

EQUITY ACCOUNTS 2022

EQUITY

Statement of Equity Council's responsibilities

The legislation relating to trade unions requires Equity to submit a return for each calendar year to the Certification Officer. The return contains accounts that must give a true and fair view of the state of affairs of Equity at the year end and of its transactions for the year then ended. The accounts set out on the following pages have been prepared on the same basis and are used to complete the return to the Certification Officer.

In relation to Equity the requirement to prepare accounts that give a true and fair view is the responsibility of Equity Council. Equity Council is responsible for preparing accounts in accordance with applicable law and United Kingdom Accounting Standards. In so doing Equity Council is required to:

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

Equity Council is responsible for keeping adequate accounting records and establishing and maintaining a satisfactory system of control over its records and transactions in order to comply with the Trade Union and Labour Relations (Consolidation) Act 1992. It is also responsible for safeguarding Equity's assets and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Equity

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2022 and of its result 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 Trade Union and Labour Relations (Consolidation) Act 1992.

We have audited the financial statements of Equity (the 'Union') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Union 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

other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Council with respect to going concern are described in the relevant sections of this report.

Other information

The Executive Council is responsible for the other information. The other information comprises the information included in the Report of the Honorary Treasurer, other than the financial statements and our auditor's report thereon. 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters to which the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept in accordance with the requirements; or
- the Union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Executive Council

As explained more fully in the Statement of Equity Council's responsibilities, the Executive Council is 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 Executive Council determines is 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 Executive Council is responsible for assessing the Union'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 Executive Council either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the Union and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Union that

were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Trade Union & Labour Relations Act 1992, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of Council minutes. Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We also completed the following procedures:

- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results;
- Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuation of the defined benefit pension scheme liability and the carrying value of the Union's assets.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to Equity, as a body, in accordance with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union 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 Union as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP, statutory auditor London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Report of the Honorary Treasurer

After two years of severe disruption to our industry due to the COVID-19 pandemic and its devastating effects which cost the Union £1,249,504 in 2020 in benevolent payments alone, 2022 was the year that things started to return to normal. In terms of Equity's financial position the pandemic and the closing down of virtually the whole industry for such a long period of time had a profound effect. On top of that we made an urgent and exceptional contribution of £2,000,000 to the staff pension fund in 2021 to deal with the deficit. This was the wise thing to do in order to confront the issue and to not kick the can down the road however this left us with an operating deficit of £1,412,984 in the 2021 accounts.

The good news is that the fightback has begun in earnest in the industry as well as in our finances. I'm very pleased to say that in the 2022 accounts we can report an operating surplus of £321,505.

Looking at our income you will see that our core funding which is listed as "subscriptions from members" was £6,549,524 which is up from £6,139,072 in 2021 which is an increase of £410,452. Added to this is income related to members and other performers (note 2) at £1,876,181. This includes £1,473,895 from the Educational Recording Agency (ERA) which is a significant amount. We've received this payment for a number of years but it isn't guaranteed to carry on ad infinitum. We may lose it altogether or it may become distributable and would then be lost as a form of income for the Union. Our investment houses have returned dividends for us of £518,619 which is commendable bearing in mind the volatility of the markets due to what was called by the government "The Growth Plan" in September 2022 but which turned out to be quite the opposite. This income from dividends was due to Charles Stanley and Adam & Co spreading our investments wisely so I'd like to offer my thanks to both companies. The figure of £525,315 (note 3) includes bank interest. Our total income for 2022 is £9,206,508.

Looking at expenditure you'll see that our largest amount here is our Staff Costs (note 5) at £4,973,158 which is up from £4,482,850. I'm happy to say that at the time of writing this report we have a full complement of staff. Another rise in expenditure to draw your attention to is administrative expenses (note 8) which is up from £402,081 to £607,956. This is mainly due to the steep rise in printing and postage costs. There are other rises in other areas such as democratic costs and organising which have jumped up significantly as we have started to return to normal union activity post pandemic. Although this is a rise in costs it's

very good news. Our total expenditure for the year therefore was £8,885,003 compared with 2021 which was £8,065,144. Bearing in mind the recent rises in inflation this is more or less in line with what we would expect.

Income £9,206,508 minus expenditure £8,885,003 equals £321,505 which was our operating surplus for the year ending 31st December 2022.

I'd like to remind the membership that recruitment and retention is of paramount importance to us all. It is far and away our biggest form of income and keeps the union going. Recently we've been doing well with Recruitment but we've struggled a bit with Retention. This is understandable as we are living through a cost of living crisis. The disastrous effects of the Liz Truss premiership and Kwasi Kwarteng's kamikaze budget, as well as the invasion of Ukraine by Russian forces, has left us all worse off and struggling to pay our bills. This coming so soon after the COVID-19 pandemic has finished off many of our members and they've been forced to leave the industry. Many others are considering doing the same. We can only hope for a brighter future where inflation is back under control and energy bills return to something closer to normal.

At the end of 2022 our investment funds stood at £15,019,497 and our tangible fixed assets (including our buildings) stood at £8,592,167 meaning the total value of fixed assets is £23,611,664. Our net assets (excluding pension liabilities) have fallen from £22,655,772 to £21,847,738. It's important to understand that this figure includes funds to be distributed by the Equity Distribution Service (note 21), a figure of £13,944,098. This figure makes up the largest part of our current liabilities which stand at £16,845,445.

I think it's important to acknowledge that the Equity Distribution Service has paid out over £66.1 million in the last five years. This is excellent news for members and comes from agreements negotiated by the Union and payments that have been chased down as well as Producers that have been held to account.

Our accounts are prepared following the FRS102 accounting standard. One of the requirements of this standard is the inclusion of the liability to the union arising from our staff pension fund. The inclusion of a pension liability is intended to reflect an estimate of the obligations that the employer has to its pension scheme members at the financial reporting period end. An employer's ultimate obligations are usually determined as part of a scheme's

actuarial valuation, which is carried out every three years by the scheme's actuary. This is a completely separate process with a different purpose to the estimate for annual accounting. The estimate for accounting purposes is not suitable for determining what contributions the employer should pay to ensure that the pension scheme is funded.

To avoid requiring a full valuation to be carried out every year a simplified valuation method is used. This year the result of that valuation has resulted in a surplus of £2.488 million. According to the standard the employer may only report the surplus if the Union can recover it through reduced future contributions or through a refund of the surplus from the Scheme. The Union has no intention of doing either so we have been instructed to not report the surplus.

We are therefore showing a zero pension liability and our net assets including pension liability are £21,847,738.

I'd like to mention Equity's Benevolent Fund. In 2022 we paid out £61,412 to members in need. This is in the form of Welfare Grants and Subscription Grants. In 2022 we received a generous legacy of over £100,000 from the estate of our late member Ronnie Curran which we are eternally grateful for. This has been of great benefit to members in need and has made a huge difference to the fund. I can report that applications are on the rise again this year. It's important for members to realise that they don't have to leave the union if they can't afford their subscriptions. We give subscription grants to members for up to a year and they can then take honourable withdrawal for a further 3 years if they're unemployed rather than leave the union. Regarding welfare applications we are able to give small one off grants in urgent circumstances and then recommend that members contact one or more of the many charities related to our industry for larger ongoing assistance and support. I'd like to put on record my thanks to Nusrat Raahi for her speedy and diligent administration of the Benevolent Fund.

I'd also like to personally thank the Finance Department for welcoming me as the new Honorary Treasurer and for all their hard work and expertise: Beccy Reese our head of finance and assistant general secretary, Gareth Rawlings, senior finance officer and Daniel Fryer, finance assistant. They're a terrific team and I can assure members that the Unions' finances are being very well marshalled. Beccy Reese in particular has given me lots of her time and answered my many questions and I look forward to working with her and the rest of the department for my term as Honorary Treasurer.

It's wonderful to see our industry getting back on its feet again however we are yet again facing cuts to The Arts as we move through 2023 and it's our members who pay the price. The draconian Arts Council England cuts to the ENO and the Oldham Coliseum, which has sadly now closed down, are just two examples. We will have many struggles ahead and campaigns to fight. I feel that we as a Union are in a good position to take on whatever the coming year throws at us. I'm very happy to report that after some choppy waters over the recent past I consider the Union to be a going concern and in a strong financial position.

I commend these accounts to you.

David John
Honorary Treasurer

Statement of comprehensive income

| | note | 2022 | 2021 |
|-----------------------------------------------------------------|------|--------------------|--------------------|
| INCOME | | | |
| subscriptions from members | | 6,549,524 | 6,139,072 |
| income related to members and other performers | 2 | 1,876,181 | 1,759,518 |
| investment income | 3 | 525,315 | 518,453 |
| other income | 4 | 255,488 | 235,117 |
| TOTAL INCOME | | 9,206,508 | 8,652,160 |
| EXPENDITURE | | | |
| staff costs | 5 | 4,973,158 | 4,482,850 |
| benefits to members | 6 | 1,071,350 | 918,017 |
| democratic costs | 7 | 214,902 | 150,261 |
| administrative expenses | 8 | 607,956 | 402,081 |
| affiliation fees | 9 | 236,457 | 227,931 |
| grants | 10 | 74,972 | 34,728 |
| organising expenses | 11 | 262,376 | 91,686 |
| professional costs | 12 | 285,649 | 418,860 |
| property and equipment costs | 13 | 386,978 | 710,257 |
| depreciation | 17 | 511,844 | 444,916 |
| vat irrecoverable | | 259,361 | 183,557 |
| TOTAL EXPENDITURE | | 8,885,003 | 8,065,144 |
| OPERATING SURPLUS / (DEFICIT) BEFORE PENSION ADJUSTMENTS | | £321,505 | £587,016 |
| exceptional employer contribution to pension scheme | 5 | nil | (2,000,000) |
| operating surplus / (deficit) | | 321,505 | (1,412,984) |
| interest cost | | (165,000) | (147,000) |
| administration expenses | | (95,000) | (109,000) |
| adjustment for exceptional contribution | | nil | 2,000,000 |
| pension adjustments | 26 | (260,000) | 1,744,000 |
| profit on sale of investments | 18 | 6,667 | 1,145,711 |
| unrealised (loss)/gain on investments | 18 | (2,321,329) | 1,034,631 |
| non operational items | | (2,314,662) | 2,180,342 |
| income tax repayable | | 4,738 | 6,573 |
| deferred tax | | 672,385 | (451,253) |
| tax credit / (charge) | 14 | 677,123 | (444,680) |
| (DEFICIT)/SURPLUS FOR THE YEAR | | (1,576,034) | 2,066,678 |
| actuarial gains on the pension scheme | 26 | 9,683,000 | 2,711,000 |
| other comprehensive income | | 9,683,000 | 2,711,000 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | £8,106,966 | £4,777,678 |

Statement of financial position

| | note | 2022 | 2021 |
|-----------------------------------------------|------|---------------------|---------------------|
| tangible fixed assets | 17 | 8,592,167 | 7,583,283 |
| investments | 18 | 15,019,497 | 16,635,132 |
| FIXED ASSETS | | 23,611,664 | 24,218,415 |
| sundry debtors and prepayments | 19 | 778,784 | 546,873 |
| cash with stockbrokers | 18 | nil | 249,431 |
| cash at bank and in hand | 20 | 15,019,961 | 14,758,071 |
| CURRENT ASSETS | | 15,798,745 | 15,554,375 |
| amounts collected for distribution | | (13,944,098) | (12,760,549) |
| subscriptions received in advance | | (1,618,642) | (1,775,733) |
| sundry creditors and accruals | 21 | (1,282,705) | (1,142,357) |
| CURRENT LIABILITIES | | (16,845,445) | (15,678,639) |
| NET CURRENT LIABILITIES | | (1,046,700) | (124,264) |
| PROVISION FOR LIABILITIES | 24 | (717,226) | (1,438,379) |
| NET ASSETS EXCLUDING PENSION LIABILITY | | £21,847,738 | £22,655,772 |
| PENSION LIABILITY | 26 | nil | (8,915,000) |
| net assets including pension liability | | £21,847,738 | £13,740,772 |
| FINANCED BY | | | |
| members' funds | | 21,847,738 | 13,740,772 |
| FUNDS EMPLOYED | | £21,847,738 | £13,740,772 |

Approved by Equity Council on 11-April-2023

Paul W Fleming
General Secretary

David John
Honorary Treasurer

Statement of changes in equity

| | general fund | revaluation reserve (a) | benevolent fund (b) | designated reserve / legal defence costs (c) | designated reserve / industrial disputes (d) | Total |
|-------------------------------|-------------------|-------------------------|---------------------|----------------------------------------------|----------------------------------------------|--------------------|
| at 1 January 2021 | 4,431,617 | 4,171,215 | 60,262 | 200,000 | 100,000 | 8,963,094 |
| income | 8,626,886 | | 25,274 | | | 8,652,160 |
| expenditure | (8,011,516) | | (53,628) | | | (8,065,144) |
| pension adjustments | (2,000,000) | | | | | (2,000,000) |
| non operational items | 1,744,000 | | | | | 1,744,000 |
| tax | 2,180,342 | | | | | 2,180,342 |
| other comprehensive (expense) | (444,680) | | | | | (444,680) |
| Transfer | 2,711,000 | | | | | 2,711,000 |
| at 31 December 2021 | 9,237,649 | 4,171,215 | 31,908 | 200,000 | 100,000 | 13,740,772 |
| income | 9,084,938 | | 121,570 | | | 9,206,508 |
| expenditure | (8,823,591) | | (61,412) | | | (8,885,003) |
| pension adjustments | (260,000) | | | | | (260,000) |
| non operational items | (2,314,662) | | | | | (2,314,662) |
| tax | 677,123 | | | | | 677,123 |
| other comprehensive income | 9,683,000 | | | | | 9,683,000 |
| at 31 December 2022 | 17,284,457 | 4,171,215 | 92,066 | 200,000 | 100,000 | £21,847,738 |

Designated reserves

(a) revaluation reserve

Freehold land and buildings are stated at deemed cost at 1 January 2014. The surplus compared to book value is recognised in the revaluation reserve to emphasise that such gains are not realised.

(b) Benevolent Fund

To provide assistance to members who are in need of financial support.

(c) Legal Defence costs

Designated reserve set aside to enable exceptional legal costs to be incurred.

(d) Industrial Disputes

Designated reserve to allow for sustentation to members or cover other costs incurred by taking industrial action.

Statement of cash flows

| | 2022 | 2021 |
|--------------------------------------------------------------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| operating surplus/(deficit) for the year | 321,505 | (1,412,984) |
| adjustments for depreciation | 511,844 | 444,916 |
| frs 102 pension adjustment included in staff costs | 508,000 | 310,000 |
| investment income | (525,315) | (518,435) |
| (increase) in debtors | (227,170) | (322,157) |
| increase/(decrease) in creditors | 1,166,806 | (167,950) |
| (decrease) in provision for liabilities | (48,771) | (66,409) |
| net cash inflow / (outflow) from operating activities | 1,706,899 | (1,733,019) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| investment income | 525,315 | 518,435 |
| net interest and dividends received reinvested | (449,596) | (447,122) |
| cash withdrawn from the investment portfolio | nil | 2,000,000 |
| purchase of fixed assets | (1,520,728) | (230,757) |
| sale of fixed assets | nil | 471 |
| tax | nil | 6,573 |
| net cash (outflow)/inflow from investing activities | (1,445,009) | 1,847,600 |
| increase in cash and cash equivalents | 261,890 | 114,581 |
| cash and cash equivalents at 1 January | 14,758,071 | 14,643,490 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | £15,019,961 | £14,758,071 |

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant credit risk. For cash flow purposes, cash held with stockbrokers, which is intended to be invested in the stock market, is excluded from the figure of cash and cash equivalents.

ACCOUNTING POLICIES

Basis of accounts

These accounts have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"). The accounts have been prepared under historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the financial statements.

Trade Unions are governed by the Trade Union and Labour Relations (Consolidation Act) 1992 Amended. Under that Act the accounts of Trade Unions are required to give a true and fair view. Therefore, the accounts of Trade Unions are prepared under FRS 102. However, as a Trade Union is not a company the Regulations that form the basis of disclosures under FRS 102 have been adapted as considered necessary to ensure the accounts give a true and fair view to the members of the Trade Union. The Union is a public benefit entity.

The financial statements have been prepared in sterling, which is the functional currency of the Union. The monetary amounts of these financial statements are rounded to the nearest pound. Income and expenditure is dealt with in the various fund accounts of the union.

Subscriptions

Subscriptions are shown in the accounts on a receivable basis. Income received in advance is deferred into the following year.

Amounts collected for distribution:

Equity acts as an intermediary between performers or their beneficiaries and the entertainment industry for the collection and distribution of funds due to performers. Neither the income received from engagers or distribution payments to performers is included in the statement of comprehensive income, however the amounts collected for distribution are included as a creditor in the statement of financial position as the Union has control over them.

Income from distributions

Equity recognises income arising from distributions in the form of commission and administration fees in the statement of comprehensive income at the invoice date.

Other income

Receipts which are non-contractual and not received on predetermined dates are accounted for when received.

Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land, on a straight line basis, at rates estimated to write off the cost, less estimated residual value, of each asset as follows:

| | |
|------------------------------------|-----|
| freehold land | nil |
| freehold buildings | 1% |
| freehold improvements | 10% |
| computer equipment & mobile phones | 33% |
| bespoke systems development | 10% |
| office equipment | 20% |
| website | 20% |

Assets which were fully depreciated at 1 January 2022 have been eliminated from these accounts.

Operating leases

Rental payments in respect of operating leases are charged to the statement of comprehensive income on a straight line basis.

Expenditure

Expenditure is accounted for on an accruals basis and shown exclusive of value added tax (where applicable).

Value added tax

Value added tax is only partially recoverable. The non-recoverable element is shown separately in the statement of comprehensive income.

Contribution to costs

As part of Equity's enforcement of performers' contractual payments arising from the Cinema Films Agreement, the element of monies payable by studios based in the USA which contribute to Equity's costs incurred and to be incurred are recognised over four years or the life of the project if longer.

Fixed assets

Freehold land and buildings are stated at deemed cost at 1 January 2014. This equates to the fair value as determined by an independent valuation specialist. All other fixed assets are stated at cost. Assets are reviewed for impairment at each reporting date or whenever events and changes in circumstances indicate that the carrying amount may not be recoverable.

Investments

Investments are stated at fair value, which is determined by reference to the quoted market price at the reporting date. Movements in the fair value of investments are included in the statement of

comprehensive income. Investments includes cash held with stockbrokers, which is held as part of the Union's investment portfolio and which is held solely for investment purposes.

Foreign currency translation

The union has determined that GBP is its functional currency, as this is the currency of the economic environment in which the Union predominantly operates. Foreign currency transactions are translated into the Union's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Financial instruments

The Union only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like other debtors and creditors. Debt instruments that are payable or receivable within one year, typically other creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised within the operating surplus of loss. The impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Current asset investments – cash with stockbrokers

In previous years, cash held with stockbrokers was classified as a current asset investment on the basis that up to £250,000 was to be retained to meet liabilities as they fell due where the additional cash flow was required by the Union. Where this was not required, it was to be used for investment activities. At each balance sheet date, where use of the cash for operating commitments was not forecast, cash with stockbrokers was classified as a current asset investment and not as part of cash and

cash equivalents. At 31 December 2022, a decision was made that cash with stockbrokers is to be held exclusively for ongoing investment purposes and has therefore been classified as a fixed asset investment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term investments with original maturities of three months or less, and bank overdrafts. This excludes cash held as part of the union's investment portfolios which is included within fixed asset investments.

Provision for holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and is carried forward to future periods.

Provision for funeral benefits payable to life members

Provisions for funeral benefits payable to life members are measured at the estimated expenditure required to settle the obligation, based on the most reliable evidence available at the reporting date. Provisions are discounted to their present values, where the time value of money is material.

Current and deferred tax

Corporation tax is payable on the excess of interest income, rental income and chargeable gains arising on the disposal of properties and investments over expenditure on the provident benefits and reinvested chargeable gains for the year. Provident benefits comprise of payments as set out in the rules of the Union, which relate to death benefit and legal assistance, and a proportion of the costs of administering the Union in relation to those benefits. Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Designated reserves

Designated reserves represent amounts set aside from members' funds for specific purposes. This gives a more accurate picture of members' funds available as a reserve against fluctuating income, or to spend on new activities.

Branches

The Union operates a number of branches throughout

the country which hold money for their local operating purpose. Expenses incurred by the branches are reimbursed by the Union and included in the accounts. The funds of the branches are part of the Union's funds; however due to the immaterial amounts involved they are not included within the statement of financial position.

Pension contributions

The Union operates a career average revalued earnings defined benefit pension scheme. Under FRS 102 the operating costs of providing benefits, the service costs, and the interest cost and expected return on assets are included in comprehensive income in the period in which they arise. A full actuarial valuation was carried out at 6 April 2021 and the results updated to 31 December 2022 by a qualified independent actuary. The actuarial gains and losses from the pension scheme are recognised in other comprehensive income. The key financial assumptions which underpin the liability, notably the discount rate, are shown in note 26.

Judgements in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements management are required to make estimates and assumptions which affect income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. The following have been identified as key areas where a significant amount of judgement is required as the results are potentially material to the financial statements:

Defined benefit pension scheme - the cost of the defined benefit pension scheme is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not

represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates.

Investments - quoted investments are disclosed at market values at the balance sheet date.

Provisions for liabilities - provisions for liabilities included at the year end have been calculated using the best available knowledge at the time of preparing the financial statements, adjusted for information subsequently received. An element of estimation is therefore required when calculating the provisions.

In preparing these financial statements, the following critical judgements have been made: The market value of the pension scheme assets exceeds the value of the liability at the balance sheet date. However, the surplus on the scheme has not been recognised in the financial statements as the Union does not have an unconditional right to the surplus and has not benefitted from the surplus.

Going concern

The obligation to prepare these financial statements on a going concern basis has been considered by reference to budgets, forecasts and projected cash flows, covering a period of at least the 12 month period from the date of signing these accounts, as well as potential opportunities in relation to the controlled realisation of assets owned by the Union if required. In preparing these budgets, consideration has been given to anticipated movements in membership numbers and the consequent impact on future income levels. Consideration has also been given to the current rate of inflation and the impact on budgeted expenditure.

Equity Council believes the union has sufficient working capital to enable it to continue as a going concern for the foreseeable future, which is considered to be a period of at least 12 months from the date of signing these accounts.

Notes to the accounts

| | 2022 | 2021 |
|---------------------------------------------------------|-------------------|-------------------|
| 1 NUMBER OF MEMBERS | | |
| female | 24,610 | 24,501 |
| male | 21,880 | 22,041 |
| other gender identity | 245 | 141 |
| | 46,735 | 46,683 |
| 2 INCOME RELATED TO MEMBERS AND OTHER PERFORMERS | | |
| educational recording agency (era) | 1,473,895 | 1,410,810 |
| services sound and vision corporation | 16,000 | 16,000 |
| income from distributions | 264,716 | 307,434 |
| donations to the benevolent fund | 121,570 | 25,274 |
| | £1,876,181 | £1,759,518 |
| 3 INVESTMENT INCOME | | |
| bank interest | 6,696 | nil |
| interest and dividends received from investments | 518,619 | 518,453 |
| | £525,315 | £518,453 |
| 4 OTHER INCOME | | |
| facility payments (recorded media department) | 86,000 | 113,076 |
| furlough grants | nil | 89,486 |
| industry information service | 11,720 | 11,735 |
| sponsorship | 10,833 | 8,771 |
| other | 146,935 | 12,049 |
| | £255,488 | £235,117 |
| 5 STAFF COSTS | | |
| salaries | 3,183,197 | 2,900,973 |
| provision for holiday pay | (28,219) | (47,383) |
| national insurance | 361,673 | 304,776 |
| apprenticeship levy | 4,031 | 1,972 |
| | | |
| pension contributions | 866,617 | 961,233 |
| frs102 adjustment (refer to note 26) | 508,000 | 310,000 |
| pension charge calculated in accordance with frs 102 | 1,374,617 | 1,271,233 |
| | | |
| pension scheme regulatory levy | 18,332 | 13,616 |
| recruitment | 31,040 | 16,501 |
| training | 19,017 | 11,820 |
| welfare | 9,470 | 9,342 |
| | £4,973,158 | £4,482,850 |

Following the last actuarial valuation report on the Equity Staff Pension Scheme as at April 2021, an exceptional employer contribution of £2,000,000 was paid into the Scheme in December 2021. This contribution is shown separately on the face of the statement of comprehensive income.

Notes to the accounts

2022

2021

6 BENEFITS TO MEMBERS

| | | |
|--------------------------------------------------|-------------------|-----------------|
| funeral benefits payable to non life members (a) | 21,034 | 19,245 |
| grants from the benevolent fund | 61,412 | 53,628 |
| benefits and grants | 82,446 | 72,873 |
| diaries | 37,774 | 32,067 |
| campaign materials | 18,205 | nil |
| equity magazine | 105,818 | 90,585 |
| networking events | 2,947 | nil |
| newspaper cutting service | 1,279 | 615 |
| website | 28,124 | 42,791 |
| communications | 194,147 | 166,058 |
| accident and backstage insurance (a) | 355,706 | 348,057 |
| public liability insurance | 157,594 | 153,848 |
| insurance | 513,300 | 501,905 |
| legal aid / contractual disputes | 198,172 | 116,788 |
| legal aid / personal accident claims (a) | 7,320 | 3,586 |
| legal aid | 205,492 | 120,374 |
| bursaries to students and young people | 2,025 | nil |
| campaigning | 28,752 | 495 |
| professional fees (related to members) | 3,508 | 26,250 |
| special royalty projects | 41,180 | 28,930 |
| theatre awards | 500 | 1,132 |
| training | nil | nil |
| other | 75,965 | 56,807 |
| | £1,071,350 | £918,017 |

(a) deemed provident benefits

The salary costs of staff involved in the provision of benefits to members are included in note 5 (staff costs).

7 DEMOCRATIC COSTS

| | | |
|---------------------------------------------------|-----------------|-----------------|
| conference | 101,364 | 73,345 |
| council election (a) | 62,712 | nil |
| national, area and specialist committee elections | nil | 28,819 |
| elections | 62,712 | 28,819 |
| rule change referendum | 50,826 | 48,097 |
| | £214,902 | £150,261 |

(a) includes the elections of the Council, President, Appeals and Standing Orders Committees.

Notes to the accounts

2022

2021

8 ADMINISTRATIVE EXPENSES

| | | |
|--------------------------------|-----------------|-----------------|
| advertising and marketing | nil | 6,309 |
| bank charges | 97,041 | 76,949 |
| books and publications | 9,421 | 4,001 |
| computer support | 265,625 | 135,019 |
| general expenses | 27,730 | 19,772 |
| printing, postage & stationery | 149,313 | 119,891 |
| telecommunications | 58,826 | 40,140 |
| | £607,956 | £402,081 |

9 AFFILIATION FEES

| | | |
|--------------------------------|-----------------|-----------------|
| TUC | 140,120 | 138,653 |
| FIA | 70,178 | 74,252 |
| Irish Congress of Trade Unions | 8,387 | 3,592 |
| Scottish TUC | 5,165 | 4,746 |
| Welsh TUC | 419 | 412 |
| Trade Union Federations | 224,269 | 221,655 |
| Trades councils and sundry | 12,188 | 6,276 |
| | £236,457 | £227,931 |

10 GRANTS

| | | |
|-------------------------------------------------------|----------------|----------------|
| British Association for Performing Arts Medicine | 65,440 | 30,000 |
| Council for Dance, Drama and Musical Theatre (x cdet) | 2,737 | 3,236 |
| Dance UK / Healthier Dance Program | 219 | 292 |
| other grants | 6,576 | 1,200 |
| | £74,972 | £34,728 |

11 ORGANISING EXPENSES

| | | |
|---------------------------------------------|-----------------|----------------|
| council members | 30,684 | 3,065 |
| general branches | 22,478 | 4,570 |
| | 15,574 | 8,860 |
| meetings | 68,736 | 16,495 |
| organising / staff | 109,730 | 15,631 |
| motor car expenses | 73,492 | 46,843 |
| commission (5% for subscriptions collected) | 3,185 | 1,078 |
| branch funding | 7,233 | 11,639 |
| | £262,376 | £91,686 |

12 PROFESSIONAL COSTS

| | | |
|-------------------------------------------|-----------------|-----------------|
| amounts paid to auditors / audit | 44,600 | 55,447 |
| amounts paid to auditors / other services | 9,525 | nil |
| legal & professional | 172,120 | 278,400 |
| property management | 3,836 | 21,635 |
| stockbroker management | 55,568 | 63,378 |
| | £285,649 | £418,860 |

Notes to the accounts

2022

2021

13 PROPERTY AND EQUIPMENT COSTS

| | | |
|----------------------------------------------------------|-----------------|-----------------|
| office occupancy (rent, rates, light, heat and cleaning) | 129,368 | 400,964 |
| hire and maintenance of office equipment | 100,230 | 95,723 |
| building maintenance and external repairs | nil | 1,199 |
| decoration and internal repairs | 129,433 | 186,864 |
| insurance | 27,947 | 25,507 |
| | £386,978 | £710,257 |

14 TAX

| | | |
|--------------------------------|-------------------|-----------------|
| income tax (repayable)/payable | (4,738) | (6,573) |
| deferred tax | (672,385) | 451,253 |
| | (£677,123) | £444,680 |

The union is not liable to tax on income from its members. Corporation tax is payable on investment income and chargeable gains but only to the extent that these exceed allowable provident benefits.

15 OPERATING LEASES

At the end of the year the union had total commitments under non-cancellable operating leases which expire as follows:

| | | |
|--------------------------|-----------------|-----------------|
| within one year | 105,750 | 102,162 |
| within two to five years | 182,990 | 115,067 |
| over 5 years | nil | nil |
| | £288,740 | £217,229 |

16 KEY MANAGEMENT

key management compensation of £247,092 was paid in the year (2021 = £260,106)

17 TANGIBLE FIXED ASSETS

| | freehold land and buildings | freehold improvements | computer equipment | office equipment | total |
|----------------------------|-----------------------------|-----------------------|--------------------|------------------|-------------------|
| cost or deemed cost | | | | | |
| at 1 january 2022 | 6,377,754 | 704,970 | 1,788,230 | 76,503 | 8,947,457 |
| additions | nil | 751,734 | 481,914 | 287,080 | 1,520,728 |
| disposals | nil | (80,479) | (14,525) | (29,717) | (124,721) |
| at 31 december 2022 | 6,377,754 | 1,376,225 | 2,255,619 | 333,866 | 10,343,464 |
| depreciation | | | | | |
| at 1 january 2022 | 210,264 | 278,464 | 826,896 | 48,550 | 1,364,174 |
| disposals | nil | (80,479) | (14,525) | (29,717) | (124,721) |
| charge for the year | 27,778 | 162,342 | 266,698 | 55,026 | 511,844 |
| at 31 december 2022 | 238,042 | 360,327 | 1,079,069 | 73,859 | 1,751,297 |
| net book value | | | | | |
| at 31 december 2022 | £6,139,712 | £1,015,898 | £1,176,550 | £260,007 | £8,592,167 |
| at 31 december 2021 | 6,167,490 | 426,506 | 961,334 | 27,953 | £7,583,283 |

The freehold land and buildings were revalued on an open market basis on 1 January 2014 by Keningtons, an independent firm of chartered surveyors. The open market valuation in 2014 was £6,642,156. Guild House, London was revalued on 31 December 2022 at £7,315,000 on an open market basis. Equity's office on Cambridge Street, Glasgow is valued at the purchase price of £225,000 as at 11/06/2018. On an historical cost basis the freehold properties would have been valued at original cost of £2,470,941. This value has been used as the deemed cost and the property has not been revalued for financial purposes since and is held at cost basis.

Notes to the accounts

2022

2021

18 INVESTMENTS

| | | |
|---------------------------------------------------------|--------------------|--------------------|
| market value at 1 January | 16,884,563 | 16,257,097 |
| realised gains | 6,667 | 1,145,711 |
| unrealised reinvested (losses)/gains | (2,321,329) | 1,034,631 |
| dividends received | 518,619 | 518,453 |
| management fees charged | (69,023) | (71,331) |
| other | nil | 2 |
| cash withdrawn | nil | (2,000,000) |
| market value at 31 December | £15,019,497 | £16,884,563 |
| shown as | | |
| investments | 15,019,497 | 16,635,132 |
| cash with stockbrokers held as current asset investment | nil | 249,431 |
| | £15,019,497 | £16,884,563 |

All investments relate to quoted investments on readily accessible markets, primarily the London Stock Exchange. In addition the 2022 balances includes cash held with stockbrokers of £509,584 which is held exclusively for investment purposes only. In the prior year, a balance of up to £250,000 was retained as a current asset investment in cas there was a cash flow need. Investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value. Asset sales and purchases are recognised at their transaction value. The main investment risk lies in the combination of uncertain investment markets and volatility in yield. The union manages these risks by retaining expert advisors (Charles Stanley & Co Limited and Adam & Company) and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The union does not make use of derivatives and similar complex financial instruments.

There are no investments held in companies involved in the production, sale or distribution of armaments and no direct investment in companies that produce tobacco products.

19 SUNDRY DEBTORS AND PREPAYMENTS

| | | |
|--------------------------------|-----------------|-----------------|
| income tax repayable | 13,805 | 9,067 |
| season ticket loans to staff | 5,218 | nil |
| sundry debtors | 414,845 | 401,533 |
| prepayments and accrued income | 344,916 | 136,273 |
| | £778,784 | £546,873 |

20 CASH AT BANK AND IN HAND

| | | |
|----------------------------|--------------------|--------------------|
| bank deposit accounts | 10 | 10 |
| bank current accounts | 1,534,398 | 1,822,453 |
| cash held for distribution | 13,470,287 | 12,916,733 |
| cash in hand | 15,266 | 18,875 |
| | £15,019,961 | £14,758,071 |

Included within cash at bank and in hand is £613,471 (2021 - £394,306) in relation to amounts held under escrow (refer note 21).

21 SUNDRY CREDITORS AND ACCRUALS

| | | |
|------------------------------|-------------------|-------------------|
| amounts held in escrow | 613,471 | 394,306 |
| trade creditors | 131,541 | 151,655 |
| sundry creditors | 155,630 | 148,195 |
| taxation and social security | 140,735 | 174,560 |
| accruals and deferred income | 241,328 | 273,641 |
| | £1,282,705 | £1,142,357 |

22 CONTINGENT LIABILITIES

The union is involved in a number of legal cases on behalf of members, the outcome of which cannot be determined at this time (2021: none).

23 CAPITAL COMMITMENTS

At the end of the year there were no authorised or contracted capital commitments (2021:none).

Notes to the accounts

24 PROVISION FOR LIABILITIES

| | balance at 1 January 2022 | movement during the year | balance at 31 December 2022 |
|----------------------------------------------|---------------------------|--------------------------|-----------------------------|
| funeral benefits payable to life members | 290,835 | (20,552) | 270,286 |
| holiday pay | 89,617 | (28,219) | 61,398 |
| long term compensated absence | 50,000 | nil | 50,000 |
| fixed asset timing differences | 110,592 | 66,218 | 176,810 |
| funeral benefits payable to life members | (71,246) | 3,676 | (67,570) |
| capital losses carried forward | nil | (4,849) | (4,849) |
| other losses carry forward | (308,582) | (235,540) | (544,122) |
| unrealised gains on the investment portfolio | 1,277,163 | (501,890) | 775,273 |
| deferred tax | 1,007,927 | (672,385) | 335,545 |
| | £1,438,379 | (£721,153) | £717,226 |

Provision for funeral benefits payable to life members

Until 1998, members reaching State retirement age with 21 years continuous membership were awarded Life Membership where, subject to the payment of a one-off fee payable on a scale ranging between £20 and £40 (depending on the member's age), the life member could enjoy all the benefits of membership with no further subscriptions payable. A provision has therefore been set up to represent the anticipated funeral benefits that will become payable based on the number of life members still in membership, their presumed life expectancy and the current cost of the funeral benefit. This particular category of member ceased in 1998.

25 RELATED PARTY TRANSACTIONS

Educational Recording Agency ("ERA")

During the year the union undertook transactions with ERA in which an officer of the union served as a director. In the year ended 31 December 2022 Equity received licence revenues (excl.vat) of £1,473,895 (2021 - £1,410,810).

Grants to related parties

During the year the union made grants to the British Association for Performing Arts Medicine (2022 - £65,440, 2021 - £30,000), the Council for dance, drama and musical theatre (2022 - £2,737, 2021 - £3,236), where a member of Council or a member of staff serves on the governing body of the organisation.

26 PENSION FUND

The Union operates the Equity Staff Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits. Pension benefits for active members are linked to RPI inflation. The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members:

- Active members: currently employed by the Union
- Deferred members: former active members of the Scheme and not yet in receipt of a pension
- Pensioner members: in receipt of pension.

Future funding obligation

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 5 April 2021. This valuation revealed a funding shortfall of £2,666,000. The Union agreed to pay annual contributions of 17.0% of members' pensionable salaries until 30 June 2025 to meet the cost of future service accrual, death-in-service premiums and expenses of administering the Scheme, and contributions of 21.0% of members' pensionable salaries from 1 July 2025 until 31 December 2026. In respect of the Scheme as at 5 April 2021, the Union has paid a one-off additional contribution of £2 million in December 2021. The Union therefore expects to pay around £595,000 to the Scheme during the accounting year beginning 1 January 2023.

Notes to the accounts

Significant actuarial assumptions

The results of the most recent formal actuarial valuation as at 6 April 2021 have been updated to 31 December 2022 by a qualified independent actuary. The significant assumptions used were as follows:

| | 2022 £'000 | 2021 £'000 |
|----------------------------------------|---------------|---------------|
| discount rate | 4.8% | 1.8% |
| rpi inflation | 3.1% | 3.4% |
| cpi inflation | 2.7% | 2.9% |
| Life expectancies (years) | | |
| for a male aged 65 in 2020 | 21.9 | 21.9 |
| for a female aged 65 in 2020 | 24.3 | 24.3 |
| at age 65 for a male aged 45 in 2020 | 23.2 | 23.2 |
| at age 65 for a female aged 45 in 2020 | 25.7 | 25.7 |

Assets

the fair value of the assets of the scheme are invested as follows

| | | |
|---------------------------------|----------------|----------------|
| equities | 10,769 | 11,213 |
| bonds | 8,830 | 10,510 |
| diversified growth funds (dgfs) | 3,940 | 4,330 |
| property | 2,832 | 3,074 |
| cash | 1,729 | 2,135 |
| secured annuities | 792 | 1,084 |
| | £28,892 | £32,346 |

Reconciliation to the statement of financial position

| | 2022 £'000 | 2021 £'000 |
|------------------------------------------------------------------------------------|---------------|-----------------|
| market value of assets | 28,892 | 32,346 |
| present value of defined benefit obligation | (26,444) | (41,261) |
| Pension asset/(liability) | 2,448 | (8,915) |
| limit on recognition of asset | (2,448) | nil |
| Pension asset/(liability) recognised in the statement of financial position | nil | (£8,915) |

The assumptions used to calculate the DBO may take a range of values. Adopting different assumptions would lead to different results being disclosed. The value of assets and DBO are a "snapshot" view reflecting the market conditions on one day. The pension figures are therefore expected to be quite volatile from year to year.

Analysis of the change in the statement of financial position

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------------------------------|---------------|----------------|
| at 1 January | (8,915) | (13,060) |
| normal employer contributions | 789 | 848 |
| current service cost | (1,297) | (1,158) |
| amounts recognised in income and expenditure (note 5) | (508) | (310) |
| amount recognised as exceptional pension contribution | nil | 2,000 |
| administration expenses | (95) | (109) |
| interest cost | (165) | (147) |
| amounts recognised as pension adjustments | (260) | (256) |
| actuarial return on assets less interest | (3,511) | 518 |
| actuarial gains on defined benefit obligation | 15,642 | 2,193 |
| limit on recognition of assets less interest | (2,448) | nil |
| amounts recognised in other comprehensive income | 9,683 | 2,711 |
| at 31 December | nil | (8,915) |

Notes to the accounts

Reconciliation of Scheme's assets and defined benefit obligation (£'000s)

| | Assets | DBO | Net position |
|--------------------------------------------|---------------|-----------------|--------------|
| At 1 January 2022 | 32,346 | (41,261) | (8,915) |
| Benefits paid: | | | |
| Pensions | (934) | 934 | |
| Transfers | nil | nil | |
| Other | (281) | 281 | |
| Employer contributions | 789 | | 789 |
| Member contributions | | | |
| Current service cost | | (1,297) | (1,297) |
| Administration expenses | (95) | | (95) |
| Interest income/cost | 578 | (743) | (165) |
| Remeasurement gains/ (losses) | | | |
| Actuarial gains/ (losses): Change of basis | | 17,546 | 17,546 |
| Actuarial gains/ (losses): Experience | | (1,904) | (1,904) |
| Return on assets excluding interest income | (3,511) | | (3,511) |
| As at 31 December 2022 | 28,892 | (26,444) | 2,448 |

27 OFFICIALS' SALARIES AND OTHER BENEFITS

| | 2022 | 2021 |
|----------------------------------|-----------------|-----------------|
| Executive | nil | nil |
| President (a) / Maureen Beattie | nil | nil |
| President (b) / Lynda Rooke | nil | nil |
| General Secretary / Paul Fleming | 133,626 | 114,390 |
| | £133,626 | £114,390 |

The General Secretary and members of Equity Council are reimbursed for expenses incurred by them in the performance of their duties on behalf of the Union.

(a) Maureen Beattie ceased to hold office on 18/07/2022

(b) Lynda Rooke was appointed President on 19/07/2022

IRREGULARITY STATEMENT

Under section 32A (6A) of the Trade Unions & Labour Relations (Consolidation) Act 1992, we are obliged to publish the following statement: A member who is concerned that some irregularity may be occurring, or has occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct. The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police. Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of the rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice.



EQUITY