



**London
Lesbian and
Gay
Switchboard**

**Annual Report and Financial
Statements**

31 March 2008

Company Limited by Guarantee
Registration Number
2098685 (England and Wales)

Charity Registration Number
296193

BUZZACOTT

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Reference and administrative details of the charity, its directors and advisers

Directors	Marc Bates Sharon Browne – to 20 October 2007 Stephen Dahl – from 20 October 2007 Richard Desmond – to 20 October 2007 Christopher Henderson Vivian Hope – from 20 October 2007 Amit Kataria Rob Kidd – from 20 October 2007 Philip Nicol Steven Taylor – to 20 October 2007 Katie Thorpe – from 3 June 2008 Steven Wilkinson Martin Williams
Staff	Tim Gutteridge – from 6 August 2007 to 15 August 2008 Jon Atkin – to 4 May 2007 Robert Wisniewski – from 23 July 2007 David Jordan Tony Mollett – to 19 October 2007 Jan McKenzie – from 2 January 2008
Registered/Principal office	12 New Fetter Lane London EC4A 1AG
Helpline	020 7837 7324
Office Telephone	020 7837 6768
Facsimile	020 7837 7300
e-mail	admin@llgs.org.uk
websites	www.llgs.org.uk www.queery.org.uk
Company registration number	2098685 (England and Wales)
Charity registration number	296193
Independent auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG

Reference and administrative details of the charity, its directors and advisers

Bankers CAF Bank Limited
Kings Hill
West Malling
Kent
ME19 4TA

The Royal Bank of Scotland plc
London Islington Branch
40 Islington High Street
London
N1 8XJ

Solicitors Bevan Kidwell Solicitors
113 - 117 Farringdon Road
London
EC1R 3BX

LLGS mission statement

“London Lesbian and Gay Switchboard aims to provide 24 hour access to high quality information, support and referral for the empowerment of all lesbians and gay men, and anyone who needs to consider lesbian or gay issues.”

Comments received from our callers during the year

- 26 September 2007 I called you six months ago and you helped me move forward with my life – thank you !
- 9 December 2007 Last month I called you and asked about trying to find someone to share my life with – I have found a boyfriend now and I want to thank you – I am very happy
- 15 February 2008 I am the 30 year old who rang you a while ago – you gave me great advice about coming out
- 28 February 2008 I called to say that as an older man my love life was becoming a bit jaded. The discussion with your volunteer helped me to work out what I wanted to do about it – things are much better now !

Co-chairs' report Year to 31 March 2008

This year has been one of significant change for London Lesbian and Gay Switchboard (LLGS) with some huge achievements along the way.

Our volunteers received two awards in the year: the Queens award for Voluntary Service, and the Barclays/Stonewall Community Group of the Year 2007 Award. We are especially proud of both of these achievements as the first is official recognition of the contribution that our volunteers have made to UK society during the last 34 years and the latter is recognition from the many lesbians, gay men and bisexual people who form the lesbian, gay and bisexual (LGB) community that we serve.

Our first ever Chief Executive, Tim Gutteridge, joined us in August 2007, to help us take on the challenges we face around the ever-increasing professionalisation of the charitable sector, increase our fundraising capacity and help directors develop the strategic and fundraising plans for the future. We are sorry to report that Tim will be leaving us in August 2008, after he received a once in a lifetime opportunity to work for the Fairtrade Foundation. We would like to thank Tim for the huge contribution that he made to LLGS in the short time he has been with us, helping us to clarify our priorities, developing key relationships, securing funding and, even dressed up as an enormous pink phone to raise money at Walk for Life.

In December 2007 we launched a trial of a new helpline service for LLGS to provide tailored information and support to LGB people who are experiencing Domestic Violence (DV) in their relationship. Operating in partnership with Broken Rainbow, the national LGB DV charity, the help line operates 15 hours per week using specially trained LLGS volunteers who can provide callers with in-depth support and assist with safety planning.

Last year we reported that we had an extremely uncertain future with the funding for our HIV prevention work, which comes from London's NHS Primary Care Trusts coming up for tender. We are happy to report that our tender was successful. The new three-year contract to provide information and support around sexual health and HIV issues for London's gay men has commenced and runs until March 2011.

The annual directors' report illustrates the great progress that we have made this year and the directors would like to thank the staff, volunteers and funders who have made this all possible. The report also outlines our plans for the future, We intend to build on this year's successes by developing new services; developing new income sources; strengthening existing partnerships and updating LLGS to ensure that we will continue to provide non-judgemental non-directive information and support to people around sexuality for the next 34 years.

Signed by the Co-chairs

STEVEN WILKINSON KATIE THORPE

Date of approval: 5 August 2008

Directors' report Year to 31 March 2008

The directors present their report together with the financial statements of London Lesbian and Gay Switchboard (LLGS) for the year ended 31 March 2008.

This report has been prepared in accordance with Part IV of the Charities Act 1993 and constitutes a directors' report for the purpose of company legislation.

The reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the charitable company's memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities – issued by the Charity Commission in March 2005.

Overall objective

The charity's principal objective is: To relieve homosexual persons suffering from mental or emotional disability or despair and to promote their well-being by counsel and/or help. Today, the charity continues with its original aim of providing a positive and confidential source of support and information to lesbian, gay and bisexual (LGB) people, as well as anybody questioning their sexual orientation in an environment, which still often ignores or discriminates against them.

London Lesbian and Gay Switchboard provide a unique combination of services and is the UK's primary source of telephone support to LGB people. We raise awareness of, and provide information about, safer sex to all our callers, and are a leading source of information and signposting to LGB organisations, services, venues and activities across the UK.

During the year, LLGS started a period of significant change and has made huge achievements despite significant challenges. However, our focus remained on delivering our core services: supporting people and providing information on issues related to sexuality and sexual health.

Principal achievements in the year

Supporting people

Volunteers have continued to staff the help line for almost the same number of hours in 2007/08 (8,526 hours) as in 2006/07 (8,570 hours). The character of calls offered continues its change towards longer calls where the caller seeks support rather than information. The shorter calls lasting up to 15 minutes, which are characteristic of those where the caller seeks only information, continue to occupy less of our time, whilst calls where support is required continue to take an increasing proportion of our time. Our plans to advertise Switchboard's phone number more widely in 2008/09 are expected to stimulate more calls and the trend towards calls where support is required is expected to increase.

Principal achievements in the year (continued)

Supporting people (continued)

In autumn 2007, LLGS fell victim to a malicious hoax text message which was rapidly disseminated across the mobile telephone networks. The text informed the recipient that the sender had been rushed to hospital and, as mobiles must be switched off in most hospitals, asked the recipient to call them back on the landline number provided. The number provided was the LLGS helpline number. This resulted in our helpline ringing more than 655,000 times during the year, compared to 100,000 calls in a typical year.

It is a credit to our volunteers that they still managed to provide support and information to almost 15,000 genuine callers, despite the hoax. For these people, isolation remains a major issue, with more than 54% of callers stating that they just needed to talk to somebody. Relationship issues continue to be a major topic coming up and were discussed during more than 27% of real calls answered. This is closely followed by almost 20% of callers seeking support around “coming out” (coming to terms with their sexuality and being able to acknowledge it with other people).

In December 2007, a pioneering partnership between LLGS and Broken Rainbow (the national domestic violence (DV) agency for LGB people) saw the reopening of the national LGB domestic violence helpline. By bringing together LLGS's helpline experience with Broken Rainbow's DV knowledge, we now jointly provide a new specific helpline service for people who are experiencing domestic violence in their same-sex relationship. Although the helpline is still in its formative period, we are starting to receive numerous calls from people who need support concerning an abusive relationship. We have also had a positive response from other DV agencies that are glad to hear that there is now a specific service where they can refer their LGB clients.

Promoting good sexual health continues to be at the heart of our service, with safer sex being discussed during more than 85% of real calls. During the year LLGS's tender to supply a sexual health and HIV information and support helpline for London's gay men was successful. LLGS was therefore awarded, on behalf of the 31 London Primary Care Trusts, a new three-year NHS contract commencing on 1 April 2008. This enables us to continue to provide the confidential environment that enables callers to ask questions and discuss topics around sex and sexual health that they may not feel confident enough to raise in a face-to-face situation. And although LLGS only receives specific HIV-related funding to support London's gay men, we continue to provide such support to men all across the UK. Further, we are one of the very few places in the UK where lesbians and bisexual women can seek relevant sexual health information or support.

Principal achievements in the year (continued)

Supporting people (continued)

Historically, LLGS has aimed to operate the helpline 24 hours a day, every day of the year. However, motivating volunteers to cover the night time hours to an acceptable level has always been difficult to achieve. After detailed analysis and consultation, LLGS took the difficult decision to reduce the helpline opening hours to 13 hours a day. This avoids raising the caller's expectation that they may get through at any time of the day. It also allows our volunteers to concentrate on improving service levels during the new hours, rather than trying to spread their limited time over a 24-hour period. Since the change in opening hours in October 2007, service levels for callers have improved since now 88% of the new opening hours are now covered to an acceptable level, compared to only 50% of the 24-hour opening hours.

Providing information

For 34 years, LLGS has been providing LGB-related information to our callers, including venues, organisations and services.

We largely provide this information via two methods – over the phone and via the Queery.org.uk website. Queery provides a public interface to the information database used on the helpline. In 2007 we also began responding to email and written requests for information.

In recent years, we have seen a significant change in the way that people access information from LLGS, due to the increased use of the internet for finding information. We continue to see a downward trend in callers specifically seeking information from the helpline. In 2007/08 LLGS provided information (as opposed to support) to 6,834 callers on the helpline, down by almost 18% on the 8,289 callers in 2006/07. However, we provided information about LGB events, organisations and services to almost 61,000 people through www.queery.org.uk.

As these figures show, providing information to LGB people is still a significant part of LLGS' services, although the method of delivery has changed. We have therefore invested heavily in recent years in upgrading our internal information system as part of the Turing Project. This project consists of a bespoke call management and information system, which provide us with improved monitoring data and enables us to share the LLGS database with other LGB helplines across the UK and the general public through www.queery.org.uk. During the year, we completed the bulk of development work for the redesigned system, so we will be ready to start operation at the beginning of the new financial year.

Principal achievements in the year (continued)

Valuing volunteers

LLGS volunteers are proud to have received two major awards in the year.

We received the Queen's Award for Voluntary Services, given for outstanding achievement to groups of volunteers who:

- ◆ regularly devote their time to helping others in the community
- ◆ improve the quality of life and opportunity for others
- ◆ provide an outstanding service

The Queen's Award recognises the vital role played by the 'unsung heroes' of the voluntary and community world and emphasises the importance of continuing recognition of their work. We believe that we are only the second LGB organisation to receive the Queen's Award. It is only fitting that, as one of the oldest LGB charities in the UK, the contribution our volunteers make is now officially recognised.

In November 2007, LLGS was awarded the Barclays/Stonewall Community Group of the Year Award 2007 which also came with a cheque for £5,000. We are especially proud of the award as it was voted for by the thousands of members of the LGB community that we continue to serve every day.

The recruitment of staff to LLGS in recent years has resulted in a more professional approach. However, its 160 volunteers are still the lifeblood of the organisation. Volunteers are involved throughout LLGS and are responsible for much of the charity's operation. In addition to answering calls, volunteers provide administrative support, co-ordinate the three working groups, recruit, interview and train new volunteers, provide peer support during difficult calls, maintain our database and fundraise in the community.

Investing in volunteers is vital to the long-term success and maintenance of the high standards at LLGS. In January 2008 we launched the revised version of the Core Assessment Training (CAT) course. All volunteers must pass this in order to be accepted to work on our telephones. Completed over a number of weeks, the comprehensive course provides potential volunteers with the appropriate skills needed to provide a non-judgmental and non-directive helpline service. Successful trainees are allocated a personal trainer, who provides one-to-one support during the trainee's first 35 hours on the help line.

Supporting volunteers does not end after training. Our SISTAs scheme provides peer support provided by experienced volunteers to all helpline volunteers after a difficult call. We also provide all volunteers with regular structured supervision with the Volunteer Coordinator, called Crucial Contact Time.

Principal achievements in the year (continued)

Valuing volunteers (continued)

At LLGS we understand that people volunteer for all sorts of reasons, but many of our volunteers joined us to meet other like-minded LGB people. To facilitate interaction outside of the helpline, we provide various social events during the year, which have included a post-AGM cheese and wine party, a winter party and a group trip to the London Lesbian & Gay Film Festival. Volunteers also participated in various events across London including the 2007 Pride Parade, Gay Day at London Zoo and the Capital Woman event.

To assess the demography of our volunteer base and to ensure that our volunteers are broadly representative of our callers, we carried out a diversity audit. The key initial finding of this process was the under-representation of women who only made up 16% of volunteers. To address this, we launched a targeted advertising campaign in late 2007 through the G3 magazine and its website. This resulted in a 37% increase in the number of women volunteers applying to be helpline volunteers. As many of our existing female volunteers expressed concerns that they did not have opportunities to meet (due to differences in the shifts that they book), we formed a specific women's social group, which continues to go from strength to strength.

In total, LLGS volunteers have all played their part in providing approximately 10,000 hours of volunteering on the helpline and an estimated 10,000 hours on support work. If LLGS had employed people to carry out these functions it would have cost more than £328,000 based on average pay rates for LLGS non-management staff.

Other major achievements

First ever Chief Executive recruited

For the first time in the charity's 34-year history a Chief Executive has been appointed. Tim Gutteridge took up the position in August 2007. This was a significant milestone, which will enable LLGS to sustain and develop its valuable services, lead on fundraising, assist directors to develop a future strategy and oversee staff. This enables volunteers to continue to better serve the LGB community in the future.

Strategic planning process

In December 2007 the strategic planning process commenced by bringing together key stakeholders, including staff, directors and working group coordinators, to discuss the current situation, identify strategic aims and agree plans to develop a five-year strategy. Six potential strategic aims were identified which can be summarised as: -

- ◆ Supporting people
- ◆ Providing information
- ◆ Valuing Volunteers
- ◆ Building LLGS' capacity

Other major achievements (continued)

Strategic planning process (continued)

- ◆ Managing cultural change
- ◆ Building external networks

As part of the aim to 'build LLGS' capacity' a new fundraising strategy was developed, using the expertise of Bridge Consulting who kindly donated their time free of charge. The new strategy lays out how LLGS will develop its overall capacity. We intend to increase income from trusts, foundations, and individual and corporate donors by investing time and resources in these new areas.

New branding and online image

In October 2007 LLGS revealed its new branding featuring a clearer typeface, contemporary logo and more contemporary corporate identity. The LLGS.org.uk website was redesigned to give a cleaner, more modern and more professional image for the organisation.

Public Relations and Media

There was an unprecedented two-week long advertising campaign on the London Underground network over the Christmas and New Year festive period, thanks largely to the money received from the Barclays and Stonewall Award. Seen by millions of people each day across London, the advert created a real buzz around LLGS due to the many positive comments volunteers received from people who saw it.

The campaign also led to another first for LLGS - a complaint made to the Advertising Standards Authority (ASA) over the content of the advertisement. The ASA found in our favour, rejecting the complaint. This resulted in increased coverage of the advert, including articles in the London Paper in January 2008.

Other PR efforts continued throughout the year. Key achievements include:

- ◆ The participation in a short film to launch the European Year of Equal Opportunities for All in July 2007 to showcase examples of best practice in equality and diversity in Britain.
- ◆ Articles in The Guardian and The Pink Paper introducing Tim Gutteridge as our first Chief Executive.
- ◆ An article in Out in the City focusing on seasonal stresses in the December 2007 issue.

Plans for 2008 and beyond

As part of the initial strategic planning process, six key strategic aims were identified. During 2008/09 directors and the management team will be developing these aims into workplan objectives, setting a timetable for achieving these and starting the prioritised objectives. In this section we will lay out the potential plans for the future (although not all of these will take place in the coming year).

Plans for 2008 and beyond (continued)

Supporting people

LLGS will continue to provide support to people around sexuality issues via the helpline using the existing London telephone number. However, plans are afoot to launch a new national number. The new 030 telephone numbers qualify as local numbers in mobile call packages, addressing concerns that a non-geographic number would result in higher call charges for callers. Although not officially launching a national service, the use of a nationally recognised number better reflects LLGS' national significance as a LGB information and support helpline.

During the year, LLGS will also be investigating new service delivery methods such as providing support via email, SMS text messaging and online chat-rooms.

The new DV helpline partnership with Broken Rainbow will continue to be developed, with plans in the pipeline to recruit and train more volunteers around DV issues.

Providing information

LLGS will continue to provide its sexual health information service to all callers regardless of the reason for their call, and will invest time and resources in monitoring this work to ensure that it achieves the outcomes required by this funding.

We will roll out the new Turing information sharing system to a number of other key LGB helpline partners. Time will also be invested in fixing bugs in the new system and developing reporting systems that will facilitate better data analysis.

The public-facing information website, Queery.org.uk, will be updated to access the new system's database which will ensure that it remains as accurate and relevant as possible. It will also be redesigned to link in with the new branding and the more modern look and feel of the LLGS.org.uk website. LLGS has a long-term aspiration to provide a wiki-based information & resource website for the LGB community (similar to wikipedia) called "Queerpedia" style.

Valuing volunteers

Existing volunteer training, support and social functions will continue throughout the year. LLGS aims to see a net increase in volunteer numbers, especially those covering the helpline. The development of a diversity strategy, coupled with targeted promotion, should result in a significant increase in the number of volunteers from under-represented groups, particularly women and volunteers with daytime availability.

Volunteer management tools are being developed to give a more accurate overview of volunteers' shift patterns, training records and helpline time donated.

Plans for 2008 and beyond (continued)

Valuing volunteers (continued)

New training modules will be developed to increase volunteer knowledge around specific subject matters, such as dealing with callers who have a mental health issue – this has been identified as a priority. Longer-term aims include obtaining formal accreditation for the CAT course, achieving “Investors in Volunteers” status and developing an online rota for booking help line shifts.

Building capacity

LLGS aims to improve its financial stability and reduce its financial risk by exploiting new and existing income sources. These will provide an increased, more consistent and more diverse range of income streams. Income growth is anticipated from trusts and foundations, Government departments and from the corporate sector through the development of a Corporate Membership Scheme. Individuals are a key potential source of income for LLGS and so a focus-group-tested “Case for Support” will be developed, resulting in a new generic LLGS information and donation leaflet and a redesigned friends scheme.

LLGS aims to improve and upgrade existing financial, IT and database systems to ensure that support and information services, fundraising, staff and volunteer management systems are supported, co-ordinated and accurately maintained. HR systems and procedures will be updated and developed to support and empower staff through the provision of an updated Staff Handbook, Personal Development Plans and Annual Objectives for all staff.

Managing cultural change

Directors aim to provide leadership by the development and communication of a five-year strategy for LLGS, which is to be translated into an implementation timetable, reviewed regularly against progress. We aim to provide the appropriate structures to enable clear decision-making and ensure accurate governance while providing all stakeholders with a clear understanding of their responsibilities, boundaries and accountabilities. Over the five years, LLGS will be undergoing a significant amount of change; appropriate resources are needed to ensure that all change is managed smoothly and effectively.

Building external networks

In the past, due to its nature as a volunteer-led organisation, LLGS has had a tendency toward being inwardly focused. This is a situation that LLGS aims to alter, through:

- ◆ the development of a communications strategy that builds on our brand awareness within the LGB community and beyond, and promotes of the organisation to new markets and stakeholders
- ◆ the development of a media strategy that promotes our national significance, services and
- ◆ the opportunities that we provide to targeted LGB audiences and the wider population
- ◆ establishing and building links with other appropriate LGB organisations and potential partners.

Financial overview

During the year 2007/08 LLGS has strengthened its financial management systems by updating the reserves policy and amending financial procedures to take into account the role of the Chief Executive.

We have given a lot of consideration to how best to present the financial results within this report. In previous years, expenditure was presented in the report largely categorised by the working group that was responsible for it. This provided a very internally-focused view of the finances that showed little relation to the core services of supporting people and providing information. It was felt that presenting the finances in relation to our two core activities would give a better indication of the difference we make to real people. As part of this process, we have applied the same allocation process to the 2006/07 figures and have restated the expenditure figures using the new breakdown to enable comparisons to be made across the two years.

Overall Results for the year

Total income for the year 2007/08 was £107,476. Although this is down £7,507 from the £114,983 income in 2006/07 it actually exceeded the budgeted income of £98,588 by £8,888.

Expenditure in the year 2007/08 was £178,389. This is an increase of £10,813 on the expenditure of £167,576 in 2006/07, but is £15,330 lower than the budgeted expenditure of £193,719.

Therefore, the overall result for 2007/08 was a deficit of £70,914, £18,321 greater than the deficit of £52,593 in 2006/07, but £24,217 lower than the budgeted deficit of £95,131.

This planned deficit reduced LLGS' Reserves from £397,256 in April 2007 to £326,342 at the end of March 2008. This reduction in reserves is within the limits as defined in the agreed reserves policy.

Income

Total income in 2007/08 was £107,476 with 88% of this coming from charitable activities and voluntary income.

Income from charitable activities was £71,660, down 14% on the £83,653 in 2006/07, which is largely due to the sponsorship from Mitsubishi Motors for the Pride 2006 float, which was not repeated by the sponsor in 2007. The Pan-London HIV Prevention contract amounts to 86% of charitable activities income and funds the sexual health work that our volunteers carry out on the phone. This contract was re-tendered during the year and we are glad to say that we have been awarded a further three-year contract, at an increased rate, to continue this work. We would also like to thank the Kobler Trust for their grant, which continues to support the work of the Volunteer Coordinator.

Financial overview (continued)

Income (continued)

Voluntary income was £23,068, up 14% on the previous year's income of £20,219. However this is largely as a result of the £5,000 received as part of the Barclays/Stonewall Community Group of the Year Award. If we exclude this award, then Community and Individual Giving income fell by almost 11% on the previous year. The new fundraising strategy developed in the year aims to reverse this downward trend by investing in this area of fundraising over the coming years.

Expenditure

Total expenditure in 2007/08 was £178,389, of which 87% was spent on LLGS' core charitable activities of Supporting People and Providing Information.

Expenditure on charitable activities was £158,151 and can be broken down into £110,035 on Supporting People and £48,116 on providing information. Expenditure in these areas is only 1% higher than the £156,643 in 2006/07.

Expenditure on generating funds was £8,953, an increase of £6,827 on the £2,126 in 2006/07. However, this only equates to 5% of total expenditure and is wholly attributable to the increased staffing costs since the recruitment of the Chief Executive whose role includes fundraising.

Governance costs were £11,285, an increase of £2,478 on the £8,807 in 2006/07. This increase is largely due to expenditure in relation to the strategic planning initiative that started in December 2007.

Financial position

The balance sheet shows total funds of £326,342.

In light of the initial findings of the strategic planning process, directors reviewed and revised the reserves policy and re-designated a number of the funds so that the charity can make better use of them in future years, when we are anticipating a number of large expenses associated with replacing antiquated equipment, such as the premise's lift.

The tangible fixed assets fund (£152,130) represents the net book value of the charity's tangible fixed assets, largely its property. The fund has been created in order to emphasise the fact that the assets are fundamental to the charity's activities but are not readily realisable, so do not represent liquid resources available to the directors.

Funds totalling £67,754 have been designated or set aside (as detailed in note 14 to the accounts) for the following specific purposes: -

- ◆ **Building Refurbishment fund** - comprises monies to ensure that the charity's property is maintained to the required standard, and is a safe, accessible environment. Work identified for this fund includes replacement of the lift (anticipated within 5 years) and the repair and replacement of furniture, office equipment and premises.

Financial Overview (continued)

Financial position (continued)

- ◆ **New Technologies fund** - comprises monies to enable the charity to fund the development of new services and delivery methods using new technologies (such as online chat, SMS text), and to enable the charity to periodically upgrade its systems to ensure that it takes advantage of any future developments in telephone and IT technologies.
- ◆ **Diversity fund** - comprises monies set aside to enable the charity to fund work that improves the diversity of the organisation: this is recognised as a key priority that cannot be ignored even when money is tight.
- ◆ **Future Development fund** - comprises monies set aside to allow development of existing services, such as updates to the Turing project, and investment in the charity's future income generating activities, such as developing lower risk income sources like donations from individuals.

General funds, which represent the charity's day-to-day working capital, were £106,458 at the end of March 2008. This is equal to slightly more than 6 months' running costs and is within the limits laid out in the reserves policy (see below).

Structure, governance and management

Legal and administrative information

London Lesbian and Gay Switchboard (LLGS) is a registered charity, Charity Registration No. 296193, and a company limited by guarantee and holds no share capital, Company Registration No. 2098685 (England and Wales). In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1.

Members of LLGS

Once helpline volunteers, who are selected for their knowledge, empathy and experience of life in the lesbian and gay community, have successfully passed the CAT training course and completed (and regularly maintain) the required number of hours on the helpline, they are members of LLGS with full voting rights. After twelve months helpline experience, members can opt to carry out back-up activities only in place of maintaining their helpline hours and may still remain members with full voting rights.

Directors

The directors who constitute the trustees of the charity for the purpose of charity legislation are ultimately responsible for London Lesbian and Gay Switchboard. They receive no remuneration or other financial benefit and all members of the Board have confirmed that they do not have, and have not had, any beneficial interest in any contract with the charity.

Structure, governance and management (continued)

Directors (continued)

Directors, who meet monthly, are elected by the membership at the AGM for a period of two years. They set the strategic direction and objectives of the organisation, agree the budget and are responsible for the overall management of the charity, ensuring that agreed policies are implemented. Minutes of directors' meetings are made available to all volunteers.

A comprehensive induction programme is in place to ensure new directors are familiar with the charity's objectives, strategic aims and their role and responsibilities as a director (which are also laid out in the volunteer handbook). On appointment, each director receives an induction pack, which contains, amongst other documents, the constitution, minutes of previous Board meetings, terms of reference, annual reports and accounts for the previous year and relevant policy documents.

None of the directors received any remuneration for their services during the year (2006 - nil). None of the directors was reimbursed for travel expenses incurred in the performance of their duties (2007 - nil).

Staff

Directors have delegated the day-to-day operational management of LLGS to the Chief Executive. The Chief Executive regularly reports on these operations as well as fundraising and HR matters, and supports the directors in developing their strategic plans. The Chief Executive provides detailed management accounts to directors each quarter and reports on significant financial matters each month.

Three other members of staff; Facilities and Officer Administrator, an Information Officer and a Volunteer Coordinator presently support the Chief Executive.

Working groups

Three volunteer working groups have been set up to carry out some of the operational functions of LLGS. The activities of human resources and training, information provision, and public relations and fundraising are all carried out by these three separate groups of volunteers. Each of the three working groups described above, and the Management Team, produce minutes of their monthly meetings, which are made available to all volunteers and reviewed by the directors in advance of their regular monthly meetings to ensure that accountability is maintained.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts. The directors are of the opinion that the open market value of the freehold land and buildings is in excess of the net book value at which they are shown on the balance sheet.

Investment powers

Under the memorandum and articles of association the charity has the power to make any investment the directors believe appropriate.

Structure, governance and management (continued)

Risk management

The directors regularly assess those risks, which they envisage might affect the functioning of the Charity, its ability to achieve its function and objectives. The main types of risk are identified and examined together with an assessment of their severity and likely impact. They can be summarised into the following areas:

- ◆ Risk of misleading information being provided to callers
- ◆ Loss of key staff members and directors
- ◆ Building
- ◆ Recruitment and retention of volunteers
- ◆ Reduction in use of LLGS services
- ◆ Loss of, failure or corruption of information database
- ◆ Loss or damage to premises and other assets
- ◆ Legal action by third parties

Reserves policy

The directors have reviewed the charity's risks, future plans and income potential, and revised the reserves policy in February 2008 to reflect these matters. They feel that the financial risk associated with the charity at this time is very high and are keen to increase the range of income sources to reduce future risks. Therefore the charity's reserves policy reflects this high-risk level and the plans for a reduction in reserves over time, allowing the charity to utilise further sections of its reserves as lower risk income streams develop and grow.

Therefore the policy states that throughout each year the value of designated and unrestricted funds should not be lower than: -

- 10 months running costs in the financial year 2008/09,
- 8 months running costs in the financial year 2009/10,
- 6 months running costs in the financial year 2010/11.

Structure, governance and management (continued)

Directors' responsibilities

Company law requires the directors (who are trustees of the company for the purpose of the charity legislation) to prepare financial statements which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are responsible and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

Each of the directors confirms that:

- ◆ So far as each of the directors is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- ◆ The director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Directors' report Year to 31 March 2008

The auditors

On 30 September 2007, Buzzacott, the charity's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP.

Buzzacott LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Approved by the directors and signed on their behalf by:

STEVEN WILKINSON

KATIE THORPE

Directors

Approved on: 5 August 2008

Report of the independent auditors to the members of London Lesbian and Gay Switchboard

We have audited the financial statements on pages 22 to 32 which have been prepared under the historical cost convention and the accounting policies set out on pages 24 and 25.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and independent auditors

As described on page 4 the directors (who also act as trustees of London Lesbian and Gay Switchboard for the purposes of charity law) are responsible for the preparation of the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. In addition, we report to you if, in our opinion the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

Basis of opinion (continued)

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's state of affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information in the directors' report is consistent with the financial statements.

BUZZACOTT LLP

12 August 2008

Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

Statement of financial activities Year to 31 March 2008

	Notes	Unrestricted funds			2008 Total funds £	2007 Total funds £
		General fund £	Designated funds £	Restricted funds £		
Income and expenditure						
Incoming resources						
Incoming resources from charitable activities						
. Provision of information and supporting people						
.. Service Level Agreements	1	61,660	—	—	61,660	60,153
.. Grants - The Kobler Trust		—	—	10,000	10,000	10,000
Incoming resources from generated funds						
. Legacies						
		1,900	—	—	1,900	—
. Regular donations and community fundraising						
	2	13,482	—	—	13,482	9,838
. Friends of Gay Switchboard						
	2	9,586	—	—	9,586	10,381
. Other donations						
.. Mitsubishi plc	3	—	—	—	—	8,500
.. Awards for All	3	—	—	—	—	5,000
. Interest receivable						
		10,847	—	—	10,847	11,111
Total incoming resources		97,476	—	10,000	107,476	114,983
Resources expended						
Cost of generating funds						
. Cost of generating voluntary income						
	4	8,953	—	—	8,953	2,126
Charitable activities						
. Supporting people						
	5	102,035	—	8,000	110,035	109,489
. Provision of information						
	6	46,116	—	2,000	48,116	47,154
Governance costs						
	7	11,285	—	—	11,285	8,807
Total charitable expenditure		168,389	—	10,000	178,389	167,576
Net outgoing resources before transfers	8	(70,914)	—	—	(70,914)	(52,593)
Transfers between funds	15	175,749	(175,749)	—	—	—
Net movement in funds i.e. net income (expenditure)		104,835	(175,749)	—	(70,914)	(52,593)
Balances brought forward at 1 April 2007		1,623	395,633	—	397,256	449,849
Balances carried forward at 31 March 2008		106,458	219,884	—	326,342	397,256

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above two financial years.

There is no difference between the net movement in funds stated above and its historical cost equivalent.

Balance sheet 31 March 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	11		152,130		161,724
Current assets					
Debtors	12	7,683		6,592	
Cash at bank	13	178,069		243,479	
		185,752		250,071	
Creditors: amounts falling due within one year	14	(11,540)		(14,539)	
Net current assets			174,212		235,532
Total net assets			326,342		397,256
Represented by:					
Unrestricted income funds					
General fund			106,458		1,623
Designated funds					
. Development fund	15	—		207,563	
. Office expansion fund	15	—		15,000	
. Turing re-launch fund	15	—		10,000	
. Repairs and replacement fund	15	—		1,346	
. Tangible fixed assets fund	15	152,130		161,724	
. Building refurbishment Fund	15	25,000		—	
. New technologies fund	15	12,000		—	
. Diversity fund	15	15,000		—	
. Future development fund	15	15,754		—	
			219,884		395,633
Restricted income funds	16		—		—
Total funds			326,342		397,256

Approved by the directors and signed on their behalf by:

MARTIN WILLIAMS

Director

Approved on: 5 August 2008

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) issued by the Charity Commission in March 2005, and the Companies Act 1985.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 ‘Cash flow statements’.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

◆ Grants and service agreements

Income from grants and service agreements, including capital grants, is included in incoming resources when these are receivable, except as follows:

- ◇ When funders specify that grants and monies given to the charity must be used in future accounting periods, the income is deferred to those periods.
- ◇ When funders impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When funders specify that grants and similar monies, including capital grants, are for particular purposes, which do not amount to pre-conditions regarding entitlement, the income is included in incoming resources as restricted funds when receivable.

◆ Subscriptions and fundraising

Voluntary income received by way of subscriptions, fundraising and other donations is included as incoming resources when receivable.

◆ Legacies

Legacies are included in incoming resources when the charity is advised by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified.

◆ Interest receivable

Interest is included in incoming resources when receivable by the charity.

Resources expended and basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes the attributable VAT which cannot be recovered.

Resources expended comprise the following categories:

- a. The costs of generating funds include those costs associated with generating voluntary income.
- b. The costs of charitable activities comprise expenditure on the provision of information and support via a telephone helpline and website and include the costs of:
 - ◆ Supporting people
 - ◆ Provision of information
- c. Governance costs comprise the costs associated with governance of the charity and its assets. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's assets.

The majority of costs are directly attributable to these categories and any apportionment between headings is negligible.

The basis of allocating costs has been reviewed during the year and changes made as a result. Comparative figures have been amended where necessary to reflect the new basis of allocation.

Tangible fixed assets

All assets costing more than £1,000 and which have with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- | | |
|-------------------------------------|---------------------------|
| ◆ Freehold property | 3.33% on reducing balance |
| ◆ Furniture, fittings and equipment | 25% on reducing balance |

Fund accounting

Funds held by the charity are as follows:

- ◆ The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the directors.
- ◆ The designated funds are monies set aside out of general funds and designated for specific purposes by the directors.
- ◆ The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Further explanation of the nature and purpose of each of the designated and restricted funds is included in the notes to the financial statements.

1 Service Level Agreements

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Croydon Primary Care Trust	61,660	—	61,660	60,153

The Croydon Primary Care Trust administers funding to London Lesbian and Gay Switchboard on behalf of all London Primary Care Trusts via the London HIV Consortium

In accordance with subsection 37(4) of the Local Government and Housing Act 1989, revenue grants which were awarded for the general running costs of the organisation have been used fully in accordance with the terms under which they were granted.

2 Regular donations and community fundraising

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Community donations	13,482	—	13,482	9,838
Friends of LLGS	9,586	—	9,586	10,381
	23,068	—	23,068	20,219

3 Other donations

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Mitsubishi plc	—	—	—	8,500
Awards for All	—	—	—	5,000
	—	—	—	13,500

Support worth £8,500 was received in 2007 from Mitsubishi plc in recognition of the exposure given to their new car through its use by Switchboard in the Gay Pride procession through London in 2006. Of this, £3,275 was received as cash for general purposes and Mitsubishi made payments on Switchboard's behalf for entry to the procession and for co-branded products displayed on the parade which avoided a cost of £5,225 to Switchboard.

A grant of £5,000 was received from Awards for All in 2007 which paid for the cost of Switchboard's float, advertising and other promotional expenses for the 2006 Gay Pride procession in London.

4 Cost of generating voluntary income

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	5,925	—	5,925	660
Premises	910	—	910	528
Operating costs	270	—	270	44
Other direct costs	1,848	—	1,848	894
	8,953	—	8,953	2,126

5 Supporting people

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	51,823	8,000	59,823	49,386
Premises	19,791	—	19,791	18,816
Operating costs	25,133	—	25,133	35,748
Other direct costs	5,288	—	5,288	5,539
	102,035	8,000	110,035	109,489

6 Provision of information

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	32,226	2,000	34,226	28,790
Premises	7,334	—	7,334	9,138
Operating costs	6,283	—	6,283	8,937
Other direct costs	273	—	273	289
	46,116	2,000	48,116	47,154

7 Governance costs

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	3,902	—	3,902	1,321
Premises	1,212	—	1,212	1,057
Operating costs	178	—	178	89
Other direct costs	5,993	—	5,993	6,340
	11,285	—	11,285	8,807

8 Net outgoing resources before transfers

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs (note 9)	93,876	10,000	103,876	80,157
Depreciation	9,564	—	9,594	9,957
Irrecoverable VAT	7,303	—	7,303	8,706
Auditors' remuneration (including VAT)				
. Statutory audit services	3,910	—	3,910	3,650

9 Staff costs and directors' remuneration

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs during the year were as follows:				
Wages and salaries	84,263	8,976	93,239	72,590
Social security costs	8,258	908	9,436	7,541
	92,791	9,884	102,676	80,131
Agency staff, recruitment and payroll administration	1,085	116	1,201	26
	93,876	10,000	103,876	80,157

9 Staff costs and directors' remuneration (continued)

The charity employed four full-time members of staff during the year (2007 – three employees); a chief executive was employed from August 2007; one employee provided administrative assistance supporting the work of the volunteers and ensuring continuity in the office; an information worker was responsible for gathering information and developing the management database and website (www.queery.org); and the fourth employee was responsible for ensuring that the helpline is adequately staffed by volunteers and for the support of those volunteers.

No employee earned more than £60,000 per annum (2007 – none).

No director received any remuneration for their services as director and no director received any reimbursement for their expenses as directors (2007 – £nil).

10 Taxation

London Lesbian and Gay Switchboard is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold property £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 2007 and at 31 March 2008	228,384	96,098	324,482
Depreciation			
At 1 April 2007	81,335	81,423	162,758
Charge for the year	5,065	4,529	9,594
At 31 March 2007	86,400	85,952	172,352
Net book values			
At 31 March 2008	141,984	10,146	152,130
At 31 March 2007	147,049	14,675	161,724

The directors are of the opinion that the open market value of the charity's freehold property is in excess of its net book value. However, the directors do not believe that the cost of quantifying the difference is commensurate with any added benefit that would be gained by a user of these financial statements having access to such information.

12 Debtors

	2008 £	2007 £
Prepayments	7,683	6,592

13 Cash at bank

	2008 £	2007 £
The Royal Bank of Scotland plc	1,562	3,078
CAF Bank Ltd	176,507	240,401
	178,069	243,479

14 Creditors: amounts falling due within one year

	2008 £	2007 £
Grant received in advance	—	10,000
Expense creditors	7,740	889
Accruals	3,800	3,650
	11,540	14,539

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the directors for specific purposes:

	At 1 April 2007 £	Transfers		At 31 March 2008 £
		New designation £	Utilised/ released £	
Development fund	207,563	—	(207,563)	—
Office expansion fund	15,000	—	(15,000)	—
Turing re-launch fund	10,000	—	(10,000)	—
Repairs and replacement fund	1,346	—	(1,346)	—
Tangible fixed assets fund	161,724	—	(9,594)	152,130
Building refurbishment fund	—	25,000	—	25,000
New technologies fund	—	12,000	—	12,000
Diversity fund	—	15,000	—	15,000
Future development fund	—	15,754	—	15,754
	395,633	67,754	(243,503)	219,884

Transfers to designated funds are decided on by the directors in the light of the charity's future commitments and strategy.

15 Designated funds (continued)

- ◆ **Development fund**
The development fund comprised monies set aside towards the cost of developing the charity's activities in the future and generating income to help fund the charity's work.
- ◆ **Office expansion fund**
The office expansion fund comprised monies to fund the expansion of the charity's offices to accommodate the increase to 4 staff, in line with current plans.
- ◆ **Turing re-launch fund**
The Turing re-launch fund comprised monies set aside in order to fund the re-launch of the charity's Turing information system in January 2008.
- ◆ **Repairs and replacement fund**
The repairs and replacement fund comprised monies set aside towards the repair of the charity's freehold property, which had passed the 15th anniversary of its conversion for use by the charity, and for the repair and replacement of the furniture, fittings and equipment contained within the property.
- ◆ **Tangible fixed assets fund**
The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. The fund has been created in order to emphasise the fact that the assets are fundamental to the charity's activities and are not readily realisable, i.e. they do not represent liquid resources available to the directors.
- ◆ **Building refurbishment fund**
The building refurbishment fund comprises monies to ensure that the charity's property is maintained to the required standard and is a safe accessible environment. Work identified for this fund include the expansion of the administrative offices to accommodate any future increases in staff, replacement of the lift, repairs to any reoccurrence of previous damp damage and the future repair and replacement of furniture, fittings and office equipment.
- ◆ **New technologies fund**
The new technology fund comprises monies to enable the charity to fund the development of new services and delivery methods using new technologies (such as online chat, SMS text), and to enable the charity to periodically upgrade its systems to ensure that it takes advantage of any future developments in telephone and IT technologies.
- ◆ **Diversity fund**
The diversity fund comprises monies set aside to enable the charity to fund work that improves the diversity of the organisation, as this is recognised as a key priority and cannot be ignored even when money may be tight.

15 Designated funds (continued)

◆ Future development fund

The future development fund comprises monies set aside to allow development of existing services, such as updates to the Turing project; and investment in the charity's future income generating activities, such as developing lower risk income sources such as donations from individuals.

16 Restricted funds

The income funds of the charity include restricted funds comprising the following grants and donations to be applied for specific purposes:

	At 1 April 2007 £	Movement in funds		At 31 March 2008 £
		Incoming resources £	Resources expended £	
Volunteering Support fund (Kobler Trust)	—	10,000	(10,000)	—

Volunteering Support Fund

The charity received a grant of £10,000 in the current year from the Kobler Trust towards the cost of a volunteer coordinator.

17 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2008 £
Fund balances at 31 March 2008 are represented by:				
Tangible fixed assets	—	152,130	—	152,130
Net current assets	106,458	67,754	—	174,212
Total net assets	106,458	219,884	—	326,342

18 Members liability

In accordance with the charity's Memorandum of Association, every member of the company undertakes to contribute to the assets of the charity if it is wound up during the time that he or she is a member, or within one year. Such contributions are to be applied towards payment of the debts and liabilities of the charity contracted before the time at which he or she ceased to be a member, the costs, charges and expenses of winding up of the same, and for the adjustment of the rights of the contributors amongst themselves. The contribution that may be required shall not exceed £1.