

LGBT Youth Scotland
REPORT AND
FINANCIAL STATEMENTS

For the year ended 31 March 2012

Charity No SC024047
Company No SC244805

WHITELAW WELLS
Chartered Accountants

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LGBT Youth Scotland
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2012

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LGBT Youth Scotland

DIRECTORS' REPORT

For the year ended 31 March 2012

The directors have pleasure in presenting their report for the year ended 31 March 2012.

Reference and Administrative Information

Board of Directors

Stewart Marks	Convener from and Treasurer until 25 February 2012
Sean Stronach	Convener to 26 January 2012 (resigned 26 January 2012)
Patrick McGlinchey	Vice-Convener to 24 November 2012 (reigned 24 November 2012)
Maxwell Tcheunou	Vice-Convener from 24 November 2012
Sue Livermore	Treasurer from 25 February 2012 (appointed 26 January 2012)
Michael Tonks	
Melinda Dolan	
Alyn Smith	(appointed 26 January 2012)
Catherine Thorn	(appointed 26 January 2012)
Moray Paterson	(resigned 27 January 2012)
Craig Cochrane	(resigned 27 January 2012)
Sinead Russell	(resigned 26 January 2012)
Ryan McNaughton	(resigned 5 August 2011)

Company Secretary

Fergus McMillan

Senior Management Team

Fergus McMillan	Chief Executive
Mhairi Logan	Director of Policy and Mainstreaming
Hugh Torrance	Director of Development
Grace Cardozo	Dumfries and Galloway Service Manager
Michelle Sodo	Head of Business Support

Registered Office and Operational Address

The Citadel, 39-40 Commercial Street, Edinburgh, EH6 6JD

Company Number

SC244805

Senior Statutory Auditor

David Main

Independent Auditors

Whitelaw Wells, Chartered Accountants, 9 Ainslie Place, Edinburgh, EH3 6AT

Bankers

Royal Bank of Scotland, 31 North Bridge, Edinburgh, EH1 1SK

Solicitors

MacRoberts, Excel House, 30 Semple Street, Edinburgh, EH3 8BL

LGBT Youth Scotland

DIRECTORS' REPORT

For the year ended 31 March 2012

Structure, Governance and Management

Governing Document

On 27 February 2003, LGBT Youth Scotland was incorporated as a private company limited by guarantee and is recognised as a charity by the Office of the Scottish Charity Regulator. The company was established under a Memorandum of Association, which sets out the objects and powers of the company, and is governed under its Memorandum and Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of directors

LGBT Youth Scotland is governed by a Board of Directors, who are Directors for the purpose of company law and trustees for the purpose of charity law. Under the requirements of the Memorandum and Articles of Association the members of the Board are elected by the members to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

In order to maintain a broad skills mix, members of the Board of Directors are requested to provide a list of their skills (and update it each year) and, in the event of particular skills being lost due to resignations, individuals are approached to offer themselves for election to the board.

Directors Induction and Training

Most Directors are already familiar with the practical work of the charity. New Directors are invited to attend Board meetings before being formally appointed to the Board. Additionally, new Directors are invited to attend a short induction meeting with the Convener and Chief Executive that covers:

- The obligations of Board Members;
- The main documents which set out the operational framework for the charity including the Memorandum and Articles; and
- The Vision of the charity, current work and future objectives.

Members of the Board of Directors

Members of the Board of Directors who served during the year and up to the date of this report are set out on page 1 of the financial statements.

Risk Management

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, to ensure that systems are in place to mitigate their exposure to the major risks. Funding has been a particular focus given the current economic climate but a funding risk assessment was carried out during the year and the Directors are satisfied that the systems are in place to manage exposure to major risks.

LGBT Youth Scotland

DIRECTORS' REPORT

For the year ended 31 March 2012

Structure, Governance and Management (continued)

Organisational Structure

The charity has a Board of Directors of up to fifteen members who meet quarterly and are responsible for the strategic direction and policy of the charity. At the year-end there were eight members of the Board from a variety of backgrounds relevant to the work of the charity.

The Board has two sub-committee structures; one formal committee to scrutinise and make recommendations to the Board on the organisation's finance and human resources; and another less formal structure, the LGBT National Youth Council, made up of elected members of the network of LGBT youth groups from across Scotland. At present the National Youth Council has a membership of 17 young people and 38 youth champions from 18 local authority areas across Scotland. The NYC also receives the support of two peer support elders. The LGBT National Youth Council put forward up to four members to participate in the National Board of the charity.

The Directors delegate responsibility for the management of LGBT Youth Scotland to the Chief Executive, who reports performance against operational and improvement plans approved by the Board of Directors. The Chief Executive also reports, via the Treasurer and Finance and HR Sub-committee, on the financial position of the organisation. Management accounts are received and reviewed quarterly by the Board and Finance and HR Sub-committee.

Objectives and Activities

The principal objective of LGBT Youth Scotland is to improve the life chances of LGBT young people, through the direct provision of services for young people, building the capacity of other organisations to support young people and campaigning for the rights of lesbian, gay, bisexual and transgender (LGBT) young people between the ages of 13 and 25 years. Our mission is to empower lesbian, gay, bisexual and transgender young people and the wider LGBT community so that they are embraced as full members of the Scottish family at home, school and in every community.

LGBT Youth Scotland has six strategic outcomes for its work over the next five years:

- LGBT young people will have good opportunities to meet and socialise with their peer group in a safe, friendly and informal environment, with access to informal learning.
- Young people are able to be themselves and forge their own identity growing up and coming out, free from bullying and harassment at home and in their local communities.
- LGBT young people will be able to have their voices heard at all levels of society and in all walks of life.
- Schools and the wider learning community are safe and welcoming environments for LGBT young people in order that they can become successful learners, confident individuals, responsible citizens and effective contributors.
- LGBT young people will have better mental, physical and sexual health and wellbeing.
- Organisations and professionals will understand the rights of LGBT young people and have the skills and knowledge to develop more inclusive services.

LGBT Youth Scotland

DIRECTORS' REPORT

For the year ended 31 March 2012

Achievements and Performance

The Board and Chief Executive led the development of a three-year strategic plan, which was launched in March 2011. This followed a very positive review of the organisation by HM Inspectorate of Education, which highlighted good practice in inclusion, equality and fairness, participation of service users and stakeholders and on tackling homophobic bullying in schools. The organisation has continued to build on these strengths.

Project highlights 2011-12:

European project work: This year saw the start of two innovative new projects working with partner organisations across Europe. The projects were funded by the EC. The first of the projects, Breaking the Walls of Silence, will create positive changes to the experiences of LGBT young people and students in education settings across the EU member states and in Scotland. The second project, Engaging Hearts and Minds, will allow us to increase our knowledge and understanding of community engagement strategies used by LGBT NGOs through quantitative and qualitative research. The project aims to change the hearts and minds of citizens within European communities to eradicate stereotypes and stigma that exists around LGBT identities.

Adult Volunteering: One hundred adult volunteers worked in Edinburgh, Glasgow, Dumfries & Galloway, the Lothians, Dundee, Stirling and the Borders; helping to widen the range of services available to young people. During the year we held a retreat for volunteers working in isolated rural areas and sixteen volunteers received awards through our internal accreditation system for work carried out at this retreat. The range of work continued to grow with volunteers embarking on five new areas of work, across our network.

Dumfries and Galloway Services: Staff, volunteers and service users started the year in style by tackling a 300 mile sponsored cycle ride from Inverness to Dumfries to raise funds to buy equipment for the groups. Efforts to reach out to isolated individuals has continued with the development of a rural outreach and capacity building project, an online social network called Out and About, and continuing support for out transgender group and over 50s social group.

Youth Programmes: The organisation delivers weekly youth work provision in 14 local authority areas in Scotland, either directly or in partnership, including Aberdeen, Clackmannanshire, Dundee, Dumfries and Galloway, East Ayrshire, East Dunbartonshire, Edinburgh, Fife, Glasgow, Highlands, Perth & Kinross, Scottish Borders, South Lanarkshire, and Stirling. At the current time there are 14 weekly groups for young people, including; under 18 and over 18 age groups; and specialist groups which include groups for young women and transgender young people. Approximately 180 young people regularly attend sessions. Our direct work with young people continues to be a vital focus point to the organisations activity.

Plans for Future Periods

The Board and Chief Executive will work closely to monitor performance and evaluate impact against the Strategic Plan. Strategy will be reviewed where required and in response to the external environment. Resource allocation for future development will be focused on our strategic objectives, devised and agreed by the Board during this financial year.

LGBT Youth Scotland

DIRECTORS' REPORT

For the year ended 31 March 2012

Financial Review

The net outgoing resources for the year, before movements on investments, amounted to £82,380 (2011 – incomings £104,840) and there were unrealised losses on investments of £542 (2011 – gain £7,446). There was an overall surplus on unrestricted funds for the year of £12,744 (2011 - surplus £21,117) and a deficit on restricted for the year of £95,666 (2011 – surplus of £91,169). The total deficit on restricted and unrestricted funds for the year was £82,922 (2011 – surplus £112,286).

Reserves policy

The funds arising from past operating results amounted to £276,921 (2011 - £359,843) as at the year-end. The free reserves, being unrestricted funds not tied up in tangible fixed assets, amounted to £140,589 (2011 - £127,845). It is the policy of the Directors to have at least three months' operating costs in free reserves, which amounts to approximately £295,000. Given the current financial climate, it is difficult to build up free reserves and the fund currently falls short of the desired amount. However, given the revenue funding secured for 2012/13, the Directors are satisfied that the balance is sufficient to meet contractual obligations to staff. The Directors continue to examine the requirement to maintain reserves and will include this in financial planning moving forward.

Investment policy

It is considered that the most appropriate policy for holding surplus funds is in low to medium risk investments that will safeguard the capital invested whilst providing a modest rate of return. Income generated by these investments is reinvested and the Directors are considering the level of investments given the position of the organisation at the year end.

Principal funding

Principal funders during the year included the Scottish Government, local authorities, the European Union, the Big Lottery Fund, the NHS, Comic Relief, Children in Need, YouthLink Scotland and other grants and trusts. In addition, a significant amount of income was generated by way of fees for services. The charity is grateful for all of the funding support it received in the year to deliver its work.

Responsibilities of the Directors

The Directors' are responsible for preparing the Directors' report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Directors' are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 basis unless it is inappropriate to presume that the charitable company will continue in business.

LGBT Youth Scotland

DIRECTORS' REPORT

For the year ended 31 March 2012

Responsibilities of the Directors (continued)

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.


Volunteers

Many volunteers give up their time to assist staff with the delivery of services across the work of the charity, particularly at weekends and in the evenings. We are greatly indebted to these volunteers for their commitment and support.

Small Company Provisions

This report has been prepared in accordance with the special provisions of Part 15 Companies Act 2006 relating to small companies.

Approved by the Board of Directors on 7 December 2012 and signed on their behalf by:



Stewart Marks
Director

LGBT Youth Scotland

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS

For the year ended 31 March 2012

We have audited the financial statements of LGBT Youth Scotland for the year ended 31 March 2012, which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Responsibilities of the Directors set out on pages 5 and 6, the trustees (who are the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

LGBT Youth Scotland

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS

For the year ended 31 March 2012

Opinion on financial statements

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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.



David Main

Senior Statutory Auditor

for and on behalf of Whitelaw Wells, Statutory Auditors

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

9 Ainslie Place

Edinburgh

EH3 6AT

7 December 2012

LGBT Youth Scotland

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2012

	Notes	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds					
<i>Voluntary income:</i>					
Donations and grants		2,826	19,449	22,275	6,522
<i>Activities for generating funds:</i>					
Investment income		153	-	153	147
Incoming resources from charitable activities					
Grants	2	230,385	887,334	1,117,719	1,058,246
Fee income		27,782	29,388	57,170	54,698
Other income		3,350	15,541	18,891	5,887
Total incoming resources		264,496	951,712	1,216,208	1,125,500
Resources expended					
Charitable activities	3	269,526	1,022,369	1,291,895	1,015,852
Governance costs	4	6,693	-	6,693	4,808
Total resources expended		276,219	1,022,369	1,298,588	1,020,660
Net incoming/(outgoing) resources for the year before transfers		(11,723)	(70,657)	(82,380)	104,840
Transfers between funds	16	25,009	(25,009)	-	-
Net income/(expenditure) for the year before other recognised gains/(losses)	6	13,286	(95,666)	(82,380)	104,840
Other recognised gains/(losses)					
Unrealised gain/(loss) on investments	9	(542)	-	(542)	7,446
Net movement in funds for the year		12,744	(95,666)	(82,922)	112,286
Reconciliation of funds	16				
Total funds brought forward		127,845	231,998	359,843	247,557
Total funds carried forward		140,589	136,332	276,921	359,843

The company has no recognised gains or losses other than the results for the period as set out above.
All of the activities of the company are classed as continuing.

LGBT Youth Scotland

BALANCE SHEET

As at 31 March 2012

	Notes	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	8		-	-
Investments	9		141,168	141,710
			<hr/>	<hr/>
			141,168	141,710
			<hr/>	<hr/>
CURRENT ASSETS				
Debtors	10	93,066		74,844
Cash at bank and in hand		243,275		405,926
		<hr/>		<hr/>
		336,341		480,770
CURRENT LIABILITIES				
Creditors: Amounts due within one year	11	(171,870)		(233,924)
Provisions for liabilities due within one year	12	(9,571)		(9,571)
		<hr/>		<hr/>
NET CURRENT ASSETS			154,900	237,275
			<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			296,068	378,985
Provisions for liabilities due after more than one year	12		(19,147)	(19,142)
			<hr/>	<hr/>
NET ASSETS	15		276,921	359,843
			<hr/>	<hr/>
FUNDS				
Restricted	16		136,332	231,998
Unrestricted	16		140,589	127,745
			<hr/>	<hr/>
TOTAL FUNDS			276,921	359,843
			<hr/>	<hr/>

These accounts are prepared in accordance with the special provision of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Directors on 7 December 2012 and signed on their behalf by:



Stewart Marks
Director

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in March 2005, except for the matter referred to below.

The Financial Reporting Standard for Smaller Entities requires that any surplus or deficit on the defined benefit pension scheme be recognised in the financial statements. The charity is a member of the Pensions Trust SCVO Final Salary Pension Scheme, a multi-employer defined benefit pension scheme, which is unable to identify LGBT Youth Scotland's share of underlying assets or liabilities in the scheme. Consequently, the Board of Directors have followed the FRS17 requirement to account for the contributions to the scheme as if it were a defined contribution scheme.

The financial statements contain information about LGBT Youth Scotland as an individual company and do not contain consolidated financial information as the parent of a group. The subsidiary undertaking is dormant.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Income is only deferred where it is specifically stated as being for a future period by the funder or where pre-entitlement conditions have not been met. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from charitable activities comprises grants and fee income and is included in full in the Statement of Financial Activities when the charity becomes unconditionally entitled to the income. Where related to performance and specific deliverables, income is accounted for as the charity earns the right to consideration by its performance.
- The value of services provided by volunteers cannot be quantified and has not been included in these accounts.

Resources expended

Expenditure is recognised on an accruals basis as the liability is incurred. Expenditure includes VAT, which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.
- An organisational management charge is allocated to restricted projects as an allocation of support costs to activities, based upon estimated usage.

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

1. ACCOUNTING POLICIES (continued)

Grants payable

Grant funding is received from the European Commission for projects where LGBT Youth Scotland is the lead partner. The full grant is received by the charity but includes amounts received on behalf of the partner institutions. Once the charity is satisfied that partners have completed all the necessary paperwork set out in their funding guidelines and the money has been received from the European Commission, the charity distributes the funds to each partner.

Operating leases

Costs incurred in respect of operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

Tangible fixed assets and depreciation

Fixed assets are originally recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Computer Equipment - 25% Straight Line
- Fixtures and Equipment - 25% Straight Line
- Leasehold improvements - over leasehold period

Assets costing less than £1,000 are not capitalised. Donated assets are only included in the accounts when reliable cost information is available or where a reasonable estimate of cost can be made.

Investments

Investments held as fixed assets are re-valued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds are unrestricted funds earmarked by the directors for a specific purpose.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES: GRANTS

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
<u>Core grants</u>				
City of Edinburgh Council	29,970	-	29,970	29,970
NHS Greater Glasgow	4,995	-	4,995	-
NHS Lothian	82,713	-	82,713	88,773
Scottish Borders Council	15,000	-	15,000	-
Scottish Government	104,688	-	104,688	69,187
YouthLink Scotland	8,019	-	8,019	-
Other Small Grants	-	-	-	150
<u>Project grants</u>				
Big Lottery Fund – Challenging Homophobia Together	-	169,961	169,961	181,284
Big Lottery Fund – Coming Out/Young Volunteers	-	-	-	69,770
British Council – Beyond Gender	-	(1,265)	(1,265)	7,189
British Council – Youth in Action	-	8,430	8,430	-
Children in Need – Glasgow Outreach	-	24,241	24,241	23,666
Choose Life – Dumfries and Galloway	-	-	-	5,000
Comic Relief – Glasgow Outreach	-	35,521	35,521	15,416
Dumfries and Galloway LEADER Programme	-	14,855	14,855	-
Dumfries and Galloway Council Projects	-	47,421	47,421	65,033
Dumfries and Galloway FSF	-	5,000	5,000	10,000
East Dunbartonshire Council	-	10,000	10,000	-
European Commission – Promoting Good Practice	-	42,037	42,037	61,102
European Commission – Breaking the Walls of Silence	-	73,379	73,379	-
European Commission – Changing Hearts and Minds	-	52,214	52,214	-
Fife Council – Adult Volunteer Project	-	2,045	2,045	-
Fife Council – Fife	-	-	-	2,800
Glasgow City Council – Glasgow Outreach	-	1,000	1,000	700
Hollywood Trust – Dumfries and Galloway Young People	-	20,000	20,000	-
NHS Dumfries and Galloway – Adults Project	-	9,000	9,000	-
The Robertson Trust – Coming Out/Young Volunteers	-	-	-	6,000
Scottish Borders Council – Borders	-	-	-	15,000
Scottish Government – Community Capacity Building	-	90,000	90,000	95,000
Scottish Government – CYPEDA	-	60,024	60,024	60,588
Scottish Government – Domestic Abuse	-	60,000	60,000	60,000
Scottish Government – LGBT History Month	-	55,000	55,000	55,000
Scottish Government – Policy	-	60,000	60,000	60,000
Scottish Police Services Authority – Glasgow Outreach	-	-	-	9,970
See Me – Glasgow Outreach	-	5,540	5,540	-
West of Scotland Forum – Glasgow Outreach	-	4,200	4,200	-
Youthlink – Adult Volunteer Project	-	34,670	34,670	46,648
Youthlink – Community Capacity Building	-	3,000	3,000	-
Other Small Grants	-	1,061	1,061	-
	<hr/>	<hr/>	<hr/>	<hr/>
	230,385	887,334	1,117,719	1,058,246
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LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

3. RESOURCES EXPENDED: CHARITABLE ACTIVITIES

	HQ £	Policy & Main- streaming £	Youth Programs £	National Develop- ment £	Total 2012 £	Total 2011 £
Staff costs (Note 5)	140,958	266,740	220,794	194,295	822,787	708,355
Payroll costs	1,297	-	-	-	1,297	2,152
Project costs	4,534	25,268	23,304	88,168	141,274	71,777
Grants payable (below)	-	-	-	71,071	71,071	-
Staff travel	14,990	12,233	6,874	10,876	44,973	36,418
Recruitment costs	1,639	519	1,082	877	4,117	3,372
Training and conferences	5,198	1,116	842	2,059	9,215	1,386
Meetings	404	242	648	566	1,860	1,426
Rent	55,132	-	156	-	55,288	48,524
Heat and light	10,901	-	(475)	-	10,426	7,950
Insurance	3,367	-	30	-	3,397	3,427
Repairs	14,305	940	4,745	2,129	22,119	34,108
Postage	1,331	278	377	717	2,703	1,110
Stationery	4,879	1,036	890	322	7,127	6,197
Telephones and communication	23,677	10	144	-	23,831	27,640
Photocopier	3,577	-	9	-	3,586	1,575
Development and research	-	-	189	-	189	1,120
Miscellaneous	2,783	-	129	-	2,912	(7,947)
Bank charges	115	-	-	-	115	32
Affiliations	1,991	133	168	-	2,292	1,234
Depreciation	-	-	-	-	-	2,007
Dissemination of information and website costs	8,544	16,519	5,503	30,567	61,133	63,703
Legal and professional fees	183	-	-	-	183	286
Organisational charge	(191,554)	70,996	65,881	54,677	-	-
	<u>108,251</u>	<u>396,030</u>	<u>331,290</u>	<u>456,324</u>	<u>1,291,895</u>	<u>1,015,852</u>

Grants were payable to funding partners of the *National Development* sub-projects *Breaking the Walls of Silence* and *Changing Hearts and Minds*. The funding partners, which are all institutions, are:

	2012 £	2011 £
Accept Association of Romania – Changing Hearts and Minds	2,759	-
Iniciativa Inakost of Slovakia – Changing Hearts and Minds	9,608	-
KPH of Poland – Breaking the Walls of Silence	12,812	-
Legebitra of Slovenia – Changing Hearts and Minds	5,841	-
Legebitra of Slovenia – Breaking the Walls of Silence	40,051	-
	<u>71,071</u>	<u>-</u>

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

4. RESOURCES EXPENDED: GOVERNANCE COSTS

	2012	2011
	£	£
Meeting costs	1,443	-
Auditors' remuneration	5,250	4,808
	<hr/>	<hr/>
	6,693	4,808
	<hr/>	<hr/>

5. STAFF NUMBERS AND COSTS

	2012	2011
	£	£
Wages & salaries	738,341	613,097
Social Security costs	68,730	55,258
Pensions	6,194	11,287
Provision for pension scheme recovery payments (Note 12)	9,571	28,713
	<hr/>	<hr/>
	822,836	708,355
	<hr/>	<hr/>

The average monthly number of employees during the period, calculated as full time equivalents, was as follows:

	2012	2011
	No.	No.
Project workers	21	18
Operational staff	4	4
Sessional staff	7	5
	<hr/>	<hr/>
	32	27
	<hr/>	<hr/>

No employee received remuneration of more than £60,000 in either the current or previous years.

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

6. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

	2012 £	2011 £
This is stated after charging:-		
Depreciation	-	2,007
Auditor's remuneration: audit fees	5,250	4,808
	<hr/>	<hr/>

No director received any remuneration for services as a director in either the current or previous years. One director received reimbursement of £104 (2011: £47) for mileage expenses incurred while working on behalf of the charity.

7. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

8. TANGIBLE FIXED ASSETS

	Fixtures & equipment £	Computer equipment £	Total £
Cost			
At 1 April 2011	7,349	36,359	43,708
Disposal	-	(2,788)	(2,788)
	<hr/>	<hr/>	<hr/>
At 31 March 2012	7,349	33,571	40,920
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2011	7,349	36,359	43,708
Eliminated on disposal	-	(2,788)	(2,788)
	<hr/>	<hr/>	<hr/>
At 31 March 2012	7,349	33,571	40,920
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2012	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2011	-	-	-
	<hr/>	<hr/>	<hr/>

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

9. INVESTMENTS

	2012
	£
Market value of quoted investments at 31 March 2011	141,708
Unrealised loss on investments	(542)
	<hr/>
Market value of quoted investments at 31 March 2012	141,166
Unquoted investments – dormant subsidiary	2
	<hr/>
Market value of total investments at 31 March 2012	141,168
	<hr/>
Historical cost of investments held at 31 March 2012	125,338
	<hr/>

All investments are held in the UK. The following holdings of investments are 5% or more of the total portfolio value:

	%	£
Henderson Multi-Management Managed Fund	33	47,456
Gartmore Cautious Managed Fund	52	77,444
Aviva Investors Property Trust Inc	8	6,469

LGBT Youth Scotland owns 100% of the issued ordinary shares of £1 each in LGBT Scotland Limited, a dormant company registered in Scotland. The aggregate capital and reserves of LGBT Scotland Limited at its year-end of 30 April 2012 was £2. There was no profit or loss for the year ended 30 April 2012.

10. DEBTORS

	2012	2011
	£	£
Grants receivable	64,006	49,257
Other debtors	20,120	7,834
Prepayments	8,940	17,753
	<hr/>	<hr/>
	93,066	74,844
	<hr/>	<hr/>

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

11. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Other creditors	15,078	10,125
Accruals	15,062	14,078
Deferred income (below)	119,419	189,891
PAYE & NI	21,293	19,279
Pension contributions	1,018	551
	<hr/>	<hr/>
	171,870	233,924
	<hr/>	<hr/>

Movement on deferred income – Grants received

	2012	2011
	£	£
Balance at 1 April 2011	189,891	72,231
Income received and deferred during the year	66,250	189,891
Income released to Statement of Financial Activities	(136,722)	(72,231)
	<hr/>	<hr/>
Balance at 31 March 2012	119,419	189,891
	<hr/>	<hr/>

12. PROVISION FOR LIABILITIES

	2012	2011
	£	£
Provision at 1 April 2011	28,713	-
Contributions paid during the year	(9,571)	-
Provision for pension recovery plan contributions (Note 17)	9,576	28,713
	<hr/>	<hr/>
Provision at 31 March 2012	28,718	28,713
	<hr/>	<hr/>
Payable:		
Within 1 year	9,571	9,571
Between 1 and 2 years	9,571	9,571
Between 2 and 5 years	9,576	9,571
	<hr/>	<hr/>
	28,718	28,713
	<hr/>	<hr/>

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

13. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2012 the company had annual commitments under operating leases, as set out below.

	Land and Buildings £	Office Equipment £	Total 2012 £	Total 2011 £
Operating leases expiring within 1 year	10,800	-	10,800	10,800
Operating leases expiring 1-2 years	7,800	-	7,800	10,070
Operating leases expiring 2-5 years	-	2,270	2,270	2,270
Operating leases expiring in greater than 5 years	29,451	-	29,451	28,577
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard for Smaller Entities.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Investments	141,168	-	141,168
Net current assets	18,568	136,332	154,900
Provision for liabilities due after more than one year	(19,147)	-	(19,147)
	<u> </u>	<u> </u>	<u> </u>
	140,589	136,332	276,921
	<u> </u>	<u> </u>	<u> </u>

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

16. MOVEMENTS IN FUNDS

	At 1 April 2011 £	Incoming Resources £	Outgoing Resources £	Transfers £	Other Gains/ (Losses) £	At 31 March 2012 £
Restricted funds						
Adult Volunteer Project	19,552	36,990	(48,758)	-	-	7,784
Beyond Gender	-	(1,265)	(27)	1,292	-	-
Borders Project	28,300	-	-	(28,300)	-	-
Challenging Homophobia Together:						
Big Lottery Fund	55,345	169,961	(178,104)	-	-	47,202
Other Funders	-	445	(445)	-	-	-
Coming Out/Young Volunteers:						
Big Lottery Fund	56,649	-	(56,649)	-	-	-
Other Funders	-	1,155	(962)	-	-	193
Community Capacity Building	8,532	130,182	(124,306)	-	-	14,408
Dumfries and Galloway:						
Core Projects	5,082	65,613	(63,071)	-	-	7,624
Adults Project	4,603	9,868	(13,548)	-	-	923
FSF	4,358	5,090	(9,448)	-	-	-
Young People	3,496	21,800	(21,849)	-	-	3,447
East Dunbartonshire	560	15,456	(101)	-	-	15,915
European Commission:						
Breaking the Walls of Silence	-	73,380	(73,380)	-	-	-
Changing Hearts and Minds	-	52,213	(52,213)	-	-	-
Promoting Good Practice	-	42,673	(44,672)	1,999	-	-
EHRC	3,859	-	(3,321)	-	-	538
Fife Project	1,634	136	(97)	-	-	1,673
Glasgow Outreach	25,834	76,692	(72,792)	-	-	29,734
Israel Exchange	-	8,430	(8,430)	-	-	-
Scottish Government -						
CYPEDA	1,818	60,067	(60,045)	-	-	1,840
Domestic Abuse	4,022	60,294	(65,324)	-	-	(1,008)
LGBT History Month	2,854	57,023	(55,330)	-	-	4,547
Policy	5,500	65,509	(69,497)	-	-	1,512
Total restricted funds	231,998	951,712	(1,022,369)	(25,009)	-	136,332
Unrestricted funds						
General fund	111,255	264,496	(276,219)	25,009		124,541
Revaluation reserve	16,590	-	-	-	(542)	16,048
Total unrestricted funds	127,845	264,496	(276,219)	25,009	(542)	140,589
Total funds	359,843	1,216,208	(1,298,588)	-	(542)	276,921

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

16. MOVEMENTS IN FUNDS (continued)

Restricted Funds

Adult Volunteers is funded by Youthlink Scotland to work with adult volunteers who assist with the delivery of services and increase organisational capacity, skills and experience and help widen the geographic spread.

Beyond Gender was formerly funded by the British Council for youth work with a Lothian transgender group. This project has completed, the transfer represents a contribution from general funds.

Borders Project is funded by the Scottish Borders Council and operates across the Scottish Borders, offering drop-ins, one-to-one support, training and resources to professionals. A review of funding agreements in the year determined that income is unrestricted and, accordingly, the fund balance was transferred to the General Fund. The project is ongoing.

Breaking the Walls of Silence is funded by the European Commission for work across Europe in connection with educational environments.

Challenging Homophobia Together is funded principally by the **Big Lottery Fund (SV/1/010329938)** to work with schools across Scotland to challenge perceptions and offer training to teaching professionals in LGBT issues.

Changing Hearts and Minds is funded by the European Commission for work across Europe in connection with LGBT History Month and associated issues – a celebration of LGBT men and women.

Coming Out/Young Volunteers was principally funded by the **Big Lottery Fund (YSC/1/010268424)** for the 'Green Light Project', which raises awareness of coming out and increases the level of support available to LGBT young people.

Community Capacity Building is a Scottish Government funded project to build the capacity of local communities to support LGBT people.

Dumfries and Galloway Projects is funded by Dumfries and Galloway Council and aims to develop youth work opportunities for LGBT young people by conducting an assessment of local needs and taking forward local development plans.

Dumfries and Galloway Adults Project is funded by NHS Dumfries and Galloway to support work to design and deliver services appropriate to the needs of LGBT adults in Dumfries and Galloway.

Dumfries and Galloway FSF is a mentoring and befriending project using volunteers to support vulnerable LGBT adults and young people funded by Dumfries and Galloway Council.

Dumfries and Galloway: Young People was funded by the Hollywood Trust to develop the services delivered to LGBT youth in Dumfries and Galloway.

East Dunbartonshire was funded by East Dunbartonshire Council. The project operates in East Dunbartonshire offering drop-ins, one-to-one support, training and resources to professionals.

EHRC was funded by the Equality and Human Rights Commission to develop and deliver equality and human right training for the youth work sector in Scotland.

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

16. MOVEMENTS IN FUNDS (continued)

Fife Project was funded by Fife Council to provide individual and group support for LGBT young people in Fife.

Glasgow Outreach is funded by Comic Relief, Children in Need, West of Scotland LGBT Forum and See Me to deliver programmes of outreach and sexual health work in the Glasgow area.

Israel Exchange was a youth exchange programme with Israel Gay Youth, funded by the British Council.

LGBT History Month is funded by the Scottish Government to support the development of LGBT History Month in Scotland.

Policy is funded by the Scottish Government to support young people to be involved in the development of national policy.

Promoting Good Practice was funded by the European Commission, an international programme of research and good practice involving youth exchange and participation at the heart of the project, which completed during the year. The transfer represents a contribution from general funds to cover the fund deficit.

Scottish Government CYPEDA is funding for participation and peer research project for LGBT young people affected by domestic abuse.

Scottish Government Domestic Abuse project is funded by the Scottish Government to develop good practice in supporting those victims of domestic violence in same sex relationships.

Unrestricted Funds

Revaluation reserve

The revaluation reserve fund is required by the Companies Act 2006 and represents the amount by which investments differ from their historical cost.

17. PENSIONS

LGBT Youth Scotland participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted out of the state scheme until 31 March 2010, when the scheme was closed to future accrual.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there were two benefit structures available. These were final salary with a 1/60th accrual rate and final salary with a 1/80th accrual rate, until the date of Scheme closure on 31 March 2010.

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Vountary Sector Pension Scheme and it continues in paid-up form.

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

17. PENSIONS (continued)

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible, in the normal course of events, to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2008, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2008 was £45.1 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £20.438 million (equivalent to a past service funding level of 68.8%).

Financial assumptions

The financial assumptions underlying the valuation were as follows:

	% pa
Investment return pre retirement	6.8
Investment return post retirement	4.6
Rate of salary increases	4.2 for 5 years, 4.7 thereafter
Rate of pension increases for pensionable service pre 6 April 2005	3.0
Rate of pension increases for pensionable service post 5 April 2005	2.3
Rate of price inflation	3.2

The funding update at 30 September 2010 revealed that the estimated past service funding level has increased to 81.0%, but the shortfall of assets compared with the value of liabilities has fallen to an estimated £15.12m. This is primarily due to positive investment returns over the period concerned, the settlement of employer debts on leaving, the change in the basis of pension increases from RPI to CPI and the changes in actuarial assumptions.

If an actuarial variation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

It was agreed that the following joint contribution rates shown in the table below would be payable until 31 March 2010.

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

Benefit structure	Joint contribution rate (% of pensionable salaries)
Final salary 1/60 th accrual rate	22.7% comprising employer contributions of 15.2% and member contributions of 7.5% or employer contributions of 16.7% and member contributions of 6.0%
Final salary 1/80 th accrual rate	18.0% comprising employer contributions of 12.0% and member contributions of 6.0%

From 1 April 2010 contributions in respect of future service have ceased.

From 1 April 2010 a new recovery plan came into effect, following the finalisation of the 2008 valuation. Under the recovery plan LGBT Youth Scotland is required to make lump sum payments of £9,571 pa, increasing annually in line with the salary assumptions used in the valuation.

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the past service deficit at the 2005 and 2008 valuations, on an ongoing funding basis, by 31 March 2022. The required level of deficit contributions will fall from 30 September 2018.

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or the recovery plan are inappropriate. For example the regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

The recovery plan from the 2008 valuation has been submitted to the Pensions Regulator. The next full actuarial valuation as at 30 September 2011 has not yet been finalised. The results of the 2011 valuation will be advised to employers in due course.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustees of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt of the Scheme as a whole is calculated by comparing the liabilities of the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

LGBT Youth Scotland

NOTES TO THE ACCOUNTS

For the year ended 31 March 2012

17. PENSIONS (continued)

Contingent liability

The directors of LGBT Youth Scotland have been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Scheme as at 31 March 2012. As at this date the estimated employer debt for the charity was £253,375.

Provision

As described above, the charity is required to make annual lump sum payments in order to eliminate the past service deficit arising from the 2005 and 2008 valuations. The amount will be revised in line with triennial actuarial valuations and provision has been made in the accounts for three years' worth of instalments payable under the recovery plan, as shown at note 12.