



The Leprosy Mission Australia

(a company limited by guarantee)

ABN: 52 354 004 543

Financial Statements

For the Year Ended
30 June 2020

The Leprosy Mission Australia

ABN: 52 354 004 543

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For the Year Ended 30 June 2020

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Directors' Report For the Year Ended 30 June 2020

The directors present their report on The Leprosy Mission Australia for the financial year ended 30 June 2020.

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 (to 12 October 2019)	21 October 2013 (12 October 2019)
Dr Judy Louie	Acting Finance Director (from 12 October 2019 to 4 May 2020)	23 October 2016
Dr Angeline Low		25 June 2018
Dr Colin Martin	Chairman (to 12 October 2019)	12 July 2012
Mr Steven Meredith	Deputy Chair (to 12 October 2019) Chair (from 12 October 2019) Acting Finance Director (from 4 May 2020)	21 October 2013
Ms Fifi Rashando		25 June 2018
Mr Adam Walker	Deputy Chair (from 12 October 2019)	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.

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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 in order 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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2020 Results in Summary

The Leprosy Mission Australia (TLMA) has achieved a surplus for the year of \$13,926. We are thankful that we have received generous support from our donors despite the challenges from the devastating Australian bushfire and more recently, the Covid-19 pandemic around the world.

TLMA has managed to increase its support to international projects by \$100,387 to seven countries – India, Indonesia, Nepal, Nigeria, PNG, Timor-Leste and Thailand. This has enabled our project activities to continue its implementation to help people affected by leprosy and disabilities.

During the year, we have raised \$5,963,525 in total revenue through our faithful and generous donors who have supported us in grants, donations, bequest gifting and buying merchandise from our shop. This is an increase 9.8% versus last year. As a result, we were able to spend \$2,369,187 on program implementation and \$739,400 in community education. Total government funding improved slightly from last year.

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 \$8,875,459 including cash equivalents of \$1,814,720 and financial assets of \$2,270,456 consisting of term deposits of \$321,000 and share investments of \$1,949,456 which are ungeared and actively managed using specialist advice to achieve long-term market competitive returns.

Our financial objectives in 2020-21 is to focus on sustaining the Company's capability to meet our project commitments and navigate through the challenges ahead posed by the Covid-19 pandemic. To do this, we will need tight control spending on non-project expenditure and continue to work together with our generous supporters and partners to ensure continued support to 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.

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, DMS, GAICD

Experience

Damian is a qualified Company Director and has over 20 years' experience in marketing, branding, product and customer management, gained within commercial companies such as British Airways (UK) and NRMA (Aus). His most recent role was part of the executive team at Bible Society Australia, where he managed Fundraising, Marketing, Branding and PR. Damian brings with him extensive knowledge in marketing, fundraising and donor engagement alongside experience of leading voluntary activities at a church level.

Special Responsibilities

Chair of the Prayer, Engagement and Fundraising Committee

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Directors' Report

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Information on directors

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 (to 12 October 2019)

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

Hon Finance Director (resigned 12 October 2019), Chair of the Finance, Audit and Risk Committee (resigned 12 Oct 2019), Member of the Investment Committee

Dr Judy Louie

Qualifications

Acting Finance Director (from 12 October 2019 to 4 May 2020)

Experience

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

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 New Hope 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

Acting Finance Director and Chair of the Finance and Audit Committee (appointed 12 Oct 2019 until approved leave of absence on 4 May 2020), Member of the Finance & Audit Committee

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

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Information on directors

Dr Colin Martin

Qualifications

Chairman (to 12 October 2019)

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

Member of Prayer, Engagement and Fundraising Committee, Member of the International Programs Committee, Member of the TLM International Board, Member of the TLM Timor Leste Advisory Board (as Global Fellowship Representative)

Mr Steven Meredith

Qualifications

Deputy Chair (to 12 October 2019)

Chair (from 12 October 2019)

Acting Finance Director (from 4 May 2020)

Experience

Grad Dip Mgt, GAICD

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

Board Chair of The Leprosy Mission Australia, Acting Finance Director (from 4 May 2020), Member of the Governance & Risk Committee, Finance & Audit Committee, Investment Committee, Chair of TLM International Strategy Working Group

Ms Fifi Rashando

Qualifications

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

Experience

Fifi manages Good Return's gender-lens investments, business advisory support, and stakeholder engagement in the Asia-Pacific region. She has over 19 years of management and consulting experience in the international development and humanitarian sector. Holding an MBA and a Strategic Leadership for Inclusive Finance certificate from Harvard Business School, she has contributed towards the growth of reputable organisations; developed partnerships and gender-lens projects for socio-economic inclusion; and designed multiple projects with inclusive business models. Her work is guided by the principles of innovation, access to finance, inclusive value chains, influencing market systems and creating commercial enterprises to generate employment for the marginalised, particularly for women, and people with disability. She is actively engaged in the governance of Haggai International Australia.

Special Responsibilities

Member of the International Programs Committee

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Information on directors

Mr Adam Walker

Qualifications

Experience

Special Responsibilities

Deputy Chair (from 12 October 2019)

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 previously serving also on the board of a charity addressing health issues in remote indigenous communities, Adam brings broad experience in matters of law, governance, risk and compliance.

Deputy Chair of The Leprosy Mission Australia, Chair of the Governance & Risk Committee

Mrs Jennifer Ward

Qualifications

Experience

Special Responsibilities

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 BHP Billiton 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.

Chair of the International Programs Committee, Member of the Finance & Audit Committee

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	4
Mr Stephen Lockrey	1	1
Dr Judy Louie	3	3
Dr Angeline Low	5	4
Dr Colin Martin	5	5
Mr Steven Meredith	5	5
Ms Fifi Rashando	5	5
Mr Adam Walker	5	5
Mrs Jennifer Ward	5	5

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Directors' Report

For the Year Ended 30 June 2020

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

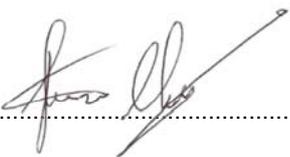
ABN: 52 354 004 543

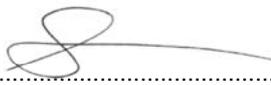
Directors' Report For the Year Ended 30 June 2020

Auditor's independence declaration

The lead auditor's independence declaration, for the year ended 30 June 2020 has been received and can be found on page 10 of the financial report.

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

Director: 

Director: 

Date: 31/08/2020

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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 2020, 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: 31 August 2020

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Statement of Income and Expenditure

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
REVENUE			
Donation and Gifts			
- Monetary	3(a)	2,914,385	2,997,308
- Non-monetary	19	134	-
Bequests and legacies		1,234,490	621,621
Grants			
- DFAT		918,636	917,776
- Others		18,480	18,480
Commercial Activities Income - Merchandise		774,278	582,267
Investment income	3(b)	23,590	271,872
Other income		79,532	23,353
TOTAL REVENUE		5,963,525	5,432,677
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to International Programs	20	(1,958,076)	(1,857,689)
- Program Support Costs		(411,111)	(396,299)
Community Education Costs		(739,400)	(745,651)
Fundraising Costs			
- Public		(979,829)	(956,629)
- Government, Multilateral and Private		(17,047)	(15,703)
Accountability and Administration		(660,376)	(587,026)
Total International Aid and Development Programs Expenditure		(4,765,839)	(4,558,997)
Commercial Activities Expenditure		(1,152,821)	(831,058)
Other Expenditure		(30,939)	(35,101)
TOTAL EXPENDITURE		(5,949,599)	(5,425,156)
Surplus for the year		13,926	7,521

The accompanying notes form part of these financial statements.

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Statement of Comprehensive Income

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
Surplus for the year	13,926	7,521
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Revaluation changes for property, plant and equipment	9 -	2,248,973
Total comprehensive income for the year	<u>13,926</u>	<u>2,256,494</u>

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,814,720	1,662,510
Trade and other receivables	5	68,307	117,595
Inventories	6	170,506	76,507
Financial assets	7	2,270,456	2,338,624
Other assets	8	104,330	78,433
Total Current Assets		4,428,319	4,273,669
Non-current Assets			
Right-of-use assets	14	20,009	-
Property, plant and equipment	9	4,758,620	4,838,196
Intangible assets	10	73,191	52,007
Total Non-Current Assets		4,851,820	4,890,203
TOTAL ASSETS		9,280,139	9,163,872
LIABILITIES			
Current Liabilities			
Trade and other payables	11	143,220	131,601
Borrowings	12	10,000	10,000
Short-term provisions	13	187,185	129,076
Lease liability	14	6,376	-
Total Current Liabilities		346,781	270,677
Non-Current Liabilities			
Long-term provisions	13	43,998	31,662
Lease liability	14	13,901	-
Total Non-Current Liabilities		57,899	31,662
TOTAL LIABILITIES		404,680	302,339
NET ASSETS		8,875,459	8,861,533
EQUITY			
Reserves	15	5,371,438	5,371,438
Retained earnings		3,504,021	3,490,095
TOTAL EQUITY		8,875,459	8,861,533

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Reserve	TLMA Investment Fund	Total
	\$	\$	\$	\$
Balance at 1 July 2019	3,490,095	4,247,018	1,124,420	8,861,533
Surplus for the year	13,926	-	-	13,926
Total comprehensive income	13,926	-	-	13,926
Balance at 30 June 2020	3,504,021	4,247,018	1,124,420	8,875,459

2019

	Retained Earnings	Asset Revaluation Reserve	TLMA Investment Fund	Total
	\$	\$	\$	\$
Balance at 1 July 2018	3,482,574	1,998,045	1,124,420	6,605,039
Surplus for the year	7,521	-	-	7,521
Other comprehensive income				
Revaluation increment (decrement)	9	2,248,973	-	2,248,973
Total comprehensive income	7,521	2,248,973	-	2,256,494
Balance at 30 June 2019	3,490,095	4,247,018	1,124,420	8,861,533

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from supporters and customers	5,240,262	4,361,373
Payments to overseas aid partners, suppliers and employees	(6,047,642)	(5,431,908)
Grants received	937,116	936,256
Interest received	22,221	36,815
Dividends and distributions received	95,365	184,161
Net cash provided by/(used in) operating activities	4 <u>247,322</u>	<u>86,697</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant and equipment	-	1,818
Proceeds on sale of investments	577,231	195,989
Payment for property, plant and equipment	(10,760)	(49,730)
Payment for investments	(492,059)	(305,590)
Payment for intangibles	(52,843)	(20,939)
Redemption/(placement) of term deposits	(111,000)	(20,000)
Net cash used by investing activities	<u>(89,431)</u>	<u>(198,452)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of leasing liabilities	(5,681)	-
Net cash used by financing activities	<u>(5,681)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	152,210	(111,755)
Cash and cash equivalents at beginning of year	1,662,510	1,774,265
Cash and cash equivalents at end of financial year	4 <u>1,814,720</u>	<u>1,662,510</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 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

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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 sufficient specific performance obligations, the grant, donation or bequest is recognised immediately in profit or loss.

Volunteer services

Volunteer services income is recognised when received, and 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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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	2.97%
Plant and Equipment	4% - 10%
Furniture, Fixtures and Fittings	15%
Motor Vehicles	20%
Office Equipment, including computers	30%

The Leprosy Mission Australia

ABN: 52 354 004 543

Notes to the Financial Statements

For the Year Ended 30 June 2020

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 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.

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.

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(j) Leases

The Company has adopted AASB 16: Leases in the current year.

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.

Application

The Company has chosen to fully retrospectively apply this new accounting standard. This application has not resulted in any adjustment to opening retained earnings.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 that 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 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.

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(I) 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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Adoption of new and revised accounting standards

AASB 15: Revenue from Contracts with Customers

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. However, there has been no impact on the comparative figures.

AASB 16: Leases

The Company has adopted AASB 16 *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparative figures have had no impact.

The Company has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low value leases).

The lease liabilities are measured at the present value of the remaining lease payments. The Company's incremental borrowing rate of 2.95% as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets for leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and prepaid and accrued lease payments previously recognised at 1 July 2019 (that are related to the lease).

The Company has adopted all standards which became effective for the first time at 30 June 2020.

All other standards not mentioned above did not have a material impact on the Company.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Revenue

(a) Monetary Donation and Gifts

	2020	2019
Note	\$	\$
Fundraising & Sponsorships	2,348,898	2,554,487
Merchandise	565,487	442,821
Total Monetary Donation and Gifts	2,914,385	2,997,308

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

(b) Investment Income

Realised gains/ (losses)	(30,766)	(51,074)
Fair value movements on financial assets measured at fair value through profit or loss	2 (63,230)	101,970
Dividends and managed fund distributions	95,365	184,161
Interest Income	22,221	36,815
Total Investment Income	23,590	271,872

4 Cash and Cash Equivalents

Cash on hand	350	350
Cash at bank	1,814,370	1,662,160
	1,814,720	1,662,510

Reconciliation of surplus to cash flows from operating activities

Surplus for the year	13,926	7,521
Non-cash flows in surplus:		
- (gain) / loss on disposal of property, plant and equipment	-	(1,818)
- (gain) / loss on financial assets at fair value through profit or loss	93,996	(50,896)
- depreciation and amortisation	127,944	129,777
Changes in net assets and liabilities		
- (increase) / decrease in trade and other receivables	49,288	(13,259)
- (increase) / decrease in inventories	(93,999)	(6,323)
- (increase) / decrease in other assets	(25,897)	(2,645)
- increase / (decrease) in trade and other payables	11,619	1,720
- increase / (decrease) in provisions	70,445	22,620
Cash flows from operating activities	247,322	86,697

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Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	30,254	88,714
GST receivable	38,053	28,881
	<u>68,307</u>	<u>117,595</u>

6 Inventories

CURRENT		
At cost:		
Finished goods	170,506	76,507
	<u>170,506</u>	<u>76,507</u>

7 Financial Assets

Financial assets at amortised cost

CURRENT		
Term deposits	321,000	210,000
	<u>321,000</u>	<u>210,000</u>

Financial assets at fair value through profit or loss

CURRENT		
Listed Australian and overseas equities & securities	1,533,716	1,917,885
Unlisted overseas equities & securities	415,740	210,739
	<u>1,949,456</u>	<u>2,128,624</u>

Total financial assets

<u>2,270,456</u>	<u>2,338,624</u>
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8 Other Assets

CURRENT		
Prepayments	104,330	78,433
	<u>104,330</u>	<u>78,433</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	4,000,000	4,000,000
Total Land	<u>4,000,000</u>	<u>4,000,000</u>
Buildings		
At fair value	650,000	650,000
Accumulated depreciation	(24,131)	(4,826)
Total buildings	<u>625,869</u>	<u>645,174</u>
Total Land and Buildings	<u>4,625,869</u>	<u>4,645,174</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	113,822	112,208
Accumulated depreciation	(78,708)	(68,659)
Total plant and equipment	<u>35,114</u>	<u>43,549</u>
Motor vehicles		
At cost	21,027	21,027
Accumulated depreciation	(21,027)	(21,027)
Total motor vehicles	<u>-</u>	<u>-</u>
Furniture and Equipment		
At cost	501,587	494,641
Accumulated depreciation	(403,950)	(345,168)
Total Furniture and Equipment	<u>97,637</u>	<u>149,473</u>
Total Plant and Equipment	<u>132,751</u>	<u>193,022</u>
Total Property, Plant and Equipment	<u>4,758,620</u>	<u>4,838,196</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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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	4,645,174	43,549	-	149,473	4,838,196
Additions	-	1,614	-	9,146	10,760
Depreciation expense	(19,305)	(10,049)	-	(60,982)	(90,336)
Balance at the end of the year	4,625,869	35,114	-	97,637	4,758,620

10 Intangible Assets

	2020	2019
	\$	\$
Website Development & Software costs		
Cost	127,394	74,549
Accumulated amortisation	(70,907)	(39,246)
Net carrying value	56,487	35,303
Patents, trademarks and other rights		
Cost	16,704	16,704
Net carrying value	16,704	16,704
Total Intangibles	73,191	52,007

Movements in carrying amounts of intangible assets

	Website	Trademark	Total
	\$	\$	\$
Opening balance	35,303	16,704	52,007
Additions	52,844	-	52,844
Amortisation	(31,660)	-	(31,660)
Closing value at 30 June 2020	56,487	16,704	73,191

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Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	103,201	62,262
Other payables and accruals	40,019	69,339
	<u>143,220</u>	<u>131,601</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	187,185	129,076
	<u>187,185</u>	<u>129,076</u>
NON-CURRENT		
Employee benefits	43,998	31,662
	<u>43,998</u>	<u>31,662</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Leases

The Company has applied AASB 16 using the modified retrospective approach and all periods are presented using the same lease accounting policies. See application at Note 1(k).

	2020	2019
	\$	\$
Right-of-use assets		
Right-of-use asset	25,958	-
Accumulated Amortization	(5,949)	-
Balance at end of year	20,009	-

Movements in carrying amounts of right-of-use assets

	Printer	Total
	\$	\$
Opening balance	-	-
Additions	25,958	25,958
Amortisation expense	(5,949)	(5,949)
Balance at the end of the year	20,009	20,009

Lease liabilities

Current Lease liabilities	6,376	-
Non- current Lease liabilities	13,901	-
Total	20,277	-

The Right-of-use asset held by The Leprosy Mission Australia at year end is a printer, expected to expire July 2023.

15 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.

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2020

16 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:

	2020	2019
	\$	\$
Financial assets		
Financial assets at fair value through profit or loss	1,949,456	2,128,624
Financial assets at amortised cost:		
Cash and cash equivalents	1,814,720	1,662,510
Trade and other receivables	68,307	117,595
Term deposits	321,000	210,000
Total financial assets	4,153,483	4,118,729
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	143,220	131,600
Interest free loans from supporters	10,000	10,000
Lease liabilities	20,277	-
Total financial liabilities	173,497	141,600

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 190,733 (2019: \$ 170,989).

Directors are not remunerated.

18 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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

19 Non-monetary donation and gifts

The Company also received \$134 (2019: \$0) worth of goods in kind donations. Accordingly, total non-monetary donations received amounted to \$134 (2019: \$0).

20 Distribution to TLM Global Fellowship

	2020	2019
	\$	\$
India	549,939	434,944
Nepal	415,479	422,534
Nigeria	160,172	161,135
PNG	101,215	101,588
Timor Leste	663,432	680,343
Indonesia - Through TLM NZ	11,092	-
Thailand	56,747	57,145
Total Distribution to Global Fellowship	<u>1,958,076</u>	<u>1,857,689</u>

21 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

Gross Proceeds from Appeals and Other Activities	687,811	819,503
Total Direct Cost of Appeals and Other Activities	(82,960)	(144,062)
Net Surplus from Appeals and Other Activities	<u>604,851</u>	<u>675,441</u>

(b) Details of appeal income and costs

2020

Total cost of appeals / gross income from appeals and other activities	82,960 / 687,811	12.06%
Net surplus from appeals / gross income from appeals and other activities	604,851 / 687,811	87.94%

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%

The Leprosy Mission Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2020

22 Events after the end of the Reporting Period

Due to the COVID-19 pandemic in 2020, the Company was required to make some changes to the arrangements for staff. Although the Company is unable to determine the full extent of the financial impact of this crisis on the organisation at the time of signing, the Board do not expect a significant decline in income during the year ending 30 June 2021. On this basis, the Board are currently satisfied that the short term implications will not adversely affect the Company's ability to continue to operate as a going concern.

Except for the above, 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.

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

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 2020 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
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: 31/08/2020

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 2020, 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 2020 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

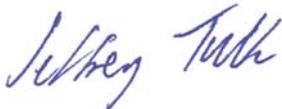
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Independent Audit Report to the members of The Leprosy Mission Australia

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



Jeffrey Tulk
Partner

Blackburn

Date: 31 August 2020