

**THE LESBIAN AND GAY FOUNDATION LIMITED**

(A Charitable Company Limited by Guarantee)

**Annual Report and Financial Statements**

**31 March 2007**

**Registered Charity No. 1070904**  
**Company No. 03476576**

## 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](http://www.lgf.org.uk)

[info@lgf.org.uk](mailto:info@lgf.org.uk)

**Tel:** 0161 235 8035

**Fax:** 0161 235 8036

## **Annual Report and Financial Statement**

*For the year ending 31 March 2006*

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## Report of the Board of Trustees For the year ending 31 March 2007

The Board of Trustees presents the report and audited financial statements of The Lesbian and Gay Foundation for the year ended 31 March 2007. 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 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 eight 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:

- **Governance Sub-committee** – maintains a scrutiny and review role to ensure effective governance structures are in place across the organisation.
- **Finance Sub-committee** – maintains a scrutiny and review role to ensure effective financial management across the organisation.
- **Fundraising Sub-committee** - ensures an effective overview and performance management system in relation to fundraising activity

In addition the organisation has a number of Working Groups, membership of which comprise Trustees (acting as volunteers) and staff, which report to the Chief Executive.

These are:

- **Performance Working Group**– monitors the performance of the LGF's activity and outcomes against strategic priorities and performance targets.
- **Human Resources Working Group** – reviews and monitors the HR policies and procedures of the LGF.

#### **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.

Members of the Board of Trustees, who are directors for the purposes of company law, and trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on page 13.

In accordance with company law, as the company's directors, each of the Board of Trustees certify that:

- So far as they are aware, there is no relevant information of which the auditors are unaware;
- As directors of the company they have taken the necessary steps to be aware of the information which would be relevant for audit purposes and have communicated them to the auditors.

## **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 Sub-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 2007 The Lesbian and Gay Foundation has two wholly owned subsidiaries both of which were dormant for the year ended 31 March 2007. 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.

## **Objectives and principal activities**

All our principal 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 men's groups, 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. This year two major projects have been started; Exceeding Expectations, a schools project running across Manchester secondary schools and The Rainbow Partnership, a coalition of LGBT groups across the North West of England.

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, legal rights guide 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, amongst many others.

To deliver these activities the LGF is reliant on the support and enthusiasm of our volunteers. We currently have nearly 200 dedicated volunteers, many of whom are members of the LGF, who provide over 20,000 hours of vital volunteering across all our services.

## Principal achievements for the year

2006/07 has been a year of consolidation as the Trustees have spent considerable time ensuring the LGF is "fit for purpose" and as a result have fully reviewed their own governance arrangements. This has led to a new Governance Manual, a new code of conduct for Trustees, new structures for Board Meetings and sub-committee meetings revised role profiles for both trustees and officers. This work, while complete, is subject to on-going review with a total commitment from all trustees to exceed stakeholders expectations and ensure the LGF is governed and managed transparently, effectively and efficiently. The LGF has refocused its operations around its Forward Plan, "Reaching for our Potential" and includes:

### Operations

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

- The counselling team has continued to grow and diversify in terms of its skill's base and the diversity of its volunteers.
- External issues experienced by our partner agencies have impeded the re-launch of the Clinic which is now anticipated later in 2007.
- Successful continuation of the outreach sexual health clinic reached over 190 men.
- This years Manchester Pride Festival was used as an opportunity to celebrate and promote our Therapeutic Services and resulted in an uptake of those services.

- The Helpline currently has 60 operators and continues to provide information and support to the LGB community across the North West.
- Exceeding Expectations produced a newsletter that reached every adult working in secondary and primary schools across Manchester.
- The Substance misuse project successfully piloted a sexuality awareness training programme to mainstream drug and alcohol agencies across Manchester
- Rainbow Partnership launched in January 2007 and already has 52 Network members from across the North West
- The LGF Groupwork programme completed a full review of the services and its purpose, culminating in a new development plan for groupwork sessions and volunteer training.

### **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 have now re-located initiatives that were to be the responsibility of this team, that is, Rainbow Partnership, Evidence Exchange and the Skills Academy amongst Directors' programmes.

### **Marketing**

The Marketing Team plays an essential role in making sure that the LGB community remains informed and up to date on key issues affecting them, as well as ensuring people know about the services that the LGF can offer them. During the year, the staff team expanded, driving forward progress in these areas and also helping to raise vital sponsorship for significant resources. Key achievements against objectives included:

- Our free, regional magazine, 'outnorthwest', continued its success, with expansions to both the scene and listings sections, and an increase in the number of community based contributors.
- Due to national success and exceptional demand, it was decided to update and reprint our Civil Partnership Guide, containing vital information for both couples and registry offices alike.
- As a key resource for Pride, we designed and printed a new mental health guide, which as well as being distributed to our usual outlets, additionally went to hundreds of doctors' surgeries and NHS Walk-In Centres etc.
- A new health guide focusing on HIV was produced, entitled 'The F\*\*k stops with you'. Targeted at men who have sex with men, it considers the wide ranging effects that this virus is still having on all areas of our lives.
- Building on the work of the former Peer Support Project, we produced a new booklet 'LGB Youth Matters', aiming to push forward the youth agenda.
- Supporting the unprecedented partnership project 'Exceeding Expectations', a new quarterly newsletter was produced for distribution across all Greater Manchester schools, to help put an end to homophobic bullying within education.



- Throughout the summer months we ran a highly successful 'Potential Campaign' encouraging LGBT individuals across the region to consider one action or aim they could achieve over the coming year, that would help them fulfil their potential.
- The Condom and Lube Distribution Scheme continued to reach an increasing number of outlets and distributed over 587,000 condoms during the year.
- Our website [www.lgf.org.uk](http://www.lgf.org.uk) was expanded even further, including more news stories, press releases and online surveys to provide comprehensive information and advice. As a result, the site had over 6.9 million hits during 2006/07, representing an increase of over 45% on the previous year.
- Internally, a new quarterly newsletter (Foundation) was launched, increasing internal communication amongst staff and volunteers, and providing opportunities to share stories and successes.
- Our impressive magazine and resource distribution network reached over 700 outlets, helping to share information throughout LGB communities across the Northwest. We also acted as one of the key media partners for QueerUpNorth, Manchester Pride, and Homotopia.
- Press and PR activities continued to promote and raise the profile of the charity, including the production of a new 'Your Guide to the Lesbian and Gay Foundation', bringing together information about our mission and all our services and projects.

### ***Funding and Fundraising***

Fundraising in 2006/07 focused primarily on the procurement of funding as we make the transition to the development of our fundraising programme. Key developments included:

- A new donor/sponsor relationship established with West Properties, resulting in funding for three new resources during 2007.
- We continued our relationship with O'Neill Patient Solicitors, who very kindly agreed further sponsorship, not only for the extended reprint of the Civil Partnership Guide, but also to fund a new rights guide for 2007.
- Manchester DAST continues to support our Substance Misuse Project.
- We successfully received grants from Lloyds TSB, Awards for All and The Joseph Rowntree Foundation
- A new annual fundraising plan was developed and a structure devised to support ongoing strategy.
- Operation Fundraiser, raised and distributed over £65,000 to HIV and LGBT good causes within Greater Manchester, benefiting over 35 organisations and groups.

### ***Management and Administration***

The Management and Administration Teams continue to lead and support all our activities. Key achievements against objectives include:

- We continued our investment in the facilities on our service floor benefiting our service users, volunteers and external users.
- This year we developed and implemented a new performance management system that will monitor our performance against key targets.
- A full review of the Governance arrangements resulting in a revised Governance Manual and Board structure.
- Delivery of five induction sessions for new staff and volunteers.
- A review of all HR policies and procedures ensuring compliance with all regulatory and statutory requirements.
- We negotiated to host the second national LGBT Health Summit in Manchester in 2007. Significant planning and development work including securing £30,000 of investment to ensure the Summit is free for all to attend.
- Significant policy and strategic development work with the public sector, supporting them to implement the positive legislative changes for LGBs, and assisting the sector to end homophobia for LGBs using public services.

### ***Our impact in Brief***

- 774,503 people accessed the LGF via our services, resources, 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 18,000 copies of outnorthwest and further 584,936 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 and email support over 3,000 people were supported and informed remotely.
- We provided 790 hours of counselling; helping to improve the mental health of LGB people across Greater Manchester and into the North West.
- During 1,808 visits to groupwork sessions, people were able to explore coming out, meet others and gain vital support and information in a safe and supportive environment.
- 791 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 191 men.
- Our website took almost 7million 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.
- 11,982 people walked through our doors to receive crisis intervention, work in partnership or simply to ask for information, advice or training. Continuing to develop on our growth in venue hire, we generated almost £20k of income.
- March 2007 saw the end of Operation Fundraiser which successfully raised £466,485 over it's lifetime for HIV and LGBT organisations across Greater Manchester.

Without the dedicated trustees, volunteers and staff of the Lesbian & Gay Foundation, none of this work would happen.

## Financial review and results for the year

The result for the year shows total incoming resources at £1,344,522 (2006: £1,313,599). As with previous years the Primary Care Trusts in Greater Manchester continue to be a substantial source of income, however we continue to diversify our income base and the year generated some new funding sources and increased income from a number of our activities for generating funds. Our expenditure on charitable activities increased 16%. 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 decrease in funds as at end of March was £25,263 resulting in total funds carried forward of £173,840. This year the trustees have agreed to set aside £22,555 from the funds generated into designated reserves for identified Mental Health Services and Young Peoples Projects. As a result, free unrestricted reserves at the end of the year are £76,109.

### 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

31<sup>st</sup> March 2007 unrestricted reserves do not reach the minimum target level however 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 implementing actions from review of Groupwork, a fundamental review of LGF's online presence, a rebranding of our highly successful regional magazine 'outnorthwest', 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 2007. A key strategic priority continues to be 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.

To deliver our plans, the focus for finance and fundraising will be sustainability this year. Key objectives will be to diversify our funding base, targeting an increase in voluntary funding with the launch of a supporters scheme, a 'Bar & Club Supporters' scheme, and various charity challenges. Additionally, we will be launching a new legacy scheme, which whilst unlikely to raise money in the short term, will hopefully produce dividends in years to come. We will also continue to seek the vital funding of Trusts and Foundations to support our work, as well as working with corporate organisations to sponsor our resources and promote fundraising activities within their staff bodies. 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 ensure that we adopt full cost recovery principles in all our activities.

Our priorities towards staff and volunteers will be shaped by the results of the staff and volunteer satisfaction survey that was completed in April 2007. By asking our staff and volunteers what they think we can better structure our training and support and improve retention. In addition the consolidation of a re-designed volunteer process and a review of all our policies 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 balanced scorecard performance management system with clear and achievable targets established for every part of the organisation, 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 were re-appointed as The Lesbian and Gay Foundation's auditors during the year and have expressed their willingness to continue in that capacity will offer themselves for re-election as auditors of The Lesbian & Gay Foundation at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985.

**By order of the Management Committee**

.....  
John Finn – Company Secretary

Date

..... 1/11/2007 .....

## **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**

David McGovern (Chair) (appointed 4<sup>th</sup> August 2006)  
Jill Cunningham (Deputy Chair)  
Glyn Jenkins (Treasurer)  
Ben Amponsah  
James Barnard (appointed 4<sup>th</sup> August 2006)  
Debbie Bowley  
Edward Cox (appointed 24<sup>th</sup> October 2006)  
John Finn  
Gary Hardman  
Sarah Holden (appointed 4<sup>th</sup> August 2006)  
Moneeza Iqbal (appointed 4<sup>th</sup> August 2006)  
Christopher Pollard (appointed 4<sup>th</sup> August 2006)  
James Sanders (appointed 4<sup>th</sup> August 2006)  
Gwyn Starkey (resigned 16<sup>th</sup> December 2006)

### **Company Secretary**

John Finn

### **Senior Management Team**

Paul Martin (Chief Executive)  
Jacqui Cross (Deputy Chief Executive)  
Matt Harby (Director of Fundraising & Marketing)  
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: 0161235 8036  
e-mail: [info@lgf.org.uk](mailto:info@lgf.org.uk)  
Web site: [www.lgf.org.uk](http://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

**Independent Auditor's Report  
to the members of The Lesbian & Gay Foundation Limited  
For the year ended 31 March 2007**

We have audited the financial statements of The Lesbian & Gay Foundation Limited for the year ended 31 March 2007, 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 management committee and auditors**

As described in the Statement of Management Committee Responsibilities the charitable company's management committee (who are also the directors of The Lesbian & Gay Foundation Limited) are responsible for the preparation of the 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 Board of Trustees' Report is 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 Trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Board of Trustees' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

**Basis of audit 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 Board of 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 consider 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 31 March 2007 and of its incoming resources and application of resources for the year then ended; and
- The financial statements have been properly prepared in accordance with the Companies Act 1985.
- The information given in the directors' report is consistent with the financial statements.

*Slade & Cooper Ltd*

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

*19/11/07*



**The Lesbian and Gay Foundation Limited**

**Statement of Financial Activities**

for the year ended 31 March 2007 (incorporating income and expenditure accounts)

	Notes	Unrestricted funds	Restricted Funds	TOTAL 2007	TOTAL 2006 (as restated)
		£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds		62,039	0	62,039	36,723
Voluntary income					
Activities for generating funds:					
Fees and other sales		419,565	0	419,565	351,186
Investment income		2,213	0	2,213	3,853
Incoming Resources from charitable activities		667,829	192,876	860,705	921,837
<b>Total incoming resources</b>	<b>2</b>	<b>1,151,646</b>	<b>192,876</b>	<b>1,344,522</b>	<b>1,313,599</b>
<b>Resources expended</b>					
Costs of generating funds					
Voluntary Income		16,645		16,645	11,926
Cost of sales		234,308		234,308	235,356
Cost of charitable activities					
Services		482,538	117,700	600,238	518,811
Information		416,184		416,184	343,643
Research		49,106		49,106	50,466
Grants Paid	<b>1</b>	29,661		29,661	27,419
Governance costs		23,642		23,642	20,605
<b>Total resources expended</b>	<b>3/4</b>	<b>1,252,085</b>	<b>117,700</b>	<b>1,369,785</b>	<b>1,208,226</b>
<b>Net incoming/(outgoing resources for the year/ Net income/(expenditure for the year)</b>		<b>-100,439</b>	<b>75,176</b>	<b>-25,263</b>	<b>105,373</b>
<b>Total funds brought forward 1 April 2006 (as originally stated)</b>		<b>216,317</b>	<b>0</b>	<b>216,317</b>	<b>93,730</b>
<b>Prior year adjustment</b>		<b>-17,214</b>		<b>-17,214</b>	
<b>Total funds carried forward 31 March 2007</b>		<b>98,664</b>	<b>75,176</b>	<b>173,840</b>	<b>199,103</b>

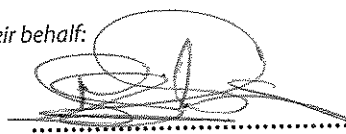
The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**The Lesbian and Gay Foundation Limited**  
**Balance Sheet as at 31 March 2007**

		2007	2007	2006	2006
	Note	£	£	£	£ (as restated)
<b>Fixed Assets</b>					
Office Fixtures and Fittings			10,935		7,230
Computer Equipment			7,138		1,768
	6		<u>18,073</u>		<u>8,998</u>
<b>Current Assets</b>					
Debtors	7	192,754		208,954	
Cash at Bank and in Hand		<u>96,087</u>		<u>140,854</u>	
		288,841		349,808	
<b>Current Liabilities</b>					
Creditors falling due within one year	8		<u>133,074</u>		<u>159,703</u>
<b>Net Current Assets</b>			<u>155,767</u>		<u>190,105</u>
<b>Total Assets less Current Liabilities</b>			<u>173,840</u>		<u>199,103</u>
 <b>Represented by:</b>					
<b>Funds and Reserves</b>					
	9				
Unrestricted Funds			98,664		199,103
Restricted Funds			75,176		0
<b>Total Funds</b>			<u>173,840</u>		<u>199,103</u>

*The financial statements have been prepared in accordance with the special provisions in Part V11 of the Companies Act 1985 relating to small companies*  
*Approved by the Management Committee and signed on their behalf:*

  
 .....  
**David McGovern - Chair**

  
 .....  
**Glyn Jenkins - Treasurer**

1/11/2007  
 .....  
**Date**

1/11/2007  
 .....  
**Date**

## 1 Accounting Policies

The principal policies adopted in the preparation of the financial statements are set out below. They have been applied consistently during the year and in the preceding year.

### 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 the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005, and the Financial Reporting Standard for Smaller Entities (effective January 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.
- 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 and Joint Arrangements  
The company has not prepared consolidated accounts because its two subsidiary companies have not operated within the year and have no assets or liabilities.  
The Lesbian and 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. The LGF has accounted for 50% of the income and expenditure and 50% of assets and liabilities of this joint arrangement. In previous years this joint arrangement has been disclosed however the LGF share has not been accounted for. A prior year adjustment has been included to reflect the change in accounting policy.
- 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 contributes to defined contribution pension schemes on behalf of its employees. The assets of these schemes are entirely separate to those of the charity. The pension cost shown represents contributions payable by the charity on behalf of the employees. There were no outstanding contributions at the balance sheet date.
- k) Grants paid  
Grants paid are recognised when the Grants Awards Panel award the grant. 40 grants were awarded to small HIV and LGBT groups in Greater Manchester. The maximum grants awarded were £1000 for the LGBT groups and £5000 for the HIV groups. Greater Manchester Immigration AID unit (to fund costs relating to the representation of cases involving HIV issues) and Body Positive North West (to fund costs relating to the "Learning out of the Tardis" project) received the maximum of £5000.

**The Lesbian and Gay Foundation Limited**  
Notes to the Accounts 31 March 2007 (continued)

2) Incoming Resources	Unrestricted funds	Restricted Funds	2007	TOTAL 2006 (as restated)
	£	£	£	£
<b>Voluntary Income</b>				
Operation Fundraiser Donations	23,478		23,478	24,989
Supporters Scheme & Individual Donations	23,561		23,561	8,234
Sponsorship	15,000		15,000	3,500
	<b>62,039</b>	<b>0</b>	<b>62,039</b>	<b>36,723</b>
<b>Activities for generating funds:</b>				
<b>Fees and other sales</b>				
Counselling income	9,452		9,452	6,735
Magazine advertising	95,659		95,659	93,921
Distribution sales	4,520		4,520	9,190
Venue Hire	32,590		32,590	21,012
Operation Fundraiser Staff Income	19,660		19,660	15,615
Training income	5,880		5,880	3,841
Student placement fees	18,760		18,760	7,312
Web income	0		0	-5,000
Other miscellaneous income	2,360		2,360	8,852
Manchester Pride ticket sales	224,156		224,156	188,165
Manchester Pride other income	6,528		6,528	10,741
Less bad debts	0		0	-9,198
	<b>419,565</b>	<b>0</b>	<b>419,565</b>	<b>351,186</b>
<b>Investment income</b>				
Bank interest received	2,213		2,213	3,853
	<b>2,213</b>	<b>0</b>	<b>2,213</b>	<b>3,853</b>
<b>Incoming Resources from charitable activities</b>				
<b>Grants and Contracts</b>				
Central Manchester Primary Care Trust	0		0	5,000
North Manchester Primary Care Trust	271,680		271,680	304,488
Ashton, Leigh & Wigan Primary Care Trust	43,535		43,535	34,937
Bolton Primary Care Trust	9,590		9,590	13,365
Stockport Primary Care Trust	29,433		29,433	29,433
Trafford South Primary Care Trust	22,107		22,107	21,463
Trafford North Primary Care Trust	22,107		22,107	21,463
Salford Primary Care Trust	130,017		130,017	126,230
Oldham Primary Care Trust	20,600		20,600	24,680
Tameside & Glossop Primary Care Trust	18,315		18,315	17,868
Bury Primary Care Trust	12,875		12,875	12,500
Rochdale Primary Care Trust	19,483		19,483	12,610
Heywood & Middleton Primary Care Trust	0		0	6,306
Central Cheshire Primary Care Trust	3,030		3,030	5,442
Health Action Zone			0	58,000
Mental Health services			0	8,519
Manchester City Council Helpline	19,250		19,250	18,874
Rampton Income	19,507		19,507	15,515
Drug and Alcohol services		51,150	51,150	25,790
Neighbourhood renewal			0	12,472
East Manchester Regeneration	3,000		3,000	7,112
Terrence Higgins Trust CHAPS	30,000		30,000	30,000
DfES Strengthening Families Grant			0	60,000
University of Central Lancashire			0	19,250
Manchester City Council Exceeding Expectations		17,000	17,000	0
Joseph Rowntree Foundation Exceeding Expectations		2,400	2,400	0
NRF Fund Exceeding Expectations		21,101	21,101	0
Capacity Builders		53,900	53,900	0
Change Up Project	1,300		1,300	14,536
Community Futures		7,165	7,165	0
GMCVO		10,700	10,700	0
Health Summit		17,000	17,000	0
Other grants and trusts		12,460	12,460	15,984
Bad debt provision	-8,000		-8,000	0
	<b>667,829</b>	<b>192,876</b>	<b>860,705</b>	<b>921,837</b>
	<b>1,151,646</b>	<b>192,876</b>	<b>1,344,522</b>	<b>1,313,599</b>

The Lesbian and Gay Foundation Limited  
Notes to the Accounts 31 March 2007 (continued)

3) Resources Expended

a) Analysis of total resources expended	Direct Costs	Support Costs	Total 2007	Total 2006 (as restated)
	£	£	£	£
Costs of generating funds				
Voluntary Income	12,599	4,046	16,645	11,926
Cost of sales	219,745	14,563	234,308	235,356
Cost of charitable activities				
Services	423,347	176,891	600,238	518,811
Information	327,073	89,112	416,184	343,643
Research	43,615	5,491	49,106	50,466
Grants Paid	29,661	0	29,661	27,419
Governance costs	20,751	2,890	23,642	20,605
<b>Total resources expended</b>	<b>1,076,792</b>	<b>292,993</b>	<b>1,369,785</b>	<b>1,208,226</b>

b) Analysis of support costs	Voluntary Income	Fees and other sales	Services	Information	Research	Governance	Total 2007	Total 2006
Premises Costs	0	7,305	94,963	43,830			146,098	91,566
Support Staff Costs	2,199	4,069	46,144	25,357	2,985	1,571	82,325	86,148
Administrative Costs	1,783	2,802	30,949	17,576	2,420	1,274	56,804	81,471
Depreciation	64	386	4,834	2,349	87	46	7,766	13,654
<b>Total Support Costs</b>	<b>4,046</b>	<b>14,562</b>	<b>176,890</b>	<b>89,112</b>	<b>5,492</b>	<b>2,891</b>	<b>292,993</b>	<b>272,839</b>

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	0	4,081
Audit fees	2,750	2,500
Costs of AGM and Trustee Meetings	1,163	1,681
Annual Report	1,968	1,325
Apportionment of staff and support costs	16,214	11,018
<b>Total governance costs</b>	<b>22,095</b>	<b>20,605</b>

d) Staff Costs

	2007	2006
	£	£
<i>Wages and Salaries</i>	591,334	481,257
<i>Employers National Insurance</i>	60,887	50,779
<i>Pension costs</i>	33,431	29,719
	<b>685,652</b>	<b>561,755</b>

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

	2007	2006
£50,000-£60,000	1	1
£60,000-£70,000	1	1
	<b>2</b>	<b>2</b>

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

e) Average Staff Numbers

	2007	2006
Senior Management Team	4.00	4.00
Operations Team	4.50	3.50
Marketing Team	6.25	4.75
Administration & Facilities Team	5.75	4.25
Fundraising Team	1.00	1.00
	<b>21.50</b>	<b>17.50</b>

**The Lesbian and Gay Foundation Limited**  
**Notes to the Accounts 31 March 2007 (continued)**

4)	<b>Net incoming resources is arrived at after charging for the following:</b>		
		<b>2007</b>	<b>2006</b>
		£	£
	Depreciation	7,767	13,654
	Profit/(loss) on disposal of fixed assets	0	-1,082
	Auditor's Remuneration	2,750	2,500
	Irrecoverable VAT	-1,266	9,500

5) **Taxation**  
 No provision has been made for taxation as the company is a registered charity

6) **Fixed Assets**

<b>Cost</b>	<b>Office Fixtures &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	£	£	
At 1 April 2006	39,810	19,215	59,025
Additions	9,435	7,407	16,842
Disposals	0	0	0
<b>At 31 March 2007</b>	<b>49,245</b>	<b>26,622</b>	<b>75,867</b>
<b>Depreciation</b>			
At 1 April 2006	32,580	17,447	50,027
Charge for the year	5,730	2,037	7,767
On disposals	0	0	0
<b>At 31 March 2007</b>	<b>38,310</b>	<b>19,484</b>	<b>57,794</b>
<b>Net Book Value</b>			
<b>At 31 March 2007</b>	<b>10,935</b>	<b>7,138</b>	<b>18,073</b>
<b>At 31 March 2006</b>	<b>7,230</b>	<b>1,768</b>	<b>8,998</b>

7)	<b>Debtors</b>	<b>2007</b>	<b>2006</b>
		(as restated)	
		£	£
	Trade Debtors	148,670	158,360
	Other Debtors and Prepayments	44,084	50,594
		<b>192,754</b>	<b>208,954</b>

8)	<b>Creditors</b>	<b>2007</b>	<b>2006</b>
		(as restated)	
		£	£
	Trade Creditors	34,493	46,435
	Other Taxes and Social Security	59,532	66,218
	Outstanding pension contributions	3,059	2,711
	Grant in advance	10,558	0
	Other Creditors and Accruals	25,432	44,339
		<b>133,074</b>	<b>159,703</b>

**The Lesbian and Gay Foundation Limited**  
**Notes to the Accounts 31 March 2007 (continued)**

9) Reserves

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Balance Brought Forward as originally stated	216,317	0	216,317
Prior year adjustment	-17,214		-17,214
Net Incoming Resources	-100,439	75,176	-25,263
Transfer between Funds			0
	<b>98,664</b>	<b>75,176</b>	<b>173,840</b>

Analysis of net assets between funds  
Fund balances as at 31st March 2007 are represented by:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	18,073	0	18,073
Current Assets	213,665	75,176	288,841
Current Liabilities	-133,074	0	-133,074
	<b>98,664</b>	<b>75,176</b>	<b>173,840</b>

10) Analysis of Unrestricted Funds

	Balance B/Fwd (as restated) £	Incoming Resources £	Outgoing Resources £	Balance C/Fwd £
General Fund	87,603	1,124,091	1,135,585	76,109
Designated Fund HIV Prevention and Sexual Health Services	37,500	0	37,500	0
Designated Fund Mental Health Services	69,000	12,000	69,000	12,000
Designated Fund Promotional Activities	5,000	0	5,000	0
Designated Fund Young People	0	15,555	5,000	10,555
	<b>199,103</b>	<b>1,151,646</b>	<b>1,252,085</b>	<b>98,664</b>

11) Analysis of Restricted Funds

	Balance B/Fwd £	Incoming Resources £	Outgoing Resources £	Balance C/Fwd £
Manchester Drug and Alcohol services	0	51,150	51,150	0
VAM	0	2,460	2,460	0
Exceeding Expectations	0	40,501	30,608	9,893
Rainbow Partnership	0	53,900	17,750	36,150
Awards for all	0	5,000	4,000	1,000
Lloyds TSB	0	5,000	4,000	1,000
Community Futures	0	7,165	7,165	0
Case Management and Performance Monitoring	0	10,700	0	10,700
Health Summit	0	17,000	567	16,433
	<b>0</b>	<b>192,876</b>	<b>117,700</b>	<b>75,176</b>



**The Lesbian and Gay Foundation Limited**  
**Notes to the Accounts 31 March 2007 (continued)**

**11 con'd) Analysis of Restricted Funds**

**Exceeding Expectations**

This is a three year project funded by Manchester City Council (for Years 1 to 3) and Neighbourhood Renewal Fund (for Year 1). The project is an anti-homophobic bullying project accessing secondary and primary schools across Manchester.

**Rainbow Partnership**

The purpose of this grant is to support the work of the LGF as part of the Capacitybuilders Improving Reach Programme.

**Case Management and Performance Monitoring**

This project is being funded by Greater Manchester Voluntary Sector Support (GMVSS) and will develop and implement a model for GMVSS members to collaborate on case management and performance measurement, making full use of ICT.

**Health Summit**

The LGF is organising this years LGBT Health Summit being hosted in Manchester in August 2007. Funding is coming from a variety of sources.

**12) Leased Assets**

Nashuatec Photocopier	Payments made current year	4,285
	Payments due 1 year	3,021
	Payments due 2-5 years	7,379
Leased Premises - Princess House	Payments made current year	75,197
	Payments due 1 year	75,197
	Payments due 2-5 years	300,788

**13) 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 £1,950 for the year.

**14) Subsidiary Companies**

The Company has the following wholly owned subsidiaries

<b>Name</b>	<b>Status</b>	<b>Registered</b>	<b>Activities</b>
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