

Performance Report

Pacific Leprosy Foundation
For the year ended 30 June 2023

Prepared by Ainger Tomlin Ltd

Contents

3	Independent Auditor's Report
5	Entity Information
7	Approval of Performance Report
8	Statement of Service Performance
9	Statement of Financial Performance
10	Statement of Financial Position
11	Statement of Cash Flows
12	Statement of Accounting Policies
15	Notes to the Performance Report

Entity Information

Pacific Leprosy Foundation For the year ended 30 June 2023

Legal Name of Entity

Pacific Leprosy Foundation

Entity Type and Legal Basis

Charitable Trust - Registered under the Charities Act 2005.

Registration Number

CC26987

Entity's Purpose or Mission

The funding of programmes the purpose of which is the elimination of leprosy and any other diseases prevalent in tropical areas which pose a public health risk; the continuing care of patients (and their families) with disability or social or economic disadvantage due to present or past active leprosy or other diseases.

The only charity which works with leprosy sufferers and their families in New Zealand and the South Pacific.

Entity Structure

Trust Structure: The Trust is governed by a Board consisting of a Chair, Treasurer and currently 8 other Board Members.

Operational Structure: The operations are managed by a team of three paid employees. The Trust employs a General Manager, Relations Manager, and Donor Liaison Officer.

Main Sources of Entity's Cash and Resources

The Trust relies entirely on donations and bequests to carry out its work.

Main Methods Used by Entity to Raise Funds

Speaking to service groups such as Rotary, Probus and Lions Clubs. Quarterly newsletter and appeal for donations to existing donors. Regular slide-shows at meetings for existing donors all over New Zealand. Facebook and Website. Sales of stationery items and Christmas cards.

Entity's Reliance on Volunteers and Donated Goods or Service

Volunteer activity is mainly centred in the Pacific Island countries, these include New Zealand, Fiji, Samoa, Tonga, Vanuatu, Kiribati and the Solomon Islands, in which we work and is usually limited to the distribution of welfare items such as rice, kerosene, soap etc.

Trustees

Frank Stewart

Patricia Priest

Allamenda Faatoese

Glenyse Hargraves

Andrew Tomlin

Graham Watson

Richard Gray

Stephen Chambers

Contact Details

Physical Address: 4 Anderson Street, Addington, Christchurch

Postal Address: Private Bag 4730, Christchurch8140

Email: admin@leprosy.org.nz

Website: <http://www.leprosy.org.nz/>

Phone: 03 343 3685

Independent Auditor

Ashton Wheelans
Christchurch

Approval of Performance Report

Pacific Leprosy Foundation For the year ended 30 June 2023

The Trustees are pleased to present the approved performance report including the historical financial statements of Pacific Leprosy Foundation for year ended 30 June 2023.

APPROVED:

Chairperson

Date

Treasurer

Date

Statement of Service Performance

Pacific Leprosy Foundation For the year ended 30 June 2023

Description of Entity's Outcomes

1. To diagnose and treat leprosy patients in the Pacific.
2. To help eliminate as a public health risk, leprosy in the Pacific through the training and up skilling of medical staff.
3. To provide financial support and assistance for leprosy patients and their families.

	2023	2022
Description and Quantification of the Entity's Outputs		
1. Total of charitable activity costs (\$)	970,109	512,830
2. Total grants made (\$)	21,446	15,490
3. Number of leprosy patients diagnosed as a result of activities undertaken in Kiribati	162	152
4. School and tertiary education fees paid for children of families in Fiji, Samoa, Solomon Islands, Vanuatu and Kiribati (\$)	72,116	56,518
5. Number of medical staff given specialist dermatology training	1	1
6. Number of medical staff trained in diagnosis of leprosy and chemoprophylaxis	10	4
7. Number of families who have been assisted with improvements to their housing conditions in Solomon Islands, Kiribati, Fiji, Samoa and Vanuatu	7	12
8. Total island population screening for leprosy (N Tarawa) (no of people)	4,000	-
9. People checked for symptoms of leprosy in Kiribati (excluding population of North Tarawa)	2,097	1,972

Additional Output Measures

Additional activities undertaken include:

1. Patients assisted with transport to and from medical appointments in Kiribati, Samoa, Vanuatu and New Zealand.
2. Patients assisted with rehabilitation for their disabilities (e.g. shoes, special furniture, other special needs) in Samoa, the Solomon Islands and Vanuatu.
3. Families assisted with daily living requirements such as food and basic hygiene requirements in Fiji, Samoa, Solomon Islands, Vanuatu and Kiribati.
4. Free skin clinic held in Kiribati for treatment of all skin conditions.
5. Household contacts of leprosy patients in Fiji, Samoa and Kiribati visited to continue monitoring for signs of leprosy.
6. Fourth year of Multiple Drug Therapy Plus programme begun in Kiribati.
7. Negotiation with Ministry of Health in Solomon Islands and Vanuatu to begin prophylaxis programme.

Statement of Financial Performance

Pacific Leprosy Foundation For the year ended 30 June 2023

	NOTES	2023	2022
Revenue			
Donations, fundraising and other similar revenue	1	571,691	2,438,909
Revenue from providing goods or services	1	1,444	1,890
Interest, dividends and other investment revenue	1	216,652	228,437
Total Revenue		789,788	2,669,236
Expenses			
Expenses related to public fundraising	2	26,718	23,827
Volunteer and employee related costs	2	308,880	315,440
Grants and donations made	2	991,555	528,320
Other expenses	2	147,332	108,905
Total Expenses		1,474,485	976,492
Operating Surplus / (Deficit) for the Year		(684,697)	1,692,745
Other Comprehensive Revenue			
Unrealised Gain / (Loss) on Craigs Investment Portfolio		382,347	(549,284)
Total Other Comprehensive Revenue		382,347	(549,284)
Net Surplus / (Deficit) for the Year		(302,350)	1,143,461

The accompanying notes form part of this Performance Report. This Performance Report should be read in conjunction with the attached Independent Auditor's Report.

Statement of Financial Position

Pacific Leprosy Foundation

As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Bank accounts and cash	3	486,030	994,681
Other Current Assets		4,429	4,545
Total Current Assets		490,458	999,225
Non-Current Assets			
Property, Plant and Equipment	6	380,082	381,917
Investments	3	7,244,544	7,010,643
Total Non-Current Assets		7,624,626	7,392,560
Total Assets		8,115,084	8,391,785
Liabilities			
Current Liabilities			
Creditors and accrued expenses		32,391	8,399
Employee costs payable	5	59,805	58,426
Other current liabilities	5	63,730	63,452
Total Current Liabilities		155,925	130,277
Total Liabilities		155,925	130,277
Total Assets less Total Liabilities (Net Assets)		7,959,159	8,261,508
Accumulated Funds			
Accumulated surpluses or (deficits)	7	7,959,159	8,261,508
Total Accumulated Funds		7,959,159	8,261,508

The accompanying notes form part of this Performance Report. This Performance Report should be read in conjunction with the attached Independent Auditor's Report.

Statement of Cash Flows

Pacific Leprosy Foundation
For the Year Ended 30 June 2023

	Notes	2023	2022
<hr/>			
Cashflows from Operating Activities			
Cash was received from:			
Donations, fundraising and other similar receipts		571,691	2,480,035
Receipts from providing goods and services		859	1,644
Interest, dividends and other investment receipts		203,568	170,903
Net GST		116	-
		776,234	2,652,582
Cash was applied to:			
Payments to suppliers and employees		489,695	438,769
Donations or grants paid		952,262	528,320
Net GST		-	722
		1,441,957	967,811
		(665,723)	1,684,771
Cashflows from Investing & Financing Activities			
Cash was provided from:			
Receipts from the sale of investments		1,434,158	1,206,054
		1,434,254	1,206,054
Cash was applied to:			
Payments to acquire property, plant & equipment		4,554	381
Payments to purchase investments		1,272,628	2,588,077
		1,277,182	2,588,458
		157,072	(1,382,404)
Net Increase / (Decrease) in Cash		(508,651)	302,367
Opening Cash		994,681	692,314
Closing Cash		486,030	994,681
This is represented by:			
Bank Accounts and Cash	3	486,030	994,681

The accompanying notes form part of this Performance Report. This Performance Report should be read in conjunction with the attached Independent Auditor's Report.

Statement of Accounting Policies

Pacific Leprosy Foundation

For the year ended 30 June 2023

Basis of Preparation

Pacific Leprosy Foundation is a Charitable Trust registered under the Charitable Trust Act 1957. Pacific Leprosy Foundation has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not for Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2m. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that Pacific Leprosy Foundation will continue to operate in the foreseeable future.

1. Unless otherwise specified, the measurement base adopted is that of historical cost.
2. Reliance is placed on the fact that the Foundation is a going concern.
3. Accrual accounting has been used to match expenses with revenues.

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

Changes in Accounting Policies

New accounting standard PBE IPSAS 41 - Financial Instruments replaces parts of the old standard PBE IPSAS 29 - Financial Instruments Recognition and Measurement. As a result of adopting the new standard there are no changes to the value of assets or liabilities nor any differences recognised in the statement of surplus and deficit. There is only a change in the categorisation of financial assets, the effect of this is that financial assets previously classified as Loans and Receivables are now classified and measured at Amortised Cost.

The adoption of PBE IPSAS 41 has changed the entity's accounting for impairment losses of financial assets by replacing PBE IPSAS 29's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PBE IPSAS 41 requires the entity to recognise an allowance for ECL's for all debt instruments not held at fair value through surplus and deficit. Upon the adoption of PBE IPSAS 41 the entity did not recognise any additional impairment.

Other than this, there have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Recognition of Income

Income from legacies, donations and grants are accounted for as received unless specific conditions attach to the legacy, grant or donation and repayment is required where these conditions are not met. In these cases the legacy, grant or donation is treated as a liability until the conditions are met.

Income from bank deposits, corporate bonds and government stock is accounted for on an accrual basis.

Income from other investments is accounted for as received.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise of cash balances and bank balances (including short term deposits) with original maturities to 90 days or less.

Goods and Services Tax (GST)

The trust is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Fixed Assets & Depreciation

The trust has the following classes of fixed assets:

- Buildings & Improvements (1% to 25% DV, or 100 years Straight Line)
- Office Equipment (20% to 67% Diminishing Value)

Plant and equipment is initially recorded at cost. Annually, it is depreciated at rates set by the Trustees that reflect the useful lives of the plant and equipment as disclosed in the Schedule of Fixed Assets and Depreciation attached.

Income Tax

The Trust is a not for profit entity and, as a registered charity (Charities Registration CC26987), is exempt from income tax.

Investments and Tier 2 PBE Accounting Standards Applied

Direct fixed interest investments are recorded at cost, and other investments are recorded at current market value. The trust has adopted Tier 2 standards for Investments only whereby investments are recognised at market value rather than at cost. However, the Board considers that market value provides better information for the users of these Financial Statements in this instance. The movement in the unrealised gains of the investments is accounted for in the Statement of Financial Performance.

Tier 2 accounting policies have been applied to Investments. Investments have been valued at Market Valuation rather than Cost.

Foreign Currencies

Transactions denominated in foreign currencies are converted at the exchange rate current at the transaction date. Foreign currency receivables and payables are converted at exchange rates current at balance date. Foreign exchange gains or losses are included as income or expenses respectively in the Income Statement.

Investments

Recognition and Measurement

The entity initially recognises financial instruments when the entity becomes party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value. Subsequent measurement is dependent on the classification of the financial instrument.

Financial assets are subsequently measured at amortised cost, or fair value through surplus and deficit (FVTSD). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. The entity's financial assets comprising of cash and term deposits, receivables and financial assets at FVTSD include equity and debt securities and managed fund investments are classified and measured at amortised cost.

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The entity's shares are FVTSD, financial liabilities comprise creditors and accrued expenses.

Impairment of Financial Assets

PBE IPSAS 41 requires the entity to record expected credit losses on all of its debt instruments classified at amortised cost or FVTSD. The entity recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach. Evidence of ECLs may include the following indicators:

- The debtors or entity of debtors are experiencing significant financial difficulty
- The probability that debtors will enter bankruptcy or other financial reorganisation
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Notes to the Performance Report

Pacific Leprosy Foundation For the year ended 30 June 2023

	2023	2022
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	350,110	289,364
Legacies Received	180,455	2,149,545
Grants Received	41,126	-
Total Donations, fundraising and other similar revenue	571,691	2,438,909
Revenue from providing goods or services		
Rent Received	585	246
Stationery Sales	859	1,644
Total Revenue from providing goods or services	1,444	1,890
Interest, dividends and other investment revenue		
Craigs Investment Portfolio Income	219,260	216,265
Other Investment Income	(2,608)	12,172
Total Interest, dividends and other investment revenue	216,652	228,437
Total Revenue	789,788	2,669,236
	2023	2022

2. Analysis of Expenses

Expenses related to public fundraising

Appeal Insertion	3,340	3,171
Appeal Postage	8,835	13,510
Appeal Printing	5,139	2,608
Credit Card Commissions	2,285	2,763
Donor Promotion	7,119	1,776
Total Expenses related to public fundraising	26,718	23,827

Volunteer and employee related costs

Salaries & Wages	175,726	187,539
Salaries & Wages Incurred for Charitable Activities	133,153	127,901
Total Volunteer and employee related costs	308,880	315,440

Grants and donations made

Charitable Activity Costs	970,109	512,830
Grants Made	21,446	15,490
Total Grants and donations made	991,555	528,320

	2023	2022
Providing Goods and Services - administration		
ACC, Workplace, and Health Insurance	675	10,059
Anderson St Property Expenses	-	(650)
Computer Network Development	29	369
Computer Network Maintenance	3,705	3,448
Computer Network Software	1,156	443
Electricity	1,838	2,014
General Exp inc Signage	635	315
General Expenses	5,236	5,574
Indemnity Insurance	4,000	3,985
Insurance	8,683	5,406
Internet Connection Costs	1,175	1,200
Photocopier Rental & Maintenance	676	2,028
PLF property Rates, Power	4,353	4,214
PLF Property Repairs & Maintenance	214	1,073
PLF Property Valuation Fees	-	2,182
Postage	3,347	3,048
Stationery	5,663	4,853
Stationery Purchases	174	1,770
Subscriptions	3,373	3,271
Telephone Call Costs	-	(8)
Telephone Rental	4,672	3,922
Training & Development	450	509
Travel - Executive	34,663	955
Travel - General Manager	9,871	1,423
Website Design / Branding	469	519
Total Providing Goods and Services - administration	95,058	61,920
Other Expenses		
Accounting Fees	8,740	8,660
Audit Fees	8,050	7,700
Bank Fees	1,757	1,963
Craigs - Portfolio Fees	23,425	22,576
Depreciaton	6,217	6,010
Less Loss on Disposal	172	76
Legal Costs re Legacies	3,914	-
Total Other Expenses	52,274	46,985

2023

2022

3. Analysis of Assets

Bank accounts and cash

Bank Of New Zealand - Current Account	163,314	454,427
BNZ On-Call Account	1,919	255,345
Craigs Investment Partners Cash Management Account	298,020	253,739

Island Funds (note 12)

Kiribati Welfare A/C	7,427	3,525
Samoa - Solidarity Fund	11,728	8,382
Solomon Islands - Morris & Sojnocki	427	509
Vanuatu - Tony Whitley	2,539	17,813
Tuvalu Account	341	341
Total Island Funds (note 12)	22,462	30,569

Petty Cash	314	600
Total Bank accounts and cash	486,030	994,681

Investments

Craigs Investment Portfolio	7,244,544	7,010,643
Total Investments	7,244,544	7,010,643

4. Financial Investments

Craigs Investment Portfolio	2023	2022
<i>Amortised cost</i>		
Debt Securities at cost	1,741,973	1,975,451
<i>Fair value through surplus or deficit</i>		
Property Equities	727,618	757,342
New Zealand Equities	1,695,072	1,751,451
Australian Equities	1,035,799	750,996
Offshore Equities	2,044,082	1,775,403
Total Financial Investments	7,244,544	7,010,643

2023

2022

5. Analysis of Liabilities

Employee costs payable

Holiday Pay Accrual	50,504	49,162
PAYE Accrual	9,301	9,265
Total Employee costs payable	59,805	58,426

Other current liabilities

Grants Received in Advance	41,403	41,126
EQC Insurance Proceeds	22,326	22,326
Total Other current liabilities	63,730	63,452

6. Property, Plant & Equipment

2023	Cost or Valuation \$	Purchases /Disposals \$	Accumulated Depreciation \$	Book Value \$
Land	79,325	0	0	79,325
Buildings & Improvements	343,403	0	48,567	294,836
Office Equipment	81,048	4,382	79,510	5,920
Total	503,776	4,382	128,077	380,081

2022	Cost or Valuation \$	Purchases /Disposals \$	Accumulated Depreciation \$	Book Value \$
Land	79,325	0	0	79,325
Buildings & Improvements	343,403	0	45,164	298,239
Office Equipment	90,013	305	85,965	4,353
Total	512,741	305	131,129	381,917

Depreciation for the Year	2023	2022
Land	0	0
Buildings & Improvements	3,402	3,443
Office Equipment	2,815	2,567
Total	6,217	6,010

The current rating valuation for trust property at 4 Anderson Street that valued on 1/8/2022 is \$630,000.

2023 2022

7. Accumulated Funds

Accumulated Funds	2023	2022
Opening Balance	8,261,508	7,118,048
Accumulated surpluses or (deficits)	(684,697)	1,692,745
Unrealised Gain / (Loss) on Investment	382,347	(549,284)
Total Accumulated Funds	7,959,159	8,261,508
Total Accumulated Funds	7,959,159	8,261,508

8. Audit

These financial statements have been subject to an audit, please refer to the Independent Auditor's Report.

9. Contingent Liabilities

At balance date there are no known contingent liabilities. Pacific Leprosy Foundation has not granted any securities in respect of liabilities payable by any other party whatsoever. (Last year - nil).

10. Capital Commitments

Pacific Leprosy Foundation has no capital commitments at balance date. (Last year - nil).

11. Subsequent Events

In recent times, investment returns from both New Zealand and worldwide markets have been subject to a high degree of volatility. The performance of the tradeable investments held are influenced by the underlying market values and returns of the investments held which, over time, both appreciate and depreciate. Currently, worldwide markets are volatile. Accordingly, it is possible that the value of tradeable investments will alter significantly during the year ending 30 June 2023.

12. Charitable Distributions

Funds are held in trust by chartered accountants in the Solomon Islands. In Tonga, an independent trust is established to which the Foundation provides block grants. In Samoa, Vanuatu and Kiribati, funds are held in bank accounts by the in-country representatives. The island funds are recognised cash and bank in the statement of financial positions. Those funds which are not controlled by Pacific Leprosy Foundation represent funds that has been sent to overseas but with no confirmation of spending.

13. Related Parties

During the period there have been no material transactions between Pacific Leprosy Foundation and related parties. (Last year - nil).

14. Going Concern

The entity will continue to operate for the foreseeable future.