

EQUALITY NETWORK LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Charity No: SC037852

Company No: SC220213

WHITELAW WELLS
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

EQUALITY NETWORK LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

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EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

The directors, who are directors for the purpose of company law and trustees for the purpose of charity law, are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Purposes

The purposes of the company shall be wholly charitable. In particular, the purposes shall be:-

- to promote the human rights of Scotland's lesbian, gay, bisexual, transgender, and intersex people;
- to promote fair and equal treatment for lesbian, gay, bisexual, transgender, and intersex people in the laws, institutions and society of Scotland; and
- to provide assistance to people and organisations working in other countries, to promote equality and human rights for lesbian, gay, bisexual, transgender, and intersex people in those countries.

Main activities

The charity operates through a Scottish network of individuals and groups. Members of the network are enabled to contribute to the development by the Scottish Government, Scottish Parliament and other policy makers of law and policy relating to LGBTI people. This participation is supported by regular information provision for members of the network, conferences and other meetings, surveys and research, support for engagement directly with policy makers, and support for network members to campaign for change. The charity works to build the capacity of LGBTI people and groups across Scotland, enabling them more effectively to network, to engage with public and other bodies, and to advocate for equality.

The charity provides policy advice and training for public, voluntary and private sector bodies, and underpins its work with research. The charity works in close partnership with other organisations with similar aims and is grateful for the assistance of volunteers.

ACHIEVEMENTS AND PERFORMANCE

The Equality Network and Scottish Transgender Alliance projects

In 2019-20 we received two significant grants from the Scottish Government's Equality Unit. One of these grants, for the Equality Network project, represented funding for the continuation of work which has been a focus of the organisation since 2004. The other grant, for the Scottish Transgender Alliance project, continued funding for that project, which has operated since 2008.

EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

The Equality Network project aims to create lasting improvement in the situation of LGBTI people in Scotland, through five specific outcomes:

Equality and human rights for LGBTI people are increasingly delivered by the law, services, employment and society of Scotland.

The project achieved this by providing information and advice for Scottish and UK Government officials, MSPs, MPs and other national policy influencers including the media. This included information and advice on policy changes being considered by the government and on key priorities identified by LGBTI people, for example, hate crime law, civil partnership law, and the implementation of the next Census.

LGBTI people and groups are increasingly able to engage with each other and more widely, to reduce social isolation and improve equality and human rights in the law, services, employment and society in Scotland.

The project achieved this by encouraging and supporting LGBTI people to engage directly with policy makers, for example on proposals for reform to gender recognition law. The project provided one-to-one support for LGBTI community groups across Scotland in rural and other areas, for example, in Ayrshire, Borders, Moray, Highland, Bute, Orkney and Shetland, and organised a number of community engagement events.

The full diversity of LGBTI people in Scotland, including those with intersectional identities, increasingly benefit from equality and human rights work.

The project achieved this by working and consulting with a group of volunteer intersectional community champions to ensure that our work is inclusive of a wide range of identities and needs, and working to ensure that all our work with LGBTI communities is fully accessible and reaches a wide diversity of LGBTI people. This included for example supporting events organised by LGBT asylum seekers, and engaging with neurodiverse LGBT people, and with asexual LGBT people via a community consultation event. The project held a networking and capacity-building event for bisexual people.

There is increasing understanding of, and expertise in, the situations and needs of LGBTI people in Scotland.

The project achieved this through providing high quality and expert public information on LGBTI issues, including on the law, policy, community development work and intersectional issues, via our websites, email newsletters and social media channels. The project provided a responsive information service to enquiries both from LGBTI communities and from policy makers and service providers, and also provided information on LGBTI equality issues and developments to the media. The project analysed surveys on LGBT rural equality and on LGBT people's experiences of reproductive and fertility services.

The Scottish, UK and international equality and human rights sectors have increasing awareness of LGBTI equality and human rights expertise and good practice developing in Scotland.

The project engaged with a wide range of other equality and human rights organisations in Scotland, and with LGBTI and other equality organisations in the rest of the UK, to share information and to work together on common issues. The project engaged with ILGA-Europe and TGEU (the main European level LGBTI and transgender organisations) through conferences and meetings and worked with them to assist their research and policy development.

EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

The Scottish Transgender Alliance project remains the only funded transgender-specific equality and rights policy project in Scotland. It aims to create lasting improvement in the situation of transgender people in Scotland, through three key outcomes:

Informing government policy makers, equality organisations, and other employers and service providers about how to improve gender identity and gender reassignment equality, rights and inclusion through policy and good practice development.

The project provided a wide range of transgender equality and good practice guidance for policy makers, public bodies, employers and service providers. The project continued to work with the National Gender Identity Clinical Network for Scotland to improve access to NHS gender identity services. The project provided high quality and expert information a range of matters including reform of the Gender Recognition Act, implementation of the Gender Representation on Public Boards (Scotland) Act 2018, trans people's use of leisure facilities, sexual health services for trans people, and trans people and the justice system.

Supporting, informing and equipping transgender people to engage with equality organisations, policy makers, service providers and employers to improve gender identity and gender reassignment equality, rights and inclusion.

In partnership with LGBT organisations and local groups, the project held a series of engagement events, including events in Aberdeen, Edinburgh, Dundee and Glasgow, and online activities, to support and empower trans people to uphold their rights and build strong community networks. The project held a Scottish Trans Equality Conference to enable 100 trans people to network and share views and skills. The project supported a number of volunteers to undertake a range of trans equality volunteer work, including through training events and a Residential Weekend event for volunteers. The project engaged with dozens of trans people who were distressed about increased hostility towards trans people and their rights.

Increasing accurate, positive and inclusive visibility of transgender people's experiences in Scotland in order to improve social attitudes towards transgender people.

The project carried out extensive media work to improve media coverage of trans people's lives and equality concerns. The project supported trans people to be visible across all of Scotland's Pride events. The project filmed diverse trans people about their experiences and needs, to create information films.

Other projects

The organisation received funding from the Scottish Government Equality Unit to continue a project which began in 2015 to support equality for people who are intersex or who have a variation of sex characteristics (VSC). The project continued to research intersex/VSC equality issues, engaging with and supporting a variety of intersex/VSC organisations and people, and developing and launching a survey of experiences and needs. The project hosted the first intersex/VSC conference in Scotland, focussed on social policy, equality and human rights, with stakeholders from around the UK.

Finally, the organisation continued to carry out campaigning work during 2019-20 on issues including gender recognition law reform, funded by donation and merchandise income.

EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

The charity generated total income of £527,027 (2019: £507,026) and recorded net expenditure of £6,839 (2019: £6,137). There was a net income of £13,605 (2019: £11,725) on unrestricted funds and net expenditure of £20,444 (2019: £17,862) on restricted funds after transfers between funds. At 31 March 2020 total funds were £186,546 (2019: £193,385).

Principal Funding Sources

The principal funding source for the charity is grant income, primarily from the Scottish Government. Other funders are shown in note 2. The charity also receives donations and generates income from consultancy and training work. The charity is grateful to all those organisations and individuals who have given donations during the year.

Reserves Policy

As at the year end total funds amounted to £186,546 (2019: £193,385), of which £6,273 (2019: £26,717) was restricted and £8,780 (2019: £6,204) was designated. Free reserves at 31 March 2020, being unrestricted general funds, were £171,493 (2019: £160,464).

The directors have established a policy whereby the unrestricted funds held by the charity, not committed or invested in tangible fixed assets ('the free reserves') should equate to between 3 and 6 months of the total resources expended, being around £127,000 to £255,000. At this level, the directors feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary also to consider how the funding would be replaced or activities changed. At the year end, free reserves were £171,493, within the target policy.

Risk Management

The directors have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

The organisation reviews risks annually. In 2020, the directors identified the following as the most significant risks:

1. Reduction in Scottish Government grant funding (category: financial)

Mitigation strategies: The organisation ensures good delivery of grant activities and outcomes. The Project Director manages this, and the directors oversee delivery via quarterly reports. The organisation has a strategy to diversify income, with a particular emphasis on donation income, fee income and grant applications from other sources. The organisation has established sub-groups of directors and staff to push forward donation fundraising and fee income. The current business planning cycle has a strong focus on identifying potential grant funding from new sources.

2. Loss of key staff (category: staffing)

Mitigation strategies: The organisation places great value on its staff and prioritises supporting them. Quarterly staff days, and six-monthly meetings between staff and directors, identify stresses and ways

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REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW (continued)

to mitigate them. The organisation operates a flexible working policy allowing staff to choose their own hours, and supports staff who need time off. The organisation provides staff with free access to a counselling service.

3. Complaints disrupt the work of the organisation (category: external)

Mitigation strategies: The organisation recognises that, since it works with very diverse communities including those with strong and differing views on rights and how to advocate for them, it is inevitable that some will strongly disagree with parts of our work. Depending on how this disagreement is expressed, there is a risk of significant disruption to the organisation's work. The organisation has clear policies for maintaining safe and supportive space at events, for engaging positively with any feedback, for dealing with complaints promptly, and of never publicly criticising others. The organisation has insurance cover for any legal challenge.

PLANS FOR FUTURE PERIODS

The charity plans to continue the activities as outlined above in the forthcoming years subject to satisfactory funding arrangements. Key objectives for the next five years are to:

- Further improve legal equality for LGBTI people, including reforming gender recognition law and hate crime law, banning "conversion therapy", and protecting the rights of intersex people / people with variations of sex characteristics;
- Further improve social attitudes towards LGBTI people;
- Ensure that the justice system delivers better for LGBTI people, including a long-term reduction in hate crime against LGBTI people, with medium-term increases in reporting of hate crime and satisfaction with responses after reporting;
- Improve the availability of appropriate health and social care for LGBTI people, with a particular focus on reproductive and fertility services, and on gender identity services and mental health services for trans people;
- Improve the delivery of education services to trans people and to intersex people;
- Improve LGBTI community infrastructure across Scotland, reflecting LGBTI diversity;
- Enable LGBTI people to better engage with and influence national and local policy makers and service providers, recognising the urban/rural divide;
- Ensure that the full diversity of LGBTI people and communities, including bisexual people and LGBTI people with intersectional identities, increasingly benefit from equality and human rights work, and are better reflected in the work of the organisation;
- Support people with variations of sex characteristics / intersex people to influence improvements in policy and services;
- Develop partnerships with LGBTI organisations in other countries to support the work of those organisations to improve LGBTI people's equality and human rights.

We aim to do these things by:

- Developing policy positions to advance LGBTI equality, and providing expert advice for policy makers and influencers;
- Providing training and consultancy support, on a range of LGBTI equality matters, for the public, voluntary and private sectors;

EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

PLANS FOR FUTURE PERIODS (continued)

- Engaging with diverse LGBTI people across Scotland to continuously develop policy, and facilitating direct engagement by LGBTI people with policy makers;
- Developing the capacity, and supporting networking of, LGBTI organisations and people across Scotland;
- Public and media campaigning for specific LGBTI equality changes;
- Undertaking research into the experiences and needs of LGBTI people, and attitudes and behaviours towards LGBTI people;
- Publishing a wide range of materials, including research, good practice guidance, and campaign materials;
- Operating the largest email and online network of LGBTI people and supporters in Scotland, to provide information and to support engagement, and engaging with the media;
- Leading on transgender equality, providing policy and strategic advice, training, community development and networking, increasing accurate and positive visibility of transgender people's experiences, and sharing expertise internationally;
- Facilitating the engagement of people with variations of sex characteristics / intersex people and groups with policy makers, supporting their capacity to advocate for their rights, and supporting the development of policy on intersex equality;
- Developing approaches to intersectional equality, including the intersections of sexual orientation, gender identity and sex characteristics with race, religion/belief and disability, by building partnerships and shared solutions;
- Ensuring that all our activities are accessible to, and deliver for, all LGBTI people;
- Working in positive coordination and partnership with other LGBTI and equality organisations in Scotland, the UK and Europe;
- Evaluating our work and learning from experience;
- Building our reputation and improving our communications and marketing;
- Diversifying our income, including grant income, training and consultancy fees, and community fundraising, to grow the organisation and increase reserves; and
- Improving our business practices to enhance our professionalism, teamwork, effectiveness and efficiency.

At the end of 2019-20, as a result of the COVID-19 pandemic, the charity moved to home working for all staff. Staff are provided with support including appropriate workstation equipment, coverage of additional expenses, regular online engagement, and access to a counselling service. Home working is expected to continue for some time. Most staff are able to continue their work from home with little change, but the charity has adjusted its community development and engagement work to use online methods. The pandemic has not impacted staffing levels, and has not significantly impacted the achievement of the charity's objectives. The charity's grant income has continued, and donation income has held up well. While fee income has fallen, this is mitigated by the existing flexible staffing arrangements for fee-paid activities. The directors keep the impact of COVID-19 under review.

EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a not-for-profit company limited by guarantee, which was incorporated on 14 June 2001. The company was established under a Memorandum of Association, which sets out the objects and powers of the company, and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The company was awarded charitable status by the Office of the Scottish Charity Regulator on 21 February 2007.

The members of the company are the directors and other people reflective of the range of diverse LGBTI communities, who are admitted as members at the discretion of the directors.

Recruitment and Appointment of Directors

Under the requirements of the Memorandum and Articles of Association directors are elected to serve for a period of three years, after which they are required to stand down or stand for re-election at the Annual General Meeting. New directors are approached by the existing Board of Directors and the new appointment approved at the Annual General Meeting.

Directors Induction and Training

Most directors are already familiar with the practical work of the charity. On appointment, new directors are briefed by the existing board on the responsibilities of being a director and current operations and financial position of the charity.

Organisational Structure

The charity is managed by a Board of Directors who meet periodically throughout the year and are responsible for the strategic direction and policy of the organisation. The directors are drawn from a variety of backgrounds relevant to the work of the organisation.

A scheme of delegation is in place whereby day-to-day responsibility for the operation of the charity rests with the most senior member of the charity's staff, the Project Director. The Project Director is responsible for ensuring the organisation delivers its objectives and that key performance indicators are met. All staff report to the Project Director.

Pay and Remuneration of Key Management Personnel

Senior management staff are remunerated in line with industry norms along with any increments set out at time of recruitment, or awarded as a result of any additional training, qualifications or responsibility. Otherwise, increments are usually limited to annual cost of living increases.

Related Parties

The charity works closely with other LGBTI organisations in Scotland and works with other equality and human rights groups in Scotland, in the UK and in Europe.

EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name

Equality Network Limited

Charity Registration Number

SC037852

Company Registration Number

SC220213

Directors

Robert MacBean	Convener
Mathew Wilkie	Deputy Convener
Daniel Clayton	Treasurer
Katherine O'Donnell	
Judith Syson	
Mridul Wadhwa	

Company Secretary

Timothy Hopkins

Key Management Personnel

Timothy Hopkins	Project Director
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Registered Office and Operational Address

30 Bernard Street
Edinburgh
EH6 6PR

Senior Statutory Auditor

Kevin Cattanach

Independent Auditors

Whitelaw Wells
Statutory Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

EQUALITY NETWORK LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2020

RESPONSIBILITIES OF THE DIRECTORS

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

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

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Statement as to disclosure of information to auditors

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

Auditors

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

This report has been prepared in accordance with the provision of Part 15 of the Companies Act 2006 applicable to small companies.

Approved by the board of directors on 21 January 2021 and signed on its behalf by:

Robert MacBean
Director

EQUALITY NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Equality Network Limited for the year ended 31 March 2020, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees (who are also the directors of the company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information in the Report of the Directors, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

EQUALITY NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

YEAR ENDED 31 MARCH 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Report of the Directors, and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

EQUALITY NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

YEAR ENDED 31 MARCH 2020

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Cattnach

Senior Statutory Auditor

for and on behalf of Whitelaw Wells, Statutory Auditor

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

9 Ainslie Place

Edinburgh EH3 6AT

21 January 2021

EQUALITY NETWORK LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)**

YEAR ENDED 31 MARCH 2020

		Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
	Notes				
Income from:					
Donations		28,083	-	28,083	18,337
Charitable activities:					
Grants and service level agreements	2	-	473,321	473,321	463,750
Other income from charitable activities	3	25,448	-	25,448	24,734
Other trading activities:					
Fundraising		-	-	-	-
Sponsorship and advertising		-	-	-	-
Investment income: bank interest		175	-	175	205
		-----	-----	-----	-----
Total income		53,706	473,321	527,027	507,026
		-----	-----	-----	-----
Expenditure on:					
Raising funds		-	5,547	5,547	1,040
Charitable activities		33,812	494,507	528,319	512,123
		-----	-----	-----	-----
Total Expenditure	4	33,812	500,054	533,866	513,163
		-----	-----	-----	-----
Net (expenditure)/income for the year	5	19,894	(26,733)	(6,839)	(6,137)
Transfer between funds	11	(6,289)	6,289	-	-
		-----	-----	-----	-----
Net movement in funds for the year		13,605	(20,444)	(6,839)	(6,137)
Reconciliation of funds:					
Total funds at 1 April 2019		166,668	26,717	193,385	199,522
		-----	-----	-----	-----
Total funds at 31 March 2020	11	180,273	6,273	186,546	193,385
		=====	=====	=====	=====

There are no gains or losses other than those shown above.
All of the activities of the charity are classed as continuing.
The notes on pages 16 to 25 form part of these financial statements.

EQUALITY NETWORK LIMITED

BALANCE SHEET

AS AT ENDED 31 MARCH 2020

		2020	2019
		£	£
Fixed assets			
Tangible assets	8	8,780	6,204

Current assets			
Debtors	9	5,155	4,552
Cash at bank and in hand		188,515	215,546
		_____	_____
		193,670	220,098
Creditors: amounts falling due within one year	10	(15,904)	(32,917)
		_____	_____
Net current assets		177,766	187,181
		_____	_____
Net assets	12	186,546	193,385
		=====	=====
Unrestricted funds			
General funds		171,493	160,464
Designated funds		8,780	6,204
Restricted funds		6,273	26,717
		_____	_____
Total funds	11	186,546	193,385
		=====	=====

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the board of directors on 21 January 2021 and signed on its behalf by:

Daniel Clayton (Director)

EQUALITY NETWORK LIMITED

STATEMENT OF CASH FLOWS

AS AT ENDED 31 MARCH 2020

		2020	2019
		£	£
Cash flows from operating activities:			
Net cash (used in) operating activities	below	(19,140)	11,387
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of fixed assets		(8,066)	(5,200)
Interest received		175	205
		<hr/>	<hr/>
Net cash (used in) investing activities		(7,891)	(4,995)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(27,031)	6,392
Cash and cash equivalents at the beginning of the year		215,546	209,154
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		188,515	215,546
		<hr/> <hr/>	<hr/> <hr/>
<u>Reconciliation of net income to net cash flow from operating activities</u>			
		2020	2019
		£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)		(6,839)	(6,137)
<u>Adjusted for:</u>			
Depreciation charge		5,490	4,353
Interest received		(175)	(205)
(Increase)/ decrease in debtors		(603)	1,972
(Decrease)/Increase in creditors		(17,013)	11,404
		<hr/>	<hr/>
Net cash (used in) operating activities		(19,140)	11,387
		<hr/>	<hr/>

The notes on pages 16 to 25 form part of these Financial Statements

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention and are in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The charity constitutes a public benefit entity as defined by FRS 102.

Equality Network has confirmed funding until 30 September 2021. Equality Network maintains regular contact with the funders, reporting on progress and discussing plans for the future. The Directors expect the charity to be able to meet its liabilities as they fall due and have no reason to doubt funding will be extended beyond September 2021, so have continued to adopt the going concern basis of accounting.

The directors consider there are no material uncertainties about the charitable company's ability to continue as a going concern. The Directors going concern assessment includes the expected impact of COVID-19 to the charity for a period of at least 12 months from the date of signing of these financial statements. Accordingly the financial statements have been prepared on a going concern basis.

(b) Financial instruments

Financial instruments comprise financial assets and financial liabilities which are recognised when the company becomes a party to the contractual provisions of the instrument. Financial instruments are classified as "basic" in accordance with FRS102 and are accounted for at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows over the life of the financial assets or liability to the net carrying amount on initial recognition. Discounting is not applied to short-term receivables and payables, where the effect is immaterial. Financial assets comprise cash, grants receivable and other debtors. Financial liabilities comprise other creditors and accruals.

(c) Income

All income is included in the Statement of Financial Activities when the charity has entitlement, there is probability of receipt and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income received by way of grants and donations and is included in full in the Statement of Financial Activities when receivable. Where entitlement is conditional on the delivery of a specific performance by the charity, grants are recognised when the charity earns the right to consideration by its performance.
- Income from fundraising activities is included when receivable.
- Investment income is included when receivable.

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

- Income from training, fees and contract work are accounted for when earned.

(d) Expenditure

Expenditure is recognised on an accruals basis as the liability is incurred. The charity is not VAT registered and, accordingly, cannot recover VAT on expenditure. VAT suffered is therefore reported as part of the expenditure to which it relates. The following specific policies are applied to particular categories of expenditure:

- Costs of raising funds comprise those costs directly associated with generating donations and fundraising income.
- Charitable activity 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 and those costs of an indirect nature necessary to support them, including governance costs. Indirect expenditure is allocated between activities based on staff time.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

(e) Fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. All fixed assets are initially recorded at cost. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

- Computer equipment - 33% straight line
- Office equipment - 20% straight line

(f) Operating leases

Rentals applicable to operating leases, where substantially all of the benefits and risk of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line-basis over the life of the lease.

(g) Funds

Unrestricted funds are funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

Designated funds are unrestricted funds earmarked by the directors for particular purpose.

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

(h) Pension costs

The charity contributes to the individual personal pensions of its employees. The annual contributions are charged to the Statement of Financial Activities.

2. Grants and Service Level Agreements

	Unrestricted	Restricted	2020	2019
	£	£	Total	Total
			£	£
Scottish Government:				
Equality Network Project	-	230,000	230,000	230,000
Scottish Transgender Alliance Project	-	200,000	200,000	200,000
Intersex Equality	-	43,321	43,321	33,750
	-----	-----	-----	-----
Total	-	473,321	473,321	463,750
	=====	=====	=====	=====

During the year there were restricted grants amounting to £473,321 (2019: £463,750). There were no unrestricted grants in either the current or previous years.

3. Other income from charitable activities

	Unrestricted	Restricted	2020	2019
	£	£	Total	Total
			£	£
Training and research fees	18,944	-	18,944	9,730
Conferences and events	90	-	90	1,400
Expense recharges to project partners	6,414	-	6,414	13,604
	-----	-----	-----	-----
Total	25,448	-	25,448	24,734
	=====	=====	=====	=====

During the year there was unrestricted other income of £25,448 (2019: £24,734). There was no restricted other income in either the current or previous years.

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

4. Expenditure

	Policy Analysis & Engagement £	Community Sector Building £	Trans- gender £	Inter- sectional £	Misc Funds £	2020 Total £	2019 Total £
<u>Charitable activities</u>							
Wages and salaries (Note 6)	47,693	33,606	220,213	37,146	33,469	372,127	343,125
Other staff costs	192	595	876	830	98	2,591	11,062
Travel costs	405	(186)	5,048	196	23,795	29,258	33,667
Fundraising costs	927	927	1,433	927	1,333	5,547	1,040
Other campaign costs	5,512	6,787	15,612	4,851	2,512	35,274	49,241
TRANSforming Arts	-	-	7,265	-	-	7,265	3,781
Community leadership programme	13	5,558	1,427	814	6,966	14,778	17,652
Rent, rates and utilities	1,626	1,625	8,815	1,626	700	14,392	11,534
Administration costs	2,206	2,207	10,328	2,206	680	17,627	12,963
Telephone and internet	110	110	1,632	110	162	2,124	2,289
Accountancy costs	130	130	203	130	-	593	2,662
Depreciation	1,208	1,207	1,867	1,208	-	5,490	4,353
Advertising	4	5	7	4	10	30	-
Recruitment costs	278	278	638	278	-	1,472	2,236
IT maintenance and support	2,255	2,254	11,541	2,255	1,167	19,472	12,629
Sundry	100	100	269	100	13	582	309
Bad debts	5	5	9	5	-	24	-
<u>Charitable activities: Governance costs</u>							
Accountancy costs	1,148	1,148	1,776	1,148	-	5,220	4,560
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	63,812	56,356	288,959	53,834	70,905	533,866	513,163
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included above is restricted expenditure of £500,054 (2019: £480,813). All other expenditure was unrestricted in both the current and previous years.

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

5. Net (expenditure) for the year

This is stated after charging:-

	2020	2019
	£	£
Depreciation	5,490	4,353
Auditors remuneration – audit fee	5,220	4,560
Operating lease rentals: Land and building	10,353	9,000
Other	2,861	2,861
	5,824	10,774

No director received any remuneration for services as a director (2019: nil). Two directors were reimbursed travel expenses totalling £102 in relation to attendance at Board meetings (2019: One director, £60).

6. Staff costs and numbers

	2020	2019
	£	£
Salaries and wages	322,491	303,739
Social security costs	27,453	23,056
Pensions	22,183	16,330
	372,127	343,125

No employee received emoluments of more than £60,000. Remuneration of key management personnel amounted to £47,157 (2019: £45,340) including employer pension contributions.

The average weekly number of employees during the year, on a head count basis, was as follows:

	2020	2019
	No.	No.
Service provider staff	14	18
Support staff	2	2
	16	20

7 Taxation

The company has charitable status and is therefore exempt from tax on its charitable income under the provision of section 505 of the Income and Corporation Taxes Act 1988.

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

8. Tangible fixed assets	Computer equipment	Office equipment	Total
	£	£	£
Cost			
At 1 April 2019	27,670	11,386	39,056
Additions in year	8,066	-	8,066
Disposals	-	-	-
	_____	_____	_____
At 31 March 2020	35,736	11,386	47,122
	_____	_____	_____
Depreciation			
At 1 April 2019	23,625	9,227	32,852
Charge for the year	4,950	540	5,490
Disposals	-	-	-
	_____	_____	_____
At 31 March 2020	28,575	9,767	38,342
	_____	_____	_____
Net book value			
At 31 March 2020	7,161	1,619	8,780
	=====	=====	=====
At 31 March 2019	4,045	2,159	6,204
	=====	=====	=====
9. Debtors		2020	2019
		£	£
Other debtors		1,226	2,973
Prepayments		3,927	1,579
		_____	_____
		5,155	4,552
		=====	=====
10. Creditors: amounts falling due within one year		2020	2019
		£	£
Taxation and social security		8,882	9,130
Other creditors and accruals		7,022	23,787
		_____	_____
		15,904	32,917
		=====	=====

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

11. Movements in funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Restricted funds					
Scottish Government:					
Equality Network	6,142	230,000	(238,492)	2,350	-
Scottish Transgender Alliance	20,121	200,000	(224,060)	3,939	-
Intersex Equality	454	43,321	(37,502)	-	6,273
	-----	-----	-----	-----	-----
Total restricted funds	26,717	473,321	(500,054)	6,289	6,273
	-----	-----	-----	-----	-----
Unrestricted funds					
General funds	160,464	53,706	(28,322)	(14,355)	171,493
Designated fund: Capital fund	6,204	-	(5,490)	8,066	8,780
	-----	-----	-----	-----	-----
Total unrestricted funds	166,668	53,706	(33,812)	(6,289)	180,273
	-----	-----	-----	-----	-----
Total funds	193,385	527,027	(533,866)	-	186,546
	=====	=====	=====	=====	=====

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

11. Movements in funds (continued)

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Restricted funds					
Scottish Government:					
Equality Network	10,279	230,000	(234,137)	-	6,142
Scottish Transgender Alliance	22,362	200,000	(202,241)	-	20,121
Intersex Equality	11,664	33,750	(44,960)	-	454
Capital fund	248	-	(274)	26	-
Total restricted funds	44,553	463,750	(481,612)	26	26,717
Unrestricted funds					
General funds	149,860	43,276	(27,472)	(5,200)	160,464
Designated fund: Capital fund	5,109	-	(4,079)	5,174	6,204
Total unrestricted funds	154,969	43,276	(31,551)	(26)	166,668
Total funds	199,522	507,026	(513,163)	-	193,385

Purposes of restricted funds

Equality Network

The aim of the Equality Network project is to create lasting improvement in the situation of LGBTI people in Scotland, through:

- permanently influencing the policy of national and local bodies in Scotland to better deliver LGBTI equality, in a way informed by diverse LGBTI communities across Scotland;
- strengthening and empowering LGBTI communities across Scotland, so that they are both able to offer social support to isolated LGBTI people, and able to engage with public bodies to contribute to improved policy at local and national level;
- providing expert information on LGBTI issues to a wide range of organisations and to the public;
- working to ensure that improvements to the situation of LGBTI people deliver for the full diversity of LGBTI people, by focussing specific work on particularly disadvantaged communities including people with intersectional identities; and
- sharing expertise and good practice on LGBTI equality with other equality and human rights bodies in Scotland, and with bodies in the rest of the UK and Europe.

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

11. Movements in funds (continued)

Scottish Transgender Alliance

The aim of the Scottish Transgender Alliance project is to inform, equip and support transgender people, equality organisations, government policy makers and other employers and service providers to engage together to improve gender identity and gender reassignment equality, rights and inclusion in Scotland. The project focuses on building capacity for transgender people's engagement in equality policy and good practice development, as well as improving social attitudes and visible inclusion in Scottish daily and public life. The transfer represents a contribution by the charity toward the project.

Intersex Equality

The aim of the Intersex Equality project is to facilitate intersex people, equality organisations, government policy makers, the NHS and other employers and service providers to engage together to develop a shared understanding of intersex equality, rights and inclusion priorities in Scotland. The project focuses on connecting intersex people with each other and with potential allies in order to build social capital supporting intersex people's engagement in equality policy and good practice development.

Capital funds

The restricted fund represents the net book value of assets purchased from restricted funds, where the restriction remains in place after purchasing the asset. The designated fund represents the net book value of assets purchased from restricted funds, where the restriction has been met by purchasing the asset, and of assets purchased from general funds.

The transfers to the *Capital funds* represent the purchase of fixed assets.

12. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds £
Fund balances as at 31st March 2020				
Tangible fixed assets	-	8,780	-	8,780
Net current assets	171,493	-	6,273	177,766
	_____	_____	_____	_____
	171,493	8,780	6,273	186,546
	=====	=====	=====	=====
Fund balances as at 31st March 2019				
Tangible fixed assets	-	6,204	-	6,204
Net current assets	160,464	-	26,717	187,181
	_____	_____	_____	_____
	160,464	6,204	26,717	193,385
	=====	=====	=====	=====

EQUALITY NETWORK LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

13. Related party transactions

No one individual has control of the charity in either the current or previous years. There were no transactions that require to be disclosed under the Financial Reporting Standard 102.

14. Commitments under operating leases

The following operating lease payments were committed to be paid as at the year-end:

	Buildings	Other	Buildings	Other
	2020	2020	2019	2019
	£	£	£	£
<u>Operating leases expiring:</u>				
within 1 year	6,417	954	2,250	2,861
1 - 5 years	-	-	-	954
	=====	=====	=====	=====