

The Leprosy Mission Australia

(a company limited by guarantee)

ABN: 52 354 004 543

Financial Statements

**For the Year Ended
30 June 2023**

The Leprosy Mission Australia

ABN: 52 354 004 543

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The Leprosy Mission Australia

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Directors' Report

For the Year Ended 30 June 2023

The directors present their report on The Leprosy Mission Australia (TLMA) for the financial year ended 30 June 2023.

Directors

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

Names	Position	Appointed / Resigned
Mrs Jennifer Cavanough		10 October 2020
Mr Paul de Mare	Finance Director	10 October 2020
Rev Kevin Keegan		9 February 2015
Dr Judy Louie		23 October 2016
Dr Angeline Low		25 June 2018
Dr Colin Martin		12 July 2012
Mr Steven Meredith	Board Chair until 15 October 2022	21 October 2013 / 15 October 2022
Dr Mark Morley		8 November 2021
Ms Fifi Rashando		25 June 2018
Ms Shivani Singh		10 October 2020 / 15 February 2023
Mr Adam Walker	Deputy Chair	21 October 2013
Mrs Jennifer Ward	Board Chair from 15 October 2022	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.

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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 and Bequest program.
- Resourcing and Empowering Implementing Countries.
- Advocating for and with people affected by leprosy.
- Maintaining Department of Foreign Affairs & Trade (DFAT) Australian Aid accreditation and appropriate funding to our needs for specific projects.

Over the next five years The Leprosy Mission Australia will focus on the following Strategic Aims to deliver our strategic intent.

Strategic Aim 1: Being Christ-centred

The Leprosy Mission Australia is driven to support God's desire for people to enjoy fullness of life in God's presence. The Leprosy Mission Australia will demonstrate Christ-centred action and communication in all its activities; particularly in the following ways:

- Actively nurturing a culture which pursues being Christ-centred in all our work
- Ensuring our communications (including fundraising) are Christ-centred
 - Supporters can identify that we are Christ-centred
 - All communications adhere to widely accepted Christian values
- Prayer is a fundamental part of all activities of The Leprosy Mission Australia

Strategic Aim 2: Partnering for impact

The Leprosy Mission Australia will develop partnerships in Australia and overseas that contribute towards the Triple Zero strategic goals adopted by The Leprosy Mission (TLM) Global Fellowship (Towards Zero Leprosy Transmission by 2035, Towards Zero Leprosy Disability, Towards Zero Leprosy Discrimination), in the following ways:

- Building dynamic and effective overseas programs
- Strengthening relationships within the Global Fellowship
- Connecting with a network of Australian supporters including Government, Corporate and other private sector groups

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Strategic Aim 3: Financing The Leprosy Mission Australia

The Leprosy Mission Australia will generate abundant and sustainable finances to facilitate programs and empower our implementing partners to deliver the global Triple Zero strategy through:

- Investing in meaningful engagement with Australians, through fundraising and merchandise activities
- Achieving a strong return on investment (ROI)

Strategic Aim 4: Advocating for and with people affected by leprosy

The Leprosy Mission Australia will ensure that the voices of people affected by leprosy are heard and listened to in Australia and will reinforce the advocacy activities of implementing partners, in the following ways:

- Increasing public awareness in Australia that leprosy still exists, and explaining its causes and consequences for people affected
- Focusing on the Triple Zero strategy
- Advocating to increase the voices of those affected by leprosy, both in Australia and in implementing partner countries

Strategic Aim 5: Enabling The Leprosy Mission Australia

The Leprosy Mission Australia invests in developing the skills, resources and environment to empower its people to work towards the Triple Zero strategic goals, through:

- Investing in and developing The Leprosy Mission Australia staff, Board and volunteers
- Creating an enabling environment within The Leprosy Mission Australia for effective implementation of policies, processes and procedures

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For the Year Ended 30 June 2023

2023 Results in Summary

The Company has achieved a surplus for the year of \$356,716 (2022: \$392,602) in a very challenging economic environment, which includes a non-monetary gain adjustment of \$110,955 (2022: loss \$125,287) to reflect its financial assets at its fair value at year end.

We are thankful to our loyal supporters for partnering with us. We have raised \$7,866,848 in total revenue through our faithful and generous donors who have supported us in donations, bequest gifting and buying merchandise from our shop, which also included a grant of \$1,410,005 (2022: \$1,156,922) from the Department of Foreign Affairs and Trade. Revenue had increased 6% against last year.

This financial year, the Company has increased its support to international projects by \$209,605 to six countries – India, Indonesia, Nepal, Nigeria, PNG and Timor-Leste. Due to the increased funding, we were able to spend \$2,938,210 (2022: \$2,689,312) on program implementation and \$944,491 (2022: \$840,983) in community education. This has enabled our project partners to provide aid to help people affected by leprosy and disabilities.

We are thankful that the financial health of the Company is sound with a strong balance sheet (as summarised in the Statement of Financial Position) with net assets of \$11,820,026 including cash equivalents of \$2,823,313 and financial assets of \$2,877,539 which are ungeared and actively managed using specialist advice to achieve long-term market growth with competitive returns.

Our financial objectives in 2023-24 is to focus on building and sustaining the Company's capacity to meet our project commitments and operations. In these uncertain and challenging times, we will keep a tight control on non-project expenditure to maximise effective use of resources. Together with our supporters and partners, we will defeat leprosy and transform lives affected by leprosy.

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.

Management changes

The CEO, Mr Sheldon Rankin has retired on 31st July 2023, and Dr Greg Clarke was appointed CEO on 5th September 2023.

Payments and other benefits

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

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Directors' Report

For the Year Ended 30 June 2023

Information on directors

Jennifer Cavanough

Qualifications MEd(Counselling), Grad.Dip.Except.Chn, BEdSt, Cert IV Training & Assessment

Experience Jennifer's professional experience over 30 years has been in supporting vulnerable children and their teachers in the disability sector in Education in a teaching role and working with vulnerable adults and adolescents as a clinical counsellor in both private practice and for a non-profit organisation. Jenn also lectured in Family Systems Theory for Tabor College Hobart. Jenn was an active volunteer for Scripture Union for many years, as well as in her local church, and has served on the Board of a non-profit organisation.

Pre-retirement Jenn worked in the safeguarding children's role in the Tasmanian Anglican Diocese.

Special Responsibilities Member of TLMA Governance & Risk Committee

Paul de Mare

Qualifications B.Comm, Higher Dip: Accounting, M.Comm: Tax, CA

Experience Paul has some 25 years business experience having worked as a Corporate and International Tax expert for a Multinational based in South Africa for some 20 of these years. He led a team and, together with the team, managed the tax affairs of the multinational's African group for the last 10 years prior to moving to Australia. On moving to Australia in 2010 his focus changed, and he has been working in the Christian Not for Profit sector, working for Arrow Leadership and for the last 9½ years, Korus Connect as their Chief Operating Officer and Company Secretary.

Special Responsibilities Appointed Finance Director 7 December 2020
Chair of TLMA Finance & Audit Committee
Chair of TLMA Investment Committee

Rev. Kevin Keegan

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

Experience Kevin is the CEO/National Director of FEBC Australia and a Member of FEBC International. An ordained Baptist minister with qualifications in theology, non-profit management, consultancy and training. Kevin has 25 years of senior church leadership/pastoral experience and fourteen years mission leadership experience. Kevin brings leadership, strategy, theological thinking, cross-cultural awareness and mission experience to this position. His practical and insightful acumen, along with witty and outgoing personality makes for healthy Board functioning and interaction.

Special Responsibilities Member of TLMA Prayer, Engagement and Fundraising Committee

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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. 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, a religious institution and non-profit organisations for more than 11 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 TLMA Finance & Audit Committee

Dr Angeline Low

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

Experience Angeline has more than 30 years on the Board of Directors in international charity and development organisations. Her significant Board appointments include Family Planning NSW, Northern Sydney Area Health Service, ChildFund Australia and Action on Poverty. In addition, she has many years of professional and business experience. Angeline's last corporate appointments were as a Partner of Deloitte Malaysia and Director of Asia-Pacific Consulting in Deloitte Sydney. 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 Chair of TLMA International Programs Committee
Member of TLMA Finance & Audit Committee

Dr Colin Martin

Qualifications 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 12 months, from 2009-2019, 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 Member of TLMA Prayer, Promotion and Fundraising Committee
Member of TLMA International Programs Committee
Member of the TLM International Board since 2019
Member of the TLM Timor Leste Board (as Global Fellowship Representative) since 2019

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Steven Meredith

Qualifications	Grad Dip Mgt, GAICD Banking, Finance and International Business Management
Experience	Steven has significant banking, corporate treasury, operations, human resources and business development experience 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. Currently the CEO of The William Wilberforce Foundation, Steven 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	Resigned on 15 October 2022 Member of TLMA Governance & Risk Committee Member of TLMA International Programs Committee

Dr Mark Morley

Qualifications	BA (Arabic), BComm, MInt'lBus, SJD (Law).
Experience	Mark has a strong consulting background, and extensive experience in Australia and abroad. He was a senior diplomat in Egypt and Saudi Arabia, and then in India, Bangladesh and Pakistan, and has worked at Regional Development Victoria and Telstra in executive roles. Mark holds a Bachelor of Commerce, a Bachelor of Arts in Arabic, a Master of International Relations, and a doctorate in law at Monash University, on Islamism and its influence on Christian minorities in Pakistan. Mark has also published a book on the subject. Mark currently works on a consultancy basis with an international not-for-profit agency in leadership development and serves as an independent director at Bendigo Community Health Services (BCHS), Regional Partnerships Victoria, and the Anglican Diocese of Bendigo (and its subsidiary arms: Bencourt and New Horizons). Mark calls Bendigo home and was raised in regional Victoria and in Melbourne. He is married to a clinician, has had four children, and worships at Holy Trinity Anglican Church in Bendigo.
Special Responsibilities	Chair of TLMA Prayer, Promotion and Fundraising Committee

Fifi Rashando

Qualifications	MBA (IntBus), GradDipMin, BA (English Literature)
Experience	<p>Fifi is the Director of Sustainability Development Services (SDS), providing consulting services and end-to-end project management in ESG, impact investing, and/or sustainable development services to organisations in the public, private, and social sectors.</p> <p>Fifi is a member of Australian Institute of Company Directors and holds a Strategic Leadership for Inclusive Finance certificate from Harvard Business School, as well as an MBA in International Business from University of Wollongong.</p> <p>She has over 20 years of governance, management and consulting experience in inclusive finance, ESG, impact investment, international development, and humanitarian sectors. She has contributed towards the growth of reputable organisations to build inclusive economies, ensuring participation of marginalised people including women and people with disabilities.</p>
Special Responsibilities	Member of TLMA International Programs Committee

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Shivani Singh

Qualifications BA LLB

Experience Human rights, the prevention of discrimination and empowerment have been consistent themes of Shivani's career in dispute resolution, training, investigations, and management. Shivani has a Bachelor of Arts/Law and has worked for over a decade advocating for equality while at the Victorian Equal Opportunity and Human Rights Commission. She currently works within the disability sector managing investigations which ensure people with disability have a voice and safeguards. Shivani brings this passion and expertise with her as she chooses to serve on TLMA Board.

Shivani is committed to Christ and has served in many different ministry areas at her church in Glen Waverley. She seeks to show Christ's love to the people she interacts with at church, work, home and in the neighbourhood. Shivani is excited to serve on a Board in an organisation where obedience to Christ and a demonstration of His love is clearly evident in the work of TLM.

Special Responsibilities Member of TLMA Governance & Risk Committee

Adam Walker

Qualifications BA LLB (Hons) LLM (Commercial Law) AGIA

Experience Adam is Partner with the law firm, Gadens. A broad-based commercial and regulatory lawyer and credentialed corporate governance professional, Adam provides experience in matters of law, governance, risk and compliance.

Special Responsibilities Appointed Deputy Chair 12 October 2019
Chair of TLMA Governance & Risk Committee

Jennifer Ward

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

Experience 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 BHP Billiton and World Vision Australia. Jenny is a qualified Company Director, has a Masters 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 Appointed Board Chair on 15 October 2022
Member of TLMA Governance & Risk Committee
Member of TLMA Finance & Audit Committee

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Directors' Report

For the Year Ended 30 June 2023

Meetings of directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number of meetings eligible to attend	Number of meetings attended
Mrs Jennifer Cavanough	4	3
Mr Paul de Mare	4	4
Rev Kevin Keegan	4	2
Dr Judy Louie	4	4
Dr Angeline Low	4	4
Dr Colin Martin	4	3
Mr Steven Meredith	1	1
Dr Mark Morley	4	3
Ms Fifi Rashando	4	2
Ms Shivani Singh	2	2
Mr Adam Walker	4	4
Mrs Jennifer Ward	4	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.

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Directors' Report For the Year Ended 30 June 2023

The lead auditor's independence declaration, for the year ended 30 June 2023 has been received and can be found on page 11 of the financial report.

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



Director:



Director:

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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 2023, 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

Peter Shields
Partner

Blackburn

Date: 27 September 2023

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Statement of Income and Expenditure

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
REVENUE			
Donation and Gifts			
- Monetary	3(a)	3,660,217	3,648,121
Bequests and legacies		1,181,879	1,101,261
Grants			
- DFAT		1,410,005	1,156,922
Commercial Activities Income - Merchandise		1,272,525	1,426,621
Investment income	3(b)	325,857	1,493
Other income		16,365	61,724
TOTAL REVENUE		7,866,848	7,396,142
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to International Programs	21	(2,496,879)	(2,287,274)
- Program Support Costs		(441,331)	(402,038)
Community Education Costs		(944,491)	(840,983)
Fundraising Costs			
- Public		(962,640)	(944,486)
- Government, Multilateral and Private		(8,069)	(8,207)
Accountability and Administration		(743,789)	(689,348)
Total International Aid and Development Programs Expenditure		(5,597,199)	(5,172,336)
International Political or Religious Adherence Promotion Programs Expenditure		(84,082)	(73,439)
Commercial Activities Expenditure		(1,795,571)	(1,718,913)
Other Expenditure		(33,280)	(38,852)
TOTAL EXPENDITURE		(7,510,132)	(7,003,540)
Surplus for the year		356,716	392,602

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,823,313	2,528,621
Trade and other receivables	6	70,689	93,480
Inventories	7	353,279	343,389
Financial assets	8	2,877,539	2,681,769
Other assets	9	85,894	298,940
Total Current Assets		6,210,714	5,946,199
Non-current Assets			
Right-of-use assets	10	540	7,030
Property, plant and equipment	11	6,033,453	6,076,787
Intangible assets	12	52,023	86,849
Total Non-Current Assets		6,086,016	6,170,666
TOTAL ASSETS		12,296,730	12,116,865
LIABILITIES			
Current Liabilities			
Trade and other payables	13	178,330	339,668
Borrowings	14	-	10,000
Short-term provisions	15	281,157	269,023
Lease liabilities	10	573	6,763
Total Current Liabilities		460,060	625,454
Non-Current Liabilities			
Long-term provisions	15	16,644	27,528
Lease liabilities	10	-	573
Total Non-Current Liabilities		16,644	28,101
TOTAL LIABILITIES		476,704	653,555
NET ASSETS		11,820,026	11,463,310
EQUITY			
Reserves	16	6,761,657	6,761,657
Retained earnings		5,058,369	4,701,653
TOTAL EQUITY		11,820,026	11,463,310

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	Asset Revaluation Reserve	TLMA Investment Fund	Total
	\$	\$	\$	\$
Balance at 1 July 2022	4,701,653	5,637,237	1,124,420	11,463,310
Surplus for the year	356,716	-	-	356,716
Balance at 30 June 2023	5,058,369	5,637,237	1,124,420	11,820,026

2022

	Retained Earnings	Asset Revaluation Reserve	TLMA Investment Fund	Total
	\$	\$	\$	\$
Balance at 1 July 2021	4,309,051	5,637,237	1,124,420	11,070,708
Surplus for the year	392,602	-	-	392,602
Balance at 30 June 2022	4,701,653	5,637,237	1,124,420	11,463,310

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from supporters and customers	6,351,053	6,466,820
Payments to overseas aid partners, suppliers and employees	(7,626,373)	(7,284,885)
Grants received	1,410,005	1,156,922
Interest received	66,131	13,840
Net cash provided by/(used in) operating activities	200,816	352,697
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant and equipment	-	11,525
Payment for property, plant and equipment	(17,765)	(43,201)
Payment for intangible assets	-	(51,865)
Proceeds on sale of investments	1,687,702	2,528,455
Payment for investments	(1,714,390)	(2,849,033)
Dividends, distributions and franking credits received	155,092	161,698
Net cash provided by/(used by) investing activities	110,639	(242,421)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings procured/ (repaid)	(10,000)	-
Payment of lease liabilities	(6,763)	(6,565)
Net cash used by financing activities	(16,763)	(6,565)
Net increase/(decrease) in cash and cash equivalents held	294,692	103,711
Cash and cash equivalents at beginning of year	2,528,621	2,424,910
Cash and cash equivalents at end of financial year	5 2,823,313	2,528,621

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report covers The Leprosy Mission Australia as an individual entity. The Leprosy Mission Australia is a company limited by guarantee established under the *Corporations Act 2001*, and is registered and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and 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 Australian Accounting Standards Board (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

(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

Sale of goods

Revenue is recognised when the control of products has transferred to the customer. For such transactions, this is when the products are delivered to the customer. Revenue from these sales is based on the price stipulated in the contract. Revenue is only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur.

These products are sold under standard warranty terms. These terms may require the Company to provide a refund for faulty products. The Company has a right to recover the product when customers exercise their right to return under warranty. Consequently, the Company recognises a right to returned goods assets and a corresponding adjustment is made to cost of sales.

A receivable will recognised when the goods are delivered to the customer. The Company's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. Consideration paid by the customer in advance of the delivery of goods is recognised as a contract liability.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(c) Revenue and other income

Grants, donations and bequests

When the company receives grants, donations and bequests it assesses whether a contract exists and whether that contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant, donation or bequest
- recognises a contract liability for its obligations under the contract; and
- recognises revenue as it satisfied its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the grant, donation or bequest is recognised immediately in profit or loss.

Volunteer services

Volunteer services income is recognised as the services are provided, when the fair value of those services have been reliably measured.

Interest income

Interest income is recognised using the effective interest method, which for floating rate financial instruments is the rate inherent in the instrument.

Other income

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

(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.

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Notes to the Financial Statements

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1 Summary of Significant Accounting Policies

(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.

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.

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:

Fixed asset class	Depreciation rate
Buildings	3.16%
Plant and Equipment	4% - 10%
Furniture, Fixtures and Fittings	15%
Motor Vehicles	20%
Office Equipment, including computers	30%

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(f) Property, plant and equipment

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 subsequently measured 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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(j) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use Assets

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liabilities

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(k) 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

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 at fair value 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.

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(k) Financial instruments

Financial assets

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.

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, 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.

(l) 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(I) Employee benefits

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.

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 Company enrolled eligible employees under the Victorian Portable Long Service Leave Authority with a retrospective effective date of 1 July 2019. Apart from on-costs on long service leave, no other provision is made for enrolled employees after the date of enrolment as quarterly contributions covering their entitlements are made to the Authority.

2 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments - Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful life and the depreciation rates are assessed when the assets are acquired or when there is significant change that affects the remaining useful life of the asset.

Key judgments - revenue recognition

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, cost, quantity and the period of transfer related to the goods or services promised.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Revenue

(a) Monetary Donation and Gifts

	2023	2022
	\$	\$
Fundraising & Sponsorships	2,907,221	2,843,235
Merchandise	752,996	804,886
Total Monetary Donation and Gifts	3,660,217	3,648,121

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

(b) Investment Income

Fair value movements on financial assets measured at fair value through profit or loss	134,013	(189,000)
Dividends and managed fund distributions	110,161	148,889
Franking credits refundable	15,552	27,764
Interest income	66,131	13,840
Total Investment Income	325,857	1,493

4 Expenses

Finance Costs

Interest on obligations under operating leases	125	323
Total finance costs	125	323

Employee Benefits Expense

Salary, wages and other short-term benefits	1,983,794	1,854,671
Superannuation (defined contributions)	227,185	208,805
	2,210,979	2,063,476

Auditor's remuneration - Saward Dawson

Audit of the financial report	16,600	15,000
Preparation of the financial report	1,350	1,000
	17,950	16,000

5 Cash and Cash Equivalents

Cash at bank	2,823,313	2,528,621
	2,823,313	2,528,621

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Notes to the Financial Statements

For the Year Ended 30 June 2023

6 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade and other receivables	33,047	34,669
GST receivable	37,642	58,811
	70,689	93,480

7 Inventories

CURRENT		
Finished goods	353,279	343,389
	353,279	343,389

8 Financial Assets

Financial assets at fair value through profit or loss

CURRENT		
Listed equities & securities	1,789,585	1,553,729
Unlisted equities & securities	1,087,954	1,128,040
Total financial assets	2,877,539	2,681,769

9 Other Assets

CURRENT		
Prepayments	85,894	298,940
	85,894	298,940

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Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases

	2023 \$	2022 \$
Right-of-use assets		
Right-of-use asset	25,958	25,958
Accumulated depreciation	(25,418)	(18,928)
Balance at end of year	540	7,030
Movements in carrying amounts of right-of-use assets		
	Printer \$	Total \$
Opening balance	7,030	7,030
Depreciation expense	(6,490)	(6,490)
Balance at the end of the year	540	540
Lease liabilities		
Current Lease liabilities	573	6,763
Non-current Lease liabilities	-	573
Total	573	7,336

The Right-of-use asset held by The Leprosy Mission Australia at year end is a printer. This lease expires in July 2023.

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$
2023				
Lease liabilities	574	-	-	574
2022				
Lease liabilities	6,888	574	-	7,462

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Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, plant and equipment

	2023 \$	2022 \$
LAND AND BUILDINGS		
Freehold land		
At fair value	5,400,000	5,400,000
Total land	5,400,000	5,400,000
Buildings		
At fair value	600,000	600,000
Accumulated depreciation	(41,080)	(22,120)
Total buildings	558,920	577,880
Total Land and Buildings	5,958,920	5,977,880
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	126,331	113,822
Accumulated depreciation	(95,133)	(90,702)
Total plant and equipment	31,198	23,120
Furniture and Equipment		
At cost	525,102	531,182
Accumulated depreciation	(481,767)	(455,395)
Total Furniture and Equipment	43,335	75,787
Total Plant and Equipment	74,533	98,907
Total Property, Plant and Equipment	6,033,453	6,076,787

Valuation of Land and Buildings

The valuation of freehold land and buildings at Box Hill, Victoria, was determined based on an independent valuation undertaken by Valuation Group (Australia) Pty Ltd for the Box Hill property on 29 April 2021.

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2023

11 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	Buildings	Plant and Equipment	Furniture and Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	5,400,000	577,880	23,120	75,787	6,076,787
Additions	-	-	12,509	5,256	17,765
Disposals	-	-	-	(615)	(615)
Depreciation expense	-	(18,960)	(4,431)	(37,093)	(60,484)
Balance at the end of the year	5,400,000	558,920	31,198	43,335	6,033,453

12 Intangible Assets

	2023	2022
	\$	\$
Website Development & Software costs		
Cost	204,008	204,008
Accumulated amortisation	(169,189)	(134,363)
Total website development & software - net carrying value	34,819	69,645
Patents, trademarks and other rights		
Cost	17,204	17,204
Total patents, trademarks and other rights - net carrying value	17,204	17,204
Total intangibles assets	52,023	86,849

Movements in carrying amounts of intangible assets

	Website	Trademark	Total
	\$	\$	\$
Balance at the beginning of the year	69,645	17,204	86,849
Additions	-	-	-
Amortisation	(34,826)	-	(34,826)
Balance at the end of the year	34,819	17,204	52,023

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Notes to the Financial Statements

For the Year Ended 30 June 2023

13 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	48,316	204,337
Other payables and accruals	130,014	135,331
	178,330	339,668

14 Borrowings

CURRENT		
Interest free loans from supporters	-	10,000
	-	10,000

15 Provisions

CURRENT		
Employee benefits	281,157	269,023
	281,157	269,023
NON-CURRENT		
Employee benefits	16,644	27,528
	16,644	27,528

16 Reserves

TLMA Investment Fund

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

Asset revaluation reserve

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

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 349,811 (2022: \$ 337,756).

Directors are not remunerated.

18 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:

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Financial Risk Management

	2023	2022
	\$	\$
Financial assets		
Financial assets at fair value through profit or loss	2,877,539	2,681,769
Financial assets at amortised cost:		
Cash and cash equivalents	2,823,313	2,528,621
Trade and other receivables	70,689	93,480
Total financial assets	5,771,541	5,303,870
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	178,330	339,668
Interest free loans from supporters	-	10,000
Lease liabilities	573	7,336
Total financial liabilities	178,903	357,004

19 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.

20 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other than Key Management Personnel in note 17, there are no transactions with other related parties to be reported during the year.

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2023

21 Distribution to TLM Global Fellowship

	2023	2022
	\$	\$
India	483,852	624,600
Nepal	867,829	627,213
Nigeria	321,055	279,880
PNG	38,250	35,779
Timor Leste	477,070	661,325
Indonesia	308,823	10,000
Thailand	-	48,477
Total Distribution to Global Fellowship	2,496,879	2,287,274

22 Events after the end of the Reporting Period

Except for the above, no other 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.

23 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

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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 Australian Accounting Standards - Simplified Disclosures, and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2023 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 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
3. 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

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

Director 

Director 

Date: 25 September 2023

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 2023, 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 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 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 the Directors for the Financial Report

Directors are 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 directors 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, directors are 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 directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the Company's financial reporting process.

The Leprosy Mission Australia

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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

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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

Peter Shields
Partner

Blackburn

Date: 27 September 2023