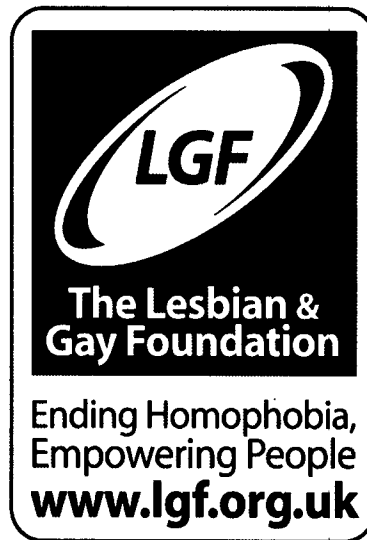


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31/3/08



## **THE LESBIAN AND GAY FOUNDATION LIMITED**

(A Charitable Company Limited by Guarantee)

### **Annual Report and Financial Statements**

**31 March 2008**

13 JAN 2008

Registered Charity No. 1070904  
Company No. 09476076

## 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

**Website:** [www.lgf.org.uk](http://www.lgf.org.uk)

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

**Tel:** 0161 235 8035

**Fax:** 0161 235 8036

# Annual Report and Financial Statements

*For the year ending 31 March 2008.*

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## Report of the Board of Trustees For the year ending 31 March 2008

The Board of Trustees presents the report and audited financial statements of The Lesbian and Gay Foundation for the year ended 31 March 2008. 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 is 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 extended over two days to discuss major strategic 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.
- **Service Improvement Sub-Committee** – works to enhance and improve performance systems and maximise the benefits of external accreditation systems.

In addition, the **Human Resources Working Group** works to advise on HR policies and procedures; membership of which comprises Trustees (acting as volunteers) and staff, and reports to the Chief Executive.

## **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 2008 The Lesbian and Gay Foundation has two wholly owned subsidiaries both of which were dormant for the year ended 31 March 2008. These companies are Manchester Lesbian and Gay Switchboard Services Limited and the Lesbian and Gay Foundation Trading Company Limited.

## **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. During the year, two of our major projects have continued to be successful: Exceeding Expectations, a multi-agency schools project running across Manchester secondary schools and The Rainbow Partnership, a coalition of LGB&T 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, a 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.

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 over 200 dedicated volunteers, many of whom are members of the LGF, who provide over 6,000 hours of vital volunteering across all our services.

## Principal Achievements for the Year

### 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 skills base and the diversity of its volunteers and now has 28 counsellors.
- Successful continuation of the outreach sexual health clinic reached over 170 men.
- The Helpline currently has 60 operators and continues to provide information and support to the LGB communities across the North West.
- Exceeding Expectations has now produced 5 newsletters that have reached every adult working in secondary and primary schools across Manchester.
- The legal surgery was launched in August 2008 with over 30 users in the period and it continues to grow.
- 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.
- The Rainbow Partnership has grown and developed throughout the last financial year, with over 210 members at year end, enabling the LGF to work in partnership across new areas and to offer information, advice and support to the LGB&T voluntary and community sector across the region.

### Marketing

The Marketing Team plays an essential role in making sure that our LGB communities remain 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. Key achievements against objectives included:

- The launch of a new, faster and more information packed website: 'LGF online' ([www.lgf.org.uk](http://www.lgf.org.uk)). The site's engaging redesign and content resulted in a 16% rise in the number of hits, and over 67,000 unique users.
- A range of new resources were produced this year for distribution across the region, including: (i) A Guide to Legal Rights for LGB people; (ii) LGB 'Use Safely' booklets and postcards (providing advice on drugs and alcohol); (iii) Aim High - an inspirational guide for young people interviewing 20 high profile LGB people; (iv) LGB Smoke Free guide (supporting LGB people to stop smoking); and (v) two new sexual health resources aimed at Lesbian and Bisexual women, including 'Beating About the Bush', which has since been requested around the country.

- Over a three month period, we ran 'Summertime Special' involving the entire organisation. This was a twice weekly project to re-connect with Manchester's LGB community and gauge public opinion on a variety of subjects.
- We continued our focus on men's sexual health, including closer work with the Bears and Skins community groups, and we ran a new HIV campaign (Pause Before You Play), which we ran throughout our resources and across the 'Village'.
- We produced a new-look 'Foundation' quarterly magazine to connect with LGF staff and volunteers, helping to ensure more effective communication and the sharing of events and stories.
- We developed a new corporate branding for the LGF, resulting in a range of new headed stationary and overall a stronger identity for the charity.
- We were present at several key regional events including Blackpool, Lancaster, Oldham and Leeds Prides, and the Bears and Skins events.
- We ran our second ever 'Sugar & Spice' event for lesbian and bisexual women, incorporating several presentations and workshops in order to celebrate International Women's Day and further gauging the needs of the LB community.
- Our campaign for the year 'You have the potential to end homophobia', which focused on six key statistics regarding LGB inequalities, helped us to win our first ever Manchester Pride 2007 Award- 'Best Walking Entry'.
- Our unique distribution network, including colleges, GPs, bars and clubs, libraries, clinics and various other venues, increased to 370 points across the North West, in addition to over 500 subscribers nationally.
- We continued to provide articles for other publications, including the national LGB 'Pink Paper' and the Manchester based 'Hot Village'.

### **Funding and Fundraising**

Fundraising in 2007/08 focused primarily on the procurement of funding as we make the transition to the development of our fundraising programme. A new Fundraising Team was developed, including the recruitment of a new Fundraising Officer and all of the team joining the Institute of Fundraising. Key developments included:

- Following the completion of the successful 'Operation Fundraiser' partnership, we launched the LGF's 'Bar and Club Scheme', re-establishing the LGF in Manchester's 'Gay Village', and raising over £24,000.
- Charity Challenges (such as the *10k Manchester Run* and *Manchester to Blackpool Bike Ride*) were identified, promoted and supported, raising vital sponsorship for our work.
- We launched the LGF Donor Scheme, the campaign of which helped reposition the charity and won us the 'Best Walking Entry' at Manchester Pride.
- Successful fundraising and promotion of the LGF at Manchester Pride helped to raise £23,750 for our free Condom and Lube Distribution Scheme (CLDS).



- Launch of LGF Special Events (such as Speed Dating & *Gay City Rollers*) and our Health Events Scheme (such as work with the Bears and the Skins), helped to engage our communities in fun events whilst also raising unrestricted income.
- We led on Manchester's World AIDS Day Partnership, successfully raising awareness across the city about HIV and AIDS, and supported by successful World AIDS Day collections.
- We increased our focus on Trusts and Foundations fundraising, including successful new bids to the Garfield Weston Foundation and the Youth Funding Panel.
- We established a new Fundraising Sub-Committee of eight members, including four Trustees, taking a strategic overview of fundraising activity and reporting back to the full Trustee board on a quarterly basis.
- New fundraising systems were put in place, including a fundraising tracker, quarterly reports and funding files. A new fundraising section was also created on the LGF's website, making our information more readily accessible.
- We started a preliminary legacy campaign, including adverts in our magazine *outnorthwest* and joining the national legacy campaign.

### ***The Business Services Unit***

The Management and Administration Team changed its name to the Business Services Unit (BSU) in year to reflect its much wider remit. This remit includes not only management and administration but also human resources, performance management, business planning, facilities management, health and safety, risk management, IT, internal communications and learning and development. Key developments included:

- We were successful in obtaining Investors in Volunteers accreditation in February 2008.
- A number of improvements have been made to the business planning, budget and performance monitoring processes which will impact during 2008/09.
- Devolved budgets are firmly embedded with a focus on accountability and responsibility; this has been a key driver of our achievement of a balanced budget this year.
- A new finance IT system has been introduced which will further enhance our reporting capabilities.
- Internal training has been further developed and courses now include induction, diversity and sexual health awareness.
- All HR policies and procedures have been reviewed ensuring compliance with all regulatory and statutory requirements.
- Our IT systems and security have significantly improved.
- Overall staff and volunteer satisfaction with their LGF roles has considerably improved.

## ***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 180,000 copies of *outnorthwest* and a 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 1,000 hours of counselling, helping to improve the mental health of LGB people across Greater Manchester and in to the North West.
- During 1,183 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.
- 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 173 men.
- Our website took almost 7.75million 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 over £20k of income.

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 £1,305,102. 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 and as a result of this action expenditure of charitable activities' has increased by 6%. 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 £15,689 resulting in total funds carried forward of £158,151. This year the Trustees have agreed to set aside £10,555 from the funds generated into designated reserves for identified Mental Health Services and Young People's Projects. As a result, free unrestricted reserves at the end of the year are £140,814.

During the year we have been successful in resolving an outstanding query regarding the VAT liability of 'Operation Fundraiser'. These accounts are now being finalised and should prove of financial benefit to the LGF.

### 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 charity and risk planning exercises have been carried out by the Board of Trustees. At 31 March 2008, unrestricted reserves do not reach the minimum target level. However, the charity 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. Our revised business planning process has been led by the establishment of our six strategic objectives which, linked to our vision, mission and values will drive forward the LGF's agenda and priorities for the medium to long term from 2008/09.

The six strategic objectives are:

- 1) The LGF will promote positive awareness of lesbian, gay and bisexual people to increase visibility, understanding, acceptance and inclusion.
- 2) The LGF will champion the rights and responsibilities of the lesbian, gay and bisexual communities to positively influence policy and practice.
- 3) The LGF will provide information, tools and resources to challenge homophobia in all its forms.
- 4) The LGF will support lesbian, gay and bisexual people to improve and maintain health and well being.
- 5) The LGF will connect and engage with lesbian, gay and bisexual people to fully reflect needs, experiences and aspirations in everything we do.
- 6) The LGF will work in partnership with other organisations to build a strong and cohesive lesbian, gay and bisexual sector.

Our operational plan for 2008/09 includes the development of a number of new initiatives and a comprehensive review and development plan to increase the quality, delivery and reach of a number of our existing services. Highlights from our plan include:

- Increasing our customer and service user satisfaction with our services.
- Developing our skills and infrastructure by, for example, taking a strategic approach to learning and developing our staff and volunteers and improving our IT and information databases.
- Increasing the proportion of our income that we generate ourselves by re-launching our donor scheme, developing our existing fundraising activities, launching a major donor fundraising strategy and marketing our advertising, design consultancy and distribution services.
- Increasing our support to small LGB groups and encouraging them to develop by delivering a package of support to include the use of our building and facilities and funding forums.
- Setting up an LGF Trading company to expand the services we offer, particularly around diversity support to statutory bodies and other organisations.
- Fundamentally reviewing our operations services to include groupwork, counselling, helpline and advice services and planning for their future.

- Further promoting the health and wellbeing of all of our community, with specialist programmes for lesbian and bisexual women and for gay and bisexual men.
- Increasing our reach within the North West and beyond by establishing locality based networks and refocusing our distribution and liaison.
- Developing a programme for Women's Services.
- Planning for the sustainability and growth of our successful schools based scheme.
- Building up the evidence base for the needs of the LGB Community through case studies and the North West LGB census and publishing research on our website.
- Increasing LGB people's awareness of their civil rights.
- Developing a range of information and events across all of the Equality Strands.
- Working with a number of national charities to place the needs of LGB people on their agenda

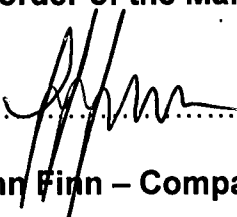
We will be increasing our staffing base from its current level of 26 to 35 full and part time employees as a result of restructuring and gaining additional funding, most notably from Capacity Builders, the Equality and Human Rights Commission and from key statutory sector funders. This will support us in the delivery of our ambitions strategic objectives in the next twelve months.

## 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. They 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**

## 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) (resigned 5<sup>th</sup> June 2007)  
Sarah Holden (appointed 4<sup>th</sup> August 2006) (Elected Deputy Chair 5<sup>th</sup> June 2007)  
Glyn Jenkins (Treasurer)  
James Barnard (Vice Treasurer) (appointed 4<sup>th</sup> August 2006)  
Ben Amponsah  
Debbie Bowley (term ended 28<sup>th</sup> September 2007)  
Edward Cox (appointed 24<sup>th</sup> October 2006)  
John Finn  
Gary Hardman  
Moneeza Iqbal (appointed 4<sup>th</sup> August 2006)  
Christopher Pollard (appointed 4<sup>th</sup> August 2006 – resigned 28<sup>th</sup> July 2007)  
James Sanders (appointed 4<sup>th</sup> August 2006 – resigned 28<sup>th</sup> July 2007)  
Gwyn Starkey (resigned 16<sup>th</sup> December 2006 – reappointed 28<sup>th</sup> September 2007)  
Tamsin Deasey (appointed 28<sup>th</sup> September 2007)  
John Goldring (appointed 28<sup>th</sup> September 2007)  
David Rogerson (appointed 28<sup>th</sup> September 2007)

### Company Secretary

John Finn

### Senior Management Team

Paul Martin (Chief Executive)  
Judith Greenhalgh (Deputy Chief Executive) – from December 2007  
Jackie Cross (Deputy Chief Executive) – left November 2007  
Matt Harby (Director of Fundraising & Marketing)  
Rob Cookson (Director of Operations) – from December 2007  
Susan Stubbs (Director of Finance and Administration) – left August 2007

### 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](mailto:info@lgf.org.uk)  
Website: [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 Auditors Report**

### **Independent Auditor's Report to the members of The Lesbian & Gay Foundation Limited for the year ended 31 March 2008**

We have audited the financial statements of The Lesbian & Gay Foundation Limited for the year ended 31 March 2008, 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 2007).

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 Director's Responsibilities the charitable company's trustees 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 trustee's Report and consider whether it is consistent with the 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 the 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 2008 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. 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

*7 January 2009*  
.....

**Date**



## The Lesbian and Gay Foundation Limited

### Statement of Financial Activities

for the year ended 31 March 2008 (incorporating income and expenditure accounts)

	Notes	Unrestricted funds	Restricted Funds	TOTAL 2008	TOTAL 2007
		£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary Income		100,726	0	100,726	62,039
Activities for generating funds:					
<i>Fees and other sales</i>		237,342	0	237,342	419,565
Investment income		1,747	0	1,747	2,213
Incoming Resources from charitable activities		782,465	182,822	965,287	860,705
<b>Total Incoming resources</b>	<b>2</b>	<b>1,122,280</b>	<b>182,822</b>	<b>1,305,102</b>	<b>1,344,522</b>
<b>Resources expended</b>					
Costs of generating funds					
Voluntary Income		82,709		82,709	16,645
Cost of sales		55,734		55,734	234,308
Cost of charitable activities					
Services		344,513	251,216	595,729	600,238
Information		492,326		492,326	416,184
Research		45,935		45,935	49,106
Grants Paid	<b>1</b>	23,000		23,000	29,661
Governance costs		25,357		25,357	23,642
<b>Total resources expended</b>	<b>3/4</b>	<b>1,069,575</b>	<b>251,216</b>	<b>1,320,791</b>	<b>1,369,785</b>
<b>Net incoming/(outgoing resources for the year/ Net income/(expenditure for the year)</b>		<b>52,705</b>	<b>-68,394</b>	<b>-15,689</b>	<b>-25,263</b>
<b>Total funds brought forward 1 April 2007</b>		<b>98,664</b>	<b>75,176</b>	<b>173,840</b>	<b>199,103</b>
<b>Prior year adjustment</b>					
<b>Total funds carried forward 31 March 2008</b>		<b>151,369</b>	<b>6,782</b>	<b>158,151</b>	<b>173,840</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 2008**

		2008	2008	2007	2007
	Note	£	£	£	£
<b>Fixed Assets</b>					
Office Fixtures and Fittings			5,550		10,935
Computer Equipment			<u>10,346</u>		<u>7,138</u>
	6		<u>15,896</u>		<u>18,073</u>
<b>Current Assets</b>					
Debtors	7	230,641		192,754	
Cash at Bank and in Hand		<u>289,027</u>		<u>96,087</u>	
		<u>519,668</u>		<u>288,841</u>	
<b>Current Liabilities</b>					
Creditors falling due within one year	8	<u>377,413</u>		<u>133,074</u>	
<b>Net Current Assets</b>			<u>142,255</u>		<u>155,767</u>
<b>Total Assets less Current Liabilities</b>			<u>158,151</u>		<u>173,840</u>
<b>Represented by:</b>					
<b>Funds and Reserves</b>					
	9				
Unrestricted Funds			151,369		98,664
Restricted Funds			6,782		75,176
<b>Total Funds</b>			<u>158,151</u>		<u>173,840</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

9.12.08  
.....  
Date

8.12.08  
.....  
Date

## Notes to the accounts (31<sup>st</sup> March 2008)

### 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 follow the recommendations in the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued March 2005 and the Financial Reporting Standard for Smaller Entities (effective January 2007). Where necessary comparative figures have been restated in accordance with the revised SORP.

#### 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.

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 outstanding contributions at the balance sheet date of £3,610.

k) Grants paid

Grants paid are recognised when the grant awards panel make the decision to award the grant. 30 grants were awarded to small HIV and LGBT groups in Greater Manchester. The maximum grants awarded were £1,000.

**The Lesbian and Gay Foundation Limited**  
Notes to the Accounts 31 March 2008 (continued)

2) Incoming Resources	Unrestricted funds	Restricted Funds	2008	TOTAL 2007
	£	£	£	£
<b>Voluntary Income</b>				
<i>Operation Fundraiser/Pride Donations</i>	23,750		23,750	23,478
<i>Supporters Scheme &amp; Individual Donations</i>	48,428		48,428	23,561
<i>Sponsorship</i>	28,548		28,548	15,000
	<b>100,726</b>	<b>0</b>	<b>100,726</b>	<b>62,039</b>
<b>Activities for generating funds:</b>				
<b>Fees and other sales</b>				
<i>Counselling income</i>	9,518		9,518	9,452
<i>Magazine advertising</i>	114,120		114,120	95,659
<i>Distribution sales</i>	17,593		17,593	4,520
<i>Venue Hire</i>	29,143		29,143	32,590
<i>Operation Fundraiser Staff Income</i>	0		0	19,660
<i>Training income</i>	0		0	5,880
<i>Student placement fees</i>	8,457		8,457	18,760
<i>Web income</i>	90		90	0
<i>Other miscellaneous income</i>	12,846		12,846	2,360
<i>Manchester Pride ticket sales</i>	0		0	224,156
<i>Manchester Pride other income</i>	0		0	6,528
<i>Marketing Income</i>	27,316		27,316	0
<i>Operation Fundraiser Surplus</i>	18,259		18,259	0
<i>Less bad debts</i>	0		0	0
	<b>237,342</b>	<b>0</b>	<b>237,342</b>	<b>419,565</b>
<b>Investment Income</b>				
<i>Bank interest received</i>	1,747		1,747	2,213
	<b>1,747</b>	<b>0</b>	<b>1,747</b>	<b>2,213</b>
<b>Incoming Resources from charitable activities</b>				
<b>Grants and Contracts</b>				
<i>Central Manchester Primary Care Trust</i>	0		0	0
<i>North Manchester Primary Care Trust</i>	284,587		284,587	271,680
<i>Ashton, Leigh &amp; Wigan Primary Care Trust</i>	25,271		25,271	43,535
<i>Bolton Primary Care Trust</i>	9,878		9,878	9,590
<i>Stockport Primary Care Trust</i>	30,169		30,169	29,433
<i>Trafford South Primary Care Trust</i>	22,770		22,770	22,107
<i>Trafford North Primary Care Trust</i>	22,770		22,770	22,107
<i>Salford Primary Care Trust</i>	130,017		130,017	130,017
<i>Oldham Primary Care Trust</i>	24,931		24,931	20,600
<i>Tameside &amp; Glossop Primary Care Trust</i>	18,773		18,773	18,315
<i>Bury Primary Care Trust</i>	33,870		33,870	12,875
<i>Rochdale Primary Care Trust</i>	20,067		20,067	19,483
<i>Heywood &amp; Middleton Primary Care Trust</i>	0		0	0
<i>Central Cheshire Primary Care Trust</i>	0		0	3,030
<i>Health Action Zone</i>	0		0	0
<i>Mental Health services</i>	40,000		40,000	0
<i>Manchester City Council Helpline</i>	19,630		19,630	19,250
<i>Rampton Income</i>	23,500		23,500	19,507
<i>Drug and Alcohol services</i>	0	47,232	47,232	51,150
<i>Blue Room</i>	28,220		28,220	0
<i>East Manchester Regeneration</i>	0		0	3,000
<i>Terrence Higgins Trust CHAPS</i>	33,000		33,000	30,000
<i>Womens health</i>	9,000		9,000	0
<i>University of Central Lancashire</i>	0		0	0
<i>Manchester City Council Exceeding Expectations</i>	0	39,897	39,897	17,000
<i>Joseph Rowntree Foundation Exceeding Expectations</i>	0	0	0	2,400
<i>NRF Fund Exceeding Expectations</i>	0	0	0	21,101
<i>Capacity Builders</i>	0	44,100	44,100	53,900
<i>Change Up Project</i>	0		0	1,300
<i>Community Futures</i>	0	23,750	23,750	7,165
<i>GMCVO</i>	0	13,584	13,584	10,700
<i>Health Summit</i>	0	14,259	14,259	17,000
<i>Other grants and trusts</i>	6,012	0	6,012	12,460
<i>Bad debt provision</i>	0	0	0	-8,000
	<b>782,465</b>	<b>182,822</b>	<b>965,287</b>	<b>860,705</b>
	<b>1,122,280</b>	<b>182,822</b>	<b>1,305,102</b>	<b>1,344,522</b>

**The Lesbian and Gay Foundation Limited**  
Notes to the Accounts 31 March 2008 (continued)

3) Resources Expended

a) Analysis of total resources expended	Direct Costs	Support Costs	Total 2008	Total 2007
	£	£	£	£
Costs of generating funds				
Voluntary Income	61,589	21,120	82,709	16,645
Cost of sales	43,910	11,825	55,734	234,308
Cost of charitable activities				
Services	391,944	203,785	595,729	600,238
Information	357,430	134,896	492,326	416,184
Research	37,526	8,409	45,935	49,106
Grants Paid	23,000	0	23,000	29,661
Governance costs	21,837	3,520	25,357	23,642
<b>Total resources expended</b>	<b>837,236</b>	<b>383,555</b>	<b>1,320,791</b>	<b>1,369,784</b>

b) Analysis of support costs	Voluntary Income	Fees and other sales	Services	Information	Research	Governance	Total 2008	Total 2007
Premises Costs	0	6,001	78,014	36,007			120,022	146,098
Support Staff Costs	11,200	3,870	76,864	57,134	3,766	1,867	154,702	82,325
Administrative Costs	9,459	1,876	42,914	38,097	4,459	1,576	98,381	56,804
Depreciation	462	77	5,992	3,658	184	77	10,450	7,766
<b>Total Support Costs</b>	<b>21,120</b>	<b>11,825</b>	<b>203,785</b>	<b>134,896</b>	<b>8,409</b>	<b>3,520</b>	<b>383,555</b>	<b>292,993</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	2008	2007
	£	£
Professional fees	0	0
Audit fees	3,000	2,750
Costs of AGM and Trustee Meetings	1,902	1,163
Annual Report	1,970	1,968
Apportionment of staff and support costs	18,485	16,214
<b>Total governance costs</b>	<b>25,357</b>	<b>22,095</b>

d) Staff Costs	2008	2007
	£	£
Wages and Salaries	592,901	591,334
Employers National Insurance	58,572	60,887
Pension costs	43,423	33,431
<b>Total Staff Costs</b>	<b>694,896</b>	<b>685,652</b>

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

	2008	2007
£50,000-£60,000	0	1
£60,000-£70,000	1	1
	1	2

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

e) Average Staff Numbers	2008	2007
Senior Management Team	4.00	4.00
Operations Team	5.00	4.50
Marketing Team	6.50	6.25
Administration & Facilities Team	5.50	5.75
Fundraising Team	2.00	1.00
<b>Total Average Staff Numbers</b>	<b>23.00</b>	<b>21.50</b>

**The Lesbian and Gay Foundation Limited**  
**Notes to the Accounts 31 March 2008 (continued)**

4)	<b>Net incoming resources is arrived at after charging for the following:</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Depreciation	10,750	7,767
	Profit/(loss) on disposal of fixed assets	0	0
	Auditor's Remuneration	3,000	2,750
	Irrecoverable VAT	-1,099	-1,266
5)	<b>Taxation</b> No provision has been made for taxation as the company is a registered charity		
6)	<b>Fixed Assets</b>		
	<b>Cost</b>	<b>Office Fixtures &amp; Fittings £</b>	<b>Computer Equipment £</b>
		<b>Total</b>	
	At 1 April 2007	49,245	26,622
	Additions	611	7,962
	Disposals	0	-1,828
	<b>At 31 March 2008</b>	<b>49,856</b>	<b>32,756</b>
	<b>Depreciation</b>		
	At 1 April 2007	38,310	19,484
	Charge for the year	5,996	4,754
	On disposals	0	-1,828
	<b>At 31 March 2008</b>	<b>44,306</b>	<b>22,410</b>
	<b>Net Book Value</b>		
	<b>At 31 March 2008</b>	<b>5,550</b>	<b>10,346</b>
	<b>At 31 March 2007</b>	<b>10,935</b>	<b>7,138</b>
7)	<b>Debtors</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Trade Debtors	186,017	148,670
	Other Debtors and Prepayments	44,624	44,084
		<b>230,641</b>	<b>192,754</b>
8)	<b>Creditors</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Trade Creditors	28,658	34,493
	Other Taxes and Social Security	84,662	59,532
	Outstanding pension contributions	3,610	3,059
	Grant in advance	0	10,558
	Other Creditors and Accruals	260,483	25,432
		<b>377,413</b>	<b>133,074</b>

**The Lesbian and Gay Foundation Limited**  
**Notes to the Accounts 31 March 2008 (continued)**

**9) Reserves**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Balance Brought Forward as originally stated	98,664	75,176	173,840
Prior year adjustment	0		0
Net Incoming Resources	52,705	-68,394	-15,689
Transfer between Funds			0
	<b>151,369</b>	<b>6,782</b>	<b>158,151</b>

Analysis of net assets between funds  
Fund balances as at 31st March 2008 are represented by:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	15,896	0	15,896
Current Assets	512,886	6,782	519,668
Current Liabilities	-377,413	0	-377,413
	<b>151,369</b>	<b>6,782</b>	<b>158,151</b>

**10) Analysis of Unrestricted Funds**

	Balance B/Fwd £	Incoming Resources £	Outgoing Resources £	Balance C/Fwd £
General Fund	76,109	64,705	0	140,814
Designated Fund HIV Prevention and Sexual Health Services	0	0	0	0
Designated Fund Mental Health Services	12,000	0	12,000	0
Designated Fund Promotional Activities	0	0	0	0
Designated Fund Young People	10,555	0	0	10,555
	<b>98,664</b>	<b>64,705</b>	<b>12,000</b>	<b>151,369</b>

**11) Analysis of Restricted Funds**

	Balance B/Fwd £	Incoming Resources £	Outgoing Resources £	Balance C/Fwd £
Manchester Drug and Alcohol services	0	47,232	47,232	0
VAM	0	0	0	0
Exceeding Expectations	9,893	39,897	49,790	0
Rainbow Partnership	36,150	44,100	75,250	5,000
Awards for all	1,000	0	1,000	0
Lloyds TSB	1,000	0	1,000	0
Community Futures	0	23,000	23,000	0
G M V S S	10,700	13,584	24,284	0
Health Summit	16,433	14,259	28,910	1,782
	<b>75,176</b>	<b>182,072</b>	<b>250,466</b>	<b>6,782</b>



**The Lesbian and Gay Foundation Limited**  
**Notes to the Accounts 31 March 2008 (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 Photocopiers	Payments made current year	4,227
	Payments due 1 year	4,227
	Payments due 2-5 years	12,681
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