Lepra

Report of the Trustees and Financial Statements

for the year ended 31 March 2016

Lepra (Limited by Guarantee)

REPORT OF THE TRUSTEES

The Trustees submit their report and the audited financial statements for the year ended 31 March 2016. The consolidated financial statements have been prepared under the accounting policies set out in Note 2 to the financial statements. These have been prepared in accordance with the special provisions of 445(3) of the Companies Act 2006 in regards to medium-sized companies, the Memorandum and Articles of Association and the Charities Statement of Recommended Practice 2015 (FRS 102).

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

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

PATRON		Her Majesty Queen Elizabeth II	
AMBASSADORS		Mrs V Hislop	
		Mr R Sharma	
CHAIRMAN		Mr C Bland	
TRUSTEES	γ	Prof M Adler CBE	
	‡	Ms A Anderson	(appointed May 2016)
		Mrs N Amin OBE	
	‡	Mr J Briant	
	γ	Ms F Duby OBE	
		Prof R Hay	(appointed May 2016)
	‡	Mr P Lloyd	(resigned May 2016)
		Prof D Lockwood	
		Mrs E Ollier	(appointed Feb 2016)
		Mr S Sharma	
		Mr S Thapar	
		Lt. Gen. V Tiwari	(app June 15 res May 16)
	γ	Ms R Whale	(resigned Sept 2016)
SECRETARY & CHIEF EXECUTIVE OFFICER		Ms S. Nancollas	

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

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

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

Governing Document

Lepra 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 and 15 May 2013.

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

REPORT OF THE TRUSTEES

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR ENDED 31 MARCH 2016

Public Benefit Statement

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

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

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

OBJECTIVES OF THE ORGANISATION

The 2015/16 financial year was the final year of our strategy in which our vision is for Lepra to be the partner of choice for those seeking to bridge the health gap for people in need. Within this vision we define our purpose as transforming lives of people affected by leprosy and other health conditions exacerbated by poverty and social discrimination.

In 2015/16 sixteen strategic performance targets were set across five key areas of organisational performance: Strategy and Governance, Programmes, Resources, The Organisation and Learning & Growth (see Table 1). As of the end of March 2016 ten of these targets were considered to have been met (green cells), four partially met (amber cells) and one not met (red cell).

Given a particularly challenging sector fundraising environment in 2015/16 the target to 'retain existing and grow new donors to increase active numbers by 15%' was not achieved. Linked to this, the implementation of a new fundraising strategy, including preparation for an India fundraising structure, was delayed.

Significant progress was made towards other key targets, such as the introduction of minimum, common, top level programme impact indicators and the introduction of a new risk register, but not at the pace or with the take up that originally envisaged.

Progress towards other targets, such as the identification of organisation advocacy priorities, necessarily had to await the completion and adoption of the new Lepra organisational Strategy, a target which received a great deal of attention over the course of the year and was successfully achieved by the end of March 2016.

Table 1: Lepra strategy performance indicators 2015-16 Situation at end March 2016

Vision and Purpose	**Vision: to be the partner of choice for those seeking to bridge the health gap for people in need Purpose: to transform the lives of people affected by disease, poverty and prejudice**			
Strategy and Governance arrangements	Development and adoption of organisational strategy 2016 - 2020	Review and improve governance and working relations with LEPRA Society	Risk register in regular use by the board ★	
Programme perspective: Meeting the needs of our beneficiaries	Combined leprosy and LF interventions promoted / scaled up in all Lepra's overseas programmes	Minimum, common, top level impact indicators and data collection mechanisms applied across all programmes ★	Advocacy priorities identified and developed as a key component of the new organisational strategy 2016-2020 ★	Greater engagement with and influence in relevant leprosy and NTD forums (NNN, ILEP, UK Coalition, APPG ...)
Resource perspective: Generation and management of resources to deliver the strategy	Retain existing and grow new donors to increase active numbers by 15%	Achieve departmental income and expenditure budgets	Meet the reserves and cash flow policies	
Organisational perspective: Ensuring the organisation has the tools to deliver the strategy	Implementation of fundraising strategy including preparation for India fundraising structure	Develop and implement appropriate recommendations following strategic systems review	Establishment of baselines for development of organisational KPI's	
Learning and growth perspective: Ensuring we have the skills and knowledge to deliver the strategy	Develop and demonstrate a people focus in Lepra's work, both beneficiary and donor	Carry out a management learning needs analysis and implement activities identified	Develop strategy for programme growth, identifying needs, gaps, impact and leverage of funds ★	

★ The amber designation on these indicators is related to timing rather than the fact that these targets will not be achieved. For the advocacy and programme objectives it was necessary to wait for the new strategy before these could be completed.

In this strategic period we have expanded our focus from a purely medical approach to a disease to focusing on the needs of the person whose life has been impacted by that disease. In practice this means that we have expanded our work to deal with the needs of a person living with the consequences of cured leprosy as well as trying to break down the stigma that exists in the community that prevents people coming forward for diagnosis.

Alongside this broadening of our approach we have narrowed our disease focus to strengthen our ability to deliver our core objectives. Therefore, we began to phase out work in HIV and child health activities.

Our strategies for achieving our vision and purpose are:

- driven by the needs of the communities in which we work
- working across a wide range of health activity including health education, diagnosis and treatment, prevention of and rehabilitation from disability, and enabling economic independence
- raising funds in the UK, in countries where Lepra works, and internationally
- working in health areas that build on our knowledge, skills and expertise empowering communities to ensure that their health related problems are addressed now and for the future
- developing, implementing and sharing evidence based sustainable models of excellence
- working directly, and in appropriate partnerships to give the greatest number of people access to lasting quality services

- raising awareness of health issues with the general public, organisations and governments and influencing national and international policies
- recognising that people in need can be marginalised and made vulnerable by their health status, lack of access to appropriate treatment, gender, disability, their community, geography or poverty
- recognising that women have a vital role to play in the overall health of society
- currently working in India and Bangladesh across a range of diseases such as leprosy, lymphatic filariasis, TB, malaria, and eye health, we are open to new opportunities that make best use of our skills and have a positive impact on the health of our target communities

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

In order for Lepra to monitor and work towards the best use of all available resources a set of Organisational Key Performance Indicators (KPIs) was developed as one of the three 'Organisation' targets for the year (see Table 1). Indicators were developed under five headings 'Financials', 'Funding', 'Staff', 'Communications' and 'Ratios'.

In the 31 March 2016 KPI report the number of discrete donors stood at 9,192, 64 legacies had been received (with 37 in the pipeline) and 11 out of 24 institutional funding bids had been approved, with a further 9 applications pending.

Staff turnover reported at the end of March 2016 stood at 19.92% and in new recruitment, on average, 2 to 3 appointable candidates per vacancy were being achieved.

In Communications, by the end of March the Lepra Website had received 116,298 unique visits, which generated an engagement, or 'bounce rate', of 64.17%. Media mentions at that time had risen to 140.

With respect to key ratios, UK overheads (central and support costs) accounted for 10.54% of all organisational expenditure in the March 2016 KPI Report. Programme expenditure (Direct Field + Field & UK Programme overheads) accounted for 65.92% of total organisational expenditure.

Finally and quite significantly, for a charity of Lepra's size, restricted programme funding accounted for just 40.20% of the overall programme funding for the period to March 2016. While this allows the organisation a high degree of freedom in deciding how funds are used, in the face of declining public donations it raises a challenge for the organisation, to pursue and secure new and replacement institutional donor funding.

Programme Summary

As foreseen in the last Trustees Report, strategic planning was a key objective and activity in 2015/16, with the development of a new, overarching strategic framework and the elaboration of organisation and country/state strategic plans under this 'umbrella'. The 2016 – 2020 strategy has been agreed by the board of trustees and implementation commenced in April 2016.

Programme activities continued at a similar level to 2015, with the exception of a large, new, 5 year, Big Lottery funded combined leprosy and LF Project in Bihar, India. Two smaller projects in Bangladesh – one focussing on leprosy education and diagnosis and the other on WASH and hygiene education – were successfully implemented, though they have not been rolled out to other areas of the country; partly due to funding but also due to the need for Lepra to focus on its particular areas of competence.

The combined leprosy and/LF interventions have spread, however, not only in India where this project approach was developed, but also to Bangladesh, where a new DFID funded project was approved in April 2015, and to Mozambique where Lepra is providing technical expertise alongside funding in a new three year integrated leprosy/LF project jointly implemented with Netherlands Leprosy Relief (NLR).

We measure our impact by determining the change on the health, social and economic status of the people that we work with. Across all our work we use 6 common impact indicators that allow us to compare the impact of our work across geographical and disease boundaries and evaluate the cost effectiveness of our interventions. Plans to reduce, standardise and simplify the core data collected by Lepra, as a base for improved impact measurement and better programme management, were implemented. A simplified core data survey, coupled with unique patient ID reference numbers and digital technology are generating better information about those with whom and for whom we work.

While project and programme funding continues to be a challenge, especially for India, we successfully secured two new, sizeable donor grants for Bangladesh – one from DFID for an integrated leprosy/LF intervention and the other from effect:hope for a second phase of the Health System Strengthening Project, both due to start in April 2016.

The development of an explicit Lepra advocacy strategy has necessarily awaited the formulation and approval of a joint strategic framework, together with LEPRA Society and the new Lepra Organisational Strategy, 2016-20. That said, we have continued to engage with and influence both national and international forums and networks over the course of the year.

Programme Activities

In 2015/16, Lepra's programmes directly reached 279,971 people with health and development interventions (India 178,562, Bangladesh 100,310 & Mozambique 1,099) and a further 2,376,344 with community health education (India 1,986,311, Bangladesh 372,443 & Mozambique 17,590).

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

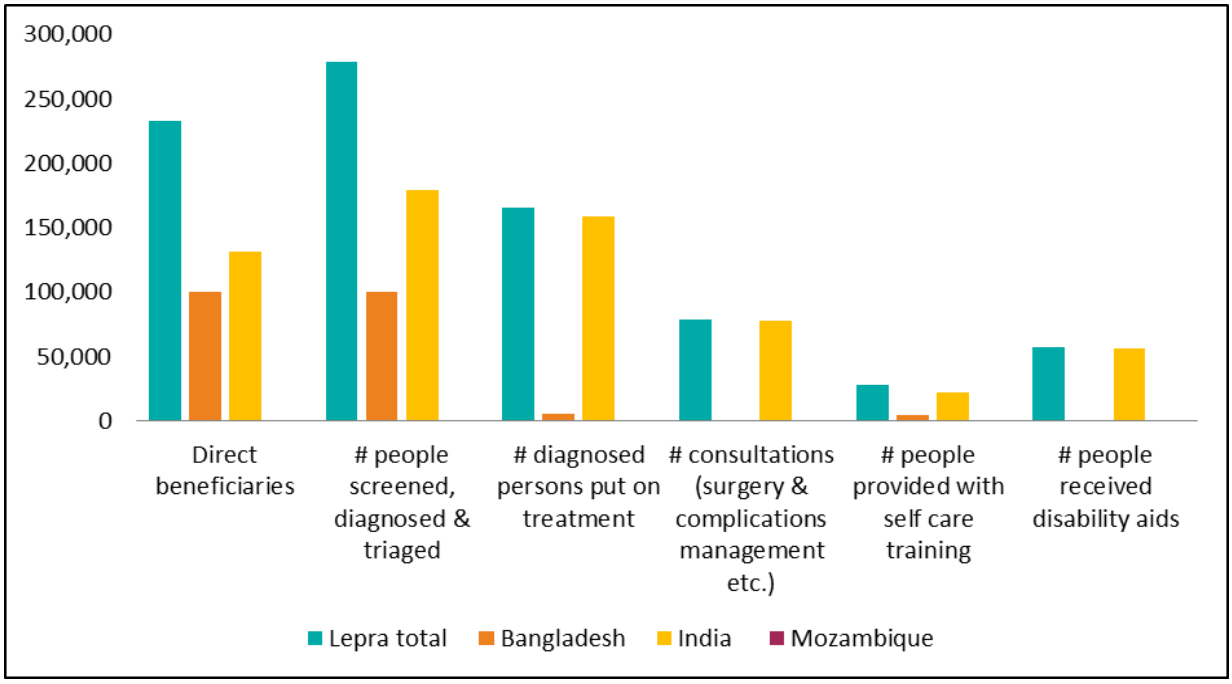
Disease – We improved the lives of over a quarter of a million people affected by neglected diseases such as leprosy and lymphatic filariasis including other diseases like TB, malaria and loss of vision by providing them with treatment and disability services and enabled 319,210 people to confirm their health status by providing diagnostic services within their villages, in mobile clinics and through our partners.

Poverty – We contributed to reduced poverty and improved standards of living for 3,200 people and their

families through socio-economic empowerment work.

Prejudice – We educated and raised awareness of 2,312,474 people on health issues (1,940,144 India, 355,718 Bangladesh & 16,612 Mozambique) to promote health seeking behaviour and to reduce prejudice towards those affected by disease, poverty and prejudice.

Chart 1: Direct beneficiaries by country and service



<u>Programmes perspective</u>
Responding to community need with quality health interventions

<u>Health education</u>

Health education is an important pillar of Lepra's work in India, Bangladesh and Mozambique. It functions not only to raise awareness of health issues and prompt health seeking behaviour, but also to reduce the prejudice that surrounds diseases like leprosy and lymphatic filariasis. In 2015/16 we directly reached 765,324 people with health education messages (392,994 India, 355,718 Bangladesh & 16,612 Mozambique); this through a variety of activities and channels, including exhibitions, talks, folk art, street theatre, posters, leaflets and public loud speaker announcements, as well as through school programmes.

In all three countries, different sections of society have been targeted with particular health messages, from local leaders and politicians to the public at large. Focussing health messages on school children has proved particularly effective, not only for enhancing knowledge, attitudes and practices of them and their peers, but also in their immediate families, where they tend to act as strong advocates for change.

One of the most important outcomes of health education is a reduction in both personal and community stigma, for those affected by disabling and disfiguring diseases. Reduced stigma and discrimination, in

turn, encourage those affected by leprosy, LF and other diseases to come forward for diagnosis, treatment and support.

Diagnosis and treatment

Through our disease 'themed' projects, we continued to diagnose, treat, care for and support people affected by leprosy, lymphatic filariasis, tuberculosis and a number of other related diseases and conditions.

Across all three countries 41,257 new leprosy, TB and HIV patients started treatment, compared with 33,106 in 2014-15 (a 25% increase). While for LF, in India the number of people screened and diagnosed with the disease in 2015-16 was 11,838, compared with 4,958 in 2014-15 (a 139% increase).

In Bangladesh, Lepra continued to support government level health facilities in the diagnosis and treatment of leprosy, including training government staff in basic disability care and leprosy case management. In Lepra's operating area, a total of 31,210 people accessed leprosy diagnostic services and 1523 of these went on to receive MDT treatment for the disease; this total represents 38% of the country's reported annual caseload.

Alongside the support for leprosy diagnosis and treatment, three district disability referral centres were in operation over the course of the year. While the aim of these centres was to provide comprehensive disability care and protective shoes for persons affected by leprosy, the shortage of physiotherapy staff and demand for disability care at district level has seen them inundated by patients with much broader disability needs – altogether 1,564 people benefited from access to the centres over the course of the year, with 80% of them reporting improved functional mobility as a result.

In tandem with our support of institution based health and disability care in Bangladesh we also worked with communities to help them increase their capacity to respond to their health and disability needs. Over the course of the year 4,514 people, drawn from self-help groups, were trained in home based leprosy self-care practices, reducing the impact of the disease on their day-to-day lives and reducing the proportion of their income spent on medical care.

In India, Lepra provided leprosy services through 26 referral centres spread across seven States, mostly in the centre and east of the country. Many of these centres are housed within government hospitals, thereby facilitating timely referrals and the priority treatment of those most in need. Such an approach is also in line with the policy of integrating the treatment and support for those affected by leprosy within mainstream healthcare. Over the course of the year 594 people benefited from the surgical correction of their hands, feet and eyes – restoring not only their functional abilities, but also their livelihood, dignity and social acceptance. Protective custom made footwear was freely distributed to a total of 23,245 people with Grade 1 & 2 disability, to help protect their anaesthetic feet from injury and ulcers.

TB control continues to be an important element of our programme work in both India and Bangladesh, especially in the latter country where leprosy and TB activities are closely aligned and coordinated at all levels, from community to national level.

Through Lepra's TB work in Bangladesh a total of 69,100 people were tested for the disease. Of this number 4,456 were found to be positive and started treatment. Overall, a 96% project cure rate was noted for the year, which is a small increase on last year (95%) and higher than the national figure (85%). Multi Drug Resistant (MDR) TB, however, is an increasing problem in Bangladesh. Over the course of 2015-16 Lepra alone diagnosed and treated 28 people with MDR TB. While this increase may be partly due to improved community outreach for case detection (an estimated 236,367 people were reached through various IEC methods) and rapid diagnosis using GeneXpert technology, MDR TB is generally understood to be on the increase around the world.

In India, Lepra's work on TB has primarily been focussed on the States of Odisha, Andhra Pradesh and Telengana. Altogether 14,324 TB suspects were referred for diagnosis and 2,873 were found to be TB positive, all of whom were subsequently put on Directly Observed Treatment Short Courses (DOTS).

Sustainable solutions

In both India and Bangladesh Lepra continues to invest in the training and development of health professionals. Over the course of the year 20,019 medical students, nurses, doctors, surgeons and 'grass roots' health workers in India were trained on the recognition and treatment of leprosy. Amongst the latter, health worker group, more than half these staff are women, trained to recognise not only leprosy, but also LF, TB, Malaria and cataracts and to refer people with one or more of these conditions to the nearest Lepra or government health facility.

In Bangladesh, training was primarily village focussed in 2015/16. A total of 1,638 community health workers and traditional village doctors were orientated on how to recognise the signs of leprosy and TB and where to refer people with potential symptoms of these diseases.

Given Lepra's focus on the whole, affected person, not simply the disease, community empowerment and poverty reduction initiatives are important component of our programmes in both India and Bangladesh. Such 'community development' projects, which aim to not only increase family incomes and standards of living but at the same time also reduce stigma and discrimination, are particularly well established in Bangladesh.

Over the course of the year, in Bangladesh Lepra supported a total of 2,719 people, in 255 self-help groups, with vocational training, small 'seed' grants and rights awareness. In 2016/17, Lepra intends to support these groups to form a district federation, so that the interests of group members may be taken up with local government and other development stakeholders.

As a result of these initiatives, in three project areas in Bangladesh (Natore, Pabna and Sirajgonj), both men's and women's wages have increased (though a significant wage differential between men and women remains) and there has been an increase, albeit small (6%), in the consumption of vegetables and pulses. Equally importantly, 66% of people living with disability believed that community discrimination directed towards them is declining; this is a 36% improvement when compared with the perception of this group at the start of the project, in 2013. Perhaps linked with enhanced community and individual perceptions, with respect to those living with disability, together with greater rights awareness amongst this group, 1027 project participants successfully claimed government grants and other benefits to which

they were legally entitled.

Another key strategy, promoting sustainable solutions for those affected by leprosy, is the support of government initiatives in both India and Bangladesh to mainstream the treatment and support for those affected by the disease within core government health services (rather than through separate dedicated facilities and services, as was the case in the past). In India, this approach has seen those affected by leprosy admitted to government hospitals for disability treatment – notably reconstructive surgery, while in Bangladesh Lepra has taken the lead in a national project, bringing together NGOs, an international research institution (icddr,b) and government (National Leprosy Elimination Programme - NLEP), with the aim of better integrating leprosy services within the national health programme.

As a result of the Bangladesh 'integration project', compared with 2015, there has been an increase in the number of suspected leprosy cases referred (14.9% - 19%) and treated (871 – 1,218 cases) by government staff, indicating increased responsibility for leprosy services. At the same time, overall there has been a 40% increase in people being tested for leprosy in the project areas (Panchagarh, Thakurgaon, Dinajpur, Lalmonirhat, Kurigram, Bogra, Sherpur, Mymensingh, Habiganj, Maulvibazar, Sylhet and Khulna) and a 35% increase in case detection. In addition, through this initiative, 3 Multi-Drug Therapy (MDT) centres which were previously working in isolation have now been integrated into the government health service and all 86 government health centres in the project areas continue to be properly supplied with MDT by NLEP.

Advocacy – influencing change in policy and practice

Lepra's advocacy, to influence change in policy and practice occurs at many different levels, from the very local, to the national and, ultimately, international level.

For simplicity, advocacy developments over the last year can be divided between overseas and UK driven initiatives. In both India and Bangladesh, advocacy was, for the most part, focussed at the local, rather than the national, level.

An important local achievement in 2015 was support provided to Samutthan State Leprosy Forum in Bihar, India to advocate with local government on the disbursement of pension payments to people affected by leprosy. For a relatively modest input of funds (c£ 6,000), hundreds of people affected by leprosy, across all 38 districts of Bihar, were helped in claiming their due entitlement.

In Bangladesh, through project activities 959 people were assisted to claim their right to state benefits and successfully accessed government grants and other support.

In India, in initiatives aimed at promoting access to quality services and combatting professional stigma, Lepra works closely with government to train personnel on Neglected Tropical Diseases (NTDs), disability care management and reconstructive surgery. In Bihar and Odisha, Lepra is also an active, if sometimes necessarily critical, participant in the governments Mass Drug Administration (MDA) Programme, to interrupt the transmission of LF.

Beyond government, Lepra is a member of the International Federation of Anti-Leprosy organisations

(ILEP). As such, the organisation has been appointed ILEP State Coordinator in four states in India (Odisha, Andhra Pradesh, Telangana and Madhya Pradesh), with the brief to coordinate the activities of all ILEP members operating in these states. That said, the coordination of ILEP members has proved challenging at both state and national level due to varied agenda's and priorities. These forums do however offer a real opportunity to influence the policy and practice of the national leprosy eradication programme. The same is true in Bangladesh.

With regard to profile, the work of Lepra in India figured in both national and international media over the course of the year. In September 2015 LEPRA Society secured Indian actor, writer and film producer, R. Madhavan as a goodwill Ambassador for the organisation. World Leprosy Day was marked in India by a public march in Hyderabad, as in previous years.

In Bangladesh, Lepra's work with self-help groups provides the foundation for the creation of sub-district and district level disability networks as forums for local, disability advocacy. Although the DFID funded disability work in Bangladesh comes to an end in September 2016, Lepra will continue to support the self-help groups that have been created, specifically with the creation of a federation of these groups to represent members at district level.

At a national level Lepra continues to play an important role through the leadership of the TB and Leprosy Coordination Committee (TLCC), the national forum where all leprosy (and TB) service providers are represented – 'people affected by leprosy' are represented through a sub-committee of this forum.

Finally, at the UK and international level, Lepra has been active in a number of forums over the past year. As a lead member of ILEP, Lepra played an important role in the development and roll out of the new 2015-2018 strategy: 'Achieving a World Free from Leprosy'. Lepra chairs the leprosy working group of the international NGDO NTD Network and staff attended the annual meeting in Abu Dhabi in September 2015, as well as various other inter-agency meetings in Geneva and the UK. These events provided the opportunity for us to showcase our work, generally around best-practice and our combined LF-leprosy self-care/disability approach in particular. At the national level, Lepra is a member of the UK Coalition on NTDs, as a mechanism for engaging with and influencing the UK All Party Parliamentary Group on Malaria and NTDs.

Learning and growth perspective

Over the course of the year, various studies and evaluations were conducted in both India and Bangladesh, primarily with a view to gauging the impact of our work and to inform future programme direction.

In India, the Blue Peter Public Health and Research Centre, near Hyderabad, continues to be a centre of excellence for scientific research on leprosy and TB, while at the same time providing diagnostic and treatment services for the states of Telangana, Andhra Pradesh and Sikkim. A review of the centre and its operations was conducted in May 2015 which affirmed the quality of the centre and its work, together with its contribution to the Lepra 'brand'. A need to link the research and clinical teams more closely was identified, together with the need to make core research more relevant to Lepra's mandate and the report recommendations are being implemented.

Resource perspective

On the basis of typical project data:

In India and Bangladesh it costs less than £3 to provide a self-care kit, containing cotton gauze, cotton wool and soap, to someone affected by leprosy or LF. Accompanied by training and support this simple input can allow them to manage and reduce disability and change their lives for the better.

In Bangladesh, a two-day training session for 10-15 self-help group members on livelihood skills, such as goat rearing or starting a plant nursery, costs around £8. Through this training and with support from Lepra people affected by leprosy can not only increase their livelihood security but also their status and acceptance by their local community.

In both cases, however, the benefits of Lepra's work – particularly in terms of reductions in stigma and discrimination – extend far beyond simple monetary measures of cost effectiveness.

PLANS FOR THE FUTURE

Organisational perspective

The new 2016-20 Lepra Strategy states that the organisation will work 'where there is a clear need, a gap in services, the ability to leverage funds, where we can use our resources effectively, and where it will strengthen our advocacy'. Geographically, for the period of the new Organisational Strategy, Lepra will work in Asia and Africa.

Driven by our new vision, 'to be a leader in reducing the incidence and impact of leprosy and other neglected diseases', Lepra has three organisational goals for the next five years. These can be summarised as 'Meeting the need', 'Learning from what we do' and 'Managing our resources to deliver maximum impact'. Under each of these goals are a number of outward and inward looking strategic objectives and for each of these annual targets have been determined.

The organisational targets for 2016/17, listed by goal can be summarised as follows:

Goal 1: Meeting the need

- We will prioritise and develop institutional proposals for active case finding;
- We will benchmark the reduction in poverty/increase in income of the new people we work with;
- All country programmes will have embedded project/programme cycle management;
- We will measure and benchmark our expenditure on the two core diseases – leprosy and LF;
- We will agree a Lepra wide advocacy strategy and start to implement it.

Goal 2: Learning from what we do

- All country programmes will have embedded project/programme cycle management (common with Goal 1);
- We will learn from our active case finding activities in Bangladesh;
- We will ensure we can measure progress against indicator 3.3 of the Sustainable Development

Goals;

- We will develop a plan to maximise the benefit of Leprosy Review;
- We will publish 4 peer reviewed field activity papers.

Goal 3: Managing our resources to deliver maximum impact

- We will recruit 3 new ambassadors;
- We will develop a new communications strategy;
- We will increase our income from Trusts to at least £150,000 and Corporate / High Value Donors to £200,000.

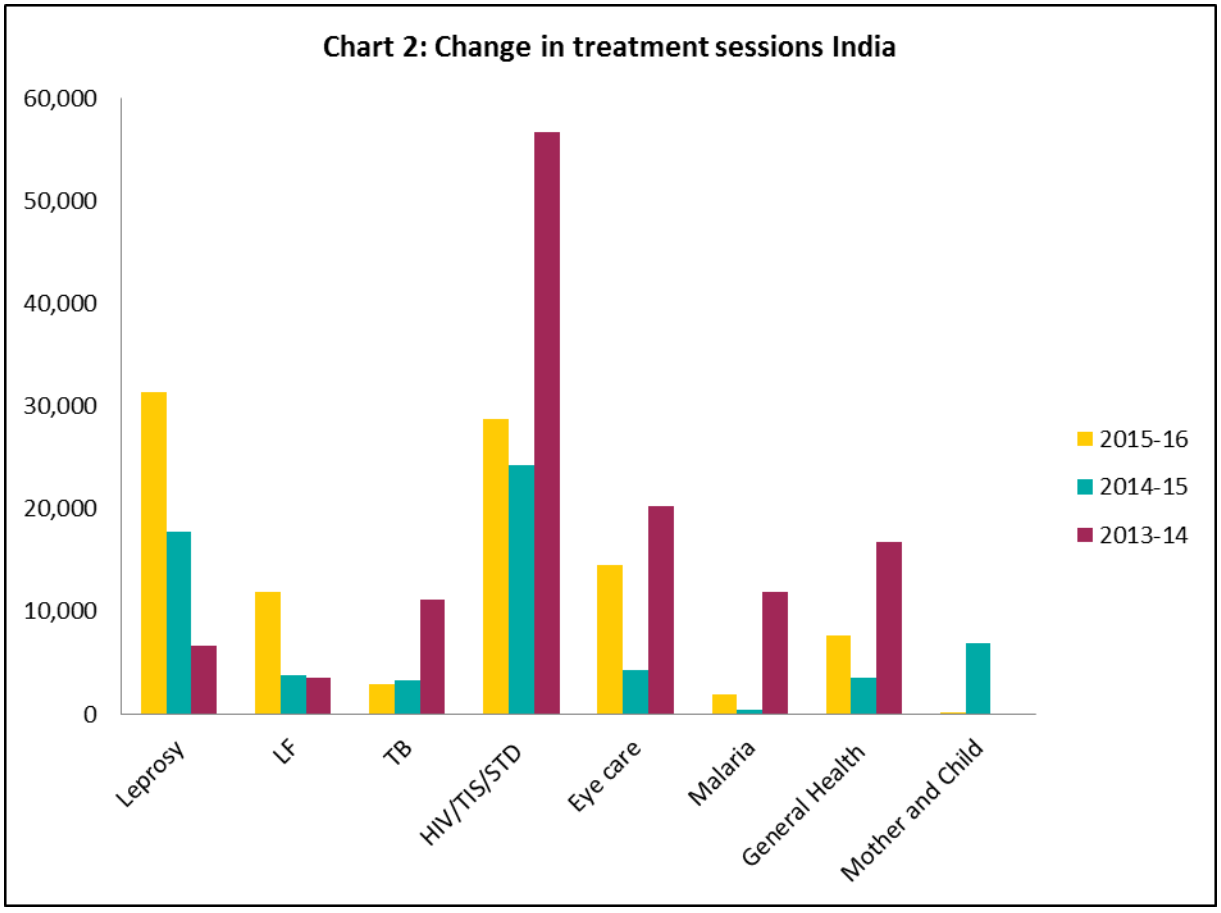
Programme Perspective

In 2016/17 the roll out and ownership of the new Joint, Organisation, Country & State Strategic Plans will be the priority, together with a concerted move towards Programme Project Cycle Management, where all activities have clearly defined objectives and timeframes.

Programme activities are expected to continue at 2015/16 levels, with the exception of two new Lepra funded combined leprosy and LF Projects in Odisha and AP, India and two new donor funded projects in Bangladesh – one introducing the combined leprosy and LF approach to Bangladesh and the other a community focussed extension of the Health System Strengthening Project. In both countries, the combined leprosy/LF interventions are likely to be replicated in other geographic areas over the coming years, as new priority interventions.

With these new initiatives Lepra hopes to reach 2,352,000 people in India in 2016/17 – 366,000 directly and 1,986,000 indirectly, through health education. In Bangladesh the target is 1,066,000 people – 129,000 directly and 937,000 indirectly, through health education. Finally, in Mozambique we expect our work with NLR to reach 2,000 people directly and another 16,500 indirectly, through health education.

The projected increase in the number of beneficiaries, especially direct beneficiaries, will largely be attributable to the new combined leprosy and LF projects in all three countries, while at the same time the organisation has decided to take a gradual approach to the phase out of non-priority diseases, such as HIV and eye care (Chart 2).



Plans to reduce, standardise and simplify our core data collection, as a base for improved impact measurement and better programme management are in train. Over the course of 2016/17 there is a target to acquire core data for an additional 12,000-15,000 beneficiaries across Lepra's countries of intervention; this will be a combination of new and existing beneficiaries.

The main challenge going forward will be to acquire data from community projects, rather than from established referral centres, where information collection has been easily accommodated in the patient registration process. The introduction of unique patient ID references will, over time, remove data errors resulting from the double counting of programme beneficiaries and allow people to be identified as individuals rather than simply as numbers.

Given the July 2016 'Leave' EU Referendum result, which follows a year of negative NGO publicity, British charities are facing an increasingly challenging fundraising environment. In the short term we will need to look to increasing contributions from institutional, corporate and 'high value' donors. In the medium to long term the organisation will look at ways to work more closely with like-minded organisations to achieve synergy and achieve a better result for the people we work with. The diminishing donor funding available for India poses a particular challenge for Lepra, especially as 60% of the total leprosy cases recorded each year are diagnosed in this country.

Building upon the joint project intervention in Mozambique with NLR, which started in April 2015, Lepra will continue to explore potential interventions in other, new countries, working in new ways with

likeminded organisations. As in Mozambique, ideally any collaboration would be based upon an input of technical expertise, as well as funding.

FINANCIAL REVIEW

FINANCE

	Year to March 2016 £	Year to March 2015 £	% Change
Income	5,941,504	4,972,842	19.48%
Expenditure	5,053,532	5,137,154	(1.63%)

The overall financial position of Lepra remains stable primarily through receipt of substantial legacy income in the year. This has enabled the Trustees to continue planning for the future by designating funds for specific purposes.

FUNDRAISING

	Year to March 2016 £	Year to March 2015 £	% change
Total income	5,941,504	4,972,842	19.48%
Restricted income	1,664,544	2,049,882	(18.80%)
Regional income	815,037	890,845	(8.51%)
Individual giving	1,131,435	1,109,216	2.00%
Legacy income	2,134,439	652,098	227.32%
Event income	43,547	37,689	15.54%
Trusts & Corporate Giving	135,216	263,528	(48.69%)

Total income for Lepra in the year ended 31 March 2016 was £5,941,504 which is an increase of £968,662 (19.48%) over the previous year.

The table above shows an 18.8 % reduction in restricted income; that is income provided for specific projects overseas. This is a result of less restricted income directly received in India (£345,696) together with USAid funding ending in Bangladesh.

Total voluntary income for Lepra in the year ended 31 March 2016 was £4,259,674, an increase of

£1,306,298, or 44%, primarily due to legacy income. However, the underlying trend reflects a reduction in individual giving and the accelerating decline of our ageing donor-base and traditional support.

As we began our planned fundraising and marketing drive for acquisition of new donors in 2015, the external environment proved a greater challenge than was anticipated. Unprecedented hostile media against the sector regarding some fundraising practices coincided with our investment in new and increased initiatives giving only modest results. Trust in charities is being recorded at an all-time low and Lepra has not been immune this.

However, staff restructure is providing more support for donor contact and retention along with improved return on our small challenge event programme. As predicted legacy income has provided stability offsetting pilot initiatives and a mid-review has refocussed efforts towards trust and corporate fundraising and major individual gifts, both areas of higher value but with a longer lead time.

Lepra follows best practice in all aspects of fundraising and has made the following promise to all donors:

"We value our relationship with you and your trust, and we therefore guarantee the following:

- We follow all Data Protection legislation and guidelines from the Institute of Fundraising and Fundraising Standards Board. We do not share any information with any third parties for contact or sales purposes.
- We will only contact you by the methods you have agreed and we take extra special care when communicating with vulnerable people.
- We will always tell you how your support is helping to change the lives of people fighting disease, poverty and prejudice."

INVESTMENT POLICY

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

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

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

RESERVES POLICY

During 2013/14, the Trustees reviewed the reserves policy. It was decided that the policy should be changed to specify that the free reserves of the Charity should be kept at a minimum level of £500,000 plus the annual budgeted amount for legacies. £500,000 represents the amount required to smooth income phasing during the year whilst holding the annual legacy budget in reserves removes the risk attached to this unpredictable area of income. This policy will be in force for a period of three years, the length of time needed to reduce Lepra's dependence on legacy income in the budget for any given year. The Trustees will continue to review the reserves policy annually beyond the three year period.

The free reserves of the Charity at 31 March 2016, which do not take account of funds designated by the Trustees, amount to £1,009,228 ((£342,762) at March 2015) and are in excess of the target. The Trustees confirm that they believe the level of reserves to be reasonable taking into account the potential fluctuations in future income.

GRANT MAKING POLICY

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

PRINCIPAL RISKS AND UNCERTAINTIES

RISK MANAGEMENT POLICY

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

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

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

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

strategic risks, both financial and operational, are identified on an ongoing basis and recorded in a risk register. Regular reviews ensure that the controls put into place continue to manage and mitigate the risks.

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

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

VALUES, VISION AND OBJECTIVES OF THE ORGANISATION

Lepra is values led, driven by the needs of the individual rather than limited to the treatment of a disease. With our values as our compass we will be agile and ambitious whilst responding to need.

Our values

In pursuit of our shared vision we will be:

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

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

Innovative and demonstrating bold leadership - at all levels;

Effective and efficient;

Collaborative - working together to achieve the benefits of synergy.

Our vision is to be a leader in reducing the incidence and impact of leprosy and other neglected diseases.

Driven by our focus on leprosy, **our purpose** is to enable children, women and men affected by neglected diseases to transform their lives and overcome poverty and prejudice.

Our goals during the next 5 years will be:

- Meeting the need through supporting children, women and men to transform their lives
- Learning from what we do to become a better informed and learning organisation
- Managing our resources to ensure we are able to deliver maximum impact

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

The board of trustees has delegated some of its activities to the Audit, Finance & Risk Sub-Committee and the Nominations Sub-Committee. The day to day running of the charity is delegated to the Chief Executive.

The board of trustees is responsible for setting the salary of the Chief Executive. Charities compete in the market place for staff and to attract and retain the right Chief Executive, with the right skills and experience, the salary needs to be commensurate with the complexity, responsibility and risk the role entails. All of the salaries of paid staff, including key management personnel, at Lepra are benchmarked and we aim always to pay on or just below the average rate of pay for any position. At the time this report was prepared the Chief Executive's salary was £75,276 which is 5.4% below the sector benchmark for similarly positioned charities. At present the relationship expressed as a multiple between our Chief Executive's pay to median pay in Lepra is 1:3.7.

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

Statement of trustees' responsibilities

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

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

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

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

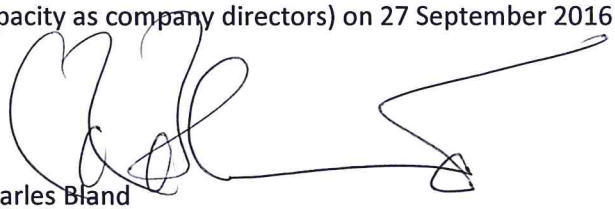
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

AUDITORS

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

The Trustees' Annual Report and Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 27 September 2016 and signed on its behalf by:



Charles Bland
Chairman

Lepra (Company No. 324748)

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

We have audited the financial statements of Lepra for the year ended 31 March 2016 which comprise the Group and Parent Statement of Financial Activities, the Group and Parent Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on page 16) the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 27 September 2016

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

Lepra

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds	Restricted Funds	Total 2016	Unrestricted Funds	Restricted Funds	Total 2015
		£	£	£	£	£	£
Income from:							
Donations and legacies	6	4,215,674	44,000	4,259,674	2,880,413	72,963	2,953,376
Charitable activities	6	-	1,620,544	1,620,544	-	1,976,919	1,976,919
Investments	6	49,861	-	49,861	44,499	-	44,499
Other	6	11,425	-	11,425	(1,952)	-	(1,952)
Total income		4,276,960	1,664,544	5,941,504	2,922,960	2,049,882	4,972,842
Expenditure on:							
Raising funds	8	892,745	-	892,745	834,157	-	834,157
Charitable activities	8	2,425,562	1,735,225	4,160,787	2,216,108	2,086,889	4,302,997
Total expenditure		3,318,307	1,735,225	5,053,532	3,050,265	2,086,889	5,137,154
Net gains / (losses) on investments	11	(284)	-	(284)	471	-	471
Net income / (expenditure)		958,369	(70,681)	887,688	(126,834)	(37,007)	(163,841)
Transfers between funds	18	(68,616)	68,616	-	-	-	-
Other recognised gains / (losses):							
Gains (Losses) on Foreign Currency Transactions		15,271	-	15,271	40,965	-	40,965
Revaluation of fixed assets		-	-	-	60,000	-	60,000
Total other gains / (losses)		15,271	-	15,271	100,965	-	100,965
Net movement in funds		905,024	(2,065)	902,959	(25,869)	(37,007)	(62,876)
Reconciliation of funds:							
Total funds brought forward		3,184,251	250,431	3,434,682	3,210,120	287,438	3,497,558
Total funds carried forward		4,089,275	248,366	4,337,641	3,184,251	250,431	3,434,682

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

The notes on pages 29 – 50 form part of these financial statements.

Lepra

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2016

		2016		2015	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		2,051,851		2,084,705
Intangible assets	10		457		2,313
Investments	11		264,780		225,838
			2,317,088		2,312,856
CURRENT ASSETS					
Debtors	14	1,442,861		420,581	
Stocks	13	29,159		29,286	
Investments		227,698		142,028	
Cash at bank and in hand		1,200,852		1,450,430	
		2,900,570		2,042,325	
CREDITORS:					
Amounts falling due within one year	15	(386,996)		(391,773)	
NET CURRENT ASSETS			2,513,574		1,650,552
TOTAL ASSETS LESS CURRENT LIABILITIES			4,830,662		3,963,408
CREDITORS:					
amounts falling due after more than one year	15		(493,021)		(528,726)
TOTAL NET ASSETS			4,337,641		3,434,682
FUNDS					
Unrestricted funds - general	17		3,203,582		1,885,821
Unrestricted funds - designated	19		885,693		1,298,430
Restricted funds	18		248,366		250,431
			4,337,641		3,434,682

The financial statements were approved by the Trustees and authorised for issue on 27 September 2016.

Mr J Briant
Hon Treasurer

The notes on pages 29 – 50 form part of these financial statements.

Lepra		
CONSOLIDATED CASH FLOW STATEMENT		
YEAR ENDED 31 MARCH 2016		
	£	£
	2015/16	2014/15
Cash flows from operating activities:		
Net cash used in operating activities	(156,235)	(219,481)
Cash flows from investing activities:		
Dividends and interest	49,861	44,499
Proceeds from the sale of fixed assets	40,185	25,633
Purchase of fixed assets	(123,729)	(231,349)
Proceeds from the sale of investments	46,445	-
Purchase of investments	(85,671)	(26,887)
Net cash used in investing activities	(72,909)	(188,104)
Cash flows from financing activities:		
Repayments of borrowing	(35,705)	(35,098)
Net cash used in financing activities	(35,705)	(35,098)
Change in cash and cash equivalents	(264,849)	(442,683)
Opening cash and cash equivalents	1,450,430	1,852,148
Change in cash and cash equivalents due to exchange rate movements	15,271	40,965
Cash and cash equivalents at 31 March	1,200,852	1,450,430
Reconciliation of net income (expenditure) to net cash flow from operating activities	£	£
	2015/16	2014/15
Net income (expenditure) for the period (as per SOFA)	887,688	(164,312)
Adjustments for:		
Depreciation charges	117,780	146,422
(Gains)/losses on investments	284	-
Dividends and interest	(49,861)	(44,499)
Loss/(profit) on sale of fixed assets	474	5,224
(Increase)/decrease in stocks	127	(2,332)
(Increase)/decrease in debtors	(1,022,280)	(128,754)
(Increase)/decrease in short term investments	(85,671)	(26,887)
Increase/(decrease) in creditors	(4,776)	(4,343)
Net cash used in operating activities	(156,235)	(219,481)

Lepra

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds	Restricted Funds	Total 2016	Unrestricted Funds	Restricted Funds	Total 2015
		£	£	£	£	£	£
Income from:							
Donations and legacies	6	3,853,011	44,000	3,897,011	2,595,612	72,963	2,668,575
Charitable activities	6	-	819,409	819,409	-	830,796	830,796
Investments	6	19,732	-	19,732	17,266	-	17,266
Other	6	11,899	-	11,899	3,272	-	3,272
Total income		3,884,642	863,409	4,748,051	2,616,150	903,759	3,519,909
Expenditure on:							
Raising funds	8	892,746	-	892,746	834,157	-	834,157
Charitable activities	8	2,160,566	920,930	3,081,496	1,928,718	908,721	2,837,439
Total expenditure		3,053,312	920,930	3,974,242	2,762,875	908,721	3,671,596
Net gains / (losses) on investments	11	(284)	-	(284)	471	-	471
Net income / (expenditure)		831,046	(57,521)	773,525	(146,254)	(4,962)	(151,216)
Transfers between funds	18	(68,616)	68,616	-	-	-	-
Other recognised gains / (losses):							
Gains (Losses) on Foreign Currency Transactions		15,835	-	15,835	272	-	272
Revaluation of fixed assets		-	-	-	60,000	-	60,000
Total other gains / (losses)		15,835	-	15,835	60,272	-	60,272
Net movement in funds		778,265	11,095	789,360	(85,982)	(4,962)	(90,944)
Reconciliation of funds:							
Total funds brought forward		2,268,140	87,523	2,355,663	2,354,122	92,485	2,446,607
Total funds carried forward		3,046,405	98,618	3,145,023	2,268,140	87,523	2,355,663

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

The notes on pages 29 – 50 form part of these financial statements

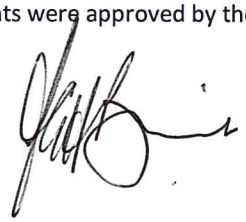
Lepra

CHARITY BALANCE SHEET

YEAR ENDED 31 MARCH 2016

	Note	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		1,357,016		1,388,320
Intangible assets	10		37		1,948
Investments	11		37,081		83,810
			1,394,134		1,474,078
CURRENT ASSETS					
Debtors	14	1,389,210		339,786	
Cash at bank and in hand		1,167,805		1,394,890	
		2,557,015		1,734,676	
CREDITORS:					
Amounts falling due within one year	15	(313,105)		(324,365)	
NET CURRENT ASSETS			2,243,910		1,410,311
TOTAL ASSETS LESS CURRENT LIABILITIES			3,638,044		2,884,389
CREDITORS:					
amounts falling due after more than one year	15		(493,021)		(528,726)
TOTAL NET ASSETS			3,145,023		2,355,663
FUNDS					
Unrestricted funds - general	17		2,160,712		969,710
Unrestricted funds - designated	19		885,693		1,298,430
Restricted funds	18		98,618		87,523
			3,145,023		2,355,663

The financial statements were approved by the Trustees and authorised for issue on 27 September 2016.



Mr J Briant
Hon Treasurer

The notes on pages 29 – 50 form part of these financial statements.

Lepra		
CHARITY CASH FLOW STATEMENT		
YEAR ENDED 31 MARCH 2016		
	£	£
	2016	2015
Cash flows from operating activities:		
Net cash used in operating activities	(281,119)	(239,034)
Cash flows from investing activities:		
Dividends and interest	19,732	17,266
Proceeds from the sale of fixed assets	21,644	-
Purchase of fixed assets	(13,917)	(73,531)
Proceeds from the sale of investments	46,445	-
Purchase of investments	-	(1,943)
Net cash used in investing activities	73,904	(58,208)
Cash flows from financing activities:		
Repayments of borrowing	(35,705)	(35,098)
Net cash used in financing activities	(35,705)	(35,098)
Change in cash and cash equivalents	(242,920)	(332,340)
Opening cash and cash equivalents	1,394,890	1,726,958
Change in cash and cash equivalents due to exchange rate movements	15,835	272
Cash and cash equivalents at 31 March	1,167,805	1,394,890
Reconciliation of net income (expenditure) to net cash flow from operating activities	£	£
	2016	2015
Net income (expenditure) for the period (as per SOFA)	773,525	(151,687)
Adjustments for:		
Depreciation charges	25,486	55,445
(Gains)/losses on investments	284	-
Dividends and interest	(19,732)	(17,266)
(Increase)/decrease in debtors	(1,049,422)	(115,262)
Increase/(decrease) in creditors	(11,260)	(10,264)
Net cash used in operating activities	(281,119)	(239,034)

1 STATUS

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

2 ACCOUNTING POLICIES

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

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. No adjustments have been made to comparative data other than the reclassification of governance costs to support costs. This has had £nil effect on net funds per the Statement of Financial Activities nor the Balance Sheet.

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

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

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

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

e) Income recognition - Income tax recoverable on gift aided, legacy and investment income is calculated on the income received up to the year end. Legacies are included in the accounts when the charity has established entitlement to the receipt, is certain of receiving it and the value of the legacy can be established with reasonable certainty. LEPRA has also been informed of legacies estimated at a total of £450,790 which have not been included in these financial statements as they do not reach the necessary recognition criteria. Donations, covenant, and grant income are included in the accounts in the year in which they are receivable, unless, under the terms of the grant, the income is restricted to a future accounting period.

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

Programmes 42.60%, Education 13.40%, Regional 10.00%, Individual Giving 9.60%, Events 7.60%, Trusts/Corporates 5.00%, Leprosy Review 4.00%, Training 3.20%, Governance 2.40%, Research 1.40%, Legacies 0.80%

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

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

Motor vehicles	25% per annum on cost
Office equipment	20% per annum on cost
Computer equipment	25% per annum on cost

Freehold property in the UK is not depreciated (see h) below)

LEPRA India	Leasehold	Over the life of the lease
	Freehold Buildings	10%
	Vehicles and equipment	15%
	Medical equipment	15%

Depreciation is provided for the full year on the written down value method, at the above rates as prescribed in the Indian Income Tax Act, 1961.

LEPRA Bangladesh	Furniture	15% per annum reducing balance
	Office equipment	20% per annum reducing balance
	Bicycle	20% per annum reducing balance
	Motor vehicles/cycles	20% per annum reducing balance

h) Freehold property at 28 Middleborough, Colchester CO1 1TG was purchased on 4 November 2004. This together with the contracted works has been fully recognised in the accounts. A revaluation, in line with the transitional provisions of FRS 102, was undertaken in November 2014 and the property is included at fair value of £1,250,000 in these accounts. Going forward, an annual impairment review is no longer required.

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

j) Other financial instruments

i. Cash and cash equivalents:

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

ii. Debtors and creditors:

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and

not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

k) Foreign currency balances have been converted at the exchange rate ruling at 31 March 2016. Transactions during the year are included at the average rate for the year in which the transaction occurred. With regard to the accounts of overseas subsidiary undertakings these are translated into sterling on the following basis:

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

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

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

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

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

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

p) Fund accounting
Funds held by the charity are:

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

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

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

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

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

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

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

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

3 2006 COMPANIES ACT

The prescribed profit and loss account formats required by Section 396 of the 2006 Companies Act have not been adhered to in disclosing the financial results of the Organisation for the year ended 31 March 2016. It is the opinion of the Trustees that strict adherence to these formats would be misleading to the membership of the Organisation, and prevent the financial statements from showing a true and fair view as required by Section 393 of the 2006 Companies Act. In all other respects the financial statements comply with the requirements of the Companies Act 2006.

4 BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Charity and its subsidiary undertakings for the year. Lepra (Society) India and Lepra Ireland are consolidated in these financial statements as subsidiaries.

Lepra (Society) India is considered to be a subsidiary, within the requirements outlined in SORP FRS102 section 24.16, because Lepra has the power to govern financial and operating policies as set out in specific clauses included within the Lepra (Society) India memorandum and, in the event of dissolution, remaining assets will be transferred to Lepra. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of Lepra and Lepra (Society) India are identical as detailed in the joint Lepra strategy 2016 – 2020, published in December 2015, and the objects of both organisations are closely matched within each respective memorandum and articles of association thus ensuring that Lepra (Society) India contributes to the aims and purposes of Lepra and benefits common beneficiaries.

All financial statements are made up to 31 March 2016. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

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, Beside Yellamma Temple, West Marredpally, Secunderabad 500-026, India.

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

LEPRA INDIA INCOME & EXPENDITURE ACCOUNT

	2016		2015	
	£	£	£	£
Income:				
Grants from UK	1,131,243		939,663	
Other Income	1,193,453		1,452,933	
		2,324,696		2,392,596
Expenditure:		(2,210,534)		(2,405,221)
Gains/(Losses) on Foreign Currency Translation		(564)		40,231
Net movement in funds		113,598		27,606
Balance at 31 March 2015		1,082,725		1,055,119
Balance at 31 March 2016		1,196,323		1,082,725

LEPRA INDIA BALANCE SHEET

	£	£	£	£
TANGIBLE FIXED ASSETS		695,255		696,749
CURRENT ASSETS				
Investments	227,698		142,028	
Stock	29,158		29,286	
Debtors	71,251		84,502	
Cash at bank & in hand	260,746		197,567	
	588,853		453,383	
Creditors: Amounts falling due within one year	(63,333)		(42,372)	
SER Revolving Fund	(24,452)	501,068	(25,035)	385,976
		1,196,323		1,082,725
Restricted Fund		149,748		162,908
Capital Fund		1,046,575		919,817
		1,196,323		1,082,725

LEPRA IRELAND

Lepra Ireland is a Private Company Limited by Guarantee (Number 359805) without a share capital, it is also a registered as a charity in Ireland. The registered office is Embassy House, Herbert Park Lane, Ballsbridge, Dublin 4. Its purpose is to raise funds for the benefit of the programmes which Lepra supports. It is a wholly owned subsidiary of Lepra, with the Trustees being the subscribing members to the organisation. The current directors are Ms D. Carr , Mr T Swaine and Mr P Watson.

LEPRA IRELAND PROFIT AND LOSS ACCOUNT

	2016		2015	
	£	£	£	£
Income:				
Individual Giving	-		-	
Trusts	-		-	
Income from Charitable Activities	-		-	
		-		-
Expenditure:				
Individual Giving	-		-	
Education	-		-	
Programme Expenditure	-		-	
Governance	-		-	
Expenditure:		-		-
Gains/(Losses) on Foreign Currency Translation		-		-
Net movement in funds		-		-
Balance at 31 March 2015		-		-
Balance at 31 March 2016		-		-

LEPRA IRELAND BALANCE SHEET

	2016	2015
	£	£
CURRENT ASSETS		
Cash at Bank	-	-
CREDITORS:		
Amounts falling due within one year	-	-
Amounts due to related parties	-	-
TOTAL ASSETS LESS CURRENT LIABILITIES	-	-

6 ANALYSIS OF INCOME

Consolidated	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Donations and legacies				
Community	815,037	-	815,037	890,845
Individual Giving	1,131,435	-	1,131,435	1,109,216
Legacies	2,134,439	-	2,134,439	652,098
Events	43,547	-	43,547	37,689
Trusts & Corporate	91,216	44,000	135,216	263,528
	4,215,674	44,000	4,259,674	2,953,376
Charitable activities				
Programme funding	-	1,571,735	1,571,735	1,926,278
Leprosy Review funding	-	48,809	48,809	50,641
	-	1,620,544	1,620,544	1,976,919
Other				
Sale of fixed assets	(474)	-	(474)	(5,224)
Other income	8,863	-	8,863	-
Leprosy Review	3,036	-	3,036	3,272
	11,425	-	11,425	(1,952)
Investments	49,861	-	49,861	44,499
	4,276,960	1,664,544	5,941,504	4,972,842

ANALYSIS OF INCOME cont.

Charity	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Donations and legacies				
Community	815,037	-	815,037	890,845
Individual Giving	768,772	-	768,772	824,415
Legacies	2,134,439	-	2,134,439	652,098
Events	43,547	-	43,547	37,689
Trusts & Corporate	91,216	44,000	135,216	263,528
	3,853,011	44,000	3,897,011	2,668,575
Charitable activities				
Programme funding	-	770,600	770,600	780,155
Leprosy Review funding	-	48,809	48,809	50,641
	-	819,409	819,409	830,796
Other				
Sale of fixed assets	-	-	-	-
Other income	8,863	-	8,863	-
Leprosy Review	3,036	-	3,036	3,272
	11,899	-	11,899	3,272
Investments	19,732	-	19,732	17,266
	3,884,642	863,409	4,748,051	3,519,909

7 INVESTMENT INCOME

Consolidated

Investment income comprises interest and dividends received in respect of:

	2016	2015
	£	£
Dividends from quoted UK Investments	994	971
Dividends from unquoted UK Investments	6,605	6,605
Interest on short term deposits	42,262	36,923
	49,861	44,499

Charity

Investment income comprises interest and dividends received in respect of:

	2016	2015
	£	£
Dividends from quoted UK Investments	994	971
Dividends from unquoted UK Investments	6,605	6,605
Interest on short term deposits	12,133	9,690
	19,732	17,266

Lepra

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

8 **ANALYSIS OF EXPENDITURE**

Consolidated

a) Activity	Direct Costs £	Support Costs £	Allocation of Central Costs £	Total 2016 £	Total 2015 £
Programmes	3,431,123	189,537	69,820	3,690,480	3,834,772
Research	10,987	5,678	1,803	18,468	26,080
Training	28,149	21,905	4,637	54,691	55,400
Education	251,200	41,250	22,414	314,864	308,924
Leprosy Review	53,625	22,476	6,183	82,284	77,821
Charitable Activities	3,775,084	280,846	104,857	4,160,787	4,302,997
Community	330,748	46,074	16,231	393,053	410,604
Individual Giving	270,976	41,433	17,003	329,412	273,376
Legacies	3,618	7,429	1,546	12,593	11,056
Events	35,577	17,550	12,366	65,493	47,323
Trust & Corporate	66,028	16,892	9,274	92,194	91,798
Cost of Raising Funds	706,947	129,378	56,420	892,745	834,157
Total Expenditure	4,482,031	410,224	161,277	5,053,532	5,137,154

Charity

	Direct Costs £	Support Costs £	Allocation of Central Costs £	Total 2016 £	Total 2015 £
Programmes	2,351,833	189,537	69,820	2,611,190	2,369,214
Research	10,987	5,678	1,803	18,468	26,080
Training	28,149	21,905	4,637	54,691	55,400
Education	251,200	41,250	22,414	314,864	308,924
Leprosy Review	53,625	22,476	6,183	82,284	77,821
Charitable Activities	2,695,794	280,846	104,857	3,081,497	2,837,439
Community	330,748	46,074	16,231	393,053	410,604
Individual Giving	270,976	41,433	17,003	329,412	273,376
Legacies	3,618	7,429	1,546	12,593	11,056
Events	35,577	17,550	12,366	65,493	47,323
Trust & Corporate	66,028	16,892	9,274	92,194	91,798
Cost of Raising Funds	706,947	129,378	56,420	892,745	834,157
Total Expenditure	3,402,741	410,224	161,277	3,974,242	3,671,596

Programme expenditure includes a grant of £111,442 (2015 : £nil) to Netherlands Leprosy Relief for aproject to improve disability prevention and contribute toward disability reduction in communities affected and at risk of LF and leprosy in Zambezia province, Mozambique.

Lepra

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

8 b) Analysis of central costs for apportionment

Consolidated & Charity	Office Costs	Computer Expenses	HR Costs	Depreciation	**Total 2016**	**Total 2015**
	£	£	£	£	£	£
Programmes	36,752	17,783	11,534	3,751	69,820	75,464
Research	949	459	298	97	1,803	2,481
Training	2,441	1,181	766	249	4,637	5,669
Education	11,798	5,709	3,703	1,204	22,414	23,738
Leprosy Review	3,255	1,575	1,021	332	6,183	7,086
Charitable Activities	55,195	26,707	17,322	5,633	104,857	114,438
Community	8,544	4,134	2,681	872	16,231	17,715
Individual Giving	8,950	4,331	2,809	913	17,003	17,006
Legacies	814	394	255	83	1,546	1,417
Events	6,509	3,150	2,043	664	12,366	13,463
Trust & Corporate	4,882	2,362	1,532	498	9,274	8,858
Cost of Raising Funds	29,699	14,371	9,320	3,030	56,420	58,459
Total Expenditure	84,894	41,078	26,642	8,663	161,277	172,897

c) Support Costs

Support costs relate to support staff salaries and costs that can directly be attributed as a support activity and are allocated accordingly. This includes Chief Executive costs, the UK finance department and governance.

9 TANGIBLE FIXED ASSETS - CONSOLIDATED

	Land and Premises Overseas	Freehold Premises UK	Motor Vehicles	Office & Photo Equip	Computer Equipment	Total
	£		£	£		
Cost						
1 April 2015	533,273	1,500,000	675,874	1,241,411	75,828	4,026,386
Additions	15,230	-	30,964	77,287	-	123,481
Disposals	-	-	(64,595)	(95,684)	(61,934)	(222,213)
31 March 2016	548,503	1,500,000	642,243	1,223,014	13,894	3,927,654
Depreciation						
1 April 2015	304,116	250,000	387,447	926,582	73,536	1,941,681
Charged for year	13,351	-	36,535	64,809	981	115,676
Released on disposal		-	(42,466)	(77,154)	(61,934)	(181,554)
31 March 2016	317,467	250,000	381,516	914,237	12,583	1,875,803
Net book values						
1 April 2015	229,157	1,250,000	288,427	314,829	2,292	2,084,705
31 March 2016	231,036	1,250,000	260,727	308,777	1,311	2,051,851

TANGIBLE FIXED ASSETS - CHARITY

	Freehold Premises UK	Motor Vehicles	Office & Photo Equip	Computer Equipment	Total
	£	£	£	£	£
Cost					
1 April 2015	1,500,000	206,960	202,905	75,828	1,985,693
Additions	-	1,296	12,620	-	13,916
Disposals	-	(12,348)	(46,721)	(61,934)	(121,003)
31 March 2016	1,500,000	195,908	168,804	13,894	1,878,606
Depreciation					
1 April 2015	250,000	134,347	139,490	73,536	597,373
Charged for year	-	9,122	13,472	981	23,575
Released on disposal	-	-	(37,424)	(61,934)	(99,358)
31 March 2016	250,000	143,469	115,538	12,583	521,590
Net book values					
1 April 2015	1,250,000	72,613	63,415	2,292	1,388,320
31 March 2016	1,250,000	52,439	53,266	1,311	1,357,016

The cost of land and premises overseas comprises freehold land of £58,360, leasehold land of £8,880 and buildings of £481,263.

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

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

10	**INTANGIBLE FIXED ASSETS - CONSOLIDATED**	
	Cost	
	1 April 2015	72,322
	Additions	248
	Disposals	(6,065)
		66,505
	31 March 2016	
	Amortisation	
	1 April 2015	70,009
	Charged for year	2,104
	Released on disposal	(6,065)
		66,048
	31 March 2016	
	Net book values	
	1 April 2015	2,313
	31 March 2016	457
	INTANGIBLE FIXED ASSETS - CHARITY	
	Cost	
	1 April 2015	71,061
	Additions	-
	Disposals	(6,065)
	31 March 2016	64,996
	Amortisation	
	1 April 2015	69,113
	Charged for year	1,911
	Released on disposal	(6,065)
	31 March 2016	64,959
	Net book values	
	1 April 2015	1,948
	31 March 2016	37

11	FIXED ASSET INVESTMENTS	Consolidated		Charity	
		2016	2015	2016	2015
		£	£	£	£
	At Market Value :				
	1 April 2015	225,838	198,480	83,810	81,396
	Add : Additions	85,671	26,887	-	1,943
	Less : Disposals in year	(46,445)	-	(46,445)	-
	Add Gifts of shares	-	-	-	-
	Net gains/(losses) on revaluation	(284)	471	(284)	471
	31 March 2016	264,780	225,838	37,081	83,810
	Historical Cost at 31 March 2016	208,431	236,574	11,641	58,095
	The Investments are distributed as follows:				
	UK Quoted investments	17,266	17,551	17,266	17,551
	LEPRA India Investments	227,699	142,028	-	-
	Unquoted Investments	19,815	66,259	19,815	66,259
	31 March 2016	264,780	225,838	37,081	83,810

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

12 ANALYSIS OF NET ASSETS

Consolidated	Tangible Fixed Assets	Investments	Intangible Assets	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£	£
Restricted Funds	-	-	-	248,366	-	248,366
Unrestricted Funds - General	2,051,851	264,780	457	1,379,515	(493,021)	3,203,582
Unrestricted Funds - Designated	-	-	-	885,693	-	885,693
	2,051,851	264,780	457	2,513,574	(493,021)	4,337,641

Charity	Tangible Fixed Assets	Investments	Intangible Assets	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£	£
Restricted Funds	-	-	-	98,618	-	98,618
Unrestricted Funds - General	1,357,016	37,081	37	1,259,599	(493,021)	2,160,712
Unrestricted Funds - Designated	-	-	-	885,693	-	885,693
	1,357,016	37,081	37	2,243,910	(493,021)	3,145,023

13 STOCKS

	CONSOLIDATED		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Stock	29,159	29,286	-	-
	29,159	29,286	-	-

14 DEBTORS

	CONSOLIDATED		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Debtors & Prepayments	143,581	148,623	72,330	139,390
Sundry debtors	72,000	176,740	72,000	101,471
Amounts owed by group companies	-	-	17,600	3,707
Accrued income	1,227,280	95,218	1,227,280	95,218
	1,442,861	420,581	1,389,210	339,786

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

15 CREDITORS

Due within one year	CONSOLIDATED 2016 £	CONSOLIDATED 2015 £	CHARITY 2016 £	CHARITY 2015 £
Bank loans due within one year	45,300	45,300	45,300	45,300
PAYE and other taxes	18,278	17,763	18,278	17,763
Accruals	171,416	185,293	171,416	134,372
Other Creditors	130,002	93,115	56,111	76,628
Deferred Income	22,000	50,302	22,000	50,302
	386,996	391,773	313,105	324,365

All amounts within creditors above (excluding accruals) are financial instruments measured at present value.

Included within Other Creditors is an amount of £11,924 (2015 : £8,569) relating to outstanding pension liabilities.

Deferred income includes funding received for projects which commenced on 1 April 2016, analysed as follows:

	£
Deferred income brought forward	50,302
Deferred in the year	22,000
Released in the year	(50,302)
Balance carried forward	22,000

CREDITORS

Due after one year	CONSOLIDATED 2016 £	CONSOLIDATED 2015 £	CHARITY 2016 £	CHARITY 2015 £
Bank loans due within one year	493,021	528,726	493,021	528,726
	493,021	528,726	493,021	528,726

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

16 OPERATING LEASE COMMITMENTS

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

Consolidated & Charity

	2016 Other	2015 Other
Payments due:		
Within one year	-	524
Between two and five years	12,552	808
After five years	-	-

17	UNRESTRICTED FUNDS	2016	2015
		£	£
	Consolidated		
	1 April 2015	3,184,251	3,210,120
	Surplus/(Deficit) for the year	958,653	(127,305)
	Realisation of investment revaluation gains as at the end of last year (See note 2d)	(284)	471
	Fixed Asset revaluation	-	60,000
	Transfers between funds	(68,616)	-
	Gain/(Loss) on foreign currency transactions	15,271	40,965
	31 March 2016	4,089,275	3,184,251
	Charity		
	1 April 2015	2,268,140	2,354,122
	Surplus/(Deficit) for the year	831,330	(146,725)
	Realisation of investment revaluation gains as at the end of last year (See note 2d)	(284)	471
	Fixed Asset revaluation	-	60,000
	Transfers between funds	(68,616)	-
	Gain/(Loss) on foreign currency transactions	15,835	272
	31 March 2016	3,046,405	2,268,140

18	RESTRICTED FUNDS	2016	2015
		£	£
	LEPRA India		
	1 April 2015	162,908	194,950
	Incoming Resources	801,135	1,146,123
		964,043	1,341,073
	Resources Expended	(814,295)	(1,178,165)
	31 March 2016	149,748	162,908
	Charity Restricted Funds		
	1 April 2015	87,523	92,485
	Incoming Resources	863,409	903,759
		950,932	996,244
	Resources Expended	(920,930)	(908,721)
	Transfers between funds	68,616	-
		98,618	87,523
	31 March 2016	98,618	87,523
	Total restricted funds	248,366	250,431

18	Restricted Funds	Balance 1 April 2015	Incoming Resources	Expenditure	Transfer from Unrestricted Funds	Balance 31 March 2016
	India					
	Lepra Society of India	162,310	760,869	(780,356)	-	142,827
	ILEP in India	594	40,266	(33,939)	-	6,921
		162,908	801,135	(814,295)	-	149,748
	Charity					
	Funding Agencies - EU	-	-	(16,944)	16,944	-
	Funding Agencies - EU	-	-	(51,672)	51,672	-
	Funding Agencies - BLF	-	90,520	(64,609)	-	25,911
	Funding Agencies - GOAC	3,698	27,558	(31,256)	-	-
	Funding Agencies - DFID	-	115,055	(115,055)	-	-
	Funding Agencies - TLM Canada (effect:hope)	13,762	256,540	(270,302)	-	-
	Global Fund - Bangladesh	48,094	188,649	(184,376)	-	52,363
	US Aid - Bangladesh	2,113	-	(2,113)	-	-
	ILEP India	-	66,427	(66,427)	-	-
	ILEP Bangladesh	19,860	25,850	(25,366)	-	20,344
	ILEP Leprosy Review	-	48,810	(48,810)	-	-
	Josephine Nunn Trust	-	25,000	(25,000)	-	-
	Oakdale Trust	-	1,500	(1,500)	-	-
	St Lazarus Charitable Trust	-	6,500	(6,500)	-	-
	Pavers Shoes	-	11,000	(11,000)	-	-
		87,523	863,409	(920,930)	68,616	98,618
	Total consolidated	250,431	1,664,544	(1,735,225)	68,616	248,366

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

EU – repayment of grants in respect of projects in India and Bangladesh which ended in 2013 and 2005 respectively. These repayments required a transfer from unrestricted funds as indicated in the schedule above.

BLF – Restoring Lives of Forgotten People project in Bihar, India.

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

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

TLM Canada (effect:hope) - funding for poverty reduction through strengthened health systems in Bangladesh.

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

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

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

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

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

Josephine Nunn Trust – learning to live with dignity project in Bangladesh.

Oakdale Trust – mobile contact tracing in India.

St Lazarus Charitable Trust - mobile contact tracing in India.

Pavers Shoes – mobile foot care unit in India.

19	**Designated Funds**	Balance 1 April 2015	Incoming Resources	Expenditure	Balance 31 March 2016
	Website	20,200	-	(20,200)	-
	Programmes Investment	20,000	-	-	20,000
	Bihar integrated	500,000	-	-	500,000
	UK fundraising 1	90,000	-	(90,000)	-
	Mozambique	250,000	-	(111,442)	138,558
	UK fundraising 2	380,000	-	(178,000)	202,000
	India vehicles	38,230	-	(13,095)	25,135
		1,298,430	-	(412,737)	885,693

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

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

Bihar integrated NTD approach – positive intervention and a demonstration of the results which can be achieved with an integrated approach to the work in Bihar or Odisha over a five year period from 2016/17.

UK fundraising development – investment in new fundraising activities during 2014/15 and 2015/16 in order to generate future income streams from different sources.

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

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

India vehicle replacement – a three year plan to replace those vehicles which are critical for project implementation within India.

20	**GROSS CASH FLOWS**	2016	2015		
		Year	Year		
		£	£		
	Returns on investments and servicing of finance				
	Interest received	42,262	36,923		
	UK Dividends received	7,599	7,576		
	Interest paid	(9,595)	(10,202)		
		40,266	34,297		
	Capital expenditure and financial investment				
	Payments to acquire tangible fixed assets	(123,481)	(231,349)		
	Receipts from sales of tangible fixed assets	40,185	25,632		
	Purchase of fixed asset investments	(85,671)	(26,886)		
		(168,967)	(232,603)		
	Financing				
	Cash repayment of short term borrowings		-		
	Cash repayment of long term borrowings	(35,705)	(35,098)		
		(35,705)	(35,098)		
21	**ANALYSIS OF CHANGES IN NET DEBT**	1 April	Non-cash	Cashflows	31 March
		2015	Changes		2016
		£	£	£	£
	Cash in hand and at bank at 1 April 2015	1,450,430	-	(249,579)	1,200,851
	Debt due < 1 year	(45,300)	(45,300)	45,300	(45,300)
	Debt due > 1 year	(528,726)	-	35,705	(493,021)
	Balance at 31 March 2016	876,404	(45,300)	(168,574)	662,530
22	**ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS**	2016	2015	Change	
		£	£	£	
	Deposits with banks	1,196,720	1,447,219	(250,499)	
	Cash	4,132	3,211	921	
		1,200,852	1,450,430	(249,578)	

23 EMPLOYEES

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

	2016	2015
Head Office	20	18
Regional	11	12
Overseas	465	495
	496	525

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

Staff costs in respect of employees include

	2016	2015
	£	£
Wages and salaries	2,037,394	1,939,402
Social security costs	74,046	75,967
Pension costs	62,493	57,425
Other staff costs	11,401	10,625
	2,185,334	2,083,419

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

	2016	2015
£70,001 - £80,000	1	1

The employers pension contribution in respect of this employee was £6,022 (2015: £5.904)

The key management personnel of Lepra comprise the Chief Executive, Director of Development, Head of Finance and Head of Programmes & Advocacy in the UK, the Country Director and Head of Programmes in Bangladesh and the Chief Executive Officer, Head of Finance, Head of HR and Head of Programmes in India.

The employee remuneration of key management personnel for Lepra was £378,683 (2015 : £335,127)

24 TRUSTEES

The Trustees received no remuneration for their services to the Organisation during the period (2015 £nil). During the period five (2015 : four) Trustees incurred expenses of £7,413 in respect of overseas travel and subsistence and training courses (2015 £4,115).

25 PENSION COMMITMENTS

LEPRA provides pension benefits for staff making contributions to a Group Personal Pension Plan. The employee is required to pay a minimum of 3% of their gross salary with the charity contributing 8%. The scheme complies with Stakeholder Pension legislation. As at 31 March 2016 there were 43 staff who were members of this scheme. The cost of contributions are calculated annually and charged to the income and expenditure account as they arise. The costs for 2016 were £63,434 (2015 £57,425).

26 COST OF AUDIT AND OTHER FINANCIAL SERVICES

Amounts payable in respect of Audit and other financial services were:	2016 Year £	2015 Year £
Auditors' remuneration: current year	11,667	11,667
Auditors' remuneration: in respect of prior year	893	1,897
Auditors' remuneration: in respect of non audit services	1,100	-
	13,660	13,564

27 RELATED PARTIES

	2016 Year £	2015 Year £
Transactions with Lepra Society in India		
Amounts paid to Lepra Society	1,131,243	939,663
Year end debtor balance	17,601	3,707

Lepra has taken advantage of the FRS 102 Section 33.1A exemption from disclosing related part transactions with Lepra Ireland as a wholly owned subsidiary of Lepra.

28 CONNECTED PARTIES

There were connected party transactions with the International Federation of Anti-Leprosy Associations (ILEP) of which Sarah Nancollas (Lepra Chief Executive) is a trustee. Lepra incurred expenditure on behalf of ILEP following their relocation to Geneva amounting to £328,387 (2015:£21,056). This arrangement ended at 31 December 2015 and there was no balance due to Lepra at 31 March 2016 (2015:£18,156).

29 FINANCIAL COMMITMENTS

Lepra has a commitment with Ebury UK to purchase Indian Rupee during the period April 2016 - March 2017 for which a deposit has been paid.	2016 Year £	2015 Year £
Amount commited at 31 March	648,000	648,000
	648,000	648,000