

The Leprosy Mission
England, Wales,
the Channel Islands
and the Isle of Man



The Leprosy
Mission
England and Wales

Annual Report 2019



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Registered charity no. 1050327
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The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man

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Registered in the Isle of Man 132285C
Isle of Man Charity number 1251

What is leprosy?

Leprosy is a mildly infectious disease caused by the bacterium *Mycobacterium leprae*.

Leprosy is believed to be transmitted by droplet infection through prolonged exposure and close proximity to infected individuals. Other sources of infection are also being studied and include the nine-banded armadillo.

Leprosy can affect anyone regardless of age, gender, nationality, class or religion but its severest impact is on people who are marginalised or living in poverty. Overcrowding, poor nutrition and poor housing increase the risk of infection.

Due to ignorance, stigma and the fear of being ostracised from families and community (marriage, schools and livelihoods) many people affected by leprosy ignore any early signs of the disease.

There is no early diagnostic test for leprosy and it is often misdiagnosed, diagnosed late, or only when symptoms become visible.

If left untreated, leprosy causes immense physical suffering and disability. Nerve damage causes a loss of sensation which may lead to injury and the formation of chronic ulcers. Ulcers in turn can lead to disability and the amputation of limbs. Leprosy also damages nerves in the face causing problems with blinking, eventually leading to blindness.

Leprosy is one of the most stigmatised diseases on earth.

Latest statistics from the World Health Organization reported 208,619 new cases of leprosy diagnosed in 2018 from 159 countries worldwide. More than half of those new cases (148,495) were found in South Asia and over 16,000 were children.

In addition to and despite treatment with Multidrug therapy (readily available antibiotics) over four million people live with irreversible disabilities caused by leprosy today. Not surprisingly, the comorbidity of leprosy and mental health is high.

Leprosy is a disease of our time, but The Leprosy Mission is committed to ending it in our lifetime.

Glossary of terms

ALEMO	Mozambican Association of People Affected by Leprosy
BOND	UK network of NGOs working in international development
CLRS	Comprehensive Leprosy and Rehabilitation Services
COR-NTD	Coalition for Operational Research on NTDs
CREATE	CSOs for Resource mobilisation Empowerment, Advocacy, Training and Employment
CSO	Civil Society Organisation
DFID	Department for International Development
EC	European Community
FCT	Federal Capital Territory
FOUND	Fuelling Opportunities to end Unemployment for Nepalis with Disabilities
GDPR	General Data Protection Regulation
GOADC	Guernsey Overseas Aid Development Commission
GDPR	General Data Protection Regulation
GPZL	Global Partnership for Zero Leprosy
ILEP	International Federation of Anti-Leprosy Associations
ISNTD	International Society for Neglected Tropical Diseases
JOA	Jersey Overseas Aid
LCP	Leprosy Control and Prevention (of Disability Project LCPDP)
LPO	Leprosy People's Organisation
LRI	Leprosy Research Initiative
MCLH	Mawlamyine Christian Leprosy Hospital
MDT	Multidrug therapy
NGO	Non-Government Organisation
NIHR	National Institute for Health Research
NTD	neglected tropical disease
POD	Prevention of Disability
RIGHT	Recent Innovation for Global Health Transformation
SLICE	Strengthening Local Initiatives and Community Empowerment
SORP	Statement of Recommended Practice by the Charity Commission
SoFA	Statement of Financial Activities
TLM	The Leprosy Mission
TLMEW	The Leprosy Mission England and Wales
TLMIOM	The Leprosy Mission Isle of Man
TLMI	The Leprosy Mission International
TLMT	The Leprosy Mission Trading
TLMTI	The Leprosy Mission Trust India

Report of the Trustees for the Year Ended 31 December 2019

The trustees, who are also directors of the charity for the purposes of the Companies Act, have pleasure in presenting their annual report and audited financial statements for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's registration, the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice, *Accounting and Reporting by Charities*, effective 1 January 2019 and good practice guidance on meeting the reporting requirements in Section 13 of the Charities (Protection and Social Investment) Act 2016 which came into force for accounting periods beginning on or after 1 November 2016.

Who We Are

The Leprosy Mission England and Wales (TLMEW) is a member of The Leprosy Mission Global Fellowship, a global Christian organisation with members from 30 countries worldwide. The Leprosy Mission (TLM) and its members are leading the fight against leprosy worldwide.

Leprosy can affect anyone, but the biggest impact is on people living in poverty or marginalised from society. Therefore, we prioritise work with the most marginalised, specifically those affected by leprosy and disability, and those at risk of the disease.

Our focus is on ten countries in Africa and Asia: Bangladesh, Ethiopia, India, Mozambique, Myanmar, Nepal, Niger, Nigeria, Sri Lanka and Sudan. These countries have high rates of leprosy or lack the services or opportunities needed by people affected.

In 2019, we introduced our new 2019–2023 strategy, which is aligned with the TLM Global Strategy being implemented across the TLM Global Fellowship. Please see full details on page 9–11.

Our work is striving towards the Triple Zeros – Zero Transmission, Zero Disability and Zero Discrimination.

Zero Transmission: Ending the transmission of leprosy is our greatest priority. To do this, we share our expertise with health services to diagnose the disease early and treat it through medical care. We increase awareness of leprosy and challenge cultural misconceptions with evidence, so people affected seek the treatment and support they need.

Zero Disability: We aim to reduce the likelihood of people with leprosy being disabled after diagnosis. We work with hospitals, health centres and people affected to improve treatment, self-care and inner wellbeing. We help communities support people physically, mentally and spiritually.

Zero Discrimination: We partner with human rights organisations and people affected by leprosy to end the stigma associated with the disease. We tackle discriminatory laws and practices. We support local champions and we help improve people's living and working conditions so they can be understood, respected and included.

We won't defeat leprosy alone. Working in partnership is vital to our success. We work with people of all faiths and none to defeat leprosy and transform the lives of people affected. We partner with churches and other faith groups, governments at all levels, health services, professional bodies, businesses, Trusts and Foundations, research institutions and universities.

People affected by leprosy are our most important partner. We work with local organisations to design, implement and evaluate projects with the context in mind. Any support we provide, whether healthcare, job training or human rights-based advocacy, is a response to people's needs. As well as working with people affected by leprosy locally, we amplify their voices on the international stage.

Following Jesus Christ, we seek to bring about transformation; breaking the chains of leprosy and empowering people to attain healing, dignity and life in all its fullness.

Message from the Chair of the Board of Trustees

2019 has been another outstanding year and I hope this report gives you a flavour of all that we have done and of all that we are about. We are a health-focused organisation working to end leprosy. But we are more than that. We care about the whole person; those we serve, our staff, our volunteers and our supporters. Whether leprosy is new to you, or you have supported us for many years, I pray that what you read will prompt you to continue your journey with us to see an end to leprosy and the transformation of the lives of people affected by it.

The Leprosy Mission England and Wales introduced its new strategy for 2019–2023 which is reflected in these pages. We strengthened our work with our incorporated subsidiary on the Isle of Man and have continued to work very closely with the rest of The Leprosy Mission family and our other partners globally in order to have the greatest possible impact.

There have been many achievements in 2019 that we are proud of:

Heal Nepal Campaign

Heal Nepal resulted in the highest sum ever raised in a TLMEW fundraising campaign. Having secured UK Aid Match, the funds received from other donors were matched resulting in over £4.15 million raised. The funding will support the training of health workers, outreach camps to trace people affected by leprosy and tertiary care at Anandaban Hospital, with treatment for reaction, surgery, physiotherapy and prosthetic limbs, as required.

Safeguarding

We take safeguarding at The Leprosy Mission extremely seriously. During 2019, we appointed a safeguarding advisor and ensured robust safeguarding practices, policies and training were rolled out within TLMEW and to its partners. The advisor has established regular one-to-one support and advice calls with 13 designated safeguarding leads in the ten countries we support.

New Outpatient Department at Purulia

Following planning and construction phases, a new OPD was opened at Purulia Hospital offering improved services for over 50,000 patients affected by leprosy and other medical conditions. The new OPD has a spacious waiting area, six consultation rooms, two minor procedure rooms, a pharmacy, toilet block and two laboratories.

Research Funding from NIHR

Over £4.5 million was raised in partnership with the universities of Warwick and Birmingham from the NIHR for studies on wound care. The research, which is being conducted in India, Nepal and Nigeria, will transform the standard of ulcer care and the lives of people affected by leprosy and Buruli ulcer. None of this income is included in TLMEW figures, but The Leprosy Mission global family will benefit from an extra £3 million income overseas as a result.

The 20th International Leprosy Congress, Manila, Philippines

The Leprosy Mission and its partners made a significant contribution to this triennial event and staff members took the opportunity to network widely within the global leprosy community and showcase recent work. Over 100 presentations were made by TLM Global Fellowship.

Finally, I would like to thank all our donors and supporters. Without the considerable funds received in 2019 from institutions, Charitable Trusts and Foundations, churches, corporations, groups and individuals, we could not have implemented the 43 projects that transformed lives across Africa and Asia. Without supporters who give freely of their time and expertise, including our Vice Presidents, Ambassadors, volunteer speakers, church representatives, office volunteers and interns, we would not have had anywhere near such an impact. Thank you!

Ralph Turner
Chair of the Board of Trustees

Our Vision, Our Mission, Our Values

Our Vision

Leprosy Defeated, Lives Transformed.

Our Mission

Following Jesus Christ, The Leprosy Mission seeks to bring about transformation; breaking the chains of leprosy and empowering people to attain healing, dignity and life in all its fullness.

Our Values

Christian

We are inspired by our faith in Jesus Christ. His example is our motivation to serve those in need, specifically people affected by leprosy. Values of compassion, justice, inclusion, humility, grace and mercy are at the heart of our organisation and in all of our dealings with stakeholders. Decisions are made prayerfully. Consideration of others is central to who we are.

Passionate

We exude commitment and enthusiasm for the cause we serve. The Leprosy Mission is more than just another organisation, our work is more than a job – it is following in the footsteps of Christ, serving those He loved.

Partnership Working

We embrace partnership working, both in the UK and overseas, to enable us to deliver high quality programmes. Our partners include our donors, professional bodies, research institutions, and other organisations and networks that desire to see leprosy defeated and lives transformed. This includes members of TLM Global Fellowship.

We believe the church is called to follow in Jesus' footsteps and heal people affected by leprosy. Therefore, working in partnership with and through the church is central to our approach. Partners also include our volunteers, both in England and Wales and overseas.

Excellence

We strive for excellence in every aspect of our work, to be the best we can be with the resources available. Within the UK, we seek to be an authority on leprosy, a centre of excellence where people can access information and resources. We ensure all our work is evidence-based. We offer support to our overseas partners, especially in terms of capacity development, to see them empowered and continue to implement cost-effective, sustainable programmes. We strive to improve and adopt a life-long learning approach for staff.

Operational Integrity

We say what we do and do what we say. There is seamless correlation between our message and our actions. We maintain a code of conduct to ensure professional integrity and encourage staff to live out our values. We have a zero-tolerance approach to any harm to, or exploitation of, the communities we serve, staff, partners and those we come into contact with. Safeguarding is intrinsic to everything we do.

TLM Global Fellowship Values

As part of TLM Global Fellowship, TLMEW embraces its values of compassion, justice, integrity, inclusion and humility.

Our Purpose

The Leprosy Mission exists to see *leprosy defeated and lives transformed*. We aim to do this by implementing our new corporate strategy, which will work towards the ambitious targets of Zero Transmission, Zero Disability and Zero Discrimination. This includes the following focus areas and desired outcomes over the next five years:

Zero Transmission

- Our partners will have the high-level leprosy expertise needed to support the final mile towards Zero Leprosy.
- Governments and civil society in our targeted endemic countries will be actively engaged in the Zero Leprosy agenda.
- Our programmes will lead the battle for Zero Leprosy, including the use of faith-based and cross-NTD approaches.

Zero Disability

- TLMEW-supported Centres of Excellence will model good practice and new approaches in leprosy complication management and rehabilitation.
- Governments and civil society in our targeted endemic countries will be actively engaged in leprosy complication management and rehabilitation.
- Our programmes will improve the wellbeing of people affected by leprosy (and other disabilities) and their family members.

Zero Discrimination

- People affected by leprosy will drive advocacy on leprosy human rights issues.
- We, along with our partners, will campaign for discriminatory legislation to be repealed, and to ensure government policies and practices support the rights of people affected by leprosy.
- We will increase income and dignified employment for people affected by leprosy and disability.

Research and Innovation

- We will develop a culture of innovation and learning, with every new project having an operational research component.
- We, along with our partners, will have increased expertise in operational and medical research.
- We will develop strong research partnerships that result in the evidence and tools needed to achieve the Triple Zeros.

Funding and Policy Environment

- We will develop greater awareness of leprosy in the UK and beyond.
- We will deploy our Vice Presidents, Ambassadors and supporters to increase the profile of The Leprosy Mission and of leprosy.
- We will raise parliamentarians' and DFID's awareness of and priority for leprosy.
- We will increase our partnerships with other stakeholders to achieve strategic priorities.

Fundraising

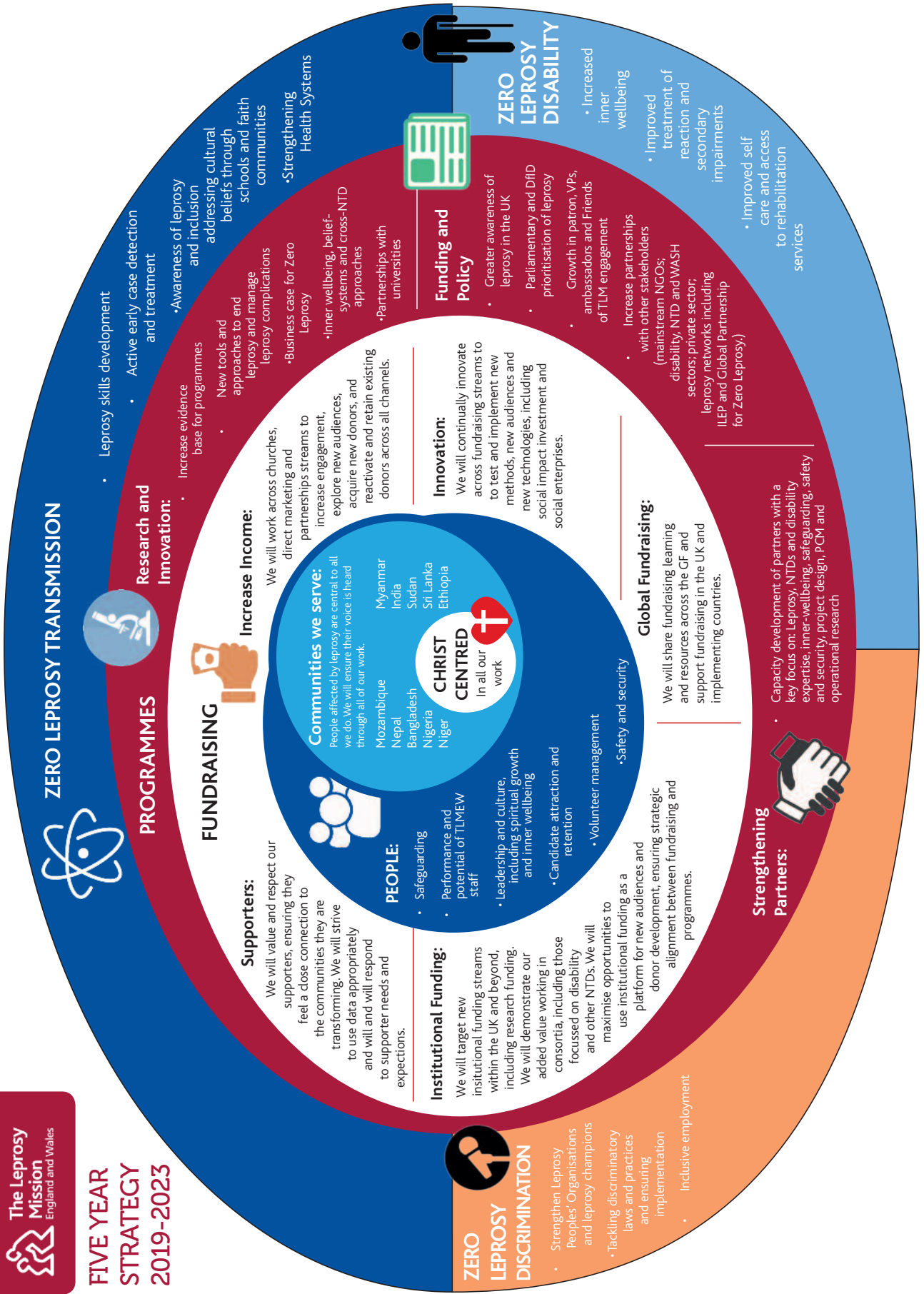
- We will drive a significant increase in strategically focused institutional funding, which is coordinated across TLM Global Fellowship.
- We will share fundraising resources with the rest of TLM Global Fellowship (particularly in the UK, Europe and our implementing countries).
- Our new income streams will be successful in generating funding from research donors and through Social Impact Investment and Social Enterprise Funding and high net worth individuals.
- Our fundraising and programmes team will collaborate and align strategically.
- Our supporters will be nurtured and cared for, ensuring they feel close to the communities they are transforming.
- We will attract and engage new individual donors, churches, corporations and community groups.
- We will develop a new website that optimises the user experience.
- Our efficient and effective fundraising initiatives will enable increased support for overseas programmes.

People

- We will improve our attractiveness and retention rate, so we have the appropriately skilled and self-motivated staff needed to implement our strategy.
- We will maximise the performance and potential of our staff.
- We will develop enhanced leadership and culture, with strong team leaders who make strategic decisions, model our values and prioritise inner wellbeing.
- We will improve our recruitment and management of volunteers.
- We will improve safety and security of our staff and our partners.
- We will instigate robust safeguarding practices and policies within TLMEW and our partner organisations.
- We will have strong NGO and LPO partners which are well governed, have effective leaders, and can design, implement, monitor and report on high quality leprosy programmes.



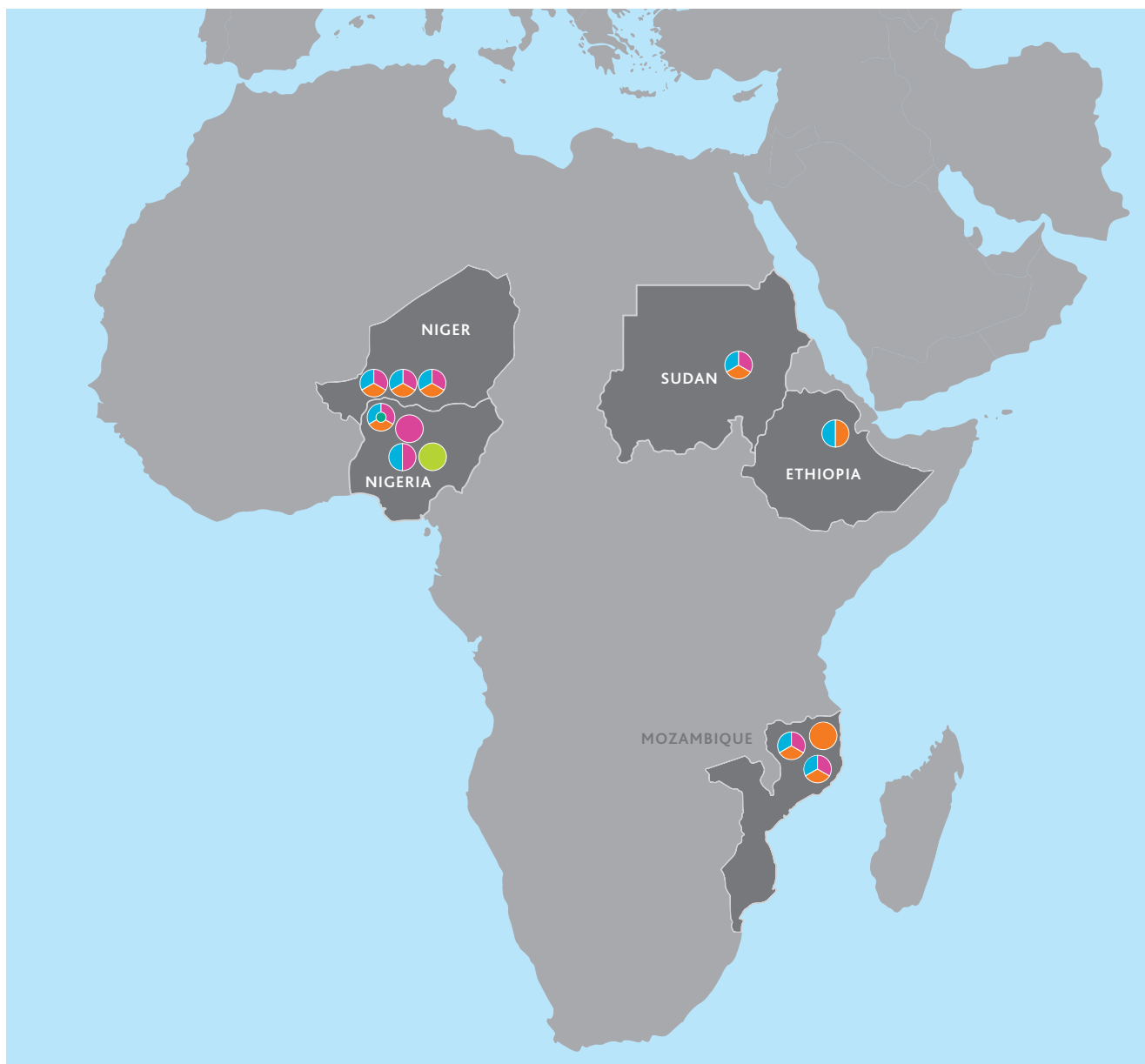
FIVE YEAR STRATEGY 2019-2023



Significant Activities in 2019

TLMEW supported over 40 projects in ten implementing countries, spending over £6 million on charitable activities in 2019.

Our Work in Africa

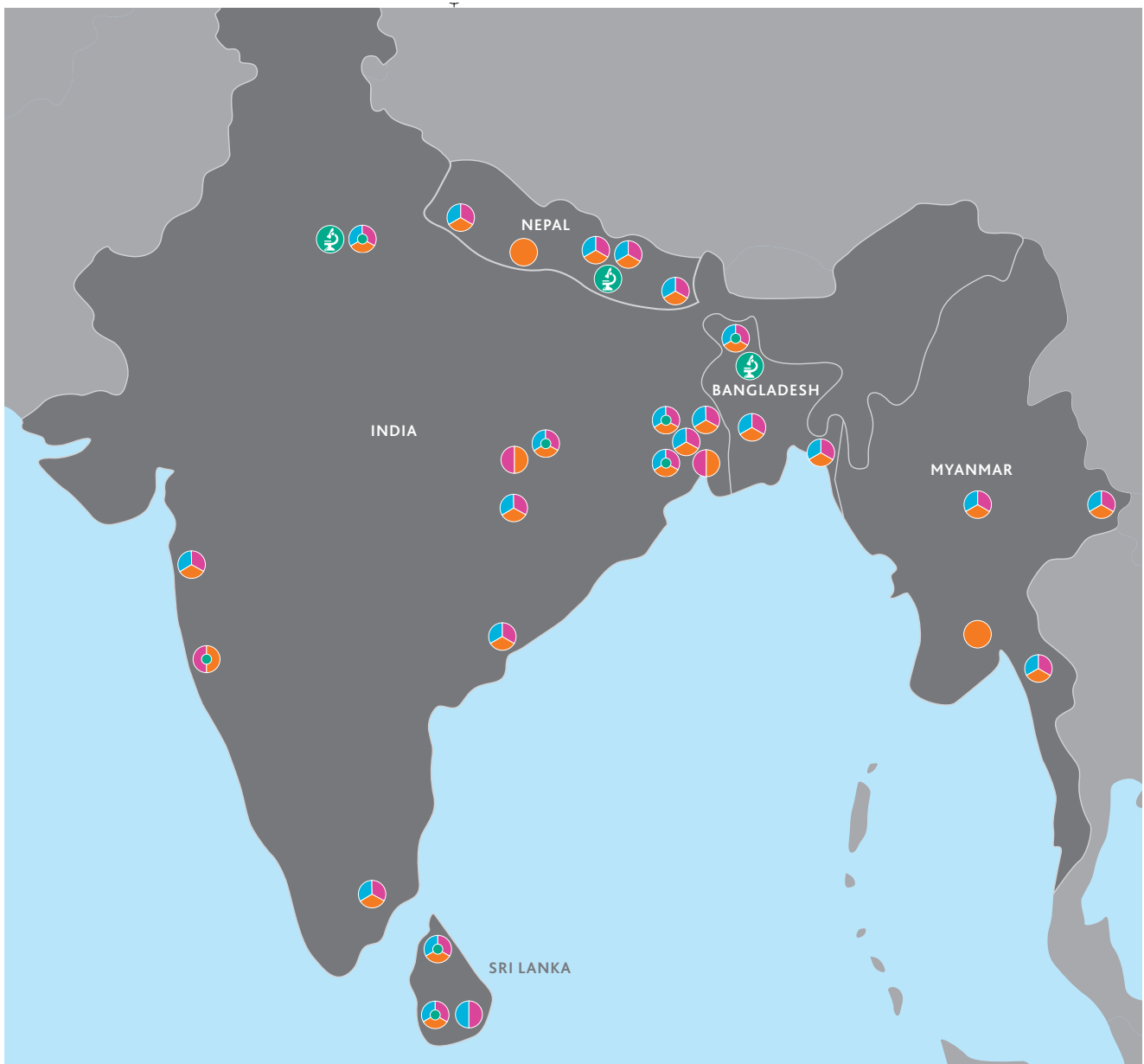


Key

Each circle represents a project and the colour coding indicates our strategic and research focus as follows:

- Zero Transmission
- Zero Disability
- Zero Discrimination
- Fundraising
- Project-based field research

Our Work in Asia



Key

Each circle represents a project and the colour coding indicates our strategic and research focus as follows:

- Zero Transmission
- Zero Disability
- Zero Discrimination
- Research centres (laboratories)
- Project-based field research

Reflecting on the priorities outlined in last year's *Future Plans*, and our other activities we are pleased to report the following highlights:

Zero Transmission

..... is central to our strategy. These projects helped us to get closer to our goal.

Case finding for Zero Leprosy, Nigeria

In Nigeria, TLM has worked with the Ministry of Health and local communities to design a new project that will expand its activities focused on active case finding for leprosy and lymphatic filariasis in Kebbi and Sokoto states. This project will also integrate support for mental health, in partnership with Comic Relief, in 2020.

Wheels that Heal, Providing Mobile Health Services to Marginalised Communities, FCT, Nigeria

In Nigeria, TLM's new mobile clinic provided health services to marginalised communities in the Federal Capital Territory of Abuja. Within weeks of its operation, the clinic had given 174 consultations which resulted in the diagnosis of four people with leprosy all of whom have received Multidrug therapy.

Replicable Model Project, India

In India, a new three-year project working in a leprosy endemic district of India has been designed to provide a comprehensive approach to zero transmission. It will collect evidence and develop a model that can be replicated in other parts of India and beyond. From 2020, this project will target a specific district, supporting the strengthening of the health system to provide better leprosy services.

Purulia Outpatient Department, Purulia Hospital, India

Following planning and construction phases, a new Outpatient Department (OPD) was opened at Purulia Hospital offering improved services for over 50,000 patients affected by leprosy and other medical conditions. The new OPD has a spacious waiting area, six consultation rooms, two minor procedure rooms, a pharmacy, toilet block and two labs. It is environmentally friendly, designed to maximise natural light and airflow, and will incorporate solar panels.

Mobilising Churches and Strengthening Health Systems, Sri Lanka

In 2019 our partners worked in all districts of Sri Lanka to raise awareness of leprosy and reduce stigma associated with the disease across evangelical churches. The project built the understanding of 328 congregations on the importance of engaging in social action and promoting the inclusion of people affected by leprosy within their communities, reaching 17,851 people. Working in partnership with the Ministry of Health, we also worked closely with other faith communities to raise awareness about the signs and symptoms of leprosy, to promote case finding in the community. This project reached 6,074 people and identified 45 suspected leprosy cases.

Training and Technical Support, Nepal

The training unit at Anandaban Hospital is key for the capacity development of Nepali Government health workers and other stakeholders. In 2019, the training unit staff trained 123 government health workers, 764 medical students, 28 specialist doctors (dermatology and community medicine) and 58 journalists (for advocacy purposes).

Advocacy and Empowerment Programme, Bangladesh

Having trained downstream partners in leprosy detection, local NGOs are now actively engaged in case detection in Bangladesh. Over 900 Government health workers were also trained in leprosy in 2019. This partnership resulted in the diagnosis and treatment of 633 new cases and contributed to the rise in national leprosy cases. Working through NGO partnerships is enabling The Leprosy Mission to extend its impact to unreached parts of the country.

Mozambique Leprosy Control and Prevention of Disability, Mozambique

This Jersey Overseas Aid (JOA) funded project has strengthened the government's health services for people affected by leprosy by training staff in rural health posts in leprosy diagnosis, ulcer and wound care, reaction management and prevention of disability. In 2019, 81 health staff were trained in leprosy diagnosis and care, 7,262 suspected cases were checked, and 354 new cases were found. The project also trained and mobilised volunteers in

local communities to take ownership of leprosy awareness, new case finding and self-care activities. Over a hundred volunteers gathered and established 19 new leprosy committees, which travel to nearby villages and carry locally appropriate messages of leprosy awareness and care. Most of the new cases mentioned above have been found through the work of local leprosy committees. As a result, 732 out of a total of 1,060 villages in the province of Cabo Delgado have been exposed to a leprosy awareness campaign.

Zero Disability

..... is not just about preventing infection. These projects supported the management of leprosy complications to help prevent disability and promote inclusion.

Building Leprosy Competencies Project, India

TLM Trust India (TLMTI) is designing a professional development hub that will provide training and research opportunities in the management of leprosy and its complications, disability management of leprosy and other locomotor disabilities, inner wellbeing and inclusive, holistic, community development. This innovative resource will increase leprosy expertise both within India and globally and these courses will be university affiliated. Virtual online training courses, where health workers use problem-based learning to develop their expertise in leprosy complication management, have been piloted ready for full programme implementation in 2020.

Anandaban Hospital, Nepal

At Anandaban, leprosy complications are treated with reconstructive surgery, ulcer treatment and reaction management in order to prevent disabilities from developing and to enhance patients' functional capabilities and appearance. In 2019, 3,840 physiotherapy sessions were conducted following surgical intervention to enable patients to regain the use of their limbs. In addition, 1,396 assistive devices (footwear, prosthetics and supportive appliances) were provided to patients so they can carry out their day-to-day activities with ease.

Comprehensive Leprosy and Rehabilitation Services, Ethiopia

This JOA funded project has been supporting Ethiopia's leprosy referral system and training government health extension workers on leprosy diagnosis and care, as well as providing leprosy awareness, care and disability prevention training to community members in three endemic areas in Amhara. In 2019, 100 health extension workers received training on leprosy, its management, as well as data collection and management. 30 self-care groups are meeting regularly, with 450 members involved across the region. A significant fall in the number of leprosy ulcers and wounds is being observed among self-care group members who attend these meetings regularly, leading to the complete disappearance of ulcers from some groups.

Orthopaedic Workshop, Nigeria

TLM Nigeria's orthopaedic workshop in Minna, Niger State provided prosthetic limbs to 11 people with leprosy who have had legs amputated, and special shoes to help prevent ulceration on their feet to another 692 people. The workshop also provided 286 crutches, nine wheelchairs and two tricycles to persons affected by leprosy, improving their mobility. It is also working towards greater sustainability, by charging fees for some of their services from their general clients.

Zero Discrimination

..... is essential to protect the human rights and dignity of those affected by leprosy, as well as ensuring stigma is broken down and people affected can access treatment.

Inclusive Empowerment Project, India

Building on the success of previous projects in India, TLMTI commenced the Inclusive Empowerment Project in 2019. 99 leprosy champions were identified and benefited from 30 training programmes. As a result, they are now much more aware of their rights. Four people affected by leprosy stood for local government elections and one was elected. This has huge potential to break down stigma and ensure the

rights of people affected by leprosy and disability are realised. The producer company, owned and run by people affected by leprosy and disability, has widened its focus to include areca leaf plates, papad, wire-bag and jute-bag manufacturing. These are proving to be suitable livelihoods for its members and are increasing the profitability of the producer company.

Reducing Leprosy and Increasing Inclusion, Myanmar

Myanmar Association of Persons Affected by Leprosy (MAPAL) was founded in 2019 and has already established branches across the country. It has now joined both TLM and the government in 60 awareness campaigns to detect new cases of leprosy. A total of 293 members are actively involved in 15 groups, located in eight States and Regions of Myanmar. In addition, 15 churches have been supported to establish Disability Resource Centres, providing disability services to their communities.

ALEMO Community Partnership, Mozambique

In 2019, TLM Mozambique used the experience gained from the UK Aid funded *Livelihoods and Food Security Project (2015–2018)* to train farmers on the importance of value chains and their impact on business management. Three new rural community resource centres have been set up in partnership with ALEMO (Mozambican Association of People Affected by Leprosy). These centres act as a hub of TLM Mozambique's community-based rehabilitation activities and reach 21 neighbouring villages. Community members use mobile audio-visual technologies to produce training content on value chains, marketing, as well as leprosy awareness and stigma alleviation, which are then disseminated to neighbouring villages. In 2019, 252 community members, including 94 women, received trainers' training on value chains, and have been producing audio-visual content to share the small business activities that they have started with the rest of the community members. This is a pilot project that we hope to scale up once funding is secured.

Research and Innovation

..... is a key priority. If we are to end leprosy in our lifetime, we need new tools to do so.

In 2019 we worked with several universities, including Birmingham, Warwick and the London School of Hygiene and Tropical Medicine, to develop research funding applications.

Working with the universities of Birmingham and Warwick we are supporting the implementation of the NIHR-funded RIGHT 1 call. The research study is implemented in India, Nepal and Nigeria and aims to identify best practice in wound care for leprosy and Buruli ulcers and will develop guidelines for effective treatment. This study will also include a clinical trial on *leukocyte platelet rich fibrin* as a new tool for ulcer care.

Leukocyte Platelet Rich Fibrin

Approximately 20 per cent of leprosy patients are at risk of developing ulcers. On average, people affected by leprosy develop their first ulcer four to five years after diagnosis, even after treatment with Multidrug therapy. After their first ulcer, a patient is at high risk of recurrence, which if left untreated can eventually lead to amputation. From 2018, TLM Nepal has been conducting a clinical study using a new technique for healing ulcers with leukocyte platelet rich fibrin (LPRF). Early findings show that LPRF heals more significantly than conventional ulcer treatment. The effectiveness of this treatment will be explored through a formal clinical trial as part of RIGHT 1 funding.

Our support for The Leprosy Mission research centres in Nepal and Bangladesh is enabling work with Leiden University in the Netherlands to develop an early diagnostic test for leprosy.

The Leprosy Mission presented over 100 papers at the 20th International Leprosy Congress in Manila, Philippines. These presentations made a considerable contribution to sharing leprosy knowledge globally.

As part of its Operational Excellence working group, TLMEW also promoted the sharing of good practice in leprosy work through the Global Partnership for Zero Leprosy (or GPZL; a coalition of international and national organisations committed to ending leprosy). The GPZL new toolkit is now available online, providing examples of good practice for Ministry of Health National Leprosy Control Programmes, as well as researchers and NGOs.

Fundraising

..... is core to TLMEW's work as without it none of our programmes would be possible.

In 2019, we finalised and implemented a new Customer Relationship Management system to improve the donor experience. We invested in fundraising, including the development of a new corporate funding stream, with the employment of a dedicated member of staff targeting corporations.

The focus of World Leprosy Day 2019 was the *Heal Nepal* campaign. It was launched in Peterborough Cathedral in January 2019 with the support of our Vice Presidents, the Bishop of Peterborough, the Right Reverend Donald Allister, and television and radio presenter, Pam Rhodes.

Following a successful campaign launch and having secured UK Aid Match funding, an unprecedented sum was raised of over £4.15 million (including UK Aid match funding). *Heal Nepal* will support the training of health workers and outreach camps, enabling people affected by leprosy in Nepal to be found and treated. Anandaban Hospital will provide patients in need of tertiary care with treatment for reaction, surgery, physiotherapy and prosthetic limbs as required.

In September, we joined with world renowned Christian author, Phillip Yancey, on his *Shine a Light Tour* launching his new book *Fearfully and Wonderfully: The Marvel of Bearing God's Image*. This book was a tribute to Dr Paul Brand, the pioneer of leprosy reconstructive surgery which is still being used today. Other guest speakers included Paralympian, Stef Reid MBE, talking

about her visit to Anandaban Hospital in April 2019, and Arun Kumar sharing his personal experiences of living with leprosy in India.

Working in partnership with TLM Isle of Man, we were awarded a grant of £99,000 over two years from the Isle of Man Government to fund *Wheels that Heal* in Nigeria, a project that will bring a mobile clinic service to marginalised communities.

UK Aid Direct funding was secured for the Fuelling Opportunities to end Unemployment for Nepalis with Disabilities (FOUND) project, amounting to £1,533,789 over four years. The project has been designed to support unemployed skilled people with disabilities, including those disabled by leprosy, from five economic hub districts of Nepal, to find and thrive in formal or self-employment. Targeting business owners and employers, FOUND will improve knowledge, confidence, skills and attitudes so the abilities of people with disabilities can be understood. For people with disabilities, FOUND will improve employability skills and self-confidence, pilot inclusive job search and hiring practices and collate evidence of its success. FOUND will be implemented from 2020–2023.

Funding and Policy Environment

..... needs people to be more aware about leprosy for us to secure the resources and political will to end leprosy.

In 2019, we worked with our Ambassadors and Vice Presidents to raise the profile of leprosy and The Leprosy Mission's work. 2019 was an outstanding year for Vice President Pam Rhodes, who took every opportunity to maximise the value of her trip to Nepal in 2018 where she filmed for the *Heal Nepal* fundraising campaign. She hosted several legacy and Christmas events and visited the Isle of Man to celebrate the launch of the island becoming a separate legal entity within The Leprosy Mission.

Paralympian Stef Reid MBE visited Nepal at the beginning of 2019 as part of the launch of the *Heal Nepal* campaign, livestreaming from Anandaban

Hospital. *Songs of Praise* presenter and member of the award-winning music group JLS, JB Gill, supported our campaign news on social media and spent time raising awareness of leprosy.

In addition to inviting TLMEW to launch the *Heal Nepal* campaign in Peterborough Cathedral in January 2019, Vice President the Right Reverend Donald Allister, has continued to champion leprosy within the House of Lords.

In 2019, we sought to increase TLMEW's media coverage through print and digital channels to promote donor acquisition and to raise the profile of leprosy within our target groups. This activity has helped to increased awareness that leprosy is a twenty-first century disease. We continued to target the media and related organisations to ensure that the word *leper* was removed, and its negative connotations were understood.

In 2019, we engaged actively with several networks including GPZL, ILEP, BOND Disability and Development Group, ISNTD and UK Coalition on NTDs to lobby on leprosy and disability issues. We also used networking meetings, social and digital media to build engagement with donors, partners, parliamentarians and leprosy champions.

People

..... at TLMEW, our staff, volunteers and partners are our principal asset.

Staff

In 2019, we improved our attraction and retention rates so that TLMEW has the appropriately skilled and self-motivated staff needed to implement its strategy. This included appointing a safeguarding advisor and ensuring robust safeguarding practices and policies were rolled out within TLMEW and its partners. A new finance manager has enabled us to increase our programmes finance capacity so we can better support the financial management of our overseas partners. A new research advisor was appointed to improve our ability to develop the research capacity of our partners and seek new research funding.

We have continued to invest in the professional and personal development of TLMEW staff and volunteers. Team structures were reviewed following the implementation of our new CRM system to ensure processes are stream-lined, and that effectiveness and efficiency can be maximised.

Leadership and culture within TLMEW have been developed, ensuring we have strong team leaders who make strategic decisions, model our values and prioritise inner wellbeing.

Volunteers

Improved recruitment and management of volunteers has been a priority for the year. This priority has included running volunteer training and ensuring all volunteers have a key person to support them.

TLMEW was supported by 4,066 church representatives and 77 volunteer speakers in 2019. It is not possible to quantify the contribution these volunteers make in financial terms or in the hours they give, but we are extremely grateful for the time and energy they invest. The volunteers in the Peterborough office alone gave over 2,000 hours of service in 2019.

We would like to record our special thanks to medical elective student Sonja Lockton, who volunteered in occupational therapy at Naini Hospital in India from 1 April to 24 May 2019 and our two graduate interns. Melissa Badinca gave 200 hours in the development of training videos and Heather Thomas has undertaken a research study on 'Collaboration with Traditional Healers for Health-based Programmes'.

Partners

Our team of five programmes officers have been actively engaged in supporting our partners to strengthen their organisational and programme capacity. In addition, partners have received support to develop their leprosy expertise through attendance at the International Leprosy Congress and specialist leprosy training, as well as training in Participatory Action Research, media, fundraising and neglected tropical diseases.

Grant Making Policy

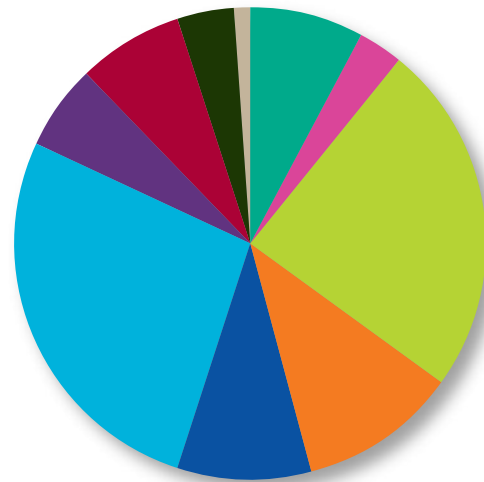
TLMEW is committed to supporting people affected by leprosy. In 2019, £6,123,803 (2018 – £6,113,994) was spent on charitable activities. Our programmes are implemented by partners who share our values; the majority of whom are members of TLM Global Fellowship. In 2019, we worked with 69 partners across our 10 implementing countries, as well as three UK universities.

These partner programmes are managed by national members of staff who deliver services and projects to people affected by leprosy. Occasionally we partner with organisations outside of TLM Global Fellowship who are based in a region or community where they can deliver specific services to people affected by leprosy who would otherwise be neglected. Working with non-TLM partners is particularly important in Sri Lanka where there is no TLM office.

As well as working with people affected by leprosy, TLMEW works with people with disabilities and other marginalised and excluded groups (including those with other NTDs) living in leprosy affected communities, to promote social inclusion.

The following pie charts indicate the budget spent in each of the ten countries that TLMEW supports and the proportion of funds spent on each major strategic area in 2019.

2019 Programmes Expenditure by Country



KEY (clockwise from top)

- Bangladesh 8%
- Ethiopia 3%
- India 24%
- Mozambique 11%
- Myanmar 9%
- Nepal 27%
- Niger 6%
- Nigeria 7%
- Sri Lanka 4%
- Sudan 1%

Programmes Expenditure by each Major Strategic Area



KEY (clockwise from top)

- Zero Transmission 31%
- Zero Disability 38%
- Zero Discrimination 28%
- Other 3%

Future Plans

In 2020 TLMEW will prioritise the following areas:

Zero Transmission

- Training over 1,300 health workers in Nepal on leprosy.
- Raising awareness of around 400,000 community members from 11 endemic districts of Nepal on leprosy and lymphatic filariasis.
- Establishing 14 skin camps in Nepal to detect, diagnose and treat 650 new cases of leprosy and 250 new cases of lymphatic filariasis, with 15,000 close contacts of leprosy and lymphatic filariasis patients traced and treated with post-exposure prophylaxis drugs.
- Reaching 11,000 people through outreach clinics, and 800 people with awareness activities at Premananda Hospital, India.
- Providing 20,000 dermatological consultations and undertaking 12 outreach camps from Purulia Hospital, India.
- Training 105 health workers and working with communities in three districts of Nigeria to diagnose leprosy in the field, in the clinic and in the laboratory.
- Establishing the RISE project in Dhaka, Bangladesh, serving people at risk of leprosy living in the slums.

Zero Disability

- Working on the construction of a new hospital building at Anandaban, Nepal, including operating theatres, recovery rooms and a mother and child ward.
- Commencing the Open Minds project, funded by Comic Relief, to provide mental health services to children and young people affected by leprosy and lymphatic filariasis in Sokoto State, Kebbi State and the Abuja Capital Territory. Over the next three years, the project will support 1,250 children and young people to become more resilient and receive care for anxiety and depression.
- Undertaking 9,000 eye consultations at Purulia Hospital, India.
- Supporting 1,200 people affected by leprosy, lymphatic filariasis and other disability to improve self-care practices, enabling 600 people to access and use protective footwear and providing inner wellbeing support for 1,200 people in Andhra Pradesh, India.
- Constructing a new surgical unit in Chandkhuri Hospital, Chhattisgarh, India.
- Providing 320 students with Vocational Training in Chhattisgarh, India.
- Improving employability skills for 350 disabled people in Nepal, enabling 200 people to enter formal or self-employment and have raised income levels as a result.

Zero Discrimination

- Repealing discriminatory legislation in India.
- Starting interfaith work in Myanmar to break down leprosy discrimination, promote social inclusion and raise awareness about the disease.

Research and Innovation

- Undertaking research studies around wound care and mental health.
- Continuing to develop an early diagnostic test for leprosy.
- Strengthening the research capacity of our partners.
- Developing relationships with UK universities, including the University of Leicester, for new research studies.
- Undertaking a research workshop to share learning, define research priorities and promote collaboration across the TLM Global Fellowship.

Funding and Policy Environment

- Meeting with MPs and influencing parliamentarians, DFID ministers and civil servants to raise their priority for leprosy.
- Actively engaging in the BOND Disability and Development Group, the UK Coalition on NTDs and All-Party Parliamentary Groups to raise the profile of leprosy.
- Encouraging the active engagement of our Vice Presidents and Ambassadors in our work, including a visit to Bangladesh with the Right Reverend Donald Allister and Pam Rhodes.

Fundraising

- Targeting research donors (e.g. NIHR, CorNTD and LRI) to fund leprosy research studies.
- Developing a new website.
- Implementing new community fundraising initiatives.
- Increasing income sustainability through individual regular giving.
- Continuing to develop income streams from corporations and the diaspora.

People

- Continuing to improve attraction, retention and smooth onboarding, including through our new website, reviewing external trends in reward practices and appropriately honouring our employees and volunteers.
- Investing in performance and potential, including continuing to develop our ongoing appraisal system to include reflection and self-awareness tools, ensuring targeted learning and development for all roles, and investing in leadership training for new managers.
- Embedding our Wellbeing Programme to increase staff awareness of health and wellbeing matters, recruiting wellbeing champions, and encouraging social and physical activity as well as opportunities for quiet and reflection.
- Ensuring safety and security of staff and volunteers traveling overseas on behalf of TLMEW is kept paramount, mitigating risks and providing anyone experiencing trauma while overseas with wellbeing support.
- Increasing volunteer engagement by better matching skills with roles, and improving the way we attract, welcome, encourage and support our volunteer workforce.
- Continuing to strengthen the capacity of our partners, including in research, project cycle management and financial management.
- Providing safeguarding training for TLMEW volunteer speakers, new starters, TLM partners and downstream partners is planned for 2020, as well as an annual refresher for all.

Structure, Governance, Management and Safeguarding

Structure

The Leprosy Mission was founded in 1874. The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man (The Leprosy Mission England and Wales) is a charitable company limited by guarantee. A revised Memorandum and Articles of Association was signed on 9 October 2005 to replace the previous documents, and it has not been amended since signing. The charity number is 1050327; the company number is 3140347, registered in England and Wales.

TLMEW is autonomous yet operates under a Charter as part of The Leprosy Mission's Global Fellowship which was signed in 2011 by more than 30 international members. Proposed overseas projects requiring funding are validated and approved by a working group of the Global Fellowship, supported by TLMI.

Connected Charities

The charity is a chartered member of The Leprosy Mission Global Fellowship of which TLMI is its secretariat, a connected charity with common values. In furtherance of the charity's objectives, grants were made to overseas partners through TLM International Office, totalling £4,021,893 (2018 £4,112,662). Grants paid directly to overseas partners totalled £701,029 (2018 £869,886).

On 3 July 2018, The Leprosy Mission Isle of Man was incorporated as a company limited by guarantee, under the Companies Acts 1931 to 2004 by the Department for Enterprise Isle of Man. Since formation the charitable company has been a subsidiary of The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man.

The Leprosy Mission Trading Limited (TLMT) is a subsidiary of TLM International. During the year, the charity received donations from TLMT activity totalling £379,553 (2018: £312,184).

Governance

Statement of Trustees' Responsibilities

The trustees (who are also directors of TLMEW for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The trustees who served TLMEW during 2019 are detailed on page 1 of this report.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these accounts, the trustees have:

- Selected suitable accounting policies and then apply them consistently,
- Observed the methods and principles in the Charities SORP,
- Made judgements and estimates that are reasonable and prudent,
- Stated whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepared the accounts on a going concern basis (unless it is inappropriate to presume that the charity will continue in operation). Kept sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) regulations 2008 and the provisions of the trust deed. Safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Board of Trustees met four times during 2019. Trustees are also encouraged to serve on one or more of the four board subcommittees: Finance and Planning, Personnel and Bursaries, Programmes, and Fundraising. These subcommittees meet on average three times a year; they have no delegated authority, so they bring recommendations to the full Board.

New trustees are appointed by the existing trustees and serve for a term of three years after which they may put themselves forward for reappointment. The trust deed provides for a minimum of five trustees, to a maximum of 15 trustees. Induction training of new trustees is undertaken by existing trustees, supported by senior staff, and includes a visit to the national office.

Interests of the Trustees

The charity does not have share capital and is limited by guarantee.

Risk Review

The trustees have a formal risk management strategy to assess business risks annually. The major risks for the charity have been identified and assessed, in particular those related to TLMEW's operations and finances. The trustees are satisfied that systems are in place to mitigate the charity's exposure to these risks.

Management

The Board-appointed National Director is responsible for strategy, planning and the daily management of operations. The National Director is supported by a senior management team which has delegated authority for key aspects of TLMEW's operations.

The National Director reports to the trustees on progress against the indicators and targets in the corporate strategy. The National Director and appropriate members of the senior management team attend and report at meetings of sub-committees.

In 2018, a new five-year TLMEW strategy was developed to ensure that the work of TLMEW is working towards achieving Zero Transmission, Zero Disability, and Zero Discrimination and its implementation commenced in 2019.

There is a policy for the setting of the remuneration of the National Director. The Chair of the Board of Trustees and Chair of the Personnel Committee appraise the National Director's performance annually and establish any increase in line with the Performance Related Pay scheme which applies to all staff.

The charity trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against misstatement or loss. These include:

- The corporate strategic plan approved by the trustees.
- Quarterly consideration by the trustees of the management accounts, variance from budgets and non-financial performance indicators.
- Delegation of authority and segregation of duties.
- Identification and management of risks.
- External accounting firm manages the bookkeeping processes, adding a further layer of assurance against mismanagement of funds.

Fundraising Governance

TLMEW's fundraising activities in 2019 were undertaken by TLMEW staff and volunteers. TLMEW is registered with the Fundraising Regulator and has complied fully with the Fundraising Code of Practice and requirements of the Regulator.

In 2019, TLMEW received a total of 16 fundraising-related complaints which were addressed in accordance with our Complaints Procedure. None were escalated to the chair of the Board of Trustees.

TLMEW has a Trustee Fundraising Committee that met with senior staff on three occasions in 2019. This committee reports to the board and enables the trustees to remain engaged with fundraising activities and monitor adherence to the Code of Fundraising Practice.

TLMEW believes that safeguarding its supporters is paramount. To do this, a *Fundraising and Vulnerable People Policy* has been established and all TLMEW staff and volunteers are required to adhere to this policy. This policy protects vulnerable donors from making donations when they are not fully aware of the implications and from perceived pressure to donate. As required by the Code of Fundraising Practice, all fundraising materials list a contact telephone number or email address for TLMEW, so that supporters can inform TLMEW should they no longer wish to receive fundraising communications from the charity.

TLMEW regularly reviews its practices to ensure that we are compliant with GDPR. All staff have undertaken GDPR training and two members of staff have responsibility for ensuring that compliance is maintained.

Vice Presidents

- The Lord McColl of Dulwich CBE – honorary president, surgeon and politician;
- The Right Reverend Donald Allister – Bishop of Peterborough;
- The Baroness Caroline Cox – HART founder and humanitarian aid campaigner;
- Ram Gidoomal CBE – businessman and entrepreneur;
- Professor Malcolm Hooper – pharmacist and emeritus professor of medicine;
- Pam Rhodes – TV and radio presenter and author;
- Right Honourable Ann Widdecombe – retired politician and author.

TLMEW's Vice Presidents give freely of their time and are committed to raising awareness of leprosy and supporting those who are affected by it. Their support is invaluable.

Professor Malcolm Hooper retired at the end of 2019. He had served TLMEW since 1953; he was appointed Vice President in 1993 and re-appointed in 1998, 2003, 2008 and 2013, a generous commitment of time. During his tenure he advised TLMEW on a wide range of scientific and medical issues including sustainable economies and agricultural practice, safe drinking water, the need for a leprosy vaccine and leprosy chemotherapy.

Employment of People Affected by Leprosy and People with Disabilities

Globally, TLM employs numerous staff who have been personally affected by leprosy. This is estimated at between five and ten per cent of the total staff. In 2019, TLMEW employed no staff affected by leprosy but actively encouraged people with disabilities, with the appropriate skills and experience, to apply for vacant positions. Five members of TLMEW staff have a disability.

Staff Development

Training and developing our staff remain key activities as TLMEW strives to serve those affected by leprosy. The skills framework launched in 2016 is now embedded in the organisation as a personal development tool, helping staff members to further their professional development. Opportunities for learning and development are provided through a wide curriculum of in-house courses, as well as external courses and networking events.

TLMEW's staff regularly engage in one-to-one meetings with their managers where personal development goals are discussed. TLMEW is a learning organisation; our aim is always to increase the efficiency and effectiveness of our work to maximise our impact on people affected by leprosy.

TLMEW runs a two-year graduate training programme, where participants have an opportunity to work in different teams and develop charity, business and personal development skills. We are currently running this

scheme for the third time and two graduates participated in the 2019/2020 programme.

TLMEW partners with local universities and provides short term project-based intern opportunities for students from time to time. Two graduates undertook internships in 2019.

Safeguarding

TLMEW takes safeguarding extremely seriously and has policies and procedures in place, based on The Leprosy Mission global policies, which are regularly reviewed. The next review is due in 2020. These policies include:

- Safeguarding policy and procedures for protecting children and vulnerable adults
- Bullying and harassment policies and procedures
- Whistleblowing policy and procedures
- Recruitment and selection policy and procedures
- Internal audit procedures
- Project development and approval documents
- Project monitoring and evaluation guidelines
- Risk management policies and procedures

The Leprosy Mission contracts an independent whistleblowing service (Safecall) which covers all TLM Global Fellowship members including TLMEW. This facilitates direct contact with TLMI's International Designated Safeguarding Lead, bypassing TLMEW to report any safeguarding issue.

During 2019:

- A full-time safeguarding advisor was recruited, based at the Peterborough office.
- Andy Lancaster continued as trustee with responsibility for safeguarding.
- Safeguarding is a standing item on all senior management team and Board meeting agendas.
- Safeguarding advisor established regular one-to-one support and advice calls with 13 designated safeguarding leads in ten countries supported by TLMEW.

- Safeguarding training was given to:
 - TLMEW and TLM Trading staff, volunteers and trustees
 - The Leprosy Mission staff, trustees and partners in:
 - Nepal for 117 staff, ten trustees, 14 representatives of partner organisations, including senior government representatives
 - Myanmar for 17 staff members of TLM Myanmar
 - India for 35 staff members of Premananda Hospital in Kolkata and a Safeguarding Risk Assessment and Mitigation Plan was developed for Premananda Hospital
 - Sri Lanka for 60 staff and volunteers from our three partner organisations, Alliance Development Trust (ADT), Kaveri Kala Manram (KKM) and The People's Forum for Change (PFFC)
 - Mozambique for four staff and 33 ALEMO members and government partners
 - Human Resources leads from across TLM Global Fellowship (18 participants, including The Leprosy Mission's International Director)
 - 60 senior leaders and safeguarding leads from across TLM Global Fellowship, including The Leprosy Mission's International Director and International Board Chair.
- A series of safeguarding training videos was filmed and piloted for:
 - Staff members
 - Board members
 - Volunteers

During 2019 there were nine incidents reported: one historic and eight current. Two of the incidents, including the historic incident, related to incidents taking place in the UK, while the remaining seven related to incidents in The Leprosy Mission countries supported by TLMEW. Three incidents, including the historic incident, were reported to The Charity Commission of England and Wales. All incidents were responded to in a timely and appropriate manner and this was reflected in the Charity Commission's positive feedback to our response in all three cases reported to them.

Reserves Policy

The trustees' policy regarding reserves is to seek to maintain unrestricted funds, other than those designated from time to time for specific purposes, at a level that provides TLMEW with enough working capital to carry on its existing activities successfully and to develop new areas of endeavour.

The trustees have reviewed the activities and commitments of the charity and determined that to ensure continuity of activities and honour contractual liabilities, a level of free reserves should be maintained around three months' expenditure, which in 2019 averaged £2,038,059 (2018 £1,994,300).

As of 31 December 2019, free reserves amounted to £1,615,632 which is £422,427 below the level determined in the policy. (2018: £549,079 in excess of policy level).

Restricted funds have significantly increased as a result of the Heal Nepal appeal and the restricted funds of £1,053,080 available for future overseas remittance more than compensates for the deficit of £422,427 on unrestricted funds.

As of 31 December 2019, the total reserves were made up as follows:

	2019 (£)	2018 (£)
Restricted funds	1,053,080	215,046
Designated funds	2,155,369	1,868,073
Unrestricted funds *	<u>1,615,632</u>	<u>2,543,379</u>
	<u>4,824,081</u>	<u>4,626,498</u>

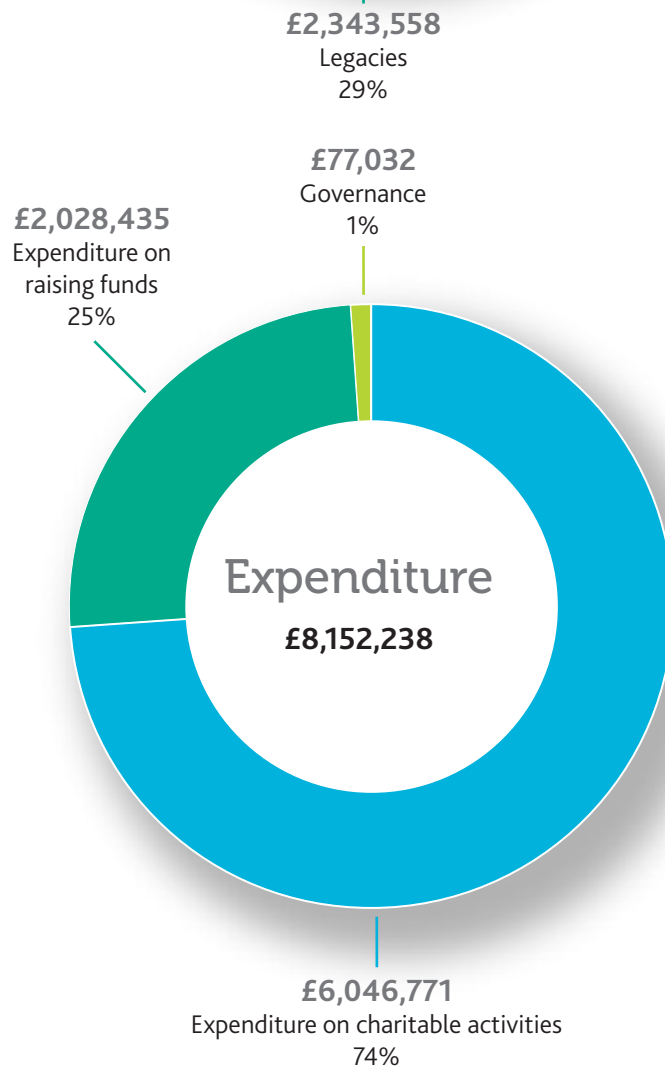
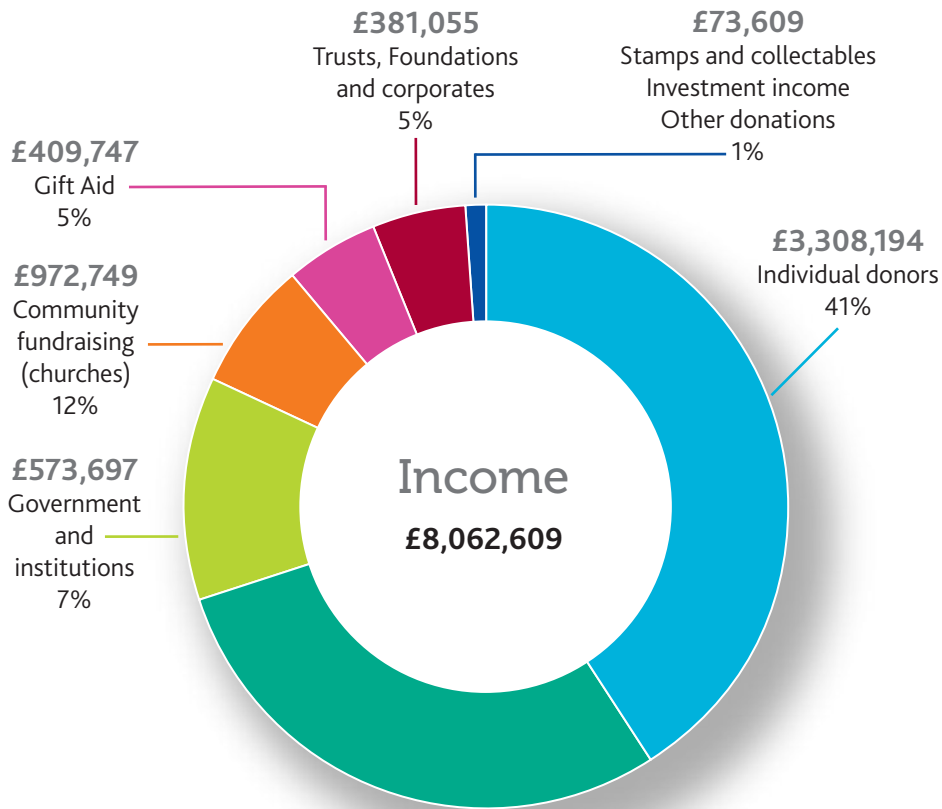
* 2019 £422,427 below the free reserves policy

2018 £549,079 in excess of the free reserves policy

Financial Summary

The full statement of financial activities follows the Auditors' Report. The highlights are:

- The total income from all sources for 2019 was £8,062,609 (2018 £7,786,472).
- Expenditure on charitable activities remained at the healthy levels achieved in the previous year, at £6,123,803 (2018 £6,113,994) or 76% of total income (2018 79%).
- Costs for fundraising amounted to £2,028,435 in 2019 (£1,863,207 in 2019). This provided a 4x return on investment in terms of funds generated. 74p of every £1 raised was spent on charitable activities.
- Revenue from legacies remains a significant proportion of total voluntary income at £2,343,558 or 29% (2018 £2,446,539 or 31%).
- Revenue from individual supporters increased by 20% in 2019 to £2,899,460 (2018 2,413,564).
- Other significant sources of income were churches £972,749 in 2019 (2018 886,249) and TLM Trading activities £379,553 in 2019 (2018 £312,184).
- Grants from Trusts, Foundations, corporations and other organisations continue to be an important component of TLMEW's fundraising income. The range of our development work offers grant making organisations the opportunity to fulfil their objectives in a variety of ways. During 2019, we received a notable donation from Haverstock Charitable Trust. Income from Trusts, Foundations and corporations amounted to £381,055 (2018 £365,964).
- Income from government grants and institutions, including DFID, GOADC, JOA, Tearfund and the European Union, totalled £573,697 in 2019 (2018 in £988,490). This total represents 7% of income (2018: 12%). The reduction is due to the end of two large institutionally funded projects and the late start of two new projects. The projects were delayed due to the time taken to finalise contracting.



Off balance sheet income generated with support from TLMEW for other members of the TLM Global Fellowship

- Through TLMEW’s support, TLM Northern Ireland has received grant funding from DFAT (Irish Aid) in the sum of €210,000 payable over a three-year period commencing on 2 September 2019, with €70,000 payable per annum.
- Through significant input from TLMEW, the University of Birmingham has secured funding for a leprosy and Buruli ulcer wound care project. This NIHR funded RIGHT 1 project will receive at total grant of £4,502,661 over four years. This grant will be shared between partners: University of Birmingham, University of Warwick, Welsh Wound Innovation, University of York, TLMEW, TLMI, TLM Nepal, TLM Nigeria, TLM Trust India, German Leprosy Relief Association, Pump Priming Fund, Consultancy US. TLMEW’s share of the funding will be £93,970 over four years.
- TLMEW previously supported TLM Myanmar to access income from the DANA Foundation. This resulted in £242,076.67 of income for TLM Myanmar during 2019. TLMEW is continuing to support the monitoring and reporting on this project.

J W Hinks LLP acted as auditors for The Leprosy Mission England and Wales.

Signed on behalf of the Trustees

.....
Ralph Turner (Chair)
TRUSTEE

Approved by the Trustees on

Independent Auditor's Report

to the Members of The Leprosy Mission England, Wales,
The Channel Islands and the Isle of Man

Opinion

We have audited the financial statements of The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees' (who are also the directors of the charitable company for the purposes of company law), are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity'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 the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith ACA FCCA (Senior Statutory Auditor)

for and on behalf of JW Hinks LLP

19 Highfield Road

Edgbaston

Birmingham

B15 3BH

.....

Financial Statements

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations and legacies	3	5,322,146	2,722,284	8,044,430	7,767,575
Income from investments	4	18,179	-	18,179	18,897
Total income		5,340,325	2,722,284	8,062,609	7,786,472
<u>Expenditure on:</u>					
Expenditure on raising funds	5	2,028,435	-	2,028,435	1,863,207
Expenditure on charitable activities	6	4,239,553	1,884,250	6,123,803	6,113,994
Total expenditure		6,267,988	1,884,250	8,152,238	7,977,201
Net (losses)/gains on investments	11	212	-	212	(214)
Net (outgoing)/incoming resources		(927,451)	838,034	(89,417)	(190,943)
Other recognised gains and losses					
Movement on defined benefit pension scheme		287,000	-	287,000	(267,000)
Net (expenditure)/income and net movement in funds for the year		(640,451)	838,034	197,583	(457,943)
Fund balances at 1 January 2019		4,411,452	215,046	4,626,498	5,084,441
Fund balances at 31 December 2019		3,771,001	1,053,080	4,824,081	4,626,498

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		504,288		503,992
Investments	14		485,775		485,563
			<u>990,063</u>		<u>989,555</u>
Current assets					
Debtors	16	792,931		805,859	
Cash at bank and in hand		3,315,593		3,332,743	
		<u>4,108,524</u>		<u>4,138,602</u>	
Creditors: amounts falling due within one year	17	<u>(274,506)</u>		<u>(214,659)</u>	
Net current assets			3,834,018		3,923,943
Total assets less current liabilities			<u>4,824,081</u>		<u>4,913,498</u>
Provisions for liabilities	18		-		(287,000)
Net assets			<u><u>4,824,081</u></u>		<u><u>4,626,498</u></u>
Income funds					
Restricted funds	19		1,053,080		215,046
<u>Unrestricted funds</u>					
Designated funds	20	2,155,369		1,868,073	
General unrestricted funds		<u>1,615,632</u>		<u>2,543,379</u>	
			<u>3,771,001</u>		<u>4,411,452</u>
			<u><u>4,824,081</u></u>		<u><u>4,626,498</u></u>

The accounts were approved by the Trustees on

.....
Mr Ralph Turner
Chair

.....
Mr P Watson
Treasurer

Company Registration No. 03140347

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		64,542		(261,175)
Investing activities					
Purchase of tangible fixed assets		(99,871)		(141,886)	
Investment income		18,179		18,897	
Net cash used in investing activities			(81,692)		(122,989)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(17,150)		(384,164)
Cash and cash equivalents at beginning of year			3,332,743		3,716,907
Cash and cash equivalents at end of year			<u>3,315,593</u>		<u>3,332,743</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man is a private company limited by guarantee incorporated in England and Wales. The registered office is The Leprosy Mission, Goldhay Way, Orton Goldhay, Peterborough, PE2 5GZ.

1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements, including the anticipated impact of COVID-19. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity. However it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

The charity receives government grants in respect of its activities. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities; and
- Other expenditure represents those items not falling into the categories above.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and other administrative costs.

The allocation of support costs includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. The allocations shown are therefore the best estimate of the costs incurred in providing IT, payroll, finance and other central services for the charity. Cost allocation has been attributed on the basis of estimated time spent on each activity or if this is not appropriate then on a basis consistent with the use of resources.

1.5 Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2 per cent of cost per annum
Improvements to property	10 per cent and 20 per cent of cost per annum
Fixtures, fittings & equipment	33 1/3 per cent of cost per annum
Motor vehicles	25 per cent of cost per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

1.6 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

1.7 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company participates in a non-contributory multi-employer pension scheme, that has been closed to new members, providing benefits based upon career averaged revalued earnings. The company's pension contributions are determined by a qualified actuary on the basis of triennial valuations. The actuary has identified the proportion of the group scheme liability which is owed by The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man. A provision has been included in the accounts and the contributions to reduce the deficit are accounted for when paid.

For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.11 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.13 Fund accounting

Funds held by the charity are either:

- i) Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- ii) Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific purposes or projects.
- iii) Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Individual supporters	1,666,533	1,232,927	2,899,460	2,413,564
Donations through Isle of Man	29,181	-	29,181	-
TLM Trading income	328,961	50,592	379,553	312,184
Legacies receivable	2,303,267	40,291	2,343,558	2,446,539
Government and institutions	-	573,697	573,697	988,490
Community fundraising	489,221	483,528	972,749	809,738
Trusts and foundations	39,806	341,249	381,055	365,964
Gift Aid	409,747	-	409,747	385,213
Stamps and collectables	43,363	-	43,363	41,815
Other donations	12,067	-	12,067	4,068
For the year ended 31 December 2019	5,322,146	2,722,284	8,044,430	7,767,575
For the year ended 31 December 2018	5,881,611	1,885,964		7,767,575
Grants receivable for core activities included in the above				
Jersey Overseas Aid	-	305,624	305,624	259,865
Guernsey Overseas Aid & Development Commission	-	39,970	39,970	40,000
Isle Of Man Government	-	49,500	49,500	-
DFID Aid Match Heal Nepal	-	49,480	49,480	-
Tearfund	-	50,000	50,000	70,000
DFID Aid Match Mozambique Livelihoods and Food Security	-	5,000	5,000	333,689
European Commission CREATE 136-652/DD/ACT/IN	-	74,123	74,123	284,936
Grants from Governments and Institutions	-	573,697	573,697	988,490
Haverstock Charitable Trust	-	237,575	237,575	-
The Kirby Laing Foundation	-	-	-	120,000
Jersey Side by Side	-	3,588	3,588	-
St Lazarus Charitable Foundation	-	31,581	31,581	28,913
James Tudor Foundation	-	-	-	17,255
Allan and Nesta Ferguson	-	-	-	20,000
Candap Trust	-	750	750	50,000
Echo International Health	-	-	-	20,000
Other grants	-	273,494	273,494	256,168
	-	847,191	847,191	1,244,658

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

3 Donations and legacies

(Continued)

Co-funding for DFID and EC funded projects was provided from other donors. The corresponding expenditure is included within grants payable (see note 7).

4 Income from investments

	2019	2018
	£	£
Rental income	10,314	9,708
Income from listed investments	115	115
Interest receivable	7,750	9,074
	<u>18,179</u>	<u>18,897</u>

Income from investments is attributable to unrestricted funds.

5 Expenditure on raising funds

	2019	2018
	£	£
<u>Costs of generating voluntary income</u>		
Fundraising appeals	618,731	541,054
Marketing and communications	143,010	203,203
Community fundraising and volunteering	158,833	107,107
Staff costs	1,106,601	1,010,583
	<u>2,027,175</u>	<u>1,861,947</u>
Costs of generating voluntary income		
<u>Investment management</u>	1,260	1,260
	<u>2,028,435</u>	<u>1,863,207</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

6 Expenditure on charitable activities

	2019	2018
	£	£
Staff costs	181,758	131,743
Advocacy	6,492	8,622
DFID Aid Match - Livelihoods & Food Security, Mozambique - UK costs	2,056	5,332
JOA - CLRS Ethiopia - UK costs	4,534	962
RIGHT 1 - UK costs	671	-
EC- CREATE, India - UK costs	3,228	2,538
Mozambique LCP - UK costs	16,888	-
DFID Heal Nepal - UK costs	1,923	-
	<u>217,550</u>	<u>149,197</u>
Grant funding of activities (see note 7)	4,722,922	4,982,548
Share of support costs (see note 8)	1,106,299	926,281
Share of governance costs (see note 8)	77,032	55,968
	<u>6,123,803</u>	<u>6,113,994</u>
Analysis by fund		
Unrestricted funds	4,239,553	3,716,874
Restricted funds	1,884,250	2,397,120
	<u>6,123,803</u>	<u>6,113,994</u>

7 Grants payable

	2019	2018
	£	£
Grants to institutions:		
The Leprosy Mission International, Brentford, UK	4,021,893	4,112,662
TLM Trust India	15,395	383,929
Stepping Stones	24,040	20,874
Brighter Future India	63,026	101,764
TLM Mozambique	182,686	183,264
Food for the Hungry	-	180,055
TLM Nepal	289,531	-
TLM Ethiopia	40,351	-
TLM Nigeria	86,000	-
	<u>4,722,922</u>	<u>4,982,548</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

8 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Staff costs	654,657	30,424	685,081	558,660
Depreciation and loss on disposal of fixed assets	99,575	-	99,575	67,458
Management, finance and administration	352,067	-	352,067	329,358
Audit fees	-	7,800	7,800	7,470
Legal and professional	-	30,629	30,629	12,623
Board and committee expenses	-	8,179	8,179	6,680
	<u>1,106,299</u>	<u>77,032</u>	<u>1,183,331</u>	<u>982,249</u>

Governance costs includes payments to the auditors of £7,800 (2018 - £7,470) for audit fees.

9 Trustees' and key management personnel remuneration and expenses

None of the Trustees (or any persons connected with them) received or waived any remuneration during the year. The National Director of The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man is the company secretary and a non-voting ex-officio member of the Board of Trustees.

The total amount of employee benefits received by key management personnel is £84,681 (2018 - £82,161). The charity considers its key management personnel comprises of the National Director.

During the year eleven of the members were reimbursed a total of £4,633 travelling expenses (2018 - nine members were reimbursed £5,099).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

10 Employees

Number of employees

The average monthly number of employees and full time equivalent (FTE) during the year was:

	2019 Number	2019 FTE	2018 Number	2018 FTE
Management and administration	14	13	11	10
Fundraising and publicity	21	20	23	22
Project support and development	11	11	9	8
	<u>46</u>	<u>44</u>	<u>43</u>	<u>40</u>

Employment costs

	2019 £	2018 £
Wages and salaries	1,535,816	1,321,236
Social security costs	151,703	131,344
Other pension costs	191,864	175,810
	<u>1,879,383</u>	<u>1,628,390</u>
Other staffing costs	94,057	72,596
	<u>1,973,440</u>	<u>1,700,986</u>

Included in the above are redundancy costs of £39,169 (2018 - £nil), which relate to four employees.

Staff costs include four posts that are full or partly funded by institutional donors, totalling £13,184.

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

Pension contributions of £7,502 (2018 - £7,335) were made to Friends Life on behalf of one higher paid employee.

11 Net gains/(losses) on investments

	Unrestricted funds 2019 £	Total 2018 £
Revaluation of investments	<u>212</u>	<u>(214)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

12 Taxation

The company is a registered charity and as such, for taxation purposes, is entitled to exemption from United Kingdom taxation under section 505 of the Income and Corporation Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992.

13 Tangible fixed assets

	Land and buildings	Improve- ments to property	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2019	427,519	197,426	319,651	29,013	973,609
Additions	-	530	99,341	-	99,871
Disposals	-	-	(29,002)	-	(29,002)
	<u>427,519</u>	<u>197,956</u>	<u>389,990</u>	<u>29,013</u>	<u>1,044,478</u>
At 31 December 2019	427,519	197,956	389,990	29,013	1,044,478
Depreciation and impairment					
At 1 January 2019	126,508	179,227	134,869	29,013	469,617
Depreciation charged in the year	5,700	7,343	62,717	-	75,760
Eliminated in respect of disposals	-	-	(5,187)	-	(5,187)
	<u>132,208</u>	<u>186,570</u>	<u>192,399</u>	<u>29,013</u>	<u>540,190</u>
At 31 December 2019	132,208	186,570	192,399	29,013	540,190
Carrying amount					
At 31 December 2019	<u>295,311</u>	<u>11,386</u>	<u>197,591</u>	<u>-</u>	<u>504,288</u>
At 31 December 2018	<u>301,011</u>	<u>18,199</u>	<u>184,782</u>	<u>-</u>	<u>503,992</u>

14 Fixed asset investments

	Listed investments	Investment properties	Total
	£	£	£
Cost or valuation			
At 1 January 2019	3,082	482,481	485,563
Valuation changes	212	-	212
	<u>3,294</u>	<u>482,481</u>	<u>485,775</u>
At 31 December 2019	3,294	482,481	485,775
Carrying amount			
At 31 December 2019	<u>3,294</u>	<u>482,481</u>	<u>485,775</u>
At 31 December 2018	<u>3,082</u>	<u>482,481</u>	<u>485,563</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

14 Fixed asset investments

(Continued)

The fair value of the investment property has been arrived at by a formal valuation on an open market value basis.

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

15 Financial instruments	2019	2018
	£	£
Carrying amount of financial assets		
Listed investments	3,294	3,082
Legacies receivable	558,655	640,809
Income tax recoverable	29,973	30,348
Other debtors	134,828	88,402
Bank and cash	3,315,593	3,332,743
	<u>4,042,343</u>	<u>4,095,384</u>
Measured at cost		
	<u>4,042,343</u>	<u>4,095,384</u>
Carrying amount of financial liabilities		
Other taxation and social security	38,528	35,173
Trade creditors	96,521	125,669
	<u>135,049</u>	<u>160,842</u>
Measured at cost		
	<u>135,049</u>	<u>160,842</u>
16 Debtors		
	2019	2018
	£	£
Amounts falling due within one year:		
Legacies recoverable	558,655	640,809
Income tax recoverable	29,973	30,348
Other debtors	134,828	88,402
Prepayments and accrued income	69,475	46,300
	<u>792,931</u>	<u>805,859</u>
17 Creditors: amounts falling due within one year		
	2019	2018
	£	£
Other taxation and social security	38,528	35,173
Trade creditors	96,521	125,669
Other creditors	39,963	19,333
Accruals	99,494	34,484
	<u>274,506</u>	<u>214,659</u>
	<u>274,506</u>	<u>214,659</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Pension and other post-retirement benefit commitments

The company participates in a non-contributory multi-employer pension scheme providing benefits based upon career averaged revalued earnings. The company's pension contributions are determined by a qualified actuary on the basis of triennial valuations. The company's share of the underlying assets and liabilities of the scheme is estimated to be £nil (2018 - £287,000).

After taking into account the results of the triennial valuation carried out as at 31 December 2018, it has been agreed to continue to make contributions of £90,000 per annum of which The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man will contribute £22,000 per annum. These payments will increase each year in line with the Retail Prices Index. The contributions will be reviewed at the next triennial valuation.

The career averaged revalued earnings scheme has been closed to new members effective from 12 November 2007 and has been closed to future accrual from 1 April 2013.

A Group Personal Pension Scheme (GPP) has been set up with Friends Life. Employers make a contribution of 10% of the monthly pensionable salary to Friends Life.

The company's total pension cost for the year amounted to £191,864 (2018 - £175,810).

19 Restricted funds

The income funds of the charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 December 2019
	Balance at 1 January 2019	Income	Expenditure	
	£	£	£	£
Year ended 31 December 2019				
Jersey - Ethiopia - CLRS	13,931	108,541	(46,184)	76,288
Feet First (Individuals)	84,359	-	(84,359)	-
DFID Aid Match Mozambique Livelihoods and Food Security	-	5,000	(5,000)	-
European Commission CREATE 136-652/DD/ACT/IN	5,690	74,123	(79,813)	-
LCP Project - Mozambique	11,066	197,083	(193,894)	14,255
Customise Footwear Orthotics - India	100,000	-	(17,239)	82,761
Myanmar - SLICE	-	20,000	(20,000)	-
Myanmar - Integrated Rehabilitation & Improved Access (Project Grace)	-	30,000	(30,000)	-
Isle of Man - Overseas Funds (Wheels that Heal)	-	49,500	(49,500)	-
Classrooms Danja Niger	-	19,970	(19,970)	-
Biogas Anandaban Hospital Reconstruction	-	20,000	(20,000)	-
DFID Aid Match Heal Nepal	-	49,480	(304,116)	(254,636)
Nepal (supporters funds)	-	2,025,762	(884,983)	1,140,779
RIGHT 1	-	-	(6,367)	(6,367)
Other income	-	122,825	(122,825)	-
	<u>215,046</u>	<u>2,722,284</u>	<u>(1,884,250)</u>	<u>1,053,080</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

19 Restricted funds

(Continued)

The Feet First Campaign from individual donors, in partnership with the UK Aid Match Campaign, is to be used from TLM project in Africa.

DFID Aid Match - Mozambique Livelihoods and Food Security funds livelihood support for people affected by leprosy in Mozambique in partnership with TLM Mozambique and Food for the Hungry.

European Commission – CREATE (CSOs for Resource mobilization, Empowerment, Advocacy, Training and Employment) was the final payment for an advocacy and empowerment project in India implemented in partnership with TLM Trust India and Brighter Future.

Jersey Overseas Aid funded 2 projects: 1) Comprehensive Leprosy and Rehabilitation Services, Ethiopia; 2) Leprosy Control and POD, Mozambique.

The funding from a major donor was given to develop the customized footwear project initially trialled in India.

Tearfund Asia Team funded 2 projects implemented by TLMI Myanmar: 1) Strengthening Local Initiatives and Community Empowerment (SLICE) and 2) Project Grace, part of the Integration Rehabilitation and Improved Access Programme.

Guernsey Overseas Aid and Development Commission funded 2 projects: 1) Classrooms, Maradi, Niger and 2) Biogas, Anandaban Hospital Reconstruction, Nepal.

Isle of Man Government International Development funded the 'Wheels that Heal' project in Nigeria.

DFID Aid Match Heal Nepal is for a project targeted towards zero leprosy transmission and zero leprosy disability in Nepal and is paid in arrears by DFID, pre financing was taken from TLMEW general funds and this has resulted in a negative restricted fund balance at the year end.

Nepal (supporters funds) is funding from individual donors, in partnership with the UK Aid Match HEAL Nepal Campaign, and is to be used for projects in Nepal.

RIGHT 1 is a research project funded by NIHR and implemented in partnership with the University of Birmingham. TLMEW is paid in arrears for its part in this research which is focused on wound care in India, Nepal and Nigeria.

Other represents donations and grants given for specific purposes of The Leprosy Mission. All such income has either been remitted directly to overseas implementing partners or via TLM International in accordance with the restrictions of the donor.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

19 Restricted funds

(Continued)

	Balance at 1 January 2018	Income Expenditure		Balance at 31 December 2018
	£	£	£	£
Year ended 31 December 2018				
Jersey - Ethiopia - CLRS	(27,521)	132,276	(90,824)	13,931
Feet First (Individuals)	434,634	-	(350,275)	84,359
DFID Aid Match Mozambique Livelihoods and Food Security	-	333,689	(333,689)	-
CREATE - Appeal	133,574	-	(133,574)	-
European Commission CREATE 136-652/DD/ACT/IN	202,877	284,936	(482,123)	5,690
Tearfund - Myanmar - 7 Up across	-	50,000	(50,000)	-
Tearfund - Myanmar - transformation and renewal	(20,000)	20,000	-	-
The Kirby Laing Foundation - Nepal Livelihoods and Empowerment	2,638	120,000	(122,638)	-
States of Jersey Overseas Aid - South Sudan - Luri Rokwe	-	36,988	(36,988)	-
LCP Project - Mozambique	-	90,601	(79,535)	11,066
States of Guernsey Overseas Aid Commission - Improved Patient Facilities MCLH	-	40,000	(40,000)	-
Customise Footwear Orthotics - India	-	100,000	-	100,000
Other income	-	677,474	(677,474)	-
	<u>726,202</u>	<u>1,885,964</u>	<u>(2,397,120)</u>	<u>215,046</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 January 2019 £	Expenditure £	Transfers £	Investments gains/losses £	Balance at 31 December 2019 £
Year ended 31 December 2019					
Tangible assets fund	986,473	(75,761)	76,057	-	986,769
Pension reserve	(287,000)	-	-	287,000	-
Legacy reserve	700,000	-	-	-	700,000
Property reserve	468,600	-	-	-	468,600
	<u>1,868,073</u>	<u>(75,761)</u>	<u>76,057</u>	<u>287,000</u>	<u>2,155,369</u>
	<u><u>1,868,073</u></u>	<u><u>(75,761)</u></u>	<u><u>76,057</u></u>	<u><u>287,000</u></u>	<u><u>2,155,369</u></u>
	Balance at 1 January 2018 £	Expenditure £	Transfers £	Investments gains/losses £	Balance at 31 December 2018 £
Year ended 31 December 2018					
Tangible assets fund	912,045	(67,458)	141,886	-	986,473
Pension reserve	(20,000)	-	-	(267,000)	(287,000)
Legacy reserve	700,000	-	-	-	700,000
Property reserve	468,600	-	-	-	468,600
Purulia outpatients department fund (OPD)	180,000	(180,000)	-	-	-
	<u>2,240,645</u>	<u>(247,458)</u>	<u>141,886</u>	<u>(267,000)</u>	<u>1,868,073</u>
	<u><u>2,240,645</u></u>	<u><u>(247,458)</u></u>	<u><u>141,886</u></u>	<u><u>(267,000)</u></u>	<u><u>1,868,073</u></u>

The Trustees have created a designated reserve in respect of the value of the tangible fixed assets and the fixed asset investment property as they are not freely available to spend as grants.

The pension reserve reflects the total deficit payable on the defined benefit pension scheme.

The legacy reserve has been created to help protect against the unpredictable future flows of legacy income.

The property reserve has been created from proceeds received from the sale of a property in the year to fund any future property purchases.

The Purulia outpatients department (OPD) fund is for the building of a new outpatients department at Purulia hospital.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

21 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2019 are represented by:				
Tangible assets	-	504,288	-	504,288
Investments	3,294	482,481	-	485,775
Current assets/(liabilities)	1,612,338	1,168,600	1,053,080	3,834,018
	<u>1,615,632</u>	<u>2,155,369</u>	<u>1,053,080</u>	<u>4,824,081</u>
Fund balances at 31 December 2018 are represented by:				
Tangible assets	-	503,992	-	503,992
Investments	3,082	482,481	-	485,563
Current assets/(liabilities)	2,540,297	1,168,600	215,046	3,923,943
Provisions and pensions	-	(287,000)	-	(287,000)
	<u>2,543,379</u>	<u>1,868,073</u>	<u>215,046</u>	<u>4,626,498</u>

22 Contingent assets

The charity has been notified of legacies with an estimated value of £848,000 which have not been recognised as income at 31 December 2019 because no notification of impending distribution or approval of estate accounts has been received.

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	2,704	2,704
Between two and five years	15,872	18,576
	<u>18,576</u>	<u>21,280</u>

24 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

25 Subsidiaries

On 3 July 2018, The Leprosy Mission Isle of Man was incorporated as a company limited by guarantee, under the Companies Acts 1931 to 2004 by the Department for Enterprise Isle of Man. Since formation the charitable company has been a subsidiary of The Leprosy Mission England, Wales, the Channel Islands and the Isle of Man, and was dormant in the year ended 31 December 2019.

26 Analysis of changes in net funds

The charity had no debt during the year.

27 Cash generated from operations	2019	2018
	£	£
Surplus/(deficit) for the year	(89,417)	(190,943)
Adjustments for:		
Investment income recognised in statement of financial activities	(18,179)	(18,897)
Fair value gains and losses on investments	(212)	214
Depreciation and impairment of tangible fixed assets	99,575	67,458
Movements in working capital:		
Decrease/(increase) in debtors	12,928	(26,403)
Increase in creditors	59,847	17,881
(Decrease) in deferred income	-	(110,485)
Cash generated from/(absorbed by) operations	64,542	(261,175)