Lepra

Report of the Trustees and Financial Statements

for the year ended 31 March 2017

Lepra (Limited by Guarantee)

REPORT OF THE TRUSTEES

The Trustees submit their report and the audited financial statements for the year ended 31 March 2017. The consolidated financial statements have been prepared under the accounting policies set out in Note 2 to the financial statements. These have been prepared in accordance with the special provisions of 445(3) of the Companies Act 2006 in regards to medium-sized companies, the Memorandum and Articles of Association and the Charities Statement of Recommended Practice 2015 (FRS 102).

For the purposes of the Companies Act 2006, the Board of Trustees is the Board of Directors of the charitable company and is referred to as the Trustees throughout this report. As required by the constitution the Trustees are also members of the organisation.

The Trustees of Lepra during the period and to the date of signing this report are as follows:

PATRON		Her Majesty Queen Elizabeth II	
AMBASSADORS		Mrs V Hislop	
		Mr R Sharma	
		Ms F Duby	
CHAIR		Mr C Bland	
TRUSTEES	γ ∑	Prof M Adler CBE	
	‡	Ms A Anderson	(appointed 10/5/16)
		Mrs N Amin MBE	
		Ms K Bigmore	(appointed 7/5/17)
	‡	Mr J Briant	
		Ms F Duby	(resigned 27/09/16)
	∑	Prof R Hay	
		Mr P Lloyd	(resigned 10/05/16)
	∑	Prof D Lockwood	
	∑	Mrs E Ollier	
	#	Mr M McGrath	(appointed 7/2/17)
		Dr V Rukmini Rao	(appointed 1/9/17)
	γ#	Mr S Sharma	
	‡#	Mr S Thapar	
		Lt. Gen. V Tiwari	(resigned 10/05/16)
		Mrs R Whale	(resigned 27/09/16)
CHIEF EXECUTIVE OFFICER		Ms S. Nancollas	(resigned 31/12/16)
		Mr G Prescott	(appointed 30/1/17)
COMPANY SECRETARY		Mr T Swaine	

‡ indicates a member of the Audit, Finance & Risk sub-committee
γ indicates a member of the Governance sub-committee
∑ indicates a member of the Technical Advisory sub-committee
# indicates a member of the Fundraising & Communications sub-committee

The Trustees may appoint any member of the organisation as a Trustee (Article 22). The Trustees may delegate any of their powers to Sub-Committees consisting of such members of the organisation (whether Trustees or not) as they may think fit (Article 44).

REGISTERED OFFICE	28 Middleborough Colchester Essex CO1 1TG
REGISTERED CHARITY NUMBER IN ENGLAND & WALES	213251
REGISTERED CHARITY NUMBER IN SCOTLAND	SC039715
REGISTERED COMPANY NUMBER	324748
BANKERS	Barclays Bank plc 9 High Street Colchester Essex CO1 1DD
AUDITORS	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Governing Document

Lepra is a charitable company limited by guarantee, founded in 1924, incorporated on 26 February 1937 and registered as a charity on 4 February 1963. It was established under the Memorandum of Association which established its objects and powers and is governed under its Articles of Association. The Memorandum and Articles of Association were amended by Special Resolutions of the Trustees on 4 June 1957, 7 June 1967, 24 September 1970, 1 July 2008, 15 May 2013 and 27 September 2016.

The name of the company was changed from Lepra Health in Action to Lepra on 15 May 2013.

REPORT OF THE TRUSTEES

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR ENDED 31 MARCH 2017

Public Benefit Statement

Lepra's objects contained in the company's articles of association are:

"To carry out the investigation of and promote research into the causes, treatment, cure and prevention of the disease of leprosy and any allied disease, and give and grant relief and assistance to any persons suffering or believed to be suffering from such diseases, or the family or dependants of such persons of any description, including financial assistance."

"The charity has power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so.[1]*"*

Our activities in 2016/17 therefore involved us working with people and communities mainly affected by leprosy and lymphatic filariasis (LF) in some of the poorest countries in the world. We do this by working with local partners to further broaden and strengthen the effectiveness of our work, but are always led by the beneficiaries' needs.

We review our strategy each year, including our vision, mission and objectives. We do this by assessing the outcomes we achieved and the success of each activity. This is compiled in detail into an annual "Impact Report." The annual review, quarterly reports and monthly monitoring keeps Lepra focused on our stated objects. The Trustees are therefore confidently able to state that Lepra has complied with Section 17 of the Charities Act 2011, having due regard to the public benefit guidance issued by the Commission. The Trustees have consulted and adhered to the charity commission's guidance, specifically PB1, PB2 and PB3 for the year 2016/17.[2]

OBJECTIVES OF THE ORGANISATION

2016/17 was another successful year, with considerable impact combating the neglected tropical diseases (NTDs) of leprosy and lymphatic filariasis in three countries, India, Bangladesh and Mozambique. As before, our projects and programmes have adapted to the prevailing cultural and political contexts of each country and we have worked with partners that were most suitable to achieve our objectives.

Financially we have used designated funds and reserves to support the budget during the year. This means that we did not end the year with a larger deficit than was planned in the budget re-forecast. The resulting planned deficit was therefore considered acceptable given the level of our reserves at the time and the wish to keep those reserves at an appropriate level.

From a programmes point of view we are increasingly concerned that leprosy in particular may actually be

[1] Articles of Association as last updated 27th September 2016

[2] .https://www.gov.uk/government/collections/charitable-purposes-and-public-benefit

increasing in prevalence in some countries, especially in India. Why this is the case requires further investigation. A deeper examination of the epidemiological evidence will therefore be a major focus in the following year and if necessary we will adapt our programmes accordingly.

A further issue worth highlighting was the continued phasing out of non-core activities, such as eye care, HIV and TB. Some of these projects have long funding commitments, so we do not anticipate the last of these being closed or handed over to others until 2018/19. Even so the "rebalancing" towards leprosy and filariasis is seen as a positive refocusing of our strategy and activities, binding us ever closer to the intent of our charity's object.

STRATEGIC OBJECTIVES

2016/17 was the first full year of our five year strategy and the results are presented below in tabular form with comments in respect of the "amber" issues, as follows:

1. While we were very successful in supporting our beneficiaries towards overcoming disease and prejudice, *overcoming poverty* is probably not an achievable strategic objective as it is critically dependent on exogenous factors beyond our capacity to influence. We plan to review this target in 2018.

2. We are progressing to meet this strategic objective and have therefore employed additional staff in "monitoring and evaluation" (M&E) functions and rolled out a technologically advanced, but simple- to-use, field data collection system known as "KoBo". We therefore expect to achieve our target of measuring and analysing *all* of our activities by 2019/20.

3. We are able to use our learning to inform our programme activities. For example we have established a joint leprosy and LF self-help programme, whereby beneficiaries are able to manage their disabilities by mutual support and basic self-care techniques. Even so, we feel that as our M&E capacity improves we will be able to increase the impact and level of innovation later in this strategic period.

4. We were able to raise our profile through use of the media by securing regular mentions, articles and references. Even so, we feel that our communications impact is not yet sufficient to have achieved this target which may take until 2019/20.

5. Our unrestricted fundraising remains challenging though we continue to generate income to a reasonable level. The continued squeeze on charities' finances resulting from a national climate embodying a sceptical media, politicians and a pervasive feeling of an economic malaise took its toll. That being said our overall finances remain robust and healthy, thanks to legacies, a trend that has been repeated for many years.

   Over the preceding four years, Lepra has sought external advice and acting on some of the recommendations we have invested in new and experimental areas of fundraising, but with disappointing results.[3] The conclusion is that within the UK the unrestricted charity fundraising environment is undergoing structural change, with a shift towards non-traditional methods of

[3] £215K additional fundraising investment, not including staff for a return to date of £33K

donating. For example, challenge events remain a UK success story and there are more opportunities to raise money from "High net-worth" and companies. Thus there will be changes in Lepra's fundraising over the course of 2017/18 having "learnt from experience."

Vision and Purpose	**Vision** Is to be a leader in reducing the incidence and impact of leprosy and other neglected diseases **Our Mission (Purpose)** Driven by our focus on leprosy, our purpose is to enable children, women and men affected by neglected diseases to transform their lives and overcome poverty and prejudice				
Objectives	**Sub-objectives**				
1. Meeting the need through supporting children, women and men to transform their lives	We will put the individual and their needs at the heart of all we do.	1. We will enable children, women and men affected by leprosy, LF and VL to overcome disease, poverty and prejudice.	We will advocate on behalf of children, women and men, influencing new practices and policies, challenging bad laws and changing perceptions.	We will maximise programme impact by developing combined approaches and addressing key cross cutting themes including WASH, disability and gender.	
2. Learning from what we do to become a better informed and learning organisation	2. We will measure, analyse and document the impact of all our activities and the lessons learned.	We will use this evidence to guide our own actions and share it widely to help build the capacity of others - governments, partners and other strategic agencies and forums.	3. We will translate our learning into other areas of our work to accelerate the development of powerful interventions.	We will identify, undertake and facilitate quality research relevant to our purpose.	We will facilitate the continuous learning of our people to develop as professionals, able to enhance the delivery of our purpose.
3. Managing our resources to ensure we are able to deliver maximum impact	4. We will raise our profile to become the partner of choice for donors, peers, governments and the people we work for.	5. We will have a secure, diverse and ethical funding base, valuing our donors and demonstrating transparent values.	We will attract and retain engaged, motivated, skilled staff.	We will uphold sector best practice and have appropriate systems, ICT and robust procedures in place to support our work.	

KEY PERFORMANCE INDICATORS

KPI Category	as at 31/3/17	as at 31/3/16
Income & expenditure		
Total Income	£5,001,352	£5,941,504
Unrestricted income	£2,903,991	£4,276,960
Restricted income	£2,097,361	£1,664,544
Total expenditure	£5,407,612	£5,053,532
Surplus/(deficit)	£(403,784)	£887,688
Free reserves	£1,024,510	£1,009,228
Direct Charitable Expenditure	£4,669,456	£4,160,787
Impact		
Direct beneficiaries of diagnosis, treatment and care	252,056	279,791
Direct beneficiaries of health education and awareness raising[4]	1,316,505	1,940,144
Annual number of **leprosy** cases detected and supported	14,308	2,921
Annual number of **LF** cases detected and supported	13,316	12,332
Staff		
Total FTE staff	591	496
Total UK FTE staff	30	31
Turnover UK staff	31.58%	19.92%
Communications		
National/international media mentions	229	140
Website unique visitors	106,980	116,298
Fundraising		
Legacies received number and value	64 / £787,408	59 / £2,134,439
Legacy "pipeline" no and £	54 / £385,000	37 / £450,790
Unrestricted income excl. legacies	£2,116,583	£2,142,521
No of active donors (gave in last 2 years)	8,187	8,897

During the year we found that we were unlikely to reach our original annual planned income levels for the reasons earlier described. We therefore re-budgeted which incorporated some cost cutting measures, efficiency gains and a budgeted deficit for the year of £625,509. The Trustees felt this was appropriate given the level of reserves we held, and a decision to ensure that we made the best use of our reserves to support our charitable objects. In short, re-budgeting to incorporate a planned loss was not in itself undesirable. The implication of this however is that we need to revise and re-examine our reserves policy for 2017/18 and plan with the experience of the poor charity fundraising market caused by the media and Brexit. This environment is likely to be sustained for some years yet.

In common with most international organisations, we were also hit in foreign exchange terms by the consequences of the "Brexit" vote with an approximately 20% depreciation in the pound to INR rate. This was hedged, but the exchange rate has not corrected itself and now looks like permanent currency devaluation. This effectively means we are able to provide 20% less funding towards our overseas operations, despite commitments for a number of years forwards. Action is therefore planned for 2017/18 to address this. For example using a different budgeting system with India in particular, so it is easier to identify shortfalls and look for restricted funding locally. Furthermore our India programme will be setting

[4] Not including those mentioned as direct beneficiaries of other activities

unrestricted fundraising targets for each state and a new national Lepra Indian fundraising function established.

Programme Summary

In 2016/17 the roll out and ownership of the new joint, organisation, country and state strategic plans was the priority, together with a concerted move towards Programme / Project Cycle Management (PCM), where all activities have clearly defined objectives and timeframes.

While the strategic framework was quite readily understood and adopted by staff across both Lepra and LEPRA Society, the application of PCM to all Lepra interventions has progressed more slowly, especially in India. Similarly, the formulation of a cross country advocacy agenda has taken time to develop and the prioritisation of issues to be pursued at local, national and international level is an ongoing task, for both overseas and UK staff.

As foreseen last year, programme activities continued at levels comparable to 2015/16, with the exception of two new Lepra funded combined leprosy and LF (SANKALP) Projects in Odisha and AP, India and two new donor funded projects in Bangladesh – one introducing the combined leprosy and LF approach to Bangladesh (DFID) and the other a community focused extension of the Health System Strengthening Project (effect:hope).

While these new projects interventions started up in 2016-17 other projects came to an end, notably the DFID funded disability project in Bangladesh. The phase out of non-priority diseases, including HIV and eye care continued in India, though it is expected that LEPRA Society will continue to be engaged with the Boards of the two eye hospitals in Odisha for some years to come.

In 2016/17, while Lepra reached an estimated 3,037,730 people in India, the vast majority were populations reached through IEC Campaigns (Information, Education, Communication); only 140,871 were direct beneficiaries. In the case of Bangladesh the figures were a little closer to those projected: 1,044,102 – 106,678 direct and 937,424 indirectly through health education and awareness-raising. Direct beneficiaries in Mozambique, 4,507 exceeded last year's expectations while the number of indirect beneficiaries, 3,901 was roughly one quarter of 2016/17 expectations.

Programme Activities

In 2016/17, Lepra's programmes directly reached 252,056 people with health and development interventions (India 140,871, Bangladesh 106,678 & Mozambique 4,507) and a population of 26,747,780 with community health education (India 3,526,015, Bangladesh 23,217,864 & Mozambique 3,901).

While the total number of people directly reached by Lepra's work was a little less than 2015/16, a total of 70,190 were diagnosed with a disease and provided with access to treatment, almost double last year's figure (41,257).

Importantly, across all three countries where Lepra works – India, Bangladesh and Mozambique –we found 14,308 new cases of leprosy, almost five time the number identified in 2015/16 (2,921).
For people living with leprosy or LF, Lepra provided 37,523 pairs of sandals in 2016/17, up from 25,888 pairs in 2015/16. This footwear helped prevent worsening disability in those affected by leprosy and an

improvement in existing disability for people with LF.

In India the focus of Lepra's work remained upon the six states of Bihar, Jharkand, Odisha, Telangana, Andhra Pradesh (AP) and Madhya Pradesh (MP). Over the course of the year, new funding secured from effect:hope allowed the expansion of the combined leprosy and LF (SANKALP) intervention in Madhya Pradesh.

In Bangladesh our main area of intervention remained the four districts in the north west of the country, Bogra, Sirajgonj, Pabna and Natore. After successful completion of a three year multi agency health system strengthening project, agreement of a Lepra lead community focused second phase of this initiative saw work extended to from the north western districts of Bogra, Dinajpur, Lalmonirhat and Kurigram to the eastern districts of Sylhet, Maulvibazar, Habiganj and Sunamganj.

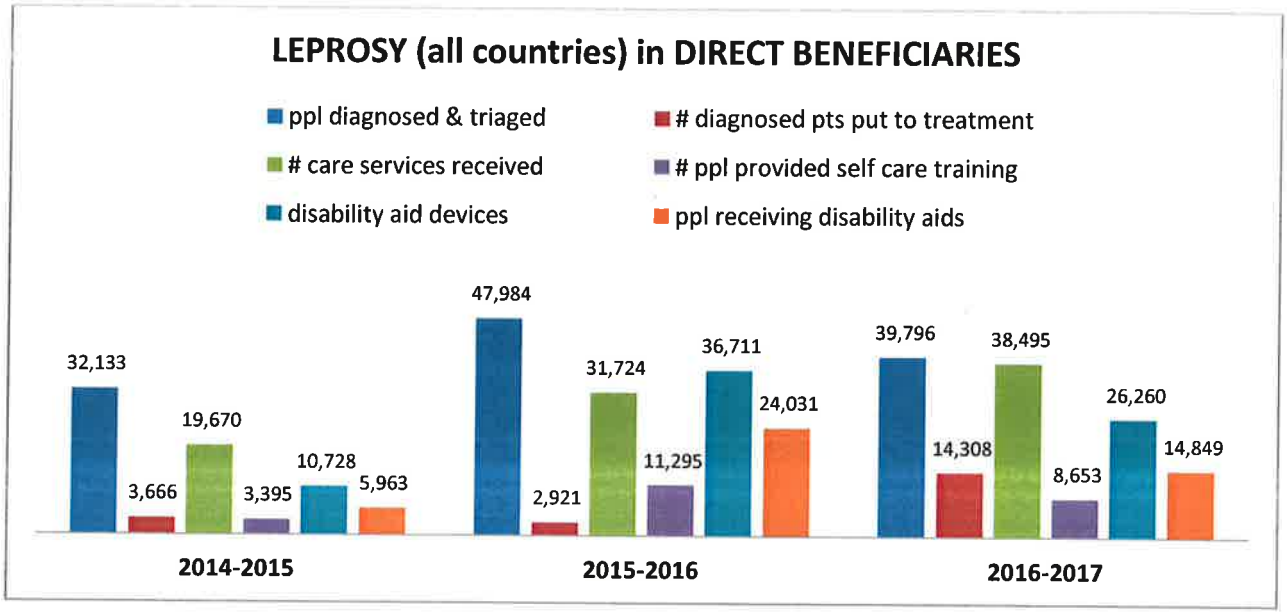
April 2016 also saw the start of a new combined leprosy and LF project 'Reaching the unreached', funded by DFID and focussed on the seven north western Lepra intervention districts.

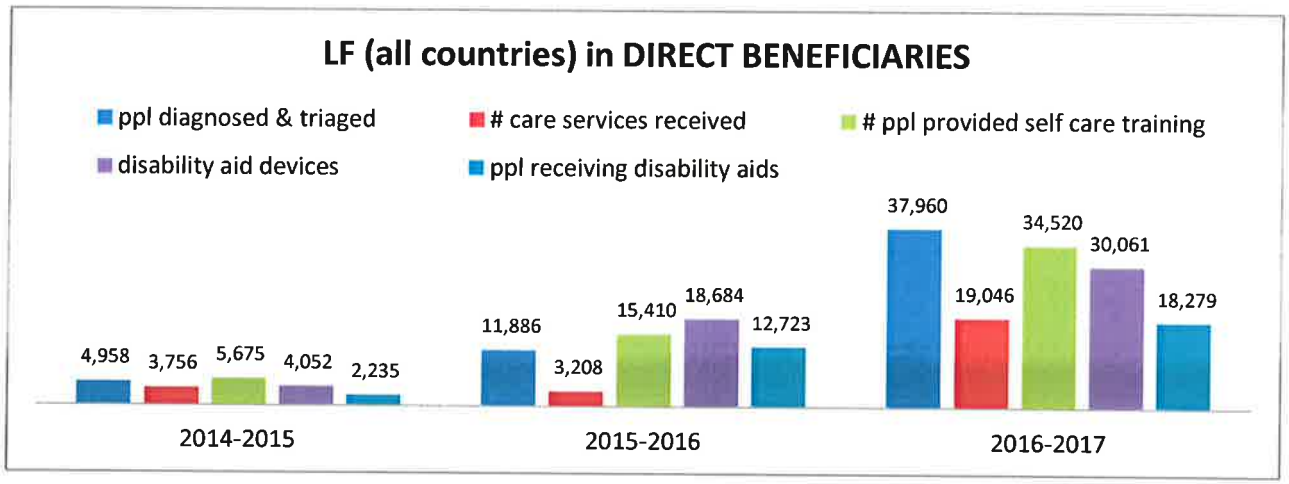
Disease – We improved the lives of more than a quarter of a million people affected by neglected diseases such as leprosy and lymphatic filariasis including other diseases like TB, malaria and loss of vision by providing them with treatment and disability services and enabled 326,687 people to confirm their health status by providing diagnostic services within their villages, in mobile clinics and through our partners.

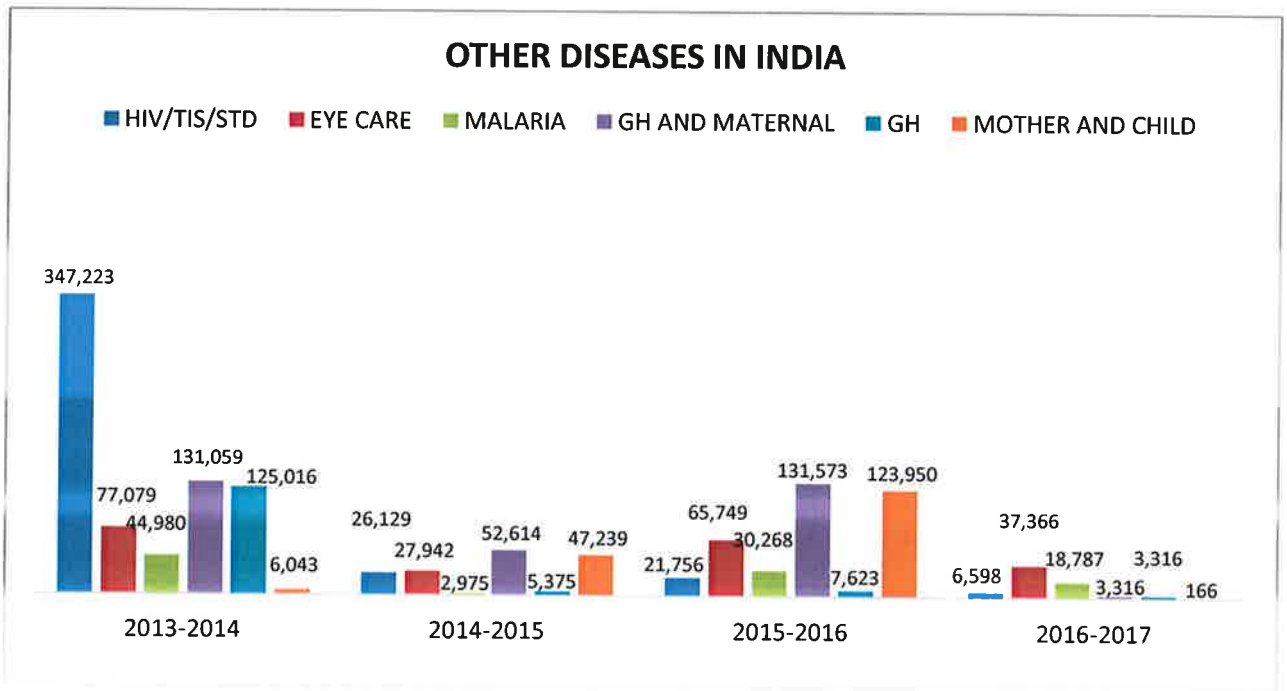
Poverty – We contributed to reduced poverty and improved standards of living for 255,152 people and their families through socio-economic empowerment work. A further 220 families were provided with emergency support following severe floods in Bangladesh.

Prejudice – We educated and raised awareness of 1,316,505 people on health issues (375,624 India, 937,424 Bangladesh and 3,457 Mozambique) to promote health seeking behaviour and to reduce prejudice towards those affected by leprosy, LF and TB, among a total population served of 25,170,312.

Key Numbers	**2016/17**	**2015/16**
People directly reached: diagnosis, treatment and care	252,056	279,791
People reached through health education and awareness raising activities	1,316,505	1,940,144
Children reached with health education and awareness raising through school visits	137,613	222,502
People diagnosed with a disease and provided with access to treatment	70,190	41,257
People given self-care training	43,258	27,619
People who claimed government grants and services for the first time	252,324	1,476
Health workers, volunteers, doctors, ASHAs and teachers trained	225,075	20,710
Government health staff trained	6,723	1,925
Hydrocelectomies performed on men with LF	1,224	1,251
Pairs of sandals distributed to people with leprosy or LF	37,523	25,888
Reconstructive surgery operations performed	611	594
New cases of Leprosy found	14,308	2,921
New cases of LF found	13,316	12,332
Numbers of people who took part in meetings to advocate for their rights	29,164	41,235


LEPROSY (all countries) in DIRECT BENEFICIARIES
ppl diagnosed & triaged
diagnosed pts put to treatment
care services received
ppl provided self care training
disability aid devices
ppl receiving disability aids
32,133
3,666
19,670
3,395
10,728
5,963
47,984
2,921
31,724
11,295
36,711
24,031
39,796
14,308
38,495
8,653
26,260
14,849
2014-2015
2015-2016
2016-2017


LF (all countries) in DIRECT BENEFICIARIES
ppl diagnosed & triaged
care services received
ppl provided self care training
disability aid devices
ppl receiving disability aids
4,958
3,756
5,675
4,052
2,235
11,886
3,208
15,410
18,684
12,723
37,960
19,046
34,520
30,061
18,279
2014-2015
2015-2016
2016-2017


OTHER DISEASES IN INDIA
HIV/TIS/STD
EYE CARE
MALARIA
GH AND MATERNAL
GH
MOTHER AND CHILD
347,223
77,079
44,980
131,059
125,016
6,043
26,129
27,942
2,975
52,614
5,375
47,239
21,756
65,749
30,268
131,573
7,623
123,950
6,598
37,366
18,787
3,316
3,316
166
2013-2014
2014-2015
2015-2016
2016-2017

Lepra in India, 2016/17

In 2016/17, Lepra, through its partnership with LEPRA Society implemented 39 projects in six states and the capital: Bihar, Jharkhand, Odisha, Telangana, Andhra Pradesh, Madhya Pradesh and West Delhi. Of the 39 projects, 20 were funded by Lepra UK.

For all 39 projects, a total of 140,871 people directly benefited from Lepra's work and a population of 3,526,015 indirectly. Amongst direct beneficiaries, 13% were affected by leprosy, 23% by lymphatic filariasis and 23% by tuberculosis. The remaining activities (41% of total beneficiaries) supported people affected by HIV/AIDS and malaria or aimed at improving maternal and general health and eye care.

Leprosy

- 18,169 people accessed diagnostic services and 13,554 people received MDT treatment for leprosy. Of the latter, 32% were female cases and 5% were child cases.
- 37,266 people with leprosy, including new and old cases, were provided with ulcer care, reconstructive surgery and other treatment for complications.
- 7,483 people were trained in self-care.
- 24,612 protective footwear, assistive devices and disability aids were provided to 13,980 people affected by leprosy.
- 2,024 people accessed government schemes and livelihood support.
- 157,200 people participated in school and community health education sessions.
- 1,710,245 were served with Information, Education and Communication (IEC) activities focused on leprosy.

Lymphatic filariasis

- 31,508 people accessed diagnostic services and 13,316 people were 'put on treatment' for lymphatic filariasis. Of the latter, 70% were female cases and 1% were child cases.
- 18,221 people with LF were provided with treatment for complications and 804 people, amongst them, underwent surgery for hydrocele.
- 33,126 people, including new and old cases of LF, were trained in self-care.
- 29,727 pairs of protective footwear, assistive devices and disability aids were provided to 18,014 people affected by LF.
- 3,824 people accessed government schemes and livelihood support.
- 29,553 people participated to a school and community health education session.
- 777,741 were reached by Information, Education and Communication (IEC) activities focused on LF.

Health system strengthening

- 3,459 government health workers were trained to recognise and treat leprosy and lymphatic filariasis.
- 123,321 frontline community health workers and volunteers, traditional village doctors, Accredited Social Health Activists (ASHA) and school teachers were trained on how to recognise leprosy, lymphatic filariasis and other health issues.
- The WASH project trained 1,517 government health workers and 2,909 community health volunteers in water, sanitation and hygiene measures.

Lepra in Bangladesh, 2016/2017

Lepra has been working in Bangladesh since the year 2000 delivering programmes in the areas of leprosy control, TB control and community-based rehabilitation for people affected by leprosy, lymphatic filariasis and general disability. We directly implement programmes in the four northern districts of Bogra, Natore, Sirajgonj and Pabna and work with implementing partners in a further 7 districts in the north and the north-east of Bangladesh. Programme achievements in 2016-2017 included:

Leprosy

- 18,612 people accessed diagnostic services and 575 people received MDT treatment for leprosy.
- 0 children with Grade 2 disability found.
- 620 people received specialised footwear or assistive devices.
- 1229 people provided with ulcer care.
- 548 people trained in self-care.
- Community Clinics were included in the leprosy control programme for the first time, and 1,176 Community Health Care Providers received training on signs and symptoms of leprosy

Lymphatic filariasis

- 6452 people accessed diagnostic services and 6275 were diagnosed with lymphatic filariasis.
- 1017 people trained in self-care.
- 265 people received specialised footwear or assistive devices.

Combined approach (leprosy & lymphatic filariasis)

- 1650 government health workers trained to recognise and treat leprosy and lymphatic filariasis.
- 3079 community champions, traditional village doctors and pharmacists trained on how to recognise possible leprosy and lymphatic filariasis cases and where to refer suspected cases.
- The community champions met over 50,000 people to talk about leprosy and screen them, and found 20% of the leprosy cases.
- 612,152 people reached through health education about leprosy and lymphatic filariasis.

General disability and poverty reduction

- Gender equality in case detection improved from a 38% female – 62% male ratio to 57% female – 43% male ratio, thanks to women-focused activities.
- Lepra supported 220 families of people affected by leprosy, lymphatic filariasis or disability to recover after extreme floods destroyed their houses and livelihoods.
- Project participants have been empowered to claim their rights from the government and 703 people accessed government grants and/or other benefits.

Meeting the need through supporting children, women and men to transform their lives

We will put the individual and their needs at the heart of all we do

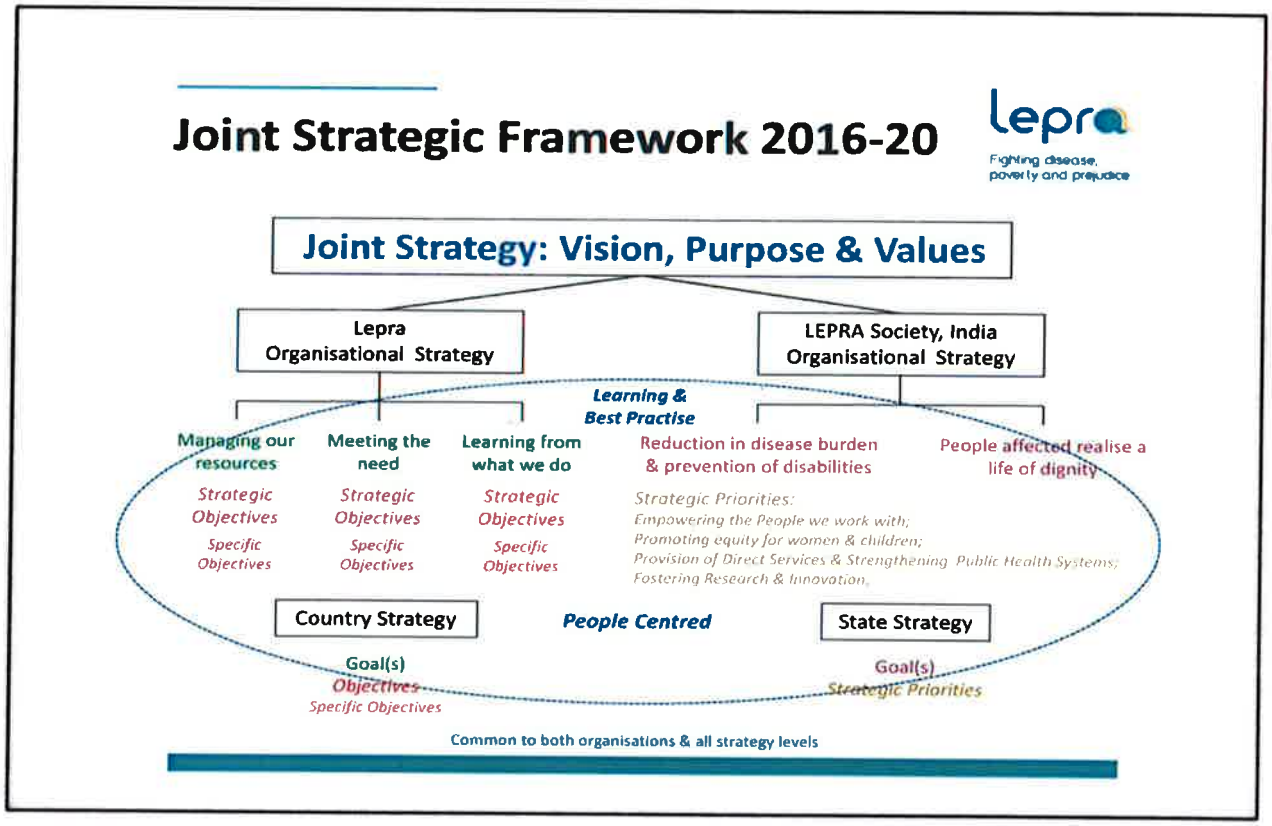
Central to Lepra's new strategy is a 'person' rather than disease centred approach to delivering upon our Vision and Purpose. To this end we have explored and continue to explore how those with whom and for whom we work may be engaged at different stages of the project cycle, from the initial idea to post project impact evaluation. An internal paper was prepared by the Programmes Team on this subject and shared with overseas staff for feedback. A final document will guide Lepra as to how we engage with project beneficiaries.

Over the course of the year Programmes staff attended Northern, South and Central Community Team Meetings to present Lepra's programmes using a 'people centred' lens. Essentially it is an approach to those with whom and for whom we work that is both empathetic and outward looking. Such an approach is equally applicable to Lepra fundraising strategies and internal staff relationships.

Outside the organisation we have promoted the participation of leprosy affected staff members, notably Rachna Riya from Bihar, India, in external forums and networks, especially in the ILEP Advisory Panel of people affected by leprosy. In this regard, affected staff have contributed to research and presentations shared at such forums as the International Leprosy Congress (ILC) held in Beijing in September 2016.

We will enable children, women and men affected by leprosy, LF and VL to overcome disease, poverty and prejudice

The new Joint Strategic Framework, together with the associated Organisation, Country and State Strategies, that were subsequently developed over the course of the year, have all helped both Lepra and LEPRA Society focus, with a view to maximising the impact of the resources available to us for the people with whom we work.



LEPRA Society's Organisational Strategy also serves as a Country Strategy for Lepra, alongside a Bangladesh Country Strategy and Draft Country Strategy for Mozambique, where Lepra works with/through Netherlands Leprosy Relief (NLR). Given the size of India, State Strategies or 'Roadmaps' have been developed for each of the States where LEPRA Society works – in many respects these documents may be considered as equivalent to country strategies.

Across all Lepra's new work on leprosy and LF there are two heavily interlinked but parallel strands: 1) early detection of new cases and 2) support for people and their families affected by our focus diseases. New early detection initiatives seek to combine the strengthening of local health service provision with community outreach to identify and refer possible new cases, all with the objective of treating people before disability arises.

With regard to support for people affected the intention is that this is, or will be, holistic – ranging from self-care and physical health to livelihoods support and access to basic services. We are also exploring how we might serve the mental health needs of people affected by leprosy and LF, where according to our data 1 in 2 people identified they have/have had depression and/or suicidal thoughts.

A 'Combined Approach' to the morbidity management of leprosy and LF, developed by LEPRA Society in India, serves as a strong foundation for a holistic approach to meeting the needs and aspirations of people affected by these two diseases across all the countries where Lepra works.

Once members of leprosy and LF 'self-care' groups have mastered the basics of limb cleaning, care and massage, the groups have the potential to move on to other things that address the needs or aspirations of their members, such as income generating activities or rights based advocacy. At the same time the groups provide a mechanism through which more specialised support to members may be provided by NGOs or the State, such a basic mental health counselling and support.

The Combined Approach, initially developed and pioneered in Bihar, India has been extended, initially to Odisha, Andhra Pradesh and, more recently, Madhya Pradesh states in India. Outside of India, in 2016/17 the approach was rolled out, with DFID funding, in Bangladesh; this follows on from Lepra funding and technical support provided to NLR to implement a combined leprosy/LF project in Zambezia Province, Mozambique.

We will advocate on behalf of children, women and men, influencing new practices and policies, challenging bad laws and changing perceptions

In late 2016, Lepra as an independent organisation, but also an active member of ILEP, played an important role in shaping the new WHO Global Leprosy Strategy, 'Accelerating towards a leprosy free world'. The strategy places great emphasis upon detection before disability, especially amongst children. Not surprisingly there is high degree of overlap between the WHO and the ILEP Strategy, with its three pillars: Stop Transmission, Prevent Disability and Promote Inclusion.

Following the launch of Lepra's new Organisational Strategy, attention turned to the development of an 'Advocacy Agenda'. Over the course of the year workshops and consultations were held with Bangladesh and India staff to discuss local and central advocacy issues and to identify potential advocacy 'targets'. The process culminated in the formulation of a 'Lepra Advocacy Agenda', identifying issues at local, national and international level which was approved by the Lepra Board on the 27/9/16.

As an initial step in the roll out of the agreed Lepra Advocacy Agenda, advocacy mapping and prioritisation templates were developed and shared with senior colleagues, in advance of an 'Advocacy Workshop' in Hyderabad in February 2017. A similar workshop will be held with senior Lepra staff in Bangladesh before the calendar year end.

The primary purpose of these workshops is for overseas staff to identify the priority issues and targets they will work on at local and national level and to explore whether there are issues that transcend national boundaries and which might be pursued at an international level.

Pending the elaboration of priority advocacy targets, LEPRA Society staff in India played an important role over the course of the year, supporting the Public Interest Litigation brought by Pankaj Sinha against the State of Odisha and the wider Indian Government. Having been highly criticised by the Supreme Court on service provisions for leprosy affected people, the National Government has been afforded a suspension, in order to prepare its response to the many damaging claims against it presented to the court.

In Bangladesh, following the termination of a DFID funded disability intervention (IMP-084 Empowering the Poor, October 2013 – September 2016), thanks to Lepra advocacy, local authorities agreed to continue services in the three district disability referral centres that Lepra helped to establish. The government also agreed to pay for a physiotherapist, to take over the services initiated by Lepra. In this instance a Lepra initiated project intervention served to demonstrate a need for physiotherapy services that extended well beyond those affected by leprosy and which therefore prompted a government response.

Another important advocacy development in Bangladesh was the January 2017 registration of the Bogra District Leprosy and Disability Organisation, a federation that unites all self-help groups that have been established and supported by Lepra in the District since 2011. With official recognition, member self-help groups can now engage in wider community development work. In 2017-18 Lepra will partner with this

new Federation in the implementation of a Nutrition Education Project, focussing upon people - especially women of child bearing age - affected by leprosy in Bogra District.

We will maximise programme impact by developing combined approaches and addressing key cross cutting themes including WASH, disability and gender

A holistic approach to the needs and aspirations of people affected by leprosy and LF requires consideration of a wide range of themes and associated diseases and conditions. For example, in both India and Bangladesh Lepra has engaged with water, sanitation and hygiene (WASH) issues surrounding people affected by these two focus diseases.

In India, LEPRA Society, in partnership with WaterAid, initiated a pilot 'WASH-NTD Project', aimed at improving the quality of WASH facilities for people affected by LF and leprosy at different levels, i.e. individual, community and institutional levels, in four districts over a period of two years.

In Bangladesh, Lepra's Community Action for Health and Hygiene Project, focussed on improvements to the potable water and sanitation in the village of Churkuta, home to many leprosy affected people, was awarded the International Society for Neglected Tropical Diseases (ISNTD) Cross-Disease Collaboration Award in November 2016.

Churkuta Village, Bangladesh 14/05/2011 **Churkuta Village, Bangladesh 12/03/15**

Over the course of the year Programmes staff have also been in discussion with the NNN WASH Group (NTD Non-governmental Development Organisation Network) and offered to review their WASH & NTDs toolkit once it's has been finalised, thereby inputting a much needed Asian perspective to the toolkit (which was originally developed for the African context).

Nutrition is another important consideration for any health related intervention. In Bangladesh Lepra recently secured funding from Sasakawa to provide nutrition advice and practical support to self-care group members.

Beyond the physical health issues that self-care groups aim to address and the wider member concerns they might practically address, through advocacy, such as access to livelihoods, benefit entitlements and the like, we have identified these groups as potentially powerful 'vehicles' for identifying and addressing individual mental health needs.

Over the course of the year Programmes Staff carried out a literature review of mental health and leprosy/LF. Preliminary conclusions show the importance of integrating mental health into the general rehabilitation of people affected by these two diseases. In addition to discussing this matter internally, we

have reached out to the NNN DMDI mental health subgroup and to other INGOs specialised in mental health, to see explore what sort of intervention(s) might be integrated into current projects.

A proposal built around the idea of bringing a basic counselling and referral service to self-care groups was developed for Bangladesh and submitted, as a pilot, to the Amplify Challenge, which offered trial, start-up funding of between $50,000 & $150,000. Although successfully passing the first stage of the selection process, the proposal was beaten by projects focused on Africa. Nevertheless, we remain committed to this innovative idea and are seeking alternative funding.

In terms of the diseases and conditions upon which Lepra focused, although the new strategy has narrowed this down to three core diseases: leprosy, LF & VL, the document does allow us some flexibility to go beyond these where a clear link with a core disease and/or the people with whom we work can be demonstrated. In this way Lepra is in receipt of money from the Global Fund to support a TB Programme in Bangladesh and a Malaria Control Programme in Odisha, India.

In Bangladesh the intervention is justified on the grounds of the outreach the programme offers to identify leprosy, as well as TB, cases in the community (rather than the bacterium link), while in Odisha the link, in this case with LF, is vector control through the distribution of mosquito nets and environmental improvements.

Learning from what we do to become a better informed and learning organisation

We will measure, analyse and document the impact of all our activities and the lessons learned

With the introduction of the new strategic framework - encompassing the Joint Strategy, Organisational Strategies and Country Strategic Plans / State Roadmaps – there has been an associated move to apply project cycle management to all Lepra activities, not only donor funded work. A 'Project Summary' has been developed to explicitly link field activities to strategic objectives and to promote and capture cyclical project planning.

Critically, alongside this shift in thinking about our field interventions, data capture for project monitoring and evaluation has continued to improve and grow. Essentially, over the past two years we have introduced the collection of a minimum set of core data, related to disease, poverty and prejudice, captured for each new person approaching Lepra for support in a number of pilot referral centres and projects.

The new M&E system marries Smartphone Technology, for data collection/entry, with freely available KoBO Humanitarian Analytical Software, which in turn is compatible with Microsoft (Excel) and Geographic Information System (GIS) Software. As a unique identity reference is generated for each new case served by Lepra, an individual's progress can now be followed and analysed over time and space.

In addition to core data collection from individuals seeking support from Lepra for the first time, Knowledge Attitude Practice (KAP) Surveys, using a questionnaire format based around the core data tool, have been employed within new project interventions to capture community baseline information. KAP Baseline Surveys were carried out in India for both the Odisha & AP SANKALP Projects and the Bihar BLF leprosy and LF integration project – more than 5000 survey responses have been collected to date.

KAP and Beneficiary Surveys (based on the Core Data Questionnaire) have also been carried out in Year 1 of the new "Reaching the unreached" DFID Project in Bangladesh. Altogether a total of 800 questionnaire responses have been collected to date (400 Baseline + 400 Monitoring/Follow up).

Before and after project data has, after one year, allowed analysis of the impact of the intervention, notably the change in days work lost (and therefore income) for beneficiaries affected by leprosy and LF.

INCREASE OF INCOME AMONG PEOPLE AFFECTED WITH LEPROSY & LF IN BANGLADESH

"Reaching the unreached Project"

PERIOD: July 2016 to March 2017

SURVEY FACTORS ALLOWING ANALYSIS OF INCREASE OF INCOME

	AV.DAYS LOST/MONTH		% OF PEOPLE HAVING LIMITATIONS AT WORK	
	BEFORE	AFTER	BEFORE	AFTER
Leprosy	6	3	70%	65%
LF	5	4	89%	87%
Total	5	3	81%	79%

** based on follow up power BI modelling*

INCREASE OF HOUSEHOLD MONTHLY INCOME (£)

LEPROSY	BEFORE	AFTER	AVERAGE INCREASE	% PPL UNDER SCHEME
POVERTY	£25.45	£30.23	19%	40%
ACUTE POVERTY	£9.45	£10.05	6%	33%
TOTAL	*9.45 to 25.45*	*10.05 to 30.23*	*13%*	*73%*

LF	BEFORE	AFTER	AVERAGE INCREASE	% PPL UNDER SCHEME
POVERTY	£27.05	£28.64	6%	38%
ACUTE POVERTY	£10.05	£10.64	6%	22%
TOTAL	*10.05 to 27.05*	*10.64 to 28.64*	*6%*	*60%*

Conclusions LEPROSY: Approximately 70% of people affected with leprosy live below the poverty line. During the period July 2016 to March 2017, we have observed an increase of 13% in their monthly household income and a 7% reduction in the number of people reporting limitations at work.

Conclusions LF: Approximately 60% of people affected with LF live below the poverty line. During the period July 2016 to March 2017, we have observed an increase of 6% in their monthly household income and a 2% reduction in the number of people reporting limitations at work.

Application of these new M&E formats and tools to Lepra's work overseas necessarily required both theoretical and practical training for concerned staff. A workshop to promote understanding of

fundamental statistical concepts, new data collection tools and analysis and the use of M&E data in project and programme decision making was held in early 2016 in Colchester with key staff from India and Bangladesh (funding came from the India Big Lottery Grant). This workshop was followed later in the year by overseas workshops focussed on training field staff in the use of the new tools and technology.

With regard to information sharing, all Lepra projects are now uploaded on Aid Stream, according to minimum IATI (International Aid Transparency Initiative) standards. Due to donor requirements (DFID) projects in Bangladesh and Mozambique were uploaded in Aid Stream some time ago. The upload of all work in India was a slightly more challenging task, but with this now completed the basic outline of all Lepra's project work is now publicly available. In time we may add to the information available in Aid Stream, to provide a fuller 'picture' of our work, or alternatively our donors may require to place additional project information in the public domain.

We will use this evidence to guide our own actions and share it widely to help build the capacity of governments, partners and other strategic agencies and forums

The most significant learning of the year was based upon observations from practical fieldwork in Munger District, Bihar, India, captured in a letter to the Editor of Leprosy Review and to be followed by a full article. Fieldwork findings suggest that by extending leprosy case detection from the household of a person diagnosed with the disease within the last five years to the surrounding 20-25 dwellings, and placing special focus upon marginalised sections of society, the number of new identified cases may be tripled. These findings were shared with participants at the International Leprosy Congress in Beijing in September 2016.

At country level, Lepra works closely with government, notably with the National Leprosy Elimination Programmes (NLEP). As such we are able to influence both policy and operational practice. In India this influence is perhaps strongest at State level; for example an LF Morbidity Management Patient Card developed by the new SANKALP Project in Puri was recently adopted by the Odisha State Government for use across the whole State.

In the UK the Programmes Team engages with Bond at a number of levels from broad, strategic discussions to dedicated working groups. In January 2017, Lepra joined the Disability and Development Bond Group; membership of this forum offers a good opportunity to encourage DFID to develop and embrace a more inclusive approach to disability. Lepra is also represented on the Mental Health Sub-group at Bond. This group aims to provide a forum to share, learn and discuss mental health issues and the rights of people with psychosocial disabilities, in both policy and practice.

As to sharing with ILEP, partner organisations, in discussions between effect:hope, Lepra and NLR, at the Annual NTD NGDO Network (NNN) Meeting in Washington (2016), it was agreed that a team be set up to document best practices and lessons learnt from the 'combined approach' to leprosy and LF, with a view to strengthening the strategic partnership between the three agencies in the future.

We will translate our learning into other areas of our work to accelerate the development of powerful interventions

The most significant example of where Lepra has spread its learning across the organisation and to other organisations is the pioneering work on the 'combined approach' to leprosy and LF, initially developed in Bihar, India.

Over the past year the 'combined approach' was introduced by Lepra in Bangladesh, with the start of the DFID funded "Reaching the unreached" project. This follows the application of this approach the year before within a joint project with NLR in Mozambique. As well as sharing the idea with other countries and agencies, LEPRA Society has shared its expertise through 'south-south' staff exchanges and training.

Another new initiative of LEPRA Society tested in Bihar, India over the course of the year was special active case finding, with contact surveys extended to 20-25 households surrounding the affected person and their family, together with surveys targeting ethnically and socially marginalised sections of the community.

In addition to publishing the findings from this initiative in the journal Leprosy Review, Lepra aims to replicate this initiative in Bangladesh, as well as other states of India.

Looking beyond internal lesson learning, Lepra shares information with interested agencies, including WHO, through various external forums and meetings including ILEP, Bond, the international Leprosy Congress and NNN meetings.

We will identify, undertake and facilitate quality research relevant to our purpose

A total of 26 research abstracts were submitted for the September 18-21 International Leprosy Congress in Beijing, China, of which the majority were accepted for oral or poster presentation.

Earlier in September Lepra and LEPRA Society staff made three presentations at the NNN Meeting in Washington, as well as chairing a number of sessions in the main, plenary forum.

External meetings apart, Lepra prepared and published few research papers over the course of the year, however with the change of the M&E Programmes post to a full time position and its re-conception and re-designation as a Monitoring Evaluation and Learning post expectations are high for 2017-18.

Notwithstanding the limited number of research publications, internally research work and the drafting of position papers has gone ahead. Importantly, in June 2016 a new Head of Research, Dr. Aparna B. Srikantam, was appointed to lead the Blue Peter Public Health and Research Centre in Hyderabad, India. Under her stewardship the research work of the centre is expected to become more focussed upon Lepra's core, focus diseases and more widely known, through greater engagement with international actors and forums.

Also in India, Lepra conducted research with women recently diagnosed with leprosy through the new focal surveys. Statistics indicate that these women go undetected in standard detection campaigns and by conducting focal group discussions with them the aim was to understand why.

In Bangladesh, Lepra facilitated post-graduate research by a student from University College London (A. Bow-Bertrand) on a mutually agreed area of interest: the mental health of people affected by leprosy. It is intended that this research will be published in Leprosy Review, with the support of Lepra programmes staff.

In the UK, the Programmes Team began investigations into the concept of Social Return on Investment (SROI) with a view to exploring how a monetary value might be placed on the 'social returns' or social impact of our interventions. Initially, the model has been applied to early case detection, to gauge whether

it has value and might be applied more widely.

Possibly the most important internal piece of Programmes research started in late 2016 by the new Monitoring, Evaluation & Learning (MEL) Officer was the development of a comprehensive Lepra Theory of Change (ToC). An internal UK 'brainstorm' session in November was followed by an in-depth practical workshop in December, to develop a first draft of a Lepra Combined LF and leprosy ToC. The draft ToC was subsequently shared with staff in India and Bangladesh in early 2017, to gather their ideas and observations, to further refine this tool.

The Theory of Change builds upon and complements Lepra's 2016-20 Strategy; it focuses on how change may be affected rather than what change is sought. A good ToC will help Lepra:

- Test our intervention assumptions and causal pathways in achieving ultimate outcomes (impact on disease, poverty and prejudice);
- Empirically evaluate the effectiveness and efficiency of all intervention components;
- Provide a unique and standardised vision of how Lepra achieves its outcomes in alignment with the existing strategic plan, helping project design, project evaluation, and communication with funders and other stakeholders.

Another key piece of research conducted in late 2016 by the Communications Team, with external input from Red Tree Research, was an investigation of the UK public's perceptions of charities, in general and Lepra, in particular. A total of three community days and four focus group discussions were held to gain an understanding of our audience's perception of charities, their barriers to giving and our existing messaging and fundraising materials. Over 500 responses were also generated by a donor survey, allowing us to build a more in-depth picture of our existing donors and their motives for support. The donor survey analysis and focus groups findings usefully informed the new communications strategy.

We will facilitate the continuous learning of our people to develop as professionals, able to enhance the delivery of our vision and purpose

A number of UK staff benefited from the attendance on short courses, seminars or longer term professional training over the course of the year.

Staff from the Communications and Fundraising Team attended a project based communications course awarded to Lepra by the Direct Marketing Association and a highly regarded Major Donor Course, run by Solid Management.

Seminars on new data and fundraising issues and legislation ("Securing the future of one to one fundraising" & IOF's Fundraising and the Law seminar) were attended by the head of communications and the head of IT. Information on new data protection and fundraising regulations was also shared internally with relevant staff for compliance.

Other UK staff, with Lepra's support, pursued professionally relevant courses with CIMA (Finance) and the Open University (Statistics).

Lepra also helped the LEPRA Society State Coordinator for Bihar, Rajni Kant Singh, obtain a place at the Liverpool School of Tropical Medicine, to study for a Masters in International Public Health, subsequently

funding his study and living costs in the UK.

Managing our resources to ensure we are able to deliver maximum impact

We will raise our profile to become the partner of choice for donors, peers, governments and the people we work for

The Chief Executive and Programmes staff represented Lepra in a number of external forums and meetings over the course of the year, including the Disease Management Disability & Inclusion (DMDI) group of the NGO NTD Network (NNN), the 7th Annual NNN Meeting in Washington DC, the International Leprosy Congress (ILC) in Beijing, ILEP Meetings, Bond Meetings and Forums, as well as ad hoc meetings, including a Papal Conference in Rome organised by the Nippon Foundation.

In the media, Lepra ran a strong media campaign for International Women's Day reaching a potential audience of over 8m; notably, Lepra Ambassadors and India LEPRA Society representatives broadcast live on the BBC Asian network. For World Leprosy Day Lepra joined with LEPRA Society, in India, messaging online, where our #BeatLeprosy hashtag has become a strong combined feature. Lepra was also a strong contributor to ILEP communications, including the joint social media 'Thunderclap'. Overall, Lepra achieved 229 media mentions, with 30 achieving the highest quality score of 5.

Lepra was selected for a Radio 4 appeal on 15 January 2017 and this was presented by long time Lepra supporter, and Ambassador, Victoria Hislop . The appeal broadcast three times and exceeded the £10,000 target. The appeal generated some committed givers (direct debits) but the majority of donors opted out of further contact.

As Lepra's Patron, the Queens 90th Birthday Celebrations in June 2016 - specifically the Patron's Lunch on the 12/6/16 on The Mall, London - provided an opportunity for the organisation to promote itself, both with the Patron and the public at large. A book "Celebrating Lepra's Royal Patronage" was printed in July 2016 and this was used to approach various members of the Royal Family to re-engage and develop relationships. More broadly, Lepra was chosen as one of only eight charities for a Patron's 'Hero' film to be shown widely on the Patron's Lunch social media and as part of the celebrations on the day.

Lepra was also represented at the Asian Wealth Magazine Cover Stars event in June 2016, to identify possible high value supporters and potential ambassadors. The Indian diaspora in the UK is seen as a rich vein of potential funding and support for Lepra's work on the sub-continent.

We will have a secure, diverse and ethical funding base, valuing our donors and demonstrating transparent practices

After analysing trends in public giving there was a move to increase the focus on 'major donors' while at the same time enhancing our contact with and services to long standing Lepra supporters. Given the negative media surrounding the charitable sector a letter was sent to supporters by the Chair and Chief Executive of Lepra reassuring them on our fundraising and governance standards and practices.

The segmentation of direct mail was reviewed and selections given a more personal ask and response, as our donors requested in the donor survey 'Your voice matters' carried out in May 2016. A "Better Basic" postcard was sent out in July 2016 as a thank you to all our donors who give by committed giving, have signed up to the beat leprosy pledge, or who have been reactivated and notified Lepra of their intention to

leave a legacy.

Additionally, to mitigate any remaining unease about charity protocol and processes our "Fundraising Promise" was updated and communicated to our donors via Lepra News and social media.

In a strategy to free up unrestricted, 'core funding' the costs of planned interventions were 'packaged' into thematic bids; Women, Children, Men and technology. The first raised more than £80k and included 13 grants from new or lapsed funder. A further 40 lapsed donors were approached with a thematic bid which focussed upon Men.

Over the course of the year, our Primary School educational resources were offered in an email to schools in areas we do not currently cover to extend our organisational reach; these also feature on our website. However, work on finalising a Secondary School resource pack has moved more slowly.

In late 2016, two Lepra Trustees hosted private dinners, the first to engage with potential new high value donors and the second to honour long term supporters of Lepra. Both these events raised more than £10,000 and engaged or re-engaged key Lepra supporters.

Over the course of the year Lepra engaged extensively with shoe manufacture Stuart Paver, funder of a mobile shoe van in Bihar, India. It is hoped that over time this relationship will foster broader support for Lepra from the shoe industry in the UK. More immediate benefits of an expanded partnership with Pavers might be inclusion within the company newsletters, support at the UK India Business Council, and potential exposure on Pavers online TV channel.

Another company, Haddenham Healthcare again provided compression garments for Lepra's work with LF affected people in India. Beyond this 'in kind' support, we sought to maintain and grow their staff fundraising for Lepra.

Exploring new fundraising avenues Lepra staff met with Pennies - The Digital Charity Box. This is an easy and innovative way for businesses to raise money for charity by collecting small change donations when paying by card, in-store or online. The intention is to use this as a corporate donor partnership proposition going forward, though there has been little business interest to date.

Building upon Lepra's royal connections as a means of attracting or motivating high value donors an afternoon tea at Buckingham Palace was organised on March 15 2017 hosted by HRH The Duke of Gloucester KG GCVO. This was a unique event to cultivate new, influential supporters, without the explicit discussion of fundraising – forbidden by Palace protocol.

Also with an eye to high value donors, the Chief Executive and Lepra fundraising staff met with the British Asian Trust (BAT) to discuss how we might work together. An interesting opportunity around mental health issues was identified and we will work with BAT as they firm up their ideas in this area. We do not fit with their other themes of work at the moment.

Lepra Society, in India continued to enjoy the support of celebrity Madhavan as the organisation's goodwill Ambassador. In the UK Jo Brand and former world champion cyclist Graham Obree endorsed our International Women's Day campaign and Edinburgh Bike Ride respectively.

We will attract and retain engaged, motivated, skilled staff

The year 2016-17 saw a fair degree of staff turnover in the UK, including the position of Chief Executive. For the most part this change was staff moving on in their respective careers after a significant period of service with Lepra; it was not evidently attributable to internal, push factors.

A new, participatory and engaging approach to the 2016 Staff Conference helped bring the UK team together and provided a focus on collaboration and innovation. A similar approach has now been adopted for the induction process for new staff, making it more informative and interactive for new employees and existing staff alike.

Following a suggestion made at the Staff Conference, a 'buddy scheme' has been introduced with six staff acting as the initial buddies. The scheme is voluntary, with participating staff paired with someone whom they can learn from. It is a system for enabling peers to support each other by sharing experiences, offering advice and providing a sounding board for ideas and problems. Staff will change buddies every 6 months to ensure a broad range of perspectives are shared and to promote 'one Lepra'.

The review and update of the Lepra staff handbook was completed and technical preparations made to make it available online. Alongside this task, BreatheHR, an online HR management tool, has been introduced – a software which enables staff to monitor and manage a wide range of HR information and personal demands.

Finally, in line with Lepra's strategic commitment to 'treat all employees fairly' and promote a 'culture based on our value's we have introduced in the Performance Development Review (PDR) process an opportunity for staff to reflect on how they have demonstrated our values in their work over the year.

We will uphold sector best practice and have appropriate systems, ICT and robust procedures in place to support our work

A review of internal systems within Lepra was undertaken and work flows documented as part of this process. Recommendations for improvements were implemented.

Specifically, work was undertaken to identify a new Customer Relations Management (CRM) System to replace the current Progress Database. Seven potential suppliers demonstrated their systems to a range of Colchester staff and the Head of IT.

The Head of IT gave an update to the senior management team in respect of data protection and the FPS, the General Data Protection Regulation May 2018 and the implications of this legislation for all areas of the organisation.

PLANS FOR THE FUTURE

Neglected Tropical Diseases (NTDs) have been receiving increased funding from the global community but leprosy not. It is the one NTD that the global effort has been unable to defeat or even to make much headway against. Lepra therefore remains more relevant to global health than ever.

Next year presents a number of opportunities for Lepra and there are some anticipated developments which are also worth highlighting.

Firstly, we have become aware of troubling information regarding leprosy prevalence in some African countries. Since 2005, many leprosy surveillance systems across the world have closed and diagnostic and treatment expertise has been progressively lost as leprosy has been de-prioritised. Informal reporting from some African countries suggest that the numbers of leprosy cases are much higher than official records suggest, so it is a matter that will require further investigation and in-country follow up.

Secondly, on a global level absolute numbers of leprosy cases are probably not falling and it would not be surprising to see the numbers climb in India for example. Therefore the strategic choice to focus more on leprosy and less on other NTDs, other than Lymphatic Filariasis (LF), will continue in 2017/18, even at the expense of the "size" of the organisation. The failure to beat leprosy to date emphasises the need to continue to re-focus on leprosy and not dilute our attention with too many other non-core activities.

Thirdly, the UK fundraising environment has been challenging, but the government is suggesting that the economy will be strong, which if translated into full employment and rising wages is always good for charities. Similarly the Indian economy is predicted to continue to grow at more than 6% which hopefully will translate into a sound basis to secure programme funding from India itself. Lepra will therefore continue to look to raise funds for our programmes not just from the UK but from programme countries. As can be seen from this year's accounts, this promises to be fruitful and has many advantages, not least some degree of protection from foreign exchange fluctuations.

Fourthly, we intend to adapt our fundraising to take into account the lessons learnt of the last three years. Assisted by the 2016 Kingston Smith Fundraising review, the evolving direction emphasises high-net-worth individuals (HNW), companies, challenge-events, digital and community fundraising beyond schools. All of this will be combined with more fundraising volunteers. As a part of our fundraising plans we will begin the year by consolidating two partnership managers (PM) working on HNWs and Companies while appointing a full-time Trust and Foundation Fundraiser.

Fifthly, we intend to take a fresh look at our databases and fundraising practice, keeping them compliant with data protection, privacy and fundraising regulatory changes. This whole area is undergoing a lot of change and it is Lepra's intention to be ahead of the various regulations before they come into force during 2017 and 2018. In sum, Lepra will continue to secure our donors' privacy and ensure our funding methods are beyond reproach.

Lastly, there has been no breakthrough in leprosy diagnostic techniques or control methods, which means Lepra's active case finding remains our main method of preventing the disease spreading resulting in disability and stigma. Next year we therefore anticipate that Lepra's active case finding will be a focus after we have studied our most recent active-case-finding campaign. According to its results, we will seek to contribute to 'best practice' thus making a more significant dent in the morbidity associated with the disease for years to come.

Overall 2017/18 suggests it will be a busy and most productive year.

FINANCIAL REVIEW

FINANCE

	Year to March 2017 £	Year to March 2016 £	% Change
Income	5,001,352	5,941,504	(16%)
Expenditure	5,407,612	5,053,532	7%

The overall financial position of Lepra remains stable despite a deficit for the year of £406,000 before exchange rate adjustments.

FUNDRAISING

	Year to March 2017 £	Year to March 2016 £	% change
Total income	5,001,352	5,941,504	(16%)
Restricted income	2,097,361	1,664,544	26%
Regional income	756,579	815,037	(7%)
Individual giving	1,155,010	1,131,435	2%
Legacy income	787,408	2,134,439	(63%)
Event income	27,991	43,547	(36%)
Trusts & Corporate Giving	233,842	135,216	73%

Total income for Lepra in the year ended 31 March 2017 was £5,001,352 which was a reduction of £940,152 compared to the previous year primarily as a result of less income from legacies.

The table above shows a 26% increase in restricted income; that is income provided for specific projects overseas. The majority of this increase is due to successful fundraising to statutory and corporate organisations within India.

Total voluntary income for Lepra in the year ended 31 March 2017 was £2,726,988, a reduction of £1,397,470, or 34%, primarily due to legacy income being significantly lower than the high amount received in the previous financial year.

Lepra is registered with the Fundraising Regulator and has paid the levy thus demonstrating our commitment to good fundraising practice. We have committed to abide by the Code Of Fundraising

Practice and the Fundraising Promise meaning that we will commit to high standards, be clear, honest and open, be respectful, be fair and reasonable and be accountable and responsible.

INVESTMENT POLICY

Lepra seeks to produce the best financial return within an acceptable level of risk. The investment objective for short term reserves is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements in addition to planned expenditure.

A very small portfolio of investments is held in accordance with the powers available to the Trustees. These investments are held in companies quoted on the FTSE 250 and have been acquired through the donation of shares from our supporters with the exception of an unquoted investment in ordinary shares in Helpcards Holdings Limited of which Lepra holds 6.74% of the issued share capital.

Lepra assets are invested in line with the aims of the organisation. The trustees do not wish to exclude specific investments but individual investments may be excluded if perceived to conflict with Lepra's purpose.

RESERVES POLICY

In early 2017 the Trustees reviewed the reserves policy and this was amended to take into account changes to the operating environment. In summary, it was agreed that Lepra requires short to medium term reserves for UK working capital, short term funding losses and the ability to meet commitments to staff (UK and Bangladesh) and contracted suppliers should Lepra decide to cease operations.

The target level for short / medium term reserves is calculated on the basis of statutory redundancy costs and three months' pay in lieu of notice for all UK staff, three months' pay for all Bangladesh staff in posts funded by Lepra, contractual obligations and six months costs for the majority of overhead expenditure, including mortgage repayments. The current amount, using this calculation, is £520,000.

In addition, the Trustees agreed that contingency reserves were required in order to cover potential unbudgeted opportunities which may arise and which may require investment. The target level for contingency reserves is £250,000.

A desirable level of free reserves is therefore £770,000.

As at 31 March 2017, the free reserves of the Charity, which do not take account of funds designated by the Trustees, amounted to £1,069,639 (£1,009,228 at March 2016) and are in excess of the target. The Trustees confirm that they believe the level of reserves to be reasonable taking into account the potential fluctuations in future income.

The reserves policy will be reviewed annually by the audit, finance and risk sub-committee to take account of the changing internal and external environments and may be revised as a result.

GRANT MAKING POLICY

Lepra works within long term established relationships with partner organisations in India and Bangladesh and grants are awarded to these organisations during the annual budget process. Unsolicited applications from other organisations are not encouraged or considered.

PRINCIPAL RISKS AND UNCERTAINTIES

RISK MANAGEMENT POLICY

Lepra has carried out a process to identify potential risks that may impact on its ability to provide continued support to its objectives. These have been assessed in relation to their probability and to the impact they would have.

Strategic risks have been identified and considered within the following categories:

- Impact - are we achieving the desired impact in support of our beneficiaries and can we evidence this?
- Financial sustainability - are we managing our finances to ensure that we can continue to make an impact in the medium to long term?
- Compliance - are we meeting our regulatory, legal and donor compliance requirements and expectations?
- Reputation - are we able to respond effectively to any incident that could result in damage to our reputation?
- Specific organisational issues - risks that are at the heart of what Lepra stands for.

The Trustees are responsible for the management of the risks that face Lepra. As indicated above, strategic risks, both financial and operational, are identified on an ongoing basis and recorded in a risk register. Regular reviews ensure that the controls put into place continue to manage and mitigate the risks.

The most significant strategic risks identified by the Trustees are those which impact income and the ongoing ability of Lepra to undertake work in the field. These take account of the potential reduction in voluntary funding, bids for statutory and institutional funds and the potential decline in legacy income. Lead managers are identified to take responsibility for actions which mitigate the risks and these are subject to periodic review. Country specific risks in respect of Lepra's ability to continue working in India and Bangladesh are also taken into account and mitigation involves ensuring that our donors are informed of the situation on the ground in the areas where we work.

Through the risk management process established for the charity, the Trustees are satisfied that the major risks have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

VALUES, VISION AND OBJECTIVES OF THE ORGANISATION

The 2016/17 financial year was the first year of our new five year strategy titled, "Restoring Lives, Lepra Strategy 2016-2020." This strategy was the culmination of a process involving the organisation at every level including our programmes in India, Bangladesh and Mozambique.

The salient points of our strategy:

Our Vision
Is to be a leader in reducing the incidence and impact of leprosy and other neglected diseases

Our Mission (Purpose)
Driven by our focus on leprosy, our purpose is to enable children, women and men affected by neglected diseases to transform their lives and overcome poverty and prejudice

Our Objectives

Meeting the need through supporting children, women and men to transform their lives

- We will put the individual and their needs at the heart of all we do.
- We will enable children, women and men affected by leprosy, LF and VL to overcome disease, poverty and prejudice.
- We will advocate on behalf of children, women and men, influencing new practices and policies, challenging bad laws and changing perceptions
- We will maximise programme impact by developing combined approaches and addressing key cross cutting themes including WASH, disability and gender

Learning from what we do to become a better informed and learning organisation

- We will measure, analyse and document the impact of all our activities and the lessons learned.
- We will use this evidence to guide our own actions and share it widely to help build the capacity of governments, partners and other strategic agencies and forums.
- We will translate our learning into other areas of our work to accelerate the development of powerful interventions.
- We will identify, undertake and facilitate quality research relevant to our purpose.
- We will facilitate the continuous learning of our people to develop as professionals, able to enhance the delivery of our vision and purpose.

Managing our resources to ensure we are able to deliver maximum impact

- We will raise our profile to become the partner of choice for donors, peers, governments and the people we work for.
- We will have a secure, diverse and ethical funding base, valuing our donors and demonstrating transparent practices.
- We will attract and retain engaged, motivated, skilled staff
- We will uphold sector best practice and have appropriate systems, ICT and robust procedures in place to support our work

Our Values

Lepra is a values led organisation.

What we mean by Values

- Organisational values are important as they reflect the people and character of the organisation and project the *feel* and *look* of who we are.
- Organisational values are demonstrated in all our actions and reinforced by a process of mutual accountability.

Our Values are explicit and congruent in the following areas:

- How we behave in all aspects of our work, visual, verbal, written
- How we treat our beneficiaries
- How we treat other stakeholders such as staff and other interlocutors
- How we make and communicate decisions

Our Organisational values were chosen for three reasons:

- They reflect the values we have
- They reflect the values we want to promote
- They reflect the values that we will not sacrifice for short term gain or expedience

People centred, together with the people we work with and for, acknowledging the world from their perspective

Transparent and accountable to the people we work with, our staff, supporters, and stakeholders;

Innovative and demonstrating bold leadership at all levels;

Effective and efficient;

Collaborative, working together to achieve the benefits of synergy

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees meet as a board to agree strategy and make major decisions which affect the future development of the charity.

The list of current trustees is shown at the beginning of the report. Trustees are appointed following a recruitment process managed by a Governance Sub-Committee. New trustees are appointed by the full board. The membership of the board is made up of people with a mix of skills, which are considered to be the most appropriate for providing advice and guidance.
The selection of the right trustees is important, as is ensuring that they are fully conversant with their responsibilities to successfully carry out their roles. All new trustees receive a letter and Charity Commission guidelines fully setting out these responsibilities. All new trustees go through an induction process and all are encouraged to attend appropriate external training courses offered and to visit the field to understand the work being undertaken on the ground.

The board of trustees has delegated some of its activities to the Audit, Finance & Risk sub-committee, Governance sub-committee, Technical Advisory Group and the Fundraising and Communications sub-committee. The day to day running of the charity is delegated to the Chief Executive.

Lepra has purchased a Charity Trustees Management Liability insurance policy on behalf of all the Trustees which covers legal liabilities up to an indemnity limit of £1m.

The board of trustees is responsible for setting the salary of the Chief Executive. Charities compete in the market place for staff and to attract and retain the right Chief Executive, with the right skills and experience, the salary needs to be commensurate with the complexity, responsibility and risk the role entails. All of the salaries of paid staff, including key management personnel, at Lepra are benchmarked and we aim always to pay on or just below the average rate of pay for any position. At the time this report was prepared the Chief Executive's salary was £80,000 which is 2.9% below the sector benchmark for similarly positioned charities. At present the relationship expressed as a multiple between our Chief Executive's pay to median pay in Lepra is 1 : 2.83

Lepra's policy is to review all salaries annually and to benchmark against the findings of the Charity Rewards Survey produced by Croner. Lepra salary rates are reviewed and may be adjusted annually through the award of an increase across the organisation. Our senior management team, with reference to the CPI inflation index, will recommend the salary increase to be incorporated into the annual budget. Our board of trustees are required to review and approve this recommendation on an annual basis as part of the budgeting process.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Lepra for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Kingston Smith LLP have expressed their willingness to continue in office as auditors in accordance with Section 385(2) of the Companies Act 2006. A resolution concerning the appointment of auditors will be submitted to the Annual General Meeting.

The Trustees' Annual Report and Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 26 September 2017 and signed on its behalf by:

Charles Bland
Chair

Lepra (Company No. 324748)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF LEPRA

We have audited the financial statements of Lepra for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 31 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.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Annual Report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Date: 26/9/2017

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Lepra

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds	Restricted Funds	Total 2017	Unrestricted Funds	Restricted Funds	Total 2016
		£	£	£	£	£	£
Income from:							
Donations and legacies	6	2,837,434	123,396	2,960,830	4,215,674	44,000	4,259,674
Charitable activities	6	2,050	1,973,965	1,976,015	-	1,620,544	1,620,544
Investments	6	58,616	-	58,616	49,861	-	49,861
Other	6	5,891	-	5,891	11,425	-	11,425
Total income		2,903,991	2,097,361	5,001,352	4,276,960	1,664,544	5,941,504
Expenditure on:							
Raising funds	8	738,156	-	738,156	892,745	-	892,745
Charitable activities	8	2,524,338	2,145,118	4,669,456	2,425,562	1,735,225	4,160,787
Total expenditure		3,262,494	2,145,118	5,407,612	3,318,307	1,735,225	5,053,532
Net gains / (losses) on investments	11	2,476	-	2,476	(284)	-	(284)
Net income / (expenditure)		(356,027)	(47,757)	(403,784)	958,369	(70,681)	887,688
Transfers between funds	18	-	-	-	(68,616)	68,616	-
Other recognised gains / (losses):							
Gains (Losses) on Foreign Currency Transactions		150,416	-	150,416	15,271	-	15,271
Total other gains / (losses)		150,416	-	150,416	15,271	-	15,271
Net movement in funds		(205,611)	(47,757)	(253,368)	905,024	(2,065)	902,959
Reconciliation of funds:							
Total funds brought forward		4,089,275	248,366	4,337,641	3,184,251	250,431	3,434,682
Total funds carried forward		3,883,664	200,609	4,084,273	4,089,275	248,366	4,337,641

All gains and losses arising in the year are included above and arise from continuing activities.

The notes on pages 40 - 60 form part of these financial statements.

Lepra

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2017

	Note	2017 £	2017 £	2016 as restated £	2016 as restated £
FIXED ASSETS					
Tangible assets	9		2,023,454		2,051,851
Intangible assets	10		377		457
Investments	11		106,527		117,599
			2,130,358		2,169,907
CURRENT ASSETS					
Debtors	14	476,199		1,442,861	
Stocks	13	41,045		29,159	
Investments		285,516		147,181	
Cash at bank and in hand		2,034,837		1,428,550	
		2,837,597		3,047,751	
CREDITORS:					
Amounts falling due within one year	15	(427,786)		(386,996)	
NET CURRENT ASSETS			2,409,811		2,660,755
TOTAL ASSETS LESS CURRENT LIABILITIES			4,540,169		4,830,662
CREDITORS:					
Amounts falling due after more than one year	15		(455,896)		(493,021)
TOTAL NET ASSETS			4,084,273		4,337,641
FUNDS					
Unrestricted funds - general	17		3,402,572		3,203,582
Unrestricted funds - designated	19		481,092		885,693
Restricted funds	18		200,609		248,366
			4,084,273		4,337,641

The financial statements were approved by the Trustees and authorised for issue on 26 September 2017.

Ms A Anderson
Chair, Audit, Finance & Risk sub-committee

The notes on pages 40 - 60 form part of these financial statements.

Lepra

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2017

Statement of cash flows

	2017	2016 as restated
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	588,899	(121,167)
Cash flows from investing activities:		
Dividends and interest	58,616	49,861
Proceeds from the sale of fixed assets	4,072	40,185
Purchase of fixed assets	(172,139)	(123,729)
Proceeds from the sale of investments	13,548	46,445
Purchase of investments	-	(85,671)
Net cash used in investing activities	(95,903)	(72,909)
Cash flows from financing activities:		
Repayments of borrowing	(37,125)	(35,705)
Net cash used in financing activities	(37,125)	(35,705)
Change in cash and cash equivalents	455,871	(229,781)
Opening cash and cash equivalents	1,428,550	1,643,060
Change in cash and cash equivalents due to exchange rate movements	150,416	15,271
Cash and cash equivalents at 31 March	2,034,837	1,428,550

Reconciliation of net income (expenditure) to net cash flow from operating activities	2017	2016
	£	£
Net income (expenditure) for the period (as per SOFA)	(403,784)	887,688
Adjustments for:		
Depreciation charges	196,505	117,780
(Gains)/losses on investments	(2,476)	284
Dividends and interest	(58,616)	(49,861)
Loss/(profit) on sale of fixed assets	39	474
(Increase)/decrease in stocks	(11,886)	127
(Increase)/decrease in debtors	966,662	(1,022,280)
(Increase)/decrease in short term investments	(138,335)	(50,603)
Increase/(decrease) in creditors	40,790	(4,776)
Net cash provided by / (used in) operating activities	588,899	(121,167)

Lepra

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds	Restricted Funds	Total 2017	Unrestricted Funds	Restricted Funds	Total 2016
		£	£	£	£	£	£
Income from:							
Donations and legacies	6	2,442,894	123,396	2,566,290	3,853,011	44,000	3,897,011
Charitable activities	6	-	814,289	814,289	-	819,409	819,409
Investments	6	14,053	-	14,053	19,732	-	19,732
Other	6	5,930	-	5,930	11,899	-	11,899
Total income		2,462,877	937,685	3,400,562	3,884,642	863,409	4,748,051
Expenditure on:							
Raising funds	8	738,156	-	738,156	892,746	-	892,746
Charitable activities	8	2,159,562	1,036,303	3,195,865	2,160,566	920,930	3,081,496
Total expenditure		2,897,718	1,036,303	3,934,021	3,053,312	920,930	3,974,242
Net gains / (losses) on investments	11	2,476	-	2,476	(284)	-	(284)
Net income / (expenditure)		(432,365)	(98,618)	(530,983)	831,046	(57,521)	773,525
Transfers between funds	18	-	-	-	(68,616)	68,616	-
Other recognised gains / (losses):							
Gains (Losses) on Foreign Currency Transactions		40,791	-	40,791	15,835	-	15,835
Total other gains / (losses)		40,791	-	40,791	15,835	-	15,835
Net movement in funds		(391,574)	(98,618)	(490,192)	778,265	11,095	789,360
Reconciliation of funds:							
Total funds brought forward		3,046,405	98,618	3,145,023	2,268,140	87,523	2,355,663
Total funds carried forward		2,654,831	-	2,654,831	3,046,405	98,618	3,145,023

All gains and losses arising in the year are included above and arise from continuing activities.

The notes on pages 40 - 60 form part of these financial statements

Lepra

CHARITY BALANCE SHEET

YEAR ENDED 31 MARCH 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	9		1,305,055		1,357,016
Intangible assets	10		-		37
Investments	11		39,557		37,081
			1,344,612		1,394,134
CURRENT ASSETS					
Debtors	14	436,115		1,389,210	
Cash at bank and in hand		1,693,017		1,167,805	
		2,129,132		2,557,015	
CREDITORS:					
Amounts falling due within one year	15	(363,017)		(313,105)	
NET CURRENT ASSETS			1,766,115		2,243,910
TOTAL ASSETS LESS CURRENT LIABILITIES			3,110,727		3,638,044
CREDITORS:					
Amounts falling due after more than one year	15		(455,896)		(493,021)
TOTAL NET ASSETS			2,654,831		3,145,023
FUNDS					
Unrestricted funds - general	17		2,173,739		2,160,712
Unrestricted funds - designated	19		481,092		885,693
Restricted funds	18		-		98,618
			2,654,831		3,145,023

The financial statements were approved by the Trustees and authorised for issue on 26 September 2017.

Ms A Anderson
Chair, Audit, Finance & Risk sub-committee

The notes on pages 40 - 60 form part of these financial statements.

Lepra

CHARITY CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2017

	2017	2016
Cash flows from operating activities:	£	£
Net cash used in operating activities	555,456	(281,119)
Cash flows from investing activities:		
Dividends and interest	14,053	19,732
Proceeds from the sale of fixed assets	-	21,644
Purchase of fixed assets	(47,963)	(13,917)
Proceeds from the sale of investments	-	46,445
Net cash used in investing activities	(33,910)	73,904
Cash flows from financing activities:		
Repayments of borrowing	(37,125)	(35,705)
Net cash used in financing activities	(37,125)	(35,705)
Change in cash and cash equivalents	484,421	(242,920)
Opening cash and cash equivalents	1,167,805	1,394,890
Change in cash and cash equivalents due to exchange rate movements	40,791	15,835
Cash and cash equivalents at 31 March	1,693,017	1,167,805

Reconciliation of net income (expenditure) to net cash flow from operating activities	2017	2016
	£	£
Net income (expenditure) for the period (as per SOFA)	(530,983)	773,525
Adjustments for:		
Depreciation charges	99,961	25,486
(Gains)/losses on investments	(2,476)	284
Dividends and interest	(14,053)	(19,732)
(Increase)/decrease in debtors	953,095	(1,049,422)
Increase/(decrease) in creditors	49,912	(11,260)
Net cash provided by / (used in) operating activities	555,456	(281,119)

1 STATUS

The Organisation is limited by guarantee and has no share capital. The liability of each member is determined by the constitution of the Association and shall not exceed the sum of £1.

2 ACCOUNTING POLICIES

a) The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit company for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donations income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) Quoted fixed asset investments are recorded on the Balance Sheet at middle market values at the year end. The unquoted investments are recorded at the valuation set by the Trustees.

c) Realised gains and losses arising from the disposal of fixed asset investments are calculated as the difference between the net sale or redemption proceeds and either the market value at the last balance sheet date or the cost of investments purchased during the year.

d) Unrealised gains and losses arising on the revaluation of fixed asset investments to market value are transferred to a separate revaluation reserve. On disposal of an investment the unrealised revaluation gain or loss is transferred out of the revaluation reserve into unrestricted funds.

e) Income recognition - Income tax recoverable on gift aided, legacy and investment income is calculated on the income received up to the year end. Legacies are included in the accounts when the charity has established entitlement to a receipt that is probable and the executors have determined that a payment can be made. Lepra has also been informed of legacies estimated at a total of £385,000 which have not been included in these financial statements as they do not reach the necessary recognition criteria. Donations and grant income are included in the accounts in the year in which they are receivable, unless, under the terms of the grant, the income is restricted to a future accounting period

f) Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support Costs are allocated as the costs that are identified as a direct support to an activity. However, central costs are apportioned on a staff time basis as follows:

Programmes 44.68%, Education 13.87%, Regional 7.90%, Individual Giving 9.35%, Events 4.68%, Trusts/Corporates 9.84%, Leprosy Review 3.87%, Training 3.39%, Research 1.77%, Legacies 0.65%

g) All assets purchased are valued at cost. UK assets purchased below £500 are not capitalised and are shown as a revenue cost.

Depreciation is charged on the Organisation's tangible fixed assets at the following rates, which are expected to reduce the assets to their net realisable values over their estimated useful lives.

Freehold Building		Over 50 years
Motor vehicles		25% per annum on cost
Office equipment		20% per annum on cost
Computer equipment		25% per annum on cost
LEPRA India	Leasehold	Over the life of the lease
	Freehold Buildings	10%
	Vehicles & equipment	15%
	Medical equipment	15%

Depreciation is provided for the full year on the written down value method, at the above rates as prescribed in the Indian Income Tax Act, 1961.

LEPRA Bangladesh	Furniture	15% per annum reducing balance
	Office equipment	15% per annum reducing balance
	Bicycle	20% per annum reducing balance
	Motor vehicles/cycles	20% per annum reducing balance
	Computer equipment	33% per annum reducing balance

h) Freehold property at 28 Middleborough, Colchester CO1 1TG was purchased on 4 November 2004. This together with the contracted works has been fully recognised in the accounts. A revaluation, in line with the transitional provisions of FRS 102, was undertaken in November 2014 and the property is included at fair value of £1,225,000 in these accounts. Going forward, an annual impairment review is no longer required.

i) Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised over its estimated useful life of 4 years, on a straight line basis.

j) Other financial instruments

i. Cash and cash equivalents:
Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors:
Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

k) Foreign currency balances have been converted at the exchange rate ruling at 31 March 2017. Transactions during the year are included at the average rate for the year in which the transaction occurred. With regard to the accounts of overseas subsidiary undertakings these are translated into sterling on the following basis:

Assets and liabilities are at the rate of exchange ruling at the year-end date.
Income and Expenditure account items at the average rate of exchange for the year.

All exchange differences arising on the translation into sterling are recognised through the Statement of Financial Activities.

l) Grant expenditure on programmes and research is accounted for in the period when payable and sums unpaid at the balance sheet date are included in current liabilities.

m) Deferred income relates to income received towards activities that will be carried out in the following year.

n) Critical accounting estimates and areas of judgement - in the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

o) Lepra operates a defined contribution pension scheme for its employees. The contributions are paid monthly as they fall due. The expense to activity allocation matches the wage to activity allocation. Pension costs are treated as unrestricted unless a specific restricted gift was received for that purpose.

p) Fund accounting
Funds held by the charity are:

Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds – these are funds that can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds – these are funds which have been designated for specific purposes by the Lepra Trustees.

Further explanations of the nature and purpose of each fund is included in the notes to the accounts.

q) Stock is valued at the lower of cost or net realisable value.

r) Current asset investments consist of short term deposits with a maturity date of more than 3 months but less than 12 months. Any deposits with a maturity date of more than 12 months are included within fixed asset investments.

s) Donated services and facilities relate to medical equipment provided to Lepra Society India and are valued at cost price.

t) Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight-line basis over the lease term.

u) A prior year adjustment was made in the year. This was a reclassification only between investments and cash at bank and in hand. The adjustment had no impact on reserves.

3 2006 COMPANIES ACT

The prescribed profit and loss account formats required by Section 396 of the 2006 Companies Act have not been adhered to in disclosing the financial results of the Organisation for the year ended 31 March 2017. It is the opinion of the Trustees that strict adherence to these formats would be misleading to the membership of the Organisation, and prevent the financial statements from showing a true and fair view as required by Section 393 of the 2006 Companies Act. In all other respects the financial statements comply with the requirements of the Companies Act 2006.

4 BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking for the year. Lepra (Society) India is consolidated in these financial statements as a subsidiary. Lepra Ireland, previously a subsidiary, was dormant during the financial years 2014/15 – 2016/17 and was closed down on 10 February 2017.

Lepra (Society) India is considered to be a subsidiary, within the requirements outlined in SORP FRS102 section 24.16, because Lepra has the power to govern financial and operating policies as set out in specific clauses included within the Lepra (Society) India memorandum and, in the event of dissolution, remaining assets will be
transferred to Lepra. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of Lepra and Lepra (Society) India are identical as detailed in the joint Lepra strategy 2016 – 2020, published in December 2015, and the objects of both organisations are closely matched within each respective memorandum and articles of association thus ensuring that Lepra (Society) India contributes to the aims and purposes of Lepra and benefits common beneficiaries.

All financial statements are made up to 31 March 2017. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

Lepra Bangladesh is treated as a branch of Lepra and forms part of the Charity financial statements.

The summary financial statements of Lepra India are shown in Note 5.

5 SUBSIDIARY SUMMARY FINANCIAL STATEMENTS

LEPRA SOCIETY OF INDIA

Lepra has common objects and activities to the "LEPRA Society of India" (hereafter called LEPRA India). LEPRA India is a registered charity, Charity Registration number 474 of 1989 under the Andhra Pradesh Public Societies Registration Act 1350 Fasli and having its offices at Plot No 17, Krishnapuri Colony, Beside Yellamma Temple, West Marredpally, Secunderabad 500-026, India.

The Chairman of the Organisation's Trustees and of its Medical Advisory Board, plus the Secretary of LEPRA UK are ex-officio members of the Management Committee of LEPRA India. LEPRA India determines its own policies governing its leprosy control and related work in India and is free to raise funds in India in future; but currently, and for the foreseeable future, LEPRA India is dependent on Lepra for its funding support under a mutually agreed annual budget.

LEPRA INDIA INCOME & EXPENDITURE ACCOUNT

	2017		2016	
	£	£	£	£
Income:				
Grants from UK	1,077,458		1,131,243	
Other Income	1,600,790		1,193,453	
		2,678,248		2,324,696
Expenditure:		(2,551,050)		(2,210,534)
Gains/(Losses) on Foreign Currency Translation		109,625		(564)
Net movement in funds		236,823		113,598
Balance at 31 March 2016		1,196,323		1,082,725
Balance at 31 March 2017		1,433,146		1,196,323

LEPRA INDIA BALANCE SHEET

	£	£	£	£
TANGIBLE FIXED ASSETS		718,775		695,255
CURRENT ASSETS				
Investments	352,486		227,698	
Stock	41,045		29,158	
Debtors	80,074		71,251	
Cash at bank & in hand	341,820		260,746	
	815,425		588,853	
Creditors: Amounts falling due within one year	(72,320)		(63,333)	
SER Revolving Fund	(28,733)	714,371	(24,452)	501,068
		1,433,146		1,196,323
Restricted Fund		200,609		149,748
Capital Fund		1,232,537		1,046,575
		1,433,146		1,196,323

6 ANALYSIS OF INCOME

Consolidated	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Donations and legacies				
Community	756,579	-	756,579	815,037
Individual Giving	1,155,010	-	1,155,010	1,131,435
Legacies	787,408	-	787,408	2,134,439
Events	27,991	-	27,991	43,547
Trusts & Corporate	110,446	123,396	233,842	135,216
	2,837,434	123,396	2,960,830	4,259,674
Charitable activities				
Programme funding	2,050	1,920,754	1,922,804	1,571,735
Leprosy Review funding	-	53,211	53,211	48,809
	2,050	1,973,965	1,976,015	1,620,544
Other				
Sale of fixed assets	(39)	-	(39)	(474)
Other income	3,265	-	3,265	8,863
Leprosy Review	2,665	-	2,665	3,036
	5,891	-	5,891	11,425
Investments	58,616	-	58,616	49,861
	2,903,991	2,097,361	5,001,352	5,941,504

ANALYSIS OF INCOME cont.

Charity	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Donations and legacies				
Community	756,579	-	756,579	815,037
Individual Giving	760,470	-	760,470	768,772
Legacies	787,408	-	787,408	2,134,439
Events	27,991	-	27,991	43,547
Trusts & Corporate	110,446	123,396	233,842	135,216
	2,442,894	123,396	2,566,290	3,897,011
Charitable activities				
Programme funding	-	761,078	761,078	770,600
Leprosy Review funding	-	53,211	53,211	48,809
	-	814,289	814,289	819,409
Other				
Other income	3,265	-	3,265	8,863
Leprosy Review	2,665	-	2,665	3,036
	5,930	-	5,930	11,899
Investments	14,053	-	14,053	19,732
	2,462,877	937,685	3,400,562	4,748,051

7 INVESTMENT INCOME

Consolidated

Investment income comprises interest and dividends received in respect of:

	2017	2016
	£	£
Dividends from quoted UK Investments	1,158	994
Dividends from unquoted UK Investments	6,935	6,605
Interest on short term deposits	50,523	42,262
	58,616	49,861

Charity

Investment income comprises interest and dividends received in respect of:

	2017	2016
	£	£
Dividends from quoted UK Investments	1,158	994
Dividends from unquoted UK Investments	6,935	6,605
Interest on short term deposits	5,960	12,133
	14,053	19,732

8 ANALYSIS OF EXPENDITURE

Consolidated

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2017	Total 2016
	£	£	£	£	£
Programmes	3,886,568	157,791	92,534	4,136,893	3,690,480
Research	17,748	5,185	3,675	26,608	18,468
Training	55,449	18,866	7,016	81,331	54,691
Education	270,268	37,955	28,731	336,954	314,864
Leprosy Review	58,976	20,675	8,019	87,670	82,284
Charitable Activities	4,289,009	240,472	139,975	4,669,456	4,160,787
Community	331,338	38,478	16,369	386,185	393,053
Individual Giving	141,737	32,974	19,376	194,087	329,412
Legacies	3,640	6,497	1,336	11,473	12,593
Events	19,149	15,659	9,688	44,496	65,493
Trust & Corporate	58,837	22,700	20,378	101,915	92,194
Cost of Raising Funds	554,701	116,308	67,147	738,156	892,745
Total Expenditure	4,843,710	356,780	207,122	5,407,612	5,053,532

Charity

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2017	Total 2016
	£	£	£	£	£
Programmes	2,412,977	157,791	92,534	2,663,302	2,611,190
Research	17,748	5,185	3,675	26,608	18,468
Training	55,449	18,866	7,016	81,331	54,691
Education	270,268	37,955	28,731	336,954	314,864
Leprosy Review	58,976	20,675	8,019	87,670	82,284
Charitable Activities	2,815,418	240,472	139,975	3,195,865	3,081,497
Community	331,338	38,478	16,369	386,185	393,053
Individual Giving	141,737	32,974	19,376	194,087	329,412
Legacies	3,640	6,497	1,336	11,473	12,593
Events	19,149	15,659	9,688	44,496	65,493
Trust & Corporate	58,837	22,700	20,378	101,915	92,194
Cost of Raising Funds	554,701	116,308	67,147	738,156	892,745
Total Expenditure	3,370,119	356,780	207,122	3,934,021	3,974,242

Programme expenditure includes a grant of £77,971 (2016 : £111,442) to Netherlands Leprosy Relief for a project to improve disability prevention and contribute toward disability reduction in communities affected and at risk of LF and leprosy in Zambezia province, Mozambique.

8 b) Analysis of central costs for apportionment

Consolidated & Charity	Office Costs	IT Costs	HR Costs	Depreciation	Total 2017	Total 2016
	£	£	£	£	£	£
Programmes	36,579	16,049	25,676	14,230	92,534	69,820
Research	1,453	637	1,020	565	3,675	1,803
Training	2,773	1,217	1,947	1,079	7,016	4,637
Education	11,358	4,983	7,972	4,418	28,731	22,414
Leprosy Review	3,170	1,391	2,225	1,233	8,019	6,183
Charitable Activities	55,333	24,277	38,840	21,525	139,975	104,857
Community	6,471	2,839	4,542	2,517	16,369	16,231
Individual Giving	7,660	3,360	5,376	2,980	19,376	17,003
Legacies	528	232	371	205	1,336	1,546
Events	3,830	1,680	2,688	1,490	9,688	12,366
Trust & Corporate	8,056	3,534	5,654	3,134	20,378	9,274
Cost of Raising Funds	26,545	11,645	18,631	10,326	67,147	56,420
Total Expenditure	81,878	35,922	57,471	31,851	207,122	161,277

c) Support Costs

Support costs relate to support staff salaries and costs that can directly be attributed as a support activity and are allocated accordingly. This includes Chief Executive costs, together with the UK finance, HR and IT departments and Governance costs which include audit fees, trustee meeting expenses and other monitoring costs.

9 TANGIBLE FIXED ASSETS - CONSOLIDATED

	Land and Premises Overseas	Freehold Premises UK	Motor Vehicles	Office & Photo Equip	Computer Equipment	Total
	£	£	£	£	£	£
Cost						
1 April 2016	548,503	1,500,000	642,243	1,223,014	13,894	3,927,654
Additions	28,554	-	59,910	80,641	2,904	172,009
Disposals	-	-	(9,325)	(38,811)	(7,109)	(55,245)
31 March 2017	577,057	1,500,000	692,828	1,264,844	9,689	4,044,418
Depreciation						
1 April 2016	317,467	250,000	381,516	914,237	12,583	1,875,803
Charged for year	15,042	25,000	66,245	89,187	820	196,294
Released on disposal	-	-	(6,902)	(37,122)	(7,109)	(51,133)
31 March 2017	332,509	275,000	440,859	966,302	6,294	2,020,964
Net book values						
1 April 2016	231,036	1,250,000	260,727	308,777	1,311	2,051,851
31 March 2017	244,548	1,225,000	251,969	298,542	3,395	2,023,454

TANGIBLE FIXED ASSETS - CHARITY

	Freehold Premises UK	Motor Vehicles	Office & Photo Equip	Computer Equipment	Total
	£	£	£	£	£
Cost					
1 April 2016	1,500,000	195,908	168,804	13,894	1,878,606
Additions	-	28,180	16,879	2,904	47,963
Disposals	-	-	(8,738)	(7,109)	(15,847)
31 March 2017	1,500,000	224,088	176,945	9,689	1,910,722
Depreciation					
1 April 2016	250,000	143,469	115,538	12,583	521,590
Charged for year	25,000	39,354	34,750	820	99,924
Released on disposal	-	-	(8,738)	(7,109)	(15,847)
31 March 2017	275,000	182,823	141,550	6,294	605,667
Net book values					
1 April 2016	1,250,000	52,439	53,266	1,311	1,357,016
31 March 2017	1,225,000	41,265	35,395	3,395	1,305,055

The cost of land and premises comprises freehold land of £58,360, leasehold land of £8,880 and buildings of £509,817.

The property owned by Lepra was revalued in November 2014 by Nicholas Percival, Chartered Surveyor, on an open market basis. The valuation at that date was £1,250,000 and this is reflected in the schedule above.

A bank loan from Barclays plc is secured over the freehold premises held in the UK. See note 15.

10 INTANGIBLE FIXED ASSETS

	Consolidated	Charity
	£	£
Cost		
1 April 2016	66,505	64,996
Additions	131	-
31 March 2017	66,636	64,996
Amortisation		
1 April 2016	66,048	64,959
Charged for year	211	37
31 March 2017	66,259	64,996
Net book values		
1 April 2016	457	37
31 March 2017	377	-

11 FIXED ASSET INVESTMENTS

	Consolidated as restated		Charity	
	2017	2016	2017	2016
	£	£	£	£
At Market Value :				
1 April 2016	117,599	113,725	37,081	83,810
Add : Additions	-	50,603	-	-
Less : Disposals in year	(13,548)	(46,445)	-	(46,445)
Add Gifts of shares	1,561	-	1,561	-
Net gains/(losses) on revaluation	915	(284)	915	(284)
31 March 2017	106,527	117,599	39,557	37,081
Historical Cost at 31 March 2017	47,702	61,250	11,641	11,641
The Investments are distributed as follows:				
UK Quoted investments	18,751	17,266	18,751	17,266
LEPRA India Investments	66,970	80,518	-	-
Unquoted Investments	20,806	19,815	20,806	19,815
31 March 2017	106,527	117,599	39,557	37,081

The unquoted investments are ordinary shares in Helpcards Holdings Ltd of which Lepra holds 6.74% of the issued share capital.

12 ANALYSIS OF NET ASSETS

Consolidated	Tangible Fixed Assets	Investments	Intangible Assets	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£	£
Restricted Funds	-	-	-	200,609	-	200,609
Unrestricted Funds - General	2,023,454	106,527	377	1,728,110	(455,896)	3,402,572
Unrestricted Funds - Designated	-	-	-	481,092	-	481,092
	2,023,454	106,527	377	2,409,811	(455,896)	4,084,273

Charity	Tangible Fixed Assets	Investments	Intangible Assets	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£	£
Restricted Funds	-	-	-	-	-	-
Unrestricted Funds - General	1,305,055	39,557	-	1,285,023	(455,896)	2,173,739
Unrestricted Funds - Designated	-	-	-	481,092	-	481,092
	1,305,055	39,557	-	1,766,115	(455,896)	2,654,831

13 STOCKS

	Consolidated		Charity	
	2017	2016	2017	2016
	£	£	£	£
Stock	41,045	29,159	-	-
	41,045	29,159	-	-

14 DEBTORS

	Consolidated		Charity	
	2017	2016	2017	2016
	£	£	£	£
Debtors & Prepayments	158,555	143,581	78,481	72,330
Sundry debtors	131,639	72,000	131,639	72,000
Amounts owed by group companies	-	-	39,990	17,600
Accrued income	186,005	1,227,280	186,005	1,227,280
	476,199	1,442,861	436,115	1,389,210

All amounts within debtors above are financial instruments measured at present value except for £44,656 in Sundry debtors which represents the unrealised gain at the reporting date on forward purchase commitments of the Indian Rupee to recognise it at fair value. See note 29.

15 CREDITORS

Due within one year	Consolidated 2017 £	Consolidated 2016 £	Charity 2017 £	Charity 2016 £
Bank loans due within one year	45,300	45,300	45,300	45,300
PAYE and other taxes	19,671	18,278	19,671	18,278
Accruals	113,277	171,416	48,508	171,416
Other Creditors	243,032	130,002	243,032	56,111
Deferred Income	6,506	22,000	6,506	22,000
	427,786	386,996	363,017	313,105

All amounts within creditors above (excluding accruals) are financial instruments measured at present value. Included within Other Creditors is an amount of £19,185 (2016 : £11,924) relating to outstanding pension liabilities.

Deferred income includes funding received for projects which commenced on 1 April 2017, analysed as follows:

	£
Deferred income brought forward	22,000
Deferred in the year	6,506
Released in the year	(22,000)
Balance carried forward	6,506

CREDITORS Due after one year	Consolidated 2017 £	Consolidated 2016 £	Charity 2017 £	Charity 2016 £
Bank loans due within one year	455,896	493,021	455,896	493,021
	455,896	493,021	455,896	493,021

The bank loan is secured over the charity's freehold property in the UK. The loan is repayable over 25 years (from 2004) and is charged at 1.23% above Barclays base rate.

16 OPERATING LEASE COMMITMENTS

As at the balance sheet date, the total minimum lease payments due over the lease term under non-cancellable operating lease was:

Consolidated & Charity

	2017 £	2016 £
Leases expiring:		
Within one year	-	-
Between two and five years	10,004	12,552
After five years	1,888	-

17 UNRESTRICTED FUNDS

	2017	2016
	£	£
Consolidated		
1 April 2016	4,089,275	3,184,251
Surplus/(Deficit) for the year	(358,503)	958,653
Realisation of investment revaluation gains as at the end of last year (See note 2d)	2,476	(284)
Transfers between funds	-	(68,616)
Gain/(Loss) on foreign currency transactions	150,416	15,271
31 March 2017	3,883,664	4,089,275
Charity		
1 April 2016	3,046,405	2,268,140
Surplus/(Deficit) for the year	(434,841)	831,330
Realisation of investment revaluation gains as at the end of last year (See note 2d)	2,476	(284)
Transfers between funds	-	(68,616)
Gain/(Loss) on foreign currency transactions	40,791	15,835
31 March 2017	2,654,831	3,046,405

18 RESTRICTED FUNDS

	2017	2016
	£	£
LEPRA India		
1 April 2016	149,748	162,908
Incoming Resources	1,159,676	801,135
	1,309,424	964,043
Resources Expended	(1,108,815)	(814,295)
31 March 2017	200,609	149,748
Charity		
1 April 2016	98,618	87,523
Incoming Resources	937,685	863,409
	1,036,303	950,932
Resources Expended	(1,036,303)	(920,930)
Transfers between funds	-	68,616
	-	98,618
31 March 2017	-	98,618
Total restricted funds	200,609	248,366

18 RESTRICTED FUNDS	Balance 1 April 2016	Incoming Resources	Expenditure	Balance 31 March 2017
	£	£	£	£
India				
Lepra Society of India	142,827	1,139,469	(1,091,702)	190,594
ILEP in India	6,921	20,207	(17,113)	10,015
	149,748	1,159,676	(1,108,815)	200,609
Charity				
Funding Agencies - BLF	25,911	70,293	(96,204)	-
Funding Agencies - DFID	-	239,797	(239,797)	-
Funding Agencies - TLM Canada (effect:hope)	-	143,878	(143,878)	-
Global Fund - Bangladesh	52,363	244,314	(296,677)	-
Leprosy Mission Ireland		10,413	(10,413)	-
ILEP India	-	52,383	(52,383)	-
ILEP Bangladesh	20,344	-	(20,344)	-
ILEP Leprosy Review	-	53,211	(53,211)	-
Evan Cornish Foundation	-	5,000	(5,000)	-
The Allan Nesta Ferguson Charitable Settlement	-	10,000	(10,000)	-
Nini Isabel Stewart Trust	-	12,000	(12,000)	-
Ingram Trust	-	10,000	(10,000)	-
Mary McAdams Trust	-	1,576	(1,576)	-
Musgrave Charitable Trust	-	2,679	(2,679)	-
Josephine Veronica Nunn Discretionary Trust	-	30,575	(30,575)	-
The Volant Trust	-	10,000	(10,000)	-
St Lazarus Charitable Trust	-	4,300	(4,300)	-
The Cauda Trust	-	200	(200)	-
The Benham Charitable Settlement	-	700	(700)	-
Nordev Trust	-	500	(500)	-
The Bryan Guinness Charitable Trust	-	2,700	(2,700)	-
The S& F Goodman Trust	-	125	(125)	-
De Crespigny Charitable Trust	-	8,000	(8,000)	-
Eleanor Rathbone Charitable Trust	-	2,000	(2,000)	-
The Cotton Trust	-	1,990	(1,990)	-
The Kirby Laing Foundation	-	5,000	(5,000)	-
The Austin Bailey Foundation	-	500	(500)	-
DM Charitable Trust	-	150	(150)	-
The Peter Stebbing Memorial Charity	-	4,211	(4,211)	-
Pavers Shoes	-	11,190	(11,190)	-
	98,618	937,685	(1,036,303)	-
Total consolidated	248,366	2,097,361	(2,145,118)	200,609

Lepra Society of India - this includes funds raised in India from a variety of sources for work on specific projects.

Restoring Lives of Forgotten People project Bihar, India - BLF

Empowering poor and marginalise people, affected by disability, to improve their economic status in Bangladesh - Department for International Development (DFID)

Reaching the unreached: A participatory approach empowering women to prevent disability as a result of leprosy and lymphatic filariasis in rural Bangladesh - Department for International Development (DFID)

Co-funding for the Reaching the unreached DFID funded project - The Allan Nesta Ferguson Charitable Settlement, Nini Isabel Stewart Trust, Ingram Trust, Mary McAdams Trust, Musgrave Charitable Trust, Josephine Veronica Nunn Discretionary Trust, The Peter Stebbing Memorial Charity

Poverty reduction through strengthened health systems in Bangladesh - TLM Canada (effect:hope)

Reduction of TB prevalence in the Pabna, Sirajgonj and Naotre districts of Rajshahi division, Bangladesh - Global Fund

Mobile foot care units in India - Leprosy Mission Ireland and Pavers Shoes

ILEP Projects in India - funding provided by members of the International Federation of Anti-Leprosy Associations (ILEP) for projects in India

ILEP Projects in Bangladesh - funding provided by members of the International Federation of Anti-Leprosy Associations (ILEP) for projects in Bangladesh

ILEP Leprosy Review - funding provided by members of the International Federation of Anti Leprosy Associations (ILEP) for production of the Leprosy Review Journal

Flood Damage Rebuild Project in Bangladesh - The Volant Trust

Mobile contact tracing in India - St Lazarus Charitable Trust

Men Back at work project in India - The Benham Charitable Settlement, Nordev Trust, The Bryan Guinness Charitable Trust, The S & F Goodman Trust, De Crespigny Charitable Trust, DM Charitable Trust

State Forums for Leprosy affected people in India - Eleanor Rathbone Charitable

Empowering people with disabilities to improve their quality of life and reduce poverty Zambezia Province, Central Mozambique - The Cotton Trust, The Kirby Laing Foundation, The Austin Bailey Foundation

19 DESIGNATED FUNDS	Balance 1 April 2016 £	Incoming Resources £	Expenditure £	Balance 31 March 2017 £
Programmes Investment	20,000	-	(20,000)	-
Leprosy & LF integrated projects	500,000	-	(216,044)	283,956
Mozambique	138,558	-	(77,971)	60,587
UK fundraising 2	202,000	-	(85,134)	116,866
India vehicles	25,135	-	(5,452)	19,683
	885,693	-	(404,601)	481,092

Programmes Investment – undertake a study to identify needs for services, the gap in current provision and the funding opportunities for future work.

Leprosy & LF integrated approach – positive intervention and a demonstration of the results which can be achieved with an integrated approach to the work in Andhra Pradesh and Odisha over a five year period from 2016/17.

Mozambique- working in partnership for three years with Netherlands Leprosy Relief in Zambezia in order to strengthen the government implementation of their policy on neglected tropical diseases.

UK fundraising and marketing strategy – additional investment in fundraising and marketing over a three year period in order to address the decline in donors and income.

India Vehicle Replacement – three year plan to replace vehicles which are critical for project implementation within India.

20 GROSS CASH FLOWS

	2017	2016
	£	£
Returns on investments and servicing of finance		
Interest received	50,523	42,262
UK Dividends received	8,093	7,599
Interest paid	(8,175)	(9,595)
	50,441	40,266
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(172,008)	(123,481)
Receipts from sales of tangible fixed assets	4,072	40,185
Purchase of fixed asset investments	-	(85,671)
	(167,936)	(168,967)
Financing		
Cash repayment of long term borrowings	(37,125)	(35,705)
	(37,125)	(35,705)

21 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2016	Non-cash Changes	Cashflows	31 March 2017
	£	£	£	£
Cash in hand and at bank at 1 April 2016	1,200,852	-	833,985	2,034,837
Debt due < 1 year	(45,300)	(45,300)	45,300	(45,300)
Debt due > 1 year	(493,021)	-	37,125	(455,896)
Balance at 31 March 2017	662,531	(45,300)	916,410	1,533,641

22 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2017	2016	Change
	£	£	£
Deposits with banks	2,026,598	1,196,720	829,878
Cash	8,239	4,132	4,107
	2,034,837	1,200,852	833,985

23 EMPLOYEES

The average monthly number of employees (FTE) during the period was as follows:

	2017	2016
Head Office	19	20
Regional	11	11
Overseas	561	465
	591	496

The above totals exclude voluntary staff who provide their services free of charge.

Staff costs in respect of employees include:

	2017 £	2016 £
Wages and salaries	2,339,740	2,037,394
Social security costs	70,151	74,046
Pension costs	119,195	62,493
Other staff costs	6,920	11,401
	2,536,006	2,185,334

The number of employees who received total emoluments in the following ranges was:

	2017	2016
£70,001 - £80,000	-	1

The key management personnel of Lepra comprise the Trustees, Chief Executive, Director of Development, Head of Finance & Support Services and Head of Programmes & Advocacy in the UK, the Country Director, Head of Programmes, Head of Finance and Head of HR in Bangladesh and the Chief Executive Officer, Head of Finance, Head of HR and Head of Programmes in India.

The employee remuneration of key management personnel for Lepra was £441,094 (2016 : £378,683)

24 TRUSTEES

The Trustees received no remuneration for their services to Lepra during the period (2016 £nil). During the period six (2016 : five) Trustees incurred expenses of £6,058 in respect of overseas travel and subsistence and training courses (2016 £7,413).

25 PENSION COMMITMENTS

LEPRA provides pension benefits for staff making contributions to a Group Personal Pension Plan. The employee is required to pay a minimum of 3% of their gross salary with the charity contributing 8%. The scheme complies with Stakeholder Pension and auto enrolment legislation. As at 31 March 2017 there were 31 staff who were members of this scheme. The cost of contributions are calculated annually and charged to the income and expenditure account as they arise. The costs for 2017 were £119,195 (2016 £63,434).

26 COST OF AUDIT AND OTHER FINANCIAL SERVICES

Amounts payable in respect of Audit and other financial services were:	2017	2016
	£	£
Auditors' remuneration: current year	11,667	11,667
Auditors' remuneration: in respect of prior year	2,537	893
Auditors' remuneration: in respect of non-audit services	860	1,100
	15,064	13,660

27 RELATED PARTIES

Transactions with Lepra Society in India were:	2017	2016
	£	£
Amounts paid to Lepra Society	1,077,458	1,131,243
Year-end debtor balance	39,990	17,601

28 CONNECTED PARTIES

There were £nil (2016 : £328,387) connected party transactions with the International Federation of Anti-Leprosy Associations (ILEP) of which Sarah Nancollas (ex Lepra Chief Executive) was a trustee. This arrangement ended at 31 December 2015.

29 FINANCIAL COMMITMENTS

Lepra has a commitment with Ebury Partners UK Ltd to purchase Indian Rupee during the period April 2017 – March 2018 for which a deposit has been paid	2017	2016
	£	£
Amount committed at 31 March	777,600	648,000
	777,600	648,000

At the year-end there is an unrealised gain of £44,656 on these commitments, which has been recognised in the statement of financial activities.