

EQUITY ACCOUNTS 2023

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 2023 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 2023 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:

Non-compliance with laws and regulations

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 and Labour Relations (Consolidation) Act 1992, UK tax legislation and equivalent local laws and regulations.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;

- Review of financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations.

Fraud

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 and how management monitor these processes.

Audit procedures performed by the engagement team included:

- Reading minutes of meeting of those charged with governance for any evidence of fraud or suspected 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 result;
- Assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- Challenging the assumptions and judgements made by management for key estimates, in particular in relation to income recognition and calculation of provisions.

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 Council's 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

I'm happy to report that we are now in a secure financial position after the very difficult years of the pandemic. Our operating surplus is up from last year, as are our fixed assets, which include our investments. They have recovered well after the disaster of the Liz Truss administration. Our income is also up, which is good news, but we will always want to do better. This means attracting more new and rejoining members. It's important for activists to remember that subscriptions are our core income. We hope that our industrial successes such as Stand Up For 17 and the general strengthening of Equity as a trade union will encourage more nonmembers working in the industry to join us.

I'd like to start this report by looking at the operating surplus before pension and investment adjustments, which is reported in the 2023 accounts as £482,703 up from £321,505 in 2022. This is a healthy surplus and close to budget. Our total income was £9,760,248 and our total expenditure was £9,277,545 which leaves us with the operating surplus of £482,703.

If we look a bit closer at our income we can see that subscriptions from members is up to £6,937,207 from £6,549,524 in 2022, a steady if unspectacular rise. Our investment income is also up to £661,891 (note 3) however this does include bank interest on the balances held in our current accounts of £100,568.

The other significant amount here is income related to members and other performers (note 2) which is £1,976,639. Most of this is from the Educational Recording Agency (ERA), a figure of £1,531,245. This is a payment to the Union from educational establishments that use our members' work and is a significant amount. This is not yet distributable to the individual artists concerned but we hope that in the future it will be. Also included is income from distributions, which is reported in the accounts as £422,301. This leads us to the total income figure of £9,760,248.

Regarding our expenditure, you'll see that our staff costs (note 5) make up over half of this figure. In 2023 they added up to £5,085,948 out of a total expenditure of £9,277,545. This is a small increase from £4,973,158 in 2022. Other reported costs include benefits to members at £1,283,021. Democratic costs are down to £163,875 and organising expenses are up to £388,262. These two figures reflect a quieter year for internal elections but a busier year for in-person meetings. For further detail on expenditure, please see notes 5 to 15 to the accounts.

Our net assets are also looking good. Our tangible fixed assets (note 17) stand at £8,147,287. If we add our investments (note 18) which stand at £16,083,276 that gives us a total of £24,230,563.

When we take into account net current liabilities of £934,105 and a provision for liabilities (note 24) of £698,997 that leaves us with net assets of £22,597,461 which is up from last year's figure of £21,847,738.

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 for reporting within the Union's annual accounts. In 2022 this valuation resulted in a surplus of £2.448 million. In 2023 the valuation also resulted in a surplus, this time with a value of £3.412 million. As last year, the Union has been instructed not to report the surplus as the Union will not be recovering the surplus from the scheme.

We are therefore showing a nil pension liability and our net assets including pension liability stand at £22,597,461. This is a strong position for us to be in.

Benevolent Fund expenditure was up from £61,412 in 2022 to £114,652 in 2023 as many of our members are still struggling post pandemic and post-Truss to make ends meet whether employed or unemployed. We offer subs grants to members who are struggling to stay in the union and welfare grants to members being punished by the cost of living. I'd like to put on record my thanks to the membership team for their hard work administrating the fund through what has been a very busy year. Rent and mortgages shot up after the mini budget of September 2022 and they've stayed up which is a huge contributor to the cost of living crisis. On top of that, the Minimum Income Floor (MIF) element of Universal Credit (UC) is weighed against self-employed workers and many of our members receive very little if any benefit from UC while unemployed. The MIF is a disaster for our members and our campaign to abolish it must continue right up to the General Election and beyond. The current government shows no appetite for reforming Universal Credit so we can only hope for

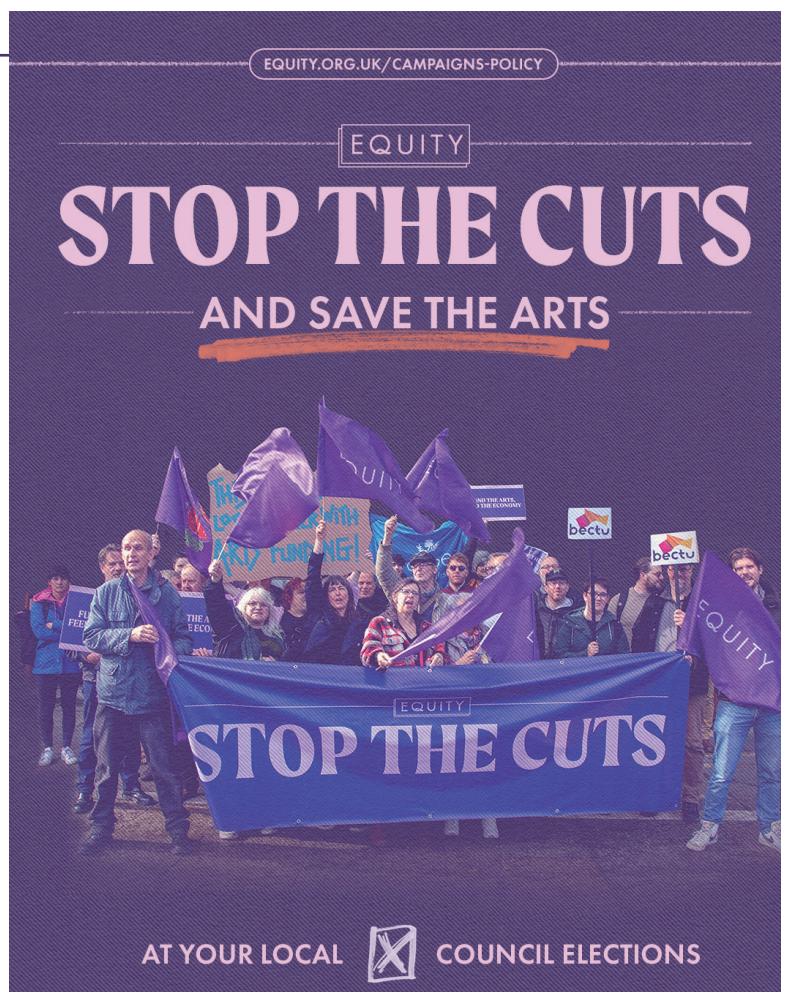
a new government this year who may show some empathy and understanding to the workers of our industry.

I want to personally thank our finance department at Guild House. They are a fantastic team and they deserve our thanks and respect. Beccy Reese, Assistant General Secretary (Finance & Operations) Gareth Rawlings, Senior Finance Officer and Daniel Fryer, Finance & Operations Assistant. We are in very safe hands.

In my report last year, I mentioned the fact that we were experiencing more cuts to the arts and that we would most likely face more struggles in 2023. Little did I know how grim things would become. Many local authorities are slashing their arts budgets in response to the UK government's austerity squeeze and in the most extreme cases some have announced 100% cuts to their arts provision. This is a disastrous state of affairs. Equity is campaigning strongly against these draconian cuts with our nationwide campaign "Stop The Cuts, Save The Arts". I also stated last year that I felt that we were in a good position to take on whatever the year would throw at us. This year we are even stronger and I can safely say that I consider our 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 for the year ended 31/12/2023

	note	2023/£	2022/£
Income			
Subscriptions from members		6,937,207	6,549,524
Income related to members and other performers	2	1,976,639	1,876,181
Investment income	3	661,891	525,315
Other income	4	168,010	255,488
Vat irrecoverable		16,501	nil
Total income		9,760,248	9,206,508
Expenditure			
Staff costs	5	5,085,948	4,973,158
Benefits to members	6	1,283,021	1,071,350
Democratic costs	7	163,875	214,902
Administrative expenses	8	707,971	607,956
Affiliation fees	9	255,401	236,457
Grants	10	44,658	74,972
Organising expenses	11	388,262	262,376
Professional costs	12	270,823	285,649
Property and equipment costs	13	523,498	386,978
Depreciation	17	554,088	511,844
Vat irrecoverable		nil	259,361
Total expenditure		9,277,545	8,885,003
OPERATING SURPLUS		482,703	321,505
Before pension and investment movements			
Interest income/(cost)		4,000	(165,000)
Administration expenses		(86,000)	(95,000)
Pension adjustments	26	(82,000)	(260,000)
Profit on sale of investments	18	107,942	6,667
Unrealised gain/(loss) on investments	18	459,651	(2,321,329)
Non operational items		567,593	(2,314,662)
Tax repayable		6,208	4,738
Deferred tax		(36,781)	672,385
Tax (charge)/ credit	14	(30,573)	677,123
SURPLUS/(DEFICIT) FOR THE YEAR		937,723	(1,576,034)
Actuarial (loss)/gain on the pension scheme	26	(188,000)	9,683,000
Other comprehensive (expense)/income		(188,000)	9,683,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		749,723	8,106,966

Statement of financial position at 31/12/2023

	note	2023/£	2022/£
Tangible fixed assets	17	8,147,287	8,592,167
Investments	18	16,083,276	15,019,497
Fixed Assets		24,230,563	23,611,664
Sundry debtors and prepayments	19	913,259	778,784
Cash at bank and in hand	20	14,557,309	15,019,961
Current Assets		15,470,568	15,798,745
Amounts collected for distribution		(12,031,086)	(13,944,098)
Subscriptions received in advance		(1,794,898)	(1,618,642)
Sundry creditors and accruals	21	(2,578,689)	(1,282,705)
Current Liabilities		(16,404,673)	(16,845,445)
NET CURRENT LIABILITIES		(934,105)	(1,046,700)
PROVISION FOR LIABILITIES	24	(698,997)	(717,226)
NET ASSETS EXCLUDING PENSION LIABILITY		22,597,461	21,847,738
PENSION LIABILITY	26	nil	nil
NET ASSETS INCLUDING PENSION LIABILITY		22,597,461	21,847,738
FUNDS EMPLOYED		22,597,461	21,847,738

Approved by Equity Council on 09 April 2024

Paul W Fleming
General Secretary

David John
Honorary Treasurer

Statement of changes in equity for the year ended 31/12/2023

	General fund/£	Revaluation reserve (a)/£	Benevolent fund (b)/£	Designated reserve / legal costs (c)/£	Designated reserve / industrial disputes (d)/£	Total/£
At 01/01/2022	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 31/12/2022	17,284,457	4,171,215	92,066	200,000	100,000	21,847,738
Income	9,753,155		7,093			9,760,248
Expenditure	(9,162,893)		(114,652)			(9,277,545)
Pension adjustments	(82,000)					(82,000)
Non operational items	567,593					567,593
Tax	(30,573)					(30,573)
Transfer	(900,000)				900,000	nil
Other comprehensive expense	(188,000)					(188,000)
at 31/12/2023	17,241,739	4,171,215	(15,493)	200,000	1,000,000	22,597,461

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.

In 2023 Equity council increased the reserve to £1 million to ensure the fund could cover sustentation for disputes in relation to single collective agreements

Statement of cash flows for the year ended 31/12/2023

2023/£

2022/£

CASH FLOWS FROM OPERATING ACTIVITIES

Operating surplus for the year	482,703	321,505
Adjustments for depreciation	554,088	511,844
FRS 102 pension adjustment included in staff costs	(270,000)	508,000
Dividend income received in investment cash	(561,323)	(518,619)
Interest	(100,568)	(6,696)
(Increase) in debtors	(134,475)	(227,170)
(Decrease)/increase in creditors	(440,772)	1,166,806
(Decrease) in provision for liabilities	(55,010)	(48,771)
Net cash (outflow)/inflow from operating activities	(525,357)	1,706,899

CASH FLOWS FROM INVESTING ACTIVITIES

Interest	100,568	6,696
Investment management fees	65,137	69,023
Purchase of fixed assets	(109,208)	(1,520,728)
Tax	6,208	nil
Net cash inflow/(outflow) from investing activities	62,705	(1,445,009)

(Decrease)/increase in cash and cash equivalents	(462,652)	261,890
Cash and cash equivalents at 1 January	15,019,961	14,758,071

CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14,557,309	15,019,961
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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.

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 benefited 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 months from the date of signing these accounts (anticipated to be the period ended 30th April 2025), 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 for the year ended 31/12/2023

	2023	2022
1 NUMBER OF MEMBERS		
Female	25,173	24,610
Male	22,012	21,880
Other gender identity	432	245
	47,617	46,735
	2023/£	2022/£
2 INCOME RELATED TO MEMBERS AND OTHER PERFORMERS		
Educational recording agency (era)	1,531,245	1,473,895
Services sound and vision corporation	16,000	16,000
Income from distributions	422,301	264,716
Donations to the benevolent fund	7,093	121,570
	1,976,639	1,876,181
3 INVESTMENT INCOME		
Bank interest	100,568	6,696
Interest and dividends received from investments	561,323	518,619
	661,891	525,315
4 OTHER INCOME		
Facility payments (recorded media department)	88,000	86,000
Industry information service	11,320	11,720
Sponsorship	4,167	10,833
Other	64,523	146,935
	168,010	255,488
5 STAFF COSTS		
Salaries	3,773,949	3,183,197
Movement in provisions for holiday pay & absence	(40,007)	(28,219)
National insurance	415,510	361,673
Apprenticeship levy	4,030	4,031
Pension contributions	1,112,445	866,617
Frs 102 adjustment (refer to note 26)	(270,000)	508,000
Pension scheme regulatory levy	13,197	18,332
Recruitment	53,369	31,040
Training	13,257	19,017
Welfare	10,198	9,470
	5,085,948	4,973,158

Notes to the accounts for the year ended 31/12/2023

2023/£

2022/£

6 BENEFITS TO MEMBERS

Funeral benefits payable to non life members (a)	24,343	21,034
Grants from the benevolent fund	114,652	61,412
Benefits and grants	138,995	82,446
Publications	52,722	37,774
Campaign materials	42,758	18,205
Equity magazine	156,168	105,818
Networking events	4,655	2,947
Newspaper cutting service	697	1,279
Website	45,921	28,124
Communications	302,921	194,147
Accident and backstage insurance (a)	398,511	355,706
Public liability insurance	163,364	157,594
Insurance	561,875	513,300
Legal aid / contractual disputes	205,330	198,172
Legal aid / personal accident claims (a)	nil	7,320
Legal aid	205,330	205,492
Bursaries to students and young people	2,055	2,025
Campaigning	35,061	28,752
Professional fees (related to members)	nil	3,508
Special royalty projects	36,284	41,180
Theatre awards	500	500
Other benefits	73,900	75,965
	1,283,021	1,071,350

(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

Annual conference	144,965	101,364
Council election (a)	nil	62,712
National, area and specialist committee elections	18,910	nil
Rule change referendum	nil	50,826
	163,875	214,902

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

Notes to the accounts for the year ended 31/12/2023

2023/£

2022/£

8 ADMINISTRATIVE EXPENSES

Bank charges	33,126	33,165
Credit card processing fees	75,976	63,876
Books and publications	4,460	9,421
Computer support	363,050	265,625
General expenses	13,798	27,730
Printing, postage & stationery	158,812	149,313
Telecommunications	58,748	58,826

707,971

607,956

9 AFFILIATION FEES

TUC	140,279	140,120
FIA	90,041	70,178
Irish Congress of Trade Unions	nil	8,387
Scottish TUC	4,590	5,165
Welsh TUC	419	419

Trade Union Federations	235,329	224,269
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Trades councils and sundry	20,072	12,188
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255,401

236,457

10 GRANTS

British Association for Performing Arts Medicine	30,000	65,440
Council for Dance, Drama and Musical Theatre	3,366	2,737
Dance UK / Healthier Dance Program	292	219
Other grants	11,000	6,576

44,658

74,972

11 ORGANISING EXPENSES

Council	25,582	30,684
Members	70,738	22,478
General branches	44,854	22,807
Staff	172,684	109,730
Car expenses	74,013	73,492
Commission (5% for subscriptions collected)	391	3,185

388,262

262,376

12 PROFESSIONAL COSTS

Amounts paid to auditors / audit	66,500	44,600
Amounts paid to auditors / other services	13,826	9,525
Aegal & professional	126,983	172,120
Property management	14,289	3,836
Stockbroker management	49,225	55,568

270,823

285,649

Notes to the accounts for the year ended 31/12/2023

2023/£

2022/£

13 PROPERTY AND EQUIPMENT COSTS

Office occupancy (rent, rates, light, heat and cleaning)	374,088	129,368
Hire and maintenance of office equipment	82,974	100,230
Building maintenance and external repairs	nil	nil
Decoration and internal repairs	54,310	129,433
Insurance	12,126	27,947
	523,498	386,978

14 TAX

Tax (repayable)/payable	(6,208)	(4,738)
Deferred tax	36,781	(672,385)
	30,573	(677,123)

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	131,019	105,750
Within two to five years	183,995	182,990
Over 5 years	nil	nil
	315,014	288,740

16 KEY MANAGEMENT

Key management compensation of £278,513 was paid in the year (2022 = £247,092)

17 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Freehold improvements	Computer systems and equipment	Office equipment	total
Cost or deemed cost					
At 1 January 2023	6,377,754	1,376,225	2,255,619	333,866	10,343,464
Additions	nil	39,728	55,496	13,984	109,208
Disposals	nil	(90,018)	(485,032)	(27,604)	(602,654)
At 31 December 2023	6,377,754	1,325,935	1,826,083	320,246	9,850,018
Depreciation					
At 1 January 2023	238,042	360,327	1,079,069	73,859	1,751,297
Disposals	nil	(90,018)	(485,032)	(27,604)	(602,654)
Charge for the year	27,778	130,179	326,496	69,635	554,088
At 31 December 2023	265,820	400,488	920,533	115,890	1,702,731
Net book value					
At 31 December 2023	6,111,934	925,447	905,550	204,356	8,147,287
At 31 December 2022	6,139,712	1,015,898	1,176,550	260,007	8,592,167

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 for the year ended 31/12/2023

2023/£

2022/£

18 INVESTMENTS

Market value at 1 January	15,019,497	16,884,563
Realised gains	107,942	6,667
Movement in unrealised gains /(losses)	459,651	(2,321,329)
Dividends received	561,323	518,619
Management fees charged	(65,137)	(69,023)

Market value at 31 December

16,083,276

15,019,497

All investments relate to quoted investments on readily accessible markets, primarily the London Stock Exchange. 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 or fossil fuels. Investments in companies with a strong ESG rating in areas relating to labour rights are prioritised

19 SUNDRY DEBTORS AND PREPAYMENTS

Income tax repayable	20,013	13,805
Loans to staff	8,874	5,218
Sundry debtors	527,738	414,845
Prepayments and accrued income	356,634	344,916

913,259

778,784

20 CASH AT BANK AND IN HAND

Bank deposit accounts	10	10
Bank current accounts	2,250,604	1,534,398
Cash held for distribution	12,292,389	13,470,287
Cash in hand	14,306	15,266

14,557,309

15,019,961

Included within cash at bank and in hand is £1,100,989 (2022 - £613,471) in relation to amounts held under escrow (refer note 21).

21 SUNDRY CREDITORS AND ACCRUALS

Amounts held in escrow	1,100,989	613,471
Trade creditors	1,154,285	131,541
Sundry creditors	3,663	155,630
Taxation and social security	152,162	140,735
Accruals and deferred income	167,590	241,328

2,578,689

1,282,705

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.

23 CAPITAL COMMITMENTS

At the end of the year there were no authorised or contracted capital commitments (2022 - nil)

Notes to the accounts for the year ended 31/12/2023

24 PROVISION FOR LIABILITIES

	Balance at 1 January 2023/£	Movement during the year/£	Balance at 31 December 2023/£
Funeral benefits payable to life members	270,286	(15,003)	255,283
Holiday pay	61,398	9,993	71,391
Long term compensated absence	50,000	(50,000)	nil
Fixed asset timing differences	176,810	(6,301)	170,509
Funeral benefits payable to life members	(67,570)	3,675	(63,895)
Capital losses carried forward	(4,849)	4,849	nil
Other losses carry forward	(544,122)	(2,587)	(546,709)
Unrealised gains on the investment portfolio	775,273	37,145	812,418
Deferred tax	335,542	36,781	372,323
	717,226	(18,229)	698,997

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 a member of staff of the union served as a director. In the year ended 31 December 2023 Equity received licence revenues (excl-vat) of £1,531,245 (2022 - £1,473,895).

Grants to related parties

During the year the union made grants to the British Association for Performing Arts Medicine (2023 -£30,000 2022 - £65,440), the Council for dance, drama and musical theatre (2023 £3,366 2022 - £2,737), 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 contributions of 17.0% pa of members' pensionable salaries until 30 June 2025, and contributions of 21.0% pa of members' pensionable salaries from 1 July 2025 until 31 December 2026, to meet the cost of future service accrual, death-in-service premiums and expenses of administering the Scheme. In respect of the deficit in the Scheme as at 5 April 2021, the Union paid a one off contribution of £2 million in December 2021. The Union therefore expects to pay £710,000 to the Scheme during the accounting year beginning 1 January 2024.

Notes to the accounts for the year ended 31/12/2023

Significant actuarial assumptions

The results of the most recent formal actuarial valuation as at 6 April 2021 have been updated to 31 December 2023 by a qualified independent actuary. The significant assumptions used were as follows:

	2023	2022
Discount rate	4.5%	4.8%
Rpi inflation	3.0%	3.1%
Cpi inflation	2.7%	2.7%
Life expectancies (years)		
For a male aged 65 in 2023	21.4	21.9
For a female aged 65 in 2023	23.9	24.3
At age 65 for a male aged 45 in 2023	22.6	23.2
At age 65 for a female aged 45 in 2023	25.3	25.7
	2023	2022
	£'000	£'000

Assets

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

Equities	4,513	10,769
Bonds	18,603	8,830
Diversified growth funds (dgfs)	4,497	3,940
Property	2,865	2,832
Cash	751	1,729
Secured annuities	374	792
	31,603	28,892

Reconciliation to the statement of financial position

	2023	2022
	£'000	£'000
Market value of assets	31,603	28,892
Present value of defined benefit obligation	(28,191)	(26,444)
Pension asset	3,412	2,448
Limit on recognition of asset	(3,412)	(2,448)
Pension asset recognised in the statement of financial position	nil	nil

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

	2023	2022
	£'000	£'000
At 1 January	nil	(8,915)
Normal employer contributions	898	789
Current service cost	(628)	(1,297)
Amounts recognised in income and expenditure (note 5)	270	(508)
Administration expenses	(86)	(95)
Interest cost	122	(165)
Interest on irrecoverable surplus	(118)	
Amounts recognised as pension adjustments	(82)	(260)
Actuarial return on assets less interest	1,503	(3,511)
Actuarial gains on defined benefit obligation	(845)	15,642
Limit on recognition of assets less interest	(846)	(2,448)
Amounts recognised in other comprehensive (expense)/ income	(188)	9,683
At 31 December	nil	nil

Notes to the accounts for the year ended 31/12/2023

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

	Assets	DBO	Net position
At 1 January 2023	28,892	(26,444)	2,448
Benefits paid:			
Pensions	(937)	937	nil
Transfers	nil	nil	nil
Other	(50)	50	nil
Employer contributions	898	nil	898
Member contributions	nil	nil	nil
Current service cost	nil	(628)	(628)
Administration expenses	(86)	nil	(86)
Interest income/(cost)	1,383	(1,261)	122
Remeasurement gains/ (losses)			
Actuarial (losses): Change of basis	nil	(269)	(269)
Actuarial (losses): Experience	nil	(576)	(576)
Return on assets excluding interest income	1,503	nil	1,503
As at 31 December 2023	31,603	(28,191)	3,412

27 OFFICIALS' SALARIES AND OTHER BENEFITS

	2023	2022
Executive	nil	nil
President (a) / Maureen Beattie	nil	nil
President (b) / Lynda Rooke	nil	nil
General Secretary / Paul Fleming	139,971	133,626
	139,971	133,626

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