

Equity Charitable Trust

Trustees' Annual Report & Financial Statements

Year ended 31 March 2023

Charity number 328103
Company number 02341733

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Equity Charitable Trust
Trustees' Annual Report and Financial Statements
for the Year Ended 31 March 2023

Legal and administrative information

Board of Trustees

Jean Rogers (Chair)

Ian Talbot (Co-Vice Chair)

Christine Payne (Co-Vice Chair)

Robin Browne

Stephen Ross

Oliver Ford Davies ~

Shalom Lee-Ramsbottom (appointed 13 April 2022)

Stephen Nigel Gilchrist

William Cummings Thompson

Helen Louise Granger (appointed 13 April 2022)

Malcolm Sinclair

Tonia Daley Campbell † (appointed 12 October 2022)

Shenagh Govan † (appointed 12 October 2022)

Rachael Fagan † (appointed 12 October 2022)

David John†

Lizzie May Cooper † (appointed 12 October 2022)

Barbara Hyslop (resigned 13 April 2022)

Annie Bright (resigned 28 September 2022)

Martin Brown (resigned 23 April 2023)

Bryn Alun Evans (resigned 30 November 2022)

Company Secretary

Kaethe Cherney

Registered office

Plouviez House

19-20 Hatton Place

London EC1N 8RU

Charity number

328103

Company number

02341733

Solicitors

Harbottle & Lewis LLP

Hanover House

14 Hanover Square

London W1S 1HP

Investment managers

Charles Stanley & Company Ltd

25 Luke Street

London EC2A 4AR

Auditors

Nyman Libson Paul LLP

124 Finchley Road

London NW3 5JS

Principal bankers

Unity Trust Bank plc

Nine Brindleyplace

Birmingham B1 2HB

~ These trustees retire by rotation and were re-elected on 13th October 2021.

† These trustees were nominated by The Equity Council to serve for a two year period as approved by the AGM on 12th October 2022

Equity Charitable Trust

Trustees' Annual Report and Financial Statements

for the Year Ended 31 March 2023

Report of the Trustees

The Trustees of the Equity Charitable Trust (the Trust) are pleased to present their annual report together with the financial statements for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The reference and administrative information set out in page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the second edition Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal activities of the charitable company at the present time are the provision of education and welfare grants and also providing the services of a welfare rights and debt adviser for the benefit of industry professionals.

The Welfare Rights and Debt Adviser works on a part time basis only (1 day per week) but will assist any industry professional who is experiencing benefit or debt related problems either by phone or face to face interview from the office based at Plouviez House. Since Covid this has been provided remotely.

The grants awarded under our education bursary system enable industry professionals either to develop an alternative career or a second string career so that when they are not performing they have another source of income rather than relying on State Benefits. Once they have retrained they can then add something back into the community through their new careers e.g. teaching, psychotherapy etc.

The Trust has also provided support to professional theatres for the maintenance and promotion of the performing arts as well as encouraging the employment of professional performers. This activity has been less prominent in recent years because the Board has wished to concentrate on assisting individuals in need through retraining or welfare grants. Since Covid the focus has been on welfare grants.

The Trust regularly reviews its objectives to ensure that they remain relevant to helping those in most need of assistance.

Public Benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on Public Benefit in planning the charity's aims, activities and future plans.

Structure, governance and management

The Trust is a charitable company limited by guarantee, incorporated on 31 January 1989 and registered as a charity on 21 February 1989, number 328103 under a Memorandum and Articles of Association.

The number of directors (who act as trustees) shall be not less than 3 nor exceed 30. The Council of Equity (the entertainment professionals' union) may nominate persons to be admitted to membership of the charitable company to serve as directors (the Council Members) for a period of 2 years. Other directors are appointed from members of the company and one third of them shall retire at the Annual General Meeting in every other year, but may be reappointed. New trustees are inducted and provided with appropriate training.

Report of the Trustees

Charity Governance Code

During the year, the trustees carried out a self-evaluation by benchmarking the Trust's activities against the latest version of the Charity Governance Code to identify any areas for improvement. The results of this exercise informed the charity's ongoing governance review and implementation plans.

The Trust has undertaken to meet its beneficiaries' needs with compassion and respect. It speaks to the other theatrical charities regularly, and often work together to help its clients get back on the right foot. For instance, the Royal Variety Charity offers career coaching sessions, so the Trust referred struggling performers to that service, or to the Actors Children's Trust if they fit their criteria.

The Trust spreads The Combined Theatrical Charities Appeal Council on its social media platforms and has highlighted its education grants to those that have mentioned they're considering a career change or need a second string. The Trust's Welfare Advisor has helped people navigate the complexity of the Benefits System, and has brought organisations such as Step Change to their attention if they're struggling with debt.

The Board meets at least 5 times a year and it discusses the broad strategy and areas of activity for the Trust. It also reviews the investments in line with the investment and reserves policies and holds six monthly meetings with the investment managers. The full Board meets at least twice a year.

The Board will also undertake periodic reviews of our investment managers and auditors in line with best practice for charities. It also reviews the budgets and risk management and undertakes any other administrative issues that may arise. The Education Sub Committee meets three or four times a year to assess new applications for grants to provide training or retraining in line with the current criteria. The Board also assesses applications for welfare grants.

The day to day administration of the charitable company is the responsibility of the Secretary and the Welfare Caseworker whilst a Finance Officer monitors the financial activities.

Any new trustees are invited to spend time with the Finance Officer, Secretary and Welfare Caseworker to become acquainted with the Trust and its objectives and activities, as well as receiving information on their responsibilities as a member of the Board. All trustees give their time freely and no trustee remuneration was paid in the year. Trustees are required to disclose all relevant interests and register them with the Secretary and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The Trust is a member of the Combined Theatrical Charities Appeals Council, which undertakes a fundraising appeal in professional theatres across the UK over two weeks in October under the banner 'Acting for Others'. The money raised is then distributed amongst the 15 members who receive sums that will be based upon their application to the Combined Theatrical Charities. As a result of the pandemic, the Trust did not receive funding from the appeal in 2022/23 (2022: £nil). Instead, the Trust was awarded £35,000 (2022: £75,000) to augment its welfare grants programme.

The Trust does not generally fundraise in its own right and seeks to continue its work through careful management of its existing resources and the occasional donation.

Equity Charitable Trust

Trustees' Annual Report and Financial Statements

for the Year Ended 31 March 2023

Report of the Trustees

Risk management

The Trust has considered the major risks to which it is exposed and has reviewed these risks and established systems and procedures to manage them. A risk assessment is conducted regularly to review the major risks faced by the Trust and to ensure that the directors have a sound knowledge of the charity and are in an informed position regarding its operations. The directors consider that one of the major risks to which the charity is exposed – namely the maintenance of capital values and income levels – is mitigated by delegating the management of the charity's investment portfolio to a firm of investment managers. The directors monitor its performance on a regular basis.

John Fernald Award

This provides support to professional theatres for the training of new assistant directors. The Trust incorporated this charity in 1998 and took over all aspects of the administration. There is one committee meeting per year, usually in March. Two Board members serve on the committee together with eight other representatives.

Grant making policy

The Trust operates its policy for grant making, in particular the delivery of welfare grants, in accordance with a set of guidelines drawn up in accordance with Charity Commission recommendations and the charity's own constitution and which has then been approved by the Board.

The Trust's priority is that of full transparency and accordingly the guidelines are published on its website and accessible to all potential applicants. Their purpose is to ensure consistency in fairness to applicants, so they know that broadly, performance professionals in similar circumstances will receive similar consideration and amounts and to set the expectations of applicants. The procedures are also designed to ensure that those making the decisions act fairly and are accountable and all decisions are fully documented.

Welfare grants are usually one off payments but may be spread if paying for treatment received e.g. psychotherapy sessions. Education grants may be paid over a period of up to 12 months dependent upon the course undertaken. A requirement of each grant is that the applicant provides a copy of the certificate, degree, etc at the end of the course. If a course is funded over a number of years, the students must reapply at the end of each year for the grant to be continued. Reports are also requested so that the student's progress can be monitored.

Equity Charitable Trust

Trustees' Annual Report and Financial Statements

for the Year Ended 31 March 2023

Report of the Trustees

Achievements, performance and how our grant programmes deliver public benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our objectives and in planning our future activities. In particular, we have considered how planned activities will contribute to the objectives that we have set. The directors are satisfied that the Trust meets the Charity Commission's guidelines with regard to delivering public benefit.

In total, grants amounting to £597,801 (2022: £596,439) were payable in the financial year ended 31 March 2023.

The effects of the Covid pandemic upon those working within the performing arts industry resulted in the significant increase in welfare and other assistance grants payable. An anonymous CAF Donor gave the Trust £50,000 (2022: £250,000) to distribute to those individuals working within the industry facing serious financial hardship.

The Trust received £35,000 (2022: £75,000) grant funding from The Combined Theatrical Appeals Council. This grant was designed to augment the Trust's existing welfare grants giving programme to support the increased applications for financial assistance from those individuals facing severe financial hardship caused by the pandemic.

Welfare:

The Covid pandemic and attendant lockdown resulted in many individuals facing serious financial hardship as arts venues throughout the country were temporarily closed down. Without doubt, the performing arts industry was massively impacted upon by the pandemic. While many venues have reopened, the lingering impact will take some time to address. As a result, there remains many within the industry struggling to manage with day to day costs such as home utility bills.

During the year, Welfare grants of £226,909 (2022: £299,332) were allocated to 175 individuals (2022: 284). These grants were awarded for various reasons including payment of household bills, medical bills, convalescence care, mortgage arrears, bankruptcy fees, car repairs, new furniture and a new boiler.

Education:

In the same period, £76,530 (2022: £87,808) was allocated to 52 individuals (2022: 52).

Theatre:

The Board awarded theatre grants to 2 institutions (2022: 3) totalling £18,000 (2022: £20,000)

The John Fernald Award Committee did not make grant awards (2022: £Nil) to any institutions (2022: £Nil) for the year ending 31 March 2023.

Equity Charitable Trust

Trustees' Annual Report and Financial Statements for the Year Ended 31 March 2023

Report of the Trustees

Financial review of the year

Total incoming resources for the year were £583,822 (2022: £731,899) and total resources expended were £770,074 (2022: £756,486). Net deficit for the year before recognised gains and losses was £186,252 (2022: £24,587 deficit). There was a net loss on investments of £516,534 compared with a net loss the previous year of £153,147.

The Trust is reliant upon the income from its investments (including investment property). This was £491,091 including the John Fernald Award (2022: £401,902). Income was supplemented with a number donations totalling £90,107. While there was no donation this year from The Combined Theatrical Charities Appeal Council (2022: £Nil), they provided grant funding of £35,000 (2022: £75,000) towards the Trust's welfare grants disbursements programme.

The value of the Trust's listed investments showed an decrease in value from £10,981,342 to £10,427,414 during the year. The value of the freehold property is £1,800,000 based upon a professional valuation undertaken by Cluttons in March 2023. There being no impairment and bearing in mind the planned maintenance programme, the trustees decided that the current valuation is acceptable.

Plouviez House

The Trust's investment property, Plouviez House, was acquired in 2007. The building is mainly rented to two charities at below market rents. Until July 2023 ECT staff also utilised space within the building. They have since relocated to offices that are more fit for purpose. One of the tenants ceased physical occupation of the building at the start of the Covid pandemic in 2020. The other utilises their space on a two to three day a week basis.

Plouviez House is valued at £1.8 million. Due to the combination of below market rental income, escalating maintenance costs and the stagnant market valuation of the property the Trustees initiated a review as to the rationale for continued ownership of the building.

At an Extraordinary General Meeting of the Trustees on 31 October 2022 it was proposed and agreed that Plouviez House should be marketed for sale. The proceeds of sale are to be re- invested in the Trust's investment portfolio. The Trust has appointed the Ethical Property Foundation (a charity) to manage the sales process. We are in the early stages of that process. Real Estate Agents have been invited to bid for the work.

If and when we receive a suitable offer the Trustees will convene an Extraordinary Meeting at which the details of the offer will be considered and voted upon.

Equity Charitable Trust

Trustees' Annual Report and Financial Statements

for the Year Ended 31 March 2023

Report of the Trustees

Investment policy and performance

The trustees have a general power of investment and have agreed to delegate the management of available funds to an independent investment manager. The Trust avoids investments in arms and tobacco manufacturers.

A medium risk investment strategy has been adopted to provide income to finance the planned programme of charitable expenditure and a degree of capital appreciation. The trustees have adopted a total return policy, should the need for additional monies be required.

Reserves policy

The purpose of the Reserves Policy for Equity Charitable Trust is to ensure the stability of the mission, programs, employment, and ongoing operations of the organisation and to provide a source of internal funds for organisational priorities such as building repair and improvement. The Accumulated General Fund as at 31 March 2023 was £12,489,809 (2022: £13,054,909); it enables Equity Charitable Trust to maintain its grant giving capacity and ensures financial stability. The designated John Fernald Fund as at 31 March 2023 was £24,471 (2022: £23,706); it provides financial support to emerging theatre directors. The designated Sinking Fund as at 31 March 2023 was £8,217 (2022: £7,826); it represents amounts set aside by Equity Charitable Trust to pay for long term repairs to the building. The Restricted Fund contains two donor amounts representing unspent grants provided to augment the Trust's welfare grants program. The £35,000 balance was received from The Combined Theatrical Appeals Council on 23rd March 2023 and was unspent at the year end. The anonymous CAF Donor donated £50,000 on 6th December 2022 and was unspent at the year end. The Restricted Sinking Fund as at 31st March 2023 was £23,846 (2022: £21,987); it represents amounts received from tenants which is set aside to pay for long term repairs to the building.

Plans for the future

Most of Equity Charitable Trust's income derives from its listed investments. Given the climate of uncertainty brought about by Covid, long range forecasts of stock market performance and its impact upon dividend income has been sought from its investment bank Charles Stanley. This will enable the Trust to plan accordingly through to March 2025.

Going concern

On the basis of their assessment of the Trust's financial position, and of the enquiries made by the Directors of Charles Stanley, the Trust's Directors have reasonable expectation that the Trust will be able to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Equity Charitable Trust

Trustees' Annual Report and Financial Statements

for the Year Ended 31 March 2023

Report of the Trustees

Statement of Trustees' responsibilities

The trustees (who are also the directors of Equity Charitable Trust for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the charitable company's auditor that ought to have individually taken, have each taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Nyman Libson Paul LLP, Chartered Accountants, were appointed as auditors in November 2019 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Equity Charitable Trust
Trustees' Annual Report and Financial Statements
for the Year Ended 31 March 2023

Report of the Trustees

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Board of Directors



Jean Rogers

Director

Approved by the Board of Directors on 26 July 2023

Equity Charitable Trust

Auditors' Report

for the Year Ended 31 March 2023

Opinion

We have audited the financial statements of Equity Charitable Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the charitable company's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 charitable company'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

Equity Charitable Trust
Auditors' Report
for the Year Ended 31 March 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report.

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine 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 Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable company or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Equity Charitable Trust
Auditors' Report
for the Year Ended 31 March 2023**

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.

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:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and the Charities Act 2011. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above 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 would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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 Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jennifer Pope, Senior Statutory Auditor

For and on behalf of Nyman Libson Paul LLP

124 Finchley Road
London
NW3 5JS

Date:

26 July 2023

Equity Charitable Trust, Plouviez House, 19-20 Hatton Place, London EC1N 8RU

Telephone : 020 7831 1926 Enquiries : info@equitycharitabletrust.org.uk www.equitycharitabletrust.org.uk

Equity Charitable Trust
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for the Year Ended 31 March 2023

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Statement of Financial Activities for the year ended 31 March 2023

(incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income:					
Donations and legacies	2	5,107	85,000	90,107	327,547
Charitable activities	3	-	-	-	0
Investments	4	430,050	765	430,815	343,178
Rental income		61,041	1,859	62,900	61,174
Total income		496,198	87,624	583,822	731,899
Expenditure:					
Raising Funds					
Investment management	6	37,395	-	37,395	36,487
Property expenditure		38,068	-	38,068	42,174
Charitable activities					
Grants payable		366,439	231,362	597,801	596,439
Grant related support costs	6	75,545	-	75,545	66,287
Welfare and bad debt advice		21,265	-	21,265	15,099
Total expenditure	7	538,712	231,362	770,074	756,486
Operating surplus/(deficit) before other recognised gains and losses		(42,514)	(143,738)	(186,252)	(24,587)
Transfers between funds		(5,661)	5,661	-	-
Other recognised gains and losses:					
Gains/(losses) on listed investments					
Realised gains/(losses)	11	(59,471)	-	(59,471)	12,017
Unrealised gains/(losses)	11	(457,063)	-	(457,063)	(165,164)
Gains/(losses) on freehold property					
Unrealised gains/(losses)	11	-	-	-	100,000
Net movement in funds for the year		(564,709)	(138,077)	(702,786)	(77,734)
Reconciliation of funds					
Total funds brought forward	15	13,062,735	271,394	13,334,129	13,411,863
Total funds carried forward		12,498,026	133,317	12,631,343	13,334,129

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Equity Charitable Trust, Plouviez House, 19-20 Hatton Place, London EC1N 8RU

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Equity Charitable Trust
Trustees' Annual Report and Financial Statements
for the Year Ended 31 March 2023

Balance Sheet as at 31 March 2023

	Notes	Total 2023 £	Total 2022 £
Fixed assets			
Freehold property	10	1,800,000	1,800,000
Tangible assets	10	1	1
Investments:			
Listed investments	11	10,362,578	10,966,737
		12,162,579	12,766,738
Current assets			
Debtors: amount falling due within one year	13	166,354	166,306
Debtors: amount falling due after more than one year	13	5,940	6,180
Cash at bank		466,502	630,272
		638,796	802,758
Current liabilities			
Creditors: amounts falling due in one year	14	(170,032)	(235,367)
		468,764	567,391
Net current assets		12,631,343	13,334,129
Total assets less current liabilities		12,631,343	13,334,129
Net assets		12,631,343	13,334,129
Funds			
Unrestricted funds			
General fund	15	12,489,809	13,054,909
Designated funds	15	8,217	7,826
Restricted funds			
	15	133,317	271,394
Total funds		12,631,343	13,334,129

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board and authorised for issue on 26 July 2023 and signed on its behalf by:



Jean Rogers
 Director
 Company number 02341733



Bill Thompson
 Director

The notes on pages 16 to 27 are an integral part of the financial statements.

Equity Charitable Trust
Trustees' Annual Report and Financial Statements
for the Year Ended 31 March 2023

Cashflow Statement

	Total 2023	Total 2022
	£	£
Cash used in operating activities:		
Net cash provided by operating activities	(682,210)	(201,169)
Interest income	527	30
Dividend income	430,288	343,148
Purchase of investments	(729,586)	(1,095,296)
Proceeds from sale of investments	817,211	931,764
Cash provided by (used in) investing activities	518,440	179,646
Change in cash and cash equivalents in the reporting period	(163,770)	(21,523)
Cash and cash equivalents at the beginning of the year	630,272	651,795
Total cash and cash equivalents at the end of the year	466,502	630,272
Reconciliation of cash equivalents at the end of the year:		
Cash at bank	401,666	615,667
Cash awaiting investment	64,836	14,605
	466,502	630,272
Reconciliation of net income to net cash flow from operating activities		
Net expenditure for the reporting period	(702,786)	(77,734)
Deduct interest income shown in investing activities	(526)	(31)
Deduct dividend income shown in investing activities	(430,288)	(343,148)
Add back losses on investments	516,534	53,147
Decrease / (increase) in debtors	192	(4,181)
(Decrease) / increase in creditors	(65,336)	170,778
Net cash used in operating activities	(682,210)	(201,169)

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Notes forming part of the Financial Statements

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

General information

Equity Charitable Trust is a charitable company (registered number 02341733), limited by guarantee, domiciled in England and Wales.

The registered office, charity and company number is as stated on page 1

The charitable company's functional and presentational currency is Pound Sterling and rounded to the nearest £1

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the second edition Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006. The company has applied all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102).

The charitable company meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The charity meets its day to day working capital requirements from income generated by its investment portfolio and from its investment property.

After reviewing the charity's forecasts and projections, at the time of approving these financial statements, the trustees consider that adequate resources continue to be available to fund the activities of the Trust for the next 12 months. The trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the charity's financial statements.

Notes forming part of the Financial Statements

1 Accounting Policies (continued)

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Board of Trustees in furtherance of the charitable objectives of the charitable company.

Designated funds comprise unrestricted funds set aside by the trustees for specific future purposes or projects.

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor or through the terms of an appeal.

Income

Income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income, received by way of donations, legacies and grants, is included in full in the Statement of Financial Activities when receivable. Investment income, bank interest, rent and service charges receivable are fully accrued at the balance sheet date.

Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred, as soon as there is a legal or constructive obligation committing the charitable company to the expenditure. Expenditure includes any VAT, which cannot be recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable are charged in the year when the offer is agreed by trustees except in those cases where the offer is conditional, such awards being recognised as expenditure when the conditions attaching to the grants are fulfilled. Grants offered subject to conditions that have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs include those costs primarily associated with meeting the constitutional and statutory requirements of the charitable company and include the auditors' remuneration and legal fees and costs linked to the charitable company's compliance with regulation and good practice.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimates of the proportion of time spent by staff on those activities.

Notes forming part of the Financial Statements

1 Accounting Policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its estimated useful life as follows:

- Furniture and equipment (over £1,000 per item) 25% straight line basis

No depreciation has been charged on the property as it is considered that the residual value is at least as great as the carrying value and any depreciation charge would be immaterial. The charity operates a rolling repairs cycle to ensure that this policy continues to be appropriate.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the fair value for investment properties and closing quoted market price for other quoted investments. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pension costs

Contributions in respect of personal stakeholder pension schemes are charged to the statement of financial activities for the year in which they are payable to the scheme.

Accounting estimates and key judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

There were no critical judgements or estimation uncertainty in 2022-23

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Notes forming part of the Financial Statements

2 Donations and legacies	2023	2022
	£	£
The Combined Theatrical Charities Appeals Council (restricted)	35,000	75,000
Anonymous CAF donations (restricted)	50,000	250,000
Other unrestricted donations	5,107	2,547
	<u>90,107</u>	<u>327,547</u>

Of total income from donations and legacies £5,107 (2022: £2,547) was unrestricted and £85,000 (2022: £325,000) was restricted.

An anonymous CAF Donor made a donation of £50,000 which was to be used to augment the welfare grants programme and has been used to assist beneficiaries primarily with their utilities bills via energy grants. The Combined Theatrical Charities Appeals Council donation was to be used to augment the welfare grants programme.

3 Investments	2023	2022
	£	£
Dividends and interest receivable from investments	430,288	343,148
Bank interest receivable	527	30
	<u>430,815</u>	<u>343,178</u>

Of total income from investments £430,050 (2022: £342,587) was unrestricted and £765 (2022: ££591) was restricted.

Of total income from property £61,041 (2022: £60,228) was unrestricted and £1,859 (2022: £1,859) was restricted.

4 Grants payable	2023	2022
	£	£
Education & training grants to 52 individuals (2022: 52)	76,530	87,808
Welfare & benevolence grants to 175 individuals (2022: 284)	226,909	299,332
Education grants to 1 institution (2022: 1)	45,000	90,000
Theatrical grants to 2 institutions (2022: 3)	18,000	20,000
Energy grants to 134 individuals (2022: 65)	231,362	99,299
	<u>597,801</u>	<u>596,439</u>
Grants made to institutions comprise:		
Dancers' Career Development	45,000	90,000
Interact	-	10,000
Traverse Theatre	-	5,000
Kings Head Theatre	-	5,000
Pleasance Theatre	5,000	-
BAPAM	13,000	-
	<u>63,000</u>	<u>110,000</u>

Of total grants payable £366,439 (2022: £497,140) were unrestricted and £231,362 (2022: £99,299) were restricted.

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Notes forming part of the Financial Statements

5 Reconciliation of grants payable	2023	2022
	£	£
Commitments at 1 April 2022	203,618	44,071
Commitments made in the year	597,801	596,439
Grants cancelled and returned	-	-
Grants payable for the year	<u>597,801</u>	<u>596,440</u>
Grants paid during the year	<u>(663,367)</u>	<u>(436,892)</u>
Commitments at 31 March 2023	<u>138,052</u>	<u>203,618</u>
Commitments payable:		
Within one year	138,052	203,618

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Notes forming part of the Financial Statements

6 Total expenditure	Direct costs	Staff costs	Office support costs	Total costs
	£	£	£	2023 £
Raising funds				
Investment management	37,395	-	-	37,395
Investment property	19,200	8,355	10,513	38,068
Charitable activities				
Grants payable	597,801	-	-	597,801
Grant related support costs	-	42,704	32,841	75,545
Welfare and bad debt advice	4,335	3,095	13,835	21,265
	658,732	54,154	57,188	770,074

Comparative analysis	Direct costs	Staff costs	Office support costs	Total costs
	£	£	£	2022 £
Raising funds				
Investment management	36,487	-	-	36,487
Investment property	26,748	7,059	8,367	42,174
Charitable activities				
Grants payable	596,439	-	-	596,439
Grant related support costs	-	40,896	25,391	66,287
Welfare and bad debt advice	-	4,220	10,879	15,100
	659,674	52,175	44,637	756,486

Analysis of support costs	Total costs	Total costs
	2023 £	2022 £
Professional fees	29,190	31,803
Audit fees	6,960	5,400
Copier, telephone and printing	13,244	3,899
Other administration costs	7,044	2,535
Advertising	750	1,000
	57,188	44,637

Support costs are allocated on the basis of estimates of the proportion of time spent by staff on those activities. The charity has had to consider the cost benefit of detailed calculations and record keeping and cost allocations therefore include an element of judgement. The support costs shown above are a best estimate of the costs which have been so allocated.

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Notes forming part of the Financial Statements

7 Governance costs	2023	2022
Governance costs include:	£	£
Staff costs	12,532	10,588
Other		3,527
Auditors remuneration:	6,960	
Audit fee	4,478	5,400
	<u>23,970</u>	<u>19,515</u>

Of total expenditure £538,712 (2022:£657,187) was unrestricted and £231,362 (2022: £99,299) was restricted.

8 Remuneration and reimbursement of expenses to Trustees

No Trustees received or waived any emoluments for their services during the year (2022: £Nil). 2 Trustees (2022: £Nil) were reimbursed £205 for directly incurred out of pocket travel expenses during the year (2022: £Nil)

9 Staff costs	2023	2022
	£	£
Salaries	46,376	44,640
Social security costs	4,303	4,411
Pension costs	3,475	3,124
	<u>54,154</u>	<u>52,175</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was Nil (2022: Nil). The key management personnel are considered to be the Management Committee. Remuneration for the year ended 31 March 2023 was £Nil (2022: £Nil)

The average number of employees (who are part time, so no full time equivalent exists), analysed by function was:

	2023	2022
Grant making, welfare and debt advice	1	1
Governance and property management	1	1
	<u>2</u>	<u>2</u>

The charity makes payments to a stakeholder pension scheme in respect of one of its employees. Contributions are charged to the Statement of Financial Activities as incurred. Pensions costs charged in the year amounted to £2,001 (2022: £1,904). There were no outstanding or proposed contributions at the balance sheet date.

10 Tangible fixed assets

	2023	2022
Freehold property	£	£
Market value at 1 April 2022	1,800,000	1,700,000
Revaluation	-	100,000
Market value at 31 March 2023	<u>1,800,000</u>	<u>1,800,000</u>
Historical cost representing acquisition and refurbishment expenditure	<u>1,845,534</u>	<u>1,845,534</u>

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10 Tangible fixed assets (continued)

Freehold property

Equity Charitable Trust is the registered proprietor of a freehold property, Plouviez House, part of which is rented out with the remainder housing the administrative and registered office of the Trust . The property is defined as a mixed use property and the trustees have adopted the revaluation model (alternative accounting rules) to revalue the property whose fair value can be measured reliably. The property was last valued by formal valuation at £1,800,000 as at 31 March 2023 by Cluttons LLP, Chartered Surveyors. The basis of the valuation is market value as defined by the RICS Valuation Standards. The trustees consider that the current value does not differ materially from this valuation.

Furniture and equipment

Net book value

	2023	2022
	£	£
At 31 March 2023	<u>1</u>	<u>1</u>
At 31 March 2022	<u>1</u>	<u>1</u>

11 Fixed asset investments

Listed investments

	2023	2022
	£	£
Market value at 1 April 2022	10,966,737	10,956,352
Additions at cost	729,586	1,095,296
Disposal proceeds	(817,211)	(931,764)
Realised investment gains/(losses) in the year	(59,471)	12,017
Unrealised investment gains/(losses) in the year	(457,063)	(165,164)
Market value at 31 March 2023	<u>10,362,578</u>	<u>10,966,737</u>

Cash awaiting investment	64,836	14,605
	<u>10,427,414</u>	<u>10,981,342</u>

Historical cost	<u>6,082,641</u>	<u>6,082,641</u>
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Investments at market value comprise:

Equity shares UK	6,940,912	7,871,250
Equity shares overseas	2,537,178	2,056,077
Fixed interest securities UK	711,288	786,410
Property and alternative investments	173,200	253,000
	<u>10,362,578</u>	<u>10,966,737</u>

12 Current asset: loan payable on demand

	2023	2022
	£	£
Included within debtors (Note 12) is the following amount:-		
The Actors Professional Centre Limited	<u>150,000</u>	<u>150,000</u>

The loan due from The Actors Professional Centre is payable on demand and secured by a legal charge over the leasehold property known as 1a Tower Street, London WC2H 9NP.

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13 Debtors	2023	2022
	£	£
The Actors Professional Centre Limited (Note 12)	150,000	150,000
Loans due from beneficiaries	5,940	6,180
Investment income due from Charles Stanley	13,475	14,292
Prepaid expenditure and accrued income	2,879	2,014
	<u>172,294</u>	<u>172,486</u>

Debtors include an amount of £5,940 (2022: £6,180) in respect of loans due from beneficiaries falling due after more than one year.

14 Creditors: amounts falling due within one year	2023	2022
	£	£
Grant commitments (note 5)	138,052	203,618
Accrued expenditure & income received in advance	20,321	20,450
Other tax & social security	1,457	1,201
Rent deposit	10,202	10,098
	<u>170,032</u>	<u>235,367</u>

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15 Funds	2022	Incoming Resources	Resources Expended	Transfers and Other recognised gains/ (losses)	2023
	£	£	£	£	£
Restricted funds					
John Fernald Award	23,706	765	-	-	24,471
Sinking Fund - Tenants	21,987	1,859	-	-	23,846
CAF anonymous Donor	150,701	50,000	(231,362)	80,661	50,000
The Combined Theatrical Appeals Council	75,000	35,000	-	(75,000)	35,000
	<u>271,394</u>	<u>87,624</u>	<u>(231,362)</u>	<u>5,661</u>	<u>133,317</u>
Unrestricted Funds					
Accumulated General Fund	13,054,909	495,807	(538,712)	(522,195)	12,489,809
Designated Funds - Sinking Fund Charity	7,826	391	-	-	8,217
	<u>13,062,735</u>	<u>496,198</u>	<u>(538,712)</u>	<u>(522,195)</u>	<u>12,498,026</u>
Total funds	<u>13,334,129</u>	<u>583,822</u>	<u>(770,074)</u>	<u>(516,534)</u>	<u>12,631,343</u>

Comparative analysis:

	2021	Incoming Resources	Resources Expended	Other recognised gains	2022
	£	£	£	£	£
Restricted funds					
John Fernald Award	23,115	591	-	-	23,706
Sinking Fund - Tenants	20,128	1,859	-	-	21,987
CAF anonymous Donor	-	250,000	(99,299)	-	150,701
The Combined Theatrical Appeals Council	-	75,000	-	-	75,000
	<u>43,243</u>	<u>327,450</u>	<u>(99,299)</u>	<u>0</u>	<u>271,394</u>
Unrestricted Funds					
Accumulated General Fund	13,361,185	404,058	(657,187)	(53,147)	13,054,909
Designated Funds - Sinking Fund Charity	7,435	391	-	-	7,826
	<u>13,368,620</u>	<u>404,449</u>	<u>(657,187)</u>	<u>(53,147)</u>	<u>13,062,735</u>
Total funds	<u>13,411,863</u>	<u>731,899</u>	<u>(756,486)</u>	<u>(53,147)</u>	<u>13,334,129</u>

John Fernald Award

This Award within Restricted Funds represents monies raised in 1988 in honour of the late John Fernald for the purpose of giving financial assistance to young directors to gain practical experience of working in the live theatre.

Sinking Fund

The charity is accumulating a sinking fund against irregular and major property expenditure. Within Restricted Funds this represents monies collected from the tenants of Plouviez House. Within Designated sums this represents monies set aside by Equity Charitable Trust. This money will likely be spent around 2025-30, subject to a costed major repairs programme, as structural and other major repairs outside of routine maintenance are likely to become due.

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16 Analysis of net assets between total funds

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Fixed assets including freehold property	1,800,001	-	1,800,001
Listed investments	10,362,578	-	10,362,578
Loans: amounts falling in due in more than one year	150,000	-	150,000
Cash at bank and in hand	333,185	133,317	466,502
Other net current liabilities	(147,738)	-	(147,738)
	12,498,026	133,317	12,631,343

Comparative analysis:

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Fund balances at 31 March 2022 are represented by:			
Fixed assets including freehold property	1,800,001	-	1,800,001
Listed investments	10,966,737	-	10,966,737
Loans: amounts falling in due in more than one year	150,000	-	150,000
Cash at bank and in hand	358,878	271,394	630,272
Other net current liabilities	(212,881)	-	(212,881)
	13,062,735	271,394	13,334,129

17 Taxation

The Equity Charitable Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the various exemptions available to registered charities.

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Notes forming part of the Financial Statements

18 Liability of members

The Equity Charitable Trust is constituted as a company limited by guarantee and has no share capital. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1 each.

19 Related party transactions

On 31 May 2017 Equity Charitable Trust entered into a 10 year rental and service charge lease with a 5 - year break clause with The British Equity Collecting Society. One Trustee is involved with that organisation. The annual lease rent is £40,000, the annual capped service charge is £13,200. The lease was made on an arms length basis with the Trustee not involved in the decision making process. No amounts were outstanding at the year end.