

RECEIVED 25 MAY 2005

STONEWALL EQUALITY LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2004

Registered charity number: 1101255

Registered company number: 02412299



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STONEWALL EQUALITY LIMITED

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STONEWALL EQUALITY LIMITED

COMPANY INFORMATION

Board of Trustees	D Isaac E Grant P Kahn T J Kaufman PD Meadows P Milledge S Weir N Wooding O Cole Wilson (resigned 20 July 2004) Jonathan Simpson (resigned 20 July 2004)
Secretary	PD Meadows
Company number	02412299
Charity number	1101255
Registered office	46-48 Grosvenor Gardens London SW1W 0EB
Auditors	UHY Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH
Business address	46-48 Grosvenor Gardens London SW1W 0EB
Bankers	National Westminster Bank Plc PO Box No 159 332 High Holborn London WC1V 7PS

STONEWALL EQUALITY LIMITED  
TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2004

The trustees present their report and financial statements for the year ended 30 September 2004

## **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the organisation continues to be to seek to advance the education of the public on the discrimination experienced by lesbians, gay men and bisexuals, to protect those who have experienced such discrimination and to continue to work to achieve full equality for lesbians, gay men and bisexuals.

Stonewall was involved in a wide range of activities during the reporting year. The most significant of these was the campaign to secure civil partnership, a key organisational objective. This was significantly disrupted during consideration in the House of Lords. As the year ended, we worked hard to overturn this setback in the final parliamentary stages of the campaign.

Other highlights of the year include:

- Launch of a major programme supporting the new employment regulations. We published 10,500 copies of widely-praised guidance for employers and 250,000 items of guidance for employees.
- Continued development of our Diversity Champions programme, providing advice and support to leading employers within both the public and private sectors. Membership rose from 45 major organisations to 65 during the year.
- Publication of major research produced by Inclusion, the health provision project supported by the Scottish Executive.
- Successful further development of Stonewall Cymru, including the launch of Look Out, a media project funded by Comic Relief.
- Further development of relationships with NGOs and other organisations concerned with the diversity agenda and substantial engagement in government plans for creation of a single Commission for Equality and Human Rights.

We continued to focus the organisation on those areas of social and cultural change which necessarily follow legislative campaigning. As the major national lesbian and gay human rights organisation our agenda for the forthcoming year is extensive.

During the year, we also carried out an extensive review of our administrative capacities. Led by Ben Summerskill, recruited as chief executive in March 2003, the review has contributed substantially to the further professionalisation of our accounting and fundraising functions. As part of a planned diversification of our income streams, we introduced successful challenge events in both the UK and New York. We also secured significant corporate sponsorship for the first time.

The continued financial support of so many of our donors is critical to the long-term achievement of our objectives. With this support and the continued commitment and professionalism of our staff, we look forward confidently to another successful year ahead.

## **GOVERNANCE**

The Charity is governed by a Board of Trustees who meet regularly during the year. A panel comprising existing trustees selects members of the trustee board. Applications for trusteeship are sought by advertisement. Trustees serve for a three year period and may be re-elected for a further two consecutive terms of three years each.

The Finance Sub-Committee, the Development Working Group and the Personnel Sub-Committee are made up of trustees and other individuals. The committees operate under specific terms of reference which delegate certain functions from the trustee board. Each committee has its decisions ratified by the full board.

### **FINANCIAL REVIEW**

There was an operating profit of £64,055 (2003: -£117,045). Our total incoming resources increased by £217,088 (15%) to £1,631,691 reflecting a successful fundraising year.


Expenditure in the year was well controlled but rose by £35,988 (2%) to support the increased activities.

### **RESERVES POLICY**

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams and the review concluded that to allow the charity to be managed efficiently a general reserve equivalent to 25% of core funding should be achieved by 2007 - 2008. This equates to approximately three months of unrestricted fund expenditure.

### **RISK MANAGEMENT**

The Trustees have introduced a risk management process. This involved identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees have reviewed the adequacy of the charity's current internal controls. The Trustees are pleased to report that the charity's internal financial controls, in particular, conform with guidelines issued by the Charity Commission.



David Isaac  
**Chair**

Date:

STONEWALL EQUALITY LIMITED  
TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2004

**TRUSTEES' RESPONSIBILITIES**

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. 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.



David Isaac  
Chair

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
STONEWALL EQUALITY LIMITED

We have audited the financial statements of Stonewall Equality Limited on pages X to XX for the year ended 30 September 2004 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 Trustees and auditors**

The Trustees, who are also the directors of Stonewall Equality Limited for the purposes of company law, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Board is not consistent with the financial statements, if 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 trustees' remuneration and transactions with the charity is not disclosed.

We read the other information contained in the Report of the Board 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.

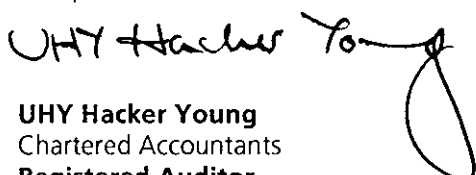
**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 30 September 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**UHY Hacker Young**  
Chartered Accountants  
**Registered Auditor**  
~~22 February 2005~~  
10 May

**STONEWALL EQUALITY LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2004**

	Notes	Unrestricted Funds 2004 £	Restricted Funds 2004 £	Total Funds Year to 30-Sep 2004 £	Total Funds Year to 30-Sep 2003 £
<b>Incoming Resources</b>					
Individual Donations		588,079	-	588,079	460,809
Trusts & Foundations	2	2,000	636,005	638,005	621,681
Corporate Donations		79,020	80,833	159,853	141,508
Events		136,115	-	136,115	132,513
Fees		68,547	5,627	74,174	42,887
Other Income		24,519	2,500	27,019	7,887
Interest Receivable		8,446	-	8,446	7,318
Total Incoming Resources		906,726	724,965	1,631,691	1,414,603
<b>Resources Expended</b>					
<i>Cost of generating funds:</i>					
Fundraising and publicity		509,075	72,333	581,408	582,247
		509,075	72,333	581,408	582,247
<i>Charitable Expenditure:</i>					
Costs of activities in furtherance of the charity's objects:					
Campaigns & Research		285,645	95,388	381,033	377,633
Community Development		522	236,676	237,198	333,883
Grants		-	-	-	115,000
Health		-	145,506	145,506	61,150
Employment		11,079	143,295	154,374	30,364
Media		-	13,371	13,371	-
Management and administration	4	36,350	18,396	54,746	31,371
		333,596	652,632	986,228	949,401
<b>Total Resources Expended</b>	3	842,671	724,965	1,567,636	1,531,648
<b>Net incoming/(outgoing) resources</b>		64,055	-	64,055	-117,045
Fund balances brought forward at 1 October 2003	8	11,127	-	11,127	128,172
<b>Fund balances carried forward at 30 September 2004</b>	8	75,182	-	75,182	11,127

There were no recognised gains or losses other than disclosed in the statement of financial activities. All income and expenditure relates to continuing activities.

The accompanying notes form an integral part of these financial statements.

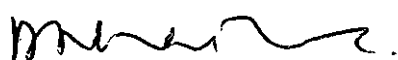


**STONEWALL EQUALITY LIMITED**  
**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2004**

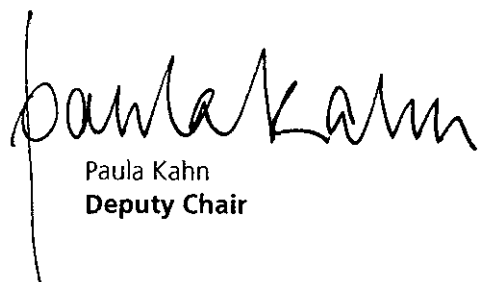
	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible Assets	5	12,049	78,124
<b>Current assets</b>			
Debtors	6	66,298	257,907
Amounts held on deposit		-	100,000
Cash at bank and in hand		335,595	56,996
		<u>401,893</u>	<u>414,903</u>
<b>Creditors: amounts falling due within one year</b>	7	338,760	481,900
<b>Net current assets/(liabilities)</b>		<u>63,133</u>	<u>-66,997</u>
<b>Total assets less current liabilities</b>		75,182	11,127
<b>Net assets</b>		<u>75,182</u>	<u>11,127</u>
<b>Funds</b>			
General funds		67,682	11,127
Designated funds		7,500	-
Restricted funds		-	-
<b>Total funds</b>	8	<u>75,182</u>	<u>11,127</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board on 10th May 2005 and signed on their behalf by:



David Isaac  
Chair



Paula Kahn  
Deputy Chair

**STONEWALL EQUALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**1. ACCOUNTING POLICIES**

**a) Accounting Convention**

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP - issued October 2000).

**b) Cash Flow Statement**

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 the Financial Reporting Standard 1 '(Revised) Cash Flow Statements'.

**c) Depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Lottery funded assets	over the life of the project
Fixtures, fittings & equipment	25% straight line
Website costs capitalised	25% straight line

**d) Incoming Resources**

All incoming resources are accounted for as they become available to the charity.

**e) Resources Expended**

Direct costs have been charged to the relevant cost category, and shared costs have been allocated on a basis consistent with the budgeted use of resources.

**f) VAT**

Where appropriate, expenditure includes irrecoverable value added tax.

**g) Pension Costs**

The company does not have its own pension scheme. Instead the company contributes to a private pension scheme chosen by the individual concerned. As such the amount paid in respect of contributions to such schemes is included within the wages and salaries expense.

**h) Fund Accounting**

General funds consist of amounts available to the trustees to be applied at their discretion within the objects of the charity.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds consist of amounts subject to special trusts within the objects of the charity either imposed by the donor or by the terms of the appeal.

All income and expenditure is shown in the statement of financial activities.

**STONEWALL EQUALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**2. TRUSTS AND FOUNDATIONS**

	<b>Total income</b>	
	<b>2004</b>	<b>2003</b>
<b>Unrestricted funds</b>		
The Mathilda and Terence Kennedy Trust	1,000	-
The Red House Fund	1,000	1,000
	<u>2,000</u>	<u>1,000</u>
<b>Restricted funds</b>		
Welsh Assembly Government	50,000	50,000
Lloyds TSB Foundation	5,000	-
Scottish Executive	151,382	66,502
Comic Relief	13,371	-
The Community Fund - England	130,591	262,786
The Community Fund - Scotland	136,191	90,690
Esmee Fairbairn	10,000	-
AOL	2,000	-
Robert Gavron Charitable Trust	2,000	-
Rausing Trust	-	37,500
Northern Rock	-	30,000
Iris Trust	-	20,000
Colombia Foundation	-	63,204
Department of Trade and Industry	135,470	-
	<u>636,005</u>	<u>620,681</u>
<b>Total trusts and foundations</b>	<u>638,005</u>	<u>621,681</u>

**STONEWALL EQUALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**3. TOTAL RESOURCES EXPENDED**

	Salaries £	Consultants £	Other Expenses £	Depreciation £	Total Expenditure £
<i>Cost of generating funds:</i>					
Fundraising and publicity	211,941	9,453	352,458	7,556	581,408
	<u>211,941</u>	<u>9,453</u>	<u>352,458</u>	<u>7,556</u>	<u>581,408</u>
<i>Charitable Expenditure:</i>					
Costs of activities in furtherance of the charity's objects:					
Campaigns & Research	219,923	3,175	123,474	34,462	381,034
Community Development	107,270	8,126	96,796	25,007	237,199
Grants					0
Health	51,513	6,768	85,753	1,471	145,505
Employment	19,370	13,683	121,320	-	154,373
Media	8,861	-	4,510	-	13,371
	<u>406,937</u>	<u>31,752</u>	<u>431,853</u>	<u>60,940</u>	<u>931,482</u>
Management and administration	36,795	6,583	11,368	-	54,746
	<u>443,732</u>	<u>38,335</u>	<u>443,221</u>	<u>60,940</u>	<u>986,228</u>
<b>Total Resources Expended</b>	<u>655,673</u>	<u>47,788</u>	<u>795,679</u>	<u>68,496</u>	<u>1,567,636</u>

**STONEWALL EQUALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**4. MANAGEMENT AND ADMINISTRATION**

Management and administration costs include audit fees of £3,500 (2003: £5,000)

**5. TANGIBLE FIXED ASSETS**

	Lottery funded assets £	Fixtures fittings & equipment £	Website costs capitalised £	Total £
<b>COST</b>				
At 1 October 2003	54,422	66,453	50,455	171,330
Additions	1,222	1,199	-	2,421
	<u>55,644</u>	<u>67,652</u>	<u>50,455</u>	<u>173,751</u>
<b>DEPRECIATION</b>				
At 1 October 2003	30,628	43,636	18,942	93,206
Charge for year	25,016	11,967	31,513	68,496
At 30 September 2004	<u>55,644</u>	<u>55,603</u>	<u>50,455</u>	<u>161,702</u>
<b>NET BOOK VALUE</b>				
At 30 September 2004	-	12,049	-	12,049
At 30 September 2003	<u>23,794</u>	<u>22,817</u>	<u>31,513</u>	<u>78,124</u>

**6. DEBTORS**

	2004 £	2003 £
Other debtors	10,000	194,398
Prepayments and accrued income	<u>56,298</u>	<u>63,509</u>
	<u>66,298</u>	<u>257,907</u>

**7. CREDITORS: Amounts falling due with in one year**

	2004 £	2003 £
Bank loans and overdrafts	-	56,503
Trade creditors	1,290	25,261
Taxation and social security costs	1,463	1,472
Accruals and deferred income	<u>336,007</u>	<u>398,664</u>
	<u>338,760</u>	<u>481,900</u>

**STONEWALL EQUALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**8. STATEMENTS OF FUNDS**

	01-Oct 2003 £	Income £	Expenditure £	Transfers £	Expenditure £	30-Sep 2004 £
<b>General Funds</b>	11,127	906,726	842,671	- 7,500	850,173	67,682
<b>Designated Funds</b>						
Relocation fund	-	-	-	7,500		7,500
<b>Total Unrestricted Funds</b>	<u>11,127</u>	<u>906,726</u>	<u>842,671</u>	<u>-</u>	<u>850,173</u>	<u>75,182</u>
<b>Restricted Funds</b>						
Welsh Assembly Government	-	50,000	50,000	-	50,000	-
Lloyds TSB Foundation	-	5,000	5,000	-	5,000	-
Scottish Executive	-	151,382	151,382	-	151,382	-
Comic Relief	-	13,371	13,371	-	13,371	-
The Community Fund - England	-	130,591	130,591	-	130,591	-
The Community Fund - Scotland	-	136,191	136,191	-	136,191	-
Esmee Fairbairn	-	10,000	10,000	-	10,000	-
AOL	-	2,000	2,000	-	2,000	-
Robert Gavron Charitable Trust	-	2,000	2,000	-	2,000	-
Mayfair Cellars	-	22,500	22,500	-	22,500	-
JP Morgan	-	33,333	33,333	-	33,333	-
Pink Paper	-	2,000	2,000	-	2,000	-
Millivres Prowler	-	2,500	2,500	-	2,500	-
Six Continents Retail	-	8,000	8,000	-	8,000	-
Barclays	-	12,500	12,500	-	12,500	-
Department of Trade and Industry	-	135,470	135,470	-	135,470	-
HM Prison Service	-	2,500	2,500	-	2,500	-
Miscellaneous income	-	5,627	5,627	-	5,627	-
<b>Total Restricted Funds</b>	<u>-</u>	<u>724,965</u>	<u>724,965</u>	<u>-</u>	<u>724,965</u>	<u>-</u>
<b>Total Funds</b>	<u>11,127</u>	<u>1,631,691</u>	<u>1,567,636</u>	<u>-</u>	<u>1,575,138</u>	<u>75,182</u>

**Welsh Assembly Government**

The grant was for lesbian and gay equality work in Wales

**Lloyds TSB Foundation**

The grant was for a community development project in Wales

**Scottish Executive**

The grant was for work with LGBT people to improve access to statutory and voluntary sector health and social care services and support health improvement for LGBT people in Scotland

**Comic Relief**

The grant was for a media project in Wales

**The Community Fund - England**

The grant was for the Citizenship 21 project to address discrimination and to encourage equality and recognition for lesbians and gay men by strengthening local network groups

**The Community Fund - Scotland**

The grant was for the Beyond Barriers project to provide information resource, research, training and community support to empower individuals and organisations within the community to develop their own skills, networks and resource bases at a local level

**Esmee Fairbairn**

The grant was awarded to the Beyond Barriers project for producing a Community Participation Toolkit.

**AOL**

The grant was awarded for the development of the Education for All website

**Robert Gavron Charitable Trust**

The grant was awarded to part-fund a Senior Policy Officer post

**Mayfair Cellars**

The donation received was to run the charity fundraising walks and benefit nights

**JP Morgan**

The donation received was to help pay for the costs of the annual fundraising dinner

**Pink Paper**

The donation received was for the London Mayoral hustings

**Millivres Prowler**

The donation was used to cover media and publicity costs

**Six Continents Retail**

The donation was towards the first fundraising walk in New York

**Barclays**

The donation was for awareness-raising work around the 2003 employment regulation changes

**Department of Trade and Industry**

The grant was for awareness-raising work around the 2003 employment regulation changes

**HM Prison Service**

The donation was towards hosting a reception after the 2004 employment conference

**STONEWALL EQUALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**9. STAFF COSTS AND NUMBERS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>(a) Staff Costs</b>		
Wages and Salaries	572,363	567,820
Social security costs	55,343	28,038
Pension costs	27,967	24,084
	<u>655,673</u>	<u>619,942</u>

The average number of employees analysed by function was:

Direct charitable activities	12	15
Fund-raising	5	4
Management and administration	3	3
	<u>20</u>	<u>22</u>

**(b) Trustees**

Trustees received no salary or reimbursed expenses during the year (2003: £Nil).

**10. CHARITABLE STATUS**

Stonewall Equality Limited is a charity registered under the Charities Act 1993 No. 1101255.

As such the charity is entitled to take advantage of the exemptions granted by Section 505 of the Income and Corporation Taxes Act 1998.

**11. CONNECTED PARTIES**

During the year 2004 Stonewall Iris Trust made no payments to Stonewall Equality (2003: £117,656).

Included within debtors are grant income of £10,000 (2003:£123,204)

Amounts written-off in the year was £20,000.

One of the trustees of Stonewall Equality Ltd, Olivette Cole Wilson (resigned 20 July 2004), was also a trustee of the Stonewall Iris Trust (resigned 20 July 2004).

**12. OPERATING LEASES**

The company's commitments for rental payments due in the next 12 months under non cancellable operating leases during the year to 30 September 2004 are as follows

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Leases expiring:		
Within one year	-	5,000
between two and five years	-	-
	<u>-</u>	<u>5,000</u>

**13. PENSION COMMITMENTS**

The company makes contributions to personal pension schemes on behalf of some of its employees.

Contributions in the year totalled £27,967 (2003: £24,084)

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>General Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 30 September 2004 are represented by:				
Tangible fixed assets	12,049	-	-	12,049
Current assets	143,711	7,500	250,682	401,893
Current liabilities	-88,078	-	-250,682	-338,760
<b>Total net assets</b>	<u>67,682</u>	<u>7,500</u>	<u>-</u>	<u>75,182</u>