</u>

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the signatory organisation's international aid and development revenue for the financial year.

Index of Notes to and forming part of the accounts for the year ended 30 June 2016

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The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

The financial report covers the company The Leprosy Mission Australia (TLMA), a company limited by guarantee, incorporated and domiciled in Australia. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - reduced disclosure regime including Australian Accounting Interpretations, and the Australian Charities and Not-for-profit Commission (ACNC) Act 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

b. Inventories

Inventories are measured at the lower of cost and current replacement cost.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the income operating statement.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the depreciable replacement cost.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciable rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciable Rate
Motor Vehicles	20.0%
Office Equipment, including computers	30.0%
Furniture & Fittings	15.0%
Plant & Equipment	4% & 10%
Buildings	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 1. (Continued)

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income operating statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Financial Instruments

Initial Recognition and Measurement

Financial assets are initially measured at fair value on trade date, which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

- (i) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets.)
- (ii) **Available-for-sale financial assets**
Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.
- (iii) **Financial liabilities**
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income operating statement.

e. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income operating statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the class of assets belong.

f. Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of the entity is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the translation of monetary items are recognised in the income operating statement.

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 1. (Continued)

g. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments (including term deposits) able to be readily convertible to known amounts of cash with minimal risk of changes in value. The directors have deemed long-term deposits to be cash and cash equivalents as they can be withdrawn at short notice with minimal interest penalty.

i. Revenue

Donations and bequests are recognised as revenue when received.

Government grants are recognised as income when invoiced, based on approval of the grant to the extent that funds received relate to the year of income. When funds relate to future years activities and there is an obligation to repay those funds if not spent for the approved purpose then such funds are recognised as a liability until they are expended.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Donations of Gifts in Kind are recognised as income based on a valuation upon the receipt of the goods.

All revenue is stated net of the amount of goods and services tax (GST).

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

k. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

m. Unexpended Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects.

It is the policy of the entity to treat grant monies as unexpended grants in the statement of financial position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 1. (Continued)

n. Contributions

The Leprosy Mission Australia receives non-reciprocal contributions from the donors and other parties for no or a nominal value.

Donations in kind are recognised as income based on a valuation upon the receipt of the goods. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the statement of financial position and revenue in the statement of comprehensive income.

o. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Fair Value of Land and Buildings

The freehold land and buildings were valued by independent valuers on 22 June 2016.

The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area and recent sales data for similar properties.

Key Judgments

Available-for-sale investments

The company maintains a portfolio of securities with a carrying value of \$1,460,446 at the end of the reporting period.

Certain individual investments have declined in value and an Impairment adjustment of \$52,490 reflecting a significant or prolonged decline below cost in the value of some investments has been made. Should further share values decline to a level which is in excess of 20% below cost or should prices remain at levels below cost for a period in excess of 12 months, the Directors will determine whether or not such investments will be considered impaired in the future.

Doubtful debts provision

A review was conducted of accounts receivable at 30 June 2016 which determined that all debts were recoverable in full. Consequently, no doubtful debt provision has been made at 30 June 2016.

p. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective the new standard will replace the current accounting requirements applicable to revenue with a single principles based model. Except in a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

Although the directors anticipate the adoption of AASB 15 may have an impact on the company's financial statements, given the AASB has not yet released application guidance for AASB 15 in relation to not-for-profit entities, it is impractical at this stage to determine any impact.

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 2. Revenue	Notes	2016 \$	2015 \$
(a) Ordinary Activities			
Operating Activities:			
Sales of Merchandise		312,553	370,412
Donations from Merchandising		195,091	187,768
Donations from Fundraising		2,350,065	2,361,501
Bequests received		977,499	945,209
DFAT Grants		1,041,530	1,241,522
Other Government Grant		71,196	500
Other		13,601	7,284
Non Operating Activities:			
Proceeds from Sale of Property, Plant and Equipment		-	2,897
Total Ordinary Activities		<u>4,961,535</u>	<u>5,117,093</u>
(b) Investment Activities			
Investment Income		168,609	263,914
Total Investment Activities		<u>168,609</u>	<u>263,914</u>
(c) Activity Summary			
Operating Activities		4,961,535	5,114,196
Non Operating Activities		-	2,897
Investment Activities		168,609	263,914
Total Revenue		<u><u>5,130,144</u></u>	<u><u>5,381,007</u></u>

Note 3. Significant Expenses

Expenses:			
Fundraising Costs - Public	Staff costs	396,626	405,854
	Appeals & Promotions	210,272	275,219
	Special Events & Travel	19,700	87,812
	Property, Equipment & Other	136,047	114,567
		<u>762,645</u>	<u>883,452</u>
Merchandise - Cost of Goods sold		139,511	176,675
Merchandise - Operating Costs	Staff costs	149,090	74,187
	Appeals & Promotions	133,695	272,943
	Other	28,132	65,009
		<u>310,917</u>	<u>412,139</u>
Accountability and Administration - Operating Costs	Staff costs	375,161	414,523
	Governance & Financial Costs	38,794	11,117
	Technology & Communications	18,327	19,229
	Property & Equipment	37,352	38,511
	Other	33,561	16,287
		<u>503,195</u>	<u>499,667</u>
Depreciation expense (included in the Property & Equipment expenses)		66,410	51,639
Non Operating Activities:			
Loss on Sale of Property, Plant and Equipment		-	322

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 4. Key Management Personnel Compensation

	Short-term Benefits	Post- employment Benefits \$	Other Long- term Benefits \$	Total \$
2016				
Total Compensation	168,221	25,628	14,996	208,846
2015				
Total Compensation	131,147	24,126	6,289	161,561

Since 30 June 2015 no director of the company has received an entitlement, remuneration or benefit because of a contract that the director, or a firm of which the director is a member, or an entity in which the director has a substantial financial interest, has made with the company during the period ended 30 June 2016 or at any other time.

Note 5. Auditor's Remuneration

	2016 \$	2015 \$
Remuneration of the auditor for the		
- auditing or reviewing the financial report	13,500	13,000
- other	1,027	1,417

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 6. Cash and Cash Equivalents

	2016 \$	2015 \$
Cash on Hand	350	550
Cash at Bank	1,148,250	732,617
Cash Management Trust	5,098	5,469
	<u>1,153,698</u>	<u>738,636</u>

Note 7. Trade and Other Receivables

Trade Receivables	55,932	77,841
	<u>55,932</u>	<u>77,841</u>
Other Debtors - GST	22,165	15,977
	<u>78,096</u>	<u>93,818</u>

Note 8. Inventories

At cost	64,668	109,609
	<u>64,668</u>	<u>109,609</u>

Note 9. Financial Assets
Current

Available-for-sale Financial Assets:

- investments in Australian listed equities & securities	1,092,854	1,203,632	
- investments in Overseas equities & securities	227,730	165,644	listed
	139,862	172,825	unlisted
	<u>1,460,446</u>	<u>1,542,101</u>	

Note 10. Other Assets

Prepayments	59,554	28,663
	<u>59,554</u>	<u>28,663</u>

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 11. Property, Plant and Equipment

	2016 \$	2015 \$
Land and Building		
Land		
At fair value	1,800,000	1,500,000
	<u>1,800,000</u>	<u>1,500,000</u>
Building		
At fair value	650,000	400,000
Less: Accumulated Depreciation	-	(25,000)
	<u>650,000</u>	<u>375,000</u>
Total Land and Building	<u>2,450,000</u>	<u>1,875,000</u>
Plant and Equipment		
Motor Vehicles - at cost	85,942	85,942
Less: Accumulated Depreciation	(44,549)	(31,730)
	<u>41,393</u>	<u>54,212</u>
Furniture & Equipment - at cost	375,103	298,601
Less: Accumulated Depreciation	(255,260)	(220,650)
	<u>119,843</u>	<u>77,951</u>
Plant - at cost	103,938	102,749
Less: Accumulated Depreciation	(40,780)	(31,798)
	<u>63,158</u>	<u>70,951</u>
Total Plant and Equipment	<u>224,394</u>	<u>203,114</u>
Total Property, Plant and Equipment	<u>2,674,394</u>	<u>2,078,114</u>

Valuations of Land and Buildings

The revaluation of freehold land and building at Box Hill Vic were based on the assessment – by the Directors - of their "fair values" as at balance date, such values being equivalent to their current market valuations.

Independent valuation to support such current market valuations were undertaken by Artur Giller, AAPI of Opteon (Victoria) Pty Ltd for the Box Hill property on 22 June 2016.

(a) Movements in Carrying Amounts

	Land and Building	Motor vehicles	Furniture and equipment	Plant and Equipment	Total
Balance at beginning of year	1,875,000	54,212	77,951	70,951	2,078,114
Additions	-	-	76,501	1,189	77,690
Disposals	-	-	-	-	-
Revaluation	585,000	-	-	-	585,000
Depreciation Expense	(10,000)	(12,819)	(34,609)	(8,982)	(66,410)
Carrying amount at 30 June 2016	<u>2,450,000</u>	<u>41,393</u>	<u>119,843</u>	<u>63,158</u>	<u>2,674,394</u>

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 12. Trade and Other Payables

	<u>2016</u>	<u>2015</u>
	\$	\$
Unsecured		
Trade Creditors	37,268	11,422
Accrued Expenses	10,000	13,500
Other Payables	54,676	82,239
	<u>101,944</u>	<u>107,161</u>

Note 13. Borrowings

Interest Free Loans from supporters	-	50,000
	<u>-</u>	<u>50,000</u>

The only borrowing facility is the Corporate Credit Card and the unused facility is \$35,000 as at balance date; as a small cash balance is maintained to ensure no or minimal interest is charged.

Note 14. Provisions

Current		
Provision for Employee Benefits: Annual Leave	83,978	96,310
Provision for Employee Benefits: Long Service Leave	14,777	17,381
	<u>98,755</u>	<u>113,692</u>
Non-Current		
Provision for Employee Benefits: Long Service Leave	14,873	8,560
	<u>14,873</u>	<u>8,560</u>
	<u>113,627</u>	<u>122,251</u>

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 15. Cash Flow Information

	<u>2016</u>	<u>2015</u>
	\$	\$
Reconciliation of Cash Flow from Operations with Operating Surplus (Deficit)		
Operating Surplus/(Deficit)	530,296	50,437
Depreciation	66,410	51,640
Impairment of financial instruments	52,490	-
Net Loss/(Profit) on sale of Non-Current Assets	-	322
Net Loss/(Profit) on sale of Investments	2,403	(75,069)
Changes in Assets and Liabilities		
(Increase)/ decrease in Trade Debtors & Other Debtors	15,721	17,083
(Increase)/ decrease in Prepayments	(30,891)	(8,581)
(Increase)/ decrease in Inventories	44,941	10,043
Increase / (decrease) in Trade Creditors and Accruals	(5,217)	(47,553)
Increase / (decrease) in Employee Provisions	(8,624)	(11,228)
Increase / (decrease) in DFAT Grants received in advance	(71,196)	71,196
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	<u>596,334</u>	<u>58,289</u>

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 16. Financial Instruments

The Leprosy Mission Australia's financial instruments consist mainly of deposits with banks, marketable securities, accounts receivable, loans payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$	2015 \$
Financial Assets			
Cash and Cash Equivalents	6	1,153,698	738,636
Trade and Other Receivables	7	78,096	93,818
Available-for-sale Financial Assets	9	1,460,446	1,542,101
Total Financial Assets		2,692,240	2,374,555
Financial Liabilities			
Trade and Other Payables	12	101,944	107,161
Interest Free Loans	13	-	50,000
Total Financial Liabilities		101,944	157,161

Financial Risk Management Policies

The Board of Directors overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis.

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 17. Reporting Requirements Under The New South Wales Charitable Fundraising Act 1991

a) Aggregate gross income and total direct expenses of appeals	2016	2015
The Leprosy Mission Australia raises donations through direct appeals throughout the year	\$	\$
Appeals		
February Appeal	47,139	24,515
April Appeal	46,721	36,652
June Appeal	96,613	73,925
August Appeal	35,319	21,035
October Appeal	22,113	26,776
December Appeal	81,303	65,982
Special Appeal	-	-
Total Appeals	329,207	248,885
Other Activities	316,856	350,282
Gross Proceeds from Appeals and Other Activities	646,063	599,167
Cost of Appeals		
February Appeal	1,289	3,837
April Appeal	2,094	2,983
June Appeal	5,169	8,161
August Appeal	2,717	5,970
October Appeal	2,623	5,174
December Appeal	1,562	9,136
Special Appeal	-	-
Total Cost of Appeals	15,453	35,262
Other Activities	16,009	12,167
Total direct costs of appeals and other activities	31,462	47,429
Net surplus from appeals and other activities	614,601	551,737

b) Details of appeal income and costs

2016		
Total cost of appeals / gross income from appeals	15,453 / 329,207	4.69%
Net surplus from appeals / gross income from appeals	313,754 / 329,207	95.31%
2015		
Total cost of appeals / gross income from appeals	35,262 / 248,885	14.17%
Net surplus from appeals / gross income from appeals	213,623 / 248,885	85.83%

Note 18. Reserves

Asset Revaluation Reserve
The asset revaluation reserve records all revaluation of property, plant and equipment.

Financial Asset Revaluation Reserve
The financial asset revaluation reserve records revaluation of all financial assets.

TLMA Investment Fund
The Reserve represents the amount received from Serpell Estate in 2002 plus other donations for investments.

Notes to and forming part of the accounts for the year ended 30 June 2016

Note 19. Fair Value Measurements

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition

Available-for-sale financial assets

Available-for-sale financial assets comprise direct investments in Australian listed equities where the fair value is determined based on the bid price as at the balance date and investments in property and overseas equity funds where the fair value is based on the unit redemption price at at balance date.

Freehold land and buildings

Freehold land and buildings fair value is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions.

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Note 20. Company Details

The registered office of the company is:

The Leprosy Mission Australia
37-39 Ellingworth Pde
BOX HILL VIC 3128

The principal place of business is:

The Leprosy Mission Australia
National Office
37-39 Ellingworth Pde,
BOX HILL VIC 3128

Note 21. Distribution to TLM Global Fellowship

Disbursements that relate to:-

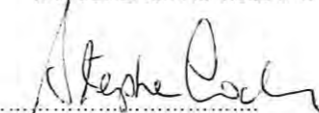
	<u>2016</u>	<u>2015</u>
	\$	\$
DFAT Australian Aid/TLM Projects	889,462	1,046,953
DFAT Australian Aid/TLM Projects - Additional	231,754	329,164
Non DFAT Australian Aid Recognised Development Expenditure Eligible (RDE) Funds	969,615	1,253,870
	<u>2,090,830</u>	<u>2,629,987</u>
Other Australian Government Grant	97,484	-
Designated Funds - Ineligible as Recognised Development Expenditure	-	-
Undesignated Funds	79	614
Distribution to TLM Global Fellowship	<u>2,188,393</u>	<u>2,630,601</u>
DFAT Australian Aid Grants - Overseas Transfer	889,462	1,046,953
Global Support Costs - International Program Management	33,983	26,169
Capacity Building	125,210	186,058
Implementing Country Support Costs	140,041	346,017
Other Australian Government Grant	97,484	-
Contributions to Projects	902,213	1,025,404
Distribution to TLM Global Fellowship	<u>2,188,393</u>	<u>2,630,601</u>
Included in above funds are the following which are ineligible as Recognised Development Expenditure:-		
- Welfare, Evangelistic & Political activities	-	-
- Administration &/or Promotion costs of International/Regional affiliates	79	614

DIRECTORS' DECLARATION

The Directors declare that:

- The financial statements and notes, as set out within this report on pages 6 to 24 are in accordance with the Australian Charities and Not-for-profit Commission (ACNC) Act 2012; and
 - comply with Accounting Standards, and other mandatory professional reporting requirements; and
 - give a true and fair view of the company's financial position as at 30 June 2016 and of the company's performance, as represented by the results of the company's operations and their cash flows, for the financial period ended on that date.
- In the Directors' opinion:
 - there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
 - the accounts give a true and fair view of the income and expenditure of the company with respect to New South Wales fundraising appeals.
- The Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation.
- The provisions of the New South Wales Charitable Fundraising Act 1991, and the regulations under the Act, and the conditions attached to the authority have been complied with by the company.
- The Summary Financial Reports (refer Page 6) have been prepared in accordance with the requirements set out in the ACFID Code of Conduct.
- The internal controls exercised by the company are effective in accounting for all income received and applied by the company from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Directors.


.....
Director


.....
Director

Dated 31st day of August 2016

THE LEPROSY MISSION AUSTRALIA
ABN 52 354 004 543

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE LEPROSY MISSION AUSTRALIA

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE LEPROSY MISSION AUSTRALIA

Report on the Financial Report

We have audited the accompanying financial report of The Leprosy Mission Australia, which comprises the statement of financial position as at 30 June 2016, the income operating statement in ACFID code of conduct format, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*.

Auditor's Opinion

In our opinion, the financial report of The Leprosy Mission Australia is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

The information reported in the income operating statement in ACFID Code of Conduct format is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion.

Saward Dawson

Saward Dawson Chartered Accountants

Jeffrey Tulk

Jeffrey Tulk
Partner
Blackburn VIC

Dated: 31/8/16



WE COULDN'T
DO IT WITHOUT
♥ YOU!



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The Leprosy Mission Australia is an international organisation that works in partnership with governments, public health officials, non-government organisations, the World Health Organisation, churches, Christian partners and others to achieve its vision of a world without leprosy. The Leprosy Mission is the oldest and largest leprosy-focussed organisation in the world today.

Leprosy affects people's lives in many different ways. The Leprosy Mission Australia cares for their physical, social, spiritual and psychological needs. Leprosy is sometimes not understood by communities and as a result people are fearful of it. This means those affected by leprosy are often stigmatised. Our main focus is on leprosy work, yet we often include those with severe disabilities or those living in extreme poverty.



**The Leprosy
Mission**
Australia



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