

The Lesbian & Gay Foundation Limited

The Lesbian & Gay Foundation Limited

**Annual Report and
Accounts for the
Period ending**

31 March 2003

**Company Registration Number
03476576 (England & Wales)**

**Charity Registration Number
1070904**

The Lesbian & Gay Foundation Limited

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For the year ending 31 March 2003

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The Lesbian & Gay Foundation Limited

Legal and Administrative Details

As at 31 March 2003

Status	A registered Charity established as a Company limited by guarantee. Registered as a Company on 1 December 1997. Registered as a Charity 7 August 1998. Registered Company Number: 03476576 Registered Charity Number: 1070904.
Trustees	Jill Cunningham - Chair Glyn Jenkins - Treasurer Paul Fairweather Gill Keogen Elected at the Annual General Meeting
Company Secretary	Stuart Harrison (Director of Corporate Services)
Registered Office	Unity House 15 Pritchard Street Manchester M1 7DA Tel 0161 235 8035 Fax 0161 235 8036 e-mail info@lgfoundation.org.uk w.w.w. www.lgfoundation.org.uk
Auditors	Stade & Cooper Accountants 6 Mount Street Manchester M2 5NS
Bankers	Barclays Bank Plc Manchester Whitworth Park Branch 876 Stockport Road Levenshulme, Manchester M19 3BP

The Lesbian & Gay Foundation Limited

Report of the Board of Trustees

For the year ending 31 March 2003

The Board of Trustees submit their report and the audited financial statement for the year ended 31st March 2003, which comply with current statutory requirements and with the company's memorandum and articles of association.

Principle Aims and Objectives

The principle objectives for which the charity is established are:

To preserve and promote the good health, and in particular the physical, sexual and mental health of:

- Persons who are Lesbian, Gay, Bisexual or Transgendered
- Persons in doubt of their sexual identity
- Persons diagnosed with HIV and related illnesses
- Any persons who may be affected or involved with any of the above, particularly partners and families

And to provide relief for such people in need thereof at times of mental and emotional stress.

Company Status

The Lesbian & Gay Foundation is a company limited by guarantee and all members have agreed to contribute a sum not exceeding £1 in the event of a winding-up. At 31st March 2003 the Company had 66 members.

Subsidiary Companies

At 31 March 2003 the Lesbian & Gay Foundation operated two wholly owned subsidiaries both of which were dormant for the year ended 31 March 2003. These companies are Manchester Lesbian & Gay Switchboard Services Limited and the Lesbian & Gay Foundation Trading Company Limited.

Review of activities and achievements during the year

The Lesbian and Gay Foundation Helpline

The helpline has developed and changed significantly over the last year. David Keenan was appointed Helpline Co-ordinator in April 2002 and began to work on developing the service to increase the number of operators, better shift coverage and improvements to meet out of hours callers.

Our main successes

- A total number of calls of a massively increased 4827, compared to 2428 in the previous year.
- An increase in shift coverage with 81% of 6-8pm shifts covered and 77% of 8-10pm shifts covered. On a weekly basis this means that the helpline is unstaffed for 6.5 hours per week.
- 2 Helpline training sessions have been run recruiting a total of 29 trainees of which 0 are still in training, 10 are still on the line.
- Meeting others was the highest category of call with 542 enquiries, followed closely by relationship issues with 430 calls.
- 324 referrals were made to LGF groups, and 69 to external groups, showing the value of the service in sign posting callers to further sources of advice and support.
- Callers were predominantly from the Manchester area 16.84% where information was available, with Salford coming second with 6.68% of callers.

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Developing our service

- Helpline Training 4 times per year. The training group with support from David and Alistair have re-designed the training so that it can be completed in two weekends with additional on-going training. The main development of this approach is that once the basic two weekends have been completed trainees can then go on to get practical experience of working on the line with a mentor.
- 24 hour service, Help when you need it most. The ops team worked with the comms team to record and deliver an automated attendant service for the helpline so that callers through the day can still access basic information through a menu system. Both teams are keen to further develop the capability of this service in the new year.
- Diploma in Social Work student placements have been seconded onto the programme to work with David and the team to further develop and review the service.

Our key challenges for the year ahead

- In the coming year we need to address the problem of obtaining callers post codes to continue to secure funding for the service, there is no post code information for 50.44% of all calls.
- A final push is needed to secure a 100% coverage of the service by at least 1 operator. This will hopefully be delivered by the success of the new helpline training programme in boosting the number of committed and active operators.

What we get from our building

- Over 7300 people visited Unity House during the year, just over 140 people per week accessing services and working with us to develop them.
- Our 3 counselling rooms have seen over 1500 counselling sessions for over 150 clients
- Our Hall and Cube room have provided vital meeting space for 5 LGF groups and 2 external groups. 598 hours of room hire have been used by internal groups and 180 hours has been used by external groups.
- 108 people accessed the Victim Support and Police Advice Surgeries
- 40 people attended the launch of the "First Service" Report
- 39 people attended the launch of the SUSTAIN project.
- 40% of our visitors were women and 60% of our visitors were men.

Working with our people

- Our successful bid to the Department of Trade & Industry has led to the establishment of the "Thriving Citizenship" project. There have been many beneficial effects from the project, not least the additional funding it secured. We have consulted all our staff and volunteers on the future of the agency, the LGF's mission, what we feel our rights and responsibilities should be.
- The development of the LGF handbook has neared completion with only the training and volunteer policy to be overhauled. All of our policies now start with a clear statement of rights and responsibilities and work together to form a supportive framework for people management.
- We have explored the idea of developing an LGF passport that will act as a key information and entry point to the agency for all new starters, whether they are staff or volunteers.
- The team has worked extensively with senior managers and other teams to re-organise our structure and management to maximise employee involvement and ownership of their work whilst simplifying as far as possible our performance management systems.
- A revised Appraisal process, building on the success of the previous one, was successfully rolled out to staff in February of 2003. The next step of this process is to roll out a programme of annual reviews for volunteers.
- The team has also had success with the senior management in re-creating a shared purpose and re-building the staff team after the distress of going through a redundancy situation.
- In this year we received 432 volunteer enquiries, from which 38 new volunteers were successfully recruited to all areas of the agency.
- Our level of sickness absence for staff for the whole year is below 4% of staff time, on average individual staff had less than 10.5 days sick.
- We have also taken the lead on developing Manchester's Lesbian, Gay Bisexual and Trans Network as part of the cities drive to include local people in decision making. The LGF is playing a crucial role in shaping the voice of the local LGBT sector.

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- The staff team decreased from 25 to 18 during the year. The number of women in the staff team at the end of the year was 7.
- Unfortunately due to staff leaving there are now no longer any black or minority ethnic group employees.

The road ahead for people management

- Improving the performance management systems to improve the ease and use of management information in the LGF.
- Start the process of rolling out PQASSO quality assurance across the agency
- Working towards achieving Investors in People status.
- Promoting and publicising the LGF handbook and passport

Our Finances

- Karen Priestley performed an excellent job of maintaining the finances when Vin departed and before Stuart started
- Financial systems are being amended to provide more comprehensive and up to date information to staff, trustees, members and users.
- The year has been successful for the organisation. Like 2002, 2003 has shown only a small deficit on activities.

Volunteering

Our volunteers have changed significantly over the last 12 months. We have said hello to lots of new volunteers and a reluctant goodbye to many familiar faces. There are too many to mention them all, however special thanks for all the hard work must go to Nigel Leach and Chris Tucker who have been part of the furniture of the LGF for many years. Both have served on the board of trustees of either LGF or Manchester Lesbian and Gay Switchboard Services, as well as giving many of their free weekends to train new operators to staff the LGF helpline.

During this time volunteering was moved into the Corporate Services remit with the intention of mainstreaming volunteering and staff human resource management to achieve greater parity of treatment and esteem across both groups.

Being more inclusive

- Our volunteer application process has been completely re-written with a simpler application form and clear role outlines for each service
- The volunteer database has been refined so that we can identify volunteers by their service area or start date. We are currently working on creating different levels of access to allow other staff to access the database direct without breaching the confidentiality of the information.
- At the start of the year we had 104 volunteers at the end of the year we had 139 volunteers
- We estimate that during the whole year volunteers contributed 4947 hours to the LGF, which even at the level of the minimum wage of £4.20 per hour equates to a staggering £20,777.40
- During the year the number of women volunteering at the LGF increased from 37 to 42, however due to the general increase in volunteers the number of women volunteers dropped as a percentage from 35% to 32%.
- The number of black and minority ethnic volunteers increased from 2 to 5, an increase of 11% on the previous year.

Diversity Aims

Our aims at the start of the year were to:

- increase the number of women employed or volunteering for the LGF

At the end of last year we employed 8 women, and 37 were active as volunteers. We have managed a small increase this year with the number of staff moving to 9 and the number of volunteers increasing to 42. In April 2003 a number of new positions are being recruited which may increase this staff figure further.

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- To increase the number of staff and volunteers from ethnic minorities

On the staffing side the departure of Bob and Jonathan has resulted in their being no members of ethnic minorities on the staff team. However there has been an increase in the area of volunteering from 2 to 5.

- To train all staff and volunteers in "dealing with difference"

By March 2003 all staff had been trained in "Dealing with Difference", and 67 out of a total of 138 (48.5%) volunteers had completed the training.

The volunteer up take of the "Dealing with Difference" training has been disappointing, leading to it's inclusion in Help line training as an essential component. We are currently considering including the training as a pre-requisite of the induction programme for staff and volunteers.

Communications and Operation Fundraiser

Successes for the year

- 43,500 editions of OUT magazine have been distributed throughout Greater Manchester
- A hugely successful Commonwealth Games Campaign using flyposting, postcards and other printed media to welcome lesbians, gay men and bisexuals to Manchester
- Securing a regular gay men's safer sex feature "Adam & Steve" in Clone Zones magazine, over 30,000 copies have been distributed nation-wide at no print costs to the agency. This has increased the profile of the LGF dramatically outside the Greater Manchester region.
- A grand total of 173,070 individual resources have been produced and distributed this year, including a series of postcards on gay men's sexual health.
- Gay men have used 280,960 condoms and lube to have safer gay sex.
- 881 men have participated in the LGF's Sex Talk programme answering questions and being given information on Syphilis, Condom Use and Hepatitis B.
- Almost 1 million people across the globe accessed the LGF's website
- Working with the Operations Team the LGF's Outreach initiatives have worked in depth with 134 men, talking to them about their sexual health.
- Formed a strong partnership with George House Trust to build on the success of Operation Fundraiser securing £30,000 of additional funds in year.
- Working in collaboration with the Operations Team to develop and record the 24-hour automated attendant system.
- We successfully redesigned the team and identified key posts that we would need for the continued success of the team and the successful development and launch of OUT NW in 2003-2004.

New lessons & learning

- We don't know how we did it but we have reduced the turn around time for OUT magazine from the 4/6 weeks to 2 weeks, whilst improving the content and design to the delight of our readers. This has freed up valuable time to work on other projects.
- We found the courage of our own convictions as a new strength for the team the more we discussed the move to a monthly 64 page OUT NW.
- While we were sad to see them leave over the years we have found new ways of carrying our successful outreach interventions without the need for a cost intensive paid outreach team. Our outreach volunteers have grown and flourished with their hands on experience.
- One of our major business benefits was learning to be more savvy with our printers, over the last 12 months we have successfully negotiated cheaper and cheaper print deals to deliver the same high quality resources at less expense for the agency.
- We finally had to accept this year that our valued and long standing condom packing volunteers could no longer cope with the demand for packs that the successful scheme had created. Reluctantly we have now moved to having the condom packs assembled externally.
- After a number of attempts we also accepted that small scale community events such as the Summer Fayre do not currently work.

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Challenges for the future

- We may have the courage of our convictions but we all see the new monthly 64 page OUT NW as the major challenge facing us in the coming year. The increased need for copy, the jump to a different format and the need to exponentially increase advertising revenues means that this challenge touches all members of the team.
- Operation Fundraiser has been firmly established with the up and coming Europride weekend in August 2003. Again the complicated and extensive nature of the work means that all team members will at least be facing the challenge together and supporting each other along the way.
- Getting it right. The massive change round in our IT system from a simple network to stand alone server supporting Macs and PCs will cause teething problems that need to be ironed out. The magnitude of the task in an organisation that has seen little IT change in 5 years is not to be underestimated.
- Europride – a make or break year for the festival and key part of the success of the agency.
- Our final two challenges that we think will continue to face us year on year are keeping up with our community so that we can always ensure that the message we want to get across is the message that people get from our resources. We, like everyone else, are constantly working to challenge misconceptions and misunderstanding to ensure that our message of joint working and working for our community wins us friends and influences people rather than breeding resentment and animosity.

Face To Face

We welcomed Clive Larsen, as the Co-ordinator for SUSTAIN, part way through the year. Due to the obvious links between Face to Face and Relationship Counselling, part of Clive's role included acting as the central staff co-ordinator for the Face to face Service. Following consultation with the counselling team the decision was made to introduce a sliding scale payment system for the service. The rationale for this was that it had proved increasingly difficult to secure funding for the service, particularly from the Primary Care Trusts. We were also made aware that most Primary Care Trusts that do fund counselling provision will only part fund the service, providing the service itself charges. After reviewing the practices of other counselling providers in the area we found that we were the only free counselling provider in the area, with all others taking a sliding scale payment approach.

However all those involved in the exercise were clear that inability to pay should not prevent clients accessing the service. Where genuine hardship existed the service would continue to be provided free of charge.

Changing times

- The service had 153 referrals this year compared to 110 in the previous year
- Using the signing in book as a guide we estimate that 1519 hours of counselling were completed, which at the rate of £35 per hour equates to £53,165 of added value brought to the LGF by our volunteer counsellors.
- The majority of clients referred to the service were from Manchester, 77 in total, with Salford having the second highest number of referrals with 22 clients.
- The total income from the start of charging is £250. The charging of fees has had little impact on the number of referrals to the service.
- The service is now the largest of it's kind outside the London area and is looking to expand to become the main voluntary sector provider and leader within the sector.
- The service celebrated achieving British Association of Counselling and Psychotherapy accreditation earlier this year, a move which brings both responsibility as well as enhanced credibility and professional status.

Issues & Challenges

- Unfortunately not all the counsellors volunteering for the service agree with the sliding scale payment scheme. This did lead to problems when the scheme was introduced and may have further ramifications in the future as these counsellors complete their work with existing clients who do not have to pay.
- The complications around confidentiality of counsellor – client contact can still prove problematic with records being held in several places and not open to free inspection. Further work needs to be done to increase the monitoring information that counsellors pass back into the agency – i.e. how long a client spends in counselling, basic equality monitoring, when clients complete their period of counselling etc.

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Future Developments

- In 2003-2004 we are hoping to secure contracts with other voluntary and with statutory sector agencies to provide counselling to reach the financial target of £8,500 income generation.
- We are working towards increasing the number of counsellors from 14 to 21, an increase of 50%
- We intend to provide and develop training to further develop our counselling specialisms from general counselling and relationship counselling into the fields of HIV/Sexual health, domestic violence, young people, learning difficulties and we hope to further develop our provision of psychosexual counselling

Soft Fire

One of the most successful LGF projects of the last year, managed by Mary Synott, the former Head of Volunteering, Soft Fire uses an inclusive and enquiring model of dealing with diversity and avoids the traditional equal opportunities focus on minority groups. With funding secured from the Department of Trade and Industry and Stonewall's Citizenship 21 Awards, "Dealing with Difference" training has been rolled out to all staff and volunteers in the agency and incorporated into the helpline training.

Key successes

- Regular "Dealing with Difference Training" has been rolled out across the agency enabling all staff and volunteers to participate. All 20 staff and 67 volunteers have taken part, this is 55% of our staff and volunteers.
- Over 1000 people have been trained in "Dealing with Difference"
- The project achieved it's target income of £30,000. With £25,000 coming from fees paid and £5,000 from grants to further the work of the project.
- Over 50 organisations have commissioned Soft fire this year, with 25 of these become repeat clients due to the success of the training. Nearly all contacts made this year are still in touch with the project and are likely to return at some point for repeat business.
- The project has reached into many sectors the NHS, Greater Manchester Police, Social Services, Drug and Alcohol team, Housing departments, Health promotion Teams and the private sector through Unity Bank.
- The project has successfully recruited and inducted 5 associate trainers to assist Mary in delivering the ever-increasing bookings for the service.

Schools & Youth Based Work

Chris Fox, now Operations Manager, has taken the lead in this area for the last 12 months and will continue to do so. The LGF is actively involved in working in partnership with other agencies on issues such as homophobic bullying, and LGBT issues in personal and social education.

Chris delivered sessions to 5 schools in the Trafford district reaching approximately 500 pupils.

Groupwork

The LGF's groupwork programme has developed over a number of years with some groups growing out of the Helpline and others being funded by the Community HIV and AIDS Partnership (CHAPS). 324 referrals were made to LGF groups through our own Helpline in this year and each group ran regularly. A total of 398 people used our groupwork programme to seek advice, support or simply to meet new people.

The most successful group in terms of numbers of clients was Sappho's with 265 clients actively using the project, followed by Icebreakers with 51 clients. The large difference in numbers is due to the nature of the two groups - Sappho's runs drop in services and art classes, whilst Icebreakers is a dedicated support group for men coming out, new to the scene or coming out of relationships.

Each group had the following number of service users

Sappho's	265
Icebreakers	51

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40+	16
Stepping Stones	16
Inner Enigma	Only 1 record
Options	3 referrals were made in this period
Rampton Hospital LGBT Support Group	30 – 40 attendees at each session

CHAPS

The LGF has continued to play an active role within CHAPS this year. Our main area of work was looking at biology of transmission and interventions associated with this theme of HIV prevention. The main stay of the CHAPS work has remained working to develop the national partnership and playing a full and active role in the national campaigns.

- LGF staff have contributed to national campaign development through the 3CG group.
- LGF staff have contributed to the development of the partnership through the CHAPS advisory group
- LGF staff have worked, with our partners, on the revision of the HIV prevention framework document "Making it Count", through the strategy development group.
- We have worked to develop and promote two campaigns this year -- "Biology of Transmission campaign" and a re-run of the "All the F***ing facts campaign".

Sector Development

The LGF's Deputy Chief Executive Jacqui Cross, has been a one woman Policy and Development Unit for most of the previous year, although we are glad to say that that changed in April 2003 with the successful recruitment of Allison Moore a second member of the team. Sector development is one of the most crucial and yet frustrating areas of work as it involves more meetings than the average worker can cope with, tied up with the NHS legendary ability to stretch simple decisions across months and months of meetings.

- Jacqui has supported commissioning and planning of services to LGBT people in Greater Manchester and the NW throughout the year. This has included negotiating existing contracts, promoting the CHAPS Making it Count framework, and working with commissioners of services to plan on a Greater Manchester and Regional level.
- The HIV partnership is a new and innovative development in the planning and providing of social care services for those affected by HIV. The members of the partnership are the LGF, George House Trust, Body Positive North West, the Black Health Agency and Barnardos. It represents a new step in the right direction and is the first time in many years that all of these agencies have worked together to secure services for people affected by HIV.
- Sexual health forums have continued to be a high priority for the agency in ensuring that the sexual strategies that are beginning to emerge include and provide for the needs of our community. An increasingly difficult task against a background of rising STI's in the well represented heterosexual population.
- As a board member of Voluntary Sector North West Jacqui continues to work with other agencies to promote diversity and best practice through out the sector. While at the same time expanding the base of allies and friends for the agency.
- One of the more onerous tasks the unit works at is producing briefing papers that explain and interpret the increasing consultation documents, strategies, Frameworks and plans that emerge from the NHS in ever increasing numbers. In contrast with previous years it is essential with each framework that the LGF demonstrates how the needs of the LGBT community fit with the requirements put on health providers by the governing documents in order to secure funds for services.

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Report of the Board of Trustees (Continued) For the year ending 31 March 2003

Financial Review and Future Activities

Overall the year resulted in an decrease in unrestricted funds to £57,400. After deduction of the Value of Fixed Assets, this results in a net unrestricted cash reserve of £54,712.

The main source of income for the financial year 2002/2003 was from Primary Care Trusts representing £424,437. Income from Local Authorities amounted to £17,780 with income from other grant making bodies amounting to £174,597. Income from training was £24,026. Income from donations and fundraising represents £60,177 with income from Fees & Sales amounting to £24,026. Bank interest amounted to £744.

Reserves Policy

The Trustee's have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the free reserves) held by the charity should be built up to between a minimum of 3 months and a maximum of 9 months running costs at any one time. At this level the Trustee's believe they would be able to continue the current activities of the charity in the event of a significant drop or change in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed.

At present the free reserves which amount to £57,400, do not reach this target level and the Trustees are considering ways in which additional unrestricted funds can be raised. This will be addressed in the Annual Plan for 2003/04.

Risk Management

The Trustee's have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that the systems are in place to mitigate our exposure to the major risks. A risk Assessment Register has been set up, and regular review sessions will take place, led by the Risk Manager.

The Charity's Assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

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Report of the Board of Trustees (Continued) For the year ending 31 March 2003

Statement of Trustee Responsibilities in Relation to Financial Statements

Company law requires the Trustees to prepare financial statements for the financial year which give a true and fair view of the state of affairs of the company and of the incoming resources of the year and the application of resources of the company for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, as well as exercising proper financial controls.

Trustees

The members of the board of Trustees during the period were as follows:

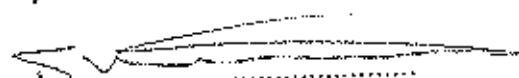
Samantha Days	resigned	31-03-03
Paul Fairweather		
Glyn Jenkins		
Simon Robinson	resigned	1-11-02
Gwyn Starkey	resigned	1-11-02
Chris Tucker	resigned	1-11-02
Jill Cunningham	appointed	1-11-02
Gill Keogan	appointed	1-11-02

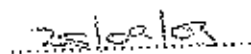
Auditors

Slade & Cooper will offer themselves for re-election as auditors of The Lesbian & Gay Foundation at the Annual General Meeting.

In preparing the above report, the management committee have taken advantage of special exemptions applicable to small companies provided by part II of schedule 8 to the Companies Act 1985.

By order of the Management Committee


Stuart Harrison - Company Secretary


Date

The Lesbian & Gay Foundation Limited
Independent Auditor's Report
to the members of the Lesbian & Gay Foundation
For the year ending 31 March 2003

We have audited the financial statements of the Lesbian & Gay Foundation Limited for the year ended 31st March 2003 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's members, as a body. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Director's Responsibilities the trustees, who are also the directors of the Lesbian & Gay Foundation for purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implication for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st March 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

S. Slade & Cooper

7/10/03

Slade & Cooper Accountants
Registered Auditors
6 Mount Street
Manchester
M2 5NS

The Lesbian & Gay Foundation Limited
Statement of Financial Activities and Income and Expenditure Accounts
For the year ending 31 March 2003

Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total 2002 £
Incoming Resources				
	43,177	17,000	60,177	73,029
Donations & Fundraising				
Activities to Further the Charity's objectives:				
Grants & Contracts	481,487	135,327	616,814	607,972
Training Programme	24,026	0	24,026	12,050
Sales of Information Resources	0	0	0	2,136
Activities to Generate Funds:				
Fees and Other Sales	33,695	0	33,695	10,584
Investment Income and Interest	744	0	744	3,954
Total Incoming Resources	583,129	152,327	735,456	710,056
Resources Expended				
Cost of Generating Funds				
Fundraising and Publicity	70,658	0	70,658	43,728
Charitable Expenditure				
Support Costs	322,899	68,392	391,291	394,648
Information Resources and Events	29,046	0	29,046	25,492
HIV Prevention & Sexual Health Services	78,697	0	78,697	120,158
Mental Health Services	6,613	0	6,613	10,082
Selfcare Training Programme	25,251	1,600	26,851	7,180
Other Projects	61,689	55,587	117,276	90,194
Management & Administration	21,402	0	21,402	24,982
Total Resources Expended	616,255	125,579	741,834	716,474
Net Incoming/(Outgoing) Resources/ Net Income/Expenditure for year	-33,126	26,748	-6,378	-6,417
Total Funds Brought Forward from 1 April 2002	90,526	7,500	98,026	104,444
Total Funds Carried Forward at 31 March 2003	57,400	34,248	91,648	98,026

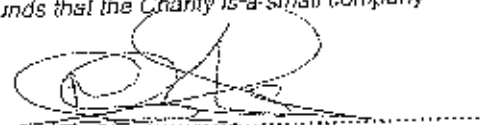
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Balance Sheet as at 31 March 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed Assets			281		3,262
Office Fixtures and Fittings			2,407		3,806
Computer Equipment					
	8		<u>2,688</u>		<u>7,068</u>
Current Assets				19,182	
Debtors	9	73,170		83,362	
Cash at Bank and in hand		<u>69,641</u>		<u>102,544</u>	
		<u>142,811</u>			
Current Liabilities				11,586	
Creditors falling due within one year	10	<u>53,851</u>			
			<u>88,960</u>		<u>90,956</u>
Net Current Assets					<u>98,026</u>
Total Assets less Current Liabilities			<u>91,648</u>		<u>98,026</u>
Represented by:					
Funds and Reserves					
Unrestricted Funds	11		57,400		90,526
Restricted Funds			34,248		7,500
			<u>91,648</u>		<u>98,026</u>
Total Funds					

The management committee have taken advantage of the exemptions available to small companies under 5246/1(a) of the Companies Act 1985 on the grounds that the Charity is a small company


 Jill Cunningham - Chair


 Glyn Jenkins - Treasurer

25/9/03
 Date

2.9.03
 Date

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003

1 Accounting Policies

- a) The Financial Statements have been prepared under the historical cost convention in accordance with applicable accounting standards, the Companies Act 1985 and follow the recommendations in the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued October 2000.
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received.
- c) Revenue grants are shown in the Statement of Financial Activities in the year in which they are receivable.
- d) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs.
- e) Unrestricted funds are donations and other income received or generated for the charitable purposes.
- f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- g) Staff costs and overhead expenses are allocated to activities either directly when identifiable or on the basis of staff time spent on those activities.
- h) Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its estimated useful life at the rates of:
- | | |
|-----------------------------|-------------------------|
| Computer Equipment | 50% straight line basis |
| Office Furniture & Fixtures | 50% straight line basis |
- i) The cost of generating funds includes any direct costs and staff time involved. A proportion of overhead costs is also included at a rate of 5% of the overall cost of accommodation and office expenditure.
- j) Management and administration costs of the charity relate to the direct costs of management including the costs of meetings, audit and statutory compliance and staff time involved in administration of the charity. A proportion of overhead costs is also included at a rate of 3% of the overall cost of accommodation and office expenditure.
- k) The company has taken advantage of the exemption under Financial Reporting Standard 1 from preparing a cash flow statement on the grounds that it is a small company.
- l) The company has not prepared consolidated accounts because its 2 subsidiary companies have not operated within the year and have no assets or liabilities.
- m) The Lesbian & Gay Foundation registered for VAT on 1 April 2002. The majority of the work the Foundation undertakes is outside the scope of VAT. Input tax is not normally recoverable on inputs relating to such supplies. However certain contracted-out services, training income and fees are eligible for recovery of VAT and the company recovers this quarterly in arrears. The remaining irrecoverable VAT is charged to the income and expenditure account in the year in which it is incurred.
- n) Operating leases
Rentals due under operating leases are charged over the lease term on a straight line basis or on the basis of actual rentals payable where this fairly reflects usage.
- o) Pensions
The Lesbian & Gay Foundation operates a Stakeholder Pension scheme with Friends Provident. Employees are given the option of paying contributions to this scheme. The company makes no employer contributions to this or any other personal or occupational pension scheme.

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003 (Continued)

2)	Incoming Resources	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
	Donations and fundraising				
	<i>Operation Fundraiser Donations</i>	30,171		30,171	23,720
	<i>Community Development Fund</i>		17,000	17,000	23,720
	<i>Fundraising Events</i>	8,719		8,719	20,167
	<i>Supporters Scheme Individual Donations</i>	4,116		4,116	4,044
	<i>Collection Boxes</i>	171		171	468
		43,177	17,000	60,177	72,119
	Activities to Further Charity's Objectives				
	Grants and Contracts				
	<i>Manchester Primary Care Trusts</i>	203,800		203,800	242,250
	<i>Bolton & Wigan Primary Care Trusts</i>	41,504		41,504	42,745
	<i>Stockport Primary Care Trust</i>	27,744		27,744	27,352
	<i>Salford & Trafford Primary Care Trusts</i>	112,934		112,934	118,400
	<i>West Pennine Primary Care Trust</i>	32,800		32,800	33,500
	<i>Cheshire Primary Care Trust</i>	5,655		5,655	2,627
	<i>Manchester City Council</i>	17,780		17,780	17,780
	<i>Salford Joint Finance</i>			0	16,000
	<i>Greater Manchester HIV Coordinator</i>			0	5,000
	<i>Terrence Higgins Trust CHAPS</i>	30,000		30,000	30,000
	<i>Community Fund (National Lottery)</i>		18,579	18,579	24,229
	<i>Comic Relief</i>		20,000	20,000	20,000
	<i>Stonewall</i>		2,485	2,485	
	<i>Lord Chancellor's Department</i>		48,000	48,000	
	<i>Commonwealth Games Project</i>	1,770		1,770	
	<i>Wigan Social Services</i>	7,500		9,500	
	<i>Department of Trade & Industry</i>		25,263	25,263	
	<i>LGBT Thriving Network</i>		19,000	19,000	
	<i>Tameside Metropolitan Borough Council</i>			0	5,150
	<i>Manchester Healthy City</i>			0	1,950
	<i>Mancunian Health Promotion Services</i>			0	12,000
	<i>South Manchester Primary Care Trust</i>			0	8,000
	<i>University College London</i>			0	840
	<i>Charity Services</i>			0	150
		481,487	135,327	616,814	607,972
	Training Programme				
	<i>Softfire Training Income</i>	23,776		23,776	7,050
	<i>Softfire Stonewall Grant</i>			0	5,000
	<i>Other Training Income</i>	250		250	
		24,026	0	24,026	12,050
	Printed Information Resources				
	<i>Sales of leaflets etc</i>			0	2,136
		0	0	0	2,136
		505,513	135,327	640,840	622,158

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003 (Continued)

Incoming Resources (continued)	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Activities to generate funds:				
Fees and other sales				
<i>Student placement fees</i>	1,700		1,700	850
<i>Magazine advertising</i>	13,495		13,495	5,670
<i>Magazine subscriptions</i>	51		51	220
<i>Distribution sales</i>	900		900	
<i>Groupwork Income</i>	3,001		3,001	910
<i>Northern Wave venue hire</i>	5,760		5,760	
<i>Rampton Income</i>	3,349			
<i>Operation Fundraiser Staff income</i>	1,094			
<i>City College Income</i>	940			
<i>Counselling income</i>	263		263	
<i>Room hire income</i>	1,041		1,041	1,170
<i>Salford CVS consultancy fee</i>	118		118	1,500
<i>Other misc generated income</i>	1,983		1,983	1,474
	33,595	0	28,312	11,794
Interest and Investments income				
<i>Bank interest received</i>	744		744	3,984
	744	0	744	3,984
	583,129	152,327	730,073	710,056

In accordance with section 37(4) of the Local Government and Housing Act 1989, revenue grants which were awarded for the general running costs of the organisation have been used fully in accordance with the terms under which they were granted

3) Outgoing resources	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Cost of generating funds				
<i>Fundraising & Publicity Staff costs</i>	64,384	0	64,384	37,179
<i>Other Fundraising & Publicity Costs</i>	6,274	0	6,274	6,549
	70,658	0	70,658	43,728
Charitable Expenditure				
Support Costs				
<i>Building & Accommodation</i>	53,739	6,259	59,998	62,645
<i>Office & Administration</i>	22,888	1,906	24,794	33,882
<i>Staff Costs</i>	221,894	60,227	282,121	286,405
<i>Disallowed VAT</i>	17,811	0	17,811	
<i>Depreciation</i>	6,567	0	6,567	11,716
	322,899	68,392	391,291	394,648
Information Resources & Events Programme				
<i>Exhibitions & Conferences Programme</i>	0	0	0	23
<i>Community Events Programme</i>	575	0	575	5,159
<i>OUT Magazine Programme</i>	26,575	0	26,575	16,551
<i>Information Resource Programme</i>	0	0	0	719
<i>Resource Distribution Programme</i>	1,896	0	1,896	3,040
	29,046	0	29,046	25,492

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003 (Continued)

Outgoing Resources (continued)	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
HIV Prevention & Sexual Health Programme			0	875
Project Staff Costs: GLDS Facilitator				15,511
Outreach Workers				3,240
Jermain Clinic Hosts				90,324
Condom & Lube Distribution Scheme	72,410	0	72,410	
Outreach Programme	465	0	465	4,311
Community Action Programs	14	0	14	348
Information Resource Programme	5,508	0	5,508	3,409
Research & Development Programme	0	0	0	2,150
	<u>78,697</u>	<u>0</u>	<u>78,697</u>	<u>120,166</u>
Mental Health Services				
Project Staff Costs: Groupwork Facilitators	0	0	0	1,238
Groupwork Programme	431	0	431	1,465
Face to Face Counselling Programme	4,748	0	4,748	3,242
LGF Helpline Programme	1,357	0	1,357	3,726
TWTS Helpline Programme	77	0	77	411
	<u>6,613</u>	<u>0</u>	<u>6,613</u>	<u>10,082</u>
Softfire Training Programme				
Project Staff Costs	23,924	1,600	25,524	6,054
Other Project Costs	1,327	0	1,327	1,126
	<u>25,251</u>	<u>1,600</u>	<u>26,851</u>	<u>7,180</u>
Other Projects				
Sapphos Project				
Project Staff Costs	0	10,388	10,388	9,802
Other Project Costs	0	1,412	1,412	2,239
	<u>0</u>	<u>11,800</u>	<u>11,800</u>	<u>12,041</u>
Mardi Gras Project				
Other Project Costs	6,763	0	6,763	0
	<u>6,763</u>	<u>0</u>	<u>6,763</u>	<u>0</u>
Salford & Trafford Gay Men's Health Worker Project				
Project Staff Costs	21,889	0	21,889	14,585
Other Project Costs	1,844	0	1,844	5,483
	<u>23,733</u>	<u>0</u>	<u>23,733</u>	<u>20,068</u>
Terrence Higgins Trust CHAPS Project				
Staff Costs	29,066	0	29,066	4,406
Other Project Costs	934	0	934	5,929
	<u>30,000</u>	<u>0</u>	<u>30,000</u>	<u>10,335</u>
Commonwealth Games Project				
Other Project Costs	1,193	0	1,193	0
	<u>1,193</u>	<u>0</u>	<u>1,193</u>	<u>0</u>
Syphilis Project				
Outreach Worker Staff Costs			0	3,002
Other Project Costs			0	4,706
	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,708</u>
Healthy Living Centre Project				
Project Staff Costs			0	11,201
Other Project Costs			0	99
	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,300</u>
Community Development Fund Project				
Grants Awarded	0	16,000	16,000	28,743
	<u>0</u>	<u>16,000</u>	<u>16,000</u>	<u>28,743</u>

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003 (Continued)

Outgoing Resources (continued)	Unrestricted	Restricted	Total	Total
	Funds	Funds	2003	2002
	£	£	£	£
Other Projects (continued)				
Sustain Project				
Project Staff Costs	0	16,190	16,190	
Other Project Costs	0	4,605	4,605	
	0	20,795	20,795	0
Department of Trade & Industry Project				
Project Staff Costs	0	0	0	
Other Project Costs	0	542	542	
	0	542	542	0
LGBT Network Project				
Project Staff Costs	0	0	0	
Other Project Costs	0	5,650	5,650	
	0	5,650	5,650	0
	£1,689	55,567	117,276	90,764

Management & Administration

Staff Costs	16,656	0	16,656	14,639
Other Costs	4,716	0	4,716	10,444
	21,402	0	21,402	24,982

4) **Staff Costs**

	2003	2002
	£	£
Wages and Salaries	205,519	368,665
Ex gratia payments	4,708	-
Employers National Insurance	30,816	29,451
Recruitment, Development and Training	6,810	15,145
	275,262	407,156

The number of employees earning over £50,000 per annum was as follows:

Staff Numbers	2003	2002
Chief Executive	1	1
Deputy Chief Executive	1	1
Director of Operations	1	0
Director of Corporate Services	1	0
Administration Manager	1	0
PA to Chief Executive		1
People & Performance Manager	1	0
Human Resources & Performance Management Coordinator		1
Resourcing Procurement Coordinator		1
Administrative Assistant		1
Head of Corporate Services		1
Communications Manager	1	0
Communications Coordinator		1
Special Projects Coordinator	1	0
Resourcing Development Officer		1
Operational Fundraiser Project Manager		1
Distribution & Events Officer	1	1
Head of HR Services	1	1
Gay Men's Information & Campaigns Co-Ordinator	1	0
Helpline Coordinator	1	0
Community Services Coordinator		1
Head of Mental Health Services		1
Softline Training Project Manager	1	1
Stafford & Trafford Gay Men's Worker Project Manager	1	1
Sustain Project Manager	1	0
Supplies Project Officer	1	1
Outreach Workers (Part Time)		5
Service Hosts (Part Time)		2
Building Duty Officers (Part Time)	2	2
	16	20

5) **Net incoming resources is arrived at after charging for the following:**

	2003	2002
	£	£
Depreciation	5,567	11,716
Appl's Revaluation	1,500	1,021
Irrecoverable VAT	17,811	-
Redundancy costs	3,185	-
Pension costs		-

6) **Taxation**

No provision has been made for taxation as the company is a registered charity

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003 (Continued)

8) Fixed Assets				Total
Cost	Office Fixtures & Fittings £	Computer Equipment £		
At 1 April 2002	24023	25346		49369
Additions	188	1999		2187
Disposals				0
At 31 March 2003	24211	27345		51556
Depreciation				42301
At 1 April 2002	20762	21539		6567
Charge for the year	3,168	3,399		0
On disposals				48668
At 31 March 2003	23930	24938		
Net Book Value				2688
At 31 March 2003	281	2407		7068
At 31 March 2002	3261	3807		

9) Debtors		2003 £	2002 £
Trade Debtors		31,852	7,331
Other Debtors and Prepayments		41,318	11,851
		73,170	19,182

10) Creditors		2003 £	2002 £
Trade Creditors		14,278	
Other Taxes and Social Security		12,976	
Bank loans and overdrafts		9,541	
Other Creditors and Accruals		17,058	11,586
		53,851	11,586

11) Reserves		Restricted Funds £	Unrestricted Funds £	Total Funds £
Balance Brought Forward		7,500	90,526	98,026
Net Incoming Resources		26,748	-33,126	-6,378
Transfer between Funds				0
		34,248	57,400	91,648

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003 (Continued)

Reserves (continued)

Analysis of net assets between funds

Fund balances as at 31st March 2003 are represented by:

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
Fixed Assets		2,688	2,688
Current Assets	34,248	108,563	142,811
Current Liabilities		-53,851	-53,851
	34,248	57,400	91,648

12) Restricted Funds

	Balance B/Fwd	Incoming Resources	Outgoing Resources	Balance C/Fwd
	£	£	£	£
Sappho's Older Lesbian Project Comic Relief grant awarded to develop services targeting older lesbians including worker costs	7,500	20,000	24,403	3,097
Community Fund Grant awarded to volunteer programme		18,579	18,579	0
Department of Trade & Industry Thriving Citizenship		25,263	25,263	0
Wigan Social Services		2,000	0	2,000
LGBT Network Grant		19,000	12,631	6,369
Stonewall		2,485		2,485
Sustain Lord Chancellor's Department Marriage & Relationship Support grant awarded to LGBT relationship support project		48,000	28,703	19,297
Community Development Fund Donations from Operation Fundraiser at Mardi Gras 2002		17,000	16,000	1,000
	7,500	152,327	125,579	34,248

The Lesbian & Gay Foundation Limited

Notes to the accounts 31 March 2003 (Continued)

13) Leased Assets

Nashuatec Photocopier	Payments made current year	2,350
	Payments due 1 year	2,350
	Payments due 2-5 years	3,450
Leased Premises - Unity House	Payments made current year	45,000
	Payments due 1 year	45,000
	Payments due 2-5 years	60,000

14) **Trustee Remuneration and Expenses**

The Trustees received no remuneration or expenses in the course of their duties. The Charity has taken out Trustee Liability insurance on behalf of the Trustees. This has been taken out in conjunction with professional liability insurance with the organisation's brokers. This is a combined policy with a reduction in cost from 2001/02.

15) **Subsidiary Companies**

The Company operates the following wholly owned subsidiaries

Name	Status	Registered	Activities
Manchester Lesbian & Gay Switchboard Services	Registered Charity & Company limited by guarantee	England & Wales	Dormant
The Lesbian & Gay Foundation Trading Company Limited	Company limited by shares	England & Wales	Dormant