

**LESBIAN, GAY & BISEXUAL
COMMUNITY PROJECT
LIMITED**
(A company limited by guarantee)

**ANNUAL REPORT
AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 30 JUNE 2016**

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LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS	John Hein Heather White Peter John McDougall
SECRETARY	John Hein
INDEPENDENT EXAMINER	Paul Marshall CA Geoghegans Accountancy Limited Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
REGISTERED OFFICE AND PRINCIPAL ADDRESS	58a Broughton Street Edinburgh EH1 3SA
COMPANY REGISTRATION NUMBER	SC163596
SCOTTISH CHARITY NUMBER	SC024473

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors, who are also trustees for the purposes of charity law, present their annual report together with the unaudited financial statements of the charitable company for the year ended 30 June 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

CONSTITUTION

The charitable company, which is limited by guarantee, was incorporated on 21 February 1996. Management is undertaken by the directors who are appointed in accordance with the Memorandum and Articles of Association.

OBJECTIVES AND PRINCIPAL ACTIVITIES

The objects of the charitable company are to benefit the Community by the preservation and protection of the good health both physically and mental of gay men, lesbians and bisexual people in Scotland. To provide health education for the benefit of such persons.

FINANCIAL INFORMATION

The surplus for the year is £10,766 (2015: £13,491). This has been added to reserves brought forward of £181,084 to give total reserves carried forward of £191,850.

The charitable company's 'free' reserves however, being those reserves not invested in fixed assets, were actually in deficit by £50,770 (2015: £63,402). While the directors are pleased with the reduction in the deficit achieved in the year, they are continuing to assess the future strategy for the charitable company.

DIRECTORS

The directors of the company at 30 June 2016 were:

John Hein
Heather White
Peter John McDougall

ACHIEVEMENTS AND PLANS FOR THE FUTURE

The charitable company has continued to facilitate its objectives through providing facilities where support groups can congregate.

There has been no significant change in the company's activities during the year and no changes are expected in the forthcoming year.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016 *(continued)*

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

Approved by order of the board of directors on 15 June 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter John McDougall', with a long horizontal flourish extending to the right.

Peter John McDougall
Director

INDEPENDENT EXAMINER'S REPORT
TO THE DIRECTORS OF LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

I report on the financial statements of the charitable company for the year ended 30 June 2016 set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

The charity's directors, who are also trustees of the charitable company for the purpose of charity law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under Section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the financial statements.


Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.


Paul Marshall CA
Independent Examiner

15 June 2017

Geoghegans Accountancy Limited
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Unrestricted £	Restricted £	2016 £	2015 £
Income from:					
Investments		15,000	-	15,000	15,210
Charitable activities					
Rental income		<u>8,744</u>	-	<u>8,744</u>	<u>8,744</u>
Total income		<u>23,744</u>	-	<u>23,744</u>	<u>23,954</u>
Expenditure on:					
Raising funds					
Property management		626	-	626	1,844
Charitable activities	4	<u>12,352</u>	-	<u>12,352</u>	<u>8,619</u>
Total expenditure		<u>12,978</u>	-	<u>12,978</u>	<u>10,463</u>
Net income and movement in funds		<u>10,766</u>	-	<u>10,766</u>	<u>13,491</u>
Reconciliation of Funds					
Funds at 1 July 2015		<u>181,084</u>	-	<u>181,084</u>	<u>167,593</u>
Funds at 30 June 2016	10	<u>191,850</u>	-	<u>191,850</u>	<u>181,084</u>

The notes on pages 8 to 13 form part of these financial statements.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

BALANCE SHEET - 30 JUNE 2016

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Investment properties	5		180,000		180,000
Tangible assets	6		<u>62,620</u>		<u>64,486</u>
			242,620		244,486
Current assets					
Debtors	7	21,700		11,914	
Cash and bank		<u>3,450</u>		<u>3,672</u>	
		25,150		15,586	
Creditors: amounts falling due within one year	8	<u>(19,299)</u>		<u>(17,594)</u>	
Net current assets/(liabilities)			<u>5,851</u>		<u>(2,008)</u>
Total assets less current liabilities			248,471		242,478
Creditors: amounts falling due after more than one year	9		<u>(56,621)</u>		<u>(61,394)</u>
			<u>191,850</u>		<u>181,084</u>
Funds					
Unrestricted fund			52,766		42,000
Revaluation reserve			<u>139,084</u>		<u>139,084</u>
	10		<u>191,850</u>		<u>181,084</u>

For the year ending 30 June 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- the members have not require the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 8 to 13 form part of these financial statements.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

BALANCE SHEET - 30 JUNE 2016 (continued)

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with Financial Reporting Standards for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board of directors on 15 June 2017 and signed on its behalf by:



Peter John McDougall

Director

Company Registration Number: SC163596

The notes on pages 8 to 13 form part of these financial statements.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

1. Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year is set out below.

Basis of accounting

The financial statements have been prepared on a going concern basis and the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The charity is a Public Benefit Entity. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Statement of Recommended Practice applicable to Charities preparing their financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by the Charities SORP (FRSSE), the restatement of comparative items was required. The date of transition was 1 July 2014. No restatements were required to fund balances or net income/(expenditure) which remain as previously reported:

	At 30 June 2015	At 1 July 2014
Unrestricted funds	181,084	167,593
	<u> </u>	<u> </u>

Income

Income is recognised when the charity has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably. Income from investments represents rental income from the lease of properties and entitlement is set out contractually in the lease agreements. Income from charitable activities represents rental income from the use of functional assets for LGBT Youth.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on raising funds consists of property management fees. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and an allocation of governance costs.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

Accounting policies (continued)

Expenditure (continued)

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the charity and its compliance with regulations and good practice. They therefore include the costs of independent examination. Other support costs relate to the administrative costs of running the charity and are allocated to charitable activities accordingly.

Investment properties

Investment properties are held at valuation. Any gain or loss arising from changes in market value is transferred to the revaluation reserve.

Fixed assets

The cost of fixed additions less than £500 are expensed in the year of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its estimated useful life. Depreciation rates are as follows:

Buildings	- 2% Straight line
Computer equipment	- 33% Straight line
Fixtures and fittings	- 25% Straight line

No depreciation is charged on land.

Debtors

Other debtors are recognised at the settlement amount due.

Cash

Cash at bank and in hand includes cash and highly liquid short term investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

Accounting policies (continued)

Fund accounting

Unrestricted funds are funds that can be used in accordance with the objectives of the organisation at the discretion of the trustees.

2. Operating surplus

The operating surplus is stated after charging:	2016	2015
	£	£
Independent examiners fee – IER	770	728
Independent examiners fee – other	526	526
Depreciation charge - owned assets	4	3
Depreciation charge – leased assets	<u>593</u>	<u>593</u>

3. Directors' remuneration

During the year an amount of £Nil (2015: £1,844) was paid to McDougall Management Limited, a company controlled by Peter McDougall, a director of the company, in respect of property management services.

4. Expenditure on charitable activities

	2016	2015
	£	£
Support costs		
- Contract labour	1,903	-
- Rates	760	760
- Insurance	1,545	323
- Heat and light	874	1,583
- Repairs and renewals	280	446
- Bank charges	392	341
- Loan interest charges	3,136	3,315
- Depreciation	1,866	597
- Governance costs	<u>1,596</u>	<u>1,254</u>
	<u>12,352</u>	<u>8,619</u>
Governance costs comprise:		
- Accountancy fees	1,296	1,254
- Legal fees	<u>300</u>	<u>-</u>
	<u>1,596</u>	<u>1,254</u>

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016
(continued)

5. Investment properties

Valuation	£	£
At 1 July 2015 and 30 June 2016	180,000	180,000

On 2 November 2011 freehold property at 58-60 Broughton Street, Edinburgh, was revalued by DM Hall Chartered Surveyors on an open market basis at a value of £180,000 resulting in an impairment of £20,000.

The board of directors consider there to have been no material change in the property valuations at 30 June 2016.

The historical cost of investment properties at 30 June 2016 is £40,916 (2015: £40,916).

6. Tangible fixed assets

	Land and Buildings £	Office Equipment £	Total £
Cost			
At 1 July 2015 and 30 June 2016	63,436	5,143	68,579
Depreciation			
At 1 July 2015	-	4,093	4,093
Charge for the year	1,269	597	1,866
At 30 June 2016	1,269	4,690	5,959
Net book value			
At 30 June 2016	62,167	453	62,620
At 30 June 2015	63,436	1,050	64,486

On 1 May 2012 freehold property at 39-40 Commercial Street, Edinburgh was purchased for £63,436, including legal fees amounting to £936.

Included within office equipment are amounts held under finance leases with a NBV of £445 (2015: £1,038). Depreciation of £593 (2015: £593) has been charged in the year.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016
(continued)

7. Debtors: amounts falling due within one year

	2016	2015
	£	£
Other debtors	21,700	11,700
Prepayments	-	214
	<u>21,700</u>	<u>11,914</u>

Other debtors includes a loan to a director of £21,700 (2015: £11,700). This sum is unsecured, interest free and has no fixed repayment terms.

8. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loan	4,064	3,180
Director's loan account	10,232	10,081
Obligations under finance leases	-	593
Accruals	5,003	3,740
	<u>19,299</u>	<u>17,594</u>

The director's loan, which has no fixed repayments terms, is secured by way of a standard security over the charitable company's property. Interest accrues on the outstanding balance at 1% above the Bank of Scotland base rate.

9. Creditors: amounts falling due between one and five years

	2016	2015
	£	£
Bank loan	56,621	61,271
Obligations under finance leases	-	123
	<u>56,621</u>	<u>61,394</u>

The bank loan is secured by way of a standard security over the charitable company's properties.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016
(continued)

10. Reconciliation of movement in funds

	2016 £	2015 £
Net income for the year	10,766	13,491
Funds at 30 June 2015	<u>181,084</u>	<u>167,593</u>
Funds at 30 June 2016	<u>191,850</u>	<u>181,084</u>

11. Related party transactions

Included in expenditure is an amount of £Nil (2015: £1,844) paid to McDougall Management Limited, a company controlled by Peter John McDougall, a director of the company, for property management services. This transaction took place on an arm's length commercial basis.

Included in creditors due within one year is an amount of £10,232 (2015: £10,081) payable to John Hein, a director of the company.

Included in other debtors is an amount of £21,700 (2015: £11,700) due from Peter John McDougall, a director of the company. This sum is unsecured, interest free and with no fixed repayment terms.

12. Control

In the opinion of the directors there is no ultimate controlling party.