

**LGBT Youth Scotland**

**REPORT AND  
FINANCIAL STATEMENTS**

**For the year ended 31 March 2010**

**Charity No SC024047  
Company No SC244805**

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COMPANIES HOUSE

**WHITELAW WELLS  
Chartered Accountants**

**EDINBURGH**

**GLASGOW**

**LGBT Youth Scotland**  
**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2010**

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# **LGBT Youth Scotland**

## **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

The directors have pleasure in presenting their report for the year ended 31 March 2010.

### **Reference and Administrative Information**

#### **Board of Directors**

Sean Stronach	Convenor	
Christopher Pirie	Vice Convenor	
Denise Forbes-Clyne	Treasurer	(resigned 23 January 2010)
Stewart Marks	Treasurer	(Treasurer from 23 January 2010)
Jane Hislop		(resigned 27 September 2009)
Rosie McGinley		(appointed 15 May 2010)
Patrick McGlinchey		
Elizabeth McIntyre		
Moray Paterson		(appointed 23 January 2010)
Julie Redman		
Toby Rockingham		(resigned 16 May 2009)
Maxwell Tcheunou		(appointed 23 January 2010)
Michael Tonks		(appointed 15 May 2010)

#### **Company Secretary**

Fergus McMillan

#### **Senior Management Team**

Fergus McMillan	Chief Executive
Mhairi Logan	Head of Policy
Hugh Torrance	Director of Development
Grace Cardozo	Dumfries & Galloway Service Manager

#### **Registered Office and Operational Address**

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

#### **Company Number**

SC244805

#### **Senior Statutory Auditor**

David Main

#### **Statutory 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 Sempole Street, Edinburgh, EH3 8BL

# **LGBT Youth Scotland**

## **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

### **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 establishes 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
- 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. In addition, the Directors initiated a review of spending across the organisation during this year, asking the Chief Executive to find areas where spending could be reduced in order to maintain a balanced budget. This objective was achieved in the financial year as a result of savings and raising further funds. 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 2010**

### 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 nine 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 national LGBT Youth Council, made up of elected members of the network of LGBT youth groups from across Scotland. The national LGBT 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 promote the benefit, preserve the good health, both mental and physical, and advance the education of lesbian, gay, bisexual and transgender (LGBT) young people between the ages of 13 and 25 years. Our aim 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.

The charity has the following objectives:

- LGBT young people can enjoy a safe and supportive upbringing and reach their full potential;
- LGBT young people are empowered to make positive choices about their lives;
- An end to homophobia and transphobia in Scottish schools, colleges and youth groups;
- Better health and wellbeing for LGBT young people and the wider LGBT community;
- LGBT young people are successful learners, confident individuals, effective contributors and responsible citizens.

The organisation delivers weekly youth work provision in 7 local authority areas in Scotland. At the current time there are 19 weekly groups for young people, including; under 18 and 18 and over age groups; and specialist groups for young women and transgender young people; a drama group; and a creative writing group. The National Youth Council has a membership of 11 young people and 23 youth champions from 7 local authority areas across Scotland. In addition, we work with a further 11 local authorities, supporting their own group provision, and providing outreach and awareness raising opportunities within mainstream settings.

### **Achievements and Performance**

Work to develop the sustainability and funding base of LGBT Youth Scotland and our model of delivery is a priority. New funds and methods of fundraising was a priority throughout the year.

# **LGBT Youth Scotland**

## **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

### **Achievements and Performance (continued)**

Over the last year we have been in the process of recruiting, training and building the capacity of volunteers to assist in the delivery of our core services and to help develop services in new areas of Scotland. This work will continue to be developed over the next year with work underway to achieve the Investing in Volunteers Award to further support volunteers in our Edinburgh service. If successful, we will roll out this approach further to help develop volunteering in Glasgow, Dumfries and Dundee.

*Challenging Homophobia Together Campaign:* a focus of the charity during this year has been raising the awareness of what can be done to challenge homophobia in Scottish schools. Our campaign *Challenging Homophobia Together* was launched at a very successful Schools Conference in February 2009. Campaign partners include the Equality and Human Rights Commission Scotland, Learning and Teaching Scotland, the Education Institute of Scotland and respectme. The conference also helped introduce teachers to recently published *Dealing with Homophobia and Homophobic Bullying in Scottish Schools Toolkit*, developed by LGBT Youth Scotland in partnership with Learning and Teaching Scotland. The toolkit was sent to all secondary schools in Scotland earlier this year.

*Adult Volunteering:* adult volunteers have been trained in youth work skills and LGBT awareness to help support the delivery of services across the organisation. The organisation now has more than 90 adult volunteers helping deliver the work of the charity in a variety of roles, including youth work, event management, fundraising and online support.

*Green Light Project:* funded by the Big Lottery, this project seeks to increase peer support for LGBT young people coming out. The project has developed a two day training residential delivered to 15 young people to become peer leaders and online forum moderators. The peer leaders will work with universal youth groups and in schools across five different local authorities. There has also been a residential training weekend for student officers running LGBT groups and societies.

*Young Trans/Young Women's Groups:* two new specialist groups are now operating, including a specific group for young transgender people in Edinburgh and Lothian and a group for young women in Glasgow. Both groups are being run in response to numbers of requests from young people themselves.

*Launch of work in Dundee and Tayside:* the charity has launched work in the city of Dundee and Perth to build the capacity of local communities to support and include LGBT young people and the wider LGBT community. Work to launch services for people in Forth Valley is planned and due to be launched working with local partners.

*National text service and online forums:* a new national text service has been developed to increase ways in which young people can access advice and support. Online forums have also been added to the LGBT Youth Scotland website to reduce isolation and increase levels of communication and peer-support between LGBT young people.

We have trained approximately 1220 professionals and 1200 young people through our training service. Training has been delivered to professionals in a broad range of sectors including: the police, community learning and development, colleges and universities, youth justice, adult learning and the NHS.

The first phase of an internal self-evaluation exercise is now complete and has helped embed self-evaluation across service delivery through an analysis of process recording, regular service-user reviews and staff reflective practice.

## **LGBT Youth Scotland**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

#### **Achievements and Performance (continued)**

Continued funding was secured to continue work with LGBT young people in the Scottish Borders. A regular group is now established working with approx 20 young people and outreach/profile-raising work is happening across the region. Work is now well underway to look at the further development and sustainability of services to LGBT young people in the Greater Glasgow area with local partners including Culture and Sport Glasgow.

Two new sub-groups have been added to the regular business and management of the charity. One group has been established with the objective of promoting awareness and use of self-evaluation across the work of the charity. The second sub-group has been charged with the effective implementation of the organisation's Framework for the Protection of Children, Young People and Vulnerable Adults, including training for all staff and volunteers.

Recent conferences for young people include:

- Out of Sight, Out of Mind 2008: a youth conference about LGBT human rights worldwide to mark International day against homophobia and transphobia (IDAHO).
- National Gathering 2008: Your Life, Your Choices, Dundee.
- National Gathering 2009: Alternatives, Glasgow.
- International LGBT, Queer Youth and Student Organisation General Assembly (IGLYO) 2009: the biannual meeting of this international network of LGBT youth organisations was hosted by LGBT Youth Scotland in partnership with the Scottish Government and the EHRC.
- Green Light project student residential 2010: for student officers who run/set up LGBT societies in further and higher education.

LGBT Youth Scotland has a key strength in securing funding and building the capacity of our services. There has been a marked improvement in the ability and commitment to securing funding for our work over the past two to three years, despite a more competitive funding environment.

The charity has also improved its financial oversight in governance and day-to-day terms. Financial information presented to the Finance & HR Sub-Committee of the National Board has improved to increase transparency and enable closer scrutiny of finances.

The Chief Executive conducted a review of spending during the last financial year which identified areas where costs could be cut, again, set against a backdrop of a reduction in funding in some areas and to balance the budget. This has resulted in improved financial management demonstrated by reduced expenditure in a difficult financial climate.

*Improved financial budgeting:* budget managers are empowered to manage their own budgets with an increase in budget and financial information and communication through monthly budget meetings. The budget management process is more transparent and budget managers are more closely involved in decision-making.

#### **Plans for future periods**

To respond to and build upon improvements identified from self-evaluation and an independent review of the organisation by HM Inspectorate of Education in May 2010. The Directors welcomed the report which recognised the positive impact that the organisation is having and will work with the Chief Executive to respond to areas for action.

# **LGBT Youth Scotland**

## **DIRECTORS' REPORT**

**For the year ended 31 March 2010**

### **Financial Review**

The net outgoing resources for the year, before movements on investments, amounted to £25,780 (2009 - £179,126). £2,035 (2009 - incoming £90,203) of this related to restricted projects and £23,745 (2009 - £88,923) was the amount attributable to unrestricted funds. Unrealised gains on investments of £27,170 (2009 - losses £32,229) resulted in an overall surplus on unrestricted funds for the year of £23,984 (2009 - deficit £113,911).

#### Reserves policy

The unrestricted reserves arising from past operating results amounted to £106,728 (2009 - £82,744) as at the year-end. The free reserves, being unrestricted funds not tied up in tangible fixed assets, amounted to £104,721 (2009 - £71,172). It is the policy of the Directors to have at least three months operating costs in free reserves, which amounts to approximately £265,000. 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 2010/11, 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, however, at the current time the charity does not have sufficient funds to make further investments. The Directors will revisit this policy should that position change.

#### Principal funding

Principal funders during the year included the Scottish Government, local authorities, European Union, the Big Lottery Fund 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**

### **~~INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS~~ REPORT**

**For the year ended 31 March 2010**

#### **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 25 September 2010 and signed on their behalf by:



**Fergus McMillan**  
Company Secretary

## **LGBT Youth Scotland**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS**

**For the year ended 31 March 2010**

We have audited the financial statements of LGBT Youth Scotland for the year ended 31 March 2010, which comprise the Income and Expenditure Account incorporating the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared in accordance with accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the company's directors, 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 members and the company's management committee 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 company, its members as a body and its management committee as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

The directors' responsibilities for preparing the Directors' Report 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 are set out in the Statement of Responsibilities of the Directors.

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with those financial statements

We also report to you if, in our opinion the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS**

**For the year ended 31 March 2010**

**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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 charity'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 prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information provided in the Directors' Report is consistent with the financial statements.



**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

25 September 2010

# LGBT Youth Scotland

## INCOME AND EXPENDITURE ACCOUNT INCORPORATING THE STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2010

	Notes	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income:					
Donations and grants		2,926	6,144	9,070	2,359
Activities for generating funds:					
Investment income		2,209	-	2,209	7,140
<b>Incoming resources from charitable activities</b>					
Grants	2	207,969	740,447	948,416	1,000,235
Fee income		47,871	14,890	62,761	42,988
Other income		-	4,300	4,300	-
<b>Total incoming resources</b>		<b>260,975</b>	<b>765,781</b>	<b>1,026,756</b>	<b>1,052,722</b>
<b>Resources expended</b>					
Charitable activities	3	257,720	789,526	1,047,246	1,224,945
Governance costs	4	5,290	-	5,290	6,903
<b>Total resources expended</b>		<b>263,010</b>	<b>789,526</b>	<b>1,052,536</b>	<b>1,231,848</b>
<b>Net (outgoing)/incoming resources for the year before transfers</b>		<b>(2,035)</b>	<b>(23,745)</b>	<b>(25,780)</b>	<b>(179,126)</b>
Transfers between funds	15	(1,151)	1,151	-	-
<b>Net (outgoing)/incoming resources for the year before other recognised gains/(losses)</b>		<b>(3,186)</b>	<b>(22,594)</b>	<b>(25,780)</b>	<b>(179,126)</b>
<b>Other recognised gains/(losses)</b>					
Unrealised gain/ (loss) on investments	9	27,170	-	27,170	(32,229)
<b>Net movement in funds for the year</b>		<b>23,984</b>	<b>(22,594)</b>	<b>1,390</b>	<b>(211,355)</b>
<b>Reconciliation of funds</b>	15				
Total funds brought forward		82,744	163,423	246,167	457,522
<b>Total funds carried forward</b>	14	<b>106,728</b>	<b>140,829</b>	<b>247,557</b>	<b>246,167</b>

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 2010**

	Notes	£	2010 £	2009 £
<b>FIXED ASSETS</b>				
Tangible assets	8		2,007	11,572
Investments	9		134,264	104,970
			<hr/>	<hr/>
			136,271	116,542
<b>CURRENT ASSETS</b>				
Debtors	10	81,654		56,032
Cash at bank		140,081		173,746
		<hr/>		<hr/>
		221,735		229,778
<b>Creditors:</b> Amounts falling due within one year	11	(110,449)		(100,153)
		<hr/>		<hr/>
<b>NET CURRENT ASSETS</b>			111,286	129,625
			<hr/>	<hr/>
<b>TOTAL ASSETS LESS LIABILITIES</b>			247,557	246,167
			<hr/>	<hr/>
<b>FUNDS</b>				
Restricted	15		140,829	163,423
Unrestricted	15		106,728	82,744
			<hr/>	<hr/>
			247,557	246,167
			<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 25 September 2010 and signed on their behalf by:



**Stewart Marks**  
Director

# **LGBT Youth Scotland**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2010**

### **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 follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in March 2005 except for the matters 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 fully 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 a contribution to core overhead costs.

# **LGBT Youth Scotland**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2010**

### **1. ACCOUNTING POLICIES (continued)**

#### **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.

#### **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 Fittings - 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 held as fixed assets are revalued 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 2010

### 2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES: GRANTS

	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
<u>Core Grants</u>				
City of Edinburgh Council	29,970	-	29,970	29,970
NHS Lothian	85,358	-	85,358	83,276
Scottish Government	89,187	-	89,187	81,187
West Lothian Council	2,000	-	2,000	-
Other Small Grants	1,454	-	1,454	701
<u>Project Grants by project:</u>				
Borders Project	-	39,494	29,494	14,916
Dumfries and Galloway Project	-	79,445	79,445	60,700
Small Projects	-	-	-	750
EU Promoting Good Practice	-	15,842	15,842	-
Glasgow Outreach	-	24,000	24,000	106,134
LGBT Youth Charter	-	-	-	7,250
LGBT History Month	-	55,000	55,000	62,830
Policy	-	60,000	60,000	53,750
Scottish Government – Education	-	-	-	20,640
Scottish Government – Complex Needs	-	-	-	21,100
Scottish Government – Domestic Abuse	-	60,000	60,000	56,827
Scottish Government – CYPEDA	-	32,970	32,970	-
Dumfries and Galloway FSF	-	25,000	25,000	-
Respect Me	-	10,601	10,601	10,292
Youth Projects Fife	-	6,272	6,272	-
Adult Volunteer Project	-	42,584	42,584	35,796
Big Lottery Fund – Dumfries and Galloway Project	-	62,500	62,500	50,000
LGBT Adult Project	-	1,500	1,500	95,000
EHRC	-	3,499	3,499	31,492
EHRC Education Conference	-	-	-	22,321
EHRC IGLYO	-	16,000	16,000	-
Big Lottery Fund – Coming Out/Young Volunteers	-	82,184	82,184	49,803
Coming Out/Young Volunteers	-	18,556	18,556	10,500
Community Capacity Building	-	101,500	101,500	95,000
East Dunbartonshire	-	3,500	3,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
	207,969	740,447	948,416	1,000,235
	<hr/>	<hr/>	<hr/>	<hr/>



# LGBT Youth Scotland

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2010

### 3. RESOURCES EXPENDED: CHARITABLE ACTIVITIES

	HQ £	Policy & Intelli- gence £	Youth Programs £	National Develop- ment £	Total 2010 £	Total 2009 £
Staff costs (note 7)	224,797	132,209	201,773	180,157	738,936	782,797
Payroll costs	1,156	-	-	-	1,156	1,226
Project costs	18,072	12,619	29,301	26,843	86,835	130,751
Staff travel	4,232	3,783	6,956	8,670	23,641	28,552
Recruitment costs	(250)	1,093	40	-	883	12,424
Training and conferences	332	562	572	2,147	3,613	11,455
Meetings	583	624	287	428	1,922	5,154
Rent	77,836	-	-	-	77,836	91,135
Heat and light	11,437	-	-	-	11,437	5,779
Insurance	1,968	-	-	-	1,968	876
Cleaning	4,871	-	-	-	4,871	4,018
Repairs	3,386	2,034	7,991	2,322	15,733	22,930
Postage	773	389	415	303	1,880	5,752
Stationery	2,039	580	875	457	3,951	7,147
Telephones and communication	34,976	-	10	-	34,986	23,691
Photocopier	168	567	867	569	2,171	3,070
Development and research	589	108	2,326	-	3,023	2,575
Miscellaneous	(462)	3	161	47	(251)	5,566
Bank charges	76	-	-	-	76	24
Affiliations	1,597	170	570	300	2,637	3,387
Depreciation	9,565	-	-	-	9,565	12,385
Dissemination of information and website costs	2,533	2,547	3,463	8,595	17,138	56,130
Legal and professional fees	3,161	-	-	-	3,161	5,830
Loss on disposal	-	-	-	-	-	2,056
Bad debts	78	-	-	-	78	235
Organisational charge	(134,104)	30,000	37,916	66,188	-	-
	<u>269,409</u>	<u>187,288</u>	<u>293,523</u>	<u>297,026</u>	<u>1,047,246</u>	<u>1,224,945</u>

### 4. RESOURCES EXPENDED: GOVERNANCE COSTS

Auditors' remuneration	<u>5,290</u>	<u>6,903</u>
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**LGBT Youth Scotland**  
**NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2010**

**5. NET INCOMING RESOURCES FOR THE YEAR**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
This is stated after charging:-		
Depreciation	9,565	12,385
Loss on disposal of fixed assets	-	2,056
Auditor's remuneration: audit fees	5,290	6,903
	<u>          </u>	<u>          </u>

No director received any remuneration for services as a director in either the current or previous years.

No director received reimbursement for expenses incurred while working on behalf of the charity in either the current or previous years.

**6. TAXATION**

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

**7. STAFF NUMBERS AND COSTS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages & salaries	666,538	704,406
Social Security costs	58,614	60,248
Pensions	13,784	18,143
	<u>          </u>	<u>          </u>
	738,936	782,797
	<u>          </u>	<u>          </u>

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

	<b>2010</b>	<b>2009</b>
	<b>No.</b>	<b>No.</b>
Project workers	18	22
Operational staff	5	6
Sessionals	10	7
	<u>          </u>	<u>          </u>
	33	35
	<u>          </u>	<u>          </u>

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 2010**

**8. TANGIBLE FIXED ASSETS**

	<b>Leasehold Improvements</b>	<b>Fixtures &amp; equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2009	7,892	7,349	44,630	59,871
Additions	-	-	-	-
Disposal	-	-	(4,095)	(4,095)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	7,892	7,349	40,535	55,776
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2009	5,415	7,349	35,535	48,299
Charge for the period	2,477	-	7,088	9,565
Eliminated on disposal	-	-	(4,095)	(4,095)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	7,892	7,349	38,528	53,769
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2010	-	-	2,007	2,007
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	2,477	-	9,095	11,572
	<hr/>	<hr/>	<hr/>	<hr/>

**9. INVESTMENTS**

	<b>2010 £</b>
Market value of quoted investments at 31 March 2009	104,968
Additions in the year	2,124
Unrealised gain on investments	27,170
	<hr/>
Market value of quoted investments at 31 March 2010	134,262
Unquoted investments – dormant subsidiary	2
	<hr/>
Market value of total investments at 31 March 2010	134,264
	<hr/>
Historical cost of investments held at 31 March 2010	125,120
	<hr/>

# LGBT Youth Scotland

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2010

### 9. INVESTMENTS (continued)

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	35	47,067
Gartmore Cautious Managed Fund	54	71,446

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 2010 was £2. There was no profit or loss for the year ended 31 March 2010.

### 10. DEBTORS

	2010 £	2009 £
Grants receivable	62,396	39,392
Other debtors	6,804	8,596
Prepayments	12,454	8,044
	<u>81,654</u>	<u>56,032</u>

### 11. CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Other creditors	8,163	31,272
Accruals	13,505	10,942
Deferred income (see below)	72,231	31,819
PAYE & NI	16,550	21,986
Pension contributions	-	4,134
	<u>110,449</u>	<u>100,153</u>

#### Movement on deferred income – Grants received

	2010 £	2009 £
Balance at 1 April 2009	31,819	20,819
Add income received during the year	-	31,819
Less income released to Statement of Financial Activities	(31,819)	(20,819)
	<u>-</u>	<u>31,819</u>
Balance at 31 March 2010	-	31,819

# LGBT Youth Scotland

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2010

### 12. COMMITMENTS UNDER OPERATING LEASES

At the 31<sup>st</sup> March 2010 the company had annual commitments under operating leases as set out below.

	2010	2009
	£	£
Operating leases expiring within 1 year	-	66,330
Operating leases expiring 1-2 years	18,309	5,600
Operating leases expiring in greater than 5 years	30,713	19,500

The charity rents various premises that include utilities and maintenance charges.

### 13. RELATED PARTY TRANSACTIONS

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

### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	2,007	-	2,007
Investments	134,264	-	134,264
Net current assets	(29,543)	140,829	111,286
	106,728	140,829	247,557

### 15. MOVEMENTS IN FUNDS

	At 31 March 2009	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2010
	£	£	£	£	£
<b>Restricted funds:</b>					
Borders	31,040	42,697	(34,306)	-	39,431
Dumfries and Galloway	(8,821)	84,725	(62,931)	-	12,973
Small projects	3,429	-	(3,429)	-	-
Fife Project	318	6,272	(2,002)	-	4,588
Scottish Government - CYPEDA	-	32,970	(32,624)	-	346
Dumfries and Galloway FSF	-	26,500	(10,661)	-	15,839
Equipment fund	8,446	-	(8,446)	-	-
Glasgow Outreach	42,973	28,703	(78,007)	-	(6,331)
Balance carried forward	77,385	221,867	(232,406)	-	66,846

# LGBT Youth Scotland

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2010

### 15. MOVEMENTS IN FUNDS (continued)

	At 31 March 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2010 £
<b>Restricted funds (continued):</b>					
Balance brought forward	77,385	221,867	(232,406)	-	66,846
LGBT Youth Charter	9,730	-	(9,640)	(90)	-
LGBT History Month	2,820	55,600	(56,249)	-	2,171
Policy	(333)	60,200	(59,261)	-	606
Scottish Government - Education	(309)	-	-	309	-
Scottish Government - Complex Needs	(1,014)	-	-	1,014	-
Scottish Government - Domestic Abuse	(5)	62,752	(60,370)	-	2,377
EU Promoting Good Practice	-	15,842	(15,842)	-	-
Midlothian Choose Life	1,732	-	(1,732)	-	-
Volunteers	2,853	-	(2,853)	-	-
Moray	900	-	(818)	(82)	-
Respect Me	(646)	10,601	(9,074)	-	881
YES Programme	11,220	-	(11,220)	-	-
Adult Volunteer Project	17,553	43,188	(42,461)	-	18,280
Big Lottery Fund D& G Project	3,606	62,500	(52,317)	-	13,789
LGBT Adult Project	35,177	2,956	(37,495)	-	638
EHRC	-	3,499	-	-	3,499
EHRC IGLYO	-	16,130	(16,130)	-	-
Coming Out/Young Volunteers -					
Big Lottery Fund	4,431	82,184	(61,556)	-	25,059
Other Funders	-	21,267	(21,267)	-	-
Community Capacity Building	(1,677)	103,695	(98,835)	-	3,183
East Dunbartonshire	-	3,500	-	-	3,500
<b>Total restricted funds</b>	<b>163,423</b>	<b>765,781</b>	<b>(789,526)</b>	<b>1,151</b>	<b>140,829</b>
<b>Unrestricted funds</b>					
General fund	100,770	260,975	(263,010)	(1,151)	97,584
Revaluation reserve	(18,026)	27,170	-	-	9,144
<b>Total unrestricted funds</b>	<b>82,744</b>	<b>288,145</b>	<b>(263,010)</b>	<b>(1,151)</b>	<b>106,728</b>
<b>Total funds</b>	<b>246,167</b>	<b>1,053,926</b>	<b>(1,052,536)</b>	<b>-</b>	<b>247,557</b>

## **LGBT Youth Scotland**

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2010**

#### **15. MOVEMENTS IN FUNDS (Continued)**

##### **Restricted Funds**

**Borders Project** is mainly funded by the Scottish Borders Council and the Changing Children Services Fund, the project operates across the Scottish Borders offering drop-ins, one-to-one support, training and resources to professionals.

**Dumfries and Galloway Project** 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.

**Small Projects** are funded by the likes of NHS Scotland, The Scottish Government and Communities Scotland. The projects consist of the development of a Coming Out Guide for women and a library for LGBT young people.

**Fife Project** is funded by NHS Fife to provide individual and group support for LGBT young people in Fife.

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

**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.

**Equipment Fund** is resourced by the Scottish Government and Youthlink to purchase equipment to support volunteering and events. The transfer out of the fund during the year represents expenditure incurred last year allocated to the Small Project restricted fund.

**Glasgow Outreach** is funded by the Elton John AIDS Foundation, the Peter Moores Foundation, NHS Greater Glasgow & Clyde and Glasgow City Council to deliver programmes of outreach and sexual health work in the Glasgow area. The fund deficit is expected to be recovered in 2010/11.

**LGBT Youth Charter** is funded by the Scottish Government to support the development of the LGBT Youth Charter of Rights in Scotland.

**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.

**Scottish Government Education Research** is funded by the Scottish Government to research good practice for the inclusion of LGBT young people at school and to offer training and information on these issues.

**Scottish Government Multiple & Complex Needs** is a research project funded by the Scottish Government to overcome the barriers to the uptake of public services by those who have multiple needs.

**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.

## **LGBT Youth Scotland**

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2010**

#### **15. MOVEMENTS IN FUNDS (continued)**

**EU Promoting Good Practise** is an international programme of research and good practise, involving youth exchange and participation at the heart of the project.

**Midlothian Choose Life** is funded by Midlothian Council to support work to reach LGBT young people in the Midlothian area.

**Volunteers** is funded by the City of Edinburgh Council Safety Partnership to provide volunteering opportunities for young people and to increase their representation in civic society.

**Moray** is funded by Moray Council to begin work on LGBT youth inclusion within the Moray area.

**Respect Me** is the national anti-bullying service funded by the Scottish Government and managed by SAMH and LGBT Youth Scotland.

**YES Programme** is a project delivered in partnership with the Dumfries and Galloway Youth Enquiry Service.

**Adult Volunteer Project** is funded by YouthLink Scotland to develop adult volunteering work to develop new services and support existing services for LGBT young people.

**Big Lottery Fund D & G Project** is funding provided by the **Big Lottery Fund (YSC/1/010247996)** to develop the services delivered to LGBT youth in Dumfries and Galloway.

**LGBT Adult 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.

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

**EHRC IGLYO LGBT** is a member of IGLYO and was invited to host their general assembly in December 2009. This project was funded from EHRC for accommodation and venue costs.

**EHRC Education Conference** is a conference supported by the Equality and Human Rights Commission and other partners about challenging homophobia in schools.

**Coming Out/Young Volunteers** is funded principally from 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.

**East Dunbartonshire** is a community engagement project to consider the needs of the LGBT community in East Dunbartonshire.

#### **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.



## LGBT Youth Scotland

### NOTES TO THE ACCOUNTS

For the year ended 31 March 2010

#### 16. 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 1/60<sup>th</sup> accrual rate until 30 September 2007. From October 2007 there are two benefit structures available. These are final salary with a 1/60<sup>th</sup> accrual rate and final salary with a 1/80<sup>th</sup> accrual rate, until the date of Scheme closure on 31 March 2010.

During the accounting period LGBT Youth Scotland paid contributions at the rate of 12%. Member contributions during the year were 6%.

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.

The Trustee commissions an actuarial valuation of the Scheme every 3 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

## LGBT Youth Scotland

### NOTES TO THE ACCOUNTS

For the year ended 31 March 2010

#### 16. PENSIONS (continued)

The funding update at the 30 September 2009 revealed that the estimated past service funding level has increased to 70.1%, but the shortfall of assets compared with the value of liabilities has also increased to an estimated £23.36m. This is primarily due to a reduction in the estimated returns from bond assets outweighing positive investment returns over the period concerned.

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.

Benefit structure	Joint contribution rate (% of pensionable salaries)
Final salary 1/60 <sup>th</sup> 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 <sup>th</sup> 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 will be carried out as at 30 September 2011.

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.

## **LGBT Youth Scotland**

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2010**

#### **16. PENSIONS (continued)**

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.

#### 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 30 September 2008. As at this date the estimated employer debt for the charity was £166,000.