



The Leprosy
Mission

Annual Report and Financial Statements 2020

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 2020, prepared in accordance with the Statement of Recommended Practice (Second Edition effective 1 January 2019) 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 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 3 February 2013 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 31 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 Philip Putman)

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: Mrs Anne Ratliff)

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
- + Mr Amar Timalisina
- + Mrs Anne Ratliff
- * Mr Bhal Chakranarayan
- + Dr Colin Martin
- * Mr Colin Osborne
- * Mr Eric Chollet
- * Mrs Helen Lea Fernandes
- + Dr Hla Hla Caroline Aye
- + Mr Paul Emans
- * Mr Philip Putman
- * Dr Shem Nuhu
- * Prof Warwick Britton

Vice Chairperson
(appointed: 30 April 2020)

Chairperson
(retired: 29 September 2020)

Hon. Treasurer

- * 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.

The Trustees continue to monitor the changing landscape and the impact of COVID-19 on the Mission.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider the board of trustees and 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.

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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 reputation and trading 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 which were last reviewed in November 2020
- 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 discussions with partners across the 30 countries we support, sharing our new policies and procedures and outlining a plan for further training.
- 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
- The appointment of a trustee, Anne Ratliff with responsibility for safeguarding.
- 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.

During 2020, The Leprosy Mission International received three safeguarding concerns – the allegations made were; one for alleged sexual exploitation, one for alleged bullying and one for alleged sexual harassment of which one was substantiated, one was unsubstantiated and one was inconclusive. One of these was deemed a serious incident and was 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.

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REPORT OF THE TRUSTEES

POLICIES (Continued)

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 new 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 Human Resources Manager appraise the International Director's performance annually and establish any increase in line with the Performance Related Pay scheme 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 2020, The Leprosy Mission International employed no staff affected by leprosy but actively encouraged people with disabilities with appropriate skills and experience to apply for vacant positions. One serving member of the Trustees is a person affected by leprosy.

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 as second tier leaders within the organisation.

Reserves

In determining the level of operational reserve, the Board recognised the global organisation's need for a centrally invested reserve 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 reserve 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.

THE LEPROSY MISSION INTERNATIONAL

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POLICIES (Continued)

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 new five-year strategy.

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

Impact by the End of 2023:

Earlier detection and treatment of new leprosy cases.

Our Future Ambition:

Zero transmission of leprosy by 2035

THE LEPROSY MISSION INTERNATIONAL

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OBJECTIVES AND ACTIVITIES (Continued)

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 2023:

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

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.

THE LEPROSY MISSION INTERNATIONAL

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OBJECTIVES AND ACTIVITIES (Continued)

Impact by the End of 2023:

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 2023:

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 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

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OBJECTIVES AND ACTIVITIES (Continued)

- TLM's contribution to shared impact in defeating leprosy and transforming lives

Impact by the End of 2023:

- 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. The Covid-19 pandemic has affected most of our programmes and the achievement in 2020 reflects this.

Organisational Activities

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

TLM's advocacy work became increasingly important during 2020 due to the devastating impact of the covid pandemic on persons affected by leprosy. TLM worked closely alongside the UN Special Rapporteur for leprosy discrimination, Professor Alice Cruz, to ensure that the conditions facing persons affected by leprosy during the pandemic were highlighted to governments and duty bearers.

TLM continued its work in coalition with other organisations in order to amplify its advocacy positions and global voice. In 2020 our International Director, Brent Morgan, was appointed to the role of President of ILEP (The International Federation of Anti-Leprosy Associations). We also worked alongside persons affected organisations to ensure their voices were heard at a global level.

We continued to engage with UN bodies and mechanisms in 2020. This included making submissions to the UN Universal Periodic Review for Myanmar and Nepal, and having a person affected by leprosy, Mr U Soe Win from Myanmar, speak at the UNCRPD State Parties Conference. TLM also hosted a side event at the UNCRPD State Parties Conference with five persons affected by leprosy presenting as panel speakers.

Income (Enabling The Leprosy Mission's work)

In 2020, donation income was £12,267,007, which was similar to the previous year's income. This was a remarkable income performance given the global pandemic crisis through the year in 2020.

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.

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ACHIEVEMENTS AND PERFORMANCE (Continued)

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 2020 we gave technical assistance to governments in more than 18 countries. We also provided at least 29,916 training days for TLM staff, government health staff and other NGOs in leprosy (2019: 56,615).

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 2020 we supported 16 TLM supported hospitals and another 19 partner hospitals. The hospitals provided 4,902 in-patients with care for leprosy related conditions (2019: 10,117). We performed 721 (2019: 1,508) 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 2020 we provided assistance to 199 self-care groups, which included 3,017 participants (2019: 261 groups with 3,749 participants).

In 2020, TLM provided 18,094 people (2019: 25,837) with footwear and orthopaedic devices to protect their insensitive feet from further damage or disability.

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 2020 we supported 2,080 self-help groups and cooperatives with 23,902 participants (2019: 2,009 groups with 24,285 participants).

In 2020 we built or renovated 105 low-cost homes (2019: 627) for leprosy-affected people in poverty, and enabled 6,782 people to access new or renovated water or sanitation facilities (2019: 3,186).

Education (Zero discrimination)

Training and education provide leprosy-affected people and their families a means to break free from the cycle of poverty. In 2020 we provided scholarships for formal education to 4,173 children or young people (2019: 4,936). We provided vocational training or apprenticeships to 1,571 young people (2019: 1,870). At TLM's own Vocational Training Centres in India we trained 945 young people in marketable skills, setting them up for life (2019: 706).

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ACHIEVEMENTS AND PERFORMANCE (Continued)

Research (Zero transmission, zero disability, zero discrimination, and enabling The Leprosy Mission's work)
Through research, the Mission can find new ways to understand leprosy and to detect, treat and care for leprosy-affected people. TLM is exceptionally well-placed through its research laboratories and its extensive field and hospital-based research programmes to make a major contribution to world knowledge on leprosy. The total number of research projects funded during 2020 was 38 (2019: 36).

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 5,600 (2019: 5,869) 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 2020 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 £74,809 (2019: Deficit £1,086,504) before recognising the unrealised gains and losses of investments. The previous year deficit was largely impacted by implementing the Board approved deficit budget in the year and payment of restricted income surplus from previous years.

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.

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 £12,834,546 (2019: £13,845,194) of which £12,233,435 (95%) (2019: £12,172,686 (95%)) was attributable to charitable activities. Major programmes supported in 2020 are listed in Note 6 of the Accounts and they continue to represent a wide spread of activities across 20 countries.

Total support costs by the charity to TLM Fellowship Member countries are analysed in Note 7b of the accounts and amounts to 8.3% (2019: 11.0 %) of the total income of the charity.

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FINANCIAL PERFORMANCE (Continued)

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. 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 2020 the fund achieved a return of 7.0% (2019: 17.4%) against the benchmark of 5.7% (2019: 15.4%).

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 2020 is £3,922,994 (2019: £3,669,942).

In addition, an amount of £3,785,266 is held in bank and investments as restricted funds listed in Note 20. An amount of £2,299,615 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 in light of the ongoing Covid-19 pandemic, 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.

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 2020, the income of the trading company was £2,186,481 (2019: £1,787,096) and the company made a profit before Taxation, before Pension deficit liability and before distribution of profit of £253,920 (2019: £72,792). Customers of TLM Trading Limited donated an amount of £538,249 (2019: £452,154) to TLM Supporting Countries through donations and Gift for Life. From its profit, TLM Trading made a donation of £50,000 to parent company under gift aid.

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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.

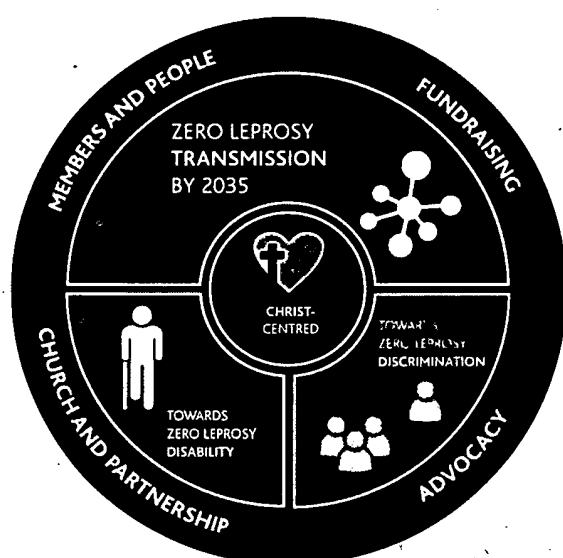
The results of the 31 December 2018 triennial valuation showed that the Combined Funding Level of the Scheme was 111% and that the excess funds above the 108% trigger were £706,000. Originally, the Trustees and the Employers agreed that a refund of £600,000 would be taken by TLMi on behalf of all the Employers. After further discussion, it was agreed that the refund amount should be £360,000 and will be paid in equal monthly instalments of £15,000 over a 24-month period commencing on 4 October 2020.

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.

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).



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. By 2023 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

THE LEPROSY MISSION INTERNATIONAL

REPORT OF THE TRUSTEES

FUTURE PLANS (Continued)

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 2023; 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.

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

THE LEPROSY MISSION INTERNATIONAL

REPORT OF THE TRUSTEES

- 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

Investment Managers

Rathbone Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Pension Scheme Actuaries

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

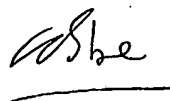
Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

The Report of the Trustees and Financial Statements for the year ended 31 December 2020 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.

A resolution to re-appoint Haysmacintyre LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

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



Mr Colin Osborne
Chairperson

28 June 2021

THE LEPROSY MISSION INTERNATIONAL

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 2020 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 2020 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.

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.

THE LEPROSY MISSION INTERNATIONAL

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

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 and the Charities Act 2011.

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 to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- 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 professional actuary in relation to the Charity's pension scheme.

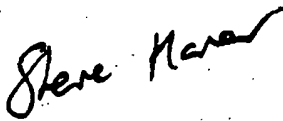
THE LEPROSY MISSION INTERNATIONAL

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

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.



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

Date: 15 July 2021

THE LEPROSY MISSION INTERNATIONAL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020 (Incorporating an Income and Expenditure Account)

	Notes	Unrestricted Fund £	Restricted Fund £	2020 Total £	2019 Total £
INCOME FROM					
Donations	3	-	12,267,007	12,267,007	12,491,370
TLM Trading Ltd: Non-charitable subsidiary	4	2,151,482	-	2,151,482	1,752,096
Income from investments	5a	-	112,580	112,580	137,110
Gain on Disposal		-	145,905	145,905	-
Other income	5b	-	117,942	117,942	46,417
TOTAL INCOME		2,151,482	12,643,434	14,794,916	14,426,993
EXPENDITURE ON					
Cost of raising funds		499,404	101,707	601,111	648,489
TLM Trading Ltd expenditure	4	1,920,561	-	1,920,561	1,702,304
		2,419,965	101,707	2,521,672	2,350,793
Expenditure on Charitable Activities					
Nepal earthquake		-	551,264	551,264	733,815
Covid-19 Emergency Relief		-	384,618	384,618	-
Public health		-	2,112,642	2,112,642	2,330,747
Hospitals		-	1,875,394	1,875,394	2,442,922
Disability care & prevention		-	3,095,530	3,095,530	3,415,106
Community development		-	2,428,974	2,428,974	2,679,736
Education		-	1,173,838	1,173,838	1,298,636
Research		-	576,175	576,175	261,742
Total Expenditure on Charitable Activities		-	12,198,435	12,198,435	13,162,704
TOTAL EXPENDITURE		2,419,965	12,300,142	14,720,107	15,513,497
NET (EXPENDITURE) / INCOME BEFORE RECOGNISED GAINS / (LOSSES)		(268,483)	343,292	74,809	(1,086,504)
Net gains/(losses) on investment assets		563,434	-	563,434	1,258,552
NET (EXPENDITURE) / INCOME		294,951	343,292	638,243	172,048
Other Recognised gains /(losses)					
Change in multi-employer pension scheme liability		-	-	-	706,000
Change in fair value of derivatives	20	-	(99,390)	(99,390)	(98,919)
Net movement in funds for the year		294,951	243,902	538,853	779,129
Balance brought forward at 1 January 2020		5,927,658	3,541,364	9,469,022	8,689,893
Balance carried forward at 31 December 2020		6,222,609	3,785,266	10,007,875	9,469,022

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 22 to 39 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 2020

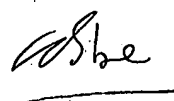
	Notes	Consolidated		Charity	
		2020	2019	2020	2019
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10	808,487	865,815	802,504	863,866
Building Improvements	10	814,257	920,897	814,257	920,897
Investments	11	7,560,972	7,086,663	8,237,843	7,559,614
		<u>9,183,716</u>	<u>8,873,375</u>	<u>9,854,604</u>	<u>9,344,377</u>
CURRENT ASSETS					
Stocks	12	166,000	219,830	-	-
Debtors	13	1,327,727	1,083,584	1,302,981	1,019,577
Prepayments	14	159,133	226,989	159,133	226,989
Accrued income from supporting councils		233,618	136,869	233,618	136,869
Cash at bank and in hand					
Held in sterling		823,161	404,670	27,428	28,849
Held in other currencies		651,840	423,158	651,840	423,158
		<u>3,361,479</u>	<u>2,495,100</u>	<u>2,375,000</u>	<u>1,835,442</u>
CURRENT LIABILITIES					
Creditors due within one year	15	(2,164,217)	(1,515,900)	(1,848,626)	(1,327,244)
NET CURRENT ASSETS		<u>1,197,262</u>	<u>979,200</u>	<u>526,374</u>	<u>508,198</u>
CREDITORS DUE AFTER ONE YEAR	16	(373,103)	(383,553)	(373,103)	(383,553)
NET ASSETS		<u>10,007,875</u>	<u>9,469,022</u>	<u>10,007,875</u>	<u>9,469,022</u>
FUNDS					
Unrestricted funds					
General reserve		3,922,994	3,669,942	3,922,994	3,669,942
Designated funds:					
Fixed assets used by the Mission	19	1,493,544	1,651,765	1,493,544	1,651,765
Fixed assets held on behalf of supporting councils	19	129,200	133,000	129,200	133,000
TLM Trading Ltd (investment)	19	676,871	472,951	676,871	472,951
		<u>6,222,609</u>	<u>5,927,658</u>	<u>6,222,609</u>	<u>5,927,658</u>
Restricted - other funds	20	453,957	560,715	453,957	560,715
Restricted - multi employer pension scheme	20	-	-	-	-
Restricted - derivatives fair value	20	(132,837)	(33,447)	(132,837)	(33,447)
Restricted - Special pension account	20	3,464,146	3,014,096	3,464,146	3,014,096
		<u>10,007,875</u>	<u>9,469,022</u>	<u>10,007,875</u>	<u>9,469,022</u>

General reserve for 2020 includes an amount of £1,817,218 (2019: £1,671,241) being the revaluation reserve in respect of accumulated unrealised investment gains.

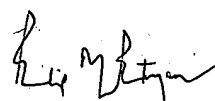
The results of the charity (TLMi) before consolidation show a total income of £12,705,434 (2019: £12,686,898) and expenditure of £12,834,546 (2019: £13,845,194) resulting in a loss before realised and unrealised investment gains/(losses) of (£129,112) for the year. The result was a surplus of £334,932 after recognising the investment gain for the year.

The notes on pages 22 to 39 form part of these Financial Statements.

Approved and authorised for issue by the Trustees on 28 June 2021 and signed on their behalf by:



Chairman: Mr. Colin Osborne



Treasurer: Mr Philip M Pufman

THE LEPROSY MISSION INTERNATIONAL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 £	2019 £
Cash (used in) / generated by operating activities	Note A	828,138	(707,847)
Cashflows from investing activities			
Investment income		112,580	137,110
Interest paid		(44,756)	(42,086)
Purchase of tangible fixed assets		(34,930)	(17,139)
Disposal of tangible fixed assets		48,500	-
Decrease in cash available for investment		17,910	145,731
Purchase of investments		(1,286,902)	(1,659,970)
Sale of investments		1,006,633	1,266,588
Increase / (Decrease) in cash in the year		647,173	(877,613)
Cash at the beginning of the period		827,828	1,705,441
Cash at the end of the period		1,475,001	827,828

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

	2020 £	2019 £
Net movement in funds in year	538,853	779,129
(Gains) / Losses on investment	(596,881)	(1,258,552)
Change in Multi-Employer Pension Scheme Liability	-	(754,000)
Change in fair value of derivatives	132,837	98,919
Investment income	112,580	137,110
Interest paid	44,756	42,086
Depreciation charge	166,879	159,893
Decrease / (Increase) in stock	53,830	(51,096)
(Increase) in debtors	(244,142)	(129,046)
Decrease / (Increase) in prepayments	67,856	(39,283)
(Increase) / Decrease in accrued income	(96,747)	320,670
Increase / (Decrease) in creditors	648,317	(13,677)
Net cash (outflow)/inflow from operating activities	828,138	(707,847)

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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, effect:hope 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.

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.

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1. ACCOUNTING POLICIES (Continued)

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.

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 Friends Life. 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.

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1. ACCOUNTING POLICIES (Continued)

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.

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.

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1. ACCOUNTING POLICIES (Continued)

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.

NOTE 2. STATEMENT OF FINANCIAL ACTIVITIES

The net movement in funds is shown after charging:

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Audit fee - parent company	17,100	15,940	17,100	15,940
- subsidiary	8,000	7,600	-	-
Depreciation - owned assets*	163,079	156,093	159,600	154,940
- leased assets	3,800	3,800	3,800	3,800
Investment managers' charges	22,616	23,686	22,616	23,686
Foreign exchange (gain)	(966)	(50,794)	(966)	(50,794)
Bank interest	44,756	42,086	13,207	13,103
Investment (gain) on TLM Trading Ltd	(203,920)	(120,792)	(203,920)	(120,792)

* 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 2020

NOTE 3. DONATIONS (Continued)

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Unrestricted	2019 Restricted	2019 Total
	£	£	£	£	£	£
TLM Supporting Member Countries						
Australia	-	994,597	994,597	-	1,048,385	1,048,385
Belgium	-	31,133	31,133	-	26,435	26,435
Denmark	-	273,301	273,301	-	149,193	149,193
England & Wales	-	4,526,695	4,526,695	-	4,523,956	4,523,956
Finland	-	12,602	12,602	-	12,499	12,499
France	-	92,480	92,480	-	98,916	98,916
Germany	-	129,998	129,998	-	65,820	65,820
Hungary	-	79,925	79,925	-	105,874	105,874
Netherlands	-	786,666	786,666	-	727,175	727,175
New Zealand	-	1,603,287	1,603,287	-	1,526,412	1,526,412
Northern Ireland	-	443,853	443,853	-	271,067	271,067
Scotland	-	419,564	419,564	-	487,024	487,024
Southern Africa	-	164,942	164,942	-	158,396	158,396
Sweden	-	764,466	764,466	-	997,464	997,464
Switzerland	-	1,158,920	1,158,920	-	956,375	956,375
Other Donor Organisations:						
ALM: AIM / ASHA	-	11,294	11,294	-	359,081	359,081
Celgene Corporation	-	-	-	-	61,066	61,066
effect:hope	-	553,768	553,768	-	534,933	534,933
Disabled Peoples' International	-	-	-	-	34,225	34,225
F K Norway	-	45,761	45,761	-	117,063	117,063
Heavens Family	-	3,108	3,108	-	103,474	103,474
Louisiana Churches	-	3,884	3,884	-	-	-
Leprosy Research Initiative (LRI)	-	27,306	27,306	-	28,492	28,492
University of Birmingham	-	110,108	110,108	-	-	-
Sasakawa	-	10,937	10,937	-	-	-
Probitas - Spain	-	-	-	-	21,274	21,274
Solidarite Protestante	-	7,065	7,065	-	7,327	7,327
TLM Italy	-	-	-	-	33,806	33,806
TLM Singapore	-	-	-	-	11,235	11,235
TLM Spain	-	11,350	11,350	-	8,024	8,024
World Servant	-	-	-	-	16,382	16,382
	-	12,267,007	12,267,007	-	12,491,370	12,491,370

TLM Trading Limited received £538,249 (2019: £452,154) 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.

	2020 £	2019 £
TLM England & Wales	464,044	392,872
TLM Northern Ireland	27,439	25,250
TLM Scotland	46,766	34,032
	<u>538,249</u>	<u>452,154</u>

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

	2020 £	2019 £
Turnover	1,996,314	1,609,993
Bank interest and royalties receivable	1,012	1
Other operating income**	189,155	177,102
	<u>2,186,481</u>	<u>1,787,096</u>
Cost of sales	(729,664)	(599,449)
Distribution costs	(812,673)	(767,517)
Administrative expenses*	(384,650)	(347,338)
	<u>(1,926,987)</u>	<u>(1,714,304)</u>
Operating Profit before Taxation and defined benefit pension scheme	259,494	72,792
Gift Aid donation to TLM International	(50,000)	-
Tax charge	(5,574)	-
Remeasurement gain / (loss) on defined benefit pension scheme	-	48,000
Gain for the financial year	<u>203,920</u>	<u>120,792</u>

The aggregate of the assets, liabilities and funds was:

Total assets less current liabilities	472,951	352,159
Liabilities falling due after more than one year and provisions	203,920	72,792
Funds	<u>676,871</u>	<u>424,951</u>

*Administrative expenses include a fee of £12,000 (2019: £12,000) for accounting services by the parent company which is eliminated upon consolidation.

**Other operating income includes £35,000 (2019:£35,000) from the parent charity for promoting development of artisan products, which is eliminated upon consolidation.

NOTE 5a. INVESTMENT INCOME

	2020 £	2019 £
Equities	83,875	107,392
Fixed interest securities	28,692	27,558
Interest on cash deposits	14	2,160
	<u>112,580</u>	<u>137,110</u>

NOTE 5b. OTHER INCOME

	2020 £	2019 £
Other income	73,851	4,847
Gift aid	44,091	41,570
	<u>117,942</u>	<u>46,417</u>

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 is included in the Statement of Financial Activities under Direct Charitable Expenditure and the Mission has supported more than 168 projects in more than 18 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		2020 £	2019 £
Angola			
Rehabilitation Projects	Leprosy Control/Rehab	-	11,266
Bangladesh			
Advocacy for Employment	Community Programme	166,740	127,067
Chittagong Hill Tracts	Leprosy Control	127,750	177,108
Chittagong Community Rehabilitation	Rehabilitation	120,301	117,305
Dhaka Co-ordination	Supervision	115,789	134,742
Emergency Flood Relief	Relief/Rehabilitation	-	30,623
Gaibandha-Jaypurhat LCP	Leprosy Control Prog (LCP)	100,679	28,827
Nilphamari (DBLM)	Hosp/Rehab/Research/Train	439,706	404,868
Dhaka CBR	Rehabilitation	89,874	111,430
Leprosy Field Research	Research	263,043	258,724
Integrated Leprosy Health Systems	Community Programme	262,446	228,958
Covid 19 Emergency Relief	Relief/Rehabilitation	67,760	-
Chad			
Five Prefectures	Technical Support	163,090	142,350
Covid 19 Response	Relief/Rehabilitation	7,156	-
DR Congo			
Kasai Leprosy Projects	Leprosy Control/Tech Support	292,139	290,670
Bas Congo East & West	Leprosy/TB Control/Rehab	-	20,220
South Kivu, Maniema & Mingwanga	Leprosy Control	272,669	360,078
Sankuru	Leprosy/TB Control	38,206	16,611
SCoKC - Stop the spread of C-19	Relief/Rehabilitation	27,174	-
Ethiopia			
ENAPAL/Woreda 1 Urban Slum Dev	Rehabilitation	186,333	183,284
Covid 19 Emergency Relief	Relief/Rehabilitation	10,028	-
India			
Bankura Leprosy Hospital	Hospital Prog/Training	29,979	27,651
Bankura VTC	Vocational Training	64,947	62,301
Brighter Future Development	Community Programme	87,903	83,360
Comm Aware & Disab. Prevention	Community Programme	315,795	404,513
Champa VTC	Vocational Training	53,148	32,707
Chandkuri Leprosy Hospital	Hospital Programme	149,010	78,255
Inclusive Empowerment (SOAR)	Rehabilitation	140,317	162,091
Faizabad Leprosy Hospital	Hospital Programme	-	1,454
Faizabad VTC	Vocational Training	58,796	61,524
Kolkata Leprosy Hospital	Hospital Programme	141,183	182,592
Kothara Leprosy Hospital	Hospital Programme	55,698	66,897
Miraj Leprosy Hospital & Research	Hospital Programme/Research	188,460	170,543
Muzzaffarpur Leprosy Hospital	Hospital Programme	7,778	33,501
Naini Hospital	Hospital Programme	203,857	215,731
Nashik VTC	Vocational Training	73,224	76,484

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 6. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

Country/Project		2020 £	2019 £
India (continued)			
Purulia Leprosy Hospital	Hospital Programme	284,865	586,917
Rehabilitation (nationwide)	Rehabilitation	76,614	78,251
Salur Leprosy Hospital	Hospital Programme	168,871	152,883
Mass Media Centre	Health Education	72,164	94,139
Vadathorasalur, Vizianagaram VTC	Vocational Training	63,424	41,458
Women's Empowerment / WEALTH	Community Programme	151,242	138,138
India Office Supervision	Tech.Support/Supervision	362,812	223,652
Mozambique			
Cabo Delgado/ALEMO/Iphiro Yohoolo	Leprosy/TB Control/Education	255,637	483,634
Myanmar			
Mawlamyine Hospital	Hospital Programme/Rehab	200,255	358,558
GRACE/RLII	Community/Empowerment	164,723	277,585
Transformation & Renewal E.Shan	Relief/Rehabilitation	62,473	80,919
7-UP Disability Advocacy Project	Advocacy	-	57,860
Strategic Partnership Programme	Community Programme	34,179	34,196
Nepal			
Anandaban Hospital	Hospital Programme	311,457	387,532
Anandaban Research	Research/Training	143,737	159,748
Anandaban Trauma Centre	Hospital Programme	578,333	539,544
Central Region - Nepal	Technical Support	24,172	48,986
CBR/CTY/LCH Nepal	Community Programme	214,778	349,338
FOUND	Community Programme	315,410	-
HEAL		379,876	231,907
International Nepal Fellowship	Community Programme	15,584	16,846
Nepal Leprosy Fellowship	Community Programme	77,099	85,361
Nepal Earthquake	Relief/Rehabilitation	-	194,271
Nepal Floods/Disaster Resilient Community	Relief/Rehabilitation	-	78,142
Nepal - Covid 19 Response	Relief/Rehabilitation	146,773	-
RIGHT 1	Community Programme	95,268	-
Satellite Clinic Birathnagar	Community Programme	9,985	30,606
Niger			
CSL Danja/Niamey & Tillabery	Leprosy Control/Rehab	370,895	459,337
Covid 19 Emergency Response for PAL	Relief/Rehabilitation	24,863	-
Nigeria			
Integrated Leprosy & LF Case Finding	Leprosy Control	57,110	97,778
Integrated NTD Control in Zamfara	Leprosy Control	70,807	45,672
Prevention & Management of Impairment	Rehabilitation	-	30,892
Kwara/Kebbi/Kogi/Niger States	Leprosy Control/Rehab	205,209	421,736
Orthopaedic	Rehabilitation	128,549	106,078
Wheels That Heal	Community Programme	51,118	96,914
Nigeria Co-ordination, Harnessing Resources	Supervision	106,463	120,851
Papua New Guinea			
Bougainville Healthy Community Project	Rehabilitation	780,286	896,456
Empowerment Project	Rehabilitation	394,589	346,104

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 6. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

Country/Project	Main Activity	2020 £	2019 £
South Africa			
Leprosy Control Programme	Leprosy Control	184,900	181,195
Sri Lanka			
Empower Communities & Integration	Community Programme	48,725	188,885
Sudan			
Omdurman & Khartoum	Tech.Support/Supervision	32,148	41,951
Tanzania			
Hombolo Hospital & Housing Project	Leprosy Control/Rehab	29,947	42,418
Thailand			
McKean Rehab.Centre - Chiang Mai	Rehabilitation	30,436	31,486
Timor Leste			
National Programme	Leprosy Control	330,909	340,669
Other grants sent to projects in above countries		669,392	680,076
		<u>12,198,435</u>	<u>13,162,704</u>

NOTE 7a. EXPENDITURE

	2020				2019			
	Grants	Other Direct	Support	2020	Grants	Other Direct	Support	2019
	£	Costs	Costs	Total	£	Costs	Costs	Total
	£	£	£	£	£	£	£	£
Cost of generating funds								
Expenditure on raising funds	-	601,111	-	601,111	-	648,489	-	648,489
TLM Trading Ltd	-	1,920,561	-	1,920,561	-	1,702,304	-	1,702,304
Charitable activities								
Nepal earthquake / Flood Relief	551,264	-	-	551,264	733,815	-	-	733,815
Covid-19 Emergency Relief	384,618	-	-	384,618	-	-	-	-
Public health	1,914,239	-	198,403.00	2,112,642	2,070,681	-	260,067	2,330,748
Hospitals	1,699,271	-	176,123.00	1,875,394	2,170,339	-	272,583	2,442,922
Disability care & prevention	2,804,821	-	290,709.00	3,095,530	3,034,046	-	381,060	3,415,106
Community development	2,200,863	-	228,111.00	2,428,974	2,380,729	-	299,007	2,679,736
Education	1,060,313	-	113,525.00	1,173,838	1,149,828	-	148,808	1,298,636
Research	522,065	-	54,110.00	576,175	232,536	-	29,205	261,741
	<u>11,137,454</u>	<u>-</u>	<u>1,060,981</u>	<u>12,198,435</u>	<u>11,771,974</u>	<u>-</u>	<u>1,390,730</u>	<u>13,162,704</u>
Total Expenditure	<u>11,137,454</u>	<u>2,521,672</u>	<u>1,060,981</u>	<u>14,720,107</u>	<u>11,771,974</u>	<u>2,350,793</u>	<u>1,390,730</u>	<u>15,513,497</u>

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 7b. ANALYSIS OF SUPPORT COSTS

	Charity	
	2020	2019
	£	£
International Partnership	244,560	509,870
Governance Cost	64,764	85,250
Finance	162,097	146,650
Quality Assurance	128,087	128,321
Advocacy	40,524	54,995
Research Support	60,786	36,663
Programme Support	121,573	219,978
Human Resources	121,573	54,995
Central Administration	60,787	91,658
Pension Administration Cost	57,200	113,140
Foreign currency gains	(970)	(50,790)
	<u>1,060,981</u>	<u>1,390,730</u>

NOTE 8a. STAFF COSTS

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	1,028,367	1,098,122	818,160	901,557
Social security costs	95,981	92,725	75,480	74,166
Other pension costs	147,094	213,869	125,863	186,512
	<u>1,271,442</u>	<u>1,404,716</u>	<u>1,019,503</u>	<u>1,162,235</u>
	Number	Number	Number	Number
Number of staff	29	30	24	25

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.

	2020	2019
	Number	Number
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</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. 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 2020 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 £162,787 (2019: £155,076).

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 9. TRUSTEES EMOLUMENTS AND REIMBURSED EXPENSES

The Trustees received no remuneration or retirement benefits for their services. 3 trustees (2019: 12) were reimbursed for travel expenses and out of pocket expenses during the year, amounting to a combined total of £648 (2019: £19,348).

The Leprosy Mission International has purchased indemnity insurance costing £855 (2019: £537) 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. TANGIBLE FIXED ASSETS

Consolidated	Building Improvement £	Freehold Property £	Leasehold Property £	Equipment & Computers £	Total 2020 £
Cost					
01 January 2020	1,151,121	1,153,439	190,000	150,426	2,644,986
Additions	11,395	-	-	23,535	34,930
Disposal	-	(48,500)	-	-	(48,500)
31 December 2020	1,162,516	1,104,939	190,000	173,961	2,631,416
Depreciation					
01 January 2020	230,224	471,474	57,000	102,500	861,198
Charge for the year	118,035	14,738	3,800	30,306	166,879
Adjustment for disposal	-	(19,405)	-	-	(19,405)
31 December 2020	348,259	466,807	60,800	132,806	1,008,672
Net Book Value					
31 December 2020	814,257	638,132	129,200	41,155	1,622,744
31 December 2019	920,897	681,965	133,000	50,850	1,786,712

The book cost at 31 December 2020 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	2,135,955	-	149,591	2,285,546
	2,267,455	190,000	173,961	2,631,416

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 10. TANGIBLE FIXED ASSETS (Continued)

Charity	Building Improvement £	Freehold Property £	Leasehold Property £	Equipment & Computers £	Total 2020 £
Cost					
01 January 2020	1,151,121	1,153,439	190,000	99,688	2,594,248
Addition	11,395	-	-	13,098	24,493
Disposal	-	(48,500)	-	-	(48,500)
31 December 2020	1,162,516	1,104,939	190,000	112,786	2,570,241
Depreciation					
01 January 2020	230,224	471,474	57,000	50,787	809,485
Charge for the year	118,035	14,738	3,800	26,827	163,400
Disposal	-	(19,405)	-	-	(19,405)
31 December 2020	348,259	466,807	60,800	77,614	953,480
Net book value					
31 December 2020	814,257	638,132	129,200	35,172	1,616,761
31 December 2019	920,897	681,966	133,000	48,902	1,784,765

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 2020

NOTE 11. INVESTMENTS (Continued)

	UK £	Overseas £	2020 Consolidated £	TLM Trading (UK) £	2020 Charity £
Market value at 1 January 2020	5,935,721	1,150,942	7,086,663	472,951	7,559,614
Less: Portfolio cash	(86,086)		(86,086)		(86,086)
	<u>5,849,635</u>	<u>1,150,942</u>	<u>7,000,577</u>	<u>472,951</u>	<u>7,473,528</u>
Additions at cost	1,091,903	194,999	1,286,902	-	1,286,902
Disposals	(1,126,192)	(231,923)	(1,358,115)	-	(1,358,115)
	<u>5,815,346</u>	<u>1,114,018</u>	<u>6,929,364</u>	<u>472,951</u>	<u>7,402,315</u>
Market Value (less: Cash) at 31 December 2020	6,344,550	1,148,248	7,492,798	676,871	8,169,669
Gain	529,204	34,230	563,434	203,920	767,354
Market value at 31 December 2020	6,344,550	1,148,248	7,492,798	676,871	8,169,669
Add: Cash	68,174	-	68,174	-	68,174
	<u>6,412,724</u>	<u>1,148,248</u>	<u>7,560,972</u>	<u>676,871</u>	<u>8,237,843</u>
Analysis of investments					
Equities	5,535,811	1,148,248	6,684,059	676,871	7,360,930
Fixed interest securities	808,739	-	808,739	-	808,739
Cash deposit	68,174	-	68,174	-	68,174
	<u>6,412,724</u>	<u>1,148,248</u>	<u>7,560,972</u>	<u>676,871</u>	<u>8,237,843</u>
Cost at 31 December 2020	4,924,384	819,370	5,743,754	330,250	6,074,004
Accumulated unrealised investment gain/(loss) at 31 December 2020	1,488,340	328,878	1,817,218	346,621	2,163,839

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 12. STOCKS

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Goods for resale at lower of cost and net realisable value	166,000	219,830	-	-

NOTE 13. DEBTORS

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	23,358	51,028	-	-
Derivatives	-	-	-	-
Other debtors	1,304,369	1,032,556	1,302,981	1,019,577
	<u>1,327,727</u>	<u>1,083,584</u>	<u>1,302,981</u>	<u>1,019,577</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. 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 £1,029,350 of payments made to TLM Trust India for funding its charitable activities and the amount will be cleared upon sale of a property in India.

NOTE 14. PREPAYMENTS

Prepayments represent funds remitted overseas during December 2020 to be spent in 2021 and to meet the requirements of the 2021 expenditure budget and therefore will be included in the accounts for 2021. These funds represent an advance on activities to be performed in 2021.

NOTE 15. CREDITORS DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Accruals	563,673	551,599	525,987	543,184
Trade creditors	123,362	95,864	-	-
Other creditors	730,098	538,258	634,494	483,162
Derivatives	132,847	-	132,847	-
Social security and other taxes	81,407	49,908	22,468	20,627
Bank overdraft	532,830	280,271	532,830	280,271
	<u>2,164,217</u>	<u>1,515,900</u>	<u>1,848,626</u>	<u>1,327,244</u>

The Mission has an overdraft arrangement 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 2020

NOTE 16. CREDITORS DUE AFTER ONE YEAR

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Resettlement fund	99,208	131,901	99,208	131,901
Superannuation fund	98,682	97,282	98,682	97,282
LT Severance Pay	175,213	154,370	175,213	154,370
Multi-employer pension scheme	-	-	-	-
	<u>373,103</u>	<u>383,553</u>	<u>373,103</u>	<u>383,553</u>

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 2020 or 2019.

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).

At 31 December 2020, an amount of £33,577 (2019: £45,265) was owed by the parent company to its subsidiary through its inter-company account, which is settled during the year. There is no interest charged and no fixed repayment.

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 most recent actuarial triennial valuation was completed as at 31 December 2018. 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 2020 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).

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 LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 18. PENSION SCHEME (Continued)

The last valuation of the Scheme was carried out with an effective date of 31 December 2018. 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 2020 is Nil (2019: Nil)

In addition, the Charity has a trading subsidiary, which is included in the consolidated financial statements. The trading subsidiary also have 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 2020 this liability is Nil. (2019: 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 2021 and the results are expected by November 2022.

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

The Mission's pension cost for the year amounted to £125,683 (2019: £186,512).

NOTE 19. DESIGNATED FUNDS

	Balance 01.01.20 £	Consolidated Movements £	Balance 31.12.20 £
Fixed assets used by the Mission	1,651,765	(158,221)	1,493,544
Fixed assets held on behalf of Supporting Countries	133,000	(3,800)	129,200
TLM Trading Limited	472,951	203,920	676,871
	<u>2,257,716</u>	<u>£41,899</u>	<u>2,299,615</u>

	Balance 01.01.19 £	Consolidated Movements £	Balance 31.12.19 £
Fixed assets used by the Mission	1,792,667	(140,902)	1,651,765
Fixed assets held on behalf of Supporting Countries	136,800	(3,800)	133,000
TLM Trading Limited	352,159	120,792	472,951
	<u>2,281,626</u>	<u>(23,910)</u>	<u>2,257,716</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 2020 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 2020.

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 20. RESTRICTED FUNDS

	Balance 01.01.20	Income	Expenditure	Movements	Balance 31.12.20
	£	£	£	£	£
Nepal Post EQ and Trauma Centre	560,715	379,642	551,264	-	389,093
Covid-19 Emergency Relief	-	384,618	384,618	-	-
Public health	-	2,112,642	2,112,642	-	-
Hospitals	-	1,875,394	1,875,394	-	-
Disability care & prevention	-	3,095,530	3,095,530	-	-
Community programmes	-	2,451,838	2,428,974	-	22,864
Education	-	1,208,838	1,208,838	-	-
Research	-	618,175	576,175	-	42,000
Special pensions account	3,014,096	-	-	450,050	3,464,146
Derivatives fair value	(33,447)	-	-	(99,390)	(132,837)
	<u>3,541,364</u>	<u>12,126,677</u>	<u>12,233,435</u>	<u>350,660</u>	<u>3,785,266</u>

	Balance 01.01.19	Income	Expenditure	Movements	Balance 31.12.19
	£	£	£	£	£
Nepal Post EQ and Trauma Centre	501,858	762,161	703,304	-	560,715
Nepal Flood relief	30,511	-	30,511	-	-
Public health	-	2,330,747	2,330,747	-	-
Hospitals	230,000	2,212,922	2,442,922	-	-
Disability care & prevention	-	3,415,106	3,415,106	-	-
Community programmes	-	2,679,736	2,679,736	-	-
Education	-	1,298,636	1,298,636	-	-
Research	-	261,742	261,742	-	-
Special pensions account	2,351,091	-	-	663,005	3,014,096
Multi employer pension scheme	(754,000)	-	-	754,000	-
Derivatives fair value	65,472	-	-	(98,919)	(33,447)
	<u>2,424,932</u>	<u>12,961,050</u>	<u>13,162,704</u>	<u>1,318,086</u>	<u>3,541,364</u>

Restricted funds

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

Nepal earthquake

This represents fund raised in respect of the Nepal earthquake, which had not been utilised at 31 December 2020.

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 2020 was £3,464,146 and is included in investments in Note 11.

THE LEPROSY MISSION INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 20. RESTRICTED FUNDS (Continued)

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 2020.

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 2020.

NOTE 21. NET ASSETS BY FUND

	Unrestricted	Restricted	Total 2020
	£	£	£
Fixed Assets	1,622,744	-	1,622,744
Investments	4,096,826	3,464,146	7,560,972
Net Current Assets	876,142	321,120	1,197,262
Creditors due after 1 year	(373,103)	-	(373,103)
	<u>6,222,609</u>	<u>3,785,266</u>	<u>10,007,875</u>

	Unrestricted	Restricted	Total 2019
	£	£	£
Fixed Assets	1,786,712	-	1,786,712
Investments	4,072,567	3,014,096	7,086,663
Net Current Assets	451,932	527,268	979,200
Creditors due after 1 year	(383,553)	-	(383,553)
	<u>5,927,658</u>	<u>3,541,364</u>	<u>9,469,022</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 2020 The Leprosy Mission International had £2,187,500 of foreign currency forward contracts in place. The unrealised loss on these forward contracts was £(132,837). 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 2020

NOTE 24. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Fund £	Restricted Fund £	2019 Total £
INCOME FROM				
Donations	3	-	12,491,370	12,491,370
TLM Trading Ltd: Non-charitable subsidiary	4	1,752,096	-	1,752,096
Income from investments	5a	-	137,110	137,110
Other income	5b	-	46,417	46,417
TOTAL INCOME		1,752,096	12,674,897	14,426,993
EXPENDITURE ON				
Cost of raising funds		648,489	-	648,489
TLM Trading Ltd expenditure	4	1,702,304	-	1,702,304
		2,350,793	-	2,350,793
Expenditure on Charitable Activities				
Nepal earthquake		-	733,815	733,815
Public health		71,736	2,259,011	2,330,747
Hospitals		75,310	2,367,612	2,442,922
Disability care & prevention		56,280	3,358,826	3,415,106
Community development		82,607	2,597,129	2,679,736
Education		40,030	1,258,606	1,298,636
Research		8,190	253,552	261,742
Total Expenditure on Charitable Activities		334,153	12,828,551	13,162,704
TOTAL EXPENDITURE		2,684,946	12,828,551	15,513,497
NET (EXPENDITURE) / INCOME BEFORE RECOGNISED GAINS / (LOSSES)		(932,850)	(153,654)	(1,086,504)
Net gains/(losses) on investment assets		595,547	663,005	1,258,552
NET (EXPENDITURE) / INCOME		(337,303)	509,351	172,048
Other Recognised gains /(losses)				
Change in multi-employer pension scheme liability		-	706,000	706,000
Change in fair value of derivatives	20	-	(98,919)	(98,919)
Net movement in funds for the year		(337,303)	1,116,432	779,129
Balance brought forward at 1 January 2019		6,264,961	2,424,932	8,689,893
Balance carried forward at 31 December 2019		5,927,658	3,541,364	9,469,022