



We will beat  
leprosy together

---

# Report of the Trustees and Financial Statements for the Year Ended 31 March 2022

Patron formerly: The Late Her Majesty The Queen | Vice President: His Royal Highness The Duke of Gloucester  
Registered Charity Number 213251 (England and Wales) SC039715 (Scotland)  
Registered company number 324748

Lepra (limited by guarantee)

## CHAIR AND CHIEF EXECUTIVE'S REPORT

For all of us at Lepra, just as for everyone, everywhere, it was another year dominated by COVID-19. Everything we did was framed by the constant backdrop of the pandemic, as we kept on pushing on through its various waves and lockdowns.

For Lepra, of course, that meant doing all we could to support people affected by leprosy and lymphatic filariasis (LF), and this review is testament to the great work of our teams in India, Bangladesh and the UK. Their hard work ranged from providing Protective Personal Equipment (PPE), to ensuring access to testing and vaccinations, supplying oxygen cylinders, or providing food and cash support for people affected by leprosy and LF.

Lepra is proud of how we pivoted our work in response to the pandemic. But we are also very aware that the impact of the pandemic will be felt for a long time still to come.

For example, the World Health Organisation (WHO) estimates that there was a 41% reduction in new leprosy case detection due to COVID 19 in 2020. Our own experience from India and Bangladesh suggests that this figure could be even higher.

This means that tens of thousands of new leprosy cases have not been diagnosed and treated because of the pandemic. That is tens of thousands of people who do not know for sure that they have leprosy. Tens of thousands of people at heightened risk of disability due to leprosy. Tens of thousands of reasons for Lepra to do all we can to accelerate progress in case detection, treatment, and ongoing support.

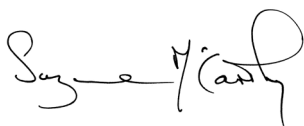
We are now gaining momentum to meet the gaps and shortfalls caused by the pandemic. We are increasing referral centre services in rural India, that were scaled back due to lockdowns. We are working in Bangladesh to form more self-support groups and federations of people affected by leprosy and LF, so they can advocate for full inclusion in society.

The breadth and scope of our work remains impressive – not just in response to COVID-19 – and this review details some of our key projects and approaches – always done with emphasis and focus on the individuals, the people affected by leprosy and LF and always ensuring that we understand their particular needs and tailor our support accordingly.

None of this is possible, of course, without the commitment of our staff, supporters and partners. We continue to be honoured and humbled by their (your!) belief and support for our work. Our thanks go out to everyone who is connected with our organisation.

We also pay tribute to our outgoing Chief Executive, Geoff Prescott, who left Lepra this year after five years of stalwart service, for which we are forever grateful.

We continue to do all we can to strive for a world free from prejudice and disability caused by leprosy.



Suzanne McCarthy  
Chair of the Trustees



Jimmy Innes  
Chief Executive

## **Lepra (limited by guarantee)**

### **REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

#### **The Trustees submit their report and the audited financial statements for the year ended 31 March 2022.**

The consolidated financial statements have been prepared under the accounting policies set out in Note 2 of the financial statements. These have been prepared in accordance with the Memorandum and Articles of Association and the Charities Statement of Recommended Practice 2015 (FRS102).

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

#### **Trustees**

Ms S McCarthy (Chair)

Mrs S Bhasin

Ms K Bigmore

Ms N Bucci

Mr D Dhamija

Prof. R Hay

Mr M Khan

Prof. D Lockwood

Mr N Patel

Mr N Raynaud (appointed 1<sup>st</sup> January 2022)

Mr S Sharma

Mr S Thapar

Mr L Thomas (appointed 1<sup>st</sup> January 2022)

Mrs K Williams (appointed 1<sup>st</sup> January 2022)

#### **Officers**

Chief Executive Officer:

Mr G Prescott resigned 31 December 2021

Mr J Innes, appointed 1<sup>st</sup> January 2022

Company Secretary:

Mr N Avery

#### **Bankers**

Barclays Bank UK PLC, 9 High Street, Colchester, Essex, CO1 1DD

Metrobank PLC, 31-32 High Street, Colchester, Essex, CO1 1DB

#### **Auditors:**

Crowe U.K.LLP, 4th Floor, St James House, St James Place, Cheltenham, GL50 3PR (appointed 23 November 2021)

#### **Principal Office:**

28 Middleborough, Colchester, CO1 1TG

Our Trustee Board is responsible and accountable for Lepra. They do this, by setting the strategy and ensuring good governance, legal and ethical compliance. This year the Trustees have especially focused on governance, the continuance of the 3 year joint strategic plan for the period 1 April 2021 – 31 March 2024 (deferred from 2020 due to COVID-19), income generation, and safeguarding.

The work of the Board of Trustees is supported by three standing sub-committees;

**Audit Finance and Risk sub-committee**

Sampa Bhasin (Chair)

Natalia Bucci

Suzanne McCarthy

Nicolas Raynaud

Neil Thapar

**Fundraising and Communications sub-committee**

Sri Sharma (Chair)

Suzanne McCarthy

Nayan Patel

Neil Thapar

Luke Thomas

Katherine Williams

**Technical Advisory sub-committee**

Rod Hay (Chair)

Diana Lockwood

Mala Rao (co-opted member)

Each sub-committee has clear term of reference and is additionally attended by the Chief Executive, the relevant Senior Management Team member and other staff, as agreed by the sub-committee's Chair. The Board and each sub-committee meet formally at least four times each year. The agendas for the Board and sub-committees are set in an annual calendar which itself is reviewed at each meeting of the Board. A Nominations sub-committee is convened by the Board Chair for the recruitment of new trustees and Chief Executive, the composition at any time being determined by the recruitment task.

A scheme of delegation is in place, which specifies those matters reserved for the Board and those matters delegated to the sub-committees or to the Chief Executive. The Board retains responsibility for the charity's strategy, annual plan and budget, and the monitoring of these. The annual plan and budget are the principal means by which implementation of the strategy is delegated to the Chief Executive who is accordingly responsible for the day -to -day running of the charity and, where appropriate, the delegation of budget and operational responsibility to members of the Senior Management Team.

The remuneration of all key management personnel is determined by the Board, on the recommendation of the Audit Finance and Risk sub-committee. In setting the level of remuneration, the Board takes account of available job market and macro-economic data as well as the charity's financial position. The Charity has subscribed to a job evaluation and remuneration benchmarking service to inform its decision making.

The Board has benchmarked its governance processes against the Charity Governance Code, which was revised in December 2020. The Board considers that it is substantially compliant with the code, although it has identified the need for better processes around equality, diversity and inclusion and has embarked upon a project to bring Lepra's processes in line with sector best practices, including appropriate training and revised recruitment processes.

Trustees are recruited in the light of the skills mix and overall diversity of the Board. Trustee roles are advertised publicly with a clear job and person specification and are shortlisted and interviewed by the Nominations Sub-Committee. The Board is responsible for appointing Trustees, in accordance with the Article of Association by ordinary resolution and are advised by the Nominations Sub-Committee in this matter. The appointment is confirmed by resolution at the first available general meeting. Trustee terms are determined by the Trustee Terms of Office policy, which currently allows Trustees to serve three terms of three years each.

The Board has recently been strengthened by the recruitment of additional new Trustees with current experience in charity fundraising and finance. All of the Trustees have been carefully selected and offer valuable experience, knowledge and insight from their field, as well as being passionate about reaching our goal of making leprosy a disease of little or no consequence. Our Trustees volunteer their time and energy towards helping us beat leprosy together.

New Trustees are required to sign the Lepra Global Code of Conduct and are subject to appropriate criminal records checks. They receive a formal induction in which they receive safeguarding training as well as information about the role of a Trustee both generally and specifically at Lepra as well as visiting offices and engaging with staff both in the UK and overseas to understand the charity's operations and strategy.

## **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, 27 September 2016, 1 October 2019 and 6 May 2022.

The majority of our programmes are delivered through our own operations in Bangladesh, which is a branch office of the charity which is also registered with the NGO Bureau in Bangladesh and in India through Lepra Society which is a separate charity registered under the Societies Registration Act and Foreign Contribution (Regulation) Act under Indian law. The Lepra Society has an independent Board as required by local legislation. The Trustees believe however that Lepra Society is controlled by the UK charity in accordance with the definitions in FRS102 (Charity SORP) and is therefore considered a subsidiary entity and Lepra therefore prepares group accounts into which the financial results of Lepra Society are consolidated.

## **PUBLIC BENEFIT STATEMENT**

Lepra's objects are contained within the Articles of Association, 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, or the family or dependents of such persons of any description, including financial assistance."

The articles also grant the charity power to do anything which is calculated to further its Objects(s) or is conducive or incidental to doing so.

The objects of the charity are reviewed in each iteration of our Joint Strategic Plan (JSP), which is a triennial process. It remains the case that social, mental, and physical health outcomes for many people affected by leprosy and lymphatic filariasis (LF), are significantly poorer than for other treatable conditions. Many of those who have developed disabilities as a result of untreated leprosy or LF have poor socioeconomic outcomes. Our research and programmes are designed to improve outcomes at all stages from prevention through to physical, psychological, social and economic care and support. In our current Joint Strategic Plan 2021-2024, we are investing heavily in improving our monitoring of outcomes and impacts. These are reported externally informally through our quarterly newsletters to donors, and more formally in our Annual Review.

We monitor progress against the delivery of the Joint Strategic Plan through an annual business plan, in which agreed charity objectives are set. Progress against these objectives is measured at Trustee Board and Senior Management Team meetings.

The Trustees, from time to time, consider the relevance of Lepra's objects and whether and how the charity might continue in the future if its Objects were no longer relevant.

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 Charity Commission. The Trustees have consulted and adhered to the Commission’s advice, specifically PB1, PB2 and PB3 for the year 2021/22.

## OUR STRATEGY AND FUTURE PLANS

Lepra's strategy is based on our vision of a world free from prejudice and disability due to leprosy. Led by evidence, we work with people affected by leprosy, particularly the neglected, reducing transmission and promoting wellbeing.

Lepra is currently in the third year of a multi-year Joint Strategic Plan (JSP) developed with Lepra Society, which guides our work across all countries and locations where we have programmes and operations. The JSP was originally developed for the three-year period from 2020-2023, but was extended by the Trustees in 2021 for an extra year in light of the significant impact that the COVID-19 pandemic had on Lepra's programmes and operations. The current JSP, therefore, runs up until March 2024.

The JSP is based on three strategic objectives:

### 1. Prevention, Treatment and Follow-up

By 2024, wherever we work, we aim to increase by 100% the detection, treatment and follow-up of people affected by leprosy, particularly among the most neglected groups.

### 2. People Affected by Leprosy and their Physical, Psychological, Social and Economic (PPSE) Needs

By 2024, we aim to exceed an 80% satisfaction rate among people affected by leprosy and ensure that 80% of their leprosy related PPSE needs are addressed by Lepra or others.

### 3. Rights of People Affected by Leprosy and Policy Level Engagement

By 2024, we aim for the rights of people affected by leprosy to be attained and we will engage at all levels to help bring this about.

Every year, Lepra produces an Annual Plan, which sets out the coming year's business and programmatic objectives, as well the annual budget. The Annual Plan is developed in line with the goals of the JSP and is reviewed and approved by the Trustees. It provides the framework for Lepra staff to deliver against in the year ahead.

The theme of the Annual Plan for 2022-2023 is on **momentum**, and accelerating progress towards the achievement of our JSP, building back programmatically and operationally as we progress through the COVID-19 pandemic, and laying the foundations for launching Lepra into its second century in 2024. We will build on the work done so far in this current strategic period, and strive to regain ground that has been lost in leprosy and LF control and support in light of the impact of the pandemic.

Importantly, the coming year will also see us preparing and building for our next strategic plan period, which will be launched in 2024. The world of leprosy and LF control is entering a crucial period in the decade ahead. The World Health Organization (WHO) aims for the elimination of leprosy by 2030. The Sustainable Development Goals (SDGs) aim to 'end the epidemic' of neglected tropical diseases (NTDs), also by 2030. Our experiences in India and Bangladesh confirm to us that much more work needs to be done if these targets are going to be achieved. Now is the time for renewed, concerted and accelerated action – by Lepra and all partners – to do all we can to progress towards these targets. In the year ahead, and we are beginning the process of consulting and drafting Lepra's contribution to meet these targets.

## FUNDRAISING PRACTICES STATEMENT

During 2021/2022 Lepra largely conducted public fundraising activities with existing supporters or at virtual events at churches and schools. All fundraising was undertaken by staff employed by Lepra as Lepra does not engage third party professional fundraisers to fundraise on its behalf. We do not fundraise via outbound telephone or face to face canvassing, and thus are able to exercise control over the risks of donors or potential donors suffering unreasonable pressure and persistence.

The finance team who process donations, including telephone donations, are aware of the risks around vulnerable donors. We make cancelling regular payments and receipt of newsletters as easy as possible for our staff. All staff are required to comply with our Ethical Fundraising policy.

The Trustees have reviewed the Charity Commission Publication Charity Fundraising: a guide to trustee duties (CC20) for guidance and are confident that their obligations are being met.

The Chief Executive and all staff are actively engaged in diversifying Lepra's income sources with specific responsibility assigned to the Director of Fundraising and Communications.

Lepra is registered with the Fundraising Regulator and has paid the levy thus demonstrating our commitment to good fundraising practice, including ensuring awareness of the need to protect vulnerable donors.

We have committed to abide by the Code of Fundraising Practice and the Fundraising Promise meaning that we commit to high standards, will be clear, honest and open, be respectful, be fair and reasonable and be accountable and responsible.

All staff, volunteers and Trustees are briefed on the latest version of the Code of Fundraising Practice and compliance is part of their personal objectives.

All volunteers, staff and Trustees are obliged to sign and commit to honouring Lepra's Global Code of Conduct which defines expectations of exemplary behaviour.

We have an open complaints process, which governs all Lepra staff, volunteers, donors and supporters and is published on our website. During this financial year there were no complaints about our fundraising practices.

Review of fundraising income generation and expenditure and of relevant policies is conducted jointly by the Audit, Finance and Risk sub-committee and the Fundraising and Communications sub-committee.



## PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees is responsible for the management of risks and is assisted by the Senior Management Team (SMT) in the day- to -day management of all risks. A risk register is maintained and used to examine and monitor the more significant risks to the organisation.

The Board delegates the more detailed scrutiny of risk management activity to the Audit, Finance and Risk sub-committee who review risks quarterly. The full Board reviews the risk register annually and always has access to it.

Lepra reports risk evaluation and mitigation over three main categories.

- Strategic risk
- Operational risk
- Financial risk

Within these risk categories, risks are reported in accordance with the approach recommended by the Charity Commission guidance (CC26). Risks may be articulated with financial, reputational or environment impacts, or with a combination of impacts.

### Fundraising and impact of inflation on the cost base

The key risk to Lepra in 2022/23 and beyond remains the reliance on unrestricted fundraising to fund its programming, advocacy and research. The risk of inflating costs outweighing increases in income is likely to be an issue both for Lepra and for its many generous donors. Whilst we hold reserves to protect against short term fluctuations in unrestricted income, we also have detailed plans for sustaining our unrestricted income in the longer term, with a particular focus on donor acquisition and diversification of income streams. The early indications are that 2022-23 income is holding up and the legacy pipeline is very strong which mitigates this risk for the medium term.

### Ability to continue our overseas operations

The Foreign Contributions (Regulation) Act 2020 in India significantly increased the constraints on International NGOs operating in India with foreign funding. Whilst the Act was intended to target those NGOs involved in what is perceived as political or religious interference, it has created uncertainty for all NGOs in India that are reliant on foreign funding. The complexity of the regulation has created significant delays in the granting and renewal of registrations. Lepra Society's registration expired in March 2021, but in common with the majority of NGOs the registration has been extended, most recently until 31 March 2023. Whilst we strongly believe the delays are administrative and have no reason to expect that the registration will not be subsequently extended until renewal, the risk of renewal being denied remains outside the Board's risk appetite and we have drawn up a range of contingency plans.

### Ability to demonstrate Impact

We believe that there are improvements to be made in the quality of our impact data which will better allow us to demonstrate our impact to donors. This is an issue that is by no means unique to Lepra and is a clear focus for our JSP in general and our UK and overseas programmes teams specifically. Like much of the JSP, progress has been restricted because of the travel restrictions imposed because of the pandemic. However, this aspect of the JSP is now proceeding apace during 2022.

### Safeguarding issues

A safeguarding system failure could have a serious impact upon our beneficiaries and would cause significant reputational damage to Lepra. We have adopted the best practices recommended by the Charity Commission and the Foreign, Commonwealth and Development Office and as such have embedded safeguarding into our operations and governance. The best systems and policies cannot eliminate the possibility of safeguarding issues arising and the importance of identifying and dealing with issues is key. We believe that it is now time to review our policies and procedures including training and reporting for all staff within Lepra and will be undertaking this review during 2022.

## Fraud risk

Offline and online fraud are ever-present risks to charities throughout the delivery chain, and difficult economic environments always lead to an increase in fraud risk generally. The relatively small size of the UK charity creates dependence on a few key individuals and internal audit processes are being developed that will provide assurance that risk mitigation is optimised. Globally, an audit, finance and control workshop is planned for 2022 in which peer audit processes will be developed across India, Bangladesh and the UK.

## Pandemic risk

Hopefully the worst of the COVID-19 pandemic is behind us, but the potential for new variants of COVID, or other global threats, remains. The capability for long term remote working is well-embedded internationally and we are confident that the fundraising, support and UK programming infrastructure can be sustained through further lockdowns. This is not the case with our front line programmes in India and Bangladesh. Whilst we have a range of interventions to ensure that people affected by leprosy are not further disadvantaged during the height of the pandemic and where possible our staff are able to continue to work, a rise in undiagnosed and untreated cases of leprosy and of increased disability are very likely if our staff and the health systems in Leprosy endemic areas are not able to operate.

## CONTROLS

The Trustees have overall responsibility for ensuring that the organisation has appropriate systems of control, financial and otherwise. They are responsible for keeping proper accounting records which 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 FRS 102 SORP and Companies Act 2006.

The Trustees recognise that systems of control can only provide a reasonable and not complete assurance against inappropriate or ineffective use of resources, or against the risk of errors or fraud. They remain satisfied that the internal systems provide reasonable assurance that the organisation operates efficiently and effectively, safeguards its assets, maintains proper records and complies with relevant laws and regulations.

We operate a comprehensive accountability system which includes an annual budget approved by the Trustees. The budget and any subsequent reforecasts are reviewed by the Audit Finance and Risk sub-committee and they consider actual results compared with plans and non- financial performance data.

We are developing assurance maps for our key controls to identify areas where we need more assurance about control effectiveness. Whilst Lepra lacks the scale necessary for a dedicated internal audit function, we are developing a peer review process across all operations during 2022, expanding on that which already exists in India. We will also seek independent assurance on a case- by -case basis as and when the need arises.

## RESERVES

We hold reserves as a key part of our strategic risk mitigation. Our reserves policy is approved each year by the Trustees as part of our annual planning and budgeting process.

### What is our safe level of unrestricted reserves?

In order to ensure that colleagues in India and Bangladesh can maintain and develop infrastructure, we commit to a certain level of funding when the annual plan is agreed in February each year. This is largely funded out of that year's unrestricted income. We hold £450k of UK charity reserves to cover volatility in unrestricted fundraising, particularly around legacies and the considerable risks to our fundraising from a rapidly deteriorating economic outlook.

### Designation of reserves to support the joint strategic plan

The delivery of our JSP in the post-covid environment requires an annual drawdown of £200k from unrestricted reserves. The Board has therefore agreed to designate unrestricted reserves of £400k to support the strategy through to March 2024.

### Designation of unrestricted funds

We designated £225k of unrestricted reserves to the ASPIRE project, a five year collaboration with Effect Hope aimed at reducing the incidence and impact of a number of neglected tropical skin diseases, including Leprosy and LF, in Bihar, India. A formal agreement to this effect was signed by both parties on 1st July 2021. The balance of this fund at the end of the year was £206k.

Against this total UK Charity reserves requirement of £450k, the free reserves of the UK Charity were £2,227k. at 31st March 2022. The group reserves were £3,231k the additional reserves held by Lepra Society equating to approximately 8 months' running costs, providing a contingency buffer against any difficulties experienced remitting funding from the UK to India.

## **GOING CONCERN**

The period from April 2021 to March 2022 was still impacted by COVID-19. In particular, there were legal restrictions on our ability to fundraise face -to -face and to travel. Even once these were fully relaxed in February 2022 in the UK, barriers have remained. However, the period from 2020-2022 has demonstrated that with resources at an appropriate level, we can raise sustainable levels of unrestricted funds without face- to -face fundraising. As a result, our reserves remain healthy and the income from our donor base remains resilient. The level of reserves, our future business planning and financial forecasts confirmed Lepra's operations as a going concern for at least 12 months from the date the approval of these financial statements by the Board.

## **GRANT MAKING POLICY**

Lepra works principally through its branch in Bangladesh and its subsidiary, The Lepra Society in India. In addition, payments are made to other charities in relation to joint projects and collaborations. The funding for all these projects is approved by the Board when it approves the annual budget. Consequently, unsolicited applications for grants are not invited from other organisations.

## **INVESTMENTS POLICY**

Lepra seeks the best returns on investment commensurate with its risk appetite. The investment objective for short term funds is to preserve capital value with minimal risk and a plan is in the process of implementation to meet this objective. Assets should be readily realisable to meet unanticipated cash requirements in excess of planned expenditure.

A small portfolio of investments is held in accordance with powers of the Trustees. Investments are either listed or readily realisable and acquired through generous donation from our supporters with the exception of unlisted shares in Helpcards Holdings Ltd in which Lepra holds 6.74% of the issued share capital. Except for the investment in Helpcards Holdings Ltd, which is a strategic investment, the Trustees have authorised the disposal of all readily realisable investments at the earliest opportunity, subject to cost.

## **SAFEGUARDING POLICY**

Lepra promotes best practice in safeguarding its beneficiaries, staff and volunteers. A Trustee and executive director are designated with responsibility for safeguarding and it is a standing item on all Board and Senior Management Team meeting agendas. All staff, Trustees and volunteers are subject to appropriate checks, are required to sign the Global Code of Conduct and receive safeguarding training. This is supported with robust complaints and whistleblowing policies. There have been no reported safeguarding incidents in 2021/2022 requiring action.

## **DATA PROTECTION POLICY**

Lepra has robust policies and procedures to protect and control personal data of donors, supporters and employees. Specific policies govern the handling of personal data and use of IT systems with monitoring of compliance with the Data Protection Act 2018. All staff and volunteers are trained in data protection during induction

## FINANCIAL REVIEW

Total income for the year ended 31 March 2022 was £5,350,487, a decrease of £450,230 as compared with the previous year. This, however, included an increase in unrestricted income of £412,374. This was principally due to an improvement in our appeals income, especially the success of our “you give £1 we get £2” appeal, the resumption of fundraising in churches and schools, additional legacy income and the proceeds of the disposal of our offices in Hyderabad, following the relocation of our India Head Office function to the nearby Blue Peter Health & Research Centre. Conversely, there was a reduction in restricted income of £862,605 due to the distorting effect of the extra income from the ASCEND grant during 2020-21, plus the finalisation of some non-leprosy related funding in India.

It was year in which the expected return to normality after COVID-19 was only just beginning and the income achieved is a reflection of the remarkable generosity of our regular supporters and the hard work of the Lepra team.

Total expenditure from unrestricted funds increased by £593,571 compared to the previous year. This is a result of a return to a more normal level of Programme activity in India and Bangladesh and careful rebuilding of the UK teams following the redundancies and furlough credits experienced in 2020/2021.

Overall, a surplus of £1,052,802 on unrestricted funds was achieved in the year, although group cash only increased by £148,306 because of the significant movements on legacy debtors during the year. The increases in unrestricted reserves have allowed us to commit to future programming and to invest in the future.

We ended the year with group free reserves of £3,231,458 and cash balances of £2,462,222.

## STATEMENT OF TRUSTEES’ RESPONSIBILITIES

The Trustees (who are also directors of Lepra under company law) are responsible for preparing the annual report (including strategic report) and the financial statements in accordance with applicable laws and regulations.

Company law requires Trustees to prepare financial statements in accordance with UK Generally Accepted Accounting Practice which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

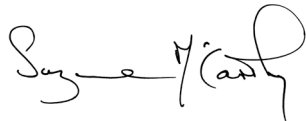
In so far as the Trustees are aware:

- There is no relevant audit information of which the company’s auditor is unaware and

- The Trustees have each taken all steps that they ought to have taken as a Trustee in order to make them aware any relevant audit information, and to establish that the company's auditors are aware of that information.

Approved by the Board of Trustees on 28<sup>th</sup> October 2022 including in their capacity as company directors the strategic report contained therein and signed on its behalf by:

Suzanne McCarthy  
Chair

A handwritten signature in black ink, appearing to read 'Suzanne McCarthy', with a stylized flourish at the end.

Lepra (Company no 324748)

## AUDITORS

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

#### Opinion

We have audited the financial statements of Lepra ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Charity Statement of Financial Activity, Charity Balance Sheet, Charity Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

adequate and proper accounting records have not been kept; or

the 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 12 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 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 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 in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, OSCAR, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



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



**Tara Westcott**

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

4<sup>th</sup> Floor

St James House

St James Square

Cheltenham, GL50 3PR,

Date: 15 December 2022

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

## YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total 2021 £
<b>Income from:</b>									
Donations and legacies	6	3,444,043	45,161	-	3,489,204	3,028,046	64,750	-	3,092,796
Charitable activities	6	3,866	1,692,934	-	1,696,800	2,339	2,535,950	-	2,538,289
Investments	6	42,578	-	-	42,578	31,897	-	-	31,897
Other	6	121,905	-	-	121,905	137,736	-	-	137,736
<b>Total income</b>		<b>3,612,392</b>	<b>1,738,095</b>	<b>-</b>	<b>5,350,487</b>	<b>3,200,018</b>	<b>2,600,700</b>	<b>-</b>	<b>5,800,718</b>
<b>Expenditure on:</b>									
Raising funds	8	315,811	-	-	315,811	419,171	-	-	419,171
Charitable activities	8	2,251,662	1,721,039	18,719	3,991,420	1,554,731	2,599,051	-	4,153,782
<b>Total expenditure</b>		<b>2,567,473</b>	<b>1,721,039</b>	<b>18,719</b>	<b>4,307,231</b>	<b>1,973,902</b>	<b>2,599,051</b>	<b>-</b>	<b>4,572,953</b>
Net gains / (losses) on investments	12	9,546	-	-	9,456	115	-	-	115
<b>Net income / (expenditure)</b>		<b>1,054,465</b>	<b>17,056</b>	<b>(18,719)</b>	<b>1,052,802</b>	<b>1,226,231</b>	<b>1,649</b>	<b>-</b>	<b>1,227,880</b>
<b>Transfers between funds</b>		<b>(400,000)</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>(225,000)</b>	<b>-</b>	<b>225,000</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>									
Gains (Losses) on foreign currency transactions		39,454	-	-	39,454	(12,382)	-	-	(12,382)
<b>Total other gains / (losses)</b>		<b>39,454</b>	<b>-</b>	<b>-</b>	<b>39,454</b>	<b>(12,382)</b>	<b>-</b>	<b>-</b>	<b>(12,382)</b>
<b>Net movement in funds</b>		<b>693,919</b>	<b>17,056</b>	<b>381,281</b>	<b>1,092,256</b>	<b>988,849</b>	<b>1,649</b>	<b>225,000</b>	<b>1,215,498</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		4,996,683	152,685	225,000	5,374,368	4,007,834	151,036	-	4,158,870
<b>Total funds carried forward</b>		<b>5,690,602</b>	<b>169,741</b>	<b>606,281</b>	<b>6,466,624</b>	<b>4,996,683</b>	<b>152,685</b>	<b>225,000</b>	<b>5,374,368</b>

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

The notes on pages 24- 47 form part of these financial statements  
Company registration number:00324748

**CONSOLIDATED BALANCE SHEET**  
**Company registration number 00324748**  
**YEAR ENDED 31 MARCH 2022**

	Note	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		2,125,949		2,045,314
Investment Property	10		214,715		-
Intangible assets	11		50,168		72,592
Investments	12		69,312		72,464
			2,460,144		2,190,370
<b>CURRENT ASSETS</b>					
Debtors	15	1,478,018		1,143,740	
Stocks	14	20,825		22,251	
Investments		572,016		360,453	
Cash at bank and in hand		2,462,222		2,313,916	
		4,533,081		3,840,360	
<b>CREDITORS:</b>					
Amounts falling due within one year	16	(244,687)		(332,487)	
			4,288,394		3,507,874
<b>NET CURRENT ASSETS</b>					
			6,748,538		5,698,244
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS:</b>					
Amounts falling due after more than one year	16		(281,914)		(323,875)
			6,466,624		5,374,368
<b>TOTAL NET ASSETS</b>					
<b>FUNDS</b>					
Unrestricted funds - general	18		5,690,602		4,996,683
Unrestricted funds - designated	20		606,281		225,000
Restricted funds	19		169,741		152,685
			6,466,624		5,374,368

The financial statements were approved by the Trustees and authorised for issue on 28th October 2022



Mrs S Bhasin  
Hon Treasurer

The notes on pages 24-47 form part of these financial statements.

**Lepra**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31 MARCH 2022**

<b>Statement of cash flows</b>	2022	2021
	£	£
<b>Cash flows from operating activities:</b>		
<b>Net cash used in operating activities</b>	<u>442,655</u>	<u>890,038</u>
<b>Cash flows from investing activities:</b>		
Dividends and interest		
Proceeds from the sale of fixed assets	42,578	31,897
Purchase of fixed assets	107,109	5,269
Proceeds from the sale of investments	(454,227)	(248,753)
Purchase of investments	12,698	4,346
	-	-
Net cash used in investing activities	<u>(291,842)</u>	<u>(207,241)</u>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(41,961)	(20,226)
Net cash used in financing activities	<u>(41,961)</u>	<u>(20,226)</u>
Change in cash and cash equivalents	108,852	662,571
Opening cash and cash equivalents	2,313,916	1,663,723
Change in cash and cash equivalents due to exchange rate movements	39,454	(12,378)
<b>Cash and cash equivalents at 31 March</b>	<u>2,462,222</u>	<u>2,313,916</u>
Reconciliation of net income (expenditure) to net cash flow from operating activities:	2022	2021
	£	£
Net income (expenditure) for the period (as per SOFA)	1,052,802	1,227,880
Adjustments for:		
Depreciation charges	210,475	161,667
(Gains)/losses on investments	(52,661)	(115)
Dividends and interest	(42,578)	(31,897)
Loss/(profit) on sale of fixed assets	(93,168)	-
(Increase)/decrease in stocks	1,426	5,647
(Increase)/decrease in debtors	(334,278)	(403,220)
(Increase)/decrease in short term investments	(211,563)	(79,610)
Increase/(decrease) in creditors	(87,800)	9,686
<b>Net cash used in operating activities</b>	<u>442,655</u>	<u>890,038</u>

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES

## YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total 2021 £
<b>Income from:</b>									
Donations and legacies	6	2,573,446	45,161		2,618,607	2,173,745	64,750		2,238,495
Charitable activities	6		352,300		352,300	-	798,316		798,316
Investments	6	10,763			10,763	9,795	-		9,795
Other	6	14,797			14,797	137,736	-		137,736
		<u>2,599,006</u>	<u>397,461</u>	<u>-</u>	<u>2,996,467</u>	<u>2,321,276</u>	<u>863,066</u>	<u>-</u>	<u>3,184,342</u>
<b>Total income</b>									
<b>Expenditure on:</b>									
Raising funds	8	315,811			315,811	419,171			419,171
Charitable activities	8	1,726,251	397,319	18,719	2,142,289	1,001,644	893,418		1,895,062
		<u>2,042,062</u>	<u>397,319</u>	<u>18,719</u>	<u>2,458,100</u>	<u>1,420,815</u>	<u>893,418</u>	<u>-</u>	<u>2,314,233</u>
<b>Total expenditure</b>									
Net gains / (losses) on investments	12	9,546	-	-	9,546	115	-	-	115
		<u>566,490</u>	<u>142</u>	<u>(18,719)</u>	<u>547,913</u>	<u>900,576</u>	<u>(30,352)</u>	<u>-</u>	<u>870,224</u>
<b>Net income / (expenditure)</b>									
Transfers between funds	18	(400,000)	-	400,000	-	(225,000)	-	225,000	-
<b>Other recognised gains / (losses):</b>									
Gains (Losses) on foreign currency transactions		22,111	-	-	22,111	38,651			38,651
		<u>22,111</u>	<u>-</u>	<u>-</u>	<u>22,111</u>	<u>38,651</u>	<u>-</u>	<u>-</u>	<u>38,651</u>
<b>Total other gains / (losses)</b>									
		<u>188,601</u>	<u>142</u>	<u>381,281</u>	<u>570,024</u>	<u>714,227</u>	<u>(30,352)</u>	<u>225,000</u>	<u>908,8755</u>
<b>Net movement in funds</b>									
<b>Reconciliation of funds:</b>									
Total funds brought forward		3,296,063	49,013	225,000	3,570,076	2,581,837	79,365	-	2,661,202
<b>Total funds carried forward</b>		<u>3,484,664</u>	<u>49,155</u>	<u>606,281</u>	<u>4,140,100</u>	<u>3,296,063</u>	<u>49,013</u>	<u>225,000</u>	<u>3,570,076</u>

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

The notes on pages 24-47 form part of these financial statements

**Lepra****CHARITY BALANCE SHEET**  
Company registration number 00324748  
YEAR ENDED 31 MARCH 2022

		2022		2021	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		949,289		1,152,735
Investment Property	10		214,715		-
Intangible assets	11		50,089		72,483
Investments	12		44,019		34,473
			<hr/>		<hr/>
			1,258,112		1,259,691
<b>CURRENT ASSETS</b>					
Debtors	15	1,369,289		942,219	
Cash at bank and in hand		2,011,638		1,847,346	
		<hr/>		<hr/>	
		3,380,927		2,789,565	
<b>CREDITORS:</b>					
Amounts falling due within one year	16	(217,025)		(155,305)	
			<hr/>		<hr/>
<b>NET CURRENT ASSETS</b>			3,163,902		2,634,260
			<hr/>		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,422,014		3,893,951
			<hr/>		<hr/>
<b>CREDITORS:</b>					
Amounts falling due after more than one year	16		(281,914)		(323,875)
			<hr/>		<hr/>
<b>TOTAL NET ASSETS</b>			4,140,100		3,570,076
			<hr/> <hr/>		<hr/> <hr/>
<b>FUNDS</b>					
Unrestricted funds - general	18		3,484,664		3,296,063
Unrestricted funds - designated	20		606,281		225,000
Restricted funds	19		49,155		49,013
			<hr/>		<hr/>
			4,140,100		3,570,076
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Trustees and authorised for issue on 28 October 2022.



Mrs S Bhasin  
Hon Treasurer

The notes on pages 24-47 form part of these financial statements.

Lepra

## CHARITY CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2022

Statement of cash flows	2022	2021
<b>Cash flows from operating activities:</b>	£	£
<b>Net cash used in operating activities</b>	201,295	557,519
<b>Cash flows from investing activities:</b>		
Dividends and interest	10,763	9,795
Proceeds from the sale of fixed assets		-
Purchase of fixed assets	(27,916)	(56,763)
Proceeds from the sale of investments	-	-
<b>Net cash used in investing activities</b>	(17,153)	(46,968)
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(41,961)	(20,226)
<b>Net cash used in financing activities</b>	(41,961)	(20,226)
Change in cash and cash equivalents	142,181	490,325
Opening cash and cash equivalents	1,847,346	1,318,370
Change in cash and cash equivalents due to exchange rate movements	22,111	38,651
<b>Cash and cash equivalents at 31 March</b>	2,011,638	1,847,346
Reconciliation of net income (expenditure) to net cash flow from operating activities:	2022	2021
	£	£
Net income (expenditure) for the period (as per SOFA)	547,913	870,224
Adjustments for:		
Depreciation charges	78,163	52,827
(Gains)/losses on investments	(52,661)	(115)
Dividends and interest	(10,763)	(9,795)
Loss/(profit) on sale of fixed assets	3,993	-
(Increase)/decrease in debtors	(427,070)	(252,047)
Increase/(decrease) in creditors	61,720	(103,575)
<b>Net cash used in operating activities</b>	201,295	557,519

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2022

## 1 STATUS

The Company 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. The charity was incorporated in the United Kingdom, registered office is 28 Middleborough, Colchester, CO1 1TG. Charity number 213251. Company registration number 00324748.

## 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. During the financial year, the charity has continued to show the resilience of its unrestricted income streams, and whilst the current economic environment is becoming very challenging, we have significant cash and unrestricted reserves and our operations in the UK and in India and Bangladesh are sufficiently scalable to respond. The Trustees believe that over a 1-2 year timescale, release of cash reserves, our unrestricted fundraising donor base, our legacy pipeline and ability to scale back programming operations together provide 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 bid price values at the year end. The unquoted investments are recorded at the valuation determined 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 are considered immaterial and are taken straight to the unrestricted reserves rather than via a specific revaluation reserve.
- e) Property that is held for long-term rental or is being developed for future rental is classified as investment property. The fair value of the land and buildings is determined by a market-based appraisal undertaken by a professionally qualified valuer every three years and the next valuation will be undertaken in 2025. Changes in fair value are recognised in the Statement of Financial Activity. Assets are reviewed annually for any impairment in value.
- f) Income recognition - Income tax recoverable on gift-aided donations is calculated and accrued based upon income received during the financial year. Legacies are accounted for as income once the receipt of the legacy becomes probable and quantifiable and entitlement criteria are established. For pecuniary and residuary legacies this will generally be at the point probate is granted. Reversionary interests involving a life tenant and discretionary trusts are not recognised. Donations are reported on a receivable basis. Grants receivable where related to performance and specific deliverables, is accounted for as the Charity earns the right to consideration by its performance. Where Income is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued
- g) Resources expended are allocated to the particular activities 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. The activities and allocations included resources expended have been updated this year to better reflect how the charity now receives income and the work that we do. The figure for 2020/21 have been restated accordingly. Central costs are apportioned on a staff time basis as follows: Programmes 47.17%, Research 1.74%, Advocacy 10.65%, Education 10.87%, Leprosy Review 3.91% Database Fundraising 18.70%, Events 3.26% and Institutions & Trusts 3.70%



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2022

- h) 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 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%
	Furniture	10%
	Computer equipment	40%
	Intangible Assets	25%

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

- i) 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.
- j) 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.
- k) 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 the 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.
- l) Foreign currency balances have been converted at the exchange rate ruling at 31 March 2022 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 branch and 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.
- m) 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.
- n) Deferred income relates to income received during the financial year which has been restricted by the donor to be spent in a future accounting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

- o) Critical accounting estimates and areas of judgement— in the view of the trustees in applying the accounting policies adopted, an accounting estimate is applied to the legacy accrual (£1,270,566) as legacies are accrued based on grant of probate and the estimated future value to the charity. A accounting judgement is taken on whether the charity is entitled to grant income received in the year (£313,990).
- p) 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.
- q) 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.
- r) Stock is valued at the lower of cost or net realisable value.
- s) 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.
- t) Donated services and facilities relate to medical equipment provided to Lepra Society India and are valued at cost price.
- u) 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.

**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.

All financial statements are made up to 31 March 2022. 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 on consolidation 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

## 5 SUBSIDIARIES SUMMARY FINANCIAL STATEMENTS

## LEPRA SOCIETY OF INDIA

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

	2022		2021	
	£	£	£	£
Income:				
Grants from UK	819,790		529,027	
Other income	2,353,786		2,616,375	
		<u>3,173,576</u>		<u>3,145,402</u>
Expenditure:		(2,668,921)		(2,787,749)
Gains/(Losses) on foreign currency translation		<u>17,343</u>		<u>(51,029)</u>
Net movement in funds		521,998		306,624
Balance at 31 March 2021		1,804,292		1,497,668
Balance at 31 March 2022		<u><u>2,326,290</u></u>		<u><u>1,804,292</u></u>

## LEPRA INDIA BALANCE SHEET

	£	£	£	£
TANGIBLE FIXED ASSETS		1,176,739		892,689
Fixed Asset Investment		25,293		37,992
CURRENT ASSETS				
Investments	572,016		360,454	
Stock	20,825		22,251	
Debtors	127,294		208,754	
Cash at bank & in hand	450,350		466,568	
	<u>1,170,485</u>		<u>1,058,027</u>	
Creditors: Amounts falling due within one year	(28,912)		(167,324)	
SER Revolving Fund	<u>(17,315)</u>	1,124,258	<u>(17,092)</u>	873,611
		<u><u>2,326,290</u></u>		<u><u>1,804,292</u></u>
Restricted Fund		120,586		103,672
Capital Fund		2,205,704		1,700,620
		<u><u>2,326,290</u></u>		<u><u>1,804,292</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

## 6 ANALYSIS OF INCOME

<b>Consolidated</b>	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
<b>Donations and legacies</b>						
Community	95,507	-	95,507	31,240	-	31,240
Individual giving	1,635,296	-	1,635,296	1,574,221	250	1,574,471
Legacies	1,581,159	-	1,581,159	1,223,964	-	1,223,964
Events	5,651	-	5,651	55,244	16,000	71,244
Trusts & Corporate	126,430	45,161	171,591	143,377	48,500	191,877
					-	
	<u>3,444,043</u>	<u>45,161</u>	<u>3,489,204</u>	<u>3,028,046</u>	<u>64,750</u>	<u>3,092,796</u>
<b>Charitable activities</b>						
Programme funding	3,866	1,654,624	1,658,490	2,339	2,489,334	2,491,673
Leprosy Review funding	-	38,310	38,310	-	46,616	46,616
	<u>3,866</u>	<u>1,692,934</u>	<u>1,696,800</u>	<u>2,339</u>	<u>2,535,950</u>	<u>2,538,289</u>
<b>Other</b>						
Sale of fixed assets	107,108	-	107,108	-	-	-
Government Grants	-	-	-	135,116	-	135,116
Other income	13,816	-	13,816	1,485	-	1,485
Leprosy Review	981	-	981	1,135	-	1,135
	<u>121,905</u>	<u>-</u>	<u>121,905</u>	<u>137,736</u>	<u>-</u>	<u>137,736</u>
<b>Investments</b>	42,578	-	42,578	31,897	-	31,897
<b>Total income</b>	<u>3,612,392</u>	<u>1,738,095</u>	<u>5,350,487</u>	<u>3,200,018</u>	<u>2,600,700</u>	<u>5,800,718</u>

The Legacy Pipeline value that is included in the above figure as with currently accrue income based on the estates probate date is £1,270,566 (£809,404 -2021).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

## ANALYSIS OF INCOME

Charity	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<b>Donations and legacies</b>						
Community	95,507	-	95,507	31,240	-	31,240
Individual giving	764,699	-	764,699	719,920	250	720,170
Legacies	1,581,159	-	1,581,159	1,223,964	-	1,223,964
Events	5,651	-	5,651	55,244	16,000	71,244
Trusts & Corporate	126,430	45,161	171,591	143,377	48,500	191,877
	<u>2,573,446</u>	<u>45,161</u>	<u>2,618,607</u>	<u>2,173,745</u>	<u>64,750</u>	<u>2,238,495</u>
<b>Charitable activities</b>						
Programme funding	-	313,990	313,990	-	751,700	751,700
Leprosy Review funding	-	38,310	38,310	-	46,616	46,616
	<u>-</u>	<u>352,300</u>	<u>352,300</u>	<u>-</u>	<u>798,316</u>	<u>798,316</u>
<b>Other</b>						
Sale of fixed assets	-	-	-	-	-	-
Government Grants	-	-	-	135,116	-	135,116
Other income	13,816	-	13,816	1,485	-	1,485
Leprosy Review	981	-	981	1,135	-	1,135
	<u>14,797</u>	<u>-</u>	<u>14,797</u>	<u>137,736</u>	<u>-</u>	<u>137,736</u>
<b>Investments</b>	10,763	-	10,763	9,795	-	9,795
<b>Total income</b>	<u>2,599,006</u>	<u>397,461</u>	<u>2,996,467</u>	<u>2,321,276</u>	<u>863,066</u>	<u>3,184,342</u>

The Legacy Pipeline value that is included in the above figure is £1,270,566 (£809,404 -2021). Legacies are accrued only when probate has been granted.

**7 INVESTMENT INCOME****Consolidated**

Investment income comprises interest and dividends received in respect of:

	2022	2021
	£	£
Dividends from quoted UK investments	1,034	860
Dividends from unquoted UK investments	7,077	5,372
Interest on short term deposits	34,467	25,665
	<u>42,578</u>	<u>31,897</u>

**Charity**

Investment income comprises interest and dividends received in respect of:

	2022	2021
	£	£
Dividends from quoted UK investments	1,034	860
Dividends from unquoted UK investments	7,077	5,372
Interest on short term deposits	2,652	3,563
	<u>10,763</u>	<u>9,795</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

## 8 ANALYSIS OF EXPENDITURE

## Consolidated

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2022	Direct Costs	Support Costs	Allocation of Central Costs	Restated Total 2021
	£	£	£	£	£	£	£	£
Programmes	3,501,357	183,282	45,201	3,729,840	3,674,326	161,894	49,923	3,886,143
Research	12,238	13,872	1,666	27,776	9,889	10,935	1,237	22,062
Advocacy	45,588	14,704	10,206	70,498	32,298	11,193	13,410	56,901
Education	59,482	36,165	10,415	106,062	84,313	32,991	12,791	130,095
Leprosy Review	43,248	10,246	3,750	57,244	39,506	12,061	7,014	58,581
<b>Charitable Activities</b>	<b>3,661,913</b>	<b>258,269</b>	<b>71,238</b>	<b>3,991,420</b>	<b>3,840,334</b>	<b>229,074</b>	<b>84,375</b>	<b>4,153,782</b>
Database Fundraising	160,050	65,456	17,914	243,420	220,186	76,810	34,041	331,037
Events	8,198	15,081	3,124	26,403	12,718	17,012	7,014	36,744
Trust & Corporate	31,610	10,837	3,541	45,988	34,328	10,461	6,601	51,390
<b>Cost of Generating Funds</b>	<b>199,858</b>	<b>91,374</b>	<b>24,579</b>	<b>315,811</b>	<b>267,232</b>	<b>104,283</b>	<b>47,656</b>	<b>419,171</b>
<b>Total Expenditure</b>	<b>3,861,771</b>	<b>349,643</b>	<b>95,817</b>	<b>4,307,231</b>	<b>4,107,566</b>	<b>333,357</b>	<b>132,031</b>	<b>4,572,953</b>

The method of allocating of expenditure has been adjusted this year to better reflect the method in which we receive income. The prior year has been restated however the totals remain the same.

The above costs include a gain of £43,115 that was released on an investment property when it was recategorized from Fixed Assets to Investment property

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

Charity a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2022	Direct Costs	Support Costs	Allocation of Central Costs	Restated Total 2021
	£	£	£	£	£	£	£	£
Programmes	1,652,226	183,282	45,201	1,880,709	1,415,606	161,894	49,923	1,627,423
Research	12,238	13,872	1,666	27,776	9,889	10,935	1,237	22,062
Advocacy	45,588	14,704	10,206	,70,498	32,299	11,193	13,410	56,901
Education	59,482	36,165	10,415	106,062	84,313	32,991	12,791	130,095
Leprosy Review	43,248	10,246	3,750	57,244	39,506	12,061	7,014	58,581
<b>Charitable Activities</b>	<b>1,812,782</b>	<b>258,269</b>	<b>71,238</b>	<b>2,142,289</b>	<b>1,581,613</b>	<b>229,074</b>	<b>84,375</b>	<b>1,895,062</b>
Database Fundraising	160,050	65,456	17,914	243,420	220,186	76,810	34,041	331,037
Events	8,198	15,081	3,124	26,403	12,718	17,012	7,014	36,744
Institutions & Trusts	31,610	10,837	3,541	45,988	34,328	10,461	6,601	51,390
Cost of Generating Funds	199,858	91,374	24,579	315,811	267,232	104,283	47,656	419,171
<b>Total Expenditure</b>	<b>2,012,640</b>	<b>349,643</b>	<b>95,817</b>	<b>2,458,100</b>	<b>1,848,845</b>	<b>333,357</b>	<b>132,031</b>	<b>2,314,233</b>

The method of allocating of expenditure has been adjusted this year to better reflect the method in which we receive income. The prior year has been restated however the totals remain the same.

## 8 b) Analysis of central costs for apportionment

	Office Costs	Depreciation	Total 2022	Restated Total 2021
	£	£	£	£
Programmes	15,089	30,112	45,201	49,923
Research	556	1,110	1,666	1,237
Advocacy	3,407	6,799	10,206	13,410
Education	3,477	6,938	10,415	12,791
Leprosy Review	1,252	2,498	3,750	7,014
<b>Charitable Activities</b>	<b>23,781</b>	<b>47,457</b>	<b>71,238</b>	<b>84,375</b>
Database Fundraising	5,980	11,934	17,914	34,041
Events	1,043	2,081	3,124	7,014
Trust & Corporate	1,182	2,359	3,541	6,601
<b>Cost of Generating Funds</b>	<b>8,205</b>	<b>16,374</b>	<b>24,579</b>	<b>47,656</b>
<b>Total Expenditure</b>	<b>31,986</b>	<b>63,831</b>	<b>95,817</b>	<b>132,031</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

9 TANGIBLE FIXED ASSETS- CONSOLIDATED	Land and Premises Overseas £	Freehold Premises UK £	Motor Vehicles £	Office & Photo Equipment £	Computer Equipment £	Total £
<b>Cost</b>						
1 April 2021	627,429	1,500,000	549,395	1,428,205	38,844	4,143,873
Additions	201,908	-	88,629	155,332	2,400	448,269
Disposals	(25,277)	-	(10,592)	(108,979)	(9,388)	(154,235)
Reclassification to investment properties	-	(234,000)	-	-	-	(234,000)
31 March 2022	804,060	1,266,000	627,432	1,474,558	31,856	4,203,907
<b>Depreciation</b>						
1 April 2021	390,792	375,000	316,753	992,813	23,199	2,098,557
Charged for year	18,163	25,000	43,738	87,635	7,558	182,094
Released on disposal	(23,279)	-	(5,126)	(102,501)	(9,387)	(140,293)
Reclassification to investment properties	-	(62,400)	-	-	-	(62,400)
31 March 2022	385,676	337,600	355,365	977,947	21,370	2,077,958
<b>Net book values</b>						
1 April 2021	236,637	1,125,000	232,641	435,392	15,644	2,045,314
31 March 2022	418,384	928,400	272,067	496,611	10,487	2,125,949

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2022

<b>TANGIBLE FIXED ASSETS - CHARITY</b>	<b>Freehold Premises UK £</b>	<b>Motor Vehicles £</b>	<b>Office &amp; Photo Equip £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>					
1 April 2021	1,500,000	80,586	137,908	38,844	1,757,338
Additions	-	10,969	8,590	2,400	21,959
Disposals	-	-	(88,570)	(9,387)	(97,957)
Reclassification to investment properties	(234,000)	-	-	-	(234,000)
31 March 2022	1,266,000	91,555	57,928	31,857	1,447,340
<b>Depreciation</b>					
1 April 2021	375,000	78,962	127,442	23,199	604,603
Charged for year	25,000	12,563	4,691	7,558	49,812
Released on disposal	-	-	(84,577)	(9,387)	(93,964)
Reclassification to investment properties	(62,400)	-	-	-	(62,400)
31 March 2022	337,600	91,525	47,556	21,370	498,051
<b>Net book values</b>					
1 April 2021	1,125,000	1,624	10,466	15,645	1,152,735
31 March 2022	928,400	30	10,372	10,487	949,289

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

## 10 INVESTMENT PROPERTY ASSETS – Charity and Consolidated

	Consolidated 2022 Total £	Charity 2022 Total £
<b>Cost</b>		
1 April 2021	-	-
Reclassification from tangible fixed assets	214,715	214,715
Disposals	-	-
<b>31 March 2022</b>	214,715	214,715

As at 31 March 2022, group investment properties were held at the revalued amount £214,715. The revaluation was performed by Fenn Wrights using the fair value method.

## 11 INTANGIBLE FIXED ASSETS – SOFTWARE

	Consolidated 2022 £	Consolidated 2021 £	Charity 2022 £	Charity 2021 £
<b>Cost</b>				
1 April	175,867	114,373	173,581	112,797
Additions	5,957	61,494	5,957	60,784
Disposals	(64,996)	-	(64,996)	-
31 March	116,828	175,867	114,542	173,581
<b>Amortisation</b>				
1 April	103,275	80,699	101,098	79,305
Charged for year	28,381	22,576	28,351	21,793
Released on disposal	(64,996)		(64,996)	
31 March	66,660	103,275	64,453	101,098
<b>Net book values</b>				
1 April	72,592	33,674	72,483	33,492
31 March	50,168	72,592	50,089	72,483

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

**12 FIXED ASSET INVESTMENTS**

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
At Market Value :				
1 April 2021	72,464	76,695	34,473	34,358
Add : Additions	-	-	-	-
Less: Disposals in year	(12,698)	(4,346)	-	-
Net gains on revaluation	9,546	-	9,546	115
31 March 2022	69,312	72,464	44,019	34,473
Historical Cost at 31 March 2022	38,495	47,702	13,202	13,202
The Investments are distributed as follows:				
UK Quoted investments	22,788	18,358	22,788	18,358
LEPRA India Investments	25,293	37,991	-	-
Unquoted Investments	21,231	16,115	21,231	16,115
31 March 2022	69,312	72,464	44,019	34,473

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

## 13 ANALYSIS OF NET ASSETS

Consolidated	2021/2022					
	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Intangible Assets	Total
	£	£	£	£	£	£
Restricted Funds	-	-	169,741	-	-	169,741
Designated Funds	-	-	606,281	-	-	606,281
Unrestricted Funds	2,125,949	284,027	3,512,372	(281,914)	50,168	5,690,602
	2,125,949	284,027	4,288,394	(281,914)	50,168	6,466,624
Charity	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Intangible Assets	Total
	£	£	£	£	£	£
Restricted Funds	-	-	49,155	-	-	49,155
Designated Funds	-	-	606,281	-	-	606,281
Unrestricted Funds	949,289	258,734	2,508,466	(281,914)	50,089	3,484,664
	949,289	258,734	3,163,902	(281,914)	50,089	4,140,100

## ANALYSIS OF NET ASSETS

Consolidated	2020/2021					
	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Intangible Assets	Total
	£	£	£	£	£	£
Restricted Funds	-	-	152,685	-	-	152,685
Designated Funds	-	-	225,000	-	-	225,000
Unrestricted Funds	2,045,314	72,464	3,130,189	(323,875)	72,592	4,996,684
	2,045,314	72,464	3,507,874	(323,875)	72,592	5,374,369
Charity	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Intangible Assets	Total
	£	£	£	£	£	£
Restricted Funds	-	-	49,013	-	-	49,013
Designated Funds	-	-	225,000	-	-	225,000
Unrestricted Funds	1,152,735	34,473	2,360,247	(323,875)	72,483	3,296,063
	1,152,735	34,473	2,634,260	(323,875)	72,483	3,570,076

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR END 31 MARCH 2022

14 STOCKS	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Stock	20,825	22,251	-	-
	<u>20,825</u>	<u>22,251</u>	<u>-</u>	<u>-</u>

15 DEBTORS	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Debtors & Prepayments	160,528	258,763	33,234	50,009
Sundry debtors	21,670	11,510	21,670	11,510
Amounts owed by group companies	-	-	18,565	7,233
Accrued income	1,295,820	873,467	1,295,820	873,467
	<u>1,478,018</u>	<u>1,143,740</u>	<u>1,369,289</u>	<u>942,219</u>

All amounts included above are receivable within one year of the balance sheet date. Some of the amounts within Debtors above are financial instruments measured at present value.

16 CREDITORS	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Due within one year				
Bank loans due within one year	45,300	48,221	45,300	48,221
PAYE and other taxes	13,487	-	13,487	-
Accruals	131,943	33,585	131,943	33,585
Trade & Other Creditors	43,716	205,681	16,054	28,499
Deferred Income	10,241	45,000	10,241	45,000
	<u>244,687</u>	<u>332,487</u>	<u>217,025</u>	<u>155,305</u>

Some of the amounts within creditors above are financial instruments measured at present value. Included within Other Creditors is an amount of £4,278(2021: £5,108) relating to outstanding pension liabilities.

Deferred income includes funding received for projects which commenced on 1 April 2022, analysed as follows:

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Deferred income brought forward	45,000	50,000	45,000	50,000
Deferred in the year	10,241	45,000	10,241	45,000
Released in the year	(45,000)	(50,000)	(45,000)	(50,000)
Balance carried forward	<u>10,241</u>	<u>45,000</u>	<u>10,241</u>	<u>45,000</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR END 31 MARCH 2022

CREDITORS (Continued)	Consolidated		Charity	
	2022	2021	2022	2021
Due after one year	£	£	£	£
Bank loans due after 1 to 2 years	45,300	45,300	45,300	45,300
Bank loans due in 2 to 5 years	135,900	135,900	135,900	135,900
Bank loans due in great than 5 years	100,714	142,675	100,714	142,675
	<u>281,914</u>	<u>323,875</u>	<u>281,914</u>	<u>323,875</u>

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

## 17 OPERATING LEASE COMMITMENTS

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

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Leases expiring:				
Within one year	5,237	5,669	5,237	5,669
Between two and five years	1,398	7,304	1,398	7,304
After five years	-	-	-	-

Expenditure processed through the SOFA relating to the above lease was £6,338 for 2022 (2021 £4,154).

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR END 31 MARCH 2022

18 UNRESTRICTED FUNDS	2022	2021
	£	£
<b>Consolidated</b>		
1 April	4,996,683	4,007,834
Surplus /(Deficit) for the year	1,044,919	1,226,113
Realisation of investment revaluation gains (See note 2d)	9,546	115
Transfers between funds	(400,000)	(225,000)
Gain /(Loss) on foreign currency transactions	39,453	(12,379)
31 March	5,690,602	4,996,683
<b>Charity</b>		
1 April	3,296,063	2,581,837
Surplus /(Deficit) for the year	556,944	900,461
Realisation of investment revaluation gains (See note 2d)	9,546	115
Transfers between funds	(400,000)	(225,000)
Gain on foreign currency transactions	22,111	38,650
31 March	3,484,664	3,296,063
<b>19 RESTRICTED FUNDS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>LEPRA India</b>		
1 April 2021	103,672	71,670
Incoming Resources	1,340,634	1,737,633
	1,444,306	1,809,304
Resources Expended	(1,323,720)	(1,705,632)
31 March 2022	120,586	103,672
<b>Charity Restricted Funds</b>		
1 April 2021	49,013	79,365
Incoming Resources	397,461	863,066
	446,474	942,431
Resources Expended	(397,319)	(893,419)
Transfers between funds	-	-
31 March 2022	49,155	49,013
<b>Consolidated Total restricted funds</b>	<b>169,741</b>	<b>152,685</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2022

NOTE 19 RESTRICTED FUNDS (Continued)	Balance 1 April 2021	Incoming Resources	Expenditure	Transfers	Balance 31 March 2022
	£	£	£		£
<b>India</b>					
Lepra Society of India	89,281	1,256,794	(1,217,054)	(32,169)	96,852
ILEP in India	14,391	83,840	(106,666)	32,169	23,734
	<b>103,672</b>	<b>1,340,634</b>	<b>(1,323,720)</b>	-	<b>120,586</b>
<b>Charity</b>					
Funding Agencies - EU	-				-
Funding Agencies - BLF	-				-
Funding Agencies - DFID	-				-
Funding Agencies - TLM Canada (effect:hope)	-				-
Vodafone Foundation	2,746		(2,746)		-
Crown Agents Grants	16,176	(19,534)	(16,176)	19,534	-
ILEP India	-	228,303	(197,075)		31,228
ILEP Bangladesh	-	105,221	(105,221)		-
ILEP Mozambique	-				-
ILEP Leprosy Review	28,603	38,310	(48,986)		17,927
Margaret Mcewen Trust	-	400	(400)		-
Catriona Hargreaves	-	3,000	(3,000)		-
The Anne,Ciara and Niamh Copeland 200 Club Trust Fund	-	8,761	(8,761)		-
Robert Luff	-	8,000	(8,000)		-
Paver Foundation	-	5,000	(5,000)		-
Baillie Gifford	-	20,000	(20,000)		-
Other Donations	1,488		(1,488)		-
<b>Total Charity</b>	<b>49,013</b>	<b>397,461</b>	<b>(416,853)</b>	<b>19,534</b>	<b>49,155</b>
<b>Total consolidated</b>	<b>152,685</b>	<b>1,738,095</b>	<b>(1,740,573)</b>	<b>19,534</b>	<b>169,741</b>

Lepra

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

**NOTE 19 RESTRICTED FUNDS (Continued)**

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

**Mobilising Men's Health, Munger District, Bihar, India**- Vodafone Foundation

**Bangladesh -HSS Project** - TLM Canada (effect:hope)

**Mental Motivators, Bangladesh** - Baillie Gifford

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

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

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

**Emergency Flood Support, JAWAD in Odisha**, - Margaret Mcewen Trust

**Leprosy Outreach**-Catriona Hargreaves Charitable Trust

**Koraput Referral Centre and active case finding**- The Anne, Ciara and Niamh Copeland 200 Trust Fund

**Leprosy Related Disability Research Project**- Robert Luff Foundation Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

20 DESIGNATED FUNDS- GROUP & CHARITY	Balance 1 April 2021	Incoming Resources	Expenditure	Balance 31 March 2022
	£	£	£	£
Aspire Project	225,000	-	(18,719)	206,281
Joint Strategic Plan	-	400,000	-	400,000
	<u>225,000</u>	<u>400,000</u>	<u>(18,719)</u>	<u>606,281</u>
DESIGNATED FUNDS- GROUP & CHARITY	Balance 1 April 2020	Incoming Resources	Expenditure	Balance 31 March 2021
	£	£	£	£
Aspire Project	-	225,000	-	225,000
	<u>-</u>	<u>225,000</u>	<u>-</u>	<u>225,000</u>

**Aspire Project -Integrating skin NTDs into the diagnosis and management of prevalent skin diseases.** A 5-year collaboration project with effect hope. The funds will be spent over the lifetime of the project. Please refer to Trustee report for further information.

**Joint Strategic Plan (JSP)- Lepra's Board have designated funds in order to complete the JSP** -Lepra will work internationally across the leprosy spectrum from transmission, through disability prevention and medical rehabilitation (DPMR) and advocacy for 3 years from March 2021.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2022

21	GROSS CASH FLOWS	Consolidated	Consolidated	Charity	Charity
		2022	2021	2022	2021
		£	£	£	£
	<b>Returns on investments and servicing of finance</b>				
	Interest received	34,467	25,665	2,652	3,563
	UK Dividends received	8,111	6,232	8,111	6,232
	Interest paid	(4,867)	(3,189)	(4,867)	(3,189)
		<hr/>	<hr/>	<hr/>	<hr/>
		37,711	28,708	5,896	6,606
	<b>Capital expenditure and financial investment</b>				
	Payments to acquire tangible fixed assets	(454,225)	(248,753)	(27,916)	(68,007)
	Receipts from sales of tangible fixed assets	107,107	5,272	-	-
	Purchase of fixed asset investments	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		(347,118)	(243,481)	(27,916)	(68,007)
	<b>Financing:</b>				
	Cash repayment of long-term borrowings	(41,961)	(20,226)	(41,961)	(20,226)
		<hr/>	<hr/>	<hr/>	<hr/>
		(41,961)	(20,226)	(41,961)	(20,226)

22	ANALYSIS OF CHANGES IN NET DEBT	CONSOLIDATED			
		1 April 2021	Non-Cash Changes	Cashflow	31 March 2022
		£	£	£	£
	Cash in hand and at bank at 1 April	2,313,916	-	148,306	2,462,222
	Debt due < 1 year	(48,221)	(45,300)	48,221	(45,300)
	Debt due > 1 year	(323,875)	-	41,961	(281,914)
		<hr/>	<hr/>	<hr/>	<hr/>
	Balance at 31 March	1,941,820	(45,300)	238,488	2,135,008

	ANALYSIS OF CHANGES IN NET DEBT	CHARITY			
		1 April 2021	Non-Cash Changes	Cashflow	31 March 2022
		£	£	£	£
	Cash in hand and at bank at 1 April	1,847,346	-	164,292	2,011,638
	Debt due < 1 year	(48,221)	(45,300)	48,221	(45,300)
	Debt due > 1 year	(323,875)	-	41,961	(281,914)
		<hr/>	<hr/>	<hr/>	<hr/>
	Balance at 31 March	1,475,250	(45,300)	254,474	1,684,424

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2022

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

	Consolidated		
	1 April 2021	Movement	31 March 2022
	£	£	£
Deposits with banks	2,313,784	148,414	2,462,198
Cash	132	(108)	24
	2,313,916	148,306	2,462,222

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

	Charity		
	1 April 2021	Movement	31 March 2022
	£	£	£
Deposits with banks	1,847,214	164,400	2,011,614
Cash	132	(108)	24
	1,847,346	164,292	2,011,638

**24 EMPLOYEES**

The average head count of employees during the year was as follows:

	2022	2021
Head Office	15	19
Regional	0	12
Overseas	475	574
	490	605

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

**CONSOLIDATED Staff costs in respect of employees include:**

	2022	2021
	£	£
Wages and salaries	2,066,945	2,015,691
Social security costs	45,544	47,355
Pension costs	68,858	70,163
Other staff costs	10,754	5,313
	2,192,101	2,138,522

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

## Note 24 EMPLOYEES (Continued)

CHARITY staff costs in respect of employees include:

	2022	2021
	£	£
Wages and salaries	777,722	815,469
Social Security	45,544	47,355
Pensions costs	68,858	70,163
Other staff costs	10,754	5,313
	<u>902,878</u>	<u>938,300</u>

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

	2022	2021
£60K to £69K	1	-
£70K to £79K	-	-
£80K-£89K	-	<u>1</u>

The pension payments made to these higher paid employees amount to £5,333 (2021:£6,400).

The key management personnel of Lepra comprise the Trustees, Chief Executive, Director of Fundraising and Communications, Director of Resources and Director 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 and Head of Programmes in India. The employee remuneration of key management personnel for Lepra was £476,791 (2021 : £416,790), which included severance payments of £nil (2021: £nil). The Trustees received no remuneration for their services to the Organisation during the period (2021 £nil). During the period one (2021: no) Trustees incurred expenses of £705 for overseas travel, subsistence and training courses (2021: nil).

During 2022 there were £0 redundancy payments (2021-£14,992)

## 25 PENSION COMMITMENTS

LEPRA provides pension benefits for staff by 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 5-8% depending upon individual employment contracts. The scheme complies with Auto Enrolment legislation. As at 31 March 2022 there were 18 staff who were members of this scheme. The cost of contributions are calculated annually and charged to the income and expenditure account as they arise. The costs for 2022 were £68,858 (2021 £70,163).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

**26 COST OF AUDIT AND OTHER FINANCIAL SERVICES**

Amounts payable in respect of audit and other financial services were:	2022	2021
	£	£
Auditors remuneration in respect of current year	21,009	15,045
Auditors remuneration in respect of prior year	17,954	-
Auditors remuneration in respect of non-audit services	1,200	3,250
	40,163	18,295

**27 RELATED PARTIES**

Transactions with Lepra Society in India:	2022	2021
	£	£
Amounts paid to Lepra Society	819,790	529,027
People's Lepra Foundation	15,823	-
Year end debtor balance	18,565	7,233

During the year we have made a minor grant donation to the Stratford, London Rotary Club for work that they are doing in India for people suffering from Leprosy. One of our Trustees is a member of a separate Rotary Group which is not related to the Stratford Branch.

People's Lepra Foundation is an incorporated company that is an independent not for profit set up by Lepra Society in 2021 to generate resources for support of organisations supporting people affected by Leprosy and Lymphatic Filariasis. Lepra society have a 98% holding in the company and there are 2 independent Directors as dictated by Indian law.