Lepra

Report of the Trustees and Financial Statements

for the year ended 31 March 2018

Lepra (Limited by Guarantee)

REPORT OF THE TRUSTEES

The Trustees submit their report and the audited financial statements for the year ended 31 March 2018. 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 Section 445(3) of the Companies Act 2006 in regards to medium-sized companies, the Memorandum and Articles of Association and the Charities Statement of Recommended Practice 2015 (FRS 102).

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

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

PATRON		Her Majesty Queen Elizabeth II	
AMBASSADORS		Mrs V Hislop	
		Mr R Sharma	
		Ms F Duby	
CHAIR		Mr C Bland	
TRUSTEES	∑	Prof M Adler CBE	
	γ	Mrs N Amin MBE	
	‡γ	Ms A Anderson	
	∑	Ms K Bigmore	
		Mr J Briant	
		Mr D Dhamija	(appointed 6/2/18)
	∑ γ	Prof R Hay	
	∑	Prof D Lockwood	
	∑	Mrs E Ollier	(resigned 15/12/17)
		Dr V Rukmini Rao	
	#	Mr M McGrath	
	#	Mr S Sharma	
	‡#	Mr S Thapar	
CHIEF EXECUTIVE OFFICER		Mr G Prescott	
COMPANY SECRETARY		Mr T Swaine	

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

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

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

Governing Document

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

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

REPORT OF THE TRUSTEES

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR ENDED 31 MARCH 2018

Public Benefit Statement

Lepra's objects are contained in the company's articles of association[1]. They are:

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

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

In 2017/18, our activities therefore involved us working with some of the poorest communities in the world with those mainly affected by leprosy and lymphatic filariasis (LF). To further broaden and strengthen our effectiveness we were always beneficiary needs-led and worked with local partners such as Ministries of Health.

We review our strategy each year, including our vision, mission and objectives. We do this by assessing the outcomes we achieved and the success of each activity. This is compiled in detail into an annual "Impact Report."

The impact report, Board and SMT meetings, this annual review, quarterly reports and monthly monitoring keeps Lepra focused on our charitable objects. The Trustees are therefore confidently able to state that Lepra has complied with Section 17 of the Charities Act 2011, having due regard to the public benefit guidance issued by the Commission. The Trustees have consulted and adhered to the charity commission's advice, specifically PB1, PB2 and PB3 for the year 2017/18.[2]

OBJECTIVES OF THE ORGANISATION

2017/18 was another successful year. In three countries, India, Bangladesh and Mozambique, Lepra had a considerable impact on the neglected tropical diseases (NTDs) of leprosy and lymphatic filariasis. As before, our projects and programmes have adapted to the prevailing cultural and political contexts of each country and we have worked with partners that were most suitable to achieving our objectives.

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

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

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

From a programmes point of view we are increasingly concerned that leprosy is increasing in prevalence, especially in India. This has a number of reasons, not least the failure of institutions to maintain vigilance and a level of awareness since the World Health Organisation unhelpfully and misleadingly asserted that leprosy had been "eliminated as a public health problem in 2000."[3]

This assertion continues to handicap work against leprosy. Some other leprosy charities work through private fee-for-service hospitals, which limits their ability to reach the most needy communities, and for most governments of endemic countries, leprosy is a low priority. For Lepra, re-building an awareness of the harm being done by leprosy and the urgency of the needs of affected people are high priorities. We aim to work with others to achieve these goals.

Together with others we shall seek to generate more attention to leprosy on a world scale. To this end in March 2018, Lepra hosted a number of meetings including the inaugural meeting of the Global Partnership for Zero Leprosy (GPZL). This is a platform bringing all stakeholders together to achieve a step-change in leprosy. [4]

By this time next year we therefore expect to have spent a lot of time in international leprosy profile-raising activity:

a) Engaging with platforms and partners to raise leprosy up the agenda
b) Engaging with platforms and partners to emphasise that leprosy has not been, nor has ever been "eliminated"
c) Building a new consensus on priorities for making progress in defeating leprosy

A further issue worth highlighting was the continued phasing out of non-core activities, such as eye care, HIV and TB. Some of these projects have long funding commitments, so we do not anticipate the last of these being closed or handed over to others until 2019/20. Even so the "rebalancing" towards leprosy and filariasis is seen as positive as it refocuses our strategy and activities, binding us ever closer to our charity's objects.

[3] According to WHO Elimination of leprosy as public health problem (defined as a registered prevalence of less than 1 case per 10 000 population) was achieved globally in 2000 – though this target and the figures underlying it have never been epidemiologically or medically explained. WHO currently say this target was a mistake but one that they are publicly unwilling to announce.
[4] https://zeroleprosy.org/

STRATEGIC OBJECTIVES

2017/18 was the second full year of our five year strategy and the results are presented in tabular form below. Those objectives which have been met successfully, as summarised in pages 8-16, are marked in green. Below, before the table are comments on those objectives which were not fully met (marked in amber):

Mission (Purpose)

While we were very successful in supporting our beneficiaries towards overcoming disease and prejudice, *overcoming poverty* is probably not an achievable strategic objective. It is critically dependent on exogenous factors beyond our capacity to influence. This will be re-examined as part of the strategic process which began in April 2018. Secondly we have decided to remove this from our communications strapline by the second quarter of 2018.

Objective 1

We have agreed to remove Visceral Leishmaniasis (VL) from our strategy as it adds little value to our primary focus on leprosy and LF. The relevant small programmes will be wound down and the strategy adjusted during the course of 2018/19.

Objective 2

A growing important issue has been the difference of opinion between Lepra and some other organisations towards the possibility of effective post-exposure-prophylaxis (PEP). Our learning has clearly identified some major ethical and medical problems with single dose rifampicin (SDR). Our position is privately acknowledged. Publicly however, the leprosy world remains split as to SDR's efficaciousness. On the other hand, the PEP++ hypotheses may be a step-change in leprosy. In 2018/19 it is therefore important that we share our learning and knowledge about this issue.

Objective 3

We are not yet able to demonstrate our ability to increase our fundraising. Indeed in 2017/18 our reserves had to be used slightly more than at first planned to make up for a shortfall in unrestricted fundraising. This reduction was well within our envelope of gradually reducing reserves but it does once again reveal the difficulty of raising money for leprosy, an experience shared by most of the global leprosy organisations. Following a review in 2018/19 we will therefore reorganise our fundraising and communications functions to counter the long-term unrestricted fundraising decline.

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

KEY PERFORMANCE INDICATORS

During 2017/18, it became evident that in particular our unrestricted fundraising was falling short of the annual plan. We therefore reviewed our projections and made adjustments to the fundraising programme during 2018/19. The reasons for the shortfall were not only the chronic decline in schools fundraising but a problem that occurred with some of the free material that we distribute to schools that required a product

recall. This meant that we missed almost four weeks of schools' income and had to revise our schools offer.

The schools fundraising model is a mainstay of our unrestricted fundraising and therefore was a major subject for the fundraising review conducted in Q4 as it has seldom returned higher than 2:1 on investment. On a more positive note the legacy area and Trusts performed well. The fundraising review will lead to a reorganisation in Q1 and Q2 of 2018/19 to address the chronically low return on investment. Three points are worth highlighting. Firstly, the strong performance of restricted funds gained in India. In Europe, Brexit has effectively shut the door on all EU grants. Secondly, we made the choice for a much more modern and flexible customer relations management (CRM) software package. The latter will become live in Q1 of 2018/19.

Lastly, but not least has been the external emphasis on safeguarding, which saw an audit of all international NGOs by DFID. They reported that there were issues with about 20% of the replies they received, but Lepra was not one of them. Safeguarding of beneficiaries and staff is something at the core of Lepra and something that has always been taken very seriously. We will remain ever vigilant on this important matter.

KPI Category	**as at 31/3/2017**	**as at 31/3/2018**
Income & expenditure		
Total Income	£5,001,352	£5,272,189
Unrestricted income	£2,903,991	£3,125,936
Restricted income	£2,097,361	£2,146,253
Total expenditure	£5,407,612	£5,516,552
Surplus/(deficit)	(£406,260)	(£244,363)
Free reserves	£1,069,639	£1,259,506
Direct Charitable Expenditure	£4,669,456	£4,828,715
Impact		
Direct beneficiaries of diagnosis, treatment and care	252,056	300,939
Direct beneficiaries of health education and awareness raising[1]	1,316,505	1,721,825
Annual number of leprosy cases detected and supported	14,308	18,537
Annual number of LF cases detected and supported	13,316	20,270
Staff		
Total FTE staff	591	561
Total UK FTE staff	30	32
Turnover UK staff	31.58%	14.34%
UK Communications		
National/international media mentions	229	182
Website unique visitors	106,980	103,541
UK Fundraising		
Legacies received number and value	64 / £787,408	69 / £1,097,456
Legacy "pipeline" no and £	54 / £385,000	48 / £280,000
Unrestricted income excl. legacies	£2,116,583	£2,028,480
No of active donors (gave in last 2 years)	8,187	9,856

Programme Summary

The year 2017/18 was marked by Lepra's active engagement in a number of international fora, from ILEP Neglected Tropical Disease (NTD) Mapping and Disease Management Disability and Inclusion (DMDI) Meetings at the start of the year to a combined ILEP, DMDI and the first Global Partnership for Zero Leprosy (GPZL) week of meetings, all hosted by Lepra in Colchester, at the end of the year.

In a number of these international meetings, notably the September 2017 Network of NGOs against NTDs (NNN) Meeting in Dakar, Senegal, Lepra took a leadership position, particularly on the topics of mental, health, NTD Mapping and M&E Indicators.

At the UK level, Lepra is an active member of Bond Disability and Development and Mental Health Groups, as well as engaging with the All Party Parliamentary Group on Malaria and NTDs and academic institutions, especially the London School of Hygiene and Tropical Medicine (LSHTM) and the Liverpool School of Hygiene and Tropical Medicine (LSTM).

Overseas, while Programme / Project Cycle Management (PCM) is well understood and practiced by the Lepra Team in Bangladesh, within the framework of the country and organisational strategic plans, its universal adoption in India has yet to be achieved. Where interventions in India are donor funded they necessarily have a clear, multi-annual project cycle, however many other projects operate on an annual plan, with little explicit documentation of the ultimate objective(s) and/or exit strategy.

In discussion LEPRA Society senior managers have talked about reshaping their work to thematic interventions that extend beyond and across administrative, geographic boundaries, but so far there has been little movement towards this goal in India, where the role of Lepra Programmes staff is advisory rather than directive.

While the formulation of a cross country advocacy agenda has also been slow, progress has been made, in both India and Bangladesh, on mapping existing country level advocacy activities and country advocacy priorities – at both local and national level.

New project interventions started, or finalised, in the course of the year included a Nutrition Education Project (NEP) in Bangladesh, funded by the Sasakawa Memorial Health Foundation and implemented by the Bogra Federation – the overall body overseeing the various self-help groups and their members supported by Lepra in Bogra District.

In India, building upon the leprosy and lymphatic filariasis (LF) interventions in Bihar, Odisha and Andhra Pradesh (BLF & SANKALP), as of April 2017 a new combined leprosy and LF SANKALP Project was scaled up in Madhya Pradesh, thanks to funding from effect:hope.

Another, innovative hydrocele intervention, in Bihar, India, was agreed with the Vodafone Foundation in February 2018. The intervention, using mobile phone cash transfer (MPesa), government and private health facilities and community ambassadors, to facilitate the identification and treatment of men affected by hydrocele, was scheduled to start in April 2018.

Notwithstanding these project funding successes the overall institutional fundraising environment proved challenging, especially for EU applications. With Brexit looming new income sources and streams were explored, notably from North America. To this end discussions were held with TLM Ireland over the course of the year, with a view to jointly accessing foundation and other income sources in the United States and in December 2017 Lepra signed a Memorandum of Understanding with a new body The Mission To End Leprosy (TMTEL) set up for this purpose.

Strategically, the focus of Lepra's overseas work, together with LEPRA Society, further narrowed to the two core diseases of leprosy and LF; as after exploration of the visceral leishmaniasis (VL) needs and opportunities in both India and Bangladesh it was concluded that we did not have a clear or significant role to play in tackling this disease.

With this enhanced focus, the number of people diagnosed/triaged and put to treatment for leprosy increased from 2016/17 to 2017/18 (Graph 1) as did the numbers diagnosed/triaged for LF and benefiting from care services for this disease (Graph 2). This narrowed strategic focus saw a further reduction in non-leprosy and LF project beneficiaries in India, except for eye care and malaria interventions (Graph 3). While malaria work will be phased out, it is expected that LEPRA Society will continue to be engaged with the two eye hospitals in Odisha for some years to come.

Programme Activities

In 2017/18, Lepra's programmes directly reached 300,939 people with health and development interventions (India 186,625, Bangladesh 113,856 & Mozambique 458) and a population of 26,747,780 with community health education (India 5,210,119, Bangladesh 24,235,196 & Mozambique 7,286).

The total number of people directly reached by Lepra's work was 48,883 (19%) more than 2016/17 and a total of 78,428 people were diagnosed with a disease and provided with access to treatment, almost a 12% increase on last year's figure (70,190).

Importantly, across all three countries where Lepra works – India, Bangladesh and Mozambique – we found 18,537 new cases of leprosy, almost a 30% increase on the number identified in 2016/17 (14,308).

For people living with leprosy or LF, Lepra provided 29,981 pairs of sandals in 2017/18. This footwear helped prevent worsening disability in those affected by leprosy and an improvement in existing disability for people with LF. A footwear workshop was organised in November 2017 to disseminate good practice and improve the quality of footwear across all Lepra's programmes in India.

In India the focus of Lepra's work remained upon the six states of Bihar, Jharkand, Odisha, Telangana, Andhra Pradesh (AP) and Madhya Pradesh (MP). In four of these states: Bihar, Odisha, AP and MP combined leprosy/LF projects (BLF and SANKALP) were implemented, making LEPRA Society the leading agency in the application of the combined approach in India, with expertise in this area that is nationally and internationally recognised and valued.

Also renowned in India is the work of the Blue Peter Public Health and Research Centre (BPHRC), located in Hyderabad. In 2017/18, BPHRC recruited a new Immunologist to oversee the Immunology and Molecular Biology Lab's research activities, particularly the development of research grant proposals for LF. A total of

three new research grants were secured in 2017/18, two specifically focused on leprosy – early detection and ulcer treatment; the other related to Behavioural Research Training.

Beyond, simple service delivery, Lepra continues to work with local forums of people affected in all the states where there is an operational programme, supporting individuals and groups to advocate for basic right and claim government benefits to which they are entitled.
In Bangladesh our main area of intervention remained the four districts in the north west of the country, Bogra, Sirajgonj, Pabna and Natore, complemented by the community focused second phase of the Bangladesh Health System Strengthening Programme covering the north western districts of Bogra, Dinajpur, Lalmonirhat and Kurigram, together with the eastern districts of Sylhet, Maulvibazar, Habiganj and Sunamganj.

The combined leprosy and LF 'Reaching the unreached' project, started in 2016 in the seven north western intervention districts, successfully continued into its second year of implementation, generating some interesting, positive outcomes – according to analysis of baseline and follow up data that has been collected by Smartphone (See Box 2).

Disease – We improved the lives of more than a quarter of a million people affected by neglected diseases such as leprosy and lymphatic filariasis including other diseases like TB, malaria and loss of vision by providing them with treatment and disability services and enabled 412,144 people to confirm their health status by providing diagnostic services within their villages, in mobile clinics and through our partners.

Poverty – We contributed to reduced poverty and improved standards of living for 264,135 people and their families through socio-economic empowerment work.

Prejudice – We educated and raised awareness of 1,721,825 people on health issues (373,839 India, 1,341,293 Bangladesh and 6,693 Mozambique) to promote health seeking behaviour and to reduce prejudice towards those affected by leprosy, LF and TB, among a total population served of 27,594,367.

Box 1

Key Numbers	**2016/17**	**2017/18**
People directly reached: diagnosis, treatment and care	252,056	300,939
People reached through health education and awareness raising activities	1,316,505	1,721,825
Children reached with health education and awareness raising through school visits	137,613	155,240
People diagnosed with a disease and provided with access to treatment	70,190	78,428
People given self-care training	43,258	35,097
People who claimed government grants and services for the first time	252,324	262,938
Health workers, volunteers, doctors, ASHAs and teachers trained	225,075	133,910
Government health staff trained	6,723	1,680
Hydrocelectomies performed on men with LF	1,224	2,568
Pairs of sandals distributed to people with leprosy or LF	37,523	29,981
Reconstructive surgery operations performed	611	436
New cases of Leprosy found	14,308	18,537
New cases of LF found	13,316	20,270
Numbers of people who took part in meetings to advocate for their rights	29,164	9,040

Box 2

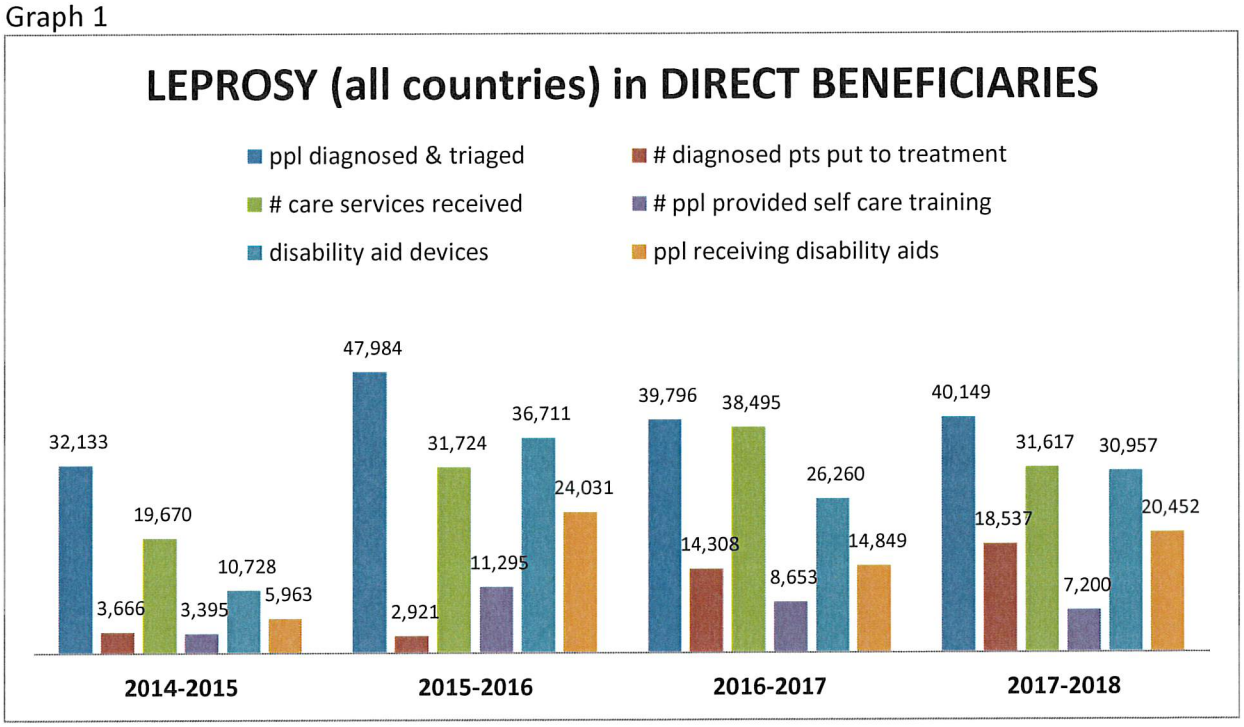
Impact Measurement Using Digital Data: Reaching the Unreached Project, Bangladesh*

- For people with LF the average number of acute attacks in last 3 months decreased from 2.70 when they entered the project to 1.67 now, which is a **38% reduction**
- For people with LF, the average number of entry points decreased from 0.42 when they entered the project to 0.03 now, which is a **92% reduction**
- People with LF reporting no difficulties with daily chores: entry Y2= 24.65% follow up Y2 = 43.66%, which is a **77% increase**
- Proportion of income spent on health for people with leprosy:
  - Average for people who have been in the project between 1 and 2 years =**1.6%**
  - Average for people who have been in the project 2 years = **0%**
  - Average for people who have been in the project for only 1 year = **2.5%**
- Proportion of income spent on health for people with LF:
  - Average for people who have been in the project between 1 and 2 years =**5%**
  - Average for people who have been in the project 2 years = **5%**
  - Average for people who have been in the project for only 1 year = **5%**

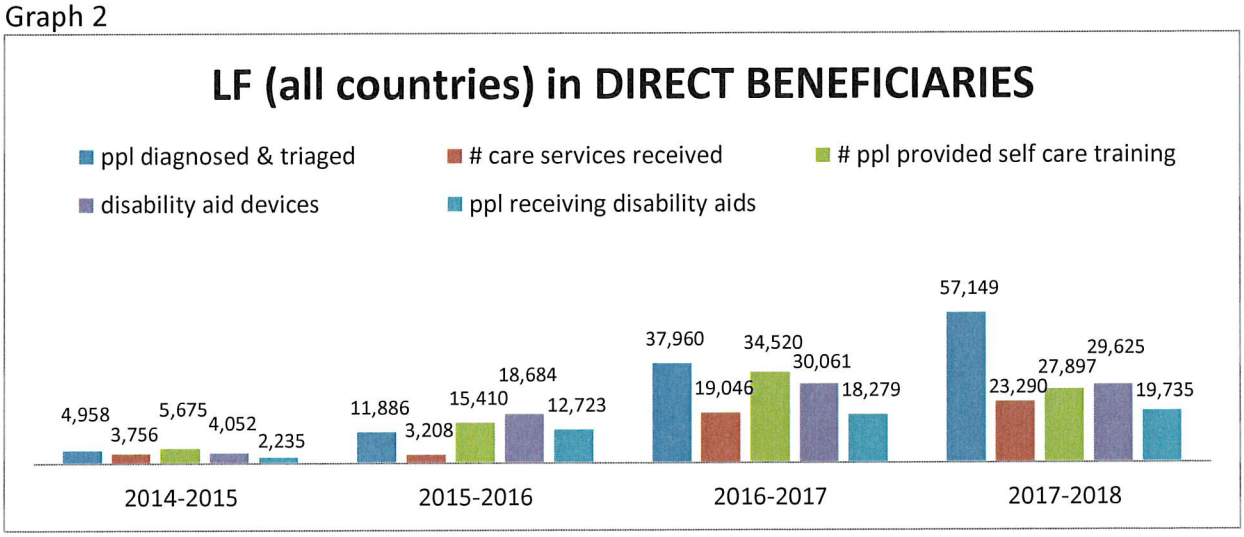
  So note that in contrast with leprosy, there's no difference for people with LF in having received support for 1 or 2 years.
- Improvement in working days per month lost due to both diseases: entry = 6.29, follow up = 2.17 = **65% decrease** in in working days lost
- Improvement in working days lost per month due to both diseases, for people who have benefitted from 2 years in the project: entry = 5.84, follow up = 1.46 = **75% decrease**
- Improvement in working days lost per month due to both diseases for people who have benefitted from 1 year in the project: entry = 7.97 , follow up = 5.71 = **28.4% decrease**
- Improvement in working days lost per month for people with leprosy: entry = 7.49 , follow up = 1.84 = **75% decrease**
- Improvement in working days lost per month for people with LF: entry = 5.68, follow up = 2.34 = **58.8% decrease**
- **68%** of people with leprosy in the project saw a reduction in their ulcers
- **74%** of people who have been the project for 2 years saw a reduction in their ulcers
- **32%** of people who have been in the project for 1 year saw a reduction in their ulcers
- 73% of people with LF report no acute attacks today, including 55% of people who did have acute attacks at entry level but now not anymore. So this means that **55%** of people saw reduction in the number of acute attacks.
- **94%** of the people that we train in self-care go on to correctly practice self-care aspects of washing, oiling, massaging etc. at home. But fewer people affected by LF are elevating and exercising their legs. We think this is because it takes more time and effort (people are busy and at work and don't have time to sit for hours with their leg up).
- Men and women are fairly similar when it comes to self-care washing/oiling/towelling. The only significance difference seems to be in using soap. 86% of women wash with water and soap, compared to only 59% of men
- At least **29%** of people with LF either returned to normaly or reversed to a lower stage
- **88.77%** of people with LF perceived an improvement in their swelling

*Baseline & Monitoring Data collected by Smartphone and analysed using KoBoToolbox and Power BI.

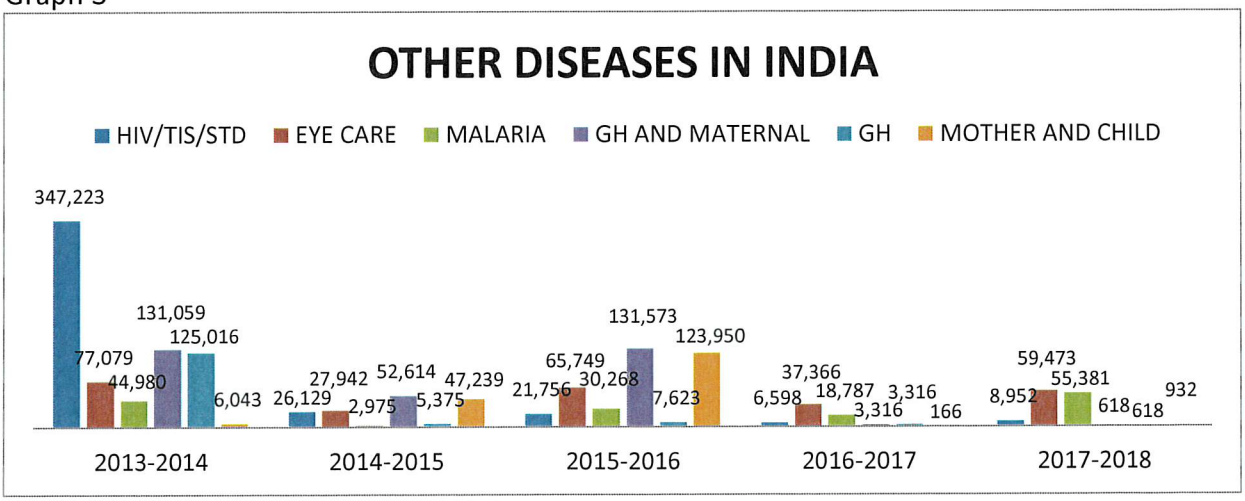
Graph 1



Graph 2



Graph 3



Lepra in India, 2017/18

In 2017/18, Lepra, through its partnership with LEPRA Society implemented 37 projects in six states and the capital: Bihar, Jharkhand, Odisha, Telangana, Andhra Pradesh, Madhya Pradesh and West Delhi. Of the 37 projects, 23 were funded by Lepra UK. In addition to project funding, Lepra also supported the LEPRA Society Odisha and Bihar State Offices and the Hyderabad Headquarters.

For all 37 projects, a total of 186,625 people directly benefited from Lepra's work and a population of 5,210,119 indirectly. Amongst direct beneficiaries, 12% were affected by leprosy, 14% by lymphatic filariasis and 7% by tuberculosis. The remaining activities (67% of total beneficiaries) supported people affected by HIV/AIDS and malaria or aimed at improving maternal and general health and eye care.

Leprosy

- 21,601 people accessed diagnostic services and 17,350 people received medical support, including: 1) Referral for MDT treatment, 2) Treatment for reactions and neuritis, and 3) Referral for physiotherapy and Reconstructive Surgery. Of the latter, 33% were female cases and 5% were child cases.
- 30,169 people with leprosy, including new and old cases, were provided with ulcer care, reconstructive surgery and other treatment for complications.
- 6,050 people were trained in self-care.
- 28,396 protective footwear, assistive devices and disability aids were provided to 18,599 people affected by leprosy.
- 2,242 people accessed government schemes and livelihood support.
- 171,482 people participated in school and community health education sessions.
- 1,894,705 were served with Information, Education and Communication (IEC) activities focused on leprosy.

Lymphatic filariasis

- 52,058 people accessed diagnostic services and 20,270 people were 'put on treatment' for lymphatic filariasis. Of the latter, 68% were female cases and 1% were child cases.
- 23,005 people with LF were provided with treatment for complications and 1,928 people, amongst them, underwent surgery for hydrocele.
- 26,747 people, including new and old cases of LF, were trained in self-care.
- 27,979 pairs of protective footwear, assistive devices and disability aids were provided to 18,338 people affected by LF.
- 3,853 people accessed government schemes and livelihood support.
- 52,176 people participated to a school and community health education session.
- 1,347,034 were reached by Information, Education and Communication (IEC) activities focused on LF.

Health system strengthening

- 42 government health workers were trained to recognise and treat leprosy and lymphatic filariasis.
- 125,511 frontline community health workers and volunteers, traditional village doctors, Accredited Social Health Activists (ASHA) and school teachers were trained on how to recognise leprosy, lymphatic filariasis and other health issues.
- The WASH project trained 42 government health workers and 917 community health volunteers in water, sanitation and hygiene measures.

Lepra in Bangladesh, 2017/2018

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

Out of a total of 113,856 direct beneficiaries, 16% were affected by leprosy, 4% by lymphatic filariasis and 79% by tuberculosis. The remaining activities (1% of total beneficiaries) assisted people with disability, primarily with livelihood support. Programme achievements in 2017-2018 included:

Leprosy

- 18,495 people accessed diagnostic services and 1,109 people received medical support, including: 1) Referral for MDT treatment, 2) Treatment for reactions and neuritis, and 3) Referral for physiotherapy and Reconstructive Surgery.
- 1,853 people received specialised footwear or assistive devices.
- 1,448 people provided with ulcer care.
- 1,150 people trained in self-care.
- 1,391 Community Health Care Providers received training on signs and symptoms of leprosy

Lymphatic filariasis

- 5,121 people accessed diagnostic services and 6275 were diagnosed with lymphatic filariasis.
- 1,150 people trained in self-care.
- 1,397 people received specialised footwear or assistive devices.

Combined approach (leprosy & lymphatic filariasis)

- 1208 government health workers trained to recognise and treat leprosy and lymphatic filariasis.
- 1,134 community champions, traditional village doctors and pharmacists trained on how to recognise possible leprosy and lymphatic filariasis cases and where to refer suspected cases.
- The community champions met over 46,000 people to talk about leprosy and screen them, and found 18% of the leprosy cases.
- 996,445 people reached through health education about leprosy and lymphatic filariasis.

General disability and poverty reduction

- Gender equality in case detection further improved from the initial 38% female – 62% male ratio to 64% female – 36% male ratio, thanks to women-focused activities.
- Project participants have been empowered to claim their rights from the government and 700 people accessed government grants and/or other benefits.

PLANS FOR THE FUTURE

Although leprosy has received little attention from the global community in recent years, following its declared elimination by WHO at turn of the millennium, there are signs that this is now increasingly regarded as a mistake by many of the individuals, organisations, donors and pharmaceutical companies with an interest in the disease, as evidenced by the creation of a new Global Partnership for Zero Leprosy (GPZL), launched in early 2018.

With reported cases of leprosy again on the rise in India and concerns there may be many more hidden, accumulated cases on the sub-continent, together with indications of the re-emergence of the disease in certain African countries, there is a great need to restore financial, material and human resourcing of leprosy work around the globe. Over the last two decades leprosy expertise and infrastructure has been lost in many countries and governments are increasingly looking for technical support, initially to map and understand the scale of the problem with which they are now confronted.

While the renewed profile and interest in leprosy is welcome, it is important that the new GPZL initiative should be driven by a shared consensus on priorities and direction. The support of the main pharmaceutical companies which manufacture leprosy-related drug interventions is welcome but must not be allowed to determine GPZL strategy. It is also important that ILEP should be positioned so that it can continue to act as a supportive, but constructively critical civil society partner.

In this context, the year ahead presents a number of opportunities for Lepra and there are some anticipated developments worth highlighting.

Firstly, given there are indications that the absolute number of leprosy cases are rising, the strategic choice to focus primarily on leprosy and LF, rather than other NTDs, will continue into 2018/19, even at the expense of the "size" of the organisation. Given the leprosy case numbers at country level may be considered relatively small, compared with some other NTDs, it may be necessary to 'piggy back' leprosy work upon other, higher profile, better resourced, disease interventions, such as TB and LF programmes, with larger target populations.

Secondly, building upon the mapping of leprosy prevalence across a number of African countries, carried out in 2016/17, together with the government and civil society contacts established, the programmes team will carry out field visits to Malawi, Zambia and Tanzania, to better understand the leprosy problems and needs in these three counties, with a view to elaborating intervention strategies, with government and other stakeholders, and to seek funding for their implementation.

Thirdly, leprosy and LF programme interventions will increasingly be founded upon three mutually supportive strategic pillars: Health System Strengthening (especially at local level); community volunteer / civil society active case finding / referral; and the promotion and support of self-care and self-help groups of people affected by leprosy and LF, not only as mechanism for effective morbidity management but as tool to holistically address the wide range of challenges these people and their families face.

Fourthly, Lepra will continue to support LEPRA Society in the growth of both restricted and unrestricted funding sourced in India, while also exploring, together with The Mission To End Leprosy, new funding streams in North America. In the UK we are looking beyond the various DFID grants to much larger calls and tenders, around NTDs, disability and other relevant concerns, and how we might engage with these

together with other non-governmental organisations. A positive evaluation of Lepra's Bangladesh work in February 2018 by Manion Daniels, the consultancy firm employed by DFID to administer its various NGO funding streams, means the organisation should be well placed to secure new DFID grant funding in 2018/19, as well as being recognised as good consortium partner for larger funding calls.

Fifthly, we will continue to ensure our databases and fundraising practices are fit for purpose and compliant with data protection, privacy and fundraising legislation. This whole area has undergone a lot of change over the last year and so Lepra has organised special working groups to be ahead of the changes before they are implemented. In the future, it remains our intention to ensure we are always aware of new developments and so compliant in good time. In sum, Lepra will continue to secure our donors' privacy and ensure our funding methods are beyond reproach.

Sixthly, we intend to adapt our fundraising to take into account the lessons learnt over the last four years and the challenging UK charity fundraising context. This has been typified by a negative media perception of charities in general and recent, restrictive legislation. Charity trends indicate that though individual donations are declining in the UK despite a rapidly rising population the overall size of donations has increased. Our new strategy will therefore promote broader community fundraising, beyond schools, in identified, high potential areas of the UK, while at the same time prioritising an enhanced local charity profile as a strategy to encourage public trust and engagement. This strategy will also increase our London fundraising presence and integrate Corporates and 'High Net Worths' throughout the fundraising chain.

Lastly, but not least, the end of the year saw considerable media and government hostility to overseas aid charities in the wake of safeguarding issues. As one would expect with a beneficiary base of vulnerable adults and children, Lepra has always taken safeguarding seriously. We therefore were one of the 80% of overseas aid charities that passed the DFID safeguarding audit. Even so, safeguarding remains an ever present priority for the organisation, and we will continue to comply with regulation and exceed it where it is possible and legal to do so.

Overall, in 2018/19, a renewed global interest in leprosy coupled with the fact that in a number of countries' LF interventions are moving from Mass Drug Administration (MDA) to morbidity management, offer the opportunity for Lepra to capitalise on our expertise helping people affected by these two diseases. The challenge, as ever, will not be the definition and formulation of appropriate programme interventions but rather mobilising the funds required for their implementation.

FINANCIAL REVIEW

FINANCE

	Year to March 2018 £	Year to March 2017 £	% Change
Income	5,272,189	5,001,352	5%
Expenditure	5,516,552	5,407,612	2%

The overall financial position of Lepra remains stable despite a deficit for the year of £244,000 before exchange rate adjustments.

FUNDRAISING

	Year to March 2018 £	Year to March 2017 £	% change
Total income	5,272,189	5,001,352	5%
Restricted income	2,146,253	2,097,361	2%
Community income	637,050	756,579	(16%)
Individual giving	1,271,481	1,155,010	10%
Legacy income	1,097,456	787,408	39%
Event income	33,660	27,991	20%
Trusts & Corporate Giving	127,849	233,842	(45%)

Total income for Lepra in the year ended 31 March 2018 was £5,272,189 which was an increase of £270,837 compared to the previous year primarily as a result of higher legacy income.

The table above shows a 2% increase in restricted income; that is income provided for specific projects overseas. This is as a result of less successful funding bids combined with the completion of some funded projects.

Total voluntary income for Lepra in the year ended 31 March 2018 was £3,039,647, an increase of £312,659, or 11%, primarily due to legacy income being significantly higher than the amount received in the previous financial year together with improved fundraising performance in India.

FUNDRAISING PRACTICES STATEMENT

During 2017/18 Lepra undertook public fundraising activities including in schools and to existing supporters. All fundraising was undertaken by staff employed by Lepra and Lepra does not contract with third party commercial participators to fundraise on behalf of the organisation.

The trustees have reviewed the Charity Commission publication *Charity Fundraising: a guide to trustee duties (CC20)* for guidance and are confident that obligations are being fulfilled.

The Chief Executive and all staff have a role in diversifying Lepra's income, with specific responsibility allocated to the Head of Fundraising and Communications.

Lepra is registered with the Fundraising Regulator and has paid the levy thus demonstrating our commitment to good fundraising practice. We have committed to abide by the Code Of Fundraising Practice and the Fundraising Promise meaning that we will commit to high standards, be clear, honest and open, be respectful, be fair and reasonable and be accountable and responsible.

Each of our staff team is aware of the Code of Fundraising Practice and our staff and trustees also sign up to a Lepra Code of Conduct which expresses the expectations of the organisation on all those involved within it.

We have an open complaints process, which the Trustees have reviewed and agreed, which applies to all Lepra staff, volunteers, donors and supporters and is published on our website. We have had no complaints about our fundraising during the year.

Financial review of income generation and expenditure is provided by the Audit, Finance and Risk sub-committee and the Fundraising and Communications sub-committee which both report to the Board.

Risks, including those in respect of data protection and GDPR, are managed by the senior management team, Audit, Finance and Risk sub-committee and the Board.

INVESTMENT POLICY

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

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

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

RESERVES POLICY

In early 2017 the Trustees reviewed the reserves policy and this was amended to take into account changes to the operating environment. In summary, it was agreed that Lepra requires short to medium

term reserves for UK working capital, short term funding losses and the ability to meet commitments to staff (UK and Bangladesh) and contracted suppliers should Lepra decide to cease operations.

The target level for short / medium term reserves is calculated on the basis of statutory redundancy costs and three months' pay in lieu of notice for all UK staff, three months' pay for all Bangladesh staff in posts funded by Lepra, contractual obligations and six months costs for the majority of overhead expenditure, including mortgage repayments. The current amount, using this calculation, is £547,000.

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

A desirable level of free reserves is therefore £797,000.

As at 31 March 2018, the free reserves of the Charity, which do not take account of funds designated by the Trustees or fixed assets and investments, amounted to £1,253,571 (£1,069,639 at March 2017) and are in excess of the target. The Trustees confirm that they believe the level of reserves to be reasonable taking into account the potential fluctuations in future income.

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

GRANT MAKING POLICY

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

PRINCIPAL RISKS AND UNCERTAINTIES

RISK MANAGEMENT POLICY

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

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

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

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

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

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

VALUES, VISION AND OBJECTIVES OF THE ORGANISATION

The 2017/18 financial year was the second year of our new five year strategy titled, "Restoring Lives, Lepra Strategy 2016-2020." This strategy was the culmination of a process involving the organisation at every level including our programmes in India, Bangladesh and Mozambique.

The salient points of our strategy:

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

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

Our Objectives

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

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

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

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

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

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

Our Values

Lepra is a values led organisation.

What we mean by Values

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

Our Values are explicit and congruent in the following areas:

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

Our Organisational values were chosen for three reasons:

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

Lepra Values

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

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

Innovative and demonstrating bold leadership at all levels;

Effective and efficient;

Collaborative, working together to achieve the benefits of synergy

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The list of current trustees is shown at the beginning of the report. Trustees are appointed following a recruitment process managed by a Governance Sub-Committee. New trustees are appointed by the full board. The membership of the board is made up of people with a mix of skills, which are considered to be the most appropriate for providing advice and guidance.

The selection of the right trustees is important, as is ensuring that they are fully conversant with their responsibilities to successfully carry out their roles. All new trustees receive a letter and Charity Commission guidelines fully setting out these responsibilities. All new trustees go through an induction process and all are encouraged to attend appropriate external training courses offered and to visit the field to understand the work being undertaken on the ground.

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

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

The board of trustees is responsible for setting the salary of the Chief Executive. Charities compete in the market place for staff and to attract and retain the right Chief Executive, with the right skills and experience, the salary needs to be commensurate with the complexity, responsibility and risk the role entails. All of the salaries of paid staff, including key management personnel, are benchmarked and we aim always to pay on or just below the average rate of pay for any position. At the time this report was prepared the Chief Executive's salary was £80,000 which is 7.7% below the sector benchmark for similarly positioned charities. At present the relationship expressed as a multiple between our Chief Executive's pay to median pay in Lepra is 1 : 2.70

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

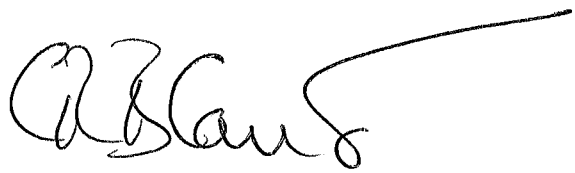
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

AUDITORS

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

The Trustees' Annual Report and Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 25 September 2018 and signed on its behalf by:



Charles Bland
Chair
Lepra (Company No. 324748)

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

Opinion

We have audited the financial statements of Lepra for the year ended 31 March 2018 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to

continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 or 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 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'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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

K.K LLP

Date: 28/9/2018

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

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

Lepra

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds	Restricted Funds	Total 2018	Unrestricted Funds	Restricted Funds	Total 2017
		£	£	£	£	£	£
Income from:							
Donations and legacies	6	3,074,270	93,228	3,167,498	2,837,434	123,396	2,960,830
Charitable activities	6	215	2,053,025	2,053,240	2,050	1,973,965	1,976,015
Investments	6	57,443	-	57,443	58,616	-	58,616
Other	6	(5,991)	-	(5,991)	5,891	-	5,891
Total income		3,125,936	2,146,253	5,272,189	2,903,991	2,097,361	5,001,352
Expenditure on:							
Raising funds	8	687,837	-	687,837	738,156	-	738,156
Charitable activities	8	2,721,966	2,106,750	4,828,716	2,524,338	2,145,118	4,669,456
Total expenditure		3,409,803	2,106,750	5,516,553	3,262,494	2,145,118	5,407,612
Net gains / (losses) on investments	11	(1,996)	-	(1,996)	2,476		2,476
Net income / (expenditure)		(285,863)	39,503	(246,359)	(356,027)	(47,757)	(403,784)
Transfers between funds	18	-	-	-	-	-	-
Other recognised gains / (losses):							
Gains (Losses) on foreign currency transactions		(91,906)	-	(91,906)	150,416	-	150,416
Total other gains / (losses)		(91,906)	-	(91,906)	150,416	-	150,416
Net movement in funds		(377,768)	39,503	(338,265)	(205,611)	(47,757)	(253,368)
Reconciliation of funds:							
Total funds brought forward		3,883,664	200,609	4,084,273	4,089,275	248,366	4,337,641
Total funds carried forward		3,505,896	240,112	3,746,008	3,883,664	200,609	4,084,273

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

The notes on pages 35 - 55 form part of these financial statements.

Lepra

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2018

	Note	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	9		1,951,049		2,026,454
Intangible assets	10		12,538		377
Investments	11		58,741		106,527
			2,022,328		2,130,358
CURRENT ASSETS					
Debtors	14	430,033		476,199	
Stocks	13	36,136		41,045	
Investments		356,221		285,516	
Cash at bank and in hand		1,711,670		2,034,837	
		2,534,060		2,837,597	
CREDITORS:					
Amounts falling due within one year	15	(392,063)		(427,786)	
NET CURRENT ASSETS			2,141,997		2,409,811
TOTAL ASSETS LESS CURRENT LIABILITIES			4,164,325		4,540,169
CREDITORS:					
Amounts falling due after more than one year	15		(418,317)		(455,896)
TOTAL NET ASSETS			3,746,008		4,084,273
FUNDS					
Unrestricted funds - general	17		3,450,998		3,402,572
Unrestricted funds - designated	19		54,898		481,092
Restricted funds	18		240,112		200,609
			3.746,008		4,084,273

The financial statements were approved by the Trustees and authorised for issue on 25 September 2018.

Mr S Thapar
Hon Treasurer

The notes on pages 35 - 55 form part of these financial statements.

Lepra

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2018

Statement of cash flows	2018 £	2017 £
Cash flows from operating activities:		
Net cash used in operating activities	(206,811)	588,899
Cash flows from investing activities:		
Dividends and interest	57,443	58,616
Proceeds from the sale of fixed assets	43,666	4,072
Purchase of fixed assets	(133,770)	(172,139)
Proceeds from the sale of investments	45,790	13,548
Purchase of investments	-	-
Net cash used in investing activities	13,129	(95,903)
Cash flows from financing activities:		
Repayments of borrowing	(37,579)	(37,125)
Net cash used in financing activities	(37,759)	(37,125)
Change in cash and cash equivalents	(231,261)	455,871
Opening cash and cash equivalents	2,034,837	1,428,550
Change in cash and cash equivalents due to exchange rate movements	(91,906)	150,416
Cash and cash equivalents at 31 March	1,711,670	2,034,837

Reconciliation of net income (expenditure) to net cash flow from operating activities:	2018 £	2017 £
Net income (expenditure) for the period (as per SOFA)	(246,359)	(403,784)
Adjustments for:		
Depreciation charges	150,348	196,505
(Gains)/losses on investments	1,996	(2,476)
Dividends and interest	(57,443)	(58,616)
Loss/(profit) on sale of fixed assets	-	39
(Increase)/decrease in stocks	4,909	(11,886)
(Increase)/decrease in debtors	46,166	966,662
(Increase)/decrease in short term investments	(70,705)	(138,335)
Increase/(decrease) in creditors	35,723)	40,790
Net cash used in operating activities	(206,811)	588,899

Lepra

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds	Restricted Funds	Total 2018	Unrestricted Funds	Restricted Funds	Total 2017
		£	£	£	£	£	£
Income from:							
Donations and legacies	6	2,530,248	93,228	2,623,476	2,442,894	123,396	2,566,290
Charitable activities	6	-	788,506	788,506	-	814,289	814,289
Investments	6	14,295	-	14,295	14,053	-	14,053
Other	6	(2,539)	-	(2,539)	5,930	-	5,930
Total income		2,542,003	881,734	3,423,737	2,462,877	937,685	3,400,562
Expenditure on:							
Raising funds	8	687,837	-	687,737	738,156	-	738,156
Charitable activities	8	1,128,085	852,959	3,092,044	2,159,562	1,036,303	3,195,865
Total expenditure		2,926,922	852,959	3,779,881	2,897,718	1,036,303	3,934,021
Net gains / (losses) on investments	11	(1,996)	-	(1,996)	2,476	-	2,476
Net income / (expenditure)		(386,914)	28,775	(358,140)	(432,365)	(98,618)	(530,983)
Transfers between funds	18	-	-	-	-	-	-
Other recognised gains / (losses):							
Gains (Losses) on foreign currency transactions		21,919	-	21,919	15,835	40,791	-
Total other gains / (losses)		21,919	-	21,919	43,341	-	43,341
Net movement in funds		(386,914)	28,775	(358,140)	(391,574)	(98,618)	(490,192)
Reconciliation of funds:							
Total funds brought forward		2,264,831	-	2,654,831	3,046,405	98,618	3,145,023
Total funds carried forward		2,289,836	28,775	2,318,610	2,654,831	-	2,654,831

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

The notes on pages 35 - 55 form part of these financial statements

Lepra

CHARITY BALANCE SHEET

YEAR ENDED 31 MARCH 2018

	Note	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	9		1,250,959		1,305,055
Intangible assets	10		12,219		-
Investments	11		37,561		39,557
			1,300,739		1,344,612
CURRENT ASSETS					
Debtors	14	402,852		436,115	
Cash at bank and in hand		1,389,177		1,693,017	
		1,792,029		2,129,132	
CREDITORS:					
Amounts falling due within one year	15	(355,841)		(363,017)	
NET CURRENT ASSETS			1,436,188		1,766,115
TOTAL ASSETS LESS CURRENT LIABILITIES			2,736,927		3,110,727
CREDITORS:					
Amounts falling due after more than one year	15		(418,317)		(455,896)
TOTAL NET ASSETS			2,318,610		2,654,831
FUNDS					
Unrestricted funds - general	17		2,234,937		2,176,739
Unrestricted funds - designated	19		54,898		481,092
Restricted funds	18		28,775		-
			2,318,610		2,654,831

The financial statements were approved by the Trustees and authorised for issue on 25 September 2018.

Mr S Thapar
Hon Treasurer

The notes on pages 35 - 55 form part of these financial statements.

Lepra

CHARITY CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2018

Statement of cash flows	2018	2017
Cash flows from operating activities:	£	£
Net cash used in operating activities	(275,258)	555,456
Cash flows from investing activities:		
Dividends and interest	14,295	14,053
Proceeds from the sale of fixed assets	(2,505)	-
Purchase of fixed assets	(24,711)	(47,963)
Proceeds from the sale of investments	-	-
Net cash used in investing activities	(12,921)	(33,910)
Cash flows from financing activities:		
Repayments of borrowing	(37,579)	(37,125)
Net cash used in financing activities	(37,579)	(37,125)
Change in cash and cash equivalents	(325,759)	484,421
Opening cash and cash equivalents	1,693,017	1,167,805
Change in cash and cash equivalents due to exchange rate movements	21,919	40,791
Cash and cash equivalents at 31 March	1,389,177	1,693,017

Reconciliation of net income (expenditure) to net cash flow from operating activities:	2018	2017
	£	£
Net income (expenditure) for the period (as per SOFA)	(358,140)	(530,985)
Adjustments for:		
Depreciation charges	63,519	99,961
(Gains)/losses on investments	1,996	(2,476)
Dividends and interest	(14,295)	(14,053)
Loss/(profit) on sale of fixed assets	5,574	-
(Increase)/decrease in debtors	33,263	953,095
Increase/(decrease) in creditors	(7,176)	49,912
Net cash used in operating activities	(275,258)	555,456

1 STATUS

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

2 ACCOUNTING POLICIES

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

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

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

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

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

e) Income recognition - Income tax recoverable on gift aided, legacy and investment income is calculated on the income received up to the year end. Legacies are included in the accounts when the charity has established entitlement to a receipt that is probable and the executors have determined that a payment can be made. Lepra has also been informed of legacies estimated at a total of £280,000 which have not been included in these financial statements as they do not reach the necessary recognition criteria. Donations and grant income are included in the accounts in the year in which they are receivable, unless, under the terms of the grant, the income is restricted to a future accounting period

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

Programmes 45.01%, Education 13.75%, Regional 7.14%, Individual Giving 8.93%, Events 4.64%, Trusts/Corporates 10.89%, Leprosy Review 3.93%, Training 3.39%, Research 1.07%, Legacies 1.25%

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

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

Freehold Building		Over 50 years
Motor vehicles		25% per annum on cost
Office equipment		20% per annum on cost
Computer equipment		25% per annum on cost
LEPRA India	Leasehold	Over the life of the lease
	Freehold Buildings	10%
	Vehicles 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	15% per annum reducing balance
	Bicycle	20% per annum reducing balance
	Motor vehicles/cycles	20% per annum reducing balance
	Computer equipment	33% per annum reducing balance

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

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

j) Other financial instruments

i. Cash and cash equivalents:

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

ii. Debtors and creditors:

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

k) Foreign currency balances have been converted at the exchange rate ruling at 31 March 2018. Transactions during the year are included at the average rate for the year in which the transaction occurred. With regard to the accounts of overseas subsidiary undertakings these are translated into sterling on the following basis:

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

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

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

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

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

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

p) Fund accounting
Funds held by the charity are:

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

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

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

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

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

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

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

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

3 2006 COMPANIES ACT

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

4 BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking for the year. Lepra (Society) India is consolidated in these financial statements as a subsidiary. Lepra (Society) India is considered to be a subsidiary, within the requirements outlined in SORP FRS102 section 24.16, because Lepra has the power to govern financial and operating policies as set out in specific clauses included within the Lepra (Society) India memorandum and, in the event of dissolution, remaining assets will be transferred to Lepra.

In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of Lepra and Lepra (Society) India are identical as detailed in the joint Lepra strategy 2016 – 2020, published in December

2015, and the objects of both organisations are closely matched within each respective memorandum and articles of association thus ensuring that Lepra (Society) India contributes to the aims and purposes of Lepra and benefits common beneficiaries.

All financial statements are made up to 31 March 2018. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

5 SUBSIDIARY SUMMARY FINANCIAL STATEMENTS

LEPRA SOCIETY OF INDIA

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

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

LEPRA INDIA INCOME & EXPENDITURE ACCOUNT

	2018		2017	
	£	£	£	£
Income:				
Grants from UK	1,165,414		1,077,458	
Other income	1,848,452		1,600,790	
		3,013,866		2,678,248
Expenditure:		(2,902,085)		(2,551,050)
Gains/(Losses) on foreign currency translation		(117,530)		109,625
Net movement in funds		(5,749)		236,823
Balance at 31 March 2016		1,433,146		1,196,323
Balance at 31 March 2017		1,427,397		1,433,146

LEPRA INDIA BALANCE SHEET

	£	£	£	£
TANGIBLE FIXED ASSETS		700,407		718,775
CURRENT ASSETS				
Investments	377,401		352,486	
Stock	36,136		41,045	
Debtors	69,715		80,074	
Cash at bank & in hand	322,494		341,820	
	805,746		815,425	
Creditors: Amounts falling due within one year	(53,183)		(72,320)	
SER Revolving Fund	(25,573)	726,990	(28,733)	714,371
		1,427,397		1,433,146
Restricted Fund		211,337		200,609
Capital Fund		1,216,060		1,232,537
		1,427,397		1,433,146

6 ANALYSIS OF INCOME

Consolidated	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Donations and legacies				
Community	637,050	-	637,050	756,579
Individual giving	1,249,024	22,458	1,271,482	1,155,010
Legacies	1,097,456	-	1,097,456	787,408
Events	33,660	-	33,660	27,991
Trusts & Corporate	57,080	70,770	127,850	233,842
	3,074,274	93,228	3,167,498	2,960,830
Charitable activities				
Programme funding	215	2,001,433	2,001,648	1,922,804
Leprosy Review funding	-	51,592	51,592	53,211
	215	2,053,025	2,053,240	1,976,015
Other				
Sale of fixed assets	(9,026)	-	(9,026)	(39)
Other income	651	-	651	3,265
Leprosy Review	2,384	-	2,384	2,665
	(5,991)	-	(5,991)	5,891
Investments	57,443	-	57,443	58,616
Total income	3,125,936	2,146,253	5,272,189	5,001,352

ANALYSIS OF INCOME cont.

Charity	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Donations and legacies				
Community	637,050	-	637,050	756,579
Individual giving	705,002	22,458	727,460	760,470
Legacies	1,097,456	-	1,097,456	787,408
Events	33,660	-	33,660	27,991
Trusts & Corporate	57,080	70,770	127,850	233,842
	2,530,248	93,228	2,623,476	2,566,290
Charitable activities				
Programme funding	-	736,914	736,914	761,078
Leprosy Review funding	-	51,592	51,592	53,211
	-	788,506	788,506	814,289
Other				
Sale of fixed assets	(5,574)	-	(5,574)	-
Other income	651	-	651	3,265
Leprosy Review	2,384	-	2,384	2,665
	(2,539)	-	(2,539)	5,930
Investments	14,295	-	14,295	14,053
Total income	2,542,003	881,734	3,423,737	3,400,562

7 INVESTMENT INCOME

Consolidated

Investment income comprises interest and dividends received in respect of:

	2018	2017
	£	£
Dividends from quoted UK investments	1,162	1,158
Dividends from unquoted UK investments	6,935	6,935
Interest on short term deposits	49,346	50,523
	57,443	58,616

Charity

Investment income comprises interest and dividends received in respect of:

	2018	2017
	£	£
Dividends from quoted UK investments	1,162	1,158
Dividends from unquoted UK investments	6,935	6,935
Interest on short term deposits	6,198	5,960
	14,295	14,053

8 ANALYSIS OF EXPENDITURE

Consolidated

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2018	Total 2017
	£	£	£	£	£
Programmes	4,122,366	168,216	61,070	4,371,652	4,136,893
Research	12,889	10,059	1,930	24,878	26,608
Training	27,559	17,761	6,112	51,432	81,331
Education	247,007	37,554	24,771	309,332	336,954
Leprosy Review	49,999	14,345	7,078	71,422	87,670
Charitable activities	4,459,820	247,935	120,961	4,828,716	4,669,456
Community	299,418	37,486	12,868	347,772	386,185
Individual giving	126,413	30,727	16,085	173,225	194,087
Legacies	1,561	6,886	2,252	10,699	11,473
Events	24,978	15,899	8,364	49,241	44,496
Trust & Corporate	67,400	17,876	19,624	104,900	101,915
Cost of raising funds	519,770	108,874	59,193	687,837	738,156
Total expenditure	4,979,590	356,809	180,154	5,516,553	5,407,612

Charity

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2017	Total 2016
	£	£	£	£	£
Programmes	2,385,694	168,216	81,070	2,634,980	2,663,303
Research	12,889	10,059	1,930	24,878	26,608
Training	27,559	17,761	6,112	51,432	81,331
Education	247,007	37,554	24,771	309,332	336,954
Leprosy Review	49,999	14,345	7,078	71,422	87,670
Charitable activities	2,723,148	247,935	120,961	3,092,044	3,195,865
Community	299,418	37,486	12,868	349,772	386,185
Individual giving	126,413	30,727	16,085	173,225	194,087
Legacies	1,561	6,886	2,252	10,699	11,473
Events	24,978	15,899	8,364	49,241	44,496
Trust & Corporate	67,400	17,876	19,624	104,900	101,915
Cost of raising funds	519,770	108,874	59,193	687,837	738,156
Total expenditure	3,242,918	356,809	180,154	3,779,881	3,934,021

Programme expenditure includes a grant of £83,255 (2017: £77,971) to Netherlands Leprosy Relief for a project to improve disability prevention and contribute toward disability reduction in communities affected and at risk of LF and leprosy in Zambezia province, Mozambique.

8 b) Analysis of central costs for apportionment

Consolidated & Charity	Office Costs	IT Costs	HR Costs	Depreciation	Total 2018	Total 2017
	£	£	£	£	£	£
Programmes	35,514	15,798	15,000	14,759	81,071	92,534
Research	846	376	357	351	1,930	3,675
Training	2,678	1,191	1,131	1,113	6,113	7,016
Education	10,851	4,827	4,583	4,510	24,771	28,731
Leprosy Review	3,100	1,379	1,310	1,288	7,077	8,019
Charitable activities	52,989	23,571	22,381	22,021	120,962	139,975
Community	5,637	2,508	2,381	2,343	12,869	16,369
Individual giving	7,046	3,134	2,976	2,928	16,084	19,376
Legacies	986	439	417	410	2,252	1,336
Events	3,664	1,630	1,548	1,523	8,365	9,688
Trust & Corporate	8,597	3,824	3,631	3,573	19,625	20,378
Cost of raising funds	25,930	11,535	10,953	10,777	59,195	67,147
Total expenditure	78,919	35,106	33,334	32,798	180,157	207,122

c) Support costs

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

9 TANGIBLE FIXED ASSETS - CONSOLIDATED

	Land and Premises Overseas	Freehold Premises UK	Motor Vehicles	Office & Photo Equip	Computer Equipment	Total
	£	£	£	£	£	£
Cost						
1 April 2017	577,057	1,500,000	692,828	1,264,844	9,689	4,044,418
Additions	18,671	-	35,009	67,139	732	121,551
Disposals	(572)	-	(113,676)	(166,361)	(300)	(280,909)
31 March 2018	595,156	1,500,000	614,161	1,165,622	10,121	3,885,060
Depreciation						
1 April 2017	332,509	275,000	440,859	966,302	6,294	2,020,964
Charged for year	16,411	25,000	46,809	60,866	1,204	150,290
Released on disposal	(535)	-	(104,832)	(131,576)	(300)	(237,243)
31 March 2018	348,385	300,000	382,836	895,592	7,198	1,934,011
Net book values						
1 April 2017	244,548	1,225,000	251,969	298,542	3,395	2,023,454
31 March 2018	246,771	1,200,000	231,325	270,030	2,923	1,951,049

TANGIBLE FIXED ASSETS - CHARITY

	Freehold Premises UK	Motor Vehicles	Office & Photo Equip	Computer Equipment	Total
	£	£	£	£	£
Cost					
1 April 2017	1,500,000	224,088	176,945	9,689	1,910,722
Additions	-	-	11,760	732	12,492
Disposals	-	(53,390)	(31,883)	(300)	(85,573)
31 March 2018	1,500,000	224,088	176,945	9,689	1,910,722
Depreciation					
1 April 2017	275,000	182,823	141,550	6,294	605,667
Charged for year	25,000	18,340	18,975	1,204	63,519
Released on disposal	-	(48,614)	(33,590)	(300)	(82,504)
31 March 2018	300,000	152,549	126,935	7,198	586,682
Net book values					
1 April 2017	1,225,000	41,265	35,395	3,395	1,305,055
31 March 2018	1,200,000	18,149	29,887	2,923	1,250,959

The cost of overseas land and premises comprises freehold land of £58,360, leasehold land of £8,880 and buildings of £527,916.

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

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

10 INTANGIBLE FIXED ASSETS

	Consolidated	Charity
	£	£
Cost		
1 April 2017	66,636	64,996
Additions		12,219
Disposals	-	-
31 March 2018	66,636	77,215
Amortisation		
1 April 2017	66,259	64,996
Charged for year		
Released on disposal	-	-
31 March 2018	66,259	64,996
Net book values		
1 April 2017	377	-
31 March 2018	12,538	12,219

11 FIXED ASSET INVESTMENTS

	Consolidated		Charity	
	2018	2017	2018	2017
	£	£	£	£
At Market Value :				
1 April 2017	106,527	117,599	39,557	37,081
Add : Additions	-	-	-	-
Less : Disposals in year	(45,790)	(13,548)	-	-
Add : Gifts of shares	-	1,561	-	1,561
Net gains/(losses) on revaluation	(1,996)	(284)	(1,996)	(284)
31 March 2018	58,741	106,527	37,561	39,557
Historical Cost at 31 March 2018	47,702	47,702	11,641	11,641
The Investments are distributed as follows:				
UK Quoted investments	16,755	18,751	16,755	18,751
LEPRA India Investments	21,180	66,970	-	-
Unquoted Investments	20,806	20,806	20,806	20,806
31 March 2018	58,741	106,527	37,561	39,557

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

12 ANALYSIS OF NET ASSETS

Consolidated	Tangible Fixed Assets	Investments	Intangible Assets	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£	£
Restricted Funds	-	-	-	240,112	-	240,112
Unrestricted Funds - General	1,951,049	58,741	12,538	1,846,987	(418,317)	3,450,998
Unrestricted Funds - Designated	-	-	-	54,898	-	54,898
	1,951,049	58,741	12,538	2,141,997	(418,317)	3,746,008

Charity	Tangible Fixed Assets	Investments	Intangible Assets	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£	£
Restricted Funds	-	-	-	28,775	-	28,775
Unrestricted Funds - General	1,250,959	37,561	12,219	1,352,515	(418,317)	2,234,937
Unrestricted Funds - Designated	-	-	-	54,898	-	54,898
	1,250,959	37,561	12,219	1,436,188	(418,317)	2,318,610

13 STOCKS

	Consolidated		Charity	
	2018	2017	2018	2017
	£	£	£	£
Stock	36,136	41,045	-	-
	36,136	45,045	-	-

14 DEBTORS

	Consolidated		Charity	
	2018	2017	2018	2017
	£	£	£	£
Debtors & Prepayments	112,186	158,555	42,471	78,481
Sundry debtors	21,082	131,639	21,082	131,639
Amounts owed by group companies	-	-	42,534	39,990
Accrued income	296,765	186,005	296,765	186,005
	430,033	476,199	402,852	436,115

All amounts within debtors above are financial instruments measured at present value.

15 CREDITORS

	Consolidated		Charity	
	2018	2017	2018	2017
Due within one year:	£	£	£	£
Bank loans due within one year	49,322	45,300	49,322	45,300
PAYE and other taxes	20,914	19,671	20,914	19,671
Accruals	87,586	113,277	145,192	48,508
Other creditors	143,802	243,032	49,974	243,032
Deferred income	90,439	6,506	90,439	6,506
	392,063	427,786	355,841	363,017

All amounts within creditors above (excluding accruals) are financial instruments measured at present value. Included within Other Creditors is an amount of £10,309 (2017: £19,185) relating to outstanding pension liabilities.

Deferred income includes funding received for projects which commenced on 1 April 2018, analysed as follows:

	£
Deferred income brought forward	6,506
Deferred in the year	90,439
Released in the year	-
Balance carried forward	96,945

CREDITORS	Consolidated		Charity	
	2018	2017	2018	2017
Due after one year:	£	£	£	£
Bank loans due within one year	418,317	455,896	418,317	455,896
	418,317	455,896	418,317	455,896

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 bank plc base rate.

16 OPERATING LEASE COMMITMENTS

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

Consolidated & Charity

	2018	2017
	£	£
Leases expiring:		
Within one year	1,497	-
Between two and five years	6,348	10,004
After five years	20,806	1,888

17	UNRESTRICTED FUNDS	2018	2017
		£	£
	Consolidated		
	1 April 2017	3,883,664	4,089,275
	Surplus /(Deficit) for the year	(283,867)	(358,503)
	Realisation of investment revaluation gains as at the end of last year (See note 2d)	(1,996)	2,476
	Transfers between funds	-	-
	Gain /(Loss) on foreign currency transactions	(91,906)	150,416
	31 March 2018	3,505,896	3,883,664
	Charity		
	1 April 2017	2,654,831	3,046,405
	Surplus /(Deficit) for the year	(384,918)	(434,841)
	Realisation of investment revaluation gains as at the end of last year (See note 2d)	(1,996)	2,476
	Transfers between funds	-	-
	Gain /(Loss) on foreign currency transactions	21,919	40,791
	31 March 2018	2,289,836	2,654,831

18	RESTRICTED FUNDS	2018	2017
		£	£
	LEPRA India		
	1 April 2017	200,609	149,748
	Incoming Resources	1,264,519	1,159,676
		1,465,128	1,309,424
	Resources Expended	(1,253,791)	(1,108,815)
	31 March 2018	211,337	200,609
	Charity Restricted Funds		
	1 April 2017	-	98,618
	Incoming Resources	881,734	937,685
		881,734	1,036,303
	Resources Expended	(852,959)	(1,036,303)
	Transfers between funds	-	-
		28,775	-
	31 March 2018	28,775	-
	Total restricted funds	240,112	200,609

18 RESTRICTED FUNDS	Balance 1 April 2017	Incoming Resources	Expenditure	Balance 31 March 2018
	£	£	£	£
India				
Lepra Society of India	190,594	1,198,657	(1,210,912)	178,339
ILEP in India	10,015	65,862	(42,879)	32,998
	200,609	1,264,519	(1,253,791)	211,337
Charity				
Funding Agencies - BLF	-	116,640	(116,640)	-
Funding Agencies - DFID	-	172,447	(172,447)	-
Funding Agencies - TLM Canada (effect:hope)	-	145,135	(135,925)	9,210
Global Fund - Bangladesh	-	247,610	(247,221)	389
ILEP India	-	49,697	(37,948)	11,749
ILEP Bangladesh	-	5,385	(3,954)	1,431
ILEP Leprosy Review	-	51,592	(50,396)	1,196
The Ingram Trust	-	10,000	(10,000)	-
Roger Vere Foundation	-	600	(600)	-
The Oakdale Trust	-	1,500	(1,500)	-
Eleanor Rathbone Charitable Trust	-	2,000	(2,000)	-
Belper Trust	-	2,500	(2,480)	20
Souter Charitable Trust	-	3,000	(2,211)	789
Navchetna BV Charitable Trust	-	5,000	(5,000)	-
The Kirby Laing Foundation	-	5,000	(5,000)	-
The Nini Isabel Stewart Trust	-	15,170	(11,179)	3,991
Pilkington Charities Trust	-	1,000	(1,000)	-
Evan Cornish Foundation	-	5,000	(5,000)	-
Belper Trust	-	10,000	(10,000)	-
Big Give	-	22,458	(22,458)	-
Pavers Shoes	-	10,000	(10,000)	-
	-	881,734	(852,959)	28,775
Total consolidated	200,609	2,146,253	(2,106,750)	240,112

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

Restoring Lives of Forgotten People project Bihar, India - BLF

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

Co-funding for the Reaching the unreached DFID funded project - Ingram Trust, Evan Cornish Foundation, Belper Trust, Big Give

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

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

Foot care projects in India - Belper Trust, Pavers Shoes

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

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

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

Reuniting families: bring families back together by integrating mental health support in the rehabilitation of people affected by leprosy – Souter Charitable Trust, Nina Isabel Stewart Trust

Odisha integrated programme – Navchetna BV Charitable Trust

Men Back at work project in India – Roger Vere Foundation, The Oakdale Trust

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

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

19 DESIGNATED FUNDS	Balance 1 April 2017	Incoming Resources	Expenditure	Balance 31 March 2018
	£	£	£	£
Leprosy & LF integrated projects	283,956	-	(229,058)	54,898
Mozambique	60,587	-	(60,587)	-
UK fundraising 2	116,866	-	(108,866)	-
India vehicles	19,683	-	(19,683)	-
	481,092	-	(426,194)	54,898

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

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

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

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

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

20 GROSS CASH FLOWS

	2018	2017
	£	£
Returns on investments and servicing of finance		
Interest received	49,346	50,523
UK dividends received	8,097	8,093
Interest paid	(7,721)	(8,175)
	49,722	50,441
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(133,769)	(172,139)
Receipts from sales of tangible fixed assets	(43,666)	4,072
Purchase of fixed asset investments	-	-
	(177,435)	(168,067)
Financing		
Cash repayment of long term borrowings	(37,579)	(37,125)
	(37,579)	(37,125)

21 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2017	Non-cash Changes	Cashflows	31 March 2018
	£	£	£	£
Cash in hand and at bank at 1 April 2016	2,034,837	-	(323,167)	1,711,670
Debt due < 1 year	(45,300)	(45,300)	45,300	(45,300)
Debt due > 1 year	(455,896)	-	37,579	(418,317)
Balance at 31 March 2017	1,533,641	(45,300)	(240,288)	1,248,053

22 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2018	2017	Change
	£	£	£
Deposits with banks	1,711,130	2,026,598	(315,468)
Cash	540	8,239	(7,699)
	1,711,670	2,034,837	(323,167)

23 EMPLOYEES

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

	2018	2017
Head Office	22	19
Regional	10	11
Overseas	529	561
	561	591

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

Staff costs in respect of employees include:

	2018	2017
	£	£
Wages and salaries	2,511,298	2,339,740
Social security costs	76,914	70,151
Pension costs	102,387	119,195
Other staff costs	7,046	6,920
	2,697,645	2,536,006

The number of employees who received total emoluments in the following ranges was:	2018	2017
£70,001 - £80,000	1	-

The key management personnel of Lepra comprise the Trustees, Chief Executive, Head of Finance & Support Services, Head of Fundraising & Communications and Head of Programmes & Advocacy in the UK, the Country Director, Head of Programmes, Head of Finance and Head of HR in Bangladesh and the Chief Executive Officer, Head of Finance, Head of HR and Head of Programmes in India. The employee remuneration of key management personnel for Lepra was £457,281 (2017: £467,281), which included severance payments of £20,000 (2017: nil). The Trustees received no remuneration for their services to the Organisation during the period (2017: nil). During the period four (2017: six) Trustees incurred expenses of £2,915 in respect of overseas travel and subsistence, and training courses (2017: £7,413).

24 PENSION COMMITMENTS

LEPRA provides pension benefits for staff making contributions to a Group Personal Pension Plan. The employee is required to pay a minimum of 3% of their gross salary with the charity contributing 8%. The scheme complies with stakeholder pension and auto enrolment legislation. As at 31 March 2018 there were 30 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 2018 were £102,837 (2017: £119,195).

25 COST OF AUDIT AND OTHER FINANCIAL SERVICES

Amounts payable in respect of audit and other financial services were:	2018	2017
	£	£
Auditors remuneration in respect of current year	13,385	11,667
Auditors remuneration in respect of prior year	-	2,537
Auditors remuneration in respect of non-audit services	66	860
	13,451	15,064

26 RELATED PARTIES

	2018	2017
	£	£
Transactions with Lepra Society in India:		
Amounts paid to Lepra Society	1,141,999	1,077,458
Year-end debtor balance	42,534	39,990

27 FINANCIAL COMMITMENTS

Lepra has a commitment with Alpha FX Ltd (2017: Ebury UK) to purchase Indian Rupee during the period April 2018 – March 2019.	2018	2017
	£	£
Amount committed at 31 March	648,000	777,600
	648,000	777,600

At the year-end there is an unrealised gain of £12,055 (2017: £44,656) on these commitments, which has been recognised in the statement of financial activities.