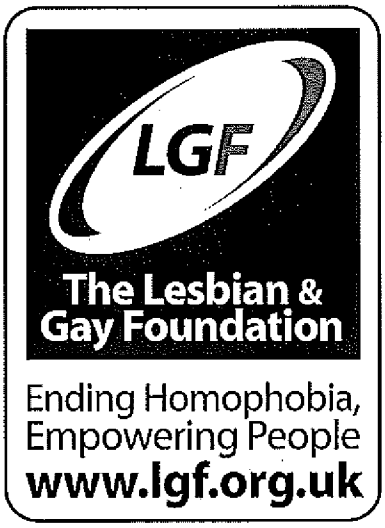

THE LESBIAN AND GAY FOUNDATION LIMITED

(A Charitable Company Limited by Guarantee)

Annual Report, Financial Statements and Impact Report

31 March 2010

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

Supporting Individuals -The LGF will support lesbian, gay and bisexual people to increase their skills, knowledge, and self-confidence to improve health and well-being.

Strengthening Communities - The LGF will work in partnership with others to build a strong, cohesive and influential lesbian, gay, bisexual and trans community sector.

Promoting Equality - The LGF will promote awareness, visibility and inclusion of lesbian, gay and bisexual people to achieve full equality.

Developing Excellence - The LGF will continuously develop its people, systems and procedures to deliver and sustain excellence for all of our beneficiaries.

Our Values

Innovation Diversity Excellence Fairness Integrity Engagement

The Lesbian and Gay Foundation
Number 5, Richmond Street, Manchester, M3 4EP
www.lgf.org.uk
info@lgf.org.uk
Tel: 0845 3 30 30 30
Fax: 0161 235 8036

Annual Report and Financial Statements

For the year ended 31 March 2010

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Report of the Board of Trustees
For the year ending 31 March 2010

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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, recruitment from amongst the LGF's membership, as well as recommendations from existing trustees and volunteers. All new trustees are required to undertake an induction and training programme. Trustee training needs are assessed and a programme of internal and external training arranged on an annual basis to meet these needs.

Full Board of Trustee meetings are held four times per year. One of these meetings is extended over two days to discuss major strategic issues. Responsibility for reviewing key areas of activity and policy are delegated to sub-committees that report back to the quarterly Board meetings. The sub-committees operate under agreed terms of reference and include both Trustees and members of the Senior Management Team as well as staff and at times key external specialists. These sub-committees monitor and scrutinise the work of the LGF. The day-to-day running of the LGF is delegated to the Chief Executive and their Senior Management Team.

The current Board sub-committees are:

- **Governance & Membership 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.

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; and
- 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 2006. 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 17.

In accordance with company law, as the company's Directors, each member of the Board of Trustees certifies that:

- So far as they are aware, there is no relevant information of which the auditors are unaware; and
- 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 the charity's exposure to the major risks. Risks are identified through a number of routes including output from Board of Trustee meetings and Committee meetings, via the regular cycle of Senior Management Team 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 quarterly at that meeting. Discussion and review of the Risk Register also forms part of the quarterly Board Meetings.

Subsidiary Companies

As at 31 March 2010, the Lesbian and Gay Foundation has two wholly owned subsidiaries both of which were dormant for the year ended 31 March 2010. 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 (i) supporting individuals, (ii) strengthening communities, (iii) promoting equality and (iv) developing excellence.

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 our premises. Groups include 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 information, education and training. Other health and support services include a counselling service, helpline advice service, substance misuse project, and a carers' 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 our Rainbow Partnership network, a coalition of LGB&T groups and organisations supporting LGB&T people across the North West of England and beyond.

A wide variety of information and advice services support and reinforce our objectives. These include a free bi-monthly magazine (Outnorthwest), 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 guides and a civil partnership guide provide relevant and up to date information and advice to lesbian, gay and bisexual people and their families and friends. Internal and external training courses also reach a wide variety of people and organisations.

To ensure lesbian, gay and bisexual people's voices are heard, the LGF is represented on or in dialogue with a number of local, regional and national bodies including the North West Equality and Diversity Group, Greater Manchester Sexual Health Network, the Greater Manchester Voluntary Sector Consortium, the Equality and Human Rights Commission, the LGB&T Consortium and the National Offender Management Service amongst many others. We have additionally provided set-up support to the Trans Resource and Empowerment Centre (TREC) and to Gaydio, an LGB&T radio station.

To deliver these activities the LGF is reliant on the support and enthusiasm of our volunteers. We currently have almost 150 dedicated volunteers, many of whom are members of the LGF, who provide over 6,000 hours of vital volunteering across all our services.

The Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the guidance on public benefit published by the Charities Commission.

3e) Average Staff Numbers

	2010	2009
Senior Management Team	4.0	4.0
Operations Team	14.4	8.4
Marketing Team	7.0	8.0
Administration & Facilities Team	6.4	7.1
Fundraising Team	3.0	3.0
	34.8	**30.5**

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

	2010 £	2009 £
Depreciation	8,164	11,576
Profit/(loss) on disposal of fixed assets		0
Auditor's Remuneration	3,000	5,184
Irrecoverable VAT	918	0

5) Taxation

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

6) Fixed Assets

Cost	Office Fixtures & Fittings £	Computer Equipment £	Total
At 1 April 2009	51,414	38,196	89,610
Additions	0	6,194	6,194
Disposals	(39,810)	(11,382)	(51,193)
At 31 March 2010	**11,604**	**33,008**	**44,611**
Depreciation			
At 1 April 2009	49,129	30,991	80,120
Charge for the year	1,698	6,466	8,164
On disposals	(39,810)	(11,382)	(51,193)
At 31 March 2010	**11,017**	**26,075**	**37,091**
Net Book Value			
At 31 March 2010	**587**	**6,933**	**7,520**
At 31 March 2009	**2,284**	**7,205**	**9,489**

7) Debtors

	2010 £	2009 £
Trade Debtors	116,098	165,481
Other Debtors and Prepayments	98,441	188,618
	214,539	**354,099**

8) Creditors

	2010 £	2009 £
Trade Creditors	156,864	82,035
Outstanding pension contributions	3,151	0
Other Creditors and Accruals	150,693	300,902
	310,708	**382,938**

9) Reserves

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Balance Brought Forward as orginally stated	166,251	0	166,251
Prior year adjustment	0	0	0
Net Incoming Resources	51,828	0	51,828
Transfer between Funds	0	0	0
	218,079	0	218,079

Analysis of net assets between funds
Fund balances as at 31st March 2010 are represented by:

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	7,520	0	7,520
Current Assets	521,267	0	521,267
Current Liabilities	(310,708)	0	(310,708)
	218,079	0	218,079

10) Analysis of Unrestricted Funds

	Balance B/Fwd	Incoming Resources	Outgoing Resources	Balance C/Fwd
	£	£	£	£
General Fund	155,696	10,555	0	166,251
Designated Fund Accommodation	0	51,828	0	51,828
Designated Fund Young People	10,555	0	10,555	0
	166,251	62,383	10,555	218,079

Trustees have created the Designated Fund Accommodation to part-fund the costs of moving from the Lesbian and Gay Foundation's current premises to new premises during the course of 2010/11.

12) Leased Assets

Leased Premises Princess House	Payments made current year	75,197
	Payments due 1 year	45,041
	Payments due 2-5 years	0
Leased Premises Richmond Street	Payments made current year	0
	Payments due 1 year	14,630
	Payments due 2-5 years	277,970
Spiritel Phone Rental	Payments made current year	5,146
	Payments due 1 year	5,182
	Payments due 2-5 years	20,729

Note: the Lesbian and Gay Foundation signed a lease for new premises at Richmond Street, Manchester, commencing on the 1st June 2010.

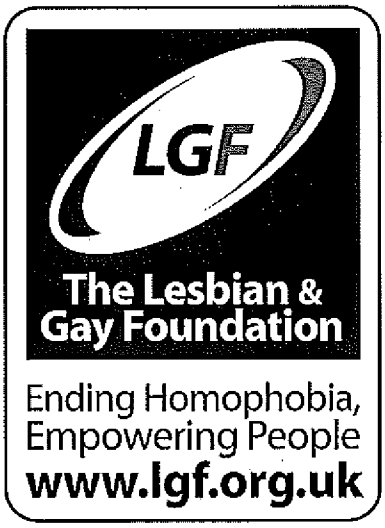
13) **Trustee Remuneration and Expenses**

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 £2,280 for the year.

14) **Subsidiary Companies**

The Company has the following wholly owned subsidiaries:

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



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The Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the guidance on public benefit published by the Charities Commission.

Our Impact in Brief

During 2009/10, the LGF successfully delivered a wide range of activities for thousands of LGB people. Below is a snapshot of some of our achievements.

- People accessed the LGF 480,620 times 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 600,000 times last year within Greater Manchester.
- We produced and distributed over 80,000 copies of our regional magazine 'outnorthwest' and a further 95,480 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 service, we supported over 1,700 people with information and advice, including vital support for people in crisis.
- We provided over 1,000 hours of counselling; helping to improve the mental health of LGB people across Greater Manchester and into the North West.
- During 1,693 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 to reduce sexually transmitted diseases and HIV infection by opening the doors to our unique, community based outreach sexual health clinic to 347 men.
- Our website pages were viewed over 652,000 times by over 161,000 unique users to make a significant contribution to increasing access to information and services to LGB people, including those unable to visit us in person.
- We delivered our thought-provoking Exceeding Expectations programme to 1,180 young people, reducing homophobia and homophobic bullying in schools.
- We received over 13,000 visitors to our premises, accessing support, advice, training, information and services.
- We provided infrastructure support to over 390 members of our Rainbow Partnership network, consisting of LGB&T groups, charities, public sector bodies, and interested individuals.
- We expanded our unique distribution network to over 500 venues, increasing access to our resources and information to LGB people across the North West and beyond.

Without the support of our funders and the dedication of our trustees, volunteers and staff of the Lesbian & Gay Foundation, none of this work would happen.

Principal achievements for the Year

Supporting Individuals

The LGF will support lesbian, gay and bisexual people to increase their skills, knowledge, and self-confidence to improve health and well-being. Key achievements against this goal include:

- The implementation of "Part of the Picture", a major national, five-year project funded by the Big Lottery. This project is researching the drug and alcohol usage of LGB people, undertaken in partnership with the University of Central Lancashire. This resulted in the collection of 1,700 LGB people's experiences of alcohol and drug use within the first year.

- The award of a five-year Big Lottery Reaching Communities grant, enabling the recruitment of a Volunteer Manager, and funding to sustain our front line work with service users.

- The launch and development of an internal project which significantly changed the way in which we meet the needs of our front line service users. This focused on training staff and providing resources to handle most services users' information and other needs at the first point of call, or referring them to other LGF services or other agencies where more specialist or longer term support is required.

- The launch of "We're Here if You Need Us", a campaign targeted at GP surgeries initially across Greater Manchester. GPs surgeries have been asked to display a simple poster, both as an indicator of LGB affirmative services and providing signposting to the LGF's provision.

- The delivery of a Comic Relief funded young people's mental health project, supporting gay people and including the production of a targeted guide.

- The delivery of sexual health campaigns including "Proud to be Behind You", "Wear it, Fill it, Bin it" and "Know Your Status".

- The production of the "Sex Tips for Men" resource, and a reprint of our "Sex Education" guide for men and women to support our sexual health work.

- The expansion of our scene-based testing services including Chlamydia, HIV and STI testing.

- The establishment of our highly successful, rapid HIV testing clinic, complementing our traditional, weekly sexual health outreach clinics.

- Securing a two-year Caring with Confidence Grant from the Department of Health for the development of a new carers' service targeted primarily at LGB&T carers.

- The development of an online LGB&T carers' forum.

- Securing a one-year Hardship Fund grant which enabled the continued provision of our mental health services.

- The counselling team has continued to grow and diversify in terms of its skills base and the diversity of its volunteers and last year served over 80 clients in over 1,000 sessions.

- The enhancement of our counselling service, with the introduction of couples counselling and CORE monitoring (Clinical Outcomes Routine Evaluation).

- The provision of monthly support sessions for three groups of LGB patients of Rampton Hospital.

- The development of a Business Plan for mental health services, which will be fully utilised in 2010/11 with the intent to secure contracts and fair share funding for our services.

- In partnership with Greater Manchester Police and Manchester NHS, we conducted an outreach safety initiative in Manchester's Gay Village.

- The continued success of our advice surgeries which served over 70 people last year (Police – 48, and Legal – 24).

- The delivery of a survey looking at attitudes towards LGB staff for Greater Manchester Fire and Rescue Service.

- The introduction of six-day a week opening of our building to enable more groups and individuals to use our facilities and receive our support.

Strengthening Communities

The LGF will work in partnership to build a strong, cohesive and influential lesbian, gay and bisexual community sector. Key achievements included:

- The continuation of the LGF's Hate Crime campaign, which responded quickly to the vicious and near fatal attack on a gay man in Liverpool. This led to our production of a pocket-resource in conjunction with a range of partners, which was on the streets of the North West's major gay areas within days of the attack. We lobbied for Hate Crime to be placed higher on the agenda particularly in the NW and we recently undertook a research project for Government Office North West.

- We hosted five events across the region through 'North West Together We Can', which engaged with the public and voluntary sector and provided an opportunity to refresh people's understanding and support their implementation of 'Breaking the Cycle', our LGB&T strategy.

- We provided staff support to Liverpool Council for Voluntary Service to continue the work of Liverpool LGB&T network and contribute to the delivery of Liverpool Pride, which will launch in 2010.

- Hosting the Trans Resource and Empowerment Centre's (TREC) monthly trans weekend event, providing valuable capacity building support.

- We delivered a series of community consultation events which aimed to identify issues locally and provide a foundation for strengthening local LGB&T community activity and engagement

- We have spoken to representatives of almost 70 lesbian, gay, bisexual and trans groups whilst undertaking a needs analysis in order to identify common issues and support requirements.

- Promotion of "Homo Heroes" which was the Manchester Pride 2009 campaign which saw us recruit an additional 800 subscribers to our database in conjunction with the highly successful Homo Heroes and Homo Zeroes Award Scheme.

- The facilitation and administration of the Manchester Pride Community Fund. As a result, we supported the distribution of over £33,000 to lesbian, gay, bisexual and trans voluntary and community groups from across Greater Manchester.

- Our magazine, 'outnorthwest' was reduced overall in size and content refreshed and improved. This was produced on a bi-monthly basis and distributed to over 500 venues.

- Our digital communications added Twitter to our current Facebook and online presence, with over 160,000 unique users visiting the LGF's revamped website for news, articles; information and advice.

- The continued delivery of our LGB News service which particularly focused on the Single Equality Bill, legal protections for LGB people and stories of real people talking about their lives.

Promoting Equality

The LGF will promote awareness, visibility and inclusion of lesbian, gay and bisexual people to achieve full equality. Key achievements included::

- The planning and development of our "Enough is Enough, Action Against Homophobia" campaign, including securing celebrity endorsement. This is the overarching campaigns message that campaigning and individual giving will be organised under for at least the next three years, with the first year theme being Homophobic Hate Crime.

- The production of a business case for Exceeding Expectations which helped enable the success of a three-year contract with Manchester City Council.

- The continued roll-out of a play for young people in schools, which was seen by over 1,180 school children in the past year, and newsletters were produced for all adults working in secondary and primary schools across Manchester.

- The award of a three-year, EHRC grant which enabled the recruitment of a Policy & Research Officer; three events a year in conjunction with other equalities organisations; and funding towards our Enough is Enough campaign.

- The award of a £150k development grant from the Department of Health (DH) to enable us to work with other LGB&T organisations to form a partnership to advise the DH on the health needs of LGB&T people.

- The launch of our Consultancy & Training project and recruitment of a Manager and Lead Associate Trainer. The programme achieved a 98% satisfaction rating from clients receiving the service.

- The launch of "Flying the Flag" which was a very simple yet effective way for public sector organisations and especially local authorities to demonstrate their support for LGB&T communities and residents as part of the International Day Against Homophobia. This campaign received funding from the Association Greater Manchester Authorities (AGMA) and is growing and gaining momentum.

- The renewal of a £10k contract with the National Health Service North West as a member of their innovative Health Equality Stakeholder Engagement group.

- We have opened up the Lesbian & Gay Foundation to new audiences by delivering a number of events focussed around specific equality issues. These included our Celebr8 event, focussed around bringing together black and minority ethnic communities and specific religious groups; and also our Intergenerational Event, which brought together people of different ages to discuss their experiences as LGB&T people and their experiences of Manchester City Council services.

- We developed our blocked email campaign which highlights and condemns the public sector's blocking of emails containing words such as "lesbian", "gay" and "bisexual", breaching the rights of LGB people and undermining the efforts of the public sector to support LGB people.

- The delivery of a Community Health Needs Assessment for Bolton's lesbian, gay and bisexual residents.

- We attended the conferences of the Conservative, Labour and Liberal Democrat parties for the first time in 2009 and laid the ground for our Election 2010 LGB Manifesto.

- We provided training to over 160 staff at Cheshire Peaks & Plains Housing Trust around sexual orientation and gender identity.

Developing Excellence

The LGF will continuously develop its people, systems and procedures to deliver and sustain excellence for all of our beneficiaries. Key achievements included:

- A renewed focus on financial processes and the monitoring of income and expenditure which helped in ensuring that the LGF broke even in 2009/10.

- The award of capital grants from CapacityBuilders and the Social Enterprise Investment Fund which will enable the fit out of our new premises, when the LGF relocates in autumn 2010.

- Planning major enhancements to our information technology infrastructure, including the implementation of a new server, and to our internal systems, including customer relationship management software, to enable us to work more effectively and support our service users and other stakeholders better.

- Significant work in developing our credit control systems and reducing our debtors.

- The development of our cashflow management and cashflow planning systems.

- The development of our people management systems as part of our journey towards our successful 'Investors In People' recognition.

- The establishment of the Human Resources Task Force to focus on ensuring the LGF's values and culture are reflected in the way in which we manage our people.

- Significant financial modelling work to underpin our Business Plan and five year Strategic Plan.

- Securing and negotiating the lease for a new home for the LGF for the next ten years, which will help us better to meet the needs of our service users.

Financial Review and Results for the Year

At the start of the 2009/10 financial year, in recognition of the financial and funding challenges facing the LGF, the Trustees and Senior Management Team devoted significant time and focus to increasing the financial strength of the LGF. This process led to a renewed emphasis on securing funding, income generation and the management of cashflow and expenditure. As a result, the LGF generated a surplus of £51,828 for the year, which was transferred to a dedicated accommodation reserve to support the move from our current premises at Princess House to our new premises at Richmond House, both of which are in central Manchester.

The result for the year shows total incoming resources at £1,724,152. 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 income across all sources increased by 20% during the year. Major new projects were Caring with Confidence, a project to support the needs of LGB&T carers; the Hardship Fund which has supported the continued delivery of our mental health and wellbeing services, despite income reductions as the result of the recession; and the Equalities and Human Rights Commission strategic grant to enable some of our campaigns work. 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**.

The net increase in funds as at end of March was £51,828. This was transferred to a designated fund for accommodation. Free unrestricted reserves at the end of the year remained as £166,251.

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). Reserves are held to enable the LGF to adjust to unforeseen reductions in income or increases in expenditure or, at the discretion of the Board of Trustees to finance charitable activities for which external funding has not been secured. Reserves would be utilised either fully to make up for the reduction in income or the increase in expenditure or to pay for the costs of making organisational changes as a response to these. Whilst the Trustees recognise that the current level of reserves is substantially below the minimum desired level, the current economic situation together with the difficulty of generating contributions to reserves from current sources of funding mean that the minimum target is likely to be achieved in the medium rather than the short term.

As of 31 March 2010, unrestricted and undesignated reserves amounted to £166,251. This amounts to just over one month's running costs. They are held, in line with the LGF's Reserves Policy, to enable the LGF to adjust to unforeseen

reductions in income or increases in expenditure and to fund charitable activities for which external funding has not been secured.

A fund for accommodation costs amounting to £51,828 has been designated. This designated fund will assist in facilitating the LGF's move to new premises in the autumn of 2010. It will be used to fulfil the requirement to make good dilapidations on our Princess House premises and to assist in fit out works to our new Richmond Street premises.

Future Plans

Whilst the economic situation and the change of government introduce significant additional uncertainties, especially in regard to funding, there remains a significant and growing need for the work of the LGF. Our Strategic Plan envisages that the next five years will see continued growth of the work and influence of the LGF. Our Business Plan is based around our four strategic goals which, linked to our Vision, Mission and Values will continue to drive forward the LGF's agenda and priorities for the medium to long term.

The four strategic goals are:

1. Supporting Individuals
The LGF will support lesbian, gay and bisexual people to increase their skills, knowledge, and self-confidence to improve health and well-being.

2. Strengthening Communities
The LGF will work in partnership with others to build a strong, cohesive and influential lesbian, gay, bisexual and trans community sector.

3. Promoting Equality
The LGF will promote awareness, visibility and inclusion of lesbian, gay and bisexual people to achieve full equality.

4. Developing Excellence
The LGF will continuously develop its people, systems and procedures to deliver and sustain excellence for all of our beneficiaries.

Our Business Plan for 2010/11 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 to support our service delivery include:

- Working to enable the LGF to bid for and secure public service delivery contracts to provide services for LGB people, including in partnership with other organisations.
- Securing existing and winning new contracts and grants.
- The promotion of our LGB&T strategy "Breaking the Cycle" and providing support to organisations to implement this.

- In the LGB sector, playing a leadership role and sharing leadership opportunities throughout our partnerships and networks.

- To develop and widely promote the LGF's message and mission.

- To further develop and implement the LGF's "Enough is Enough – Action against Homophobia" campaign.

- To develop the evidence base relating to LGB people and their experiences.

- To increase the knowledge of internal and external stakeholders, especially staff and public sector bodies, around the needs of LGB&T communities.

- To generate sufficient income to break even in 2010/11 and enhance the future sustainability of the LGF.

- To drive forward the people management systems of the LGF, to improve the quality and impact of the contribution of all staff.

- To significantly enhance the experience of and utilisation of volunteers by the LGF.

- To transform the ICT infrastructure and enhance IT systems to meet the needs of the LGF.

- To plan and successfully manage the move to new accommodation.

- To embed equality and diversity within the organisation, ensuring an inclusive environment for our staff, volunteers and service-users.

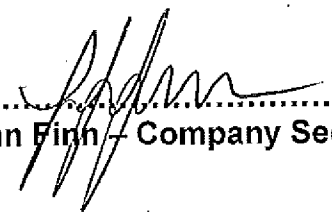
We will continue to seek funding from a wide and diverse range of sources to enable us to continue to deliver new and innovative services for LGB communities and ensure that the voices of our communities continues to be heard. We recognise that the effects of the recession and the projected reductions in public funding will add significantly to the financial pressures on the LGF although the passage of the Single Equalities Bill into law in 2010 will create additional needs for the services we offer.

Auditors

Beever and Struthers were elected as auditors for the year 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 15 of the Companies Act 2006.

By order of the Management Committee



.....
John Finn – Company Secretary

..8/12/10...
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)
Julie Ledger (Deputy Chair)
Glyn Jenkins (Treasurer)
Ian McIlveen (Vice Treasurer) (from 25th September 2009)
James Barnard (Vice Treasurer) (to 25th September 2009)
Edward Cox
Tamsin Deasey
Maxine Dixon
John Finn
John Goldring
Gary Hardman
David Rogerson
Gwyn Starkey

Company Secretary
John Finn

Senior Management Team

Paul Martin	(Chief Executive)
Darren Watmough	(Director of Finance)
Matt Harby	(Director of Income)
Rob Cookson	(Director of Services)
Sian Payne	(Head of Stakeholder Engagement)
Samantha Days	(Operations Manager)
Emma Peate	(Enough is Enough Campaign Manager)

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
Website: www.lgf.org.uk

(From 17 Sept 2010)
Number 5
Richmond Street
Manchester
M3 4EP
Tel: 0845 3 30 30 30
Fax: 0116 235 8036
email: info@lgf.org.uk
Website: www.lgf.org.uk

Auditors
Beevers & Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

Bankers
Barclays Bank plc
876 Stockport Road
Levenshulme
Manchester
M19 3BP

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Independent Auditors' Report to the members of The Lesbian & Gay Foundation Limited For the year ended 31 March 2010

We have audited the financial statements of The Lesbian & Gay Foundation Limited for the year ended 31 March 2010, 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 April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. 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 directors of The Lesbian & Gay Foundation Limited, are responsible for the preparation of the report of the board of trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are properly prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the report of the board of trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the report of the board of trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

- the financial statements have been properly prepared in accordance with the Companies Act 2006; and

- the information given in the trustees' report is consistent with the financial statements.

Maria Hallows

Maria Hallows (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Chartered Accountants & Registered Auditors
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 8 December 2010

The Lesbian and Gay Foundation Limited
Statement of Financial Activities
for the year ended 31 March 2010 (incorporating income and expenditure accounts)

	Notes	Unrestricted funds	Restricted Funds	TOTAL 2010	TOTAL 2009
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary Income		95,738	0	95,738	99,420
Activities for generating funds:					
Fees and other sales		126,912	0	126,912	164,705
Investment income		184	0	184	3,439
Incoming Resources from charitable activities		833,454	667,864	1,501,318	1,159,488
Total incoming resources	2	**1,056,288**	**667,864**	**1,724,152**	**1,427,053**
Resources expended					
Costs of generating funds					
Voluntary Income		60,832	0	60,832	62,045
Cost of sales		74,094	0	74,094	93,389
Cost of charitable activities					
Services		342,820	634,074	976,894	622,825
Information		448,262	0	448,262	532,479
Research		52,854	0	52,854	50,382
Grants Paid	1	0	33,790	33,790	26,000
Governance costs		25,598	0	25,598	31,832
Total resources expended	3/4	**1,004,460**	**667,864**	**1,672,324**	**1,418,953**
Net incoming/(outgoing resources for the year)		51,828	0	51,828	8,100
Net income/(expenditure for the year)					
Total funds brought forward 1 April 2009		166,251	0	166,251	158,151
Total funds carried forward 31 March 2010		**218,079**	**0**	**218,079**	**166,251**

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 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed Assets					
Office Fixtures and Fittings			587		2,284
Computer Equipment			6,933		7,205
	6		7,520		9,489
Current Assets					
Debtors	7	214,539		354,099	
Cash at Bank and in Hand		306,729		185,600	
		521,267		539,699	
Current Liabilities					
Creditors falling due within one year	8	310,708		382,938	
Net Current Assets			210,559		156,762
Total Assets less Current Liabilities			**218,079**		**166,251**
Represented by:					
Funds and Reserves	9				
Unrestricted Funds			**166,251**		**166,251**
Designated Funds			**51,828**		**0**
Restricted Funds			**0**		**0**
Total Funds			**218,079**		**166,251**

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 for small companies under Part 15 of the Companies Act 2006.

Approved by the Management Committee and signed on their behalf:

David McGovern - Chair

8 December 2010

Date

Glyn Jenkins - Treasurer

8 December 2010

Date

Company number: 03476576

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 United Kingdom accounting standards, the Companies Act 2006, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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. The reserves policy is detailed on page 13 of the financial statements.

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 no outstanding contributions at the balance sheet date.

k) Grants paid

Grants paid are recognised when the grants awards panel make the decision to award the grant. Over 40 grants were awarded to small HIV and LGBT groups in Greater Manchester. The maximum grants awarded were £1,000.

2) Incoming Resources	Unrestricted funds	Restricted Funds	TOTAL 2010	TOTAL 2009
	£	£	£	£
Voluntary Income				
Pride Donations	34,459	0	34,459	26,500
Supporters Scheme & Individual Donations	61,279	0	61,279	48,832
Sponsorship	0	0	0	24,088
	95,738	**0**	**95,738**	**99,420**
Activities for generating funds:				
Fees and other sales				
Counselling income	11,030	0	11,030	7,631
Magazine advertising	11,258	0	11,258	71,027
Distribution sales	5,498	0	5,498	15,516
Venue Hire	45,723	0	45,723	41,363
Training income	35,688	0	35,688	7,927
Student placement fees	12,094	0	12,094	8,800
Web income	0	0	0	650
Other miscellaneous income	0	0	0	4,901
Marketing Income	5,622	0	5,622	6,890
Less bad debts	0		0	0
	126,912	**0**	**126,912**	**164,705**
Investment Income				
Bank interest received	184	0	184	3,439
	184	**0**	**184**	**3,439**
Incoming Resources from charitable activities				
Grants and Contracts				
North Manchester Primary Care Trust	258,336	0	258,336	277,045
Ashton, Leigh & Wigan Primary Care Trust	25,852	0	25,852	25,852
Bolton Primary Care Trust	10,105	0	10,105	10,105
Stockport Primary Care Trust	30,923	0	30,923	30,923
Trafford Primary Care Trust	46,587	0	46,587	46,587
Salford Primary Care Trust	133,008	0	133,008	133,008
Oldham Primary Care Trust	25,054	0	25,054	25,504
Tameside & Glossop Primary Care Trust	19,224	0	19,224	19,205
Bury Primary Care Trust	34,716	0	34,716	34,717
Heywood, Middleton and Rochdale Primary Care Trust	20,529	0	20,529	20,529
Other Statutory Sector	71,774	0	71,774	50,248
Mental Health services	0	38,067	38,067	52,000
Manchester City Council Helpline	20,320	0	20,320	20,020
Rampton Secure Hospital	22,188	0	22,188	24,205
Drug and Alchohol services	0	51,746	51,746	43,203
Terrence Higgins Trust CHAPS	33,838	0	33,838	33,000
Womens health	11,785	0	11,785	16,309
Manchester City Council Exceeding Expectations	0	56,167	56,167	48,760
Capacity Builders	0	84,966	84,966	83,677
Equalities and Human Rights Commission	0	26,550	26,550	35,836
Manchester Pride Community Fund	0	33,790	33,790	26,000
Big Lottery - Drugs and Alcohol Research	0	110,036	110,036	59,609
Breathing Places	0	0	0	9,998
Five Counties	0	0	0	9,841
Big Lottery - Basis II	0	34,625	34,625	0
Caring with Confidence	0	105,105	105,105	0
Comic Relief - Young People's Mental Health	0	33,650	33,650	17,550
Co Operative Foundation	0	21,900	21,900	0
Community Development Foundation - Hardship Fund	0	61,562	61,562	0
Big Lottery - Awards for All	0	9,700	9,700	0
Other grants and trusts	69,215	0	69,215	5,758
	833,454	**667,864**	**1,501,318**	**1,159,488**
	1,056,288	**667,864**	**1,724,152**	**1,427,053**

3) Resources Expended

a) Analysis of total resources expended	Direct Costs	Support Costs	Total 2010	Total 2009
	£	£	£	£
Costs of generating funds				
Voluntary Income	42,540	18,292	60,832	62,045
Cost of sales	51,861	22,233	74,094	93,389
Cost of charitable activities				
Services	740,683	236,210	976,894	622,825
Information	305,792	142,470	448,262	532,479
Research	40,213	12,641	52,854	50,382
Grants Paid	33,790	0	33,790	26,000
Governance costs	21,137	4,461	25,598	31,833
Total resources expended	**1,236,017**	**436,307**	**1,672,324**	**1,418,953**

b) Analysis of support costs	Voluntary Income	Fees and other sales	Services	Information	Research	Governance	Total 2009/10	Total 2008/09
Premises Costs	0	0	0	0	0	0	0	95,911
Support Staff Costs	7,692	9,349	99,324	59,907	5,315	1,876	183,463	177,141
Administrative Costs	10,258	12,468	132,466	79,897	7,089	2,502	244,680	97,803
Depreciation	342	416	4,420	2,666	237	83	8,164	11,576
Total Support Costs	**18,292**	**22,233**	**236,210**	**142,470**	**12,641**	**4,461**	**436,307**	**382,431**

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	2010	2009
	£	£
Professional fees		
Audit fees	3,000	5,184
Costs of AGM and Trustee Meetings	652	2,689
Annual Report	0	2,030
Apportionment of staff and support costs	21,946	21,930
Total governance costs	**25,598**	**31,833**

d) Staff Costs

	2010	2009
	£	£
Wages and Salaries	825,032	695,819
Employers National Insurance	80,575	68,899
Pension costs	71,663	54,097
	977,271	**818,815**

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

	2010	2009
£60,000-£70,000	1	1
	1	1

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

3e) Average Staff Numbers

	2010	2009
Senior Management Team	4.0	4.0
Operations Team	14.4	8.4
Marketing Team	7.0	8.0
Administration & Facilities Team	6.4	7.1
Fundraising Team	3.0	3.0
	34.8	**30.5**

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

	2010 £	2009 £
Depreciation	8,164	11,576
Profit/(loss) on disposal of fixed assets		0
Auditor's Remuneration	3,000	5,184
Irrecoverable VAT	918	0

5) Taxation

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

6) Fixed Assets

Cost	Office Fixtures & Fittings £	Computer Equipment £	Total
At 1 April 2009	51,414	38,196	89,610
Additions	0	6,194	6,194
Disposals	(39,810)	(11,382)	(51,193)
At 31 March 2010	**11,604**	**33,008**	**44,611**
Depreciation			
At 1 April 2009	49,129	30,991	80,120
Charge for the year	1,698	6,466	8,164
On disposals	(39,810)	(11,382)	(51,193)
At 31 March 2010	**11,017**	**26,075**	**37,091**
Net Book Value			
At 31 March 2010	**587**	**6,933**	**7,520**
At 31 March 2009	**2,284**	**7,205**	**9,489**

7) Debtors

	2010 £	2009 £
Trade Debtors	116,098	165,481
Other Debtors and Prepayments	98,441	188,618
	214,539	**354,099**

8) Creditors

	2010 £	2009 £
Trade Creditors	156,864	82,035
Outstanding pension contributions	3,151	0
Other Creditors and Accruals	150,693	300,902
	310,708	**382,938**

9) Reserves

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Balance Brought Forward as orginally stated	166,251	0	166,251
Prior year adjustment	0	0	0
Net Incoming Resources	51,828	0	51,828
Transfer between Funds	0	0	0
	218,079	0	218,079

Analysis of net assets between funds
Fund balances as at 31st March 2010 are represented by:

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	7,520	0	7,520
Current Assets	521,267	0	521,267
Current Liabilities	(310,708)	0	(310,708)
	218,079	0	218,079

10) Analysis of Unrestricted Funds

	Balance B/Fwd	Incoming Resources	Outgoing Resources	Balance C/Fwd
	£	£	£	£
General Fund	155,696	10,555	0	166,251
Designated Fund Accommodation	0	51,828	0	51,828
Designated Fund Young People	10,555	0	10,555	0
	166,251	62,383	10,555	218,079

Trustees have created the Designated Fund Accommodation to part-fund the costs of moving from the Lesbian and Gay Foundation's current premises to new premises during the course of 2010/11.

12) Leased Assets

Leased Premises Princess House	Payments made current year	75,197
	Payments due 1 year	45,041
	Payments due 2-5 years	0
Leased Premises Richmond Street	Payments made current year	0
	Payments due 1 year	14,630
	Payments due 2-5 years	277,970
Spiritel Phone Rental	Payments made current year	5,146
	Payments due 1 year	5,182
	Payments due 2-5 years	20,729

Note: the Lesbian and Gay Foundation signed a lease for new premises at Richmond Street, Manchester, commencing on the 1st June 2010.

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 £2,280 for the year.

14) **Subsidiary Companies**

The Company has the following wholly owned subsidiaries:

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