



Annual Report and Financial Statements 2023

THE LEPROSY MISSION INTERNATIONAL

A Company Limited by Guarantee, Registered Company Number: 3591514

Registered Charity Number: 1076356

Registered Office Address and Principal Place of Business: 80 Windmill Road, Brentford, Middlesex, TW8 0QH England

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)

The Trustees who are also directors of the company have pleasure in presenting their Report and Financial Statements for the year ended 31 December 2023, prepared in accordance with the Statement of Recommended Practice (FRS 102) and the Companies Act 2006. The Report of the Trustees incorporates the requirements of the Strategic Report.

The Leprosy Mission International ('the Mission') is an interdenominational Christian organisation, founded in 1874. The Charity receives much of its support from Supporting Countries and Support Groups who work in partnership with The Leprosy Mission International. Each part of The Leprosy Mission (TLM) recognises and values their interdependence and mutual support for each other in their joint ministry to people affected by leprosy.

MISSION STATEMENT

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

OUR VISION

We are committed to our vision of "Leprosy defeated, lives transformed".

OUR AREAS OF STRATEGIC FOCUS

Zero Leprosy Transmission

Zero transmission of leprosy by 2035 as a result of earlier detection and treatment of new leprosy cases.

Towards Zero Leprosy Disability

Healing, dignity and life in all its fullness as a result of a) reduced disability burden in people affected by leprosy and b) the transformation of physical, mental, emotional and spiritual wellbeing of people affected by leprosy.

Towards Zero Leprosy Discrimination

Zero discrimination against people affected by leprosy as a result of a) the greater inclusion of, and justice for, people affected by leprosy and disability and b) people affected by leprosy confidently standing up for their rights.

Christ-centred

Transformation and Life in all its Fullness for people affected by leprosy.

The Leprosy Mission Enabled

An agile TLM with Members and people who are resilient, stronger, healthier and more sustainable; raising £40 million per annum; a renewed global, national and local commitment to defeating leprosy and promoting inclusion; with TLM known as a leading collaborative player.

OUR VALUES

Because we follow Jesus Christ we value Compassion, Justice, Integrity, Inclusion and Humility.

Transformation involves body, mind and spirit. In all we do, through prayer and obedience to God, we want to proclaim and demonstrate the truth and love of Jesus Christ.

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Leprosy Mission International is governed by the Memorandum and Articles of Association dated 24 September 2021 and the Trustees of the Mission are appointed by the members. The Trustees of the Mission are Directors for the purposes of company law.

The current organisation structure is as follows:

The Leprosy Mission International is the leading and coordinating body for The Leprosy Mission Fellowship, an unincorporated partnership of entities operating in the name of The Leprosy Mission in more than 30 countries. The members of The Leprosy Mission International are also the Members of The Leprosy Mission Fellowship and a meeting of members is held each year. The Board is the governing body of The Leprosy Mission International. During the year it has met four times, in April, July, September and November. All Board members (Trustees) are non-salaried.

The Representative Management Group is an advisory group which functions through the International Director, who is the chief executive and reports to the Board. The group comprises eight members who have specific functions within The Leprosy Mission Fellowship.

Two committees operate under the delegated authority of the Board and report to the Board:

Audit Committee (Chairperson: Mr Gordon Brown)

The Audit Committee advises the Board on the quality and effectiveness of the programmes of the Mission, the nature and extent of the major risks associated with the implementation of those programmes and the integrity of financial and non-financial management and reporting in the Mission. During the year, the Audit Committee met four times, in April, July, September and November. The Audit Committee recommended the attached Financial Statements to the Board for approval.

Governance Committee (Chairperson: Mr Colin Martin)

The Governance Committee is responsible for ensuring that suitable candidates with appropriate skills are brought forward for election to serve as Trustees, for ensuring that the Board's policies are reviewed on a regular basis, and for monitoring the effectiveness of the Board having regard to best practice in organisational governance. Newly appointed Trustees are given an orientation to the Mission and a Board manual comprising the Memorandum, Articles and Bye Laws of the Mission and all relevant policies, guidelines and procedures. During the year, the Committee met four times, in April, July, September and November.

The Directors (Trustees) of the charitable company throughout the year are as follows:

| | |
|---------------------------|--|
| + Mr Alan Gray | |
| + Mrs Anita Delhaas | |
| + Mrs Anne Ratliff | Vice Chairperson (Retired : 21 September 2023) |
| + Dr Colin Martin | |
| * Mr Colin Osborne | Chairperson |
| * Dr DPN Prasad | |
| * Mr Gordon Brown | Hon. Treasurer (Appointed : 21 September 2023) |
| * Mrs Helen Lea Fernandes | Vice Chairperson (Appointed : 21 September 2023) |
| + Dr Hla Hla Caroline Aye | |
| + Mrs Odele Habets | Appointed: 21 September 2023 |
| + Pastor Lok Thapa | |
| * Mr Philip Putman | Hon. Treasurer (Retired: 21 September 2023) |
| * Prof Warwick Britton | |
| + Prof Ekanem Braide | |

* Indicates members of the Audit Committee

+ Indicates members of the Governance Committee

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

INTERNATIONAL DIRECTOR AND COMPANY SECRETARY

Mr Brent J Morgan

RISK MANAGEMENT

Risk reviews were conducted during the year and potential areas of risk were identified and reported to the Board.

Through the risk management processes and controls established for the charity, the Trustees assess business risks annually and are satisfied that the major risks are identified and assessed and that systems are in place to mitigate the charity's exposure to these risks. It is recognised that systems can only provide reasonable assurance that major risks have been adequately managed. Given the nature and geographical location of the programmes, there will always be some element of risk although the Mission attempts to minimise these wherever possible, by regular tele-conference and face-to-face meetings.

The Trustees identified the following major risks:

- Sudden or dramatic drop in income which disturbs the work in the field.
- Inappropriate action against children and other vulnerable people by staff and volunteers.
- Loss of leprosy expertise in The Leprosy Mission.
- Inability to recruit or retain appropriately skilled staff due to low salary levels.
- Serious security and safety incidents in the areas where The Leprosy Mission works.
- Lack of beneficiary participation in The Leprosy Mission's decision making process.
- Failure to secure our information systems from attack could lead to loss of data and even put people at risk, leading to reputational damage, regulatory breach and fines.

The Trustees continue to monitor the changing global landscape and its impact on the Mission.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider the Board of Trustees, the International Director of the Mission and the Chief Executive Officer of TLM Trading to comprise the key management personnel of the group.

All Trustees give of their time freely and no director received remuneration in the year.

The pay of the key management personnel and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar charities.

POLICIES

Grant Making

Grants are given annually to programmes which fit the vision and strategy of the Mission. All approved programmes are required to complete annual plans and budgets. The programmes also prepare annual rolling budgets for their duration or for five years maximum. Grants are paid in accordance with the approved budget, which includes annual objectives and projects' long-term goals. Each programme is thoroughly considered by the country office to ensure both feasibility and effectiveness before being reviewed in accordance with the Programme Approval Policy.

Programmes are then monitored throughout the life of the project by the relevant country office and come under the scrutiny of regular internal audit and an evaluation process.

THE LEPROSY MISSION INTERNATIONAL

REPORT OF THE TRUSTEES

POLICIES (Continued)

Investment

Management of the funds is conducted in accordance with the Articles of Association and within agreed policies and guidelines set and monitored by the Audit Committee.

Specific ethical guidelines have been given to the investment managers to avoid investment in companies significantly involved in alcohol, tobacco products, gambling, armaments or pornography, and also to consider the Environmental, Social and Governance (ESG) methods of any company which might contravene the objectives and values of the Mission. The performance of the fund is measured against an asset allocation of equal split between UK equities and bonds and overseas equities and bonds (see page 12). Investment decisions are based upon long-term considerations and on a total return basis.

The investment manager is appointed under the delegated authority given to the Audit Committee and their performance is reviewed on a rolling three year cycle. Rathbone Investment Management Limited were appointed as investment managers.

Safeguarding

The Leprosy Mission takes safeguarding seriously and has global and local policies and procedures in place, which are regularly reviewed. We have a zero-tolerance approach to serious misconduct.

The Leprosy Mission has policies, procedures and guidelines, including but not restricted to:

- Policies and procedures for protecting children and vulnerable adults
- Safeguarding Code of Conduct
- Bullying and harassment policies and procedures
- Whistleblowing policy and procedures
- Recruitment and selection policy and procedures
- Internal audit procedures
- Project development and approval document
- Project monitoring and evaluation guidelines
- Risk management policies and procedures
- An independent whistleblowing service (Safecall)
- Safeguarding support to partners across the 30 countries we support related to our policies and procedures and outlining actions needed for alignment
- An appointed Global Safeguarding Advisor to support the Global Fellowship members
- An appointed Global Designated Safeguarding Officer
- Appointed Designated Safeguarding Leads within in all our members countries
- Appointed Safeguarding Trustee for all the members with an Independent National Board
- Appointed Safeguarding Trustee with responsibility for safeguarding at International Board Level (TLMI), Helen Fernandes
- A Global Training Programme and Forums to build the capacity of our Designated Safeguarding Leads in TLM member countries.

Safeguarding is a standing item in the TLMI Board agenda and in Member countries Boards agendas. We have continued our commitment to upholding the highest standards of safeguarding, ensuring that our safeguarding measures are robust and reflect the environments in which we work. We have continued to broaden our approach, increasing our ability to safeguard staff, the adults we work with and volunteers, while remaining steadfastly committed to safeguarding children.

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

POLICIES (Continued)

During 2023, The Leprosy Mission International received sixteen safeguarding concerns – the allegations made were related to; three for sexual harassment, four for sexual abuse, one for bullying, one to physical abuse and seven others related to categorised incidents within grievances HR, security and non TLM direct partners, of which six were substantiated, one was unsubstantiated, one was inconclusive and the other eight were dealt through other channels and/or reported to the appropriate bodies that were directly responsible to action response and therefore were not dealt with by TLM. Four of the sixteen concerns received were deemed serious incidents and were reported to the Charity Commission of England and Wales. The Leprosy Mission continues to collect learning from these reports and endeavours to make the necessary changes to our policy and practice to ensure, we proactively protect the dignity and rights of every person.

Management

The Board-appointed International Director is responsible for strategy, planning and the daily management of operations. The International Director is supported by a senior leadership team who have delegated authority for key aspects of the Mission's operations.

The International Director reports to the Trustees on progress against the indicators and targets in the Global Strategy. The International Director and appropriate members of the senior leadership team attend and report at meetings of sub-committees.

A five-year strategy for The Leprosy Mission was developed to ensure that the work of The Leprosy Mission is working towards achieving Zero Leprosy Transmission, Zero Leprosy Disability and Zero Leprosy Discrimination. Implementation commenced in 2019, the progress is discussed within the Achievements and Performance.

There is a policy for the setting of the remuneration of the International Director. The Chair of Trustees in conjunction with Head of People appraise the International Director's performance annually and establish any increase in line with the Consumer Price Index (CPI) which applies to all staff.

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

- The Global 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

Employment of People Affected by Leprosy and People with Disabilities

Globally, The Leprosy Mission employs numerous staff who have been personally affected by leprosy. This is estimated at between five and ten per cent of the total number of staff. In 2023, The Leprosy Mission International employed one staff affected by leprosy but actively encouraged people with disabilities with appropriate skills and experience to apply for vacant positions. There is one person affected by leprosy serving as a Trustee.

Staff Development

Training and developing our staff remain a key activity as The Leprosy Mission International (and the TLM Global Fellowship) strives to serve those affected by leprosy. We developed a tailor-made leadership development programme which incorporates a number of leadership skills development training using external providers. The programme is aimed at training all senior leaders and second tier leaders within the organisation.

THE LEPROSY MISSION INTERNATIONAL

REPORT OF THE TRUSTEES

POLICIES (Continued)

Reserves

In determining the level of operational reserves, the Board recognises the global organisation's need for centrally invested reserves to provide operating capital and as a contingency or hardship fund to support members to overcome short-term financial challenges. The Board has set a policy range for the reserves taking into account factors that include: the unpredictability of exchange rates, donor income and investment values and the potential impact of these events upon our programmes (refer to page 12).

Monitoring

Against each of the medium to long-term strategies the Board has identified a number of targets/indicators which need to be met. The organisation monitors the effectiveness of the strategy on an annual basis and reports its findings to the Board to ensure that the organisation achieves the target which has been set.

Public Benefit Statement

The Trustees of the charity have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the work of The Leprosy Mission to further the public benefit is explained in this report.

OBJECTIVES AND ACTIVITIES

In September 2018, on the Board's recommendation, the Members approved a five-year strategy. In considering the covid lockdown and its impact on the implementing activities, the Trustees approved the current strategy to be extended to the end of 2024.

Zero Leprosy Transmission

The Leprosy Mission Will:

- Implement, and promote with key partners, a combined approach to tackling leprosy in key endemic areas which includes:
 - data collection and mapping
 - active case finding
 - contact tracing
 - chemo/immuno-prophylaxis
 - health facility staff skills
 - targeted community awareness raising and partnerships
 - treatment completion
- Collaborate and partner with national and local governments.
- Invest in succession planning, training, and new technology-based methods of communication.
- Utilise our research skills and presence to develop, investigate and trial new innovations related to understanding transmission; early diagnosis; monitoring relapse and anti-microbial resistance; and combined approaches to reducing transmission.

We will work to improve:

- The focus of TLM resources on key endemic areas and the effectiveness of initiatives targeted at reducing leprosy transmission.
- Government ownership of leprosy detection and treatment, integrated with government health systems where possible.
- The retention, extension and availability of leprosy expertise.

THE LEPROSY MISSION INTERNATIONAL

REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES (Continued)

- The effectiveness of leprosy-related innovations and the evidence base to inform policies, strategies and activities.

Impact by the End of 2024:

Earlier detection and treatment of new leprosy cases.

Our Future Ambition:

Zero transmission of leprosy by 2035.

Towards Zero Leprosy Disability

The Leprosy Mission Will:

- Support governments and other health partners (or undertake ourselves where necessary), to conduct surveillance, including disaggregated data collection and mapping, and to detect and manage neuritis/reaction as well as to undertake research into reaction management.
- Increase our focus on the inner wellbeing of people affected by leprosy in our work, knowing what to look for, how to support and where to direct for professional help.
- Collaborate with governments and other health partners (or undertake ourselves where necessary) to address secondary impairments, including ulcer care, eye care and reconstructive surgery.
- Enable leprosy-affected people's organisations, disabled people's organisations, self-help groups and churches to facilitate community level self-care and emotional support for persons affected by leprosy.

We will work to improve:

- The timely detection, monitoring, and treatment of impairments of the eyes, hands and feet.
- The holistic approach to supporting people affected by leprosy to overcome their disabilities.
- Access to rehabilitation services at community, district and referral level for people affected by leprosy.
- The self-management of impairments.

Impact by the End of 2024:

Reduced disability burden in people affected by leprosy.

Transformation of physical, mental, emotional and spiritual wellbeing of people affected by leprosy.

Our Future Ambition:

Healing, dignity and life in all its fullness.

Towards Zero Leprosy Discrimination

The Leprosy Mission Will:

- Enable leprosy-affected people's organisations, disabled people's organisations, self-help groups, leprosy champions and individuals affected by leprosy to challenge injustice and self-advocate for their rights and entitlements.
- Undertake targeted community-level advocacy and the development of livelihood skills for people affected by leprosy.
- Encourage and facilitate peer support for people with self stigma.
- Tackle discriminatory laws and official practices, by lobbying UN bodies and national government legislators.

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES (Continued)

We will work to improve:

- Participation in public and social life; awareness raising of rights; a stronger voice of people affected by leprosy; the inclusion of people affected by leprosy in the disability 'movement'.
- The opportunity for people affected by leprosy to have a sustainable livelihood.
- The feelings of worth and value felt by people affected by leprosy.
- The performance of national governments in implementing the relevant international treaties impacting people affected by leprosy; and also the amount of action taken to repeal, amend or abolish discriminatory legislation and practice.

Impact by the End of 2024:

- Greater inclusion of, and justice for, people affected by leprosy and disability.
- People affected by leprosy confidently standing up for their rights.

Our Future Ambition:

- Zero discrimination against people affected by leprosy.

Christ-centred

The Leprosy Mission Will:

- Reinforce our integral mission principles
- Invest resources in growing the spiritual health and gifting of our leaders and people
- Understand, define, and put into contextual practice, effective and intentional church partnerships
- Put prayer at the heart of our work and decision-making

We will work to improve:

- Our understanding and practice of integral mission
- Our understanding and practice of our Christian identity and values
- The number and quality of our church partnerships
- Our understanding and practice of prayer

Impact by the End of 2024:

- Spiritual growth of TLM's people
- The body of Christ taking greater ownership of the God-given mission to love and include those affected by leprosy

Our Future Ambition:

- Transformation and Life in all its Fullness for people affected by leprosy

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES (Continued)

The Leprosy Mission Enabled

The Leprosy Mission Will:

- Provide leadership and development; staff care; adopt intentional organisational development to be ‘fit for the future’; trial, learn from, share and scale up the use of new technology and innovation; and facilitate the sharing of resources and support amongst TLM Members
- Support all TLM Members with their fundraising; contribute to the business case for the defeat of leprosy; identify new ways to tell the story of leprosy / develop consistent and coherent messages; connect with new audiences; promote the collaboration and sharing of fundraising resources across the Global Fellowship
- Adopt a global advocacy campaign
- Actively seek and engage in global and local partnerships

We will work to improve:

- Leadership at all levels; an organisational culture in which our people are enabled to achieve their full potential; healthy working environments where people feel engaged and included and where wellbeing is valued; our ability to harness innovation and technology
- Our competence, capacity, confidence and joy in unrestricted and institutional fundraising
- Speaking with one TLM voice, based on the evidence of our practice
- TLM’s contribution to shared impact in defeating leprosy and transforming lives

Impact by the End of 2024:

- An agile TLM Fellowship, with Members and people who are ‘fit for the future’ (resilient, stronger, healthier and more sustainable)
- We will raise £40 million per annum; we will cost-effectively increase unrestricted income by 35%
- A renewed global, national and local commitment to defeating leprosy and promoting inclusion
- TLM known as a leading collaborative player

ACHIEVEMENTS AND PERFORMANCE

The Trustees have identified a number of achievement indicators, based on the strategic plan, against which they monitor the performance of the organisation.

Organisational Activities

Advocacy (Zero Discrimination and enabling The Leprosy Mission’s work)

In 2023, The Leprosy Mission had several crucial wins in the field of advocacy. One major victory was the renewal of the mandate of the UN’s Special Rapporteur on leprosy. The Leprosy Mission worked with other ILEP Members to lobby for the renewal of this mandate, which the UN confirmed in 2023.

Another significant victory for The Leprosy Mission was the appearance of Ana Ivonia from Timor-Leste at the CRPD Conference in New York. The CRPD Conference is the UN’s major annual disability rights convention and the conference in 2023 was the first in-person conference since the start of the pandemic, taking place in the UN’s New York Headquarters. Ana Ivonia, a student and community leader, was co-chair of a roundtable on inclusion of under-represented groups. She gave a short five-minute speech about her experience of stigma and discrimination, a speech that stood out from many of the conference’s speeches as being raw and deeply felt. Her contribution was greeted with rapturous applause by the conference delegates.

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

ACHIEVEMENTS AND PERFORMANCE (Continued)

Also at this conference, The Leprosy Mission hosted a side event on the importance of including Neglected Tropical Diseases within the disability rights discussion. The Leprosy Mission were the only conference delegates who were raising awareness of this group of 1.7 billion people affected by NTDs and their inevitable crossover with the 1.3 billion persons with disability.

One of the outcomes of The Leprosy Mission attending the conference was ongoing dialogue with the State of Malta, one of the countries that had retained a law that discriminates against persons affected by leprosy. Following that ongoing dialogue, the Maltese parliament stands on the brink of repealing this law.

Lastly, 2023 saw The Leprosy Mission's Board approve the establishment of a Member-Appointed Working Group on the issue of advocacy. This group is due to provide guidance for TLM's advocacy work globally and includes representatives from within TLM, two representatives with advocacy expertise, and two representatives with lived experience of leprosy.

Income (Enabling The Leprosy Mission's work)

In 2023, donation income was £17,647,585 (2022: £16,185,527) which was an increase of 9% compared to previous year. This was a remarkable income performance given the global economic slowdown and global political unrest through 2023.

Public Health (Zero disability and zero transmission)

In almost all the countries where we work, leprosy services have been integrated into mainstream health care, which is important for reducing stigma and to make leprosy treatment sustainable. However, one of the consequences has been less attention to leprosy: the number of new cases has ceased to fall and there is the risk in some areas with weaker health services that new cases will begin to increase.

The Leprosy Mission still provides effective training to government medical staff to ensure that people affected by leprosy are given the high-quality treatment they need. In 2023 we gave technical assistance to governments in more than 18 countries. We also provided at least 66,329 training days for TLM staff, government health staff and other NGOs in leprosy (2022: 53,231).

Hospitals (Zero disability and zero transmission)

In many countries, hospitals supported or owned by TLM are centres of excellence, providing specialised care to leprosy-affected people and appropriate forms of healthcare to the surrounding communities.

These community hospitals provide a variety of in- and out-patient services. Leprosy and non-leprosy patients are treated together which helps reduce stigma and segregation.

In 2023 we supported 16 TLM supported hospitals and another 19 partner hospitals. The hospitals provided 15,359 in-patients with care for leprosy related conditions (2022: 10,798). We performed 4,371 (2022: 4,057) reconstructive and eye surgeries related to leprosy.

Disability care and prevention (Zero disability)

If leprosy is not diagnosed quickly enough, nerves are damaged and disability is an inevitable consequence. An estimated 2-3 million people are disabled due to leprosy.

Self-care groups provide an environment where people can share problems, encourage each other and learn how to look after themselves to prevent worsening disabilities.

In 2023 we provided assistance to 327 self-care groups, which included 7,675 participants (2022: 348 groups with 4,683 participants).

In 2023 TLM provided 27,018 people (2022: 27,526) with footwear and orthopaedic devices to protect their insensitive feet from further damage or disability.

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

ACHIEVEMENTS AND PERFORMANCE (Continued)

Community development (Zero discrimination)

Leprosy is not just a physical disease, it has social consequences. Therefore community development is an important part of TLM's work. We encourage leprosy-affected people to set up local community or disability groups; together they can save money and come up with plans for improving their communities and increasing their income. In some countries these self-help groups are amalgamated into larger cooperatives to better meet their members' needs.

In 2023 we supported 2,538 self-help groups and cooperatives with 34,224 participants (2022: 2,335 groups with 26,574 participants).

In 2023 we built or renovated 115 low-cost homes (2022: 277) for leprosy-affected people in poverty, and enabled 8,769 people to access new or renovated water or sanitation facilities (2022: 9,498).

Education (Zero discrimination)

Training and education provide leprosy-affected people and their families a means to break free from the cycle of poverty. In 2023 we provided scholarships for formal education to 3,730 children or young people (2022: 3,744). We provided vocational training or apprenticeships to 6,056 young people (2022: 4,822). At TLM's own Vocational Training Centres in India we trained 2,948 young people in marketable skills, setting them up for life (2022: 3,180).

Research (Zero transmission, zero disability, zero discrimination, and enabling The Leprosy Mission's work)

In 2023, TLM conducted 42 (2022:49) research studies in seven countries (Bangladesh, DR Congo, India, Mozambique, Nepal, Niger and Nigeria). Most of our research relates to interrupting transmission (15 studies) and reducing disability (21 studies). Transmission research includes the development of point-of-care diagnostics tests, and testing of alternative chemoprophylaxis regimens. Disability research includes better treatment for leprosy reaction and innovative approaches to wound healing.

Church engagement (Christ-centred and Enabling The Leprosy Mission's Work)

Our work is sustained by the prayerful giving of churches all across the world. Their support can come in the form of donations, volunteering, fundraising activities, and more. In total we have 9,385 (2022: 5,943) churches who are giving to our work.

Life in all its fullness (Christ-centred)

Our desire to see people living life in all its fullness is informed by a Bible verse. Jesus said "I have come in order that you may have life – life in all its fullness" (John 10:10). Through our self-help groups, livelihood support, and community development we are working to provide fullness of life for people affected by leprosy and people in communities affected by leprosy. However, we are also committed to ensuring that the staff of The Leprosy Mission worldwide are nurtured and encouraged so that they can live life in all its fullness. Our staff engagement work received particular recognition in 2023 when it won an Agenda award for the number of staff who would recommend The Leprosy Mission as a place to work.

FINANCIAL PERFORMANCE

The consolidated surplus for the year was £1,075,264 (2022: £814,106) before reporting the unrealised gains and losses of investments. Remittances include £737,117 of restricted funds for Hospitals and Programmes which are carried over into 2024 and will be expended. Investment gain during the year was £127,053 (2022: Loss £(1,177,761)).

The Board is thankful for the continued support from TLM Fellowship Member Countries and other donor organisations. The field programmes are continuing to develop in line with the Mission's strategy, giving increased focus on community programmes, which include both health development and rehabilitation. Many of the hospital programmes that the Mission supports provide services for non-leprosy patients, which in turn provide a local source of income for the hospital as well as providing general medical care to the local community.

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FINANCIAL PERFORMANCE (Continued)

Although TLMI does not directly engage in fundraising activity, TLMI has taken steps to strengthen support for Members who do. The appointment of Head of Fundraising Development was made with the specific intention to encourage and assist activities by Members to increase unrestricted donation income for Global Fellowship projects. This has been achieved, with the implementation of Fundraising Cycle (Ask-Thank-Feedback) methodology by Fundraising member countries. We have received no complaints about fundraising and we have a complaint policy in place should any be received in the future.

Total expenditure of the charity in the year amounted to £17,391,152 (2022: £15,742,060) of which £16,668,670 (96%) (2022: £15,032,274) was attributable to charitable activities. Major programmes supported in 2023 are listed in Note 6 of the Accounts and they continue to represent a wide spread of activities across 18 countries.

Total support costs by the charity to TLM Fellowship Member countries are analysed in Note 7b of the accounts and amounts to 8% (2022: 8%) of the total income of the charity.

Investment

Rathbone Investment Management Ltd was re-appointed on 29 March 2021 as the investment manager. Their performance is monitored quarterly and on a rolling three-year basis. Trustees have set an investment strategy that reflect the following investment objectives; generating strong investment returns, managing cash flow requirements, protecting the financial position, minimising long term costs and ethical, environmental, social and governance considerations. The asset allocation would normally fall within 60% of Equity (UK/Overseas) and 40% of fixed interest (UK/Overseas). The investment manager is expected to outperform the benchmark given to him by the Audit Committee. The performance has been monitored by management and the Treasurer on a quarterly basis.

In the year ended 31 December 2023 the fund achieved a return of 10.9% (2022: (10.7%)) against the benchmark of 9.1% (2022: (12.1%)).

Reserves Review

During the year the Board affirmed the continuing need to hold adequate reserves. The Board has approved a reserve policy with a number of components, which in combination result in a guideline operational reserve level to be between £3 million (minimum) and £4 million (maximum). The current reserve policy was agreed in 2021 and the next review will be done 2024. The free reserve level at 31 December 2023 is £5,238,144 (2022: £4,409,471). With the current global political climate, the Trustees are satisfied with the reserve level which is above the upper limit set by them. Further, for 2024, the Mission is working with a deficit budget of £ (321,000). Trustees approved to spend £500,000 in 2024-25 from the reserves on projects that have innovative ideas/initiatives to achieve the goal of “Zero Leprosy transmission by 2035”

In addition, an amount of £4,720,717 is held in bank and investments as restricted funds listed in Note 20. An amount of £1,906,090 is held as designated funds as listed in Note 19.

Going Concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors have made this assessment in respect to a period of one year from the date of approval of these accounts. After reviewing the company’s forecasts and projections, which are being regularly updated, the directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due.

The Board of Trustees consider that there are no material uncertainties with respect to going concern and accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Accordingly, the Board of Trustees is of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future.

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

FINANCIAL PERFORMANCE (Continued)

Subsidiary Company

TLM Trading Limited is a wholly owned subsidiary of The Leprosy Mission International and its results for the year have been consolidated with those of The Leprosy Mission International and reported in the Financial Statements.

TLM Trading Limited has three main objectives which are integral to the work of the Mission. The first objective is to raise financial support for The Leprosy Mission. The second objective is to develop products produced by people affected by leprosy and to sell these products to customers and the third is to raise the profile of The Leprosy Mission through all of the trading activities.

In 2023, the income of the trading company was £1,822,449 (2022: £1,801,505) and the company made a profit before taxation, before pension deficit liability of £19,180 (2022: loss £20,676). Customers of TLM Trading Limited donated an amount of £542,248 (2022: £503,069) to TLM Supporting Countries through donations and Gift for Life.

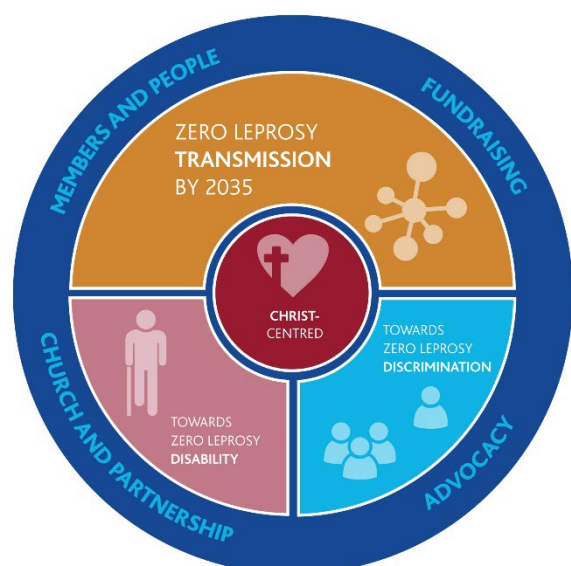
Special Pension Account

A lump sum of £1 million was paid into an escrow account on 11 January 2012. Under the terms agreed release of funds from the escrow account to The Leprosy Mission Central Pension Scheme or to the employer would occur after an actuarial valuation when the funding level of the scheme reaches below 80% or combined funding level exceeds 108%. The Scheme actuary would issue a release notice with an amount sufficient to either increase the funding level of the scheme to 80% or to reduce the value to 108% of the statutory funding objectives.

The Leprosy Mission International (Principal Employer) and the Trustees agreed by Deed dated 30 June 2015 that the assets held in the escrow account would transfer to a Special Pension Account to be held by The Leprosy Mission International under similar terms to the escrow account. By agreement with the Pension Fund Trustees, The Leprosy Mission International agreed to pay pension contribution into the Special Pension Account.

The results of the 31 December 2021 triennial valuation showed that the Combined Funding Level of the Scheme was 141% and that the excess funds above the 108% trigger were £7,655,000. The Trustees and the Employers agreed that a refund of £1,080,000 would be taken by TLM on behalf of all the Employers and will be paid in equal quarterly instalments of £90,000 over a three year period from 1 January 2023.

FUTURE PLANS



Global Strategy

During 2018 the Members of The Leprosy Mission Fellowship adopted a new five year global strategy for 2019 – 2023. The International Office will undertake the necessary leading, inspiring, facilitating and enabling roles as the Mission implements this new strategy and we will work with our stakeholders to monitor our impact. Due to the delay in project implementation caused by Covid-19 lockdown it was agreed that this Strategy be extended for another year to the end of 2024. A mid-term strategy review took place in 2022 and the strategy was updated to reflect the recommendations.

We are currently in consultation with all stakeholders in developing a new Global Strategy starting January 2025.

Our long term goal is that we will see zero transmission of leprosy by 2035; in line with this we have the following strategic priorities that also tie in with our other two focus areas (disability and discrimination).

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

FUTURE PLANS (Continued)

Towards Zero Leprosy Transmission

To contribute to zero leprosy transmission we want to bring about earlier detection and treatment of new leprosy cases. We will do this by improving the focus of TLM resources on key leprosy endemic areas and the effectiveness of initiatives targeted at reducing leprosy transmission. We will seek to improve government ownership of leprosy detection and treatment, integrated with government health systems where possible. We will improve the retention, extension and availability of leprosy expertise and we will improve the effectiveness of leprosy-related innovations and the evidence base to inform policies, strategies and activities.

Towards Zero Leprosy Disability

Our future ambition is that people affected by leprosy are able to experience healing, dignity and life in all its fullness. We want to see significant improvements in the reduced disability burden in people affected by leprosy and transformation of the physical, mental, emotional and spiritual wellbeing of people affected by leprosy. We will do this by improving the timely detection, monitoring, and treatment of impairments of the eyes, hands and feet; by taking a holistic approach to supporting people affected by leprosy to overcome their disabilities; by improving access to rehabilitation services at community, district and referral level for people affected by leprosy; and by improving the self-management of impairments.

Towards Zero Leprosy Discrimination

We want to see zero discrimination, with greater inclusion of, and justice for, people affected by leprosy and disability. We will support improvements in people affected by leprosy confidently standing up for their rights; in participation in public and social life; in awareness raising of rights; a stronger voice of people affected by leprosy; and the inclusion of people affected by leprosy in the disability 'movement'. We will support improvements in the opportunities for people affected by leprosy to have a sustainable livelihood and the feelings of worth and value felt by people affected by leprosy. We will support improvements in the performance of national governments in implementing the relevant international treaties impacting people affected by leprosy; and also the amount of action taken to repeal, amend or abolish discriminatory legislation and practice.

Christ-Centred

Our Christian identity is at the very heart of our work. The Leprosy Mission was established with a holistic vision of transformation of the Gospel through working to serve people affected by leprosy, who had a special place in Jesus' earthly ministry. To achieve our aims as a Christian leprosy-focused organisation, we will therefore: reinforce our integral mission principles, work through local churches, develop the spiritual gifts of our people, and put prayer at the heart of our work and decision-making.

Enabling The Leprosy Mission to achieve its goal

In order to deliver on this strategy, we will intentionally invest in four key enabling areas: Members and People, Fundraising, Church and Partnership, and Advocacy. We will be an agile TLM Fellowship, with Members and people who are 'fit for the future' (resilient, stronger, healthier and more sustainable). We will do this by improving leadership at all levels; by strengthening an organisational culture in which our people are enabled to achieve their full potential; by developing healthy working environments where people feel engaged and included and where wellbeing is valued; by improving our ability to harness innovation and technology. We will raise £40 million per annum by the end of the current strategy; cost-effectively increasing unrestricted income by 35%. To do this we will improve our intention, competence, capacity, confidence and joy in unrestricted and institutional fundraising. We want to see a renewed global, national and local commitment to defeating leprosy and promoting inclusion. We will speak with one TLM voice based on the evidence of our practice. We will be known as a leading collaborative player, partnering with like-minded organisations to defeat leprosy and transform lives.

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare Financial Statements for each financial year, which give a true and fair view of the charity and group's financial activities during the year and of the charity and group's financial position at the end of the year. In preparing those Financial Statements giving a true and fair view, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and the Charities Statement of Recommended Practice have been followed
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Mission will continue in operation.

The Trustees also confirm that, so far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Mission and which enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Mission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ADVISORS

Bankers

Barclays Bank plc
8 George Street
Richmond
Surrey
TW9 1JU

Pension Scheme Actuaries

First Actuarial LLP
Network House
Basing View
Basingstoke
Hampshire
RG21 4HG

Investment Managers

Rathbone Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

THE LEPROSY MISSION INTERNATIONAL REPORT OF THE TRUSTEES

The Report of the Trustees and Financial Statements for the year ended 31 December 2023 and the Prayer Guide for the current year can be obtained from the office of TLM International at 80 Windmill Road, Brentford, Middlesex, England TW8 0QH or can be downloaded from our website at www.leprosymission.org.

Haysmacintyre LLP acted as the auditors of The Leprosy Mission International until 28 June 2024. Following a tender process, the Trustees appointed Azets LLP as the company's auditor for the current year.

This report was approved by the Trustees and signed on their behalf by:



Mr Colin Osborne

Chairperson

28 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEPROSY MISSION INTERNATIONAL

Opinion

We have audited the financial statements of The Leprosy Mission International for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and 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 group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, 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 group 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LEPROSY MISSION INTERNATIONAL (Continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the strategic report and 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 strategic report and the directors' report included within the Report of the Trustees have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 14&15, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and payroll taxes.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LEPROSY MISSION INTERNATIONAL (Continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risk was related to income recognition. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular provisions and recognition of grant expenditure; and
- Reviewing the assumptions and judgements used by the scheme actuary in relation to the Charity's pension scheme.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Auditor's 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.



Vikram Sandhu (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 9 August 2024

THE LEPROSY MISSION INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2023 (Incorporating an Income and Expenditure Account)

| | Notes | Unrestricted Fund £ | Restricted Fund £ | 2023 Total £ | 2022 Total £ |
|--|-------|---------------------------|----------------------|--------------------|--------------------|
| INCOME FROM | | | | | |
| Donations | 3 | 206,798 | 17,440,787 | 17,647,585 | 16,185,527 |
| TLM Trading Ltd: Non-charitable subsidiary | 4 | 1,787,449 | - | 1,787,449 | 1,766,505 |
| Income from investments | 5a | 125,685 | - | 125,685 | 144,284 |
| Gain on Disposal | | - | - | - | - |
| Other income | 5b | 684,069 | - | 684,069 | 246,263 |
| TOTAL INCOME | | 2,804,001 | 17,440,787 | 20,244,788 | 18,342,579 |
| EXPENDITURE ON | | | | | |
| Cost of raising funds | | 676,985 | 35,000 | 711,985 | 674,785 |
| TLM Trading Ltd expenditure | 4 | 1,788,869 | - | 1,788,869 | 1,821,414 |
| | | 2,465,854 | 35,000 | 2,500,854 | 2,496,199 |
| Expenditure on Charitable Activities | | | | | |
| Nepal Trauma Centre | | - | 174,393 | 174,393 | 408,450 |
| Public health | | - | 3,012,656 | 3,012,656 | 2,741,200 |
| Hospitals | | - | 3,093,152 | 3,093,152 | 2,433,365 |
| Disability care & prevention | | - | 4,414,267 | 4,414,267 | 4,016,518 |
| Community development | | - | 3,463,749 | 3,463,749 | 3,151,647 |
| Education | | - | 1,688,819 | 1,688,819 | 1,533,494 |
| Research | | - | 821,634 | 821,634 | 747,600 |
| Total Expenditure on Charitable Activities | | - | 16,668,670 | 16,668,670 | 15,032,274 |
| TOTAL EXPENDITURE | | 2,465,854 | 16,703,670 | 19,169,524 | 17,528,473 |
| NET INCOME BEFORE RECOGNISED GAINS | | 338,147 | 737,117 | 1,075,264 | 814,106 |
| Net gain / (loss) on investment assets | | 326,150 | (199,097) | 127,053 | (1,177,761) |
| NET INCOME | | 664,297 | 538,020 | 1,202,317 | (363,655) |
| Other Recognised (losses) | | | | | |
| Change in fair value of derivatives | 20 | - | (178,309) | (178,309) | (1,054) |
| Net movement in funds for the year | | 664,297 | 359,711 | 1,024,008 | (364,709) |
| Balance brought forward at 1 January 2023 | | 6,479,936 | 4,361,006 | 10,840,942 | 11,205,651 |
| Balance carried forward at 31 December 2023 | | 7,144,233 | 4,720,717 | 11,864,950 | 10,840,942 |
| None of the activities were acquired or discontinued during the above two financial years. | | | | | |
| All the activities of the charity are continuing. | | | | | |
| The notes on pages 23 to 41 form part of these Financial Statements. | | | | | |

THE LEPROSY MISSION INTERNATIONAL
A Company Limited by Guarantee, Registered Company Number: 3591514
CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 DECEMBER 2023

| | Notes | Consolidated | | Charity | |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| | | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| FIXED ASSETS | | | | | |
| Fixed assets | 10 | 727,143 | 794,217 | 702,143 | 743,370 |
| Building Improvements | 10 | 467,107 | 583,588 | 467,107 | 583,588 |
| Investments | 11 | 7,146,726 | 7,043,729 | 7,858,566 | 7,736,389 |
| | | <u>8,340,976</u> | <u>8,421,534</u> | <u>9,027,816</u> | <u>9,063,347</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 148,481 | 216,133 | - | - |
| Debtors | 13 | 1,041,585 | 1,245,216 | 1,040,304 | 1,217,304 |
| Prepayments | 14a | 115,589 | 180,024 | 115,589 | 180,024 |
| Accrued income from supporting councils | 14b | 217,694 | 94,739 | 217,694 | 94,739 |
| Cash at bank and in hand | | | | | |
| Held in sterling | | 3,129,006 | 2,300,156 | 2,919,421 | 2,252,002 |
| Held in other currencies | | 1,209,374 | 785,349 | 459,374 | 35,349 |
| | | <u>5,861,729</u> | <u>4,821,617</u> | <u>4,752,382</u> | <u>3,779,418</u> |
| CURRENT LIABILITIES | | | | | |
| Creditors due within one year | 15 | (1,907,686) | (2,027,323) | (1,485,179) | (1,626,937) |
| NET CURRENT ASSETS | | <u>3,954,043</u> | <u>2,794,294</u> | <u>3,267,203</u> | <u>2,152,481</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | 12,295,019 | 11,215,828 | 12,295,019 | 11,215,828 |
| CREDITORS DUE AFTER ONE YEAR | | | | | |
| | 16 | (430,069) | (374,886) | (430,069) | (374,886) |
| NET ASSETS | | <u>11,864,950</u> | <u>10,840,942</u> | <u>11,864,950</u> | <u>10,840,942</u> |
| FUNDS | | | | | |
| Unrestricted funds | | | | | |
| General reserve | | 5,238,143 | 4,409,471 | 5,238,143 | 4,409,471 |
| Designated funds: | | | | | |
| Fixed assets used by the Mission | 19 | 1,094,250 | 1,256,205 | 1,094,250 | 1,256,205 |
| Fixed assets held on behalf of supporting councils | 19 | 100,000 | 121,600 | 100,000 | 121,600 |
| TLM Trading Ltd (investment) | 19 | 711,840 | 692,660 | 711,840 | 692,660 |
| | | <u>7,144,233</u> | <u>6,479,936</u> | <u>7,144,233</u> | <u>6,479,936</u> |
| Restricted - other funds | 20 | 2,030,755 | 1,293,638 | 2,030,755 | 1,293,638 |
| Restricted - derivatives fair value | 20 | (183,713) | (5,404) | (183,713) | (5,404) |
| Restricted - Special pension account | 20 | 2,873,675 | 3,072,772 | 2,873,675 | 3,072,772 |
| | | <u>11,864,950</u> | <u>10,840,942</u> | <u>11,864,950</u> | <u>10,840,942</u> |

General reserve for 2023 includes an amount of £1,548,205 (2022: £1,080,341) being the revaluation reserve in respect of accumulated unrealised investment gains.

The results of the charity (TLMI) before consolidation show a total income of £18,447,236 (2022: £16,590,474) and expenditure of £17,420,446 (2022: £15,742,060) resulting in a profit before realised and unrealised investment gains of £1,026,790 for the year. The result was a loss of £721,428 after recognising the investment gain for the year.

The notes on pages 23 to 41 form part of these Financial Statements.

Approved and authorised for issue by the Trustees on 28 June 2024 and signed on their behalf by:



Chairman: Mr. Colin Osborne



Treasurer: Mr Gordon Brown

THE LEPROSY MISSION INTERNATIONAL
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

| | | 2023 | 2022 |
|--|--------|------------------|------------------|
| | | £ | £ |
| Cash generated by operating activities | Note A | (526,847) | 1,777,978 |
| Cashflows from investing activities | | | |
| Investment income | | 125,685 | 144,284 |
| Interest paid | | (87,698) | (9,346) |
| Purchase of tangible fixed assets | | - | (76,938) |
| Decrease / (Increase) in cash available for investment | | 257,594 | (92,339) |
| Purchase of investments | | (1,812,906) | (1,339,405) |
| Sale of investments | | 3,297,047 | 1,156,822 |
| Increase in cash in the year | | <u>1,252,875</u> | <u>1,561,056</u> |
| | | | |
| Cash at the beginning of the period | | <u>3,085,505</u> | <u>1,524,449</u> |
| | | | |
| Cash at the end of the period | | <u>4,338,380</u> | <u>3,085,505</u> |

Note A: Reconciliation of net incoming resources before revaluation to net cash inflow from operating activities.

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| Net movement in funds in year | (1,024,008) | (364,709) |
| (Gains) / Losses on investment | (127,053) | 1,177,761 |
| Change in fair value of derivatives | (178,309) | 1,054 |
| Investment income | 125,685 | 144,284 |
| Interest paid | 87,698 | 9,346 |
| Depreciation charge | 194,921 | 188,590 |
| Decrease in stock | 67,652 | 104,354 |
| Decrease in debtors | 213,024 | 219,751 |
| Decrease / (Increase) in prepayments | 64,435 | (41,815) |
| Decrease in accrued income | 122,955 | 197,863 |
| (Decrease)/ Increase in creditors | (73,847) | 141,499 |
| Net cash (used in) / provided by operating activities | <u>(526,847)</u> | <u>1,777,978</u> |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1. ACCOUNTING POLICIES

a) Basis of Accounting

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) (Second Edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Consolidation

These Financial Statements consolidate the results of The Leprosy Mission International and TLM Trading Ltd., its subsidiary, on a line by line basis. A separate Statement of Financial Activities for The Leprosy Mission International is not presented because the charity has taken advantage of the section 408 of the Companies Act 2006.

c) Going Concern

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Mission is well placed to manage the business and risks we face. We are supported by a strong cash flow, a sufficient level of resources, a good relationship with supporting countries and other organisations to continue supporting the leprosy work. Our planning processes including financial projects take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

We acknowledge our pension fund obligation and the results of the 31 December 2018 triennial valuation showed that the Combined Funding Level of the Scheme was in surplus.

The Mission therefore believe that there are no material uncertainties that call into doubt the ability of the Mission to continue as a going concern for the foreseeable future (being at least one year from the date of approval of the financial statements).

d) Income

Income from Supporting Countries and Support Groups, investment income and interest on deposits are dealt with on a receivable basis. All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and receipt is probable.

e) Fund Accounting

General unrestricted funds include movements on general funds. They are available for use at the discretion of the Trustees for the furtherance of the Mission's work.

Designated funds are amounts which have been put aside at the discretion of the Trustees which represent net book value of fixed assets in use by the Mission and the investment value of TLM Trading Limited (see note 19).

Restricted funds are amounts which have been given to the Mission for specific purposes and are further detailed in note 20.

f) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less depreciation. Except freehold land, the depreciation is calculated to write off the cost of fixed assets by equal annual instalments over their expected useful life as follows: Freehold and Leasehold property 2%, Building Improvement 10%, Equipment 20%, Computers 33%. The Mission capitalises assets above the value of £500.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1. ACCOUNTING POLICIES (Continued)

g) Investments

Investments are included in the Financial Statements at market value and associated realised and unrealised gains and losses are shown in the Statement of Financial Activities. Unlisted investments, which comprise the investment in TLM Trading Limited, are stated at fair value which is calculated as the net assets of the company. All income from investments is shown on an accrued basis and used for the furtherance of the Mission's work.

h) Foreign Currencies

Monetary assets and liabilities demonstrated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

i) Stocks

Stocks consist of merchandise for resale by TLM Trading Limited and are valued at the lower of cost and net realisable value. Cost is determined principally on the first in first out basis. Net realisable value is the expected price at which stock can be realised.

j) Operating Lease Agreements

Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.

k) Pension Costs

The Mission operates a non-contributory defined contribution pension scheme with AVIVA. Previously it participated in a multi-employer defined benefit scheme providing benefits based upon career averaged revalued earnings, which was closed on 31 March 2013 for all employees. In accordance with FRS102, deficit funding for the pension scheme in which the Mission participates is accrued at current value in creditors falling due after more than one year. For additional information please refer to note 18.

l) Grant Making

Grants are given annually to programmes, which fit the vision and strategy approved by the Board. All programmes are required to prepare Annual Plans and Budgets. Grants are paid in accordance with the approved annual plan/budgets.

m) Taxation

The Leprosy Mission International has a wholly owned trading subsidiary, TLM Trading Limited which is a registered company in England and Wales. Part of the profit is donated by Gift Aid to The Leprosy Mission International.

The Leprosy Mission International is a registered charity and is thus exempt from tax on income and gains falling within chapter 3 of part II of the Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

n) Trade Income

Revenue from TLM Trading Ltd comprises income from the sale of goods through its catalogue and online website. Where applicable, income is realised net of value added tax.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1. ACCOUNTING POLICIES (Continued)

o) Expenditure

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated on the basis of time spent.

Cost of generating funds: Includes costs associated with activities which are directly involved in generating income for the Mission.

Charitable activities: Includes payment of grants to programmes and support costs apportioned as shown in Note 7a. Grants are paid in accordance with the budget approved by the Board.

Governance costs: Includes costs associated with the governance arrangements of the Mission which include audit fees and expenses relating to governance structure.

Support costs: Includes costs associated with the day to day management of the Mission. These costs cannot be directly associated to a particular activity of the business and accordingly are apportioned on the basis of time spent as shown in Note 7b.

p) Fair value of derivatives

The Charity has entered into foreign currency forward exchange contracts with financial institutions. Fair value is derived as the movement in the forward exchange rate that has been achieved between the dates the contract was entered into and the balance date.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

t) Judgements and estimates

In preparing these financial statements, the Trustees are required to make judgements, estimates and assumptions that affect the application of the Mission's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. Similarly, the Trustees do not consider that there are any areas of significant estimation uncertainty or judgement within the financial statements.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 2. STATEMENT OF FINANCIAL ACTIVITIES

The net movement in funds is shown after charging:

| | Consolidated | | Charity | |
|---|--------------|-----------|----------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Audit fee - parent company | 23,580 | 18,000 | 23,580 | 18,000 |
| - subsidiary | 10,450 | 9,500 | - | - |
| Depreciation - owned assets* | 173,321 | 184,790 | 147,474 | 156,438 |
| - leased assets | 21,600 | 3,800 | 21,600 | 3,800 |
| Investment managers' charges | 24,502 | 24,358 | 24,502 | 24,358 |
| Foreign exchange (gain) | (92,676) | (110,732) | (92,676) | (110,732) |
| Bank interest | 87,698 | 9,346 | 73,533 | 9,346 |
| Investment (gain) / loss on TLM Trading Ltd | (19,180) | 34,311 | (19,180) | 34,311 |

* Includes depreciation charge of Office building Improvement

NOTE 3. DONATIONS

Net donations represent funds raised by TLM Fellowship Member Countries and other donor organisations. Supporting Member Countries' own costs of maintenance, administration, and fundraising have been deducted from their income and included in their own accounts. All income received by The Leprosy Mission International during the year is shown in the Statement of Financial Activities. Unspent Restricted Fund balances are carried forward to subsequent years. Comparisons between years are affected due to actual exchange rates applied in respective periods.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. DONATIONS (Continued)

| | 2023 | 2023 | 2023 | 2022 | 2022 | 2022 |
|--|--------------|------------|------------|--------------|------------|------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| TLM Supporting Member Countries: | | | | | | |
| Australia | - | 1,325,018 | 1,325,018 | - | 1,367,512 | 1,367,512 |
| Belgium | - | 18,393 | 18,393 | - | 19,765 | 19,765 |
| Denmark | - | 164,451 | 164,451 | - | 193,010 | 193,010 |
| England & Wales | - | 6,459,992 | 6,459,992 | - | 5,917,178 | 5,917,178 |
| Finland | - | 13,840 | 13,840 | - | 13,105 | 13,105 |
| France | - | 76,490 | 76,490 | - | 83,169 | 83,169 |
| Germany | - | 225,706 | 225,706 | - | 219,661 | 219,661 |
| Hungary | - | 145,088 | 145,088 | - | 117,039 | 117,039 |
| Korea | - | 36,689 | 36,689 | - | 37,314 | 37,314 |
| Netherlands | - | 1,618,449 | 1,618,449 | - | 1,654,781 | 1,654,781 |
| New Zealand | - | 2,043,725 | 2,043,725 | - | 1,932,324 | 1,932,324 |
| Northern Ireland | - | 422,927 | 422,927 | - | 452,006 | 452,006 |
| Norway | - | 5,686 | 5,686 | - | - | - |
| Scotland | - | 363,664 | 363,664 | - | 398,967 | 398,967 |
| Sweden | - | 881,908 | 881,908 | - | 881,495 | 881,495 |
| Switzerland | - | 1,581,886 | 1,581,886 | - | 1,359,316 | 1,359,316 |
| Other Donor Organisations: | | | | | | |
| AIFO | - | 23,542 | 23,542 | - | - | - |
| ALM: AIM / ASHA | - | 391,083 | 391,083 | - | 110,756 | 110,756 |
| Betty Isabel Balmain Estate | - | 51,105 | 51,105 | - | - | - |
| CoWater Intl | - | 34,183 | 34,183 | - | - | - |
| Danish Church Aid | - | 179,848 | 179,848 | - | 51,852 | 51,852 |
| Effect Hope | - | 554,049 | 554,049 | - | 594,110 | 594,110 |
| Heavens Family | - | - | - | - | 3,047 | 3,047 |
| International Committee of the Red Cross | - | 100,995 | 100,995 | - | 57,812 | 57,812 |
| Italy | - | 22,549 | 22,549 | - | 8,309 | 8,309 |
| JSI - USA | - | 55,646 | 55,646 | - | - | - |
| Leprosy Research Initiative (LRI) | - | 103,275 | 103,275 | - | 96,290 | 96,290 |
| Netherlands Leprosy Relief (NLR) | - | 32,026 | 32,026 | - | - | - |
| Norec | - | 142,912 | 142,912 | - | 172,814 | 172,814 |
| Nuffic | - | - | - | - | 25,198 | 25,198 |
| Old Dart Foundation | - | 84,126 | 84,126 | - | 75,239 | 75,239 |
| Probitas | - | 74,275 | 74,275 | - | - | - |
| Sasakawa | - | 15,709 | 15,709 | - | 12,666 | 12,666 |
| Solidarite Protestante | - | 14,738 | 14,738 | - | 11,772 | 11,772 |
| TLM Spain | - | 12,863 | 12,863 | - | 16,167 | 16,167 |
| TearFund | - | 15,000 | 15,000 | - | - | - |
| University of Birmingham (NIHR) | - | 355,752 | 355,752 | - | 302,851 | 302,851 |
| | - | 17,647,585 | 17,647,585 | - | 16,185,527 | 16,185,527 |

TLM Trading Limited received £542,248 (2022: £503,069) as general donations and Gift for Life donations from its customers. In recognition of the use of donor database of TLM Supporting countries, the donations were given to the respective TLM Supporting countries. These donations are accounted for in the accounts of the respective TLM Supporting country.

| | 2023 | 2022 |
|----------------------|----------------|----------------|
| | £ | £ |
| TLM England & Wales | 459,394 | 427,102 |
| TLM Northern Ireland | 31,118 | 29,401 |
| TLM Scotland | 51,736 | 46,566 |
| | <u>542,248</u> | <u>503,069</u> |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4. TRADING ACTIVITIES – TLM TRADING LIMITED

TLM Trading Limited, (Company Number: 3045864) an incorporated UK company, is a wholly owned subsidiary. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | £ | £ |
| Turnover | 1,584,859 | 1,628,623 |
| Bank interest and royalties receivable | 14,165 | 1 |
| Other operating income* | 223,425 | 172,881 |
| | <u>1,822,449</u> | <u>1,801,505</u> |
| Cost of sales | (594,704) | (596,615) |
| Distribution costs | (725,073) | (784,346) |
| Administrative expenses** | (483,492) | (441,220) |
| | <u>(1,803,269)</u> | <u>(1,822,181)</u> |
| Operating Profit before Taxation and defined benefit pension scheme | 19,180 | (20,676) |
| Gift Aid donation to TLM International | - | - |
| Tax charge | | (13,635) |
| Gain for the financial year | <u>19,180</u> | <u>(34,311)</u> |
| The aggregate of the assets, liabilities and funds was: | | |
| Total assets less current liabilities | 692,660 | 726,971 |
| Liabilities falling due after more than one year and provisions | 19,180 | (34,311) |
| Funds | <u>711,840</u> | <u>692,660</u> |

* Other operating income includes £35,000 (2022: £35,000) from the parent charity for promoting development of artisan products, which is eliminated upon consolidation.

** Administrative expenses include a fee of £14,400 (2022: £14,400) for accounting services by the parent company which is eliminated upon consolidation.

NOTE 5a. INVESTMENT INCOME

| | 2023 | 2022 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Equities | 97,813 | 117,998 |
| Fixed interest securities | 22,794 | 18,137 |
| Interest on cash deposits | 5,078 | 8,149 |
| | <u>125,685</u> | <u>144,284</u> |

NOTE 5b. OTHER INCOME

| | 2023 | 2022 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Refund from Special Pension Account | 389,619 | 117,468 |
| Other income | 248,979 | 87,800 |
| Gift aid | 45,471 | 40,995 |
| | <u>684,069</u> | <u>246,263</u> |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 6. EXPENDITURE ON CHARITABLE ACTIVITIES

Most of the Mission's programmes are carried out through grants to associated local organisations, which provide medical care and sustainable benefits for individuals and communities affected by leprosy. The total amount spent in 2023 is included in the Statement of Financial Activities under Direct Charitable Expenditure and the Mission has supported more than 206 projects in more than 16 countries.

The programmes listed below are the major grants given during the year including the 50 largest programmes, representing more than 75% of total programme expenditure. These amounts include the associated support costs.

| Country/Project | 2023 | 2022 | |
|--|------------------------------|-------------|---------|
| | £ | £ | |
| Bangladesh | | | |
| Advocacy for Employment | Community Programme | 310,182 | 247,939 |
| Chittagong Hill Tracts | Leprosy Control | 136,551 | 150,958 |
| Chittagong Community Rehabilitation | Rehabilitation | 90,473 | 112,703 |
| Dhaka Co-ordination | Supervision | 217,132 | 179,335 |
| Gaibandha-Jaypurhat LCP | Leprosy Control Prog (LCP) | 70,337 | 103,532 |
| Nilphamari (DBLM) | Hosp/Rehab/Research/Train | 361,993 | 426,172 |
| Dhaka CBR | Rehabilitation | 54,475 | 95,455 |
| Leprosy Field Research | Research | 353,279 | 444,865 |
| Integrated Leprosy Health Systems | Community Programme | 393,286 | 257,348 |
| Covid 19 Emergency Relief | Relief/Rehabilitation | - | 5,483 |
| Staff Exchange Norec | Training | 40,980 | 70,197 |
| Chad | | | |
| Five Prefectures | Technical Support | 175,201 | 191,848 |
| DR Congo | | | |
| Community Mental Health | Community Mental Health | 56,535 | 38,277 |
| Kasai Leprosy Projects | Leprosy Control/Tech Support | 199,400 | 169,840 |
| GIPAL / Inclusion of Children | Inclusion/Rehab/Lep Control | 392,495 | 292,391 |
| Power of Voice - We Are Able | Rehabilitation | 464,323 | 447,829 |
| South Kivu, Maniema & Mingwanga | Leprosy Control | 95,122 | 84,214 |
| Sankuru | Leprosy/TB Control | 51,513 | 30,368 |
| Ethiopia | | | |
| ENAPAL/Woreda 1 Urban Slum Dev | Rehabilitation | 193,427 | 99,791 |
| Emergency Relief | Relief/Rehabilitation | - | 74,677 |
| Power of Voice - We Are Able | Rehabilitation | 362,704 | 367,252 |
| India | | | |
| Bankura Leprosy Hospital | Hospital Prog/Training | 23,558 | 24,828 |
| Bankura VTC | Vocational Training | 56,085 | 69,161 |
| Brighter Future Development | Community Programme | 111,185 | 107,470 |
| Building Leprosy Competencies | Training | - | 21,467 |
| Comm Aware & Disab. Prevention | Community Programme | 69,035 | 214,517 |
| Champa Hospital | Hospital Programme | 66,174 | - |
| Champa VTC | Vocational Training | 51,480 | 15,036 |
| Chandkuri Leprosy Hospital | Hospital Programme | 68,113 | 180,911 |
| College on Wheels | Training | 63,199 | 66,839 |
| Inclusive Empowerment (SOAR) | Rehabilitation | 85,364 | 80,818 |
| Faizabad VTC | Vocational Training | 60,676 | 102,831 |
| Kolkata Leprosy Hospital | Hospital Programme | 139,681 | 136,061 |
| Kothara Leprosy Hospital | Hospital Programme | 9,191 | 58,205 |
| Plantar Ulcer Trial / Heal after MDT study | Research/Study/Trials | 54,275 | 16,301 |
| M-RITE (JSI COVID vaccination Project) | Relief / Rehabilitation | 61,648 | - |
| Medical Care - Barabanki, Naini, Vadathorsalur | Hospital Programme | 97,553 | 104,038 |
| Mental Health in Bihar | Mental Health Programme | 31,272 | 27,470 |
| Miraj Leprosy Hospital & Research | Hospital Programme/Research | 191,035 | 144,607 |
| Muzzaffarpur Leprosy Hospital | Hospital Programme | 46,187 | 206,900 |
| Naini Hospital | Hospital Programme | 192,054 | 187,644 |

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 6. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

| Country/Project | | 2023 £ | 2022 £ |
|---|--------------------------------|-----------|-----------|
| India (continued) | | | |
| Nashik VTC | Vocational Training | 76,353 | 70,597 |
| Purulia Leprosy Hospital | Hospital Programme | 236,210 | 219,343 |
| Rehabilitation (nationwide) / CUFA | Rehabilitation | 69,863 | 101,150 |
| RIGHT 1 | Research | 114,861 | 129,480 |
| Salur Leprosy Hospital | Hospital Programme | 623,800 | 157,617 |
| Mass Media Centre | Health Education | 83,316 | 83,576 |
| Vadathorasalur, Vizianagaram VTC | Vocational Training | 87,191 | 81,333 |
| Women's Empowerment / WEALTH | Community Programme | 447,370 | 309,910 |
| India Office Supervision | Tech.Support/Supervision | 247,310 | 139,708 |
| Indonesia | | | |
| PEPCOM / Leprosy Village | Leprosy Control / Community | 227,725 | 210,609 |
| Mozambique | | | |
| Mission Zero | | 647,119 | 540,142 |
| Myanmar | | | |
| Emergency Support | Relief/Rehabilitation | 104,599 | 83,692 |
| Mawlamyine Hospital | Hospital Programme/Rehab | 221,152 | 222,130 |
| GRACE/RLII | Community/Empowerment | 533,938 | 419,030 |
| Transformation & Renewal E.Shan | Relief/Rehabilitation | 52,526 | 150,802 |
| Staff Exchange Norec | Training | 55,179 | 59,932 |
| Nepal | | | |
| Anandaban Hospital | Hospital Programme | 594,846 | 260,163 |
| Anandaban Research | Research/Training | 219,117 | 145,547 |
| Anandaban Trauma Centre | Hospital Programme | 565,476 | 350,283 |
| Central Region - Nepal | Technical Support | 31,008 | 42,715 |
| CBR/CTY/LCH Nepal | Community Programme | 302,894 | 275,396 |
| Dignity First | Community Programme | 316,298 | 44,723 |
| FOUND | Community Programme | 360,376 | 394,340 |
| HEAL | Hospital/Rehabilitation | - | 656,992 |
| International Nepal Fellowship | Community Programme | 19,443 | 16,783 |
| Jhapa Leprosy Reduction | Leprosy Control | 144,400 | 90,543 |
| Nepal Leprosy Fellowship | Community Programme | - | 53,473 |
| Nepal Tertiary Education Project | Education/Training | 31,626 | 56,315 |
| RIGHT 1 | Community Programme | 231,295 | 164,414 |
| Satellite Clinic Birathnagar | Community Programme | 32,389 | 11,182 |
| Staff Exchange Norec | Training | 62,165 | 59,757 |
| SEED/SILP | Empowerment | 63,967 | - |
| Niger | | | |
| CSL Danja/Niamey & Tillabery | Leprosy Control/Rehab | 609,188 | 505,023 |
| Emergency Response | Relief/Rehabilitation | 20,623 | - |
| Nigeria | | | |
| Integrated Leprosy & LF Case Finding / Pro-skin | Leprosy Control | 223,550 | 102,263 |
| Integrated NTD Control in Zamfara | Leprosy Control | 152,979 | 143,197 |
| Kwara/Kebbi/Kogi/Niger States | Leprosy Control/Rehab | 10,584 | 11,875 |
| Orthopaedic | Rehabilitation | 83,780 | 105,249 |
| Wheels That Heal | Community Programme | - | 14,606 |
| Nigeria Co-ordination, Harnessing Resources | Supervision | 115,960 | 156,465 |
| Faranciki / Open Minds Children & Young People | Rehabilitation / Mental Health | 227,563 | 37,701 |
| Ready for PEP | Research | 35,480 | - |
| Resilience Building & Disability Inclusion | Community Programme | 292,738 | 348,293 |
| RIGHT 1 | Research | 45,571 | 32,027 |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 6. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

| Country/Project | | 2023 | 2022 |
|--|--------------------------------|-------------------|-------------------|
| | | £ | £ |
| Papua New Guinea | | | |
| Bougainville Health Community Project | Rehabilitation | 785,101 | 747,102 |
| Empowerment/SED/Leprosy Control Partnership | Rehabilitation | 564,281 | 485,065 |
| Sri Lanka | | | |
| Empower Communities & Integration | Community Programme | 300,419 | 212,598 |
| Sudan | | | |
| Omdurman & Khartoum | Tech Supportt/Supervision | 26,011 | 39,116 |
| Tanzania | | | |
| Hombolo Hospital Programme & Housing | Leprosy Control/Rehabilitation | 14,127 | 51,004 |
| Thailand | | | |
| McKean Rehab Centre - Chiang Mai | Rehabilitation | - | 8,129 |
| Timor Leste | | | |
| National Programme | Leprosy Control | 430,885 | 390,558 |
| Other Grants sent to projects in other countries | | 428,845 | 384,748 |
| | | 16,668,670 | 15,032,274 |

NOTE 7a. EXPENDITURE

| | 2023 | | | 2022 | | | | |
|---------------------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|
| | Grants | Other Direct | Support | 2023 | Grants | Other Direct | Support | 2022 |
| | £ | Costs | Costs | Total | £ | Costs | Costs | Total |
| Cost of generating funds | | | | | | | | |
| Expenditure on raising funds | - | 711,985 | - | 711,985 | - | 674,785 | - | 674,785 |
| TLM Trading Ltd | - | 1,788,869 | - | 1,788,869 | - | 1,821,414 | - | 1,821,414 |
| Charitable activities | | | | | | | | |
| Nepal Trauma Centre | 174,393 | - | | 174,393 | 408,450 | - | | 408,450 |
| Public health | 2,721,145 | - | 291,511 | 3,012,656 | 2,496,526 | - | 244,675 | 2,741,200 |
| Hospitals | 2,834,377 | - | 258,775 | 3,093,152 | 2,216,167 | - | 217,198 | 2,433,365 |
| Disability care & prevention | 3,987,133 | - | 427,134 | 4,414,267 | 3,658,011 | - | 358,507 | 4,016,518 |
| Community development | 3,128,589 | - | 335,160 | 3,463,749 | 2,870,337 | - | 281,310 | 3,151,647 |
| Education | 1,522,019 | - | 166,801 | 1,688,820 | 1,393,492 | - | 140,001 | 1,533,493 |
| Research | 742,130 | - | 79,503 | 821,633 | 680,871 | - | 66,729 | 747,600 |
| | 15,109,786 | - | 1,558,884 | 16,668,670 | 13,723,853 | - | 1,308,420 | 15,032,274 |
| Total Expenditure | 15,109,786 | 2,500,854 | 1,558,884 | 19,169,524 | 13,723,853 | 2,496,199 | 1,308,420 | 17,528,473 |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 7b. ANALYSIS OF SUPPORT COSTS

| | Charity | |
|--|------------------|------------------|
| | 2023 | 2022 |
| | £ | £ |
| Financial Services | 65,054 | 59,025 |
| Quality Standards | 141,932 | 128,780 |
| Global Voice and External Representation | 186,122 | 168,875 |
| Fellowship Meetings | 171,763 | 155,846 |
| Global Fellowship Governance | 87,134 | 79,060 |
| Member Support to Implementing Countries | 332,341 | 301,544 |
| Member Support to Supporting Countries | 231,967 | 210,472 |
| Communications | 92,022 | 83,494 |
| Global Strategy | 72,694 | 65,958 |
| International Office - Operational | 120,005 | 108,884 |
| Pension Deficit | 57,850 | 57,200 |
| Foreign currency loss / (gain) | - | (110,718) |
| | <u>1,558,884</u> | <u>1,308,420</u> |

NOTE 8a. STAFF COSTS

| | Consolidated | | Charity | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Wages and salaries | 1,316,947 | 1,280,770 | 1,036,678 | 1,010,153 |
| Social security costs | 129,373 | 128,075 | 101,560 | 99,267 |
| Other pension costs | 175,171 | 163,707 | 142,795 | 137,280 |
| | <u>1,621,491</u> | <u>1,572,552</u> | <u>1,281,033</u> | <u>1,246,700</u> |
| | Number | Number | Number | Number |
| Number of staff | <u>30</u> | <u>34</u> | <u>23</u> | <u>26</u> |

Staff costs include the emoluments of cross-cultural staff working on TLM supported programmes and the allocation of these costs is shown in Note 7. The number of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows.

| | 2023 | 2022 |
|---------------------|----------|----------|
| | Number | Number |
| £100,001 - £110,000 | 1 | 1 |
| £70,001 - £80,000 | 1 | 0 |
| £60,001 - £70,000 | 4 | 2 |
| | <u>6</u> | <u>3</u> |

NOTE 8b. HOLIDAY PAY

The Mission operates holiday entitlement of 28 working days per annum to its full-time staff and part-time staff's entitlement is pro-rata accordingly to its UK employees. The period for calculating annual leave is from 1 January to 31 December and non-cumulative. The accrued holiday entitlement is immaterial for FRS102 disclosure purposes.

NOTE 8c. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are deemed to be those having authority and responsibility delegated to them by the Trustees of the Charity and the Directors of TLM Trading Ltd for planning directing, directing and controlling the activities of the Mission. During 2023, the Charity considers its key management personal comprises of the International Director and the Trading company considers its key management personnel comprises of the Chief Executive officer. Remuneration and pension for these employees amounted to £181,555 (2022: £172,890).

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 9. TRUSTEES EMOLUMENTS AND REIMBURSED EXPENSES

The Trustees received no remuneration or retirement benefits for their services. Eleven Trustees (2022: Eight) was reimbursed for travel expenses and out of pocket expenses during the year, amounting to a total of £14,921 (2022: £10,183).

The Leprosy Mission International has purchased indemnity insurance costing £1,872 (2022: £410) that provides cover:

- to protect the charity from loss arising from the neglect or defaults of its Trustees, employees or agents
- to indemnify the Trustees or other officers against the consequences of any neglect or default on their part.

NOTE 10. FIXED ASSETS

| Consolidated | Building Improvement £ | Freehold Property £ | Leasehold Property £ | Equipment, Computers & Website £ | Total 2023 £ |
|-----------------------|------------------------------|---------------------------|----------------------------|---|--------------------|
| Cost | | | | | |
| 01 January 2023 | 1,164,809 | 1,104,939 | 190,000 | 287,679 | 2,747,427 |
| Additions | - | - | - | 11,366 | 11,366 |
| 31 December 2023 | <u>1,164,809</u> | <u>1,104,939</u> | <u>190,000</u> | <u>299,045</u> | <u>2,758,793</u> |
| Depreciation | | | | | |
| 01 January 2022 | 581,221 | 496,283 | 68,400 | 223,718 | 1,369,622 |
| Charge for the year | 116,481 | 14,738 | 21,600 | 42,102 | 194,921 |
| 31 December 2022 | <u>697,702</u> | <u>511,021</u> | <u>90,000</u> | <u>265,820</u> | <u>1,564,543</u> |
| Net Book Value | | | | | |
| 31 December 2023 | <u>467,107</u> | <u>593,918</u> | <u>100,000</u> | <u>33,225</u> | <u>1,194,250</u> |
| 31 December 2022 | <u>583,588</u> | <u>608,656</u> | <u>121,600</u> | <u>63,961</u> | <u>1,377,805</u> |

The book cost at 31 December 2023 represents tangible fixed assets used for:

| | Freehold Property £ | Leasehold Property £ | Equipment & Computers £ | Total £ |
|---------------------------|---------------------------|----------------------------|-------------------------------|------------------|
| Fundraising | - | 190,000 | 24,370 | 214,370 |
| Long-served retired staff | 131,500 | - | - | 131,500 |
| Administration offices | 2,138,248 | - | 274,675 | 2,412,923 |
| | <u>2,269,748</u> | <u>190,000</u> | <u>299,045</u> | <u>2,758,793</u> |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 10. TANGIBLE FIXED ASSETS (Continued)

| Charity | Building Improvement £ | Freehold Property £ | Leasehold Property £ | Equipment & Computers £ | Total 2023 £ |
|---------------------|---------------------------------------|------------------------------------|-------------------------------------|--|-----------------------------|
| Cost | | | | | |
| 01 January 2023 | 1,164,809 | 1,104,939 | 190,000 | 148,962 | 2,608,710 |
| Addition | - | - | - | 11,366 | 11,366 |
| 31 December 2023 | 1,164,809 | 1,104,939 | 190,000 | 160,328 | 2,620,076 |
| Depreciation | | | | | |
| 01 January 2023 | 581,221 | 496,283 | 68,400 | 135,848 | 1,281,752 |
| Charge for the year | 116,481 | 14,738 | 21,600 | 16,255 | 169,074 |
| 31 December 2023 | 697,702 | 511,021 | 90,000 | 152,103 | 1,450,826 |
| Net book value | | | | | |
| 31 December 2023 | 467,107 | 593,918 | 100,000 | 8,225 | 1,169,250 |
| 31 December 2022 | 583,588 | 608,656 | 121,600 | 13,114 | 1,326,958 |

Properties

The Mission is the beneficial user of the properties registered in the name of The Leprosy Mission Corporation, a company limited by guarantee. The Leprosy Mission Corporation is also the registered owner of properties which are provided for the accommodation of retired staff and for Supporting Member Countries.

The Leasehold property is also held on behalf of one Supporting Member Country.

NOTE 11. INVESTMENTS

The fund is held in two portfolios with the sterling investments being quoted on the London Stock Exchange and other currency investments quoted in Frankfurt, Tokyo, New York or Zurich, with the exception of TLM Trading Limited which is stated below. The Investment Managers operate within the guidelines given by the Trustees, which includes an ethical investment policy and any single equity investment held in the portfolio should not represent more than 5% of the portfolio value.

Investments in trading subsidiaries

| Name of Subsidiary | Holding | Proportion of Voting Rights | Registered In | Investment £ |
|---------------------------|-----------------|--|----------------------|-------------------------|
| TLM Trading Limited | Ordinary shares | 100% | England | 200,000 |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 11. INVESTMENTS (Continued)

| | UK £ | Overseas £ | 2023 Consolidated £ | TLM Trading (UK) £ | 2023 Charity £ |
|---|--------------------|------------------|---------------------------|--------------------------|----------------------|
| Market value at 1 January 2023 | 5,742,674 | 1,301,055 | 7,043,729 | 692,660 | 7,736,389 |
| Less: Portfolio cash | (339,408) | | (339,408) | - | (339,408) |
| | <u>5,403,266</u> | <u>1,301,055</u> | <u>6,704,321</u> | <u>692,660</u> | <u>7,396,981</u> |
| Additions at cost | 1,772,403 | 40,503 | 1,812,906 | - | 1,812,906 |
| Disposals | <u>(1,307,217)</u> | <u>(193,067)</u> | <u>(1,500,284)</u> | <u>-</u> | <u>(1,500,284)</u> |
| | 5,868,452 | 1,148,491 | 7,016,943 | 692,660 | 7,709,603 |
| Market Value (less: Cash) at 31 December 2023 | 5,792,628 | 1,351,368 | 7,143,996 | 711,840 | 7,855,836 |
| Gain | (75,824) | 202,877 | 127,053 | 19,180 | 146,233 |
| Market value at 31 December 2023 | 5,792,628 | 1,351,368 | 7,143,996 | 711,840 | 7,855,836 |
| Add: Cash | 81,814 | - | 81,814 | - | 81,814 |
| | <u>5,874,442</u> | <u>1,351,368</u> | <u>7,225,810</u> | <u>711,840</u> | <u>7,937,650</u> |
| Analysis of investments | | | | | |
| Equities | 4,798,640 | 1,351,368 | 6,150,008 | 711,840 | 6,861,848 |
| Fixed interest securities | 914,904 | - | 914,904 | - | 914,904 |
| Cash deposit | 81,814 | - | 81,814 | - | 81,814 |
| | <u>5,795,358</u> | <u>1,351,368</u> | <u>7,146,726</u> | <u>711,840</u> | <u>7,858,566</u> |
| Cost at 31 December 2023 | <u>4,862,454</u> | <u>736,067</u> | <u>5,598,521</u> | <u>330,250</u> | <u>5,928,771</u> |
| Accumulated unrealised investment gain at 31 December 2023 | <u>932,904</u> | <u>615,301</u> | <u>1,548,205</u> | <u>381,590</u> | <u>1,929,795</u> |

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 12. STOCKS

| | Consolidated | | Charity | |
|--|--------------|---------|---------|------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Goods for resale at lower of cost and net realisable value | 148,481 | 216,133 | - | - |

NOTE 13. DEBTORS

| | Consolidated | | Charity | |
|---------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade debtors | 1,155 | 27,912 | - | - |
| Other debtors | 1,040,430 | 1,217,304 | 1,040,304 | 1,217,304 |
| | <u>1,041,585</u> | <u>1,245,216</u> | <u>1,040,304</u> | <u>1,217,304</u> |

The Mission approved a secured debenture loan of £250,000 to TLM Trading Limited with interest being charged at market rate, which showed a nil balance at the year-end (2022: £nil). This was to enable TLM Trading Limited to develop trading partnerships to create employment opportunities and income generation for people affected by leprosy and their families.

Included in 'other debtors' is an amount of £706,637 (2022: £942,944) made to TLM Trust India for funding its charitable activities. Repayments of £200,000 p.a. commenced from July 2022.

NOTE 14. PREPAYMENTS

Prepayments represent funds remitted overseas during December 2023 to be spent in 2024 and to meet the requirements of the 2024 expenditure budget and therefore will be included in the accounts for 2024. These funds represent an advance on activities to be performed in 2024.

NOTE 14b: ACCRUED INCOME

Income from supporting countries are fully recognised in the SOFA and Note 3. In 2023, an amount of £217,694 (2022: £94,739) received after the year end and they are recognised as accrued Income.

NOTE 15. CREDITORS DUE WITHIN ONE YEAR

| | Consolidated | | Charity | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Accruals | 829,319 | 708,614 | 795,659 | 682,962 |
| Trade creditors | 228,552 | 220,307 | | |
| Other creditors | 599,882 | 1,030,826 | 477,282 | 912,884 |
| Derivatives | 183,713 | 5,404 | 183,713 | 5,404 |
| Social security and other taxes | 66,220 | 62,172 | 28,525 | 25,687 |
| | <u>1,907,686</u> | <u>2,027,323</u> | <u>1,485,179</u> | <u>1,626,937</u> |

The Mission has an overdraft facility with Barclays Bank plc of £1,000,000, which is secured against the office building and against its investment portfolio, which is managed by Rathbones Investment Management Limited.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 16. CREDITORS DUE AFTER ONE YEAR

| | Consolidated | | Charity | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Chad Staff Medical Provision | 20,684 | 15,109 | 20,684 | 15,109 |
| Longterm Severance Pay | 257,519 | 186,226 | 257,519 | 186,226 |
| Resettlement fund | 91,755 | 117,467 | 91,755 | 117,467 |
| Superannuation fund | 60,111 | 56,084 | 60,111 | 56,084 |
| | <u>430,069</u> | <u>374,886</u> | <u>430,069</u> | <u>374,886</u> |

Chad Staff Medical Provision fund is held with TLMI for staff medical provision which is part of employment benefit. Other Implementing countries hold this benefit provision in country.

The Resettlement fund and the Superannuation fund are accrued benefits to the personnel who are working in the field which are payable at the time they leave the Mission. The total liability does not exceed the balance held at the closing date and is represented by cash held on deposit.

The multi-employer pension scheme liability was an amount recognised for the past employees of the charity in accordance with FRS102. The charity recognised the liability for deficit repayments and discounted it back to its net present value. As there was no deficit repayment plan in place from 1 January 2020, there was no liability at 31 December 2023.

NOTE 17. RELATED PARTY TRANSACTIONS

TLM Trading Limited is a wholly owned subsidiary of The Leprosy Mission International, whose financial statements are publicly available (see note 4: Trading Activities- TLM Trading Limited for details of transactions between The Leprosy Mission International and TLM Trading Limited).

At 31 December 2023, an amount of £30 (2022: (£9,393)) was due to the parent company from its subsidiary through its inter-company account, which is settled during the year. There is no interest charged and no fixed repayment.

There were no other related party transactions in the current or previous accounting period.

NOTE 18. PENSION SCHEME

The Mission operated a non-contributory multi-employer pension scheme providing benefits based upon career averaged re-valued earnings. The career averaged re-valued earnings scheme was closed to new members effective from 12 November 2007 and with effect from 31 March 2013 the scheme was closed to new accruals. The Mission's pension contributions are determined by a qualified actuary on the basis of triennial valuations. The actuarial valuation was made as at 31 December 2018 using the projected unit valuation method and the market value of the assets represented 100% of the market value of the liabilities.

The individual accounts of each of the participating employers need to reflect the obligation they have to the Scheme. The Scheme cannot identify each employer's share of the total Scheme assets. Therefore, it is not possible to use defined benefit accounting for an individual company. Accordingly, the scheme is accounted for as if it is a defined contribution scheme.

The previous actuarial triennial valuation was completed as at 31 December 2021. The valuation of the scheme revealed the scheme is fully funded. The Trustees and the employers have agreed that an additional contribution of £57,200 per annum will be paid to cover the administrative cost of the scheme. This amount will be paid into the Special Pension Account held by The Leprosy Mission International in equal monthly instalments from 1 January 2023 for a period of 3 years.

By agreement with the pension Trustees, The Leprosy Mission International has agreed to pay the above pension contribution into the Special Pension Account (refer note 20).

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 18. PENSION SCHEME (Continued)

FRS 102 requires an entity that has entered into an agreement to reduce the historic deficit on a multi-employer pension scheme, to recognise the liability in accordance with FRS 102 section 28.13 and 28.13A.

The most recent valuation of the Scheme was carried out with an effective date of 31 December 2021. This valuation revealed the Scheme was in surplus on the agreed Statutory Funding Objective basis agreed between the employers and the pension Scheme Trustees. As a result, no Recovery Plan was required. Therefore, the FRS102 liability as at 31 December 2023 is £Nil (2022: £Nil)

In addition, the Charity has a trading subsidiary, which is included in the consolidated financial statements. The trading subsidiary also has a multi-employer pension scheme which is required to recognise its liability in accordance with FRS 102 section 28.13 and 28.13A. At 31 December 2023, this liability is £Nil. (2022: £Nil). The impact of bringing these liabilities to account has resulted in change in the value of the investment. The next actuarial valuation is due at 31 December 2024 and the results are expected by November 2025.

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

The Mission's pension cost for the year amounted to £142,795 (2022: £137,280).

NOTE 19. DESIGNATED FUNDS

| | Balance 01.01.23 £ | Consolidated Movements £ | Balance 31.12.23 £ |
|---|--------------------------|--------------------------------|--------------------------|
| Fixed assets used by the Mission | 1,256,205 | (161,955) | 1,094,250 |
| Fixed assets held on behalf of Supporting Countries | 121,600 | (21,600) | 100,000 |
| TLM Trading Limited | 692,660 | 19,180 | 711,840 |
| | <u>2,070,465</u> | <u>(164,375)</u> | <u>1,906,090</u> |

| | Balance 01.01.22 £ | Consolidated Movements £ | Balance 31.12.22 £ |
|---|--------------------------|--------------------------------|--------------------------|
| Fixed assets used by the Mission | 1,364,058 | (107,853) | 1,256,205 |
| Fixed assets held on behalf of Supporting Countries | 125,400 | (3,800) | 121,600 |
| TLM Trading Limited | 726,971 | (34,311) | 692,660 |
| | <u>2,216,429</u> | <u>(145,964)</u> | <u>2,070,465</u> |

Designated funds

Designated funds are amounts which have been set aside by the Trustees.

Fixed assets used by the mission / fixed assets held on behalf of supporting countries

At 31 December 2023, fixed assets used by the Mission and held on behalf of Supporting Countries have been shown at net book value as at this date.

TLM Trading Limited

The fund represents the net asset value of the charity's subsidiary company, TLM Trading Limited at 31 December 2023.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 20. RESTRICTED FUNDS

| | Balance | Income | Expenditure | Gains, Losses and Transfers | Balance |
|--------------------------------|------------|------------|-------------|-----------------------------------|------------|
| | 01.01.2023 | | | | 31.12.2023 |
| | £ | £ | £ | £ | £ |
| Nepal Trauma Centre | 214,083 | - | 174,393 | - | 39,690 |
| Public Health | 49,771 | 2,984,267 | 3,012,656 | - | 21,382 |
| Hospitals | 211,429 | 2,632,907 | 2,674,337 | - | 169,999 |
| Disability care and Prevention | - | 4,447,864 | 4,414,267 | - | 33,597 |
| Community Development | 29,121 | 3,649,914 | 3,463,749 | - | 215,286 |
| Education | - | 1,850,583 | 1,723,820 | - | 126,763 |
| Research / Laboratory | 789,234 | 1,875,252 | 1,240,448 | - | 1,424,038 |
| Restricted Fund: Projects | 1,293,638 | 17,440,787 | 16,703,670 | - | 2,030,755 |
| Special Pension Account | 3,072,772 | - | - | (199,097) | 2,873,675 |
| Derivatives Fair Value | (5,404) | - | - | (178,309) | (183,713) |
| | 4,361,006 | 17,440,787 | 16,703,670 | (377,406) | 4,720,717 |
| | 01.01.2022 | | | | 31.12.2022 |
| | £ | £ | £ | £ | £ |
| Nepal Trauma Centre | 453,610 | 168,923 | 408,450 | - | 214,083 |
| Public health | - | 2,790,971 | 2,741,200 | - | 49,771 |
| Hospitals | 3,275 | 2,641,519 | 2,433,365 | - | 211,429 |
| Disability care and Prevention | - | 4,016,518 | 4,016,518 | - | - |
| Community Development | 17,889 | 3,162,879 | 3,151,647 | - | 29,121 |
| Education | - | 1,568,494 | 1,568,494 | - | - |
| Research / Laboratory | 45,788 | 1,491,046 | 747,600 | - | 789,234 |
| Restricted Fund: Projects | 520,562 | 15,840,350 | 15,067,274 | - | 1,293,638 |
| Special Pension Account | 3,644,255 | | | (571,483) | 3,072,772 |
| Derivatives Fair Value | (4,350) | | | (1,054) | (5,404) |
| | 4,160,467 | 15,840,350 | 15,067,274 | (572,537) | 4,361,006 |

Restricted funds

Restricted funds are amounts, which have been given to the Mission for specific purposes and are held in cash deposits.

Nepal Trauma Centre and Laboratory construction

The funds raised in respect of the Trauma Centre and the Laboratory construction in Nepal, which had not been utilised at 31 December 2023.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 20. RESTRICTED FUNDS (Continued)

Special pensions account

In 2012, the Mission agreed with the Pension Fund Trustees a payment of £1,000,000 into an escrow account as part of the continued funding conditions of the Scheme. Depending upon the outcome of subsequent actuarial valuations, monies would remain in escrow or be paid into the Scheme or returned to the charity. The Leprosy Mission International and the Trustees agreed by Deed dated 30 June 2015 that the assets held in the escrow account would transfer to a Special Pension Account to be held by The Leprosy Mission International under similar terms to the escrow account. The value of the investment as at 31 December 2023 was £3,072,772 and is included in investments in Note 11.

Multi-employer pension scheme

The Mission and its subsidiary have a payment plan to reduce their share of the historical deficit on the defined benefit pension scheme. This fund represents the liability at its net present value at 31 December 2023.

Fair value of derivatives

The Mission has entered into foreign currency forward exchange contracts with financial institutions. FRS 102 requires an entity to value derivatives at fair balance. The purpose of these forward exchange contracts is to hedge grant payments in foreign currencies to programme implementing countries, which reduces the risk of uncertainty. Fair value is derived as the movement in the forward exchange rate that has been achieved between the date the contract was entered into and the balance date. The fund represents the fair value of those contracts at 31 December 2023.

NOTE 21. NET ASSETS BY FUND

| | Unrestricted £ | Restricted £ | Total 2023 £ |
|----------------------------|-------------------|------------------|-------------------|
| Fixed Assets | 1,194,250 | | 1,194,250 |
| Investments | 4,273,051 | 2,873,675 | 7,146,726 |
| Net Current Assets | 3,954,043 | | 3,954,043 |
| Creditors due after 1 year | (430,069) | | (430,069) |
| | <u>8,991,275</u> | <u>2,873,675</u> | <u>11,864,950</u> |
| | Unrestricted £ | Restricted £ | Total 2022 £ |
| Fixed Assets | 1,377,805 | | 1,377,805 |
| Investments | 3,970,957 | 3,072,772 | 7,043,729 |
| Net Current Assets | 2,794,294 | | 2,794,294 |
| Creditors due after 1 year | (374,886) | | (374,886) |
| | <u>7,768,170</u> | <u>3,072,772</u> | <u>10,840,942</u> |

NOTE 22. FINANCIAL INSTRUMENTS

The Leprosy Mission International places deliverable foreign exchange forward contracts to manage its grant payment exposure to foreign currency exchange risks.

At 31 December 2023 The Leprosy Mission International had £3,484,501 (2022: £2,602,270) of foreign currency forward contracts in place. The unrealised loss on these forward contracts was £(183,713) (2022: £(5,404)). The fair value of these foreign currency forward contracts is included in restricted funds in Note 20.

NOTE 23. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post Balance Sheet events or contingent liabilities at the balance sheet date.

THE LEPROSY MISSION INTERNATIONAL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 24. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

| | Notes | Unrestricted Fund £ | Restricted Fund £ | 2022 Total £ |
|--|-------|---------------------------|----------------------|--------------------|
| INCOME FROM | | | | |
| Donations | 3 | - | 16,185,527 | 16,185,527 |
| TLM Trading Ltd: Non-charitable subsidiary | 4 | 1,766,505 | - | 1,766,505 |
| Income from investments | 5a | - | 144,284 | 144,284 |
| Gain on Disposal | | | - | - |
| Other income | 5b | 23,996 | 222,267 | 246,263 |
| TOTAL INCOME | | 1,790,501 | 16,552,078 | 18,342,579 |
| EXPENDITURE ON | | | | |
| Cost of raising funds | | - | 674,785 | 674,785 |
| TLM Trading Ltd expenditure | 4 | 1,821,414 | - | 1,821,414 |
| | | 1,821,414 | 674,785 | 2,496,199 |
| Expenditure on Charitable Activities | | | | |
| Nepal Trauma Centre | | - | 408,450 | 408,450 |
| Covid-19 Emergency Relief | | - | - | - |
| Public health | | - | 2,741,200 | 2,741,200 |
| Hospitals | | - | 2,433,365 | 2,433,365 |
| Disability care & prevention | | - | 4,016,518 | 4,016,518 |
| Community development | | - | 3,151,647 | 3,151,647 |
| Education | | - | 1,533,494 | 1,533,494 |
| Research | | - | 747,600 | 747,600 |
| Total Expenditure on Charitable Activities | | - | 15,032,274 | 15,032,274 |
| TOTAL EXPENDITURE | | 1,821,414 | 15,707,059 | 17,528,473 |
| NET (EXPENDITURE) / INCOME BEFORE RECOGNISED (LOSSES) / GAINS | | (30,913) | 845,019 | 814,106 |
| Net (losses) on investment assets | | (534,336) | (643,425) | (1,177,761) |
| NET (EXPENDITURE) / INCOME | | (565,249) | 201,594 | (363,655) |
| Other Recognised (losses) | | | | |
| Change in multi-employer pension scheme liability | | - | - | - |
| Change in fair value of derivatives | 20 | - | (1,054) | (1,054) |
| Net movement in funds for the year | | (565,249) | 200,540 | (364,709) |
| Balance brought forward at 1 January 2022 | | 7,045,185 | 4,160,466 | 11,205,651 |
| Balance carried forward at 31 December 2022 | | 6,479,936 | 4,361,006 | 10,840,942 |