Lepra

Report of the Trustees and Financial Statements

for the year ended 31 March 2014

Lepra (Limited by Guarantee)

REPORT OF THE TRUSTEES

The Trustees submit their report and the audited financial statements for the year ended 31 March 2014. 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 during the period and to the date of signing this report are as follows:

PATRON		Her Majesty Queen Elizabeth II	
AMBASSADOR		Mrs V Hislop	
CHAIRMAN		Sir Ronald De Witt KB	(Chairman to 22/09/14)
	‡	Mr J. Briant	(Hon. Treasurer and acting Chairman from 22/09/14)
TRUSTEES		Mrs N Amin OBE	
	γ	Prof M. Adler CBE	
	γ	Mr C. Bland	
	γ	Ms F. Duby OBE	
	‡	Mr P Lloyd	
		Prof D Lockwood	(appointed 15/05/13)
		Ms M Gupta	(appointed 15/05/13)
		Ms K Vick	(resigned 12/02/14)
SECRETARY & CHIEF EXECUTIVE		Ms S. Nancollas	

‡ Indicates Member of Finance Sub-Committee
γ Indicates Member of Nominations Sub-Committee

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, 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 and 15 May 2013.

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

REPORT OF THE TRUSTEES

OBJECTS AND OBJECTIVES OF THE ORGANISATION

Our Vision

Our vision is for Lepra 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 by the board following a recruitment process managed by a Nominations Sub-Committee. 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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR ENDED 31 MARCH 2014

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 that our aims, objectives and activities remain 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 involve 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.

In 2013/14, Lepra's programmes directly reached 1.16 million people in India (1 million) and Bangladesh (161,000) with health and development interventions and a further 1.15 million (490,000 in Bangladesh and 665,000 in India) with community health education. This is nearly a 100% increase in our programmes outreach in Bangladesh and India compared to last year due to increased investments in our country programmes.

In Bangladesh our main area of intervention remained the four districts in the north west of the country, Bogra, Sirajgonj, Pabna and Natore. We also expanded our work, in collaboration with partners, to reach a further 12 districts across the country.

Disease - We improved the lives of 180,000 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 691,500 people to confirm their health status by providing diagnostic services within their villages or through mobile health clinics.

Poverty - We contributed to reduced poverty and improved standards of living for 5,900 people and their families through socio-economic empowerment work.

Prejudice - We educated and raised awareness of 1.45 million (568,000 in Bangladesh and 886,000 in India) people on health issues to promote health-seeking behaviour and reduce prejudice towards those affected by disease, poverty and prejudice.

Programmes perspective

Responding to community need with quality health interventions

Health education

Health education remains an important pillar of Lepra's work. It functions not only to raise awareness of health issues and prompt health-seeking behaviour, but also to reduce the prejudice that surrounds diseases like leprosy and lymphatic filariasis. In 2013/14 we reached 490,000 in Bangladesh and 665,000 in India with key health messages through community based exhibitions, film shows and loud speaker announcements. A further 300,000 participated in training programmes on health issues, including 78,000 children in various school sensitisation programmes. In Bangladesh, health education contributed to 39% of those diagnosed positive with TB having come forward after exposure to Lepra run community based health education. Discussions with beneficiaries of our leprosy work in Bogra district revealed that community health education had contributed to beneficiaries perceiving themselves as less discriminated against in their communities, telling us that:

"Neighbours never invited me to social gatherings knowing I was affected by leprosy. Nobody wanted to eat in our home, but now the situation is changing"

"Our community people tried to avoid us in the past, but now there is less disparity in our society"

Diagnosis and treatment

In Bangladesh, Lepra continued to support the primary provision of leprosy diagnosis and treatment at government health centres and hospitals, ensuring quality of care whilst building the capacity of the government health system to respond to the disease. We supported 27 health facilities across four districts to correctly diagnose and treat leprosy. For the second year running we recorded an increase in newly diagnosed leprosy cases in our Bangladesh project area, with a 13% increase from last year, after continual reduction in case detection over the last decade. This increase could be due to our increased investment and focus on leprosy in the country which has enabled us to find previously hidden and neglected cases.

Lepra established its first referral and physiotherapy centre in Sirajgonj, Bangladesh. This represents a huge milestone for people affected by leprosy and disability in Bangladesh as it is the first centre of its kind in the country providing comprehensive disability care, protective shoes and assistive devices locally and free of charge.

To complement our strengthening of institution based health and disability care in Bangladesh we also worked in communities to increase their capacity to respond to their health and disability needs. We worked with 155 self-help groups composed of 1,609 members living with disability to train them in self-care techniques which can be practiced in the community without the need to travel to an institution for treatment, reducing the strain on the health system. Impact assessment demonstrated that self-care

training was both necessary and appreciated by those involved. An exercise with beneficiaries in evaluating Lepra's programme of support saw self-care training ranked as the most important activity as it reduced beneficiaries' likelihood to develop chronic disease and disability, and restored their capacity to work.

In total Lepra improved the lives of 2,766 people affected by leprosy, LF and disability in Bangladesh.

In India, Lepra continued to provide leprosy services through 26 referral centres spread across seven regions diagnosing and treating all cases including neuritis and other complications. Many of these referral centres are housed within government hospitals, making referrals easier and ensuring those who need immediate care and attention get first priority. Lepra undertook 755 reconstructive surgeries, provided disability aids and self-care kits to 2,250 people and distributed 14,800 bespoke, protective, footwear free of cost. The impact study revealed that functional ability is restored among 95% of our beneficiaries who have undergone reconstructive surgery.

In total Lepra helped improve the lives of 101,400 people affected by LF, leprosy and disability in India.

We continued to support and strengthen the national TB control programmes in India and Bangladesh. We supported testing of 107,000 people with TB symptoms and treatment of 11,000 positive cases. Having identified a number of gaps in TB service provision in Bangladesh we expanded our programme this year to increase the emphasis on detecting cases in isolated areas and responding to the increasing threat of multi-drug resistant TB, with the support of USAID and the Guernsey Overseas Aid Commission. We trained 263 community volunteers, based in isolated rural locations, on basic TB information to ensure that TB knowledge remains in the community. In addition, Lepra field workers visited the homes of 16,911 people recently diagnosed or on treatment for TB to encourage testing of family members if symptomatic. Through this increased outreach work we increased the number of people who accessed TB testing by 30% versus the previous year; our support achieving a cure rate of 94%, increased from 90% last year. The programme has also been improved by facilitating testing by GeneXpert for drug-resistant TB and to enable chest X-rays for extra-pulmonary TB by improving referral links between primary health centres and referral facilities.

In India, Lepra in partnership with the National TB Control Programme runs Designated Microscopy Centres and TB Treatment Units in six regions of the country. Through these diagnostic and treatment centres Lepra is contributing to TB cure rates, reduction in death rates and reinstating those who have forgone their TB medicines to reduce the risk of multi-drug resistant (MDR) TB. Results from our impact study revealed that 99% of our TB beneficiaries who have been registered for TB medication demonstrated treatment adherence and have been cured of TB.

Lepra's Research Centre in collaboration with the Indian Council of Medical Research is continuing to undertake operational research on MDR-TB under the public-private partnership initiative of the government of India.

Sustainable solutions

Last year Lepra trained 22,400 government health staff and community health workers in India and

Bangladesh. This action is important to ensure that skills are built and maintained within the health system, ensuring our programmes bring about long-term change. In Bangladesh it became evident that staff training also contributes to reduced discrimination from health workers towards those with leprosy related disabilities as more patients were being welcomed for treatment in government health centres. In addition, training and support to health staff and leprosy programme staff ensured that the National Leprosy Elimination Programme organised and ran ulcer surgical sessions at the district hospital for the first time, enabling 36 people to access this service.

To build the capacity of communities to respond to their own health needs we trained a further 13,000 community volunteers in India and Bangladesh, who work in their communities to spread health messages and refer suspected cases of illness to the appropriate health facility. We have increased our programme of training for traditional/village doctors having recognised that these, often unqualified, health practitioners are the first port of call for around 75% of rural people in India and Bangladesh when seeking medical attention, yet they have very poor knowledge of health issues and correct treatments. We therefore trained 1,700 in India and 5,476 in Bangladesh.

In India, through a European Union project in Madhya Pradesh we established 80 sputum collection centres taking diagnostic services closer to the communities in their villages. Many of these centres are being managed by village health workers and village doctors. Lepra has linked these informal healthcare providers with the national TB control programme under which they receive incentives for referrals made to the government TB testing centres. Some of these volunteers are now designated as TB medicine (DOTS) providers and when a patient completes the course of treatment, the volunteers receive an incentive from the government. Lepra has ensured that even after the project closure in December 2013 these systems will continue to sustain themselves. As part of project closure, Lepra transferred all project assets including health education vans and mobile health clinics to district health departments in Madhya Pradesh.

Our approach to community empowerment and poverty reduction with people affected by leprosy and disability in Bangladesh means that 961 families are now better off and there have been some remarkable improvements in standards of living and community quality of life. Over the last three years our approach in Bogra districts has, on average, increased beneficiary income by a third. This meant that families are able to increase their household expenditure by on average 23%, spending more on essential items such as food. This increase in family income has resulted in a remarkable impact observed in several villages where beneficiaries are living, with changes occurring in standards of living. Housing has been improved, changing from thatched houses to good mud-brick made walls with aluminium roofs, as a result of increased family income. Training in agricultural techniques has meant that previously barren land has been restored into productive farmland which benefits the entire community. We received positive feedback direct from beneficiaries:

"We have received different types of training such as in self-care, livelihoods, banking, vegetable gardening etc. Training helps us to open our eyes to living in a community with equal rights"

"Earlier we used to eat very low quality rice, but now we can buy good quality rice for our children"

Last year, this funding from the UK Department for International Development (DFID), we were able to begin the expansion of this successful model into a further three districts, and have already included a

further 648 people in the programme.

In addition to replicating successful project models, we use our technical expertise and recommended models of best practice to guide and contribute to improvements in partner policy and practice, particularly government and health service partners.

This year, we have worked directly with the National Leprosy Elimination Programme of Bangladesh, and have formed a new technical expert group, to improve national standard guidelines and practices. The leprosy programme National Technical Guidelines for use in training health staff have been updated with our support for the first time since 2005, and two new training manuals for service providers have been prepared to improve service provider training. In addition, all health education materials used by the National Leprosy Elimination Program have been updated and reprinted with technical advice. The use of these materials will now be rolled out at a national level with co-ordination by Lepra, contributing to sustainable and large scale improvements in the leprosy programme.

In collaboration with partners, we have conducted the first ever national level district-wide leprosy disease mapping in Bangladesh, with the aim of gaining a spatial distribution of leprosy by different parameters. This is helping the national programme to observe trends of the disease, disease burden in different geographical areas and to identify groups who need special attention.

Last year, Lepra's beneficiaries of an LF programme in Puri district of Odisha in eastern India were devastated due to a severe cyclonic storm, Phailin. Lepra provided relief, rehabilitation and medical support for 30 families who were worst-affected, mainly women headed households with young children. Lepra also supported 15 health camps in some of the worst-affected parts of the district benefitting 2,350 people.

Advocacy – influencing change in policy and practice

Our Bangladesh programme began work with people living with disabilities to establish district-level disabled people's networks. We have facilitated the formation and meeting of network members, and enabled advocacy meetings with authorities and policy makers. This will enable network members to speak out and demand their rights from public institutions with a stronger collective voice. Despite this initiative being in its infancy it has already raised the confidence and strength of network members enough to achieve a few notable changes within their own communities. In some villages, advocacy with local authorities has resulted in construction of new road access and installation of electricity.

Through the state forums of leprosy affected people in India, Lepra has facilitated access to government's social security benefits for nearly 900 people living in leprosy colonies and helped them claim their rights to the land within these colonies. Through persistent advocacy efforts the state forum in Bihar won the highest disability benefit in the country (Rs.1, 800 per month) for those disabled due to leprosy. Residents of up to 10 leprosy colonies are about to receive their land papers from local authorities.

Learning and growth perspective

Lepra continued to publish Leprosy Review on a quarterly basis to contribute to knowledge sharing within the health and scientific community. We published four issues during the year, which included a report on the 18th International Leprosy Congress in Brussels, and two issues which carried country profiles taking a

detailed look at leprosy in particular endemic countries. The readership during the year was around 1,800 with subscribers in 102 countries. To increase the profile of the publication and its content we exhibited at the 18th International Leprosy Congress in Brussels. In addition, we updated our procedures to speed up the editorial process through the use of the Aries Editorial Manager system.

We continued our programme of scientific research into leprosy and TB at our Blue Peter Public Health Research Centre through 5 research projects under the immunology and microbiology research divisions. Last year Lepra published ten articles in peer-reviewed journals with a cumulative impact factor of 29.98, contributing to advanced scientific knowledge on these health issues.

Lepra staff contributed to knowledge sharing and dissemination at the 18th International Leprosy Congress held in Brussels during September 2013. Ten abstracts were selected for oral presentation and twenty two abstracts presented via poster at the conference, showcasing Lepra's best practice models and research expertise. In addition, Lepra contributed eight posters and five oral presentations at the 29th biennial conference of the Indian Association of Leprologists in March 2014 at Chandigarh, India. All papers and presentations were well received at the conference establishing Lepra's credibility and expertise.

To contribute to organisational and sector knowledge we conducted two large operational research studies during the year. The first took place in the Indian states of Bihar and Odisha to measure the social and economic impact of lymphatic filariasis, with a particular emphasis on women and girls. In Bangladesh we worked with icddr'b research institute on a country-wide situation assessment of current leprosy service provision. We aim to publish and disseminate the research finding in the next financial year.

To increase internal organisational learning and exchange of best practice we conducted an exchange visit for Bangladesh staff to view the India programme. This led to fruitful discussion and lessons being learnt and transferred across country programmes.

To inform and improve our programmes based on learning and also to make our programmes more responsive to the needs of beneficiaries, we have expanded our use of beneficiary feedback. In March in Bangladesh, Lepra conducted a participatory learning appraisal (PLA) of our Exclusion to Inclusion CBR project in Bogra. The aim of the PLA was to get feedback directly from beneficiaries on how the three-year project had met their needs so far, its impact, what else they need, how they believe Lepra could help, and what they think of the project proposal for the next three year phase of the project. This provided important insights into the needs of beneficiaries and how our programmes can be improved going forward.

In India, Lepra's impact manual was pilot tested for assessing the impact of our programmes across the states and covered more than a 1,000 beneficiaries through individual surveys. One of the findings of the study is that 89% of those with leprosy and 93% of those with LF continued practicing self-care in their homes resulting in a reduction in lymphoedema swelling among 61% of our LF beneficiaries, healing of general ulcers among 57% and healing of plantar ulcers among 59% of our leprosy beneficiaries. The self-care practices taught by Lepra result in better management of the morbidity caused by ulcers (in leprosy) and swelling (in LF) so that people are able to lead normal lives and return to their livelihoods. The impact results have also demonstrated that through intensive health education, many men have expressed their willingness to undergo hydrocoele surgeries who, previously, have been ashamed to speak of their

condition. The impact study also demonstrated that we successfully restored vision among 99% of our beneficiaries; of these nearly 10% were school-going children.

Last year, Lepra was formally included in the global NTD Network of Non-Governmental Development Organisations (NNN) along with all anti-leprosy organisations in the International Network of anti-leprosy organisations (ILEP). This is the first time that leprosy has been included within the global debate on eliminating NTDs by 2020.

Lepra's work on integrated disability care for leprosy and LF has influenced the guidelines of the World Health Organisation (WHO) on Morbidity Management and Disability Prevention. This document has been published and widely disseminated by the WHO's South-East Asia Regional Office (SEARO).

Lepra contributed to the annual report of the All Party Parliamentary Group on Malaria and NTDs commenting on India's premature declaration of leprosy elimination. This report was written and published with support from the UK Coalition of NTDs (UKCNTD) of which Lepra is a member.

Resource perspective

We used impact information gathered throughout the year to measure the value for money of our programmes and demonstrate that our work has maximum impact on people's lives in the most cost effective way.

Our community empowerment work in Bogra, Bangladesh, where we work with people living with disability to reduce poverty has demonstrated itself as a cost effective model. Through beneficiaries increasing their income as a result of project activities, our initial financial investment in the project of £74 per person is recovered within just 8 months of this increased earning power, and after 3 years of project assistance the minimum return on investment is £4.86 per £1 spent. However, as beneficiaries further establish their businesses in subsequent years we expect income to further increase and as much as double.

In India, it cost us £2.13 per beneficiary to reach a million people. In Madhya Pradesh, we had the highest outreach (41%) with a lowest cost of only £0.50p per beneficiary.

In total it cost Lepra an average of just £4.20 per direct beneficiary reached over the year, to provide these services and bring about these changes to beneficiaries' lives.

FINANCIAL REVIEW

FINANCE

	Year to March 2014 £	Year to March 2013 £	% Change
Income	5,791,448	4,250,650	36.25%
Expenditure	4,593,307	4,085,808	12.42%

The overall financial position of Lepra is stable and this is primarily due to a number of significant legacies together with new funding for programme activities in Bangladesh. This has enabled the Trustees to plan for the future by designating funds for specific purposes during the year. They will designate further funds during 2014/15 to ensure that the organisation remains in a strong, sustainable position going forward towards the commencement of a new 5 year strategic plan in 2015/16.

FUNDRAISING

	Year to March 2014 £	Year to March 2013 £	% change
Total income	5,791,448	4,250,650	36.25%
Restricted income	1,868,507	1,574,407	18.68%
Regional income	838,732	629,997	33.13%
Individual giving	1,071,691	951,550	12.63%
Legacy income	1,859,822	582,875	219.08%
Event income	43,058	75,140	(42.70%)
Trusts & Corporate Giving	99,097	92,953	6.61%

Total income for Lepra in the year ended 31 March 2014 was £5,791,448, an increase of £1.5m compared to 2012/13.

The table above shows an 18% increase in restricted income; that is income provided for specific projects overseas. This reflects new programme funding such as that funded in the UK by DFID for work in

Bangladesh together with funds raised directly within India and Bangladesh.

Higher unrestricted funding includes a 33% increase in regional funding, the result of stabilising a smaller regional team and focus on specific goals. In addition to this, legacies returned a strong result increasing by £1.277m.

Individual giving in the UK is still under pressure decreasing by 13%. This may be a combination of influences; our shrinking donor base and the fact that charities our size seem to be more affected by the marketplace than large charities who are investing heavily in high profile broadcasting exposure.

Challenge events have struggled this year, highlighting the unpredictability of events and participant injury. Trust fundraising activity has remained steady.

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

During 2013/14, the Trustees reviewed the reserves policy. 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 plus the annual budgeted amount for legacies. £500,000 represents the amount required to smooth income phasing during the year whilst holding the annual legacy budget in reserves removes the risk attached to this unpredictable area of income. 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 Trustees will continue to review the reserves policy annually beyond the three year period.

The free reserves of the Charity at 31 March 2014, amounting to £1,580,913 (£684,289 at March 2013), remain in excess of the target (£900,000). The Trustees confirm that they believe the level of reserves to be reasonable taking into account the potential fluctuations in future income.

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.

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

- People – senior staff retention, long term incapacity of senior staff. Accident or illness of staff, trustee or volunteer whilst overseas.
- Operational – lack of direction, strategy and forward planning. Unfocussed project development.
- Financial – lack of budgetary control and financial reporting. Reserves and cash flow policies not met.
- Strategic – operational divergence with India. Branding and messaging not fully integrated throughout UK and Bangladesh.
- Fundraising – return on investment. Community fundraising.
- Management – inappropriate organisational structure. Activities outside objects, powers or terms of funding.
- Information – impacts, outcomes and outputs not collected. Poor public perception.
- Reputation – adverse publicity. Data protection not taken seriously.
- Regulatory – compliance with legislation and regulations. Regulatory reporting.
- Technological – failure to maintain IT systems. Failure to meet user expectations.
- Political – change in government funding / aid policy. Change in government regulatory policy.
- Governance – board of trustees lacks relevant skills or commitment. Reporting to trustees.
- Natural – natural disaster in Colchester. Natural disaster at community location.

The Trustees are responsible for the management of the risks that face Lepra. As indicated above, 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

PLANS FOR THE FUTURE

Programme perspective

In 2014/15 Lepra's programmes will aim to reach 700,000 (150,000 in Bangladesh) people directly with health and development interventions and a further million (550,000 in Bangladesh) with health education.

In Bangladesh we will establish a further two district disability referral centres with funding from DFID, enabling an expected 1,500 people to access disability service locally where previously they would have travelled to the capital or gone without.

Our community empowerment and poverty reduction work will increase and reach 2,500 people over the next year, increasing skills and capacity to earn a living. Our work in advocacy in Bangladesh and the formation of disabled persons' networks will continue and by the end of the year 200 people living with disabilities will be regularly participating in advocacy initiatives and representing their communities.

Through collaboration with in-country partners we will roll out the use of improved health education materials and health staff training modules to reach health workers across 12 out of 64 districts in Bangladesh. Training will reach 10,000 health workers to improve disability care provision and leprosy case management from primary health centres.

We hope to see the results of our increased investment in tuberculosis control through an increase in case detection rate.

We will continue to ensure the quality and impact of Lepra's work through incorporating Lepra's impact indicators into the design of all new projects. In addition we will produce a retrospective impact review covering our 10-year TB control programme in Bangladesh to inform the future direction of the programme.

In India, we will be launching a five-year programme on integrated disability care to address LF and leprosy related disabilities through a combined strategy. This project will work in close collaboration with the local government, community based organisations and community structures to demonstrate a new care model at primary health centres in one district of Bihar. We hope that knowledge and learning from this project will be replicated in other Lepra projects across the country.

Resource perspective

As part of our organisational values of openness and transparency we have committed to the publication of organisational and project finance information to the standards set by the International Aid Transparency Initiative.

We will develop a fully costed and evidenced marketing and fundraising strategy for Lepra in the UK taking into account an improved return on investment in respect of our community fundraising programme.

Organisational perspective

We will publish and widely disseminate findings and lessons learnt from our operational research projects in India and Bangladesh. We also aim to document and publish impact results and lessons learnt from our pilot model of community empowerment in Bogra, Bangladesh.

In 2014, we will be presenting papers about our work in various conferences within the countries of our operation as well as internationally. Lepra has been invited to present posters and papers at the International Lymphoedema Framework's annual conference in Glasgow and the British Lymphoedema Society's conference in Birmingham.

We will develop an in-country fundraising strategy for India in co-ordination with Lepra Society.

A comprehensive review of systems and workflows will be undertaken in the UK and Bangladesh and improvements identified will be implemented.

A major campaign will be delivered during 2014 to mark the 90th anniversary of Lepra in the UK. This will form part of the marketing and fundraising strategy.

Learning and growth perspective

Work on communications will include the development of messages for different audiences, including for our work in Bangladesh.

A strategy will be developed for growth in respect of programme work taking into account need, gap analysis, impact and the potential for funding. Cross organisational capacity for funding bids will be developed.

Work on an updated HR appraisal and skills programme will take place in 2014 for implementation across the organisation in 2015.

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 8th October 2014 and signed on its behalf by:

Julian Briant
Chairman

COMPANY NUMBER: 0324748

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 2014 which comprise the Group and Parent Statement of Financial Activities, the Group and Parent Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group and Parent 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. 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 17] 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 Report of the Trustees 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 2014 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 and regulations 6 and 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 Strategic Report and the Report of the Trustees for the financial year 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) 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.

K.S. LLP

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

14/10/2014

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 (INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2014

	Note	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	8	3,798,105	15,198	3,813,303	2,239,562
Investment Income	9	45,065	-	45,065	33,398
Incoming resources from charitable activities	8	87,710	1,853,309	1,941,019	1,971,068
Other incoming resources	8	(7,939)	-	(7,939)	6,622
Total incoming resources		3,922,941	1,868,507	5,791,448	4,250,650
RESOURCES EXPENDED					
Costs of generating funds		810,598	-	810,598	823,105
Charitable activities					
Programmes		1,542,135	1,882,105	3,424,240	2,902,292
Research		11,169	-	11,169	11,980
Training		12,836	-	12,836	7,313
Education		190,805	-	190,805	192,555
Leprosy Review		16,945	45,613	62,558	70,271
Governance costs		81,101	-	81,101	78,292
Total resources expended	10	2,665,589	1,927,718	4,593,307	4,085,808
Net incoming resources before other gains and losses		1,257,352	(59,211)	1,198,141	164,842
OTHER RECOGNISED GAINS/(LOSSES)					
Losses on Foreign Currency Transactions		(58,957)	-	(58,957)	(43,053)
Investment (losses) / gains	12	(911)	-	(911)	(8,575)
Revaluation of Fixed Assets	11	-	-	-	(310,000)
Net movement in funds		1,197,484	(59,211)	1,138,273	(196,786)
Fund balances at 1 April 2013		2,012,636	346,649	2,359,285	2,556,071
Fund balances at 31 March 2014		3,210,120	287,438	3,497,558	2,359,285

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

The notes on pages 27 - 46 form part of these financial statements.

Lepra (Company No. 324748)

CONSOLIDATED BALANCE SHEET

31 MARCH 2014

	Note	March 2014 £	£	March 2013 £	£
FIXED ASSETS					
Tangible assets	11		1,972,947		1,933,650
Investments	12		198,480		218,578
			2,171,427		2,152,228
CURRENT ASSETS					
Debtors	14	291,828		352,774	
Stocks		26,954		22,675	
Cash at bank and in hand	15	1,967,289		721,133	
		2,286,071		1,096,582	
CREDITORS:					
Amounts falling due within one year	16	(396,116)		(291,201)	
NET CURRENT ASSETS			1,889,955		805,381
TOTAL ASSETS LESS CURRENT LIABILITIES			4,061,382		2,957,609
CREDITORS: amounts falling due after more than one year	16		(563,824)		(598,324)
TOTAL NET ASSETS			3,497,558		2,359,285
FUNDS					
Unrestricted funds	18		3,111,671		2,012,636
Designated funds	18,20		98,449		-
Restricted funds	19		287,438		346,649
			3,497,558		2,359,285

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 October 8, 2014

Mr Philip Lloyd
Member of Finance Subcommittee
The notes on pages 27 - 46 form part of these financial statements.

Lepra

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

YEAR ENDED 31 MARCH 2014

	Note	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	8	3,545,727	350	3,546,077	2,239,562
Investment Income	9	12,974	-	12,974	10,597
Incoming resources from charitable activities	8	87,710	720,837	808,547	753,751
Other incoming resources	8	3,671	-	3,671	6,622
Total incoming resources		3,650,082	721,187	4,371,269	3,010,532
RESOURCES EXPENDED					
Costs of generating funds		810,598	-	810,598	823,105
Charitable activities					
Programmes		1,516,932	730,910	2,247,842	1,709,958
Research		11,169	-	11,169	11,980
Training		12,836	-	12,836	7,313
Education		190,805	-	190,805	192,555
Leprosy Review		16,945	45,613	62,558	70,271
Governance costs		81,101	-	81,101	78,292
Total resources expended	10	2,640,386	776,523	3,416,909	2,893,474
Net incoming resources before other gains and losses		1,009,696	(55,336)	954,360	117,058
OTHER RECOGNISED GAINS/(LOSSES)					
Losses on Foreign Currency Transactions		(7,068)	-	(7,068)	(43,616)
Investment (losses) / gains	12	(911)	-	(911)	(8,575)
Revaluation of Fixed Assets	11	-	-	-	(310,000)
Net movement in funds		1,001,717	(55,336)	946,381	(245,133)
Fund balances at 1 April 2013		1,352,405	147,821	1,500,226	1,745,359
Fund balances at 31 March 2014		2,354,122	92,485	2,446,607	1,500,226

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

Lepra (Company No. 324748)

CHARITY BALANCE SHEET

31 MARCH 2014

	Note	March 2014 £	£	March 2013 £	£
FIXED ASSETS					
Tangible assets	11		1,312,181		1,249,211
Investments	12		81,396		79,306
			1,393,577		1,328,517
CURRENT ASSETS					
Debtors	14	224,527		565,520	
Cash at bank and in hand	15	1,726,956		436,551	
		1,951,483		1,002,071	
CREDITORS:					
Amounts falling due within one year	16	(334,629)		(232,038)	
NET CURRENT ASSETS			1,616,854		770,033
TOTAL ASSETS LESS CURRENT LIABILITIES			3,010,431		2,098,550
CREDITORS:					
amounts falling due after more than one year	16		(563,824)		(598,324)
TOTAL NET ASSETS			2,446,607		1,500,226
FUNDS					
Unrestricted funds	18		3,111,671		2,012,636
Designated funds	18,20		98,449		-
Restricted funds	19		287,438		346,649
			2,446,607		1,500,226

The financial statements were approved by the Trustees and authorised for issue on October 8, 2014

Mr Philip Lloyd
Member of Finance Subcommittee

The notes on pages 27 - 46 form part of these financial statements.

Lepra

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2014

	Note	2014 £	£	2013 £	£
Reconciliation of operating loss to net cash inflow from operating activities					
Net outgoing resources		1,198,141		164,847	
Investment income		(45,065)		(33,398)	
Depreciation charges		136,201		109,474	
Losses on Foreign Currency		(58,958)		(43,053)	
Increase/(Decrease) in debtors		60,947		(229,412)	
(Increase)/Decrease in stock		(4,279)		(16,548)	
(Increase)/Decrease in creditors		150,215		21,684	
Net cash inflow /(outflow) from operating activities			1,437,202		(26,406)
Return on investment and servicing of finance	21		45,065		33,398
Capital expenditure and financial investments	21		(156,311)		(103,291)
Financing	21		(79,800)		(92,314)
(Decrease)/Increase in cash			1,246,156		(188,613)
Reconciliation of net cash flow to movement in net debt	22				
(Decrease)/Increase in cash in the period			1,246,156		(188,613)
Net funds at 1 April 2013			721,133		909,746
Net funds at 31 March 2014	23		1,967,289		721,133

The notes on pages 27 – 46 form part of the financial statements.

Lepra

CHARITY CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2014

	Note	2014 £	£	2013 £	£
Reconciliation of operating loss to net cash inflow from operating activities					
Net outgoing resources		954,355		117,063	
Investment income		(12,974)		(10,597)	
Depreciation charges		40,673		15,254	
Losses on Foreign Currency		(7,068)		(43,616)	
Decrease in debtors		341,000		(210,909)	
Decrease in creditors		147,892		23,226	
Net cash inflow /(outflow) from operating activities			1,463,878		(109,579)
Return on investment and servicing of finance			12,974		10,597
Capital expenditure and financial investments			(106,644)		(34,604)
Financing			(79,800)		(92,314)
Increase in cash			1,290,408		(225,900)
Reconciliation of net cash flow to movement in net debt					
Increase/(Decrease) in cash in the period			1,290,408		(225,900)
Net funds at 1 April 2013			436,550		662,450
Net funds at 31 March 2014			1,726,958		436,550

The notes on pages 27 - 46 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.

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 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 £1,050,000 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	29.43%	Leprosy Review	4.88%	Trusts/Corporates	8.85%
Research	1.42%	Regional	14.04%	Events	7.31%
Training	1.15%	Individual Giving	15.00%	Governance	2.50%
Education	13.88%	Legacies	1.54%		

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
Freehold property in the UK is not depreciated		(see h) below)
LEPRA India	- Leasehold	Over the life of the lease
	- Freehold Buildings	10%
	- Vehicles and 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	20% per annum reducing balance
	- Bicycle	20% per annum reducing balance
	- Motor vehicles/cycles	20% 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 was undertaken in July 2013 and the revised valuation of £1,190,000 is reflected in these accounts.

i) Foreign currency balances have been converted at the exchange rate ruling at 31 March 2014. 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.

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

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 2014. 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 2014. 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 DONATED SERVICES AND FACILITIES

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

6 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.

7 SUBSIDIARIES 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 Lepra's Trustees and of its Medical Advisory Board, plus the Chief Executive of Lepra 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

		2014
	£	£
Income:		
Grants from UK	1,089,871	
Other Income	1,416,254	
Expenditure:		(2,550,749)
Net movement in funds		(44,624)
Balance at 1 April 2013		1,157,902
Balance at 31 March 2014		1,113,278
Gains/(Losses) on Foreign Currency Translation		(58,159)
		1,055,119

LEPRA INDIA BALANCE SHEET

	£	£
TANGIBLE FIXED ASSETS		660,765
CURRENT ASSETS		
Investments	117,084	
Stock	26,954	
Debtors	71,470	
Cash at bank & in hand	240,333	
	455,841	
Creditors: Amounts falling due within one year	(38,216)	
SER Revolving Fund	(23,271)	394,354
		1,055,119
Restricted Fund		194,950
Capital Fund		860,169
		1,055,119

Lepra

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

LEPRA Ireland is a Private Company Limited by Guarantee (Number 359805) without a share capital, it is also 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. The current directors are; Mr B. Farmer, Ms D. Carr (Ireland), Mr T Swaine. The company is currently dormant.

LEPRA IRELAND PROFIT AND LOSS ACCOUNT

		2014
	£	£
Income:		
Individual Giving	-	
Trusts	-	
Income from Charitable Activities	-	
	---	-
Expenditure:		
Programme Expenditure	-	
Governance	-	

Total Expenditure		-

Net movement on funds		-
Balance at 1 April 2013		(290,003)

Balance at 31 March 2014		(290,003)
Gain on Foreign Currency Translation		5,522

		(284,481)
		=========

LEPRA IRELAND BALANCE SHEET

	£
CURRENT ASSETS	
Cash at Bank	-
CREDITORS:	
Amounts falling due within one year	-
Amounts due to related parties	(284,481)

TOTAL ASSETS LESS CURRENT LIABILITIES	(284,481)
	========

8 ANALYSIS OF INCOMING RESOURCES - CONSOLIDATED

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Voluntary Income				
Regional Income	838,732	-	838,732	629,997
Individual Giving	1,056,493	15,198	1,071,691	951,550
Legacies	1,859,822	-	1,859,822	582,875
Events	43,058	-	43,058	75,140
	3,798,105	15,198	3,813,303	2,239,562
Income from charitable activities				
Programme funding	-	1,796,309	1,796,309	1,823,559
Leprosy Review Funding	-	45,613	45,613	54,556
Trusts & Corporate	87,710	11,387	99,097	92,953
	87,710	1,853,309	1,941,019	1,971,068
Other Income				
Sale of Fixed Assets	(11,610)	-	(11,610)	2,300
Leprosy Review	3,671	-	3,671	4,322
	(7,939)	-	(7,939)	6,622
Investment Income	45,065	-	45,065	33,398
	3,922,941	1,868,507	5,791,448	4,250,650

ANALYSIS OF INCOMING RESOURCES - CHARITY

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Voluntary Income				
Regional Income	838,732	-	838,732	629,997
Individual Giving	804,115	350	804,465	951,550
Legacies	1,859,822	-	1,859,822	582,875
Events	43,058	-	43,058	75,140
	3,545,727	350	3,546,077	2,239,562
Income from charitable activities				
Programme funding	-	663,837	663,837	606,242
Leprosy Review Funding	-	45,613	45,613	54,556
Trusts & Corporate	87,710	11,387	99,097	92,953
	87,710	720,837	808,547	753,751
Other Income				
Sale of Fixed Assets	-	-	-	2,300
Leprosy Review	3,671	-	3,671	4,322
	3,671	-	3,671	6,622
Investment Income	12,974	-	12,974	10,597
	3,650,082	721,187	4,371,269	3,010,532

9 INVESTMENT INCOME - CONSOLIDATED

Investment income comprises interest and dividends received in respect of:

	2014 £	2013 £
Quoted UK Investments	935	919
Unquoted UK Investments	6,605	7,010
Short Term deposits and loans	37,525	25,469
	45,065	33,398

INVESTMENT INCOME - CHARITY

Investment income comprises interest and dividends received in respect of:

	2014 £	2013 £
Quoted UK Investments	935	919
Unquoted UK Investments	6,605	7,010
Short Term deposits and loans	5,434	2,668
	12,974	10,597

10 ANALYSIS OF TOTAL RESOURCES EXPENDED

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2014	Total 2013
CONSOLIDATED	£	£	£	£	£
Programmes	3,248,140	127,214	48,886	3,424,240	2,902,292
Research	6,997	1,808	2,364	11,169	11,980
Training	6,226	4,693	1,917	12,836	7,313
Education	135,430	32,306	23,069	190,805	192,555
Leprosy Review	40,564	13,878	8,116	62,558	70,271
Charitable Activities	3,437,357	179,899	84,352	3,701,608	3,184,411
Regional	389,515	49,271	23,325	462,111	469,306
Individual Giving	139,338	44,796	24,922	209,056	244,231
Legacies	3,387	5,604	2,556	11,547	20,113
Events	50,799	7,629	12,142	70,570	38,640
Trust & Corporate	27,857	14,759	14,698	57,314	50,815
Cost of generating funds	610,896	122,059	77,643	810,598	823,105
Governance	48,948	27,999	4,154	81,101	78,292
Total expenditure	4,097,201	329,957	166,149	4,593,307	4,085,808
CHARITY					
Programmes	2,071,742	127,214	48,886	2,247,842	1,709,958
Research	6,997	1,808	2,364	11,169	11,980
Training	6,226	4,693	1,917	12,836	7,313
Education	135,430	32,306	23,069	190,805	192,555
Leprosy Review	40,564	13,878	8,116	62,558	70,271
Charitable Activities	2,260,959	179,899	84,352	2,525,210	1,992,077
Regional	389,515	49,271	23,325	462,111	469,306
Individual Giving	139,338	44,796	24,922	209,056	244,231
Legacies	3,387	5,604	2,556	11,547	20,113
Events	50,799	7,629	12,142	70,570	38,640
Trust & Corporate	27,857	14,759	14,698	57,314	50,815
Cost of generating funds	610,896	122,059	77,643	810,598	823,105
Governance	48,948	27,999	4,154	81,101	78,292
Total expenditure	2,920,803	329,957	166,149	3,416,909	2,893,474

b) Analysis of central costs for apportionment

CONSOLIDATED & CHARITY	Office Costs	Computer Expenses	HR Costs	Depreciation	Total
	£	£	£	£	£
Programmes	34,075	6,908	6,986	917	48,886
Research	1,648	334	338	44	2,364
Training	1,336	271	274	36	1,917
Education	16,080	3,260	3,297	432	23,069
Leprosy Review	5,657	1,147	1,160	152	8,116
Charitable activities	58,796	11,920	12,055	1,581	84,352
Regional	16,258	3,296	3,333	437	23,324
Individual Giving	17,371	3,522	3,562	467	24,922
Legacies	1,782	361	365	48	2,556
Events	8,463	1,716	1,735	228	12,142
Trusts & Corporates	10,245	2,077	2,100	276	14,698
Cost of Generating funds	54,119	10,972	11,095	1,456	77,642
Governance	2,895	587	594	78	4,154
	115,810	23,479	23,744	3,115	166,148

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.

11 TANGIBLE FIXED ASSETS – CONSOLIDATED

	Land and Premises Overseas	Freehold Premises UK	Motor Vehicles	Office and Photo Equip	Computer Equip	Total
	£	£	£	£	£	£
Cost						
1 April 2013	521,925	1,500,000	620,145	1,168,812	145,159	3,956,041
Additions		-	134,109	71,977		206,086
Disposals	-	-	(79,707)	(58,688)	-	(138,395)
31 March 2014	521,925	1,500,000	674,547	1,182,101	145,159	4,023,732
Depreciation						
1 April 2013	275,651	310,000	402,196	898,131	136,413	2,022,391
Charged for year	14,992	-	55,170	62,955	3,084	136,201
Released on disposal			(56,824)	(50,983)	-	(107,807)
31 March 2014	290,643	310,000	400,542	910,103	139,497	2,050,785
Net book values						
1 April 2013	246,274	1,190,000	217,949	270,681	8,746	1,933,650
31 March 2014	231,282	1,190,000	274,005	271,998	5,662	1,972,947

The cost of land and premises overseas comprises freehold land of £58,360, buildings of £454,685 and leasehold land of £8,880.

The property owned by Lepra was re-valued in July 2013 by Nicholas Percival, Chartered Surveyor on an open market basis. The valuation at that date was £1,190,000.

A bank loan from Barclays plc is secured over the freehold premises held in the UK. See note 16.

TANGIBLE FIXED ASSETS – CHARITY

	Freehold Premises UK	Motor Vehicles	Office and Photo Equip	Computer Equip	Total
	£	£	£	£	£
Cost					
1 April 2013	1,500,000	109,231	125,190	145,159	1,879,580
Additions	-	77,298	26,345	-	103,643
31 March 2014	1,500,000	186,529	151,535	145,159	1,983,223
Depreciation					
1 April 2013	310,000	74,708	109,248	136,413	630,369
Charged for year	-	26,097	11,492	3,084	40,673
31 March 2014	310,000	100,805	120,740	139,497	671,042
Net book values					
1 April 2013	1,190,000	35,523	15,942	8,746	1,249,211
31 March 2014	1,190,000	85,724	30,795	5,662	1,312,181

12 **FIXED ASSET INVESTMENTS**

	CONSOLIDATED		CHARITY	
	2014	2013	2014	2013
	£	£	£	£
At Market Value :				
1 April 2013	218,578	180,768	79,306	85,222
Add Additions in the year	3,001	46,384	3,001	2,659
Less Disposals in year	(22,188)	-	-	-
Net gains/(losses) on revaluation	(911)	(8,574)	(911)	(8,575)
31 March 2014	198,480	218,578	81,396	79,306
Historical Cost at 31 March 2014	240,596	237,595	90,460	87,459
The Investments are distributed as follows:				
UK Quoted investments	11,244	16,777	11,244	16,777
Lepra India Investments	117,084	139,272	-	-
Unquoted Investments	70,152	62,529	70,152	62,529
31 March 2014	198,480	218,578	81,396	79,306

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

13 ANALYSIS OF NET ASSETS

CONSOLIDATED	Tangible Fixed Assets £	Investments £	Net Current Assets £	Long Term Liabilities £	Total £
Restricted Funds	-	-	287,438	-	287,438
Designated Funds	-	-	94,449	-	98,449
Unrestricted Funds	1,972,947	198,480	1,504,067	(563,824)	3,111,671
	1,972,947	198,480	1,885,954	(563,824)	3,497,558
CHARITY					
Restricted Funds	-	-	92,485	-	92,485
Designated Funds	-	-	98,449	-	98,449
Unrestricted Funds	1,312,181	81,396	1,425,920	(563,824)	2,255,673
	1,312,181	81,396	1,616,854	(563,824)	2,446,607

14 DEBTORS

	CONSOLIDATED		CHARITY	
	2014 £	2013 £	2014 £	2013 £
Prepayments	75,051	63,010	75,051	63,010
Stock	26,954	22,675	-	-
Sundry Debtors	145,424	176,091	73,954	89,999
Amounts owed by group companies	-	-	4,169	298,838
Accrued income	71,353	113,673	71,353	113,673
	318,782	375,449	224,527	565,520

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

15 CASH AT BANK AND IN HAND

	CONSOLIDATED		CHARITY	
	2014 £	2013 £	2014 £	2013 £
Deposits with banks	1,961,701	715,932	1,726,264	435,549
Cash	5,588	5,201	692	1,002
	1,967,289	721,133	1,726,956	436,551

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

	CONSOLIDATED		CHARITY	
	2014 £	2013 £	2014 £	2013 £
Bank loans	45,300	45,300	45,300	45,300
PAYE and other taxes	19,471	19,381	19,471	19,381
Accruals	68,769	33,238	68,769	33,238
Other creditors	109,996	124,004	48,509	64,841
Deferred income	152,580	69,278	152,580	69,278
	396,116	291,201	334,629	232,038

Included within Other Creditors is an amount of £8,090 (2013 : £6,755) relating to outstanding pension liabilities.

CREDITORS: amounts falling due after more than one year

	CONSOLIDATED		CHARITY	
	2014 £	2013 £	2014 £	2013 £
Bank loans	563,824	598,324	563,824	598,324
	563,824	598,324	563,824	598,324

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.

17 **OPERATING LEASE COMMITMENTS**

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

Expiring:	2014 £	2013 £
Within one year	-	-
Between two and five years	2,500	2,500
After five years	-	-

18 UNRESTRICTED FUNDS

	2014	2013
	£	£
Consolidated		
1 April 2013	2,012,636	2,224,065
Surplus/(Deficit) for the year	1,257,352	150,199
Realisation of investment revaluation gains	(911)	(8,575)
Fixed Asset revaluation	-	(310,000)
Losses on foreign currency transactions	(58,957)	(43,053)
31 March 2014	3,210,120	2,012,636
Charity		
1 April 2013	1,352,405	1,637, 548
Surplus/(Deficit) for the year	1,009,696	77,048
Realisation of investment revaluation gains	(911)	(8,575)
Fixed Asset revaluation	-	(310,000)
Losses on foreign currency transactions	(7,068)	(43,616)
31 March 2014	2,354,122	1,352,405

19 RESTRICTED FUNDS

	2014	2013
	£	£
LEPRA India Restricted Funds		
1 April 2013	198,828	224,195
Incoming Resources	1,247,822	1,288,634
	1,446,650	1,512,829
Resources Expended	(1,251,700)	(1,314,001)
31 March 2014	194,950	198,828
Charity Restricted Funds		
1 April 2013	147,821	107,811
Incoming Resources	721,187	285,773
	869,008	393,584
Resources Expended	(776,523)	(245,763)
31 March 2014	92,485	147,821
Total restricted funds	287,438	346,649

	Balance 1 April 2013	Incoming Resources	Expenditure	Balance 31 March 2014
	£	£	£	£
Lepra Society of India	170,514	1,122,013	(1,097,576)	194,950
MRC - BPHRC	-	51,787	(51,787)	-
EU – Health for all	11,212	47,997	(59,209)	-
ILEP India projects	17,102	134,011	(151,113)	-
ILEP Bangladesh	54,393	26,176	(61,414)	19,155
Global Fund B'desh	59,968	183,602	(197,666)	45,904
GOAC	-	32,077	(32,077)	-
DFID	-	37,601	(37,601)	-
TLM	-	122,551	(99,524)	23,027
US AID	-	53,342	(48,941)	4,401
ILEP Leprosy Review	-	45,613	(45,613)	-
Other	33,460	11,737	(45,197)	-
	346,649	1,868,507	(1,927,718)	287,438

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

Medical Research Council – Funding provided for the general activities of the Blue Peter Health Research Centre.

EU Health for All – ensuring highly vulnerable groups, in Madhya Pradesh, benefit from actions addressing HIV/AIDs, TB and HIV/TB co-infection.

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

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

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.

Guernsey Overseas Aid Commission – improving health outcomes in Bangladesh by empowering rural communities for TB control through community sputum collection campaigns.

Department for International Development – empowering poor and marginalised people, affected by disability, to improve their economic status in Bangladesh.

TLM - funding for poverty reduction through strengthened health systems in Bangladesh.

US AID – to improve quality and access to TB prevention, diagnosis and treatment, improve the co-ordination of TB/HIV activities in Bangladesh.

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

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.

20 DESIGNATED FUNDS

During the year the Trustees designated unrestricted funds for specific purposes as follows:

	Allocation	Expenditure	Balance 31 March 2014
	£	£	£
Action Research on LF	50,000	15,856	34,144
Programme staff development	25,000	22,981	2,019
Website development	40,000	-	40,000
Paid internships	30,000	7,714	22,286
	145,000	46,551	98,449

Action research on lymphatic filariasis – the impact on daily life / poverty / social acceptance and discrimination due to LF deformity and fevers with a focus on (but not exclusively) women and girls.

Programme staff training and development – workshops on statutory grant proposal writing for project staff in the UK, Bangladesh and India together with opportunities for sharing best practice, between programmes, in different states and countries.

Website development – grant was secured from the Nominet Trust for the first year costs of a new integrated web platform and funding is designated for years 2 and 3 of development and support for the platform.

Paid internship – to cover fundraising and advocacy research for two years and offer the opportunity to develop skills in the international development sector.

21 GROSS CASH FLOWS

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	37,525	25,469
UK Dividends received	7,540	7,929
	45,065	33,398
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(206,086)	(67,199)
Receipts from sales of tangible fixed assets	30,588	10,292
Purchase of fixed asset investments	(3,001)	(46,384)
Sale of fixed asset investments	22,188	
	(156,311)	(103,291)
Financing		
Cash repayment of short term borrowings	(45,300)	(30,669)
Cash repayment of long term borrowings	(34,500)	(61,645)
	(79,800)	(92,314)

22 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2013 £	Non-cash Changes £	Cashflows £	31 March 2014 £
Cash in hand and at bank at 1 April 2013	721,133	-	1,246,156	1,967,289
Debt due < 1 year	(45,300)	(45,300)	45,300	(45,300)
Debt due > 1 year	(598,324)	-	34,500	(563,824)
Balance at 31 March 2014	77,509	(45,300)	1,325,956	1,358,165

23 **ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS**

	2014	2013	Change
	£	£	£
Deposits with banks	1,961,701	715,932	1,245,769
Cash	5,588	5,201	387
	1,967,289	721,133	1,246,156

24 **EMPLOYEES**

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

	2014	2013
Head Office	17	17
Regional	12	14
Overseas	476	432
	505	463

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

Staff costs in respect of employees include	2014	2013
	£	£
Wages and salaries	1,605,924	1,435,361
Social security costs	66,263	67,002
Pension costs	50,669	50,694
	1,722,856	1,553,057

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

	2014	2013
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

The employers pension contribution in respect of the above employee was £5,760 (2013: £5,467).

25 **TRUSTEES**

The Trustees received no remuneration for their services to the Organisation during the period (2013: nil). During the period five (2012: two) Trustees incurred expenses totalling £6,050 (2013 : £2,802) in respect of overseas travel and subsistence.

26 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 2014 there were 35 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 2014 were £50,669 (2013 £50,694).

27 COST OF AUDIT AND OTHER FINANCIAL SERVICES

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

	2014 £	2013 £
Auditors remuneration : current year	12,500	15,087
Auditors remuneration : prior years	3,531	13,317
Auditors remuneration : programme grant audit	13,556	-
	29,587	28,404

28 RELATED PARTIES

There were no related party transactions during the year ended 31 March 2014.