

THE LESBIAN AND GAY FOUNDATION LIMITED

(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

31 March 2006

Registered Charity No. 1070904
Company No. 03476576

The Lesbian and Gay Foundation Limited

Our Objects

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

- Persons who are Lesbian, Gay or Bisexual
- 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.

Our Mission

Ending Homophobia, Empowering People

Our Vision

We believe in a fair and equal society where all lesbian, gay and bisexual people can achieve their full potential

Our Aims

Services: Delivering first class and accessible community, health and support services.

Information: Providing high quality and accurate information and advice.

Advocacy: Ensuring lesbian, gay and bisexual people's voices are heard.

Research: Developing leading research and influencing public policy.

Our Values

Innovation Diversity Excellence Fairness Integrity

The Lesbian and Gay Foundation

Princess House, 105-107 Princess Street, Manchester M1 6DD

www.lgf.org.uk info@lgf.org.uk

Telephone: 0161 235 8035 Fax: 0161 235 8036

The Lesbian and Gay Foundation Limited

Annual Report and Financial Statement

For the year ending 31 March 2006

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The Lesbian and Gay Foundation Limited

Report of the Board of Trustees

For the year ending 31 March 2006

The Board of Trustees presents the report and audited financial statements of The Lesbian and Gay Foundation for the year ended 31 March 2006. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). The report and statements also comply with the Companies Act 1985 as The Lesbian and Gay Foundation was incorporated by guarantee on 1 December 1997. It has no share capital and is a registered charity. The guarantee of each member is limited to £1. The governing document is the Memorandum and Articles of Association of the company and members of the Board of Trustees are the Directors of the company.

Structure, Governance and Management

The Lesbian and Gay Foundation is governed by a Board of Trustees who also serve as Directors of the Company. Trustees are elected by the membership of the LGF at the Annual General Meeting. Trustees are sought in a variety of ways including, for the first time this year, external advertising as well as recommendations from existing trustees and volunteers. All new trustees are required to undertake an induction programme and undergo a structured induction to the operation of the LGF. Trustee training needs are assessed and a programme of internal and external training arranged on an annual basis to meet these needs.

Full Board of Trustee meetings are held four times per year. One of these meetings is held over an evening and the whole of the following day. It is used to discuss strategic planning issues. Responsibility for reviewing key areas of activity and policy are delegated to committees that report back to the quarterly Board meetings. The committees operate under terms of reference and include both Trustees and members of the Senior Management Team. These committees monitor and scrutinise the work of the LGF. The day-to-day running of the LGF is delegated to the Chief Executive and his Senior Management Team.

The current Board committees are:

Membership – facilitates the further involvement of members in the governance of the organisation, ensures the trustee body is refreshed and that members are both supported and appreciated for the outstanding work they undertake.

Finance and Fundraising – maintains a scrutiny and review role to ensure effective financial management and oversees development of fundraising strategies.

Performance – monitors the performance of the LGF's activity and outcomes against strategic priorities and performance targets.

Human Resources – reviews and monitors the HR policies and procedures of the LGF.

Remuneration – decides the remuneration of the Chief Executive and agrees that of other members of staff. (This committee is only made up of members of the Trustee Board)

The Lesbian and Gay Foundation Limited

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 the income and expenditure of the charitable company for the year. 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 enable it 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.

Risk management

The Trustees 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. Risks are identified through a number of routes including output from Board of Trustee meetings and committee meetings and through the annual planning cycle. Risks are recorded on the Risk Register which identifies, for each risk, the steps required to mitigate the risk and the Trustee or member of the Senior Management Team responsible. The Risk Register is a standing Agenda item on the Finance and Fundraising Committee and is reviewed at that monthly meeting. Discussion and review of the Risk register also forms part of the quarterly Board Meetings.

Subsidiary Companies

As at 31 March 2006 The Lesbian and Gay Foundation has two wholly owned subsidiaries both of which were dormant for the year ended 31 March 2006. These companies are Manchester Lesbian and Gay Switchboard Services Limited and the Lesbian and Gay Foundation Trading Company Limited.

The Lesbian and Gay Foundation is part of a joint fundraising initiative with George House Trust, titled Operation Fundraiser, which aims to raise funds for HIV and LGBT organisations across Greater Manchester. The main fundraising initiative is the annual Manchester Pride event. Information for this joint initiative is within the accounts.

The Lesbian and Gay Foundation Limited

Objectives and principle activities

All our principle activities support our objects, mission and vision. The four major areas of activity are services, information, advocacy and research.

Our services include a wide range of community, health and support services. A broad community programme incorporates a number of groups that are run by our staff and volunteers at Princess House. Including a married men's group, lesbian groups and a black LGB group these groups support an increasing number of lesbian, gay and bisexual people. Health services continue to have a strong focus around HIV prevention and sexual health through our Condom and Lube Distribution Scheme, the outreach clinic and education and training. Other health and support services include a counselling service, helpline advice service, substance misuse project and sex workers project.

A wide variety of information and advice services support and reinforce our objectives. These include a free monthly magazine, distributed throughout the North West, which addresses a wide range of health, community and other issues. Our website and numerous information resources, including sexual health guides and a civil partnership guide provide relevant and up to date information and advice to lesbian, gay and bisexual people and their families and friends. Internal and external training courses also reach a wide variety of people and organisations.

The LGF has been involved, and continues to be involved, in a number of research projects including an alcohol and drug survey and a women's sex survey. This work is being completed in partnership with the University of Central Lancashire. Data gathered from research will assist the LGF in further enhancing existing services and in development of new services.

To ensure lesbian, gay and bisexual people's voices are heard the LGF is represented on a number of local, regional and national bodies including the North West Equality and Diversity Group, Greater Manchester Sexual Health Network and the Department of Health Sexual Orientation and Gender Identity Advisory Group.

To deliver these activities the LGF is reliant on the support and enthusiasm of our volunteers. We currently have over 170 dedicated volunteers, many of whom are members of the LGF, who provide over 20,000 hours across all our services.

Principal achievements for the year

2005/06 has been an extremely demanding year for the LGF, it's staff and volunteers. The move to our new home, Princess House, presented significant logistical issues and challenging project management around the building work. However despite these challenges LGF has made significant progress towards consolidating our existing work and has seen many new developments. The move to Princess House has proven to be an extremely valuable move in terms of increasing numbers of clients and greater accessibility to our service users.

The Lesbian and Gay Foundation Limited

Operations

The Operations Team continue to deliver a range of high quality services. Key achievements against objectives include:

- Securing 3 year contracts for the provision of Sexual Health and HIV prevention work with Manchester, Salford and Oldham PCT's
- Negotiations and lobbying to develop a Greater Manchester LGB Public Health Contract in order to streamline our PCT funding base.
- The counselling team has continued to grow and diversify in terms of its skill's base and the diversity of its volunteers.
- Waiting times for counselling clients have been reduced to 2 weeks maximum.
- External issues experienced by our partner agencies have impeded the re-launch of the Clinic which is now anticipated later in 2006.
- Successful continuation of the outreach sexual health clinic reached over 170 men.
- The 30th Anniversary of the Helpline Service was celebrated spectacularly with the 'Phone a Friend' campaign, launched over Pride and continued throughout the remainder of the year.
- The Helpline now has 65 operators following a successful recruitment campaign resulting in an impressive increase to 94% shift coverage.
- After the procurement of funds from Manchester's Drug and Alcohol Strategy Team we recruited a Project Manager to develop the Substance Misuse Project.
- In year two new groups have been established, the Black LGBT Group and Carousel, an additional women's support group.

Marketing

Key achievements against objectives include:

- Following a re-launch our free magazine, outnorthwest, has increased its number of pages, improved its listings, introduced a new 'culture' section and improved regional coverage.
- Design, launch and distribution of a Civil Partnership Guide which has experienced national success.
- Our Sexual Health Guide, incorporating women's sexual health for the first time has become our most requested guide of 2005/06.
- The Condom and Lube Distribution Scheme continues to reach more outlets and distributed over 500,000 condoms during the year.
- Our website www.lgf.org.uk provides comprehensive information and advice and took over 4.7 million hits during 2005/06.
- Our magazine and resource distribution reached over 350 outlets throughout the Northwest.
- Press and PR activities continue to promote and raise the profile of LGF.

Policy Support

The launch of the Policy Support Team was delayed in-year due to resource constraints and the need to incorporate other planned initiatives. We are currently in the process of preparing funding bids and generating written support from local, regional and national organisations to move this work area forward.

The Lesbian and Gay Foundation Limited

Funding and Fundraising

Fundraising in 2005/06 focused primarily on the procurement of funding as we make the transition to the development of our fundraising programme. Key developments included:

- A donor/sponsor relationship established with O'Neill Patient Solicitors resulting in the sponsorship of the Civil Partnership Guide.
- Utilising the Mental Health Business Case we secured a second year of funding from Manchester PCT and Wigan PCT.
- Manchester DAST agreed to fund an 18 month pilot of our Substance Misuse Project.
- New funders included Sure Start, ChangeUp and Wirral MBC.
- A new fundraising plan has been developed and a structure devised to support ongoing strategy.
- Operation Fundraiser continues to demonstrate its success in LGB Community and Events Fundraising with £120,000 raised during the 2005 Pride Festival and over 40 organisations and groups benefiting.

Management and Administration

Key achievements against objectives include:

- Following delayed completion of our new premises we moved to Princess House in October 2005.
- Significant investment in the facilities on our service floor benefiting our service users, volunteers and external users.
- Developing and implementing a CRB policy that will ensure all staff and volunteers are CRB checked.
- Review of the Board of Trustee and sub-committee structure resulting in changes implemented in January 2006.
- Delivery of six induction sessions for new staff and volunteers.
- Increase in income generated from both Room Hire and External Training.
- The re-focus of the Human Resources Working Group has identified a programme of initiatives to be implemented over the next year.

The Lesbian and Gay Foundation Limited

Our impact in Brief

- The LGF was accessed over 5.2 million times via our services, resources, website, magazine and other printed resources (excluding safer sex packs).
- Through providing safer sex packs we enabled people to have safer sex over 500,000 times last year within Greater Manchester.
- We produced and distributed over 180,000 copies of outnorthwest and a further 45,675 resources informing and advising LGB people and their supporters - including vital information on local services, sexual health, mental health and drug and alcohol related issues.
- Through our Helpline, our administration line and via email support over 6,000 people were supported and informed remotely
- We provided 650 hours of counselling; helping to improve the mental health of LGB people across Greater Manchester and into the North West.
- During 1,696 visits to our groups people were able to explore coming out, meet others and gain other vital support and information in a safe and supportive environment.
- 398 members of the LGB community informed our work through research questionnaires.
- 534 people received training from the LGF; enabling them to develop skills and promote their own health and wellbeing.
- In a year of innovative work; we helped the campaign to reduce sexually transmitted diseases and HIV infection; by opening the doors to our unique community based outreach sexual health clinic to over 174 men.
- Our website took over 4.7 million hits; to make a significant contribution to increasing access to information and services to LGBT people who were unable or chose not to visit us in person.
- 9,172 people walked through our doors to receive crisis intervention, work in partnership or simply to ask for information, advice or training. Capitalising on our new building we generated over £13,000 of income from room hire.
- Through our fundraising venture, Operation Fundraiser, over £120,000 was raised enabling 64 community groups access to grants provided to support the development of their work with LGBT people or people living with HIV or AIDS.
- For every £2 we received from funders or raised ourselves a person in the North West received a sexual health or mental health service from us – a cost effective health intervention.

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Financial review and results for the year

The result for the year shows total incoming resources at £1,136,270 (2005: £939,018), a rise of over 20% on 2005. As with previous years the Primary Care Trusts in Greater Manchester continue to be the main source of income, however we continue to diversify our income base and the year generated some new funding sources and increased income from all our activities for generating funds. Our expenditure on charitable activities rose in line with the increased income. This year we have analysed costs in line with our major activities, namely Services (Health, Therapeutic, Advice and Community Services and the Condom and Lube Distribution Scheme), Information (Magazine, Website and other Information Resources) and Research. In line with our activities expenditure on Services accounts for approximately half of our expenditure and Information approximately a third.

The net movement in funds as at end of March was £121,308 resulting in total funds carried forward of £216,317. This year the trustees have agreed to set aside £111,500 from the funds generated into designated reserves for identified HIV prevention and Sexual Health Services and Mental Health Services. As a result free unrestricted reserves have increased during the year by £81,554 to £104,817 at the end of March. This is in line with the trustees reserve policy (see below).

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed to project activity or invested in tangible fixed assets held by the LGF should be built up to between a minimum of 3 months and a maximum of 9 months running costs at any one time (as recommended by the Charities Commission). At this level the Board of Trustees believe they would be able to continue the current activities of the charity in the event of a significant drop or change in the nature of funding. Given this situation it would be necessary to look at what funding is generated and the level of project activity carried out by the LGF and risk planning exercises have been carried out by the Board of Trustees. At the 31st March 2006 unrestricted reserves do not reach the minimum target level however there has been a significant increase and the LGF will continue to look at new funding streams that will contribute to additional increases in free unrestricted reserves in the future. The Board is aware of its requirement to increase unrestricted reserves and continually looks at the financial position of the Charity.

Future Plans

The next five years will see continued growth of the work and influence of the LGF. Recent organisational re-focusing has yielded some very positive results, with a clear priority of integrating development with service delivery both internally as well as externally, and a move towards developing centres of excellence for each activity. This will ensure not only improved performance but provide the foundation for further expansion around the North West region. A number of developments and improvements to our existing activities are scheduled for this year including a root and branch review of Groupwork, a fundamental review of LGF's online presence, a push on increasing the building's usage, improvement in the reach and scope of the LGF's existing communications and undertaking a major market research exercise during the summer/autumn 2006. A key strategic priority is to strengthen our position as a customer focused organisation and marketing our services more effectively to the different customer bases we have. By concentrating our attention on our existing customers, and at the same time thinking about new customers we want to attract, real benefits can be achieved in promoting and raising the LGF's profile.

The Lesbian and Gay Foundation Limited

A priority will be given to the establishment of a Policy Team this year. Seed funding will be sought from the Lottery to establish a Team to oversee the LGF's interaction with the Public Sector and to co-ordinate our research and evaluation programmes in partnership with the University of Central Lancashire. A regional public health plan is currently being devised and this team would oversee its implementation alongside coordinating other initiatives to enable the LGF to better meet its advocacy targets.

To deliver our plans the focus for finance will be sustainability this year. A key target will be the signing of three year service level agreements with the majority of our public sector funders and at the same time persuading them to adopt full cost recovery principles. A significant extra investment in ICT this year will lead to an increase in both our efficiency as well as our effectiveness.

Our priorities towards staff and volunteers will be training, support and retention in addition to the consolidation of a re-designed volunteer process and a review of all our policies to ensure they are more 'people friendly'. A big push on Membership rights, responsibilities and benefits will hopefully lead to the LGF improving its democratic structures, and giving Members a real and continuing sense of ownership of the agency.

One of the most significant pieces of work this year will be the introduction of a new performance management system with clear and achievable targets established for every part of the organization, which will be regularly monitored at every level. Other priorities for performance include updating information systems and databases, integrating the use of corporate identity in all parts of the agency and improving our referral and user pathways.

Auditors

Slade & Cooper Limited 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 has 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


.....
Susan Stubbs – Company Secretary

11/8/06
.....
Date

The Lesbian and Gay Foundation Limited

Trustees, Officers and Advisors

Status

A registered Charity established as a Company limited by guarantee.
Registered as a Company on 1 December 1997
Registered as a Charity on 7 August 1998
Registered Company Number: 3476576
Registered Charity Number: 1070904

Trustees

Ben Amponsah (Chair)
Jill Cunningham (Deputy Chair)
Glyn Jenkins (Treasurer)
Margaret Beswick (resigned 23rd April 2005)
Debbie Bowley
John Finn
Gary Hardman
Gill Keogan (resigned 16th September 2005)
Anne McCormack (resigned 23rd April 2005)
Richard McKendrick (resigned 23rd July 2005)
Gwyn Starkey

Company Secretary

Susan Stubbs (Director of Finance & Administration)

Senior Management Team

Paul Martin (Chief Executive)
Jacqui Cross (Deputy Chief Executive)
Tim Sigsworth (Director of Fundraising)
Susan Stubbs (Director of Finance & Administration)

Head Office and Registered Office

Princess House
105-107 Princess Street
Manchester
M1 6DD

Tel: 0161 235 8035
Fax: 0161 235 8036
e-mail: info@lgf.org.uk
Web site: www.lgf.org.uk

Auditors

Slade & Cooper Limited
6 Mount Street
Manchester
M2 5NS

Bankers

Barclays Bank plc
876 Stockport Road
Levenshulme
Manchester
M19 3BP

The Lesbian and Gay Foundation Limited

Independent Auditor's Report to the members of The Lesbian & Gay Foundation For the year ending 31 March 2006

We have audited the financial statements of The Lesbian & Gay Foundation Limited for the year ended 31st March 2006 which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein, the historical cost convention, and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, 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 Limited are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 charitable 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 International Standards on Auditing (UK and Ireland) 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 significant estimates and 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charitable company's affairs as at 31st March 2006 and of its incoming resources and application of resources for the year then ended; and have been properly prepared in accordance with the Companies Act 1985.

Slade & Cooper Ltd

4/8/06

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

The Lesbian and Gay Foundation Limited

Statement of Financial Activities

for the year ended 31 March 2006 (incorporating income and expenditure accounts)

	Notes	Unrestricted funds £	Restricted Funds £	TOTAL 2006 £	TOTAL 2005 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income		39,414	0	39,414	49,161
Activities for generating funds:					
<i>Fees and other sales</i>		167,895	0	167,895	150,413
Investment income		2,224	0	2,224	812
Incoming Resources from charitable activities		800,813	125,924	926,737	738,632
Total incoming resources	2	1,010,346	125,924	1,136,270	939,018
Resources expended					
Costs of generating funds					
Voluntary Income		11,926		11,926	10,397
Cost of sales		69,511		69,511	65,656
Cost of charitable activities					
Services		331,141	187,670	518,811	456,458
Information		343,643		343,643	313,835
Research		50,466		50,466	50,816
Governance costs		20,605		20,605	15,121
Total resources expended	3/4	827,292	187,670	1,014,962	912,283
Net incoming/(outgoing resources for the year/ Net income/(expenditure for the year)		183,054	-61,746	121,308	26,735
Total funds brought forward 1 April 2005		33,263	61,746	95,009	68,274
Total funds carried forward 31 March 2006		216,317	0	216,317	95,009

The Lesbian and Gay Foundation Limited
Balance Sheet as at 31 March 2006

	Note	2006 £	2006 £	2005 £	2005 £
Fixed Assets					
Office Fixtures and Fittings			7,230		8,259
Computer Equipment			1,768		5,659
	6		<u>8,998</u>		<u>13,918</u>
Current Assets					
Debtors	7	201,010		132,361	
Cash at Bank and in Hand		<u>138,968</u>		<u>45,528</u>	
		<u>339,978</u>		<u>177,889</u>	
Current Liabilities					
Creditors falling due within one year	8		<u>132,659</u>	<u>96,798</u>	
Net Current Assets			<u>207,319</u>		<u>81,091</u>
Total Assets less Current Liabilities			<u>216,317</u>		<u>95,009</u>

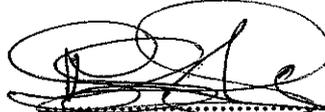
Represented by:

Funds and Reserves					
9					
Unrestricted Funds			<u>216,317</u>		<u>33,263</u>
Restricted Funds			<u>0</u>		<u>61,746</u>
Total Funds			<u>216,317</u>		<u>95,009</u>

The management committee have taken advantage of the exemptions available to small companies under S246/1(a) of the Companies Act 1985 on the grounds that the Charity is a small company

1/8/06

.....
Ben Amponsah - Chair



.....
Glyn Jenkins - Treasurer

.....
Date

1.8.06

Date

The Lesbian and Gay Foundation
Notes to the accounts 31 March 2006

1 Accounting Policies

a) Basis of preparation of accounts

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 February 2005.

b) Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received. Revenue grants are shown in the Statement of Financial Activities in the year in which they are receivable.

c) Fund accounting

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.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

d) Fixed Assets

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	33% straight line basis
Office Furniture & Fixtures	33% straight line basis

Only assets with a value of over £350 are capitalised

e) Resources Expended

All expenditure is accounted for on an accruals basis.

- Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in other activities that raise funds.
- Charitable activities include expenditure associated with our major work programmes; services, information and research, and include both the direct costs and support costs relating to these activities.

The Lesbian and Gay Foundation

Notes to the accounts 31 March 2006 (continued)

- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
 - Support costs have been allocated across all activities. Premises related costs have been allocated based on floor usage (where material) and staff related costs have been allocated on the basis of time spent on activities. Note 3 shows details of these allocations.
- f) Financial Reporting Standard 1
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.
- g) Subsidiary Companies
The company has not prepared consolidated accounts because its two subsidiary companies have not operated within the year and have no assets or liabilities.
- h) VAT
The Lesbian & Gay Foundation registered for VAT on 1 April 2002. The majority of the work the Foundation undertakes is within the scope of VAT with an element of supplies outside the scope of VAT. Input tax is not recoverable on inputs relating to supplies outside the scope of VAT. Any irrecoverable VAT is charged to the income and expenditure account in the year in which it is incurred.
- i) 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.
- j) 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 employer contributions of 8% of gross salary to an approved personal or stakeholder pension scheme.

The Lesbian and Gay Foundation Limited
Notes to the Accounts 31 March 2006 (continued)

2) Incoming Resources

Voluntary Income

	Unrestricted funds £	Restricted Funds £	TOTAL 2006 £	TOTAL 2005 £
Operation Fundraiser Donations	27,680		27,680	42,298
Supporters Scheme Individual Donations	8,234		8,234	5,863
Sponsorship	3,500		3,500	0
Collection Boxes				1,000
	39,414	0	39,414	49,161

Activities for generating funds:

Fees and other sales

Counselling income	6,735		6,735	6,003
Magazine advertising	93,921		93,921	71,405
Distribution sales	9,190		9,190	8,343
Venue Hire	21,012		21,012	19,373
Operation Fundraiser Staff Income	31,230		31,230	25,403
Training income	3,841		3,841	1,289
Student placement fees	7,312		7,312	8,500
Web income	-5,000		-5,000	0
Other miscellaneous income	8,852		8,852	1,007
Less bad debts	-9,198		-9,198	-5,680
	167,895	0	167,895	135,643

Investment Income

Bank interest received	2,224		2,224	812
	2,224	0	2,224	812

Incoming Resources from charitable activities

Grants and Contracts

Central Manchester Primary Care Trust	5,000		5,000	0
North Manchester Primary Care Trust	304,488		304,488	216,916
Ashton, Leigh & Wigan Primary Care Trust	34,937		34,937	40,230
Bolton Primary Care Trust	13,365		13,365	26,130
Stockport Primary Care Trust	29,433		29,433	28,715
Trafford South Primary Care Trust	21,463		21,463	20,838
Trafford North Primary Care Trust	21,463		21,463	20,838
Salford Primary Care Trust	126,230		126,230	76,464
Oldham Primary Care Trust	24,680		24,680	17,399
Tameside & Glossop Primary Care Trust	17,868		17,868	17,399
Bury Primary Care Trust	12,500		12,500	12,500
Rochdale Primary Care Trust	12,610		12,610	8,240
Heywood & Middleton Primary Care Trust	6,306		6,306	4,120
Central Cheshire Primary Care Trust	5,442		5,442	2,856
Wigan WISK			0	18,750
Health Action Zone	58,000		58,000	58,376
Mental Health services	27,393		27,393	18,500
Rampton Income	15,515		15,515	14,770
Drug and Alcohol services		25,790	25,790	40,000
Neighbourhood renewal	12,472		12,472	4,557
East Manchester Regeneration	7,112		7,112	7,000
Manchester Public Health Development			0	16,650
Terrence Higgins Trust CHAPS	30,000		30,000	30,000
DfES Strengthening Families Grant		60,000	60,000	40,000
University of Central Lancashire		19,250	19,250	500
Rochdale CVS			0	-9,880
Arts about Media			0	3,870
Change Up Project	14,536		14,536	0
Community Chest Grant		4,602	4,602	2,664
Awards for all		4,482	4,482	0
AOL BIS		2,000	2,000	0
Community Futures		4,900	4,900	15,000
Sure Start		4,900	4,900	0
	800,813	125,924	926,737	753,402
	1,010,346	125,924	1,136,270	939,018

The Lesbian and Gay Foundation Limited
Notes to the Accounts 31 March 2006 (continued)

3) **Resources Expended**

a) Analysis of total resources expended	Direct Costs £	Support Costs £	Total 2006 £	Total 2005 £
Costs of generating funds				
Voluntary Income	10,063	1,863	11,926	10,397
Cost of sales	49,104	20,407	69,511	65,656
Cost of charitable activities				
Services	352,720	166,091	518,811	456,458
Information	260,322	83,321	343,643	313,835
Research	41,617	8,849	50,466	50,816
Governance costs	18,742	1,863	20,605	15,121
Total resources expended	732,568	282,394	1,014,962	912,283

b) Analysis of support costs	Voluntary Income	Fees and other sales	Services	information	Research	Governance	Total 2006	Total 2005
Premises Costs	0	4,579	59,518	27,469	0	0	91,566	64,776
Support Staff Costs	521	4,681	33,115	17,147	2,473	521	58,458	49,849
Administrative Costs	777	6,224	39,488	21,009	3,696	777	71,971	87,389
Staff Travel and Training	403	3,221	20,434	10,871	1,913	403	37,245	9,868
Disallowed VAT	103	821	5,212	2,773	488	103	9,500	4,279
Depreciation	59	881	8,324	4,052	279	59	13,654	20,274
Total Support Costs	1,863	20,407	166,091	83,321	8,849	1,863	282,394	236,435

Support costs have been allocated across activities. Premises related costs have been allocated based on floor area used (where material) and Staff related costs have been allocated on the basis of time spent on activities.

c) **Analysis of governance costs**

Professional fees	4,081	0
Audit fees	2,500	2,000
Costs of AGM and Trustee Meetings	1,681	725
Annual Report	1,325	1,027
Apportionment of staff and support costs	11,018	11,369
Total governance costs	20,605	15,121

The Lesbian and Gay Foundation Limited
Notes to the Accounts 31 March 2006 (continued)

3) cont'd Staff Costs

	2006	2005
	£	£
<i>Wages and Salaries</i>	481,257	484,160
<i>Employers National Insurance</i>	50,779	50,906
<i>Pension costs</i>	29,719	19,373
	561,755	554,439

Number of employees whose emoluments as defined for tax purposes amounted to over £50,000 in the year was as follows

	2006	2005
£50,000-£60,000	1	1
£60,000-£70,000	1	0
	2	1

All employees earning more than £50,000 participated in the pension scheme

Staff Numbers at 31 March 2006

	2006	2005
Chief Executive	1	1
Deputy Chief Executive	1	1
Director of Fundraising	1	1
Director of Finance & Administration	1	1
Knowledge Manager	1	1
Design & Production Manager	1	1
Communications Manager	1	1
Advertising Co-Ordinator	1	1
Distribution Network Co-ordinator	1	1
Operation Fundraiser Project Manager	1	1
Training Services Manager	1	1
Clinical Services Manager	1	1
Nurse Practitioner	1	0
Lesbian Projects & Campaigns Co-Ordinator	0	1
Therapeutic Services Manager	1	1
Helpline Coordinator	1	1
Substance Misuse Manager	1	0
Building Services Co-Ordinator	1	1
Building Services Assistant	1	1
Office Assistant	1	0
	19	17

The Lesbian and Gay Foundation Limited
Notes to the Accounts 31 March 2006 (continued)

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

	2006	2005
	£	£
Depreciation	13,654	20,274
Profit/(loss) on disposal of fixed assets	-1,082	408
Auditor's Remuneration	2,500	2,000
Irrecoverable VAT	9,500	4,279

5) **Taxation**

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

6) **Fixed Assets**

Cost	Office Fixtures & Fittings £	Computer Equipment £	Total
At 1 April 2005	38,275	36,133	74,408
Additions	8,142	1,675	9,817
Disposals	-6,607	-18,593	-25,200
At 31 March 2006	39,810	19,215	59,025
Depreciation			
At 1 April 2005	30,016	30,474	60,490
Charge for the year	8,218	5,436	13,654
On disposals	-5,654	-18,463	-24,117
At 31 March 2006	32,580	17,447	50,027
Net Book Value			
At 31 March 2006	7,230	1,768	8,998
At 31 March 2005	8,259	5,659	13,918

7) **Debtors**

	2006	2005
	£	£
Trade Debtors	158,360	98,323
Other Debtors and Prepayments	42,650	34,038
	201,010	132,361

8) **Creditors**

	2006	2005
	£	£
Trade Creditors	46,435	23,366
Other Taxes and Social Security	46,352	61,298
Outstanding pension contributions	2,711	1,489
Grant in advance	0	4,900
Other Creditors and Accruals	37,161	5,745
	132,659	96,798

The Lesbian and Gay Foundation Limited
Notes to the Accounts 31 March 2006 (continued)

9) Reserves

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Balance Brought Forward	33,263	61,746	95,009
Net Incoming Resources	183,054	-61,746	121,308
Transfer between Funds			0
	216,317	0	216,317

Analysis of net assets between funds
Fund balances as at 31st March 2006 are represented by:

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	8,998	0	8,998
Current Assets	339,978	0	339,978
Current Liabilities	-132,659	0	-132,659
	216,317	0	216,317

10) Analysis of Unrestricted Funds

	Balance B/Fwd	Incoming Resources	Outgoing Resources	Balance C/Fwd
	£	£	£	£
General Fund	33,263	835,666	764,112	104,817
Designated Fund HIV Prevention and Sexual Health Services	0	100,680	63,180	37,500
Designated Fund Mental Health Services	0	69,000	0	69,000
Designated Fund Promotional Activities	0	5,000	0	5,000
	33,263	1,010,346	827,292	216,317

11) Analysis of Restricted Funds

	Balance B/Fwd	Incoming Resources	Outgoing Resources	Balance C/Fwd
	£	£	£	£
Arts Council	3,370	0	3,370	0
Health Action Zone	58,376	0	58,376	0
Manchester Drug and Alcohol services	0	25,790	25,790	0
DfES Strengthening Families Grant	0	60,000	60,000	0
University of Central Lancashire	0	19,250	19,250	0
Community Chest Grant	0	4,602	4,602	0
Awards for all	0	4,482	4,482	0
AOL BIS	0	2,000	2,000	0
Community Futures	0	4,900	4,900	0
Sure Start	0	4,900	4,900	0
	61,746	125,924	187,670	0

The Lesbian and Gay Foundation Limited
Notes to the Accounts 31 March 2006 (continued)

12) Leased Assets

Nashuatec Photocopier	Payments made current year	3,138
	Payments due 1 year	3,138
	Payments due 2-5 years	1,569
Leased Premises - Unity House	Payments made current year	26,415
	Payments due 1 year	0
	Payments due 2-5 years	0
Leased Premises - Princess House	Payments made current year	27,072
	Payments due 1 year	75,197
	Payments due 2-5 years	300,788

13) Contingent Liability

A ruling has been made by HM Revenue and Customs not to exempt Manchester Pride Big Weekend 2004 ticket sales from VAT, a reversal of the ruling made for 2003. The Trustees have made a provision for £10,000 which represents LGF's share of the potential Operation Fundraiser VAT Liability for 2004. Discussions are still ongoing regarding the exemption status of the event. Once concluded similar discussions will take place around the status of the 2005 event, dependent on this ruling LGF may incur an additional liability of £10,000.

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, costing £1,819 for the year.

15) Subsidiary Companies

The Company has 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

16) Operation Fundraiser

The Lesbian & Gay Foundation is part of a joint fundraising initiative with George House Trust (charity number 700364) called Operation Fundraiser which raises funds for HIV and LGBT organisations in Greater Manchester.

For the year ended 31 March 2006 the income and expenditure account was as follows

	£	£
Income		519,086
Expenditure		
Fundraising expenditure	384,667	
Grants made to HIV and LGBT charities	133,306	517,973
		<u>1,113</u>

The Lesbian & Gay Foundation received the following amounts from Operation Fundraiser

Staffing costs and related expenses	31,230
Funding received	27,680
	<u>58,910</u>