Kingston Smith
Helping clients succeed

LEPRA Health in Action

Report of the Trustees and Financial Statements

for the year ended 31 March 2012

LEPRA HEALTH IN ACTION (LIMITED BY GUARANTEE)

TRUSTEES REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

Pages	Contents
1 – 17	Report of the Trustees
18 – 19	Report of the Auditors
20	Consolidated Statement of Financial Activities
21	Consolidated Balance Sheet
22	Charity Balance Sheet
23	Consolidated Cash Flow Statement
24 – 41	Notes to the Financial Statements

LEPRA HEALTH IN ACTION (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES

The Trustees submit their report and the audited financial statements for the year ended 31 March 2012. 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 Statement of Recommended Practice 2005 "Accounting and Reporting by Charities".

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 Health in Action during the period and to the date of signing this report are as follows:

PATRON		Her Majesty Queen Elizabeth II	
PRESIDENT		Sir Christian Bonington CVO, CBE, DL	
CHAIRMAN	‡	Sir Ronald De Witt KB	
TRUSTEES	‡	Dr J. Hemming CMG	(resigned 21/09/11)
	‡	Mr J. Briant	(Hon. Treasurer)
	γ	Prof M. Adler CBE	
		Mrs J. Barraclough OBE	(resigned 21/09/11)
	γ	Mr C. Bland	
	γ	Ms F. Duby OBE	
		Ms M Gupta	(appointed 21/09/11)
		Mr F. Nichols	(resigned 21/09/11)
		Prof J. Porter	(resigned 26/09/12)
		Dr A. Pozniak	(resigned 26/09/12)
		Ms K Vick	(appointed 01/02/12)
SECRETARY & CHIEF EXECUTIVE OFFICER		Ms S. Nancollas	

‡ Indicates Member of Finance Sub-Committee
γ Indicates Member of Nominations 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 Health in Action is a charitable company limited by guarantee, 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, and 1 July 2008.

FINANCIAL STATEMENTS

OBJECTS AND OBJECTIVES OF THE ORGANISATION

Our Vision

Our vision is for LEPRA Health in Action to be the partner of choice for those seeking to bridge the health gap for people in need.

Our purpose

Our purpose is to transform lives of people affected by leprosy and other health conditions exacerbated by poverty and social discrimination.

We do this by:

- being driven by the needs of the communities in which we work
- working across a wide range of health activity including health education, diagnosis and treatment, prevention of and rehabilitation from disability, and enabling economic independence
- raising funds in the UK, in countries where LEPRA works, and internationally
- working in health areas that build on our knowledge, skills and expertise empowering communities to ensure that their health related problems are addressed now and for the future
- developing, implementing and sharing evidence based sustainable models of excellence
- working directly, and in appropriate partnerships to give the greatest number of people access to lasting quality services
- raising awareness of health issues with the general public, organisations and governments and influencing national and international policies
- recognising that people in need can be marginalised and made vulnerable by their health status, lack of access to appropriate treatment, gender, disability, their community, geography or poverty
- recognising that women have a vital role to play in the overall health of society
- currently working in India and Bangladesh across a range of diseases such as leprosy, lymphatic filariasis, TB, HIV and Aids, malaria, and eye health, we are open to new opportunities that make best use of our skills and have a positive impact on the health of our target communities

Values

Our values represent the ideas and principles that will guide our thoughts and actions, both internally and externally. We will be:

People focused

We will be guided by principles that reflect our people focused purpose. Respectful of diversity and diligent in our adherence to human rights, we will ensure dignity of treatment and equality of opportunity for all our beneficiaries, service-users, and stakeholders. Our organisational activities will be guided by the ethics of professionalism, a requirement for involvement and teamwork, and the need for empathy and active listening in all interpersonal relationships.

Open

We will be open, receptive, and transparent in all we do, promoting a culture of honesty and integrity

which will both enable quality and value creativity. Information will be accessible to all and models of best practice shared internally and externally.

We will operate under the principle that questions are admissible and answers are available. We will be passionate about listening to stakeholders while being honest about ourselves. We will endeavour to expand our learning and be receptive to new ideas; we will be as forthcoming about challenges as we are about successes; and will be unremitting in our bid to constantly improve our transparency, accountability, honesty and integrity.

Dynamic

We will look for, and be sensitive and responsive to, evolving needs of our target population, donors and partners as well as political, social and economic changes in the places where we work and beyond. We will be forward looking and innovative in all that we do being guided by our vision, purpose and strategic principles. This involves thinking outside and beyond what we do now whilst ensuring that we are being realistic about what we can and should be doing and who we should be working with.

Effective

We will measure our effectiveness and make it an integral part of our decision making. Decisions will be made based on the expected outcomes for a given input, informed by evidence gained through experience. Positive impact will be our byword for success, as measured first and foremost by the long-term effect of our work on people's lives. We will put into place strong systems throughout the organisation which evaluate our performance in a uniform, participatory, thorough and open way. We will be aware of, and seek to minimise the environmental impact of our work.

We are committed to professionalism, competence and proficiency delivered through appropriate institutional and human resources. For us, value for money will mean the best possible use of resources for the largest transformative effect and will be prioritised.

GOVERNANCE

The Trustees' Management and Structure

The Trustees meet as a board, 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 Nominations 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 and all are encouraged to attend appropriate training courses offered.

The Trustee board has delegated some of its activities to the Finance Sub-Committee and the Nominations Sub-Committee. The day to day running of the charity is delegated to the Chief Executive.

REVIEW OF ACTIVITIES IN THE YEAR ENDED 31 MARCH 2012

Public Benefit Statement

The Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance issued by the Commission. With this in mind, we review our aims, objectives and activities each year. The review looks at what we have achieved in the previous year and the outcomes of our work. The review looks at the success of each activity and identifies the beneficiaries of our interventions. The review further helps us to ensure our aims, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in The Charity Commission's general guidance on public benefit in reviewing our aims and objectives and in planning our future strategy. In particular the Trustees have considered how planned activities will contribute to the future strategy that has been set and are satisfied that the work of the charity meets the Public Benefit requirements of the Charity Commission.

Our main activities are working with people and communities affected by leprosy, TB, HIV and AIDS, lymphatic filariasis and malaria and their effects on individuals, families and communities in some of the poorest countries in the world. We work with local partners to further strengthen the coverage of our work.

We are driven by the needs of the communities in which we work.

Within the review are examples of the individuals and communities that have benefited from our interventions.

PROGRAMMES

In 2011/12 LEPRA programmes in India focussed on four states, Andhra Pradesh, Madhya Pradesh, Odisha and Bihar. In Bangladesh LEPRA's programmes focussed on TB and leprosy control and treatment, targeting four districts in the north west of the country, Bogra, Sirajgonj, Natore and Pabna.

In 2011/12 LEPRA directly reached 707,895 people in India (639,405) and Bangladesh (68,490) with health and development interventions, many of whom are marginalised through poverty, disability or cultural identity and lack access to quality health care and health information. We improved the lives of 164,760 people affected by leprosy and other poverty related diseases by providing them with treatment and disability services. We enabled 164,175 people to confirm their health status by providing testing services and follow-up. We improved the economic status of 1,754 people and their families through socio-economic empowerment initiatives. We improved health knowledge and reduced stigma for key target groups such as women and children, as well as key persons such as village elders and community religious leaders by training 392,556 people in health issues.

Health Education

In 2011/12 LEPRA reached 1,013,037 people in India (623,119) and Bangladesh (389,918) with key health

messages on leprosy, TB and HIV as well as other health issues, through conducting community based health themed Information, Education and Communication (IEC) programmes such as film screenings, village exhibitions, street theatre and loud speaker announcements. LEPRA reached 270,621 people in India and 100,278 people in Bangladesh with leprosy awareness information to enable people to recognise the symptoms and seek treatment early, and to dispel the myths and misconceptions associated with the disease in an effort to reduce stigma and discrimination towards those affected. The positive impact of IEC interventions has been shown in Bangladesh where 52% of those who came forward for TB testing at LEPRA supported facilities did so after coming in to contact with a LEPRA IEC programme. In addition, a public survey taken by our HIV/TB programme in Madhya Pradesh revealed that due to IEC activities some of the stigma surrounding HIV has now been reduced and a reported 75% of those asked would be happy to come forward for HIV testing compared with 7% at the start of the project.

LEPRA also conducted interactive health training sessions with 392,556 people in India (385,457) and Bangladesh (7,099) with individuals and small groups to increase awareness of health issues and reduce stigma and discriminatory behaviour, including 28,804 school children who were taught to recognise disease symptoms. This includes community meetings with key community members such as village and religious leaders who are encouraged to disseminate their knowledge more widely, leading to increased community mobilisation on health issues, improving the health of entire communities.

Andhra Pradesh remains India's second highest HIV prevalent state with an estimated 0.9% of the population infected. LEPRA educated 478,393 people in India, including members of high risk groups and HIV affected persons, on HIV prevention. A six year project on empowering women in HIV prevention in Andhra Pradesh came to an end during the year. In 2011/12 a further 97,175 women were trained in HIV information such as HIV transmission and prevention, awareness of HIV services, condom usage and personal hygiene. This was conducted through a model of LEPRA training for trainers who cascade down their training to women's groups and associations. In total by its closure this project had educated 438,622 women in HIV prevention.

Self-care camps provide services and training to people affected by leprosy and lymphatic filariasis, especially appropriate in areas where both diseases are endemic. This has proved to be a cost effective approach as self-care techniques can benefit people affected by either disease. It is also a sustainable approach and empowers those disabled by these diseases to take care of their own disability care and prevention in the home, making them less dependent on health services. During the year LEPRA provided 19,460 training consultations for people disabled by leprosy (14,430) and lymphatic filariasis (5,030) in India in self-care and techniques to prevent wounds and further disability to desensitised hands and feet.

Reaching the Unreached

In 2011/12 LEPRA continued to provide services for the diagnosis, treatment and disability care of leprosy through 24 referral centres and through conducting Prevention of Disability Camps in four states in India. In Bangladesh LEPRA supported 24 health facilities in providing leprosy diagnosis, treatment and disability services. These centres continue to bridge the gap in leprosy service provision, preventing essential services for early diagnosis, treatment of leprosy reactions, treatment of ulcers and nerve damage and training on self-care in the home. We detected 2,250 new cases of leprosy, 2,145 in India and 105 in Bangladesh, and facilitated their treatment with MDT. In total we provided leprosy diagnosis, treatment and disability care for 20,027 people in India and Bangladesh, including consultations for ulcer treatment,

self-care training, nerve function assessments and treatment for neuritis to prevent permanent nerve damage. Reconstructive surgery was conducted on 306 people disabled by leprosy to correct disability of the hands or feet, or the eye. After surgery and post-operative care 90% of patients reported restored functional ability.

LEPRA tested 56,660 people for HIV, diagnosing 1,108 people as HIV positive and providing them with counselling on treatment and referring them for further HIV services and anti-retroviral therapy. We improved quality of life for 47,698 people living with HIV, their families and members of high-risk groups by providing group counselling and regular follow up for on-going support, testing and to ensure adherence to treatment. Through this follow up and support we have decreased the death rate of HIV positive persons registered under our Sreyassu project in Andhra Pradesh from 15% to 4% in the last year. We also supported children who are HIV positive or come from HIV affected families by providing regular nutritional support to 537 children and educational support to 91 children to ensure improved outcomes for their futures. LEPRA provided support and counselling to new mothers, encouraging HIV testing during pregnancy and encouraging hospital based births and prophylactic drugs at the time of birth for HIV positive mothers to reduce the risk of mother to child HIV transmission. Through this approach 100% (50) of HIV positive mothers followed up by LEPRA's Prevention of Mother to Child Transmission project in Madhya Pradesh gave birth in a hospital with NVP prophylactic drug provision, resulting in all 50 babies testing HIV negative at 2 months of age.

With HIV/TB co-infection becoming an increasing problem this year LEPRA India has cross referred 10,297 people for testing for HIV/TB co-infection, resulting in the detection of 660 cases and enabling their specialist treatment.

LEPRA tested 90,771 people in India and Bangladesh for TB, diagnosing 9,838 positive cases, then ensuring their treatment on DOTs and providing counselling and peer support to encourage adherence to the treatment regime through to completion. LEPRA operated 300 TB sputum collection centres located in hard to reach areas of Madhya Pradesh, Andhra Pradesh and Odisha, giving isolated communities an opportunity to undergo TB testing and allowing people who wouldn't otherwise have accessed testing and treatment an opportunity for an improved outcome. Through promoting and facilitating TB testing and treatment, and following up cases on treatment, LEPRA has increased TB cure rate in areas of both India and Bangladesh; in a project in Adilabad district of Andhra Pradesh, India, cure rate increased from 61% to 92% over the last year.

LEPRA reached 36,077 people in India with eye screening and eye care services provided at our referral centres and eye screening camps, 35,555 of which accessed services at the LEPRA Mahanadi Eye Hospital in Odisha and its outreach clinics, which continue to be partly financially supported by Sight Savers International. This includes 10,808 children screened for eye complaints and vision problems. We carried out 4,674 cataract surgeries, 39 glaucoma surgeries, treated 17,838 people with minor eye complaints which could contribute to preventable blindness, and corrected refractive errors for 6,275 people through the prescription of spectacles.

Through referral centres and self-care camps we have provided disability care and self-care training for 5,446 people disabled by lymphatic filariasis, including 2,493 in Odisha and 2,329 in Bihar, India's highest burden state for lymphatic filariasis. A survey of our LF project in Puri, Odisha revealed that after receiving self-care training 97% of those trained continued to practice self-care regularly at home and 67% had experienced reduced swelling and increased mobility whilst 71% had experienced no fever in the last 3

months. We also facilitated 451 hydrocele surgeries.

Sustainable Solutions for Governments and Communities

LEPRA works in partnership with government health systems and communities to implement long term solutions to immediate health issues. The ultimate goal of LEPRA's partnership with government health services is the handover of services and the uptake of best practice into government mainstream. This process is facilitated by capacity building in government health system management.

In 2011/12 LEPRA provided technical support to state leprosy programmes through LEPRA Technical Resource Units in Odisha, AP and MP. To improve the capacity and coordination of government health service management LEPRA conducted 472 state level and district level co-ordination and review meetings.

Significant progress towards sustainable leprosy services was made in 2011/12 with the handover of JUNLEP referral centre in Odisha to government for their continued provision of services under the government system. In addition 14 LEPRA trained physiotherapists were absorbed as contractual staff in the Government of Odisha's Health Department.

LEPRA's leprosy referral centre model of best practice was adopted into the WHO's Disability Prevention and Medical Rehabilitation guidelines on leprosy for implementation in the Government of India five year strategy, improving government provision of leprosy services for those affected for the future.

LEPRA's Sputum Collection Centre model was adopted as best practice into the Government of India Revised National Tuberculosis Control Programme guidelines for 2012-17. In Bihar an evaluation team from the National AIDS Control Organisation and State AIDS Control Societies recommended LEPRA's Targeted Intervention for Injecting Drug Users project as a model project and a demonstration site for the state.

Another key approach in bringing about sustainable improvements in health services is capacity building of health workers. In 2011/12 LEPRA trained 13,311 government health staff in health facilities and communities, increasing their capacity to respond to the health needs of the local population in the long term and to increase numbers of community based referrals to health centres. LEPRA also trained 2,928 community volunteers who work to mobilise their communities on health issues, increasing health seeking behaviour. In addition LEPRA trained 3,670 private health practitioners and village doctors, essential for ensuring that these undertrained health practitioners provide appropriate and quality care to those people who often have no other choice in accessing health care.

LEPRA's USAID funded Samastha project which ended this year demonstrates the effectiveness of our health system strengthening and capacity building approach. Over the course of this five year HIV project, death rates of HIV positive patients utilising the supported HIV facilities in Andhra Pradesh reduced from 28% to 2% through training and mentoring conducted at HIV care and treatment facilities.

In an effort to demonstrate transparency, effectiveness, performance and outcome measurement LEPRA undertook social audits of two projects in India, our Lymphatic Filariasis project in Puri, Odisha and Sreyassu project in Andhra Pradesh. The auditing process involved a public hearing of all accounts of the projects and encouraging beneficiaries to question transactions. These social audits engaged government officials from the Health Department, partner NGOs, local auditors, members of the media and the

general public.

Community Empowerment

For LEPRA, community empowerment is about strengthening local structures to increase capacity and confidence with which communities can find their own solutions to health and development issues and bring about changes and improvements in their communities through their own actions. LEPRA works to support and strengthen existing community structures such as health forums and community councils, which are empowered to mobilise whole communities on issues of health and development. This also creates a strong platform from which communities are able to advocate for improved service provision and demand access to entitlements and welfare provision.

LEPRA in India strengthened and trained 210 Village Health and Sanitation Committees to enable them to identify and address local health issues, monitor the local health situation and promote community health.

LEPRA has assisted people affected by leprosy to access welfare schemes and disability allowances to which they are entitled. This support has improved the economic status of 397 people and their families in India.

In Bangladesh LEPRA initiated a new project 'Exclusion to Inclusion' in 2011/12, funded by Sasakawa Memorial Health Foundation and focussing on community based rehabilitation of people affected by leprosy in Bogra district. We helped 287 community members to form self-help groups through regular support from LEPRA in group management and self-care training to empower the groups to address their disability care and health need in the long term. Skills and livelihoods training has been provided to 251 group members and 23 members have already increased their economic status through initiating small businesses and income generating activities. In the longer term this will contribute to reduced dependence of people affected by leprosy on their communities, thus reducing stigma towards them and increasing their inclusion as valued community members.

In India LEPRA's Cairn sponsored community health project Arogya Disha in Andhra Pradesh trained 300 women in livelihood skills such as tailoring and embroidery, resulting in an additional monthly income of 1,500-2,000 Indian Rupees for 60% of the women. Women are often financially dependent on their husbands, having little financial security for themselves, so this intervention increases both women's own financial independence as well as contributes to the household income.

Influencing for Change

LEPRA's work to strengthen health services and systems is always complemented by advocacy work by LEPRA with the aim of influencing public policy and improving practice, based on our own evidence based models of best practice and research results.

In 2011/12 LEPRA advocated for the rights of people affected by leprosy and to fight to remove discriminatory laws. LEPRA was part of committees and groups which successfully appealed for the repeal of a law in India which will stop the practice of children with leprosy from being separated from other infants in children's homes. In Bangladesh LEPRA staff participated as part of the committee which achieved a change in discriminatory law which prevented people affected by leprosy from entering health centres and hospitals. As a result these institutions will now provide this treatment to any person

presenting with leprosy.

LEPRA India and other civil society organisations lobbied with the Government of India to increase allowances for patients undergoing reconstructive surgeries from Rs 3,000 to Rs 5,000. With the advocacy efforts of LEPRA India, this compensation will now be extended to all patients undergoing reconstructive surgery at both government and non-government establishments in the 12th five year plan of the Government of India (2012-17).

In consultation with the National Forum of Leprosy Affected Persons and its state leaders in Andhra Pradesh, Madhya Pradesh, Odisha and Bihar, LEPRA India advocated for the induction of forum members into respective State Coordination Committees, providing office space, supporting them in mobilising resources and advocating for their rights and entitlements.

BPHRC research centre continued laboratory and field based research on leprosy, TB, lymphatic filariasis and HIV, on 12 projects. This resulted in the publication of 5 research papers and articles in international journals, which will contribute to increased international knowledge on these diseases.

LEPRA continued to publish Leprosy Review, the only English language journal on leprosy research. Four issues were published, including a special issue on leprosy and stigma, and were a key tool in dissemination of leprosy research and information more widely and for informing policy and best practice.

LEPRA ran a 'Humanity in Action' campaign based at the University of Essex to draw attention to a UN resolution to end discrimination against leprosy affected people. Supported by two local MP's and the Mayor of Colchester, a range of activities highlighted the issues faced by leprosy affected people and called on the UK government to take action to end all such discrimination. Following this and other campaigns the Home Office and UK Border Agency acknowledged the need to change their medical guidelines in relation to leprosy. A Home Office spokesperson confirmed that having leprosy is not a ground for refusing a visa or entry into the UK.

After being contacted by a number of leprosy affected people, LEPRA initiated a campaign to get a misleading leprosy scene removed from an Aardman Productions/ Sony Entertainment animated film. Conducting a campaign across a range of media in the UK, and gaining support from worldwide leprosy experts, LEPRA was successful in getting the scene removed. Aardman Productions issued a statement saying "After reviewing the matter, we decided to change the scene out of respect and sensitivity for those who suffer from leprosy. The last thing anyone intended was to offend anyone and it is clear to us that the right way to proceed is to honour the efforts made by organisations like LEPRA and the World Health Organization to educate the public about this disease." The publicity generated by this activity brought the issues of leprosy and discrimination to a much wider audience.

FUNDRAISING

	Year to March 2012 £	15 months to March 2011 £	12 months equivalent £	% change
Total income	5,375,228	10,191,916	8,153,533	(34)
Restricted income	2.018,198	5,317,581	4,254,065	(53)
Regional income	799,559	1,179,614	943,691	(15)
Individual giving	1,158,047	1,581,600	1,265,280	(8)
Legacy income	1,117,180	1,102,252	881,801	27
Event sponsorship	59,461	155,209	124,167	(52)
Trusts and corporate giving	148,659	152,479	121,983	22

Total income for LEPRA in the 12 months ended 31 March 2012 was £5.375m, a fall of £2.727m from the equivalent period last year. The table above shows that the majority of this reduction has occurred in restricted income, that is income tied to specific projects overseas. The fall in restricted income was £2.24m and Note 9 shows that our programmes income, including restricted and unrestricted funds, fell by £2.5m. Of this reduction, £1.33m occurred in India largely through HIV/AIDS programmes reverting to the state government of Andhra Pradesh. The remaining reduction of £1.17m was primarily due to the transfer of our Brazil programme to the Netherlands leprosy relief association, £0.72m, and the cessation of time bound institutionally funded programmes.

Unrestricted funds raised in the UK from the general public were £3.13m, only £56k less than the equivalent period last year, meaning that 58% of our total income comes from this source. Recessionary pressures have, of course, affected performance this year. Included in this figure is legacy income where an increase in funds has offset falls in event sponsorship and regional income. The fall in event sponsorship was the result of the cancellation of one of our India bike rides and a reduction in the number of participants in other events. The fall in regional income has led to a restructuring of this division which took place in October 2011 with a view to concentrating fundraising activities on our most productive areas and reducing costs in order to increase the return on investment from this form of fundraising.

FINANCIAL REVIEW

	Year to March 2012 £	15 Months to March 2011 £	12 Month Equivalent £	% Change
Income	5,375,228	10,191,916	8,153,533	(34)
Expenditure	4,729,007	10,349,201	8,279,361	(43)

The re-structure plan which commenced in October 2010 has continued throughout the year ended 31 March 2012. The impact of ceasing activities in all locations except India and Bangladesh and the redundancy programme in the UK is reflected in the income and expenditure figures above. Significant reductions in income resulted from a reduced number of successful grant applications in the UK and India together with the major HIV/AIDS programmes reverting to state government responsibility as indicated above. However, this has been matched by corresponding reductions in expenditure when compared with a 12 month period.

Expenditure has been tightly controlled and this has ensured that the planned budgeted surplus for the year has been achieved enabling reserves to be replenished. The majority of short term borrowing arranged to ensure that LEPRA could continue to operate have been repaid, as planned, during the year.

INVESTMENT POLICY

Investments have been acquired 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.

RESERVES POLICY

During 2012, the Trustees reviewed the reserves policy of the organisation. It was decided that the policy should be changed to specify that the free reserves of the Charity should be kept at a minimum level of £500,000. This policy will be in force for a period of three years, the length of time needed to reduce LEPRA's dependence on legacy income in the budget for any given year.

The free reserves of the Charity at 31 March 2012, amounting to £702,416, are in excess of the target primarily due to the level of legacy income received during the year. The Trustees confirm that they believe the level of reserves to be reasonable taking into account the potential fluctuations in future income.

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.

The Trustees are responsible for the management of the risks that face LEPRA. Organisational risks, including 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.

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.

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.

PLANS FOR THE FUTURE

Future activities in 2012/13 and beyond

During 2012 LEPRA will initiate a new strategy under a revised vision and purpose. In 2012/13 LEPRA will continue to focus our programmes on India and Bangladesh. We will focus on measuring the impact of our programmes, increasing our ability to demonstrate our effectiveness and the value for money of our programmes. In 2012-13, LEPRA's programmes will aim to reach **half a million** beneficiaries directly through health services and **800,000** beneficiaries through mass IEC campaigns.

Responding to community need with quality health interventions

Including Community health education, Diagnosis and treatment, Disability prevention and care.

Bangladesh

In 2012/13 our area of intervention in Bangladesh will continue to be four districts in the north west of the country, Bogra, Sirajgonj, Pabna and Natore reaching **75,000** direct beneficiaries with health services and **400,000** with mass IEC.

Bangladesh is ranked as the country with the 6th highest TB burden in the world. On this basis we will continue to operate our Global Fund TB Control Project with a focus on those living in rural areas, and on vulnerable and marginalised groups such as women and children, in an effort to increase TB case detection where the detection rate is currently lower than average. We will conduct community outreach sputum collection camps to enable increased case detection and will test 60,000 TB suspected cases and expect to find 5,000 positive cases to be referred for treatment.

The four districts in which LEPRA works in Bangladesh are located in Rajshahi division which has Bangladesh's highest leprosy case load. To tackle this problem and increase leprosy control activity in three of these high prevalence districts we will open a new LEPRA funded leprosy control programme. We

will support prevention of disability clinics at sub-district health centres to provide these services which are currently lacking, and support MDT treatment services. We will provide services for 6,000 suspected leprosy cases and expect to treat 60 positive cases. These activities will be supported through conducting mass IEC programmes on TB and leprosy, in which around 400,000 people will be reached through various IEC activities.

India

In 2012-13, LEPRA India will continue its work through 40 projects across the four states – Andhra Pradesh, Odisha, Bihar and Madhya Pradesh reaching **425,000** beneficiaries directly with health services and **400,000** beneficiaries through mass IEC campaigns. The reduction in the number of beneficiaries in India will be due to the closure of two major statutory grant projects – one each in Madhya Pradesh and Odisha.

An additional urban leprosy referral centre will be established in Western Delhi in partnership with the government hospital, following our best practice model for leprosy referral services. This will address gaps in leprosy care in West Delhi with an aim to build local capacity and handing-over of the services to government in the future.

In Bihar, a group of rural health care providers will be interviewed in order to assess their knowledge and skill levels on TB. The study results will inform a capacity-building strategy for these care-providers in order to improve the quality of TB treatment for patients.

In order to reduce the leprosy burden in Odisha, LEPRA India with funding from the WHO will undertake intensive case-detection of all new leprosy cases in three high-prevalence districts of Western Odisha. The results from this exercise might revoke WHO's old strategy that has discouraged active case finding of leprosy cases in India since 2002.

During 2012-13, LEPRA India will be undertaking Social Audits of BPHRC and Sreyassu Projects in AP, TRU-SRS Project in Odisha and the Munger Referral Centre in Bihar. There are plans to undertake social audits of all projects across the four states.

In Madhya Pradesh, LEPRA India will be undertaking screening camps for reconstructive surgeries in 23 out of 50 districts. As part of the screening process, potential patients will be motivated to undergo surgery by accessing the government scheme of Rs5,000 wage loss compensation offered to every RCS patient as an encouragement to undergo post-operative care.

LEPRA India has been pioneering some innovative approaches to early case detection of new leprosy cases, which not only breaks the chain of transmission but also prevents deformity and disability among patients. One of the key approaches includes using the services of leprosy affected people themselves. LEPRA India, in partnership with the State and National level Forums for the leprosy-affected will employ a band of *lokdoots* or volunteers from leprosy colonies who will raise awareness on early detection, seeking treatment and help people access 'safety net' benefits from the government.

Delivering sustainable solutions

Including Community empowerment, Partner capacity building, Models of excellence/best practice, Socio-economic rehabilitation.

Bangladesh

In Bangladesh we will continue to implement the SMHF funded Exclusion to Inclusion community based rehabilitation project in Bogra district by continuing support to self-help groups and forming a further 50 self-help groups who will benefit from self-care training and livelihoods skills training. 15 groups are expected to benefit from seed grants. These activities will also be extended to the other three districts under the LEPRA funded leprosy control programme, with the formation of 24 self-help groups in pockets of high leprosy prevalence to provide self-care training and livelihoods training at the community level.

LEPRA in Bangladesh operates all programmes in partnership with government health services and throughout the year LEPRA will train 12,000 health staff and community members on TB diagnosis and DOTs provision and 2,400 village doctors and government health staff will be trained in leprosy ulcer care and treatment. We will also sensitise 3,200 community volunteers and religious leaders in leprosy information to mobilise their communities for leprosy awareness, as well as 4,800 students.

India

Madhya Pradesh State AIDS Control Society will renew the MoU with LEPRA's Mobile Integrated Counselling and Testing Centre (MICTC) given its huge contribution to the total HIV screening results, particularly for women under the Buniyad project. The MICTC will reach 21,000 pregnant women so as to report 80% rise in antenatal screenings and Nevirapine administration to mother-baby pairs when they access institutional deliveries and care.

LEPRA India will support the fulfilment of all financial and statutory requirements to grant CBO status to Sreyassu, Cheyutha, Maa Samastha and the Society of Leprosy Affected Persons in Andhra Pradesh to promote their independence and help them access additional funding from the government and other sources.

In Bihar, the Intravenous Drug Users' Targeted Interventions project will be designated a model project by the Bihar State AIDS Control Society and will act as a demonstration site for good practice in the state. With the help of LEPRA India, The Bihar State Leprosy Forum will be registered as a Community Based Organisation to have a greater voice in the advocacy for the rights of people with leprosy and related disabilities. The Forum will cover all leprosy colonies in the state and help residents access 'safety net' benefits related to housing, pensions for the elderly and the disabled, below poverty line ration cards, etc.

The LEPRA Mahanadi Eye Hospital in Odisha will be covered under the Rashtriya Swasthya Bima Yojana; a government-run health insurance scheme for the Indian poor, providing free insurance for hospitalisation in the facility. This ensures free treatment and surgeries for the poor, the costs of which are jointly provided for by the Government of Odisha and local insurance companies.

In Madhya Pradesh, a team from LEPRA India will train students from six medical colleges on leprosy. Additionally, doctors practicing alternative medicine will be trained on leprosy.

Advocacy – influencing change in policy and practice

Including Civil society networks, Government interaction, national/international visibility.

Bangladesh

LEPRA Bangladesh will advocate with government leprosy programmes for the integration of leprosy services into general health services through interactions with government programmes and partner NGOs. LEPRA also remains as chair of the Leprosy and TB Control Committee, making recommendations into leprosy control strategy and policy in Bangladesh.

To increase opportunities for advocacy at the community level LEPRA Bangladesh will conduct exchange visits between self-help groups to begin the process of linking groups to form a network of people affected by leprosy. This will also create a stronger platform from which people affected by leprosy can advocate for their rights to health care and welfare grants.

India

During 2012-13, LEPRA India will sign a MoU with the State Forums for Leprosy Affected People to lobby the anti-leprosy campaign at state level and consolidate efforts at National Forum to ensure leprosy and disability rights get the desired attention at both State and National levels. Mr Narsappa Vagavathali, the President of the Society of Leprosy Affected People in Andhra Pradesh will be contesting for the position of Chair of the National Forum for Leprosy Affected People in India to advocate for improvements in the lives of leprosy colony residents and to bring about the abolition of all levels of discrimination against people affected by leprosy in India.

In Andhra Pradesh, LEPRA India will be approaching the National TB Control Programme and the AP State AIDS Control Society for the sanctioning of microscopy (TB) and HIV testing centres at Gaddi Annaram, Hyderabad to tackle urban TB and HIV-TB co-infection.

LEPRA's successful experience with mobile integrated counselling and testing units for HIV will be used as an advocacy tool to support the government of Madhya Pradesh in introducing these units in other districts. This is owing to the huge success of LEPRA's mobile-ICTC in reaching out to previously uncovered primary health centres and hard-to-reach pockets of Madhya Pradesh to promote HIV testing, especially among pregnant women.

In Madhya Pradesh LEPRA India will be lobbying with multiple medical colleges, secondary and tertiary private hospitals for the adoption of WHO-STAG recommended DOTS plus guidelines under the Stop TB Strategy with a goal to reduce the burden of TB by ensuring all TB patients, including those co-infected with HIV and those with drug-resistant TB, benefit from universal access to high-quality diagnosis and patient-centred treatment.

In Odisha, Mr Umesh Naik, the State Leader of the Forum for Leprosy Affected will be inducted into the NLEP State Coordination Committee for Odisha.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also Directors of LEPRA Health in Action for the purposes of company law) are responsible for preparing the Trustees' 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;
- 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 proper 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

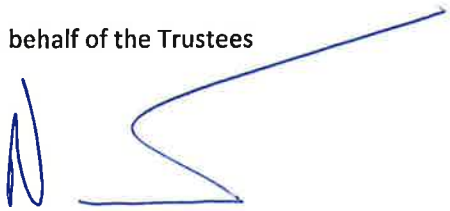
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 the financial statements may differ from legislation in other jurisdictions.

AUDITORS

Kingston Smith were appointed as auditors following a selection process and 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.

On behalf of the Trustees



Sir Ronald De Witt KB
Chairman

5th Dec 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEPRA HEALTH IN ACTION

We have audited the financial statements of LEPRA Health in Action for the year ended 31 March 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated 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).

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 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, 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 auditor under the Companies Act 2006 and under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with 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 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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. 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 2012, 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 requirements of the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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) requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Neil Finlayson
Senior Statutory Auditor
for and on behalf of Kingston Smith
Statutory Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

10/12/2012

LEPRA HEALTH IN ACTION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2012

	Note	Unrestricted Funds	Restricted Funds	Total 2012	Re-stated 15 months 2011
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	10	3,131,237	3,010	3,134,247	4,042,896
Investment Income	11	34,698	-	34,698	54,521
Incoming resources from charitable activities	10	160,019	2,015,188	2,175,207	5,941,882
Other incoming resources	10	31,076	-	31,076	152,617
Total incoming resources		3,357,030	2,018,198	5,375,228	10,191,916
Resources expended :					
Costs of generating funds	12	847,556	-	847,556	1,237,326
Net Incoming Resources available for charitable purposes		2,509,474	2,018,198	4,527,672	8,954,590
Charitable activities	12				
Programmes		1,415,399	2,077,916	3,493,315	8,429,083
Research		6,002	-	6,002	128,069
Training		-	-	-	5,530
Education		243,382	-	243,382	370,249
Leprosy Review		38,584	42,187	80,770	98,122
Total charitable expenditure		1,703,367	2,120,103	3,823,469	9,031,053
Governance costs	12	57,982	-	57,982	80,822
Total resources expended		2,608,904	2,120,103	4.729,007	10,349,201
Net outgoing resources before other gains and losses		748,126	(101,905)	646,221	(157,285)
OTHER RECOGNISED GAINS/(LOSSES)					
Losses on Foreign Currency Transactions		(55,685)	-	(55,685)	(44,902)
Investment gains (unrealised and realised)	14	530	-	530	5,233
Net movement in funds		692,971	(101,905)	591,066	(196,954)
Re-stated Fund balances at 1 April 2011		1,531,094	433,911	1,965,005	2,161,959
Fund balances at 31 March 2012	30	2,224,065	332,006	2,556,071	1,965,005

All gains and losses arising in the year are included above and arise from continuing activities. The net incoming resources of the charity, for the year, are £594,632.

The notes on pages 24 - 41 form part of these financial statements.

LEPRA HEALTH IN ACTION

CONSOLIDATED BALANCE SHEET (Company No. 324748)

31 MARCH 2012

	Note	March 2012 £	March 2012 £	March 2011 Re-stated £	March 2011 Re-stated £
FIXED ASSETS					
Tangible assets	13		2,296,216		2,336,355
Investments	14		180,768		194,513
			2,476,984		2,530,868
CURRENT ASSETS					
Debtors	16	129,499		182,841	
Stocks of finished goods		-		6,127	
Cash at bank and in hand	17	909,746		598,551	
		1,039,245		787,519	
CREDITORS:					
Amounts falling due within one year	18	(327,921)		(467,041)	
NET CURRENT ASSETS			711,324		320,478
TOTAL ASSETS LESS CURRENT LIABILITIES			3,188,308		2,851,346
CREDITORS: amounts falling due after more than one year	18		(632,237)		(886,341)
TOTAL NET ASSETS			2,556,071		1,965,005
FUNDS					
Unrestricted funds	20		2,224,065		1,531,094
Restricted funds	21		332,006		433,911
	30		2,556,071		1,965,005

The financial statements have been prepared in accordance with the special provision in Section 445 of the Companies Act 2006 in regards to medium-sized entities.

The financial statements were approved by the Trustees and authorised for issue on 5 December 2012.

Mr J Briant
Hon. Treasurer

The notes on pages 24 - 41 form part of these financial statements.
COMPANY NUMBER 324478

LEPRA HEALTH IN ACTION (Company No. 324748)

CHARITY BALANCE SHEET

31 MARCH 2011

	Note	March 2012 £	£	March 2011 Re-stated £	£
FIXED ASSETS					
Tangible assets	13		1,542,523		1,545,125
Investments	14		85,222		88,101
			1,627,745		1,633,227
CURRENT ASSETS					
Debtors	16	354,615		381,933	
Cash at bank and in hand	17	662,450		336,677	
		1,017,065		718,610	
CREDITORS:					
Amounts falling due within one year	18	(267,214)		(394,864)	
NET CURRENT ASSETS			749,851		323,746
TOTAL ASSETS LESS CURRENT LIABILITIES			2,377,596		1,956,973
CREDITORS: amounts falling due after more than one year	18		(632,237)		(886,341)
TOTAL NET ASSETS			1,745,359		1,070,632
FUNDS					
Unrestricted funds			1,637,548		888,411
Restricted funds			107,811		182,221
			1,745,359		1,070,632

The financial statements were approved by the Trustees and authorised for issue on 5 December 2012.

Mr J Briant
Hon. Treasurer

The notes on pages 24 - 41 form part of these financial statements.

LEPRA HEALTH IN ACTION

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2012

	Note	2012 £	2012 £	Re-stated 2011 £	Re-stated 2011 £
Reconciliation of operating loss to net cash inflow from operating activities					
Net outgoing resources		646,221		(157,285)	
Investment income		(34,698)		(54,521)	
Depreciation charges		125,503		356,712	
Loss/(Gain) on sale of fixed assets		970		(9,418)	
Losses on Foreign Currency		(55,685)		(44,902)	
Decrease in debtors		53,343		76,668	
Decrease in stock		6,127		-	
Decrease in creditors		64,841		18,795	
Net cash inflow /(outflow) from operating activities			806,622		186,049
Return on investment and servicing of finance	22		34,698		54,521
Capital expenditure and financial investments	22		(72,056)		(337,366)
Financing	22		(458,069)		443,721
Increase in cash			311,195		346,925
Reconciliation of net cash flow to movement in net debt	23				
Increase/(Decrease) in cash in the period			311,195		346,925
Net funds at 1 April 2011			598,551		251,626
Net funds at 31 March 2012	24		909,746		598,551

The notes on pages 24 - 41 form part of the financial statements.

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 as modified by the revaluation of fixed asset investments and in accordance with applicable Accounting Standards and the Statement of Recommended Practice, 'Accounting & Reporting by Charities' (SORP) issued in March 2005.

In accordance with the requirements of the Statement of Recommended Practice a Statement of Financial Activities has been included in the financial statements. This analyses all incoming and expended resources and includes details of both realised and unrealised gains on our fixed asset investments. Further analysis is provided by way of notes to the accounts.

In accordance with Section 408 of the Companies Act 2006, no separate SOFA is presented for LEPRA Health in Action

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 covenanted, 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 the receipt, is certain of receiving it and the value of the legacy can be established with reasonable certainty. LEPRA has also been informed of legacies estimated at a total of £355,940 which have not been included in these financial statements as they do not reach the necessary recognition criteria. Donations, covenant, 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, the analysis of central costs are apportioned on a staff time basis as follows:

Programmes	42.70%	Leprosy Review	3.80%	Trusts/Corporates	3.60%
Research	1.47%	Regional	9.20%	Events	6.17%
Training	0.33%	Individual Giving	16.53%	Governance	2.66%
Education	12.37%	Legacies	1.17%		

Governance Costs are the costs to the charity to fulfil its statutory requirements.

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.

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% per annum reducing balance
	- Vehicles and equipment	15% per annum reducing balance
	- Medical equipment	15% per annum reducing balance
LEPRA Bangladesh	- Furniture	15% per annum reducing balance
	- Office equipment	20% per annum reducing balance
	- Bicycle	20% per annum reducing balance
	- Motor vehicles/cycles	20% per annum on cost
Freehold property in the UK is not depreciated		(see below)

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. It is considered that the residual value of the property will not decrease in the foreseeable future and therefore no depreciation has been charged as any charge would be immaterial. A revaluation was undertaken in December 2007 and the valuation of £1,500,000 is reflected in these accounts.

i) Foreign currency balances have been converted at the exchange rate ruling at 31 March 2012. 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.

j) 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.

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

l) 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.

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

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

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 2012. 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 undertakings for the year. LEPRA India and LEPRA Ireland are consolidated in these financial statements as subsidiaries. All financial statements are made up to 31 March 2012 with one exception. LEPRA Bangladesh prepares accounts for the year ended 31 December which are subject to an audit in Bangladesh. These figures have been used in the consolidation as the trustees consider it impracticable to include interim financial information and that the effect of doing so would be immaterial to the group financial statements. 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

The summary financial statements of LEPRA India and LEPRA Ireland are shown in Note 8.

5 BRANCH – CHANGE IN ACCOUNTING POLICY

The accounting policy in respect of the branch in Bangladesh, LEPRA Bangladesh, has changed since the previous financial period. The policy used in prior years was not to consolidate the results of the branch completely or to recognise its assets and liabilities on a line by line basis but to include income and expenditure and the bank balance at the year end. As the branch has grown to be a more significant part of the group this policy was seen as inappropriate and the full results, assets and liabilities of the branch have been included in the consolidated financial statements. This has resulted in a prior year adjustment (see note 30)

6 DONATED SERVICES AND FACILITIES

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

7 BANK OVERDRAFT

LEPRA negotiated a bank overdraft of £250,000 with Barclays Bank PLC in May 2009. The overdraft is secured by a second charge on the property, 28 Middleborough, Colchester CO1 1TG. The interest rate charged is 3% above base rate. All LEPRA's costs in securing this facility were borne by Barclays Bank PLC.

8 OPERATING LEASES

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.

9 SUBSIDIARIES SUMMARY FINANCIAL STATEMENTS

LEPRA SOCIETY OF INDIA

The Association 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 the Association for its funding support under a mutually agreed annual budget.

LEPRA INDIA INCOME & EXPENDITURE ACCOUNT

		2012
	£	£
Income:		
Grants from UK	1,249,575	
Other Income	1,557,723	
		2,807,298
Expenditure:		2,825,321
Net movement in funds		(18,023)
Balance at 1 April 2011		1,166,768
Balance at 31 March 2012		1,148,745
Gains/(Losses) on Foreign Currency Translation		(41,498)
		1,107,247

LEPRA INDIA BALANCE SHEET

	£	£
TANGIBLE FIXED ASSETS		753,695
CURRENT ASSETS		
Investments	95,546	
Stock	5,588	
Debtors	65,828	
Cash at bank & in hand	247,296	
	414,258	
Creditors: Amounts falling due within one year	(33,017)	
SER Revolving Fund	(27,689)	353,552
		1,107,247
Restricted Fund		224,195
Capital Fund		883,052
		1,107,247

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2012

LEPRA Ireland is a Private Company Limited by Guarantee (Number 359805) without a share capital, it is also a registered as a charity in Ireland. The registered office is Embassy House, Herbert Park Lane, Ballsbridge, Dublin 4. Its purpose is to raise funds for the benefit of the programmes which LEPRA supports. It is a wholly owned subsidiary of LEPRA, with the Trustees being the subscribing members to the organisation. Under Irish law the majority of directors need to be resident in Ireland. The current directors are; Mr B. Farmer (Deputy Chief Executive LEPRA UK), Ms D. Carr (Ireland), Mr P. O'Brien (Ireland), Mrs J O'Brien (Ireland). The patron is Senator Mary Henry.

LEPRA IRELAND PROFIT AND LOSS ACCOUNT

		2012
	£	£
Income:		
Individual Giving	517	
Trusts	-	
Income from Charitable Activities	-	
		517
Expenditure:		
Programme Expenditure	27,593	
Governance	2,189	
Total Expenditure		29,782
Net movement on funds		(29,265)
Balance at 1 April 2011		(272,392)
Balance at 31 March 2012		(301,657)
Gain on Foreign Currency Translation		5,123
		(296,534)

LEPRA IRELAND BALANCE SHEET

	£
CURRENT ASSETS	
Cash at Bank	-
CREDITORS:	
Amounts falling due within one year	-
Amounts due to related parties	(296,534)
TOTAL ASSETS LESS CURRENT LIABILITIES	(296,534)

10 **ANALYSIS OF INCOMING RESOURCES**

	Unrestricted Funds	Restricted Funds	Total 2012	Total 2011
	£	£	£	£
Voluntary Income				
Regional Income	799,559	-	799,559	1,179,614
Individual Giving	1,155,037	3,010	1,158,047	1,605,821
Legacies	1,117,180	-	1,117,180	1,102,252
Event Sponsorship	59,461	-	59,461	155,209
	3,131,237	3,010	3,134,247	4,042,896
Income from charitable activities				
Programme funding	52,887	1,910,605	1,963,492	5,703,768
Research Funding	20,869	-	20,869	34,477
Leprosy Review Funding	-	42,187	42,187	51,158
Trusts & Corporate	86,263	62,396	148,659	152,479
	160,019	2,015,188	2,175,207	5,941,882
Other Income				
Sale of Fixed Assets	18,041	-	18,041	16,191
Other Income	9,314	-	9,314	73,761
Gifts of assets	-	-	-	56,500
Leprosy Review	3,720	-	3,720	6,165
	31,076	-	31,076	152,617
Investment Income	34,698	-	34,698	54,521
	3,357,030	2,018,198	5,375,227	10,191,916

11 INVESTMENT INCOME

Investment income comprises interest and dividends received in respect of:

	2012 £	2011 £
Quoted UK Investments	868	1,632
Unquoted UK Investments	7,010	6,628
Short Term deposits and loans	26,820	46,621
	34,698	54,521

12 ANALYSIS OF TOTAL RESOURCES EXPENDED

a) Activity	Direct Costs £	Support Costs £	Allocation of Central Costs £	Total 2012 £	Total 2011 £
Programmes	3,368,119	78,021	47,175	3,493,315	8,429,083
Research	2,549	2,600	853	6,002	128,069
Training	-	-	-	-	5,530
Education	186,378	33,931	23,073	243,382	370,249
Leprosy Review	66,191	7,170	7,409	80,770	98,122
Charitable Activities	3,623,237	121,722	78,510	3,823,469	9,031,053
Regional	504,224	37,631	18,077	559,932	762,107
Individual Giving	101,662	53,227	32,824	187,713	300,367
Legacies	3,133	11,594	3,257	17,983	22,991
Events	46,860	6,982	8,530	62,372	99,368
Trust & Corporate	7,196	9,276	3,084	19,556	52,493
Cost of generating funds	663,073	118,711	65,772	847,556	1,237,326
Governance	23,507	11,631	22,844	57,982	80,822
Total expenditure	4,309,817	252,063	167,126	4,729,007	10,349,201

b) Analysis of central costs for apportionment

	Office Costs	Computer Expenses	Depreciation	HR Costs	Total
	£	£	£	£	£
Programmes	28,795	2,479	521	15,379	47,175
Research	663	57	12	121	853
Education	20,046	1220	(464)	2,271	23,073
Leprosy Review	5,864	414	87	1,043	7,409
Charitable activities	55,368	4,170	156	18,814	78,510
Regional	12,325	1,061	223	4,468	18,077
Individual Giving	27,368	1,642	345	3,469	32,824
Legacies	2,703	167	35	352	3,257
Events	6,632	571	120	1,206	8,530
Trusts & Corporates	2,404	205	43	432	3,084
Cost of Generating funds	51,433	3,645	766	9,927	65,772
Governance	21,896	286	60	603	22,844
	128,697	8,100	982	29,344	167,126

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.

13 TANGIBLE FIXED ASSETS – CONSOLIDATED

	Land and Premises Overseas	Freehold Premises UK	Motor Vehicles	Office and Photo Equip	Computer Equip	Total
	£	£	£	£	£	£
Cost						
1 April 2011	476,624	1,500,000	722,871	1,142,130	134,201	3,975,826
Additions	35,581	-	12,916	54,258	1,620	104,375
Disposals	-	-	(73,086)	(38,955)	-	(112,041)
31 March 2012	512,205	1,500,000	662,701	1,157,433	135,821	3,968,159
Depreciation						
1 April 2011	238,999	-	450,131	818,169	132,172	1,639,471
Charged for year	19,766	-	37,114	67,412	1,211	125,503
Released on disposal	-	-	(57,740)	(35,291)	-	(93,031)
31 March 2012	258,765	-	429,505	850,290	133,383	1,671,943
Net book values						
1 April 2011	237,625	1,500,000	272,740	323,961	2,029	2,336,355
31 March 2012	253,440	1,500,000	233,196	307,143	2,438	2,296,216

The cost of land and premises overseas comprises freehold land of £60,779, buildings of £406,878 and leasehold premises of £8,966.

The property owned by LEPRA Health in Action was re-valued in December 2007 by Nicholas Percival, Chartered Surveyor on an open market basis. The valuation at that date was £1,500,000. The net book value on an historic cost basis at 31 March 2012 is £1,466,353.

TANGIBLE FIXED ASSETS – CHARITY

	Freehold Premises UK	Motor Vehicles	Office and Photo Equip	Computer Equip	Total
	£	£	£	£	£
Cost					
1 April 2011	1,500,000	120,435	128,967	134,201	1,883,603
Additions	-	2,206	(2,130)	1,620	1,696
Disposals	-	-	-	-	-
31 March 2012	1,500,000	122,641	126,837	135,821	1,885,299
Depreciation					
1 April 2011	-	101,522	104,784	132,172	338,478
Charged for year	-	1,115	1,975	1,211	4,301
Released on disposal	-	-	-	-	-
31 March 2012	-	102,636	106,759	133,383	342,778
Net book values					
1 April 2011	1,500,000	18,913	24,183	2,029	1,545,125
31 March 2012	1,500,000	20,005	20,078	2,438	1,542,523

14 **FIXED ASSET INVESTMENTS**

	CONSOLIDATED		CHARITY	
	2012	2011	2012	2011
	£	£	£	£
At Market Value :				
1 April 2011	194,513	259,172	88,101	109,198
LEPRA India additions/(disposals)	(10,866)	(43,562)	-	-
Less Disposals in year	-	(31,222)	-	(31,222)
Add Gifts of shares	-	4,892	-	4,892
Net gains/(losses) on revaluation	(2,879)	5,233	(2,879)	5,233
31 March 2012	180,768	194,513	85,222	88,101
Historical Cost at 31 March 2012	191,212	191,212	84,800	84,800
The Investments are distributed as follows:				
UK Quoted investments	15,075	14,545	15,075	14,545
LEPRA India Investments	95,546	106,412	-	-
Unquoted Investments	71,147	73,556	70,147	73,556
31 March 2012	180,768	194,513	85,222	88,101

The unquoted investments include ordinary shares in Helpcards Holdings Limited of which LEPRA holds 6.74% of the issued share capital.

15 ANALYSIS OF NET ASSETS

	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£
Restricted Funds	253,440	23,878	54,688	-	332,006
Unrestricted Funds	2,042,776	156,890	684,368	(659,969)	2,224,065
	2,296,216	180,768	739,056	(659,969)	2,556,071

16 DEBTORS

	CONSOLIDATED		CHARITY	
	2012	2011	2012	2011
	£	£	£	£
Prepayments	40,596	34,198	40,596	34,198
Sundry Debtors	71,654	92,133	236	6,186
Amounts owed by group companies	-	-	296,534	278,912
Accrued income	17,249	62,637	17,249	62,637
	129,499	188,968	354,615	381,933

All amounts included above are receivable within one year of the balance sheet date.

17 CASH AT BANK AND IN HAND

	CONSOLIDATED		CHARITY	
	2012	2011	2012	2011
	£	£	£	£
Deposits with banks	905,517	594,286	661,463	335,999
Overdraft with Bank	-	-	-	-
Cash	4,229	4,265	987	679
	909,746	598,551	662,450	336,677

18 **CREDITORS: amounts falling due within one year**

	CONSOLIDATED		CHARITY	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	45,300	27,732	45,300	27,732
Other loans	58,401	279,934	58,401	279,934
PAYE and other taxes	19,166	18,008	19,166	18,008
Accruals	23,908	134,831	23,908	62,654
Other creditors	117,376	6,536	56,669	6,536
Deferred income	63,770	-	63,770	-
	327,921	467,041	267,214	394,864

Included within the figures of Other creditors and Accruals is an amount of £6,814 (2011 : £5,365) relating to outstanding pension liabilities.

CREDITORS: amounts falling due after more than one year

	CONSOLIDATED		CHARITY	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	632,237	683,286	632,237	683,286
Other Loans	-	203,055	-	203,055
	632,237	886,341	632,237	886,341

The bank loan is secured over the charity's freehold property in the UK.

19 **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to being paid within one year:

Expiring:	2012
	£
Within one year	1,200
Between two and five years	1,200
After five years	404

21 UNRESTRICTED FUNDS – CONSOLIDATED AND CHARITY

	2012 £	2011 £
1 April 2011	1,531,094	1,598,877
Surplus/(Deficit) for the year	748,126	(28,114)
Realisation of investment revaluation gains	530	5,233
Losses on foreign currency transactions	(55,685)	(44,902)
31 March 2012	2,224,065	1,531,094

21 RESTRICTED FUNDS - CONSOLIDATED

	2012 £	2011 £
LEPRA India		
1 April 2011	251,688	305,474
Incoming Resources	1,671,969	3,482,135
	1,923,657	3,787,609
Resources Expended	1,699,463	3,535,921
31 March 2012	224,194	251,688
Other Restricted Funds		
1 April 2011	182,223	257,608
Incoming Resources	346,229	1,835,446
	528,452	2,093,054
Resources Expended	420,640	1,910,831
31 March 2012	107,812	182,223
Total restricted funds	332,006	433,911

	Balance 1 April 2011	Incoming Resources	Expenditure	Balance 31 March 2012
	£	£	£	£
LEPRA Society of India	155,218	1,215,982	1,220,640	150,560
Big Lottery Fund – MP	76,471	116,361	121,732	71,100
Big Lottery Fund – MICHP	-	2,358	2,358	-
EU – Reaching unreached	-	136,999	134,464	2,535
EU – Health for all	-	98,198	98,198	-
SJLC	20,000	4,000	24,000	-
ILEP India projects	-	81,918	81,918	-
ILEP Brazil	180,000	34,369	214,369	-
ILEP Bangladesh	-	20,369	20,369	-
ILEP Leprosy Review	-	42,187	42,187	-
Global Fund Bangladesh	-	183,898	125,984	57,915
Bihar	-	10,000	10,000	-
MRC - BPRC	-	20,869	20,869	-
Other	2,222	65,406	17,732	49,896
	433,911	2,018,198	2,120,103	332,006

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

Big Lottery Fund MP - to improve the health and livelihood outcomes of scheduled castes and tribes in the districts of Jhabua, Khargone and Burhanpu.

EU Reaching Unreached – for improving the health status and quality of life of rural communities living in remote inaccessible areas of the Mayurbanj district.

Global Fund Bangladesh – a TB control programme in the Pabna, Sirajgonj and Naotre districts of Rajshahi division. The overall goal of TB control is to reduce morbidity, mortality and transmission of TB until it is no longer a public health problem.

Other - this fund has been established to receive monies which donors indicate may only be spent in certain specific ways. Monies are released from the fund in those years when the specified expenditure occurs. The fund includes unexpended balances of restricted funds held on trust to be applied for specific purposes.

22 GROSS CASH FLOWS	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	26,820	46,621
UK Dividends received	7,878	7,900
	34,698	54,521
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(104,375)	(302,216)
Receipts from sales of tangible fixed assets	18,041	33,855
Purchase of fixed asset investments	14,278	(4,892)
Sale of fixed asset investment	-	74,784
	(72,056)	(198,469)
Financing		
Proceeds from short term borrowings	-	552,988
Cash repayment of short term borrowings	(226,372)	(70,000)
Cash repayment of long term borrowings	(231,697)	(39,267)
	(458,069)	443,721

23 ANALYSIS OF CHANGES IN NET DEBT	1 April 2011 £	Non-cash Changes £	Cashflows £	31 March 2012 £
Cash in hand and at bank at 1 April 2011	598,551	-	311,195	909,746
Bank overdrafts	-	-	-	-
Debt due < 1 year	(307,666)	-	231,697	(75,969)
Debt due > 1 year	(886,341)	-	226,372	(659,969)
Balance at 31 March 2012	(595,456)	-	769,264	173,808

24 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	2012 £	2011 £	Change £
Deposits with banks	905,517	594,286	311,231
Cash	4,229	4,265	(36)
	909,746	598,551	311,195

25 EMPLOYEES

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

	2012	2011
Head Office	22	25
Regional	25	22
Overseas	490	1,006
	537	1,053

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

Staff costs in respect of employees include	2011 £	2011 £
Wages and salaries	1,447,863	2,468,957
Social security costs	65,001	117,749
Pension costs	47,356	87,185
	1,560,220	2,673,891

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

	2012	2011
£60,001 - £70,000	1	-

The employers pension contribution in respect of the above employee was £5,360.

26 TRUSTEES

The Trustees received no remuneration for their services to the Organisation during the period (2011: nil). During the period four (2011: two) Trustees incurred expenses totalling £2,875 (2011 : £3,229) in respect of overseas travel and subsistence.

27 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 the Stakeholder Pension legislation. As at 31 March 2012 there were 31 staff 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 2012 were £47,356 (2011 £87,185).

28 COST OF AUDIT AND OTHER FINANCIAL SERVICES

Amounts payable in respect of Audit and other financial services were:

	2012 £	2011 £
Auditors remuneration : current year	16,522	-
Auditors remuneration : prior years	3,747	15,600
	20,269	15,600

29 RELATED PARTIES

There were no related party transactions during the year ended 31 March 2012.

30 PRIOR YEAR ADJUSTMENT

An adjustment has been made in respect of the period ended 31 March 2011 to take account of a change in accounting policy regarding the Bangladesh branch.

The reserves position at 31 March 2011 is re-stated as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Reserves as previously reported	1,467,665	433,911	1,901,576
Prior year adjustment	63,429	-	63,429
Balance at 31 March 2012	1,531,094	433,911	1,965,005