



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

**ANNUAL REPORT
AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 30 JUNE 2017**

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

COMPANY INFORMATION

DIRECTORS	John Hein Heather White (resigned 7 February 2018) Peter John McDougall Lisa Victoria McKinney (appointed 10 November 2017)
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 2017

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 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the Directors' Report and financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The directors of the company who are also trustees for the purposes of charity law are listed on page 1. Directors are appointed in accordance with the Memorandum and Articles of Association.

KEY MANAGEMENT REMUNERATION

The Directors constitute key management and are not remunerated in their role as Directors.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company are to benefit the Community by providing meeting space for LGBT Groups to congregate.

ACHIEVEMENTS AND PLANS FOR THE FUTURE

The charitable company has continued to facilitate its objectives through providing facilities where support groups can congregate. However, much of this space has been underutilised recently so it is felt this might be less necessary in the future.

There has been a drop in the usage of the facilities provided. The Directors are reviewing this situation.

FINANCIAL REVIEW

The result for the year was net income of £7,267 (2016: £10,766). This has been added to reserves brought forward of £191,850 to give total reserves carried forward of £199,117.

RISK MANAGEMENT

Risk is reviewed at each Board meeting but not formally documented other than by noting in the minutes any actions to be taken following discussions.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017 *(continued)*

RESERVES POLICY

The directors seek to maintain sufficient unrestricted reserves for the charitable company's working capital needs and to enable it to cope with any unforeseen events. At 30 June 2017, the charitable company has unrestricted reserves of £199,117 (2016: £191,850). However, the charitable company's free reserves, defined as those not invested in fixed assets, were actually in deficit by £41,781 (£50,770). While the directors are pleased with the reduction in the deficit achieved in the year, they are continuing to assess the future strategy of the charitable company.

APPROVAL OF THE REPORT

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

Approved by order of the board of directors on 20 April 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter John McDougall', with a long horizontal line 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 2017 set out on pages 5 to 13.

Respective responsibilities of directors and examiner

The charitable company'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 charitable company's directors 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 charitable company 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 directors 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

20 April 2018

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

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Unrestricted 2017 £	Unrestricted 2016 £
Income from:			
Investments		15,065	15,000
Charitable activities			
Rental income		8,744	8,744
Total income		23,809	23,744
Expenditure on:			
Raising funds			
Property management		6,000	626
Charitable activities	4	10,542	12,352
Total expenditure		16,542	12,978
Net income and movement in funds		7,267	10,766
Reconciliation of Funds			
Funds at 1 July 2016		191,850	181,084
Funds at 30 June 2017	10	199,117	191,850

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

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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BALANCE SHEET - 30 JUNE 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Investment properties	5		180,000		180,000
Tangible assets	6		<u>60,898</u>		<u>62,620</u>
			240,898		242,620
Current assets					
Debtors	7	27,500		21,700	
Cash and bank		<u>3,943</u>		<u>3,450</u>	
		31,443		25,150	
Creditors: amounts falling due within one year	8		<u>(20,847)</u>		<u>(19,299)</u>
Net current assets/(liabilities)			<u>10,596</u>		<u>5,851</u>
Total assets less current liabilities			251,494		248,471
Creditors: amounts falling due after more than one year	9		<u>(52,377)</u>		<u>(56,621)</u>
			<u>199,117</u>		<u>191,850</u>
Funds					
Unrestricted fund			60,033		52,766
Revaluation reserve			<u>139,084</u>		<u>139,084</u>
	10		<u>199,117</u>		<u>191,850</u>

For the year ending 30 June 2017 the charitable 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 financial statements 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 financial statements.

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

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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BALANCE SHEET - 30 JUNE 2017 (continued)

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the board of directors on 20 April 2018 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 2017

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 in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. 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, the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" as updated through Update Bulletin 1A, and in accordance with Financial Reporting Standard 102 (FRS 102).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. No restatements were required. The opening unrestricted fund balance therefore remains as previously stated at £191,850.

Income

Income is recognised when the charitable company 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.

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.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2017

Accounting policies (continued)

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 charitable company 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.

Fund accounting

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

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2017

2. Net income

Net income is stated after charging:	2017	2016
	£	£
Independent examiners fee – IER	803	770
Independent examiners fee – other	535	526
Depreciation charge - owned assets	1,278	4
Depreciation charge – leased assets	<u>444</u>	<u>593</u>

3. Directors' remuneration

No director received any remuneration in either the current or previous year.

4. Expenditure on charitable activities

	2017	2016
	£	£
Support costs		
- Contract labour	-	1,903
- Rates	837	760
- Insurance	1,444	1,545
- Heat and light	996	874
- Repairs and renewals	625	280
- Bank charges	175	392
- Loan interest charges	2,681	3,136
- Depreciation	1,722	1,866
- Equipment rental	724	-
- Governance costs	<u>1,338</u>	<u>1,596</u>
	<u>10,542</u>	<u>12,352</u>
Governance costs comprise:		
- Accountancy fees	1,338	1,296
- Legal fees	-	300
	<u>1,338</u>	<u>1,596</u>

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2017
(continued)

5. Investment properties

Valuation	£	£
At 1 July 2016 and 30 June 2017	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 2017.

The historical cost of investment properties at 30 June 2017 is £40,916 (2016: £40,916).

6. Tangible fixed assets

	Land and Buildings £	Office Equipment £	Total £
Cost			
At 1 July 2016 and 30 June 2017	63,436	5,143	68,579
Depreciation			
At 1 July 2016	1,269	4,690	5,959
Charge for the year	1,269	453	1,722
At 30 June 2017	2,538	5,143	7,681
Net book value			
At 30 June 2017	60,898	-	60,898
At 30 June 2016	62,167	453	62,620

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 £Nil (2016: £444). Depreciation of £444 (2016: £593) has been charged in the year.

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2017
(continued)

7. Debtors: amounts falling due within one year

	2017	2016
	£	£
Other debtors	27,500	21,700

Other debtors includes a loan to a director of £27,500 (2016: £21,700). This sum is unsecured, interest free and has no fixed repayment terms.

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loan	4,276	4,064
Director's loan account	10,257	10,232
Accruals	6,314	5,003
	20,847	19,299

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

	2017	2016
	£	£
Bank loan	52,377	56,621

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

LESBIAN, GAY & BISEXUAL COMMUNITY PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2017
(continued)

10. **Reconciliation of movement in funds**

	Balance at 1 July	Income	Expenditure	Balance at 30 June
General funds	52,766	23,809	(16,542)	60,033
Revaluation reserve	139,084	-	-	139,084
2016/17	<u>191,850</u>	<u>23,809</u>	<u>(16,542)</u>	<u>199,117</u>
General funds	42,000	23,744	(12,978)	52,766
Revaluation reserve	139,084	-	-	139,084
2015/16	<u>181,084</u>	<u>23,744</u>	<u>(12,978)</u>	<u>191,850</u>

11. **Related party transactions**

Included in creditors due within one year is an amount of £10,257 (2016: £10,232) payable to John Hein, a director of the charitable company.

During the year, the charitable company paid £6,000 in management fees to McDougall Management Limited, a company in which Peter McDougall was a director until the company was dissolved. Included in other debtors is an amount of £27,500 (2016: £21,700) due from Peter McDougall, a director of the charitable company. This sum is unsecured, interest free and with no fixed repayment terms.