



chartered accountants

# **The Leprosy Mission Australia**

(a company limited by guarantee)

ABN: 52 354 004 543

## **Financial Statements**

For the Year Ended  
30 June 2019

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Contents

For the Year Ended 30 June 2019

	Page
Directors' Report	1
Auditor's Independence Declaration	8
Statement of Income and Expenditure	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	29
Independent Audit Report	30

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Report

For the Year Ended 30 June 2019

The directors present their report on The Leprosy Mission Australia for the financial year ended 30 June 2019.

### Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Mr Damian Fisher		26 February 2018
Rev Kevin Keegan		9 February 2015
Mr Stephen Lockrey	Hon. Finance Director	21 October 2013
Dr Judy Louie		23 October 2016
Dr Angeline Low		25 June 2018 (on approved leave of absence from 10 June 2019)
Dr Colin Martin	Chairman	12 July 2012
Mrs Tanya McPharlane		9 February 2015 (25 March 2019)
Mr Steven Meredith	Deputy Chair	21 October 2013
Ms Fifi Rashando		25 June 2018
Mr Adam Walker		21 October 2013
Mrs Jennifer Ward		23 October 2016

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

### Principal activities

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.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Report

For the Year Ended 30 June 2019

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 I 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.

### 2019 Results in Summary

The Leprosy Mission Australia (TLMA) has achieved a modest surplus for the year of \$7,521 in the face of a challenging environment of declines in giving in the charity sector. Total government funding also declined this year to \$917,776 or by 5% compared to last year.

Despite this, TLMA has managed to increase its support to international projects by \$134,994 to six countries – India, Nepal, Nigeria, PNG, Timor Leste and Thailand. This has ensured that the project activities can be implemented effectively to help people affected by leprosy and disabilities.

We are thankful that total revenue continued to remain stable at \$5,432,677 mainly due to faithful and generous donors who have supported us in grants, donations, bequest gifting and buying merchandise from our shop.

The sustained giving has enabled \$3,000,639 to be spent on program implementation, including \$746,651 in Community Education.

The financial health of the organisation is sound; underpinned by a stable loyal donor base and a strong balance sheet (as summarised in the Statement of Financial Position) with net assets of \$8,861,533 including cash equivalents of \$1,662,510, and financial assets of \$2,338,624 consisting of term deposits of \$210,000 and share investments of \$2,128,624 which are ungeared and actively managed using specialist advice to achieve long-term market competitive returns. The current office property in Box Hill has been recently revalued in April 2019 to \$4,650,000 by an independent valuer in compliance with AASB116.

Our financial objectives in 2019-20 is to focus on improving our donation and merchandise revenue streams whilst maintaining tight controls on non-project expenditure to enable continued support of our projects.

### Key performance measures

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

Performance measures used include percentage of donation raised to support the objectives of TLMA, some financial ratios and number of supporters and churches involved with TLMA.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Report

For the Year Ended 30 June 2019

### Payments and other benefits

No payments or benefits of a pecuniary value were received by any officers of the Company during the financial year.

### Information on directors

#### Mr Damian Fisher

Qualifications

BSc (Hons) Physics, GradDipMgt

Experience

Damian has over 20 years' experience in marketing, branding, product and customer management, gained within commercial companies such as British Airways (UK) and NRMA (Aus), plus extensive experience of leading voluntary activities at a church level. Currently a member of the executive team at Bible Society Australia, where he manages Fundraising, Marketing, Branding and PR. Damian brings with him extensive experience in marketing, fundraising and donor engagement.

Special Responsibilities

Member of the Prayer, Engagement and Fundraising Committee.

#### Rev Kevin Keegan

Qualifications

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

Experience

Kevin is the CEO/National Director of FEBC Australia and an Executive Member of FEBC International. An ordained Baptist minister with qualifications in theology, non-profit management, consultancy and training, 25 years of leading churches and four years chairing an international mission association-Kevin brings leadership, strategy, theological thinking, cross-cultural awareness and mission experience to this position.

Special Responsibilities

Member of the Prayer, Engagement and Fundraising Committee.

#### Mr Stephen Lockrey

Qualifications

Hon. Finance Director

Experience

B. Comm., CA

Stephen has extensive Aid and Development industry experience following 10 years as Chief Financial Officer with an aid and development non-governmental organisation. He brings finance and risk management expertise to this role. Stephen has wide non-profit Board experience, currently a Board member of Jubilee Housing Inc.

Special Responsibilities

Chair of the Finance, Audit and Risk Committee, Member of the Investment Committee.

#### Dr Judy Louie

Qualifications

PhD(Acc), MBus(Acc), Grad.Dip(Acc), BSc, CPA

Experience

Judy has more than 20 years of knowledge and experience in accounting and information technology. She completed her PhD degree in accounting and is currently Finance Manager at the NewHope Baptist Church. She was previously a lecturer in accounting at La Trobe University for 11 years and a lecturer in information technology at Sunway University in Malaysia for 4 years. Judy is a CPA and has strong industry background, having worked in an accounting firm and non-profit organisations for 7 years. She had served for 7 years as a leader in Navigators, a University Christian student group, to help meet the various needs of students from overseas.

Special Responsibilities

Member of the Finance, Audit and Risk Committee

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Report

For the Year Ended 30 June 2019

### Information on directors

#### **Dr Angeline Low**

Qualifications

PhD, M Mgt, B.Econ (Hons), MAICD

Experience

Angeline has more than 25 years on Board of Directors in international charity and development organisations. In addition, she has many years of professional and business experience. On an international level, Angeline is an active participant and speaker in various international engagements on gender, leadership and economic inclusion of women. She had been the guest of the European Union, the OECD and the ILO on a number of occasions to deliberate on gender issues in entrepreneurship and in senior management. She holds a PhD in entrepreneurship research. Today Angeline manages her private investments and spends the rest of her time in philanthropic work.

Special Responsibilities

Member of the Finance, Audit and Risk Committee

#### **Dr Colin Martin**

Qualifications

Chairman

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

Experience

Colin 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 10 months, from 2009-2017, allowed him to develop an understanding of the problems and issues facing that country in the implementation of leprosy related services and programs. He has also been able to see the work of The Leprosy Mission Australia and its partners in Papua New Guinea, Timor Leste, India and Thailand.

Special Responsibilities

Chair of TLMA's Prayer, Engagement and Fundraising Committee, Member of all TLMA committees, Member of the TLM International Board since 2019, Member of the TLM Timor Leste Advisory Board (as Global Fellowship Representative) since 2019,

#### **Mrs Tanya McPharlane**

Qualifications

MBA(Law) CCC BN AFCHSM MAICD

Experience

With a 35-year career as a registered nurse and nurse administrator, Tanya is a governance and leadership consultant, practicing primarily in the Health, Aged, Dementia and Palliative Care sectors. She is also a Non-Executive Board Director for Palliative Care South East Ltd, a member of the Australian Institute of Company Directors and an Associate Fellow of the Australasian College of Health Service Managers (ACHSM). Tanya provides mentoring services for the Health Leaders Program for Leadership Victoria and brings with her, broad experience in health and aged care; business, clinical, operational, and human resource management. Tanya's experience is supported by a Master of Business Administration (Law) and directorship, auditing and clinical postgraduate qualifications.

Special Responsibilities

Member of the Human Resources and Governance Committee

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Report

For the Year Ended 30 June 2019

### Information on directors

#### Mr Steven Meredith

Qualifications

Experience

Deputy Chair

Grad Dip Mgt, GAICD

Steven has significant banking, corporate treasury, operations, human resources 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, non-profit and missionary organisations across Australia.

Special Responsibilities

Chair of the Human Resources and Governance Committee, Chair of TLM International Strategy Working Group

#### Ms Fifi Rashando

Qualifications

Experience

MBA (IntBus), GradDipMin, BA (English Literature)

Fifi is a Social Economic Inclusion Specialist with over 15 years of experience in the international development and humanitarian sector across Australia, Asia and Pacific regions. She has contributed towards the strategic growth of a number of reputable organisations; achieved corporate strategies; ensured compliance with legislative requirements; designed and managed multiple projects with inclusive business models which are guided by the principles of innovation, job creation, access to finance and creating commercial enterprises. She is currently the Principal Consultant of ODS and a board member of Haggai International Australia.

Special Responsibilities

Member of the International Programs Committee.

#### Mr Adam Walker

Qualifications

Experience

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

Adam is a partner with Gadens Lawyers, whose commercial law practice focuses on the fields of competition and consumer law, regulatory compliance, and intellectual property and technology. A member of the Governance Institute of Australia and serving also on the board of a health services charity addressing health issues in remote indigenous communities, Adam brings broad experience in commercial, corporate and not-for-profit law.

Special Responsibilities

Member of the Human Resources and Governance Committee.

#### Mrs Jennifer Ward

Qualifications

Experience

MBA, BEcon (HONS), Post Grad Dip, GAICD

Jenny has over 25 years' experience in international business, economics and human resource management to bring to her role. She has held a variety of senior executive roles both in Australia and internationally (Japan, China, USA, Asia Pacific) with large global organisations including BHPBilliton and World Vision Australia. Jenny is a qualified Company Director, has a Master of Business Administration and a post graduate degree in Economics. She brings broad governance, cross cultural, business and human resource management experience to the Board.

Special Responsibilities

Chair of the International Programs Committee (since 13 February 2018), Member of the Finance, Audit and Risk Committee

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Report

For the Year Ended 30 June 2019

### Meetings of directors

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Damian Fisher	5	5
Rev Kevin Keegan	5	5
Mr Stephen Lockrey	5	4
Dr Judy Louie	5	4
Dr Angeline Low	4	4
Dr Colin Martin	5	5
Mrs Tanya McPharlane	3	1
Mr Steven Meredith	5	3
Ms Fifi Rashando	5	5
Mr Adam Walker	5	5
Mrs Jennifer Ward	5	4

### 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 for 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 wilful breach of duty in relation to the company. The contract of insurance prohibits disclosure of the extent of cover of 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

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Report For the Year Ended 30 June 2019

### Auditor's independence declaration

The lead auditor's independence declaration, for the year ended 30 June 2019 has been received and can be found on page 8 of the financial report.

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

Director: .....

Director: .....

Date:

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Auditor's Independence Declaration to the Directors of The Leprosy Mission Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) 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
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Saward Dawson**

Jeffrey Tulk  
Partner

Blackburn

Date:

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Statement of Income and Expenditure

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
<b>REVENUE</b>			
<b>Donation and Gifts</b>			
- Monetary	3(a)	2,997,308	2,676,481
- Non-monetary	18	-	6,727
<b>Bequests and legacies</b>		621,621	1,164,968
<b>Grants</b>			
- DFAT		917,776	966,287
- Others		18,480	21,550
<b>Commercial Activities Income- Merchandise</b>		582,267	409,588
<b>Investment income</b>	2,3(b)	271,872	228,305
<b>Other income</b>		23,353	22,048
<b>TOTAL REVENUE</b>		<b>5,432,677</b>	<b>5,495,954</b>
<b>EXPENDITURE</b>			
<b>International Aid and Development Programs Expenditure</b>			
International Programs			
- Funds to International Programs	19	(1,857,689)	(1,722,695)
- Program Support Costs		(396,299)	(386,896)
Community Education Costs		(745,651)	(608,385)
Fundraising Costs			
- Public		(956,629)	(927,670)
- Government, multilateral and private		(15,703)	-
Accountability and Administration		(587,026)	(579,189)
<b>Total International Aid and Development Programs Expenditure</b>		<b>(4,558,997)</b>	<b>(4,224,835)</b>
<b>Commercial Activities Expenditure</b>		(831,058)	(555,739)
<b>Other Expenditure</b>		(35,101)	(29,049)
<b>TOTAL EXPENDITURE</b>		<b>(5,425,156)</b>	<b>(4,809,623)</b>
<b>Surplus for the year</b>		<b>7,521</b>	<b>686,331</b>

The accompanying notes form part of these financial statements.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Statement of Comprehensive Income

For the Year Ended 30 June 2019

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Surplus for the year</b>	7,521	686,331
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Revaluation changes for property, plant and equipment	9 2,248,973	-
<b>Total comprehensive income for the year</b>	<b><u>2,256,494</u></b>	<b><u>686,331</u></b>

The accompanying notes form part of these financial statements.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,662,510	1,774,265
Trade and other receivables	5	117,595	104,336
Inventories	6	76,507	70,184
Financial assets	7	2,338,624	2,158,127
Other assets	8	78,433	75,788
<b>Total Current Assets</b>		<b>4,273,669</b>	<b>4,182,700</b>
<b>Non-current Assets</b>			
Property, plant and equipment	9	4,838,196	2,648,223
Intangible assets	10	52,007	52,115
<b>Total Non-Current Assets</b>		<b>4,890,203</b>	<b>2,700,338</b>
<b>TOTAL ASSETS</b>		<b>9,163,872</b>	<b>6,883,038</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	131,601	129,881
Borrowings	12	10,000	10,000
Short-term provisions	13	129,076	125,525
<b>Total Current Liabilities</b>		<b>270,677</b>	<b>265,406</b>
<b>Non-current Liabilities</b>			
Long-term provisions	13	31,662	12,593
<b>Total Non-Current Liabilities</b>		<b>31,662</b>	<b>12,593</b>
<b>TOTAL LIABILITIES</b>		<b>302,339</b>	<b>277,999</b>
<b>NET ASSETS</b>		<b>8,861,533</b>	<b>6,605,039</b>
<b>EQUITY</b>			
Reserves	2,14	5,371,438	3,122,465
Retained earnings	2	3,490,095	3,482,574
<b>TOTAL EQUITY</b>		<b>8,861,533</b>	<b>6,605,039</b>

The accompanying notes form part of these financial statements.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

		Retained Earnings	Asset Revaluation Reserve	Financial Asset Revaluation Reserve	TLMA Investment Fund	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	2	3,482,574	1,998,045	-	1,124,420	6,605,039
Surplus for the year		7,521	-	-	-	7,521
<b>Other comprehensive income</b>						
Revaluation increment (decrement)		-	2,248,973	-	-	2,248,973
<b>Total comprehensive income</b>		<b>7,521</b>	<b>2,248,973</b>	<b>-</b>	<b>-</b>	<b>2,256,494</b>
<b>Balance at 30 June 2019</b>		<b>3,490,095</b>	<b>4,247,018</b>	<b>-</b>	<b>1,124,420</b>	<b>8,861,533</b>

2018

		Retained Earnings	Asset Revaluation Reserve	Financial Asset Revaluation Reserve	TLMA Investment Fund	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	2	2,632,257	1,998,045	163,986	1,124,420	5,918,708
Retrospective adjustment upon change in accounting policy	2	163,986	-	(163,986)	-	-
Surplus for the year		686,331	-	-	-	686,331
<b>Total comprehensive income</b>		<b>686,331</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>686,331</b>
<b>Balance at 30 June 2018</b>		<b>3,482,574</b>	<b>1,998,045</b>	<b>-</b>	<b>1,124,420</b>	<b>6,605,039</b>

The accompanying notes form part of these financial statements.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from supporters and customers	4,361,373	4,428,390
Payments to overseas aid, suppliers and employees	(5,431,908)	(4,729,260)
Grants received	936,256	987,837
Interest received	36,815	29,666
Dividends and distributions received	184,161	138,161
Net cash provided by/(used in) operating activities	4 <u>86,697</u>	<u>854,794</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from the sale of property, plant and equipment	1,818	25,000
Proceeds on sale of investment securities	195,989	204,605
Payment for property, plant and equipment	(49,730)	(81,750)
Payment for investments	(305,590)	(419,824)
Payment for intangibles	(20,939)	(13,441)
Redemption/(placement) of term deposits	(20,000)	(190,000)
Net cash used by investing activities	<u>(198,452)</u>	<u>(475,410)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash and cash equivalents held	(111,755)	379,384
Cash and cash equivalents at beginning of year	1,774,265	1,394,881
Cash and cash equivalents at end of financial year	4 <u>1,662,510</u>	<u>1,774,265</u>

The accompanying notes form part of these financial statements.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Not-for-Profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

These financial statements are presented in Australian Dollars, which is the Company's functional currency. The financial statements were authorised for issue on the same date that the directors' declaration was signed.

The financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guide available at [www.acfid.asn.au](http://www.acfid.asn.au)

#### (b) Income Tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. The Company is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012.

#### (c) Revenue and other income

##### Government grants

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

##### Donations and bequests

Donations and bequests are recognised as revenue when received.

##### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (c) Revenue and other income

##### Volunteer services

Volunteer services income is recognised when received, and when the fair value of those services have been reliably measured.

##### Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

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

#### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value.

#### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

##### Freehold 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 recognised in the income statement.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (f) Property, plant and equipment

##### Freehold property

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 and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised in the statement of income and expenditure.

A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and Equipment contributed at no or nominal cost are valued and recognised at the fair value of the asset on the date it was acquired.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.97%
Plant and Equipment	4% - 10%
Furniture, Fixtures and Fittings	15%
Motor Vehicles	20%
Office Equipment, including computers	30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (g) Intangible Assets

##### Patents and trademarks

Trademarks are initially recognised at cost, and are carried at cost less any impairment losses. They are assessed annually for impairment.

##### Website development

Website development costs are initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Website development has an estimated useful life of three years. It is assessed annually for impairment.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (g) Intangible Assets

##### Amortisation

Amortisation is recognised in income and expenditure on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (j) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (j) Financial instruments

##### Financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (j) Financial instruments

##### Financial assets

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and other loans.

#### (k) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee benefits

The Company classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in the income statement classified under employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Change in Accounting Policy

The company early adopted AASB 9 *Financial Instruments* in a previous financial year. On this adoption, the directors elected to treat equity investments to be recognised as fair value through other comprehensive income (FVOCI). On subsequent review, it has been determined that some of these investments treated as FVOCI did not meet the definition of equity investments as required by AASB 9. As such, the directors have subsequently elected to change the accounting policy to recognise all of these particular investments as financial assets at fair value through profit or loss (FVTPL) in the current financial year.

This change in accounting policy has been adopted retrospectively, and comparative amounts have been adjusted accordingly. As a result, the surplus for the year ended 30 June 2018 has increased from \$625,853 (as previously reported) to \$686,331 (in the restated comparatives). There has been no change in the total comprehensive income for the year ended 30 June 2018, or net assets as at 30 June 2018.

The aggregate effect of the change in accounting policy on the financial statements is as follows:

	Previously stated	30 June 2018 Adjustments	Restated	Previously stated	1 July 2017 Adjustments	Restated
	\$	\$	\$	\$	\$	\$
<b>Statement of Income and Expenditure</b>						
Investment income	167,827	60,478	228,305			
<b>Statement of Comprehensive Income</b>						
Net fair value movements of financial assets at fair value through other comprehensive income	60,478	(60,478)	-			
<b>Statement of Financial Position</b>						
Reserves	3,387,208	(264,743)	3,122,465	3,286,451	(163,986)	3,122,465
Retained earnings	3,217,831	264,743	3,482,574	2,632,257	163,986	2,796,243

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Change in Accounting Policy

### 3 Revenue

#### (a) Monetary Donation and Gifts

	2019	2018
Note	\$	\$
Fundraising & Sponsorships	2,554,487	2,316,000
Merchandise	442,821	360,481
<b>Total Monetary Donation and Gifts</b>	<b>2,997,308</b>	<b>2,676,481</b>

Merchandise-related donations are donations received in conjunction with separate merchandise sales.

#### (b) Investment Income

Capital gains / (losses) on financial assets measured at fair value through profit or loss	2	50,896	60,478
Dividends and managed fund distributions		184,161	138,161
Interest Income		36,815	29,666
<b>Total Investment Income</b>		<b>271,872</b>	<b>228,305</b>

### 4 Cash and Cash Equivalents

Cash on hand	350	350
Cash at bank	1,662,160	1,773,915
	<b>1,662,510</b>	<b>1,774,265</b>

#### Reconciliation of surplus to cash flows from operating activities

Surplus for the year	7,521	686,331
Non-cash flows in surplus:		
- (gain) / loss on disposal of property, plant and equipment	(1,818)	(9,666)
- (gain) / loss on financial assets at fair value through profit or loss	(50,896)	(60,478)
- depreciation and amortisation	129,777	126,813
Changes in net assets and liabilities		
- (increase) / decrease in trade and other receivables	(13,259)	23,443
- (increase) / decrease in inventories	(6,323)	(6,351)
- (increase) / decrease in other assets	(2,645)	19,103
- increase / (decrease) in trade and other payables	1,720	35,553
- increase / (decrease) in provisions	22,620	40,046
<b>Cash flows from operating activities</b>	<b>86,697</b>	<b>854,794</b>

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 5 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	88,714	75,336
GST receivable	28,881	29,000
	<u>117,595</u>	<u>104,336</u>

### 6 Inventories

CURRENT		
At cost:		
Finished goods	76,507	70,184
	<u>76,507</u>	<u>70,184</u>

### 7 Financial Assets

#### Financial assets at amortised cost

CURRENT		
Term deposits	210,000	190,000
	<u>210,000</u>	<u>190,000</u>

#### Financial assets at fair value through profit or loss

CURRENT		
Listed equity securities	1,509,317	1,475,572
Managed funds	210,739	121,336
Fixed interest securities	408,568	371,219
	<u>2,128,624</u>	<u>1,968,127</u>

#### Total financial assets

	<u>2,338,624</u>	<u>2,158,127</u>
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### 8 Other Assets

CURRENT		
Prepayments	78,433	75,788
	<u>78,433</u>	<u>75,788</u>

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Property, plant and equipment

	2019	2018
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land		
At fair value	4,000,000	1,800,000
Total Land	<u>4,000,000</u>	<u>1,800,000</u>
Buildings		
At fair value	650,000	650,000
Accumulated depreciation	(4,826)	(35,616)
Total buildings	<u>645,174</u>	<u>614,384</u>
<b>Total Land and Buildings</b>	<u><b>4,645,174</b></u>	<u><b>2,414,384</b></u>
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	112,208	103,938
Accumulated depreciation	(68,659)	(58,960)
Total plant and equipment	<u>43,549</u>	<u>44,978</u>
Motor vehicles		
At cost	21,027	42,878
Accumulated depreciation	(21,027)	(41,737)
Total motor vehicles	<u>-</u>	<u>1,141</u>
Furniture and Equipment		
At cost	494,641	554,711
Accumulated depreciation	(345,168)	(366,991)
Total Furniture and Equipment	<u>149,473</u>	<u>187,720</u>
<b>Total Plant and Equipment</b>	<u><b>193,022</b></u>	<u><b>233,839</b></u>
<b>Total Property, Plant and Equipment</b>	<u><b>4,838,196</b></u>	<u><b>2,648,223</b></u>

#### Valuation of Land and Buildings

The revaluation of freehold land and buildings at Box Hill, Victoria, were based on the assessment - by the Directors - of the 'fair value' as at balance date, which is equivalent to the current market valuation.

The independent valuation to support such current market valuations was undertaken by Opteon Property Group Pty Ltd for the Box Hill property on 4 April 2019.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Property, plant and equipment

#### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Plant and Equipment	Motor Vehicles	Furniture and Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	2,414,384	44,978	1,141	187,720	2,648,223
Additions	-	8,270	-	41,460	49,730
Disposals	-	-	-	-	-
Depreciation expense	(18,183)	(9,699)	(1,141)	(79,707)	(108,730)
Revaluation increase	2,248,973	-	-	-	2,248,973
<b>Balance at the end of the year</b>	<b>4,645,174</b>	<b>43,549</b>	<b>-</b>	<b>149,473</b>	<b>4,838,196</b>

### 10 Intangible Assets

	2019	2018
	\$	\$
Website Development & Software costs		
Cost	74,549	54,361
Accumulated amortisation	(39,246)	(18,200)
<b>Net carrying value</b>	<b>35,303</b>	<b>36,161</b>
Trademark		
Cost	16,704	15,954
<b>Net carrying value</b>	<b>16,704</b>	<b>15,954</b>
<b>Total Intangibles</b>	<b>52,007</b>	<b>52,115</b>

#### Movements in carrying amounts of intangible assets

	Website	Trademark	Total
	\$	\$	\$
Opening balance	36,161	15,954	52,115
Additions	20,189	750	20,939
Amortisation	(21,047)	-	(21,047)
<b>Closing value at 30 June 2019</b>	<b>35,303</b>	<b>16,704</b>	<b>52,007</b>

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 11 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	62,262	65,407
Other payables and accruals	69,339	64,474
	<u>131,601</u>	<u>129,881</u>

### 12 Borrowings

CURRENT		
Unsecured liabilities:		
Interest free loans from supporters	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

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

### 13 Provisions

CURRENT		
Employee benefits	129,076	125,525
	<u>129,076</u>	<u>125,525</u>
NON-CURRENT		
Employee benefits	31,662	12,593
	<u>31,662</u>	<u>12,593</u>

### 14 Reserves

#### Asset revaluation reserve

The asset revaluation reserve records revaluations of property, plant and equipment.

#### TLMA Investment Fund

The reserve represents the amount received from the Serpell Estate in 2002 plus other donations for investments.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 15 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, interest free loans from supporters, listed and unlisted Australian and overseas equities and securities. The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2019	2018
	\$	\$
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	2,128,624	1,968,127
Financial assets at amortised cost:		
Cash and cash equivalents	1,662,510	1,774,265
Trade and other receivables	117,595	104,336
Term deposits	210,000	190,000
<b>Total financial assets</b>	<b>4,118,729</b>	<b>4,036,728</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
Trade and other payables	131,601	129,881
Interest free loans from supporters	10,000	10,000
<b>Total financial liabilities</b>	<b>141,601</b>	<b>139,881</b>

### 16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 170,989 (2018: \$ 160,938).

Directors are not remunerated.

### 17 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment (freehold land and buildings)

Fair value of freehold land and buildings 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.

- Financial assets at fair value through profit or loss

These comprise direct investments in Australian listed securities 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 balance date.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 18 Non-monetary donation and gifts

The Company receives donated services from volunteers. Where the fair value of the non-monetary donation is reasonably determinable, the revenue and corresponding expense are recognised when the non-monetary donation is received. Volunteer services are valued based on guidelines received from the Department of Foreign Affairs and Trade. The Company implemented appropriate systems to reliably measure donated services in the current year. During the year, the total volunteer services received were valued at \$0 (2018: \$6,451), and treated as program support costs.

The Company also received \$0 (2018: \$276) worth of goods in kind donations. Accordingly, total non-monetary donations received amounted to \$0 (2018: \$6,727).

### 19 Distribution to TLM Global Fellowship

#### Remittance amount by Country

	2019	2018
	\$	\$
India	434,944	328,022
Nepal	422,534	453,419
Nigeria	161,135	166,332
PNG	101,588	31,496
Timor Leste	680,343	687,569
Thailand	57,145	55,857
<b>Total Distribution to Global Fellowship</b>	<b>1,857,689</b>	<b>1,722,695</b>

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 20 Reporting Requirements Under the New South Wales Charitable Fundraising Act 1991

#### (a) Aggregate gross income and total direct expenses of appeal

The Leprosy Mission Australia raises donations through direct appeals throughout the year

	2019	2018
	\$	\$
Gross Proceeds from Appeals and Other Activities	819,503	715,976
Total Direct Cost of Appeals and Other Activities	(144,062)	(31,803)
<b>Net Surplus from Appeals and Other Activities</b>	<b>675,441</b>	<b>684,173</b>

#### (b) Details of appeal income and costs

##### 2019

Total cost of appeals / gross income from appeals and other activities 144,062 / 819,503 17.58%

Net surplus from appeals / gross income from appeals and other activities 675,441 / 819,503 82.42%

##### 2018

Total cost of appeals / gross income from appeals and other activities 31,803 / 715,976 4.44%

Net surplus from appeals / gross income from appeals and other activities 684,173 / 715,976 95.56%

### 21 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### 22 Company Details

The registered office and principal place of business of the company is:

The Leprosy Mission Australia  
37-39 Ellingworth Parade  
Box Hill VIC 3128

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Directors' Declaration

The directors declare that:

1. The financial statements and notes, as set out within this report, are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*; and
  - (a) comply with Accounting Standards, and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2019 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.
2. In the Directors' opinion:
  - (a) 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
  - (b) the accounts give a true and fair view of the income and expenditure of the company with respect to New South Wales fundraising appeals.
3. The Statement of Financial Performance gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation.
4. 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.
5. The company complies with the Voluntary Code of Practice for public fundraising in Western Australia.
6. The financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guide available at [www.acfid.asn.au](http://www.acfid.asn.au)
7. 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 .....

Date:

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Independent Audit Report to the members of The Leprosy Mission Australia

### Opinion

We have audited the accompanying financial report, being a General Purpose financial report of The Leprosy Mission Australia (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of income and expenditure in ACFID Code of Conduct format, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

# The Leprosy Mission Australia

ABN: 52 354 004 543

## Independent Audit Report to the members of The Leprosy Mission Australia

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

# **The Leprosy Mission Australia**

**ABN: 52 354 004 543**

## **Independent Audit Report to the members of The Leprosy Mission Australia**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Saward Dawson**

Jeffrey Tulk  
Partner

Blackburn

Date: