



We will beat  
leprosy together

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# Report of the Trustees and Financial Statements for the Year Ended 31 March 2023

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**

At the beginning of this year, we were determined to regain momentum after two years of pandemic and lockdowns, which have had such a dramatic adverse effect on the care, treatment and support for people affected by leprosy and Lymphatic Filariasis (LF) around the world.

Health care services had been shut, and essential support systems were unavailable. The number of new reported cases of leprosy and LF dropped as a result, but the lower numbers were misleading. Many cases were not being diagnosed, rather than not happening.

We knew we had our work cut out for us – to reinitiate and reinvigorate our services and projects, to recapture the ground that had been lost, and to get back on the front foot in our work to address leprosy and LF in India and Bangladesh.

We aimed to emerge stronger from COVID-19, and we now look back with pride at what we achieved this year.

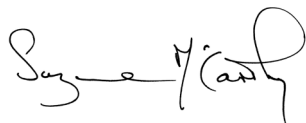
It has been a productive year for Lepra, in which we provided direct care, treatment and support for more than 26,000 people affected by leprosy and 10,000 affected by LF. We trained 13,000 front line health workers, distributed 20,000 pairs of protective sandals, and reached nearly 2.5 million people with health education related to the diseases.

Beyond the numbers, Lepra's staff mobilised together to help regain the post-pandemic momentum, and we are continually proud of their dedication and commitment to our cause. Through their efforts, we have also initiated new projects with our partners, including Effect:Hope (with the ASPIRE project in Bihar, India), Rotary International (with the physiotherapy and shoe technician training project in India), and the Sasakawa Health Foundation (with ongoing support to the Bogura Federation of people affected by leprosy in Bangladesh). We plan to build further on this work in the years ahead.

Another highlight of the year was the International Leprosy Congress (ILC) in Hyderabad, where the global leprosy community came together for the first time since pre-COVID to learn, share, reunite and reignite our collective efforts to control this disease. We were both privileged to attend and participate, and came away energised and focused, and with a clearer vision of what still needs to be done to address leprosy and LF globally.

While it is possible to regain momentum in one year, it takes multiple years to sustain and ensure progress. That is the spirit and commitment that we are confidently taking with us, into the new Lepra year.

In all of this, we continue to be in awe and full of gratitude for the support and backing of our many partners and supporters. We have all lived through a year of economic pressure and cost of living worries, and it is nothing short of remarkable that our donors have continued to dig deep and support our cause. This also gives us hope for the future and strengthens our resolve to continue to do all we can to realise a world free from prejudice and disability due to leprosy and LF.



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 2023.**

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 2019 (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**

Mrs S McCarthy (Chair)

Mrs S Bhasin

Ms K Bigmore

Ms N Bucci (resigned 7<sup>th</sup> March 2023)

Mr D Dhamija

Prof. R Hay

Mr M Khan (resigned 7<sup>th</sup> March 2023)

Prof. D Lockwood (retired 27<sup>th</sup> September 2022)

Mr N Patel

Mr N Raynaud

Mr S Sharma

Mr N Thapar (Resigned 16<sup>th</sup> May 2023)

Mr L Thomas

Dr S Walker (Appointed 27<sup>th</sup> September 2022)

Mrs K Crabtree

#### **Officers**

Chief Executive Officer:

Mr J Innes

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

#### **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**

Mrs S Bhasin (Chair)

Ms N Bucci (resigned 7<sup>th</sup> March 2023)

Mrs S McCarthy

Mr N Raynaud

Mr N Thapar (resigned 16<sup>th</sup> May 2023)

#### **Fundraising and Communications Sub-Committee**

Mr S Sharma (Chair)

Mrs S McCarthy

Mr N Patel

Mr N Thapar (resigned 16<sup>th</sup> May 2023)

Mr L Thomas

Mrs K Crabtree

#### **Technical Advisory Sub-Committee**

Mr R Hay (Chair)

Ms D Lockwood (co-opted member following retirement)

Mr S Walker

Ms M 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 the 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 terms of reference of the Sub-Committees were reviewed and updated during 2023. 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 annually since the current code was introduced 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. The Trustee Board attended a full day session in May 2023, where they reflected on their effectiveness and agreed an action plan focused on improvements.

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 changed in composition during the year as a result of resignations due to personal circumstances and upcoming retirements. All of the Trustees have been carefully selected and offer valuable experience, knowledge and insight from their field, as well as being passionate about our goals. During 2023/2024 the board is undertaking a skills and experience audit to ensure that a sufficiently diverse range of skills and perspectives exist to enable the board to be effective. 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. Where possible Trustees visit offices and engage 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 2022/23.

## OUR STRATEGY AND FUTURE PLANS

The year ahead is the last year of our current global strategy – the Joint Strategic Plan (JSP) – which guides our work across all countries and locations where we have programmes and operations.

The JSP was originally developed for three-years 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 disruption caused by the pandemic hampered delivery of the JSP targets, with many projects and services either on-hold or re-purposed to support the COVID-19 response. Our approach for the year ahead is to close out on the JSP as strongly as possible, working across its three strategic objectives of:

1. **Prevention, Treatment and Follow-up** for people affected by leprosy
2. **Supporting People Affected by Leprosy** with their Physical, Psychological, Social and Economic (PPSE) Needs
3. **Working to realise the Rights of People Affected by Leprosy** and Policy Level Engagement

As one global strategy nears its close, so another steps in to take its place and guide the organisation into its future. Work has already begun on the development of the new Global Strategy, and its refinement and finalisation will be a key priority in the year ahead.

Already we are seeing some useful strategic themes emerging for the next Global Strategy:

- We will be aligning the new strategy to the World Health Organization (WHO) global targets for elimination of leprosy and Lymphatic Filariasis (LF) by 2030. Whilst elimination of the two diseases is not on track, caused partly by the impact of the pandemic, we will be defining Lepra’s contribution to do all we can to accelerate progress towards elimination;
- We will be strategically considering both leprosy and LF together in our vision and goals, recognising both the due prominence of LF in our work, as well as giving opportunity for Lepra to work on an integrated approach to address both leprosy and LF in our interventions;
- We will be under-pinning the new Global Strategy with an organisational Theory of Change (ToC), which will define the impact we want to achieve in the world, as well as how we are going to go about it. This is an important step forwards for Lepra, and will be the first time we have developed a collective ToC.

And in all of this, the development of the new Global Strategy will be collaborative and participatory – including the inputs and engagement of all the people we work with and for – whether people affected by leprosy and LF, our staff, Trustees and various partners at all levels.

Another key theme for the year ahead is preparing for Lepra’s Centenary Year in 2024. It is a landmark moment in time for the organisation and we want to celebrate our rich and successful history of working on our cause, and use the year as a springboard for launching our new strategy which will define what we hope will be an equally rich and successful future.

All in all, our theme for the coming year is: Building for the Future. We will be closing out our current JSP; developing a robust new global strategy that gives us direction, ambition and expectation for the future; launching us into the future in our Centenary year; strengthening our UK team capacity; and laying the foundations to diversify and grow our income base to enable us to resource all of our future plans.

## FUNDRAISING PRACTICES STATEMENT

During 2022/2023 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 inbound 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 supporters. All staff are required to comply with our Ethical Fundraising policy.

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 strategic 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 strategic 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 2023/24 and beyond remains the reliance on unrestricted fundraising and legacies 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. In the light of the economic background to 2022/23, it was very pleasing that both legacy income (before restatement) and unrestricted income excluding legacies both increased in real terms.

### Ability to continue our operations in India

We are pleased to note that the registration of the Lepra Society under the Foreign Contributions (Regulation) Act 2020 in India was renewed for five years with effect from 1<sup>st</sup> October 2023 with the result that this risk is now very significantly reduced. This is in no small part due to significant efforts on the part of the India team to ensure compliance with the complex requirements of this legislation.

### 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 current JSP in general and our UK and overseas programmes teams specifically. Like much of the JSP, progress was restricted because of the travel restrictions imposed because of the pandemic. Despite improvements since then, Lepra remains short of where it needs to be and is investing in a range of projects during 2023/24 to achieve sustainable improvements which included a global monitoring and evaluation workshop held in Hyderabad in April 2023 and the engagement of a monitoring, evaluation and learning specialist.

### 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 have updated and improved our policies and processes during 2023 throughout our operations and expect our new policy, training and reporting framework to be live before the end of the financial year.

### 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 was held in Bangladesh in September 2022 and plans to improve internal audit and compliance processes across all operations are underway.

### **Operations in Bangladesh**

The resumption of travel to Bangladesh by UK staff has highlighted a number of programmatic, leadership and legal compliance issues in Bangladesh which have led to poorer outcomes for people affected by leprosy than should be the case, and to potential consequential damage to Lepra's reputation. The range of issues are sufficiently wide that a specific oversight Committee of Trustees and UK SMT members has been established, and new auditors and advisers have been appointed locally. The first issue, of ensuring that all tax liabilities are met and compliance issues resolved, is due to be completed by November 2023. At present, the provision against these tax liabilities of £96,275, which was established in 2021/22, is being retained.

### **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 areas of risk around legal compliance and fraud. This will help to identify areas where we need more assurance about control effectiveness across such risks. Whilst Lepra lacks the scale necessary for a dedicated internal audit function, we are developing a peer review process across all operations during 2023/24, 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 £400k 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 Joint Strategic Plan 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. The requirement for this designated reserve will be evaluated by the Trustees in March 2024, when the out-turn for 2023-24 will be evident and the funding needs of the new strategy have been established.

#### **Designation of unrestricted funds**

We designated £225k of unrestricted reserves to the ASPIRE project in 2020/21, 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 £151k.

Against this total UK Charity reserves requirement of £400k, the free reserves of the UK Charity were £1,155k. at 31st March 2023. The group free reserves were £2,405K the additional reserves held by Lepra Society equating to approximately 13 months' running costs, providing a contingency buffer against any difficulties experienced remitting funding from the UK to India.

## **GOING CONCERN**

The period from April 2022 – March 2023 was the first, full, post COVID-19, financial year. It is also a year of significant economic challenge to many people. However, our generation of unrestricted funding has remained robust. 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 equity 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 during 2022/2023 in Lepra or in any external programmes that we fund.

## **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 2023 was £5,385,090, an increase of £1,266,886 as compared with the previous year's adjusted income. Much of the increase is due to change in accounting policies around the recognition of legacy income. Aside from legacy income, unrestricted income increased by £336,945 year on year, with most of the increase in income coming from the eye hospital in India.

In the UK, unrestricted income excepting legacies reduced by £53k compared to the prior year, which was mostly due to reduced appeal income, reflecting both tough economic conditions and staff turnover.

Restricted income, at £1,678,090 was down 3.4% on the previous year, reflecting largely reduced income from restricted trusts and support for Leprosy Review from overseas agencies.

Despite the challenging economic circumstances that many of our donors face, we remain humbled by their continuing support and the generosity of their bequests.

Total expenditure from unrestricted funds increased by £529,917 compared to the previous year. This is largely the full year effect of the recovery of activities back to pre-pandemic levels.

Overall, a group surplus of £526,067 on unrestricted funds was achieved in the year, of which £149,313 was achieved in the UK charity. Group cash decreased by £158,127 due to the repayment of the mortgage secured on the charity's premises in Colchester, movements in exchange rates reducing the value of currency balances and the acquisition of medical equipment land and buildings in Lepra Society in India.

Group cash balances at year end were £2.3m and Group Funds were £5.72m.

## 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.

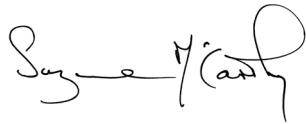
In so far as the Trustees are aware:

- 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 15<sup>th</sup> December 2023 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 large, stylized flourish at the end.

Lepra (Company no 324748)

# 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 2023 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Charity Statement of Financial Activities, 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 2023 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 charitable company's or 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. 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 grant and legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit, Finance & Risk Committee about their own identification and assessment of the risks of irregularities, performing sample testing on grant and legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, OSCR, 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

4th Floor

St James House

St James Square

Cheltenham, GL50 3PR

Date: 20 December 2023

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

## YEAR ENDED 31 MARCH 2023

Note	Unrestricted Funds	Restricted Funds	Designated Funds	Total	Unrestricted Restated Funds	Restricted Funds	Designated Funds	Total Restated 2022	
	£	£	£	£	£	£	£	£	
<b>Income from:</b>									
Donations and legacies	6	3,590,070	58,474	-	3,648,544	2,211,760	45,161	-	2,256,921
Charitable activities	6	2,265	1,619,565	-	1,621,830	3,866	1,692,934	-	1,696,800
Investments	6	91,451	-	-	91,451	42,578	-	-	42,578
Other	6	23,265	-	-	23,265	121,905	-	-	121,905
<b>Total income</b>		<b>3,707,051</b>	<b>1,678,039</b>	<b>-</b>	<b>5,385,090</b>	<b>2,380,109</b>	<b>1,738,095</b>	<b>-</b>	<b>4,118,204</b>
<b>Expenditure on:</b>									
Raising funds	8	377,000	-	-	377,000	315,811	-	-	315,811
Charitable activities	8	2,720,390	1,660,252	55,733	4,436,375	2,251,662	1,721,039	18,719	3,991,420
<b>Total expenditure</b>		<b>3,097,390</b>	<b>1,660,252</b>	<b>55,733</b>	<b>4,813,375</b>	<b>2,567,473</b>	<b>1,721,039</b>	<b>18,719</b>	<b>4,307,231</b>
Net gains / (losses) on investments	12	(1,601)	-	-	(1,601)	9,546	-	-	9,546
<b>Net income / (expenditure)</b>		<b>608,060</b>	<b>17,787</b>	<b>(55,733)</b>	<b>570,114</b>	<b>(177,818)</b>	<b>17,056</b>	<b>(18,719)</b>	<b>(179,481)</b>
<b>Transfers between funds</b>	18	-	-	-	-	(400,000)	-	400,000	-
<b>Other recognised gains / (losses):</b>									
(Losses)/Gains on foreign currency transactions		(81,993)	-	-	(81,993)	39,454	-	-	39,454
<b>Total other (Losses)/Gains</b>		<b>(81,993)</b>	<b>-</b>	<b>-</b>	<b>(81,993)</b>	<b>39,454</b>	<b>-</b>	<b>-</b>	<b>39,454</b>
<b>Net movement in funds</b>		<b>526,067</b>	<b>17,787</b>	<b>(55,733)</b>	<b>488,121</b>	<b>(538,364)</b>	<b>17,056</b>	<b>381,281</b>	<b>(140,027)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		4,458,319	169,741	606,281	5,234,341	4,996,683	152,685	225,000	5,374,368
<b>Total funds carried forward</b>		<b>4,984,386</b>	<b>187,528</b>	<b>550,548</b>	<b>5,722,462</b>	<b>4,458,319</b>	<b>169,741</b>	<b>606,281</b>	<b>5,234,341</b>

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

The notes on pages 24- 49 form part of these financial statements.

Company registration number:00324748

**CONSOLIDATED BALANCE SHEET**  
**Company registration number 00324748**  
**YEAR ENDED 31 MARCH 2023**

		<b>2023</b>		<b>Restated 2022</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible assets	9		2,266,525		2,125,949
Investment Property	10		214,715		214,715
Intangible assets	11		28,724		50,168
Investments	12		68,874		69,312
			2,578,838		2,460,144
<b>CURRENT ASSETS</b>					
Stocks	14	25,022		20,825	
Debtors	15	410,068		245,735	
Investments		626,144		572,016	
Cash at bank and in hand		2,304,095		2,462,222	
		3,365,329		3,300,798	
<b>CREDITORS:</b>					
Amounts falling due within one year	16	(221,705)		(244,687)	
			3,143,624		3,056,111
<b>NET CURRENT ASSETS</b>					
			3,143,624		3,056,111
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			5,722,462		5,516,255
<b>CREDITORS:</b>					
Amounts falling due after more than one year	16		-		(281,914)
			5,722,462		5,234,341
<b>TOTAL NET ASSETS</b>					
			5,722,462		5,234,341
<b>FUNDS</b>					
Unrestricted funds – general	18		4,984,386		4,458,319
Unrestricted funds – designated	20		550,548		606,281
Restricted funds	19		187,528		169,741
			5,722,462		5,234,341

The financial statements were approved by the Trustees and authorised for issue on 15<sup>th</sup> December 2023



Mrs S Bhasin, Hon Treasurer

The notes on pages 24-49 form part of these financial statements.

**Lepra**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31 MARCH 2023**

<b>Statement of cash flows</b>	<b>2023</b>	<b>2022 Restated</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
<b>Net cash used in operating activities</b>	<u>507,991</u>	<u>442,655</u>
<b>Cash flows from investing activities:</b>		
Dividends and interest	91,451	42,578
Proceeds from the sale of fixed assets	-	107,109
Purchase of fixed assets	(347,201)	(454,227)
Proceeds from the sale of investments	-	12,698
Purchase of investments	(1,161)	-
<b>Net cash used in investing activities</b>	<u>(256,911)</u>	<u>(291,842)</u>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(327,214)	(41,961)
<b>Net cash used in financing activities</b>	<u>(327,214)</u>	<u>(41,961)</u>
Change in cash and cash equivalents	(76,134)	108,852
Opening cash and cash equivalents	2,462,222	2,313,916
Change in cash and cash equivalents due to exchange rate movements	(81,993)	39,454
<b>Cash and cash equivalents at 31 March</b>	<u>2,304,095</u>	<u>2,462,222</u>
<b>Reconciliation of net income (expenditure) to net cash flow from operating activities:</b>		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net income (expenditure) for the period (as per SOFA)	570,114	(179,481)
Adjustments for:		
Depreciation charges	220,726	210,475
(Gains)/losses on investments	1,601	(52,661)
Dividends and interest	(91,451)	(42,578)
Loss/(profit) on sale of fixed assets	7,341	(93,168)
(Increase)/decrease in stocks	(4,197)	1,426
(Increase)/decrease in debtors	(164,333)	898,005
(Increase)/decrease in short term investments	(54,128)	(211,563)
Increase/(decrease) in creditors	22,318	(87,800)
<b>Net cash used in operating activities</b>	<u>507,991</u>	<u>442,655</u>

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total 2023 £	Unrestricted Restated Funds £	Restricted Funds £	Designated Funds	Total Restated 2022 £
<b>Income from:</b>									
Donations and legacies	6	2,329,375	58,474	-	2,387,849	1,341,164	45,161	-	1,386,325
Charitable activities	6	-	346,998	-	346,998	-	352,300	-	352,300
Investments	6	21,004	-	-	21,004	10,763	-	-	10,763
Other	6	23,265	-	-	23,265	14,797	-	-	14,797
		2,373,644	405,472	-	2,779,116	1,366,724	397,461	-	1,764,185
<b>Total income</b>									
<b>Expenditure on:</b>									
Raising funds	8	377,000	-	-	377,000	315,811	-	-	315,811
Charitable activities	8	1,845,730	408,061	55,733	2,309,524	1,726,251	397,319	18,719	2,142,289
		2,222,730	408,061	55,733	2,686,524	2,042,062	397,319	18,719	2,458,100
<b>Total expenditure</b>									
Net gains / (losses) on investments	12	(1,601)	-	-	(1,601)	9,546	-	-	9,546
		149,313	(2,589)	(55,733)	90,991	(665,792)	142	(18,719)	(684,369)
<b>Net income / (expenditure)</b>									
Transfers between funds	18	-	-	-	-	(400,000)	-	400,000	-
<b>Other recognised gains / (losses):</b>									
Gains (Losses) on foreign currency transactions		(31,164)	-	-	(31,164)	22,111	-	-	22,111
		(31,164)	-	-	(31,164)	22,111			22,111
<b>Total other gains / (losses)</b>									
		118,149	(2,589)	(55,733)	59,827	(1,043,681)	142	381,281	(662,258)
<b>Net movement in funds</b>									
<b>Reconciliation of funds:</b>									
Total funds brought forward		2,252,381	49,155	606,281	2,907,817	3,296,062	49,013	225,000	3,345,075
<b>Total funds carried forward</b>		<b>2,370,530</b>	<b>46,566</b>	<b>550,548</b>	<b>2,967,644</b>	<b>2,252,381</b>	<b>49,155</b>	<b>606,281</b>	<b>2,907,817</b>

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

The notes on pages 24-49 form part of these financial statements

Lepra

CHARITY BALANCE SHEET  
Company registration number 00324748  
YEAR ENDED 31 MARCH 2023

		2023		2022 Restated	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		929,106		949,289
Investment Property	10		214,715		214,715
Intangible assets	11		28,668		50,089
Investments	12		42,418		44,019
			1,214,907		1,258,112
<b>CURRENT ASSETS</b>					
Debtors	15	198,283		137,006	
Cash at bank and in hand		1,760,689		2,011,638	
		1,958,972		2,148,644	
<b>CREDITORS:</b>					
Amounts falling due within one year	16	(206,235)		(217,025)	
			1,752,737		1,931,619
<b>NET CURRENT ASSETS</b>					
			2,967,644		3,189,731
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS:</b>					
Amounts falling due after more than one year	16		-		(281,914)
			2,967,644		2,907,817
<b>TOTAL NET ASSETS</b>					
<b>FUNDS</b>					
Unrestricted funds - general	18		2,370,530		2,252,381
Unrestricted funds - designated	20		550,548		606,281
Restricted funds	19		46,566		49,155
			2,967,644		2,907,817
			2,967,644		2,907,817

The financial statements were approved by the Trustees and authorised for issue on 15<sup>th</sup> December 2023.



Mrs S Bhasin  
Hon Treasurer

The notes on pages 24-49 form part of these financial statements.

## CHARITY CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2023

Statement of cash flows	2023	2022 Restated
<b>Cash flows from operating activities:</b>	£	£
<b>Net cash used in operating activities</b>	102,937	201,295
<b>Cash flows from investing activities:</b>		
Dividends and interest	21,004	10,763
Proceeds from the sale of fixed assets	-	-
Purchase of fixed assets	(16,512)	(27,916)
Proceeds from the sale of investments	-	-
Purchase of Investments	-	-
<b>Net cash used in investing activities</b>	4,492	(17,153)
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(327,214)	(41,961)
<b>Net cash used in financing activities</b>	(327,214)	(41,961)
Change in cash and cash equivalents	(219,785)	142,181
Opening cash and cash equivalents	2,011,638	1,847,346
Change in cash and cash equivalents due to exchange rate movements	(31,164)	22,111
<b>Cash and cash equivalents at 31 March</b>	1,760,689	2,011,638
<b>Reconciliation of net income (expenditure) to net cash flow from operating activities:</b>	2023	2022
	£	£
Net income (expenditure) for the period (as per SOFA)	90,991	(684,369)
<b>Adjustments for:</b>		
Depreciation charges	58,116	78,163
(Gains)/losses on investments	1,601	(52,661)
Dividends and interest	(21,004)	(10,763)
Loss/(profit) on sale of fixed assets	-	3,993
(Increase)/decrease in debtors	(61,277)	805,212
Increase/(decrease) in creditors	34,510	61,720
<b>Net cash used in operating activities</b>	102,937	201,295

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 and group 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 challenging, we have significant cash and unrestricted reserves and our operations in the UK and in India and Bangladesh are sufficiently scalable to respond to unforeseen reductions in income. 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 and group has adequate resources to continue in operational existence for the foreseeable future. The charity and group 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) Income recognition - Income tax recoverable on gift-aided donations is calculated and accrued based upon income received during the financial year. The income recognition policy for legacies was adjusted at the beginning of 2023 and legacies are now recognised at the point that estate accounts have been received, or when an estimate of the distributable value has been received from the solicitors. As a result of this change in accounting policy the prior year results have been restated in the financial statements. Under this accounting policy, in the absence of payment, legacies are only accrued on receipt of finalised estate accounts or where it is judged that there is sufficient other evidence that the legacy can be reliably estimated. 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.

- f) 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 was updated last year to better reflect how the charity now receives income and the work that we do. Central costs are apportioned on a staff time basis as follows: Programmes 49.17%, Research 1.67%, Advocacy 11.04%, Education 10.42%, Leprosy Review 3.73% Database Fundraising 16.88%, Events 2.92% and Institutions & Trusts 4.17%.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2023

- g) 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 2024 to reflect changes in license to occupy footage. Changes in fair value are recognised in the Statement of Financial Activity. Assets are reviewed annually for any impairment in value.

- 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 2023. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

- 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.
- 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 (£95,016) as legacies are accrued based on estate accounts. An accounting judgement is taken on whether the charity is entitled to grant income received in the year (£336,393).
- 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 a particular purpose within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for specific 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 2023. 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 2023

## 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

	2023		2022	
	£	£	£	£
Income:				
Grants from UK	958,550		819,790	
Other income	2,605,974		2,354,021	
		<u>3,564,524</u>		<u>3,173,811</u>
Expenditure:				
(Losses)/gains on foreign currency translation		(3,085,401)		(2,668,921)
Net movement in funds		<u>(50,830)</u>		<u>17,343</u>
		428,293		522,233
Balance at 31 March 2022		2,326,525		1,804,292
Balance at 31 March 2023		<u><u>2,754,818</u></u>		<u><u>2,326,525</u></u>

## LEPRA INDIA BALANCE SHEET

	£	£	£	£
Tangible Fixed Assets		1,337,475		1,176,739
Fixed Asset Investment		26,456		25,293
Current Assets				
Investments	626,144		572,251	
Stock	25,022		20,825	
Debtors	211,785		127,294	
Cash at bank & in hand	543,406		450,350	
	<u>1,406,357</u>		<u>1,170,720</u>	
Creditors: Amounts falling due within one year	1,512		(28,912)	
SER Revolving Fund	<u>(16,982)</u>	1,390,887	<u>(17,315)</u>	1,124,493
		<u><u>2,754,818</u></u>		<u><u>2,326,525</u></u>
Restricted Fund		140,962		120,586
Capital Fund		2,613,856		2,205,939
		<u><u>2,754,818</u></u>		<u><u>2,326,525</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

## 6 ANALYSIS OF INCOME

Consolidated	Note	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total Restated 2022
		£	£	£	£	£	£
<b>Donations and legacies</b>							
Community		143,325	-	143,325	95,507	-	95,507
Individual giving		1,934,573	-	1,934,573	1,635,296	-	1,635,296
Legacies	27	1,390,241	-	1,390,241	348,876	-	348,876
Events		23,796	-	23,796	5,651	-	5,651
Trusts & Corporate		98,135	58,474	156,609	126,430	45,161	171,591
		<u>3,590,070</u>	<u>58,474</u>	<u>3,648,544</u>	<u>2,211,760</u>	<u>45,161</u>	<u>2,256,921</u>
<b>Charitable activities</b>							
Programme funding		2,265	1,586,254	1,588,519	3,866	1,654,624	1,658,490
Leprosy Review funding		-	33,311	33,311	-	38,310	38,310
		<u>2,265</u>	<u>1,619,565</u>	<u>1,621,830</u>	<u>3,866</u>	<u>1,692,934</u>	<u>1,696,800</u>
<b>Other</b>							
Sale of fixed assets		-	-	-	107,108	-	107,108
Government Grants		-	-	-	-	-	-
Other income		20,623	-	20,623	13,816	-	13,816
Leprosy Review		2,642	-	2,642	981	-	981
		<u>23,265</u>	<u>-</u>	<u>23,265</u>	<u>121,905</u>	<u>-</u>	<u>121,905</u>
<b>Investments</b>		<u>91,451</u>	<u>-</u>	<u>91,451</u>	<u>42,578</u>	<u>-</u>	<u>42,578</u>
<b>Total income</b>		<u><u>3,707,051</u></u>	<u><u>1,678,039</u></u>	<u><u>5,385,090</u></u>	<u><u>2,380,109</u></u>	<u><u>1,738,095</u></u>	<u><u>4,118,204</u></u>

The legacy income accrual reflected in the above figures is based on income outstanding for those estates where we have received approved estate accounts. The accrual at the 31st of March 2023 was £95,016 (£38,283 at 31st March 2022 restated). The income recognition policy for legacies was changed in 2022/23. The previous policy being to recognise income based upon receipts and estimates using probate values.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

## ANALYSIS OF INCOME

Charity	Note	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Restated Total 2022
		£	£	£	£	£	£
<b>Donations and legacies</b>							
Community		143,325	-	143,325	95,507	-	95,507
Individual giving		673,878	-	673,878	764,699	-	764,699
Legacies	27	1,390,241	-	1,390,241	348,877	-	348,877
Events		23,796	-	23,796	5,651	-	5,651
Trusts & Corporate		98,135	58,474	156,609	126,430	45,161	171,591
		<u>2,329,375</u>	<u>58,474</u>	<u>2,387,849</u>	<u>1,341,164</u>	<u>45,161</u>	<u>1,386,325</u>
<b>Charitable activities</b>							
Programme funding		-	313,687	313,687	-	313,990	313,990
Leprosy Review funding		-	33,311	33,311	-	38,310	38,310
		<u>-</u>	<u>346,998</u>	<u>346,998</u>	<u>-</u>	<u>352,300</u>	<u>352,300</u>
<b>Other</b>							
Sale of fixed assets		-	-	-	-	-	-
Government Grants		-	-	-	-	-	-
Other income		20,623	-	20,623	13,816	-	13,816
Leprosy Review		2,642	-	2,642	981	-	981
		<u>23,265</u>	<u>-</u>	<u>23,265</u>	<u>14,797</u>	<u>-</u>	<u>14,797</u>
<b>Investments</b>		21,004	-	21,004	10,763	-	10,763
<b>Total income</b>		<u>2,373,644</u>	<u>405,472</u>	<u>2,779,116</u>	<u>1,366,724</u>	<u>397,461</u>	<u>1,764,185</u>

The legacy income accrual reflected in the above figures is based on income outstanding for those estates where we have received approved estate accounts. The accrual on 31st March 2023 was £95,016 (£38,283 on 31st March 2022 restated). The income recognition policy for legacies was changed in 2022/23. The previous policy being to recognise income based upon receipts and estimates using probate values.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

## 7 INVESTMENT INCOME

**Consolidated**

Investment income comprises interest and dividends received in respect of:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Dividends from quoted UK investments	8,527	1,034
Dividends from unquoted UK investments	7,414	7,077
Interest on short term deposits	75,510	34,467
	<u>91,451</u>	<u>42,578</u>

**Charity**

Investment income comprises interest and dividends received in respect of:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Dividends from quoted UK investments	8,527	1,034
Dividends from unquoted UK investments	7,414	7,077
Interest on short term deposits	5,063	2,652
	<u>21,004</u>	<u>10,763</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

## 8 ANALYSIS OF EXPENDITURE

## Consolidated

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2023	Direct Costs	Support Costs	Allocation of Central Costs	Total 2022
	£	£	£	£	£	£	£	£
Programmes	3,874,603	206,346	59,004	4,139,953	3,501,357	183,282	45,201	3,729,840
Research	9,094	13,613	2,004	24,711	12,238	13,872	1,666	27,776
Advocacy	53,642	19,183	13,248	86,073	45,588	14,704	10,206	70,498
Education	68,032	40,214	12,504	120,750	59,482	36,165	10,415	106,062
Leprosy Review	48,232	12,180	4,476	64,888	43,248	10,246	3,750	57,244
<b>Charitable Activities</b>	<b>4,053,603</b>	<b>291,536</b>	<b>91,236</b>	<b>4,436,375</b>	<b>3,661,913</b>	<b>258,269</b>	<b>71,238</b>	<b>3,991,420</b>
Database Fundraising	192,558	74,575	20,255	287,388	160,050	65,456	17,914	243,420
Events	10,769	16,128	3,504	30,401	8,198	15,081	3,124	26,403
Trust & Corporate	41,606	12,601	5,004	59,211	31,610	10,837	3,541	45,988
<b>Cost of Generating Funds</b>	<b>244,933</b>	<b>103,304</b>	<b>28,763</b>	<b>377,000</b>	<b>199,858</b>	<b>91,374</b>	<b>24,579</b>	<b>315,811</b>
<b>Total Expenditure</b>	<b>4,298,536</b>	<b>394,840</b>	<b>119,999</b>	<b>4,813,375</b>	<b>3,861,771</b>	<b>349,643</b>	<b>95,817</b>	<b>4,307,231</b>

The method of allocating of expenditure was adjusted in 2021/2022 to better reflect the method in which we receive income.

The above costs for 2022 include a gain of £43,115 that was released on an investment property in 2022 when it was recategorized from Fixed Assets to Investment property.

Lepra

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

Charity

a) Activity	Direct Costs	Support Costs	Allocation of Central Costs	Total 2023	Direct Costs	Support Costs	Allocation of Central Costs	Total 2022
	£	£	£	£	£	£	£	£
Programmes	1,747,752	206,346	59,004	2,013,102	1,652,226	183,282	45,201	1,880,709
Research	9,094	13,613	2,004	24,711	12,238	13,872	1,666	27,776
Advocacy	53,642	19,183	13,248	86,073	45,588	14,704	10,206	70,498
Education	68,032	40,214	12,504	120,750	59,482	36,165	10,415	106,062
Leprosy Review	48,232	12,180	4,476	64,888	43,248	10,246	3,750	57,244
<b>Charitable Activities</b>	<b>1,926,752</b>	<b>291,536</b>	<b>91,236</b>	<b>2,309,524</b>	<b>1,812,782</b>	<b>258,269</b>	<b>71,238</b>	<b>2,142,289</b>
Database Fundraising	192,558	74,575	20,255	287,388	160,050	65,456	17,914	243,420
Events	10,769	16,128	3,504	30,401	8,198	15,081	3,124	26,403
Institutions & Trusts	41,606	12,601	5,004	59,211	31,610	10,837	3,541	45,988
Cost of Generating Funds	244,933	103,304	28,763	377,000	199,858	91,374	24,579	315,811
<b>Total Expenditure</b>	<b>2,171,685</b>	<b>394,840</b>	<b>119,999</b>	<b>2,686,524</b>	<b>2,012,640</b>	<b>349,643</b>	<b>95,817</b>	<b>2,458,100</b>

The method of allocating of expenditure was adjusted in 2021/2022 to better reflect the method in which we receive income.

The above costs for 2022 include a gain of £43,115 that was released on an investment property in 2022 when it was recategorized from Fixed Assets to Investment property.

8 b) Analysis of central costs for apportionment

	Office Costs	Depreciation	Total 2023	Total 2022
	£	£	£	£
Programmes	31,802	27,202	59,004	45,201
Research	1,080	924	2,004	1,666
Advocacy	7,140	6,108	13,248	10,206
Education	6,739	5,765	12,504	10,415
Leprosy Review	2,412	2,064	4,476	3,750
<b>Charitable Activities</b>	<b>49,173</b>	<b>42,063</b>	<b>91,236</b>	<b>71,238</b>
Database Fundraising	10,917	9,338	20,255	17,914
Events	1,889	1,615	3,504	3,124
Trust & Corporate	2,697	2,307	5,004	3,541
<b>Cost of Generating Funds</b>	<b>15,503</b>	<b>13,260</b>	<b>28,763</b>	<b>24,579</b>
<b>Total Expenditure</b>	<b>64,676</b>	<b>55,323</b>	<b>119,999</b>	<b>95,817</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

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 2022	804,060	1,266,000	627,432	1,474,558	31,857	4,203,907
Additions	86,651	-	107,076	146,121	4,413	344,261
Disposals	-	-	(26,761)	(9,188)	-	(35,949)
31 March 2023	890,711	1,266,000	707,747	1,611,491	36,270	4,512,219
<b>Depreciation</b>						
1 April 2022	385,676	337,600	355,365	977,947	21,370	2,077,958
Charged for year	26,847	20,320	40,957	101,887	6,331	196,342
Released on disposal	-	-	(20,486)	(8,120)	-	(28,606)
31 March 2023	412,523	357,920	375,836	1,071,714	27,701	2,245,694
<b>Net book values</b>						
1 April 2022	418,384	928,400	272,067	496,611	10,487	2,125,949
31 March 2023	478,188	908,080	331,911	539,777	8,569	2,266,525

A bank loan from Barclays bank plc was secured over the freehold premises held in the UK. This was paid back in July 2022. See note 16.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2023

<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 2022	1,266,000	91,555	57,928	31,857	1,447,340
Additions	-	3,599	5,560	4,413	13,572
31 March 2023	1,266,000	95,154	63,488	36,270	1,460,912
<b>Depreciation</b>					
1 April 2022	337,600	91,525	47,556	21,370	498,051
Charged for year	20,320	1,779	5,325	6,331	33,755
31 March 2023	357,920	93,304	52,881	27,701	531,806
<b>Net book values</b>					
1 April 2022	928,400	30	10,372	10,487	949,289
31 March 2023	908,080	1,850	10,607	8,569	929,106

A bank loan from Barclays bank plc was secured over the freehold premises held in the UK. This was paid back in July 2022. See note 16.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

## 10 INVESTMENT PROPERTY ASSETS – Charity and Consolidated

	Consolidated 2023 Total £	Charity 2023 Total £
<b>Valuation</b>		
1 April 2022	214,715	214,715
<b>31 March 2023</b>	214,715	214,715

A desktop review was completed in 2023 as a valuation was performed by Fenn Wrights in 2022 using the fair value method. The next valuation will be completed in 2024.

## 11 INTANGIBLE FIXED ASSETS – SOFTWARE

	Consolidated 2023 £	Consolidated 2022 £	Charity 2023 £	Charity 2022 £
<b>Cost</b>				
1 April	116,828	175,867	114,542	173,581
Additions	2,940	5,957	2,940	5,957
Disposals	-	(64,996)	-	(64,996)
31 March	119,768	116,828	117,482	114,542
<b>Amortisation</b>				
1 April	66,660	103,275	64,453	101,098
Charged for year	24,384	28,381	24,361	28,351
Released on disposal	-	(64,996)	-	(64,996)
31 March	91,044	66,660	88,814	64,453
<b>Net book values</b>				
1 April 2022	50,168	72,592	50,089	72,483
31 March 2023	28,724	50,168	28,668	50,089

**12 FIXED ASSET INVESTMENTS**

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
At Market Value:				
1 April 2022	69,312	72,464	44,019	34,473
Add: Additions	1,163	-	-	-
Less: Disposals in year	-	(12,698)	-	-
Net loss on revaluation	(1,601)	9,546	(1,601)	9,546
31 March 2023	68,874	69,312	42,418	44,019
Historical Cost at the 31 March 2023	39,658	38,495	13,202	13,202
The Investments are distributed as follows:				
UK Quoted investments	20,176	22,788	20,176	22,788
LEPRA India Investments	26,456	25,293	-	-
Unquoted Investments	22,242	21,231	22,242	21,231
31 March 2023	68,874	69,312	42,418	44,019

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 2023

## 13 ANALYSIS OF NET ASSETS

Consolidated	2022/2023					Total
	Tangible Fixed Assets	Intangible Assets	Net Current Assets	Long Term Liabilities	Investments	
	£	£	£	£	£	
Restricted Funds	-	-	187,528	-	-	187,528
Designated Funds	-	-	550,548	-	-	550,548
Unrestricted Funds	2,266,525	28,724	2,405,548	-	283,589	4,984,386
	2,266,525	28,724	3,143,624	-	283,589	5,722,462
Charity	Tangible Fixed Assets	Intangible Assets	Net Current Assets	Long Term Liabilities	Investments	Total
	£	£	£	£	£	£
Restricted Funds	-	-	46,566	-	-	46,566
Designated Funds	-	-	550,548	-	-	550,548
Unrestricted Funds	929,106	28,668	1,155,623	-	257,133	2,370,530
	929,106	28,668	1,752,737	-	257,133	2,967,644

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

ANALYSIS OF NET ASSETS

	Restated 2021/2022					
	Tangible Fixed Assets	Intangible Assets	Net Current Assets	Long Term Liabilities	Investments	Total
	£	£	£	£	£	£
Restricted Funds	-	-	169,741	-	-	169,741
Designated Funds	-	-	606,281	-	-	606,281
Unrestricted Funds	2,125,949	50,168	2,280,089	(281,914)	284,027	4,458,319
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,125,949	50,168	3,056,111	(281,914)	284,027	5,234,341
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Charity	Tangible Fixed Assets	Intangible Assets	Net Current Assets	Long Term Liabilities	Investments	Total
	£	£	£	£	£	£
Restricted Funds	-	-	49,155	-	-	49,155
Designated Funds	-	-	606,281	-	-	606,281
Unrestricted Funds	949,289	50,089	1,276,183	(281,914)	258,734	2,252,381
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	949,289	50,089	1,931,619	(281,914)	258,734	2,907,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR END 31 MARCH 2023

14	STOCKS	Consolidated		Charity	
		2023	2022	2023	2022
		£	£	£	£
	Stock	25,022	20,825	-	-
		<u>25,022</u>	<u>20,825</u>	<u>-</u>	<u>-</u>

15	DEBTORS	Consolidated		Charity	
		2023	Restated 2022	2023	Restated 2022
		£	£	£	£
	Debtors & Prepayments	282,493	160,528	34,171	33,234
	Sundry debtors	13,152	21,670	13,152	21,670
	Amounts owed by group companies	-	-	36,537	18,565
	Accrued income	114,423	63,537	114,423	63,537
		<u>410,068</u>	<u>245,735</u>	<u>198,283</u>	<u>137,006</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	
		2023	2022	2023	2022
		£	£	£	£
	Due within one year				
	Bank loans due within one year	-	45,300	-	45,300
	PAYE and other taxes	12,984	13,487	12,984	13,487
	Accruals	152,712	131,943	152,712	131,943
	Trade & Other Creditors	35,112	43,716	19,642	16,054
	Deferred Income	20,897	10,241	20,897	10,241
		<u>221,705</u>	<u>244,687</u>	<u>206,235</u>	<u>217,025</u>

Some of the amounts within creditors above are financial instruments measured at present value. Included within Other Creditors is an amount of £4,256 (2022: £4,278) relating to outstanding pension liabilities.

Deferred income includes funding received for projects which commenced on 1 April 2023, analysed as follows:

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Deferred income brought forward	10,241	45,000	10,241	45,000
Deferred in the year	20,897	10,241	20,897	10,241
Released in the year	(10,241)	(45,000)	(10,241)	(45,000)
Balance carried forward	<u>20,897</u>	<u>10,241</u>	<u>20,897</u>	<u>10,241</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR END 31 MARCH 2023

CREDITORS (Continued)	Consolidated		Charity	
	2023 £	2022 £	2023 £	2022 £
Due after one year				
Bank loans due after 1 to 2 years	-	45,300	-	45,300
Bank loans due in 2 to 5 years	-	135,900	-	135,900
Bank loans due in greater than 5 years	-	100,714	-	100,714
	-	281,914	-	281,914

The bank loan is secured over the charity's freehold property in the UK. The loan was repayable over 25 years (from 2004) and interest was charged at 1.23% above Barclays base rate. The Mortgage was repaid in July 2022.

## 17a OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to being paid over the following period:

	Consolidated		Charity	
	2023 £	2022 £	2023 £	2022 £
Leases expiring:				
Within one year	782	5,237	782	5,237
Between two and five years	-	1,398	-	1,398
After five years	-	-	-	-

Expenditure processed through the SOFA relating to the above lease was £5,089 for 2023 (2022 £3,372).

## 17b OPERATING LEASE INCOME

The following operating lease payments are committed to being received over the following period:

	Consolidated		Charity	
	2023 £	2022 £	2023 £	2022 £
Leases expiring:				
Within one year	24,528	18,900	24,528	18,900
Between two and five years	46,332	-	46,332	-
After five years	-	-	-	-

Income processed through the SOFA relating to the above lease was £20,475 for 2023 (2022 £11,920).



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR END 31 MARCH 2023

18	UNRESTRICTED FUNDS	2023	2022
		£	£
	<b>Consolidated</b>		
	1 April	4,458,319	4,996,683
	Surplus /(Deficit) for the year	609,661	(187,364)
	Realisation of investment revaluation gains (See note 2d)	(1,601)	9,546
	Transfers between funds	-	(400,000)
	(Loss)/ Gain on foreign currency transactions	(81,993)	39,453
	31 March	4,984,386	4,458,319
	<b>Charity</b>		
	1 April	2,252,381	3,296,063
	Surplus /(Deficit) for the year	150,914	(675,339)
	Realisation of investment revaluation gains (See note 2d)	(1,601)	9,546
	Transfers between funds	-	(400,000)
	(Loss)/Gain on foreign currency transactions	(31,164)	22,111
	31 March	2,370,530	2,252,381
	<b>19</b>	<b>2023</b>	<b>2022</b>
	<b>RESTRICTED FUNDS</b>	<b>£</b>	<b>£</b>
	<b>LEPRA India</b>		
	1 April 2022	120,586	103,672
	Incoming Resources	1,272,567	1,340,634
		1,393,153	1,444,306
	Resources Expended	(1,252,191)	(1,323,720)
	31 March 2023	140,962	120,586
	<b>Charity Restricted Funds</b>		
	1 April 2022	49,155	49,013
	Incoming Resources	405,472	397,461
		454,627	446,474
	Resources Expended	(408,061)	(397,319)
	Transfers between funds	-	-
	31 March 2023	46,566	49,155
	<b>Consolidated Total restricted funds</b>	187,528	169,741

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

NOTE 19 RESTRICTED FUNDS (Continued)	Balance 1 April 2022	Incoming Resources	Expenditure	Transfers	Balance 31 March 2023
	£	£	£		£
<b>India</b>					
Lepra Society of India	96,852	1,133,404	(1,215,205)	-	15,051
ILEP in India	23,734	139,163	(36,986)	-	125,911
	<b>120,586</b>	<b>1,272,567</b>	<b>(1,252,191)</b>	-	<b>140,962</b>
<b>Charity</b>					
ILEP India	31,228	140,726	(155,579)	-	16,375
ILEP Bangladesh	-	172,960	(152,296)	-	20,664
ILEP Leprosy Review	17,927	33,312	(48,237)	-	3,002
Margaret Mcewen Trust	-	300	(300)	-	-
St Lazarus Charitable Trust	-	15,174	(15,174)	-	-
The Anne,Ciara and Niamh Copeland 200 Club Trust Fund	-	6,000	(6,000)	-	-
Robert Luff	-	10,000	(8,071)	-	1,929
Bryan Guinness Charitable Trust	-	2,000	(2,000)	-	-
Baillie Gifford	-	20,000	(20,000)	-	-
Evan Cornish	-	5,000	(404)	-	4,596
<b>Total Charity</b>	<b>49,155</b>	<b>405,472</b>	<b>(408,061)</b>	-	<b>46,566</b>
<b>Total consolidated</b>	<b>169,741</b>	<b>1,678,039</b>	<b>(1,660,252)</b>	-	<b>187,528</b>

## Lepra

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

#### NOTE 19 RESTRICTED FUNDS (Continued)

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

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

**Andhra Pradesh Neglected Tropical Disease Resource Unit**- St Lazarus Charitable Trust

**Chai Project Moulvibazzar District, Bangladesh** - Supporting Tea Plantation worker to access health care and improve their quality of life - Baillie Gifford & Evan Cornish Trust

**ACF Programme & POD Service Swabhiman, Odisha**- Active Leprosy case finding and supporting individuals to access the care and support available to them- Bryan Guinness Charitable Trust

**Koraput Referral Unit, Odisha**- The Anne, Ciara and Niamh Copeland 200 Club Trust Fund

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

## NOTE 19 RESTRICTED FUNDS (Continued) 2021/22

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>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2023

20 DESIGNATED FUNDS- CONSOLIDATED	Balance 1 April 2022	Incoming Resources	Expenditure	Balance 31 March 2023
	£	£	£	£
Aspire Project	206,281	-	(55,733)	150,548
Joint Strategic Plan	400,000	-	-	400,000
	<u>606,281</u>	<u>-</u>	<u>(55,733)</u>	<u>550,548</u>
DESIGNATED FUNDS- CHARITY	Balance 1 April 2022	Incoming Resources	Expenditure	Balance 31 March 2023
	£	£	£	£
Aspire Project	206,281	-	(55,733)	150,548
Joint Strategic Plan	400,000	-	-	400,000
	<u>606,281</u>	<u>-</u>	<u>(55,733)</u>	<u>550,548</u>
DESIGNATED FUNDS- CONSOLIDATED	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- 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>

**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's Board have designated UK funds in order to complete the JSP – Lepra has been working internationally across the leprosy spectrum from transmission, through disability prevention and medical rehabilitation (DPMR) and advocacy for the duration of the JSP (2021-2024). The designation was to cover the additional costs of implementing the plan compared to the recurrent expenditure inherent in programme delivery. A significant deficit budget has been set for 2023-24, and the level of designated funds will be reviewed in the light of the act financial performance in 2023-24 and the proposed strategy for 2024-29 which will be developed during the second half of 2023.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

## 21 ANALYSIS OF CHANGES IN NET DEBT

	CONSOLIDATED			31 March 2023 £
	1 April 2022 £	Non-Cash Changes £	Cashflow £	
Cash in hand and at bank at 1 April	2,462,222	-	(158,127)	2,304,095
Debt due < 1 year	(45,300)	-	45,300	-
Debt due > 1 year	(281,914)	-	281,914	-
Balance at 31 March	2,135,008	-	169,087	2,304,095

## ANALYSIS OF CHANGES IN NET DEBT

	CHARITY			31 March 2023 £
	1 April 2022 £	Non-Cash Changes £	Cashflow £	
Cash in hand and at bank at 1 April	2,011,638	-	(250,949)	1,760,689
Debt due < 1 year	(45,300)	-	45,300	-
Debt due > 1 year	(281,914)	-	281,914	-
Balance at 31 March	1,684,424	-	76,265	1,760,689

## 22 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	Consolidated		
	1 April 2022 £	Movement £	31 March 2023 £
Deposits with banks	2,462,198	(158,127)	2,304,071
Cash	24	-	24
	2,462,222	(158,127)	2,304,095

## ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	Charity		
	1 April 2022 £	Movement £	31 March 2023 £
Deposits with banks	2,011,614	(250,949)	1,760,665
Cash	24	-	24
	2,011,638	(250,949)	1,760,689

**23 EMPLOYEES**

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

	<b>2023</b>	<b>2022</b>
Head Office	20	19
Regional	-	-
Overseas	403	475
	<u>423</u>	<u>494</u>

The full-time equivalent head count of employee during the year was as follows:

	<b>2023</b>	<b>2022</b>
Head Office	16	15
Regional	-	-
Overseas	403	475
	<u>419</u>	<u>490</u>

The above excludes volunteers who provide their services free of charge.

Staff costs in respect of employees during the year include:

<b>Consolidated</b>	<b>2023</b>	<b>2022</b>
Wages and salaries	2,020,711	2,066,945
Social security costs	56,144	45,544
Pension costs	46,056	68,858
Other staff costs	8,593	10,754
	<u>2,131,504</u>	<u>2,192,101</u>

Staff costs in respect of employees include:

<b>Charity</b>	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	903,236	777,722
Social Security	56,144	45,544
Pensions costs	46,056	68,858
Other staff costs	8,593	10,754
	<u>1,014,029</u>	<u>902,878</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## YEAR ENDED 31 MARCH 2023

## 23 EMPLOYEES (Continued)

The number of employees who received total emoluments in the following ranges was:	2023	2022
£60K to £69K	-	1
£70K to £79K	-	-
£80K-£89K	-	-
£90-99K	1	-

The pension payments made to these higher paid employees amounted to £8,597 (£32,286 in 2022 8% of which was contributed by the employer and the remainder was the individual's contribution).

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 £488,934 (2022 : £476,791), which includes £12,531 for compensation for loss of office (2022: £nil) and £12,531 for Pay in Lieu of Notice. The Trustees received no remuneration for their services to the Organisation during the period (2022 £nil). During the period three (2022: no) Trustees incurred expenses of £413 for travel, overseas travel, subsistence, and training courses (2022: £705).

During 2023 there were redundancy payments of £Nil (2022: £Nil).

## 24 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 2023 there were 16 staff (18 staff- 2022) 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 2023 were £46,056 (2022 £68,859).



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

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

Amounts payable in respect of audit and other financial services were:	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Auditors remuneration in respect of current year	21,600	21,009
Auditors remuneration in respect of prior year	29,789	17,954
Auditors remuneration in respect of non-audit services	1,080	1,200
	52,469	40,163

**26 RELATED PARTIES**

Transactions with Lepra Society in India:	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>Restated</b>
	<b>£</b>	<b>£</b>
Amounts paid to Lepra Society	958,550	819,790
People's Lepra Foundation	975	972
Year end debtor balance	36,537	18,565

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.

**27 RESTATEMENT OF LEGACY INCOME**

Lepra amended its income recognition policy for 2023 and are now recognising legacies at the point that estate accounts have been received, or when an estimate of the distributable value has been received from the solicitors. As a result of this change in accounting policy the prior year results have been restated in the financial statements.

	<b>2022</b>
	<b>Restated</b>
	<b>£</b>
Legacy Income 2022 prior to restatement	1,581,159
Legacy adjustment	(1,232,283)
Legacy Income 2022 after adjustment	348,876

The accrual at the 31st of March 2023 was £95,016 (£38,283 at 31st March 2022 restated). The restatement had no impact on cash.