

Annual Report of British Equity Collecting Society Limited (Company Number 3547531)

for the year ended 30 April 2014

This Annual Report has been prepared and approved by the Directors of BECS for presentation to the Members with the Directors' Report and audited financial statements of BECS for the year ended 30 April 2014.

The 'Minimum Standards for UK Collecting Societies' published by HM Government in October 2012 provided that each collecting society (within its Code of Practice) should undertake to publish an annual report. This annual report was required to include details about the following:-

- Number of rights holders represented, whether as members or through representative agreements. An estimate of the number rights holders represented by any Extended Collective Licensing scheme was a requirement if possible and relevant;
- Its distribution policy;
- Total revenue from licences granted for its repertoire during the reporting period;
- Total costs incurred in administering licences and licensing schemes;
- Itemised costs incurred in administering licences and licensing schemes;
- Allocation and distribution of payments of revenues and the extent to which this is compliant with its distribution policy;
- Procedures for the appointment of directors to the collecting society and details of any appointments during the course of the reporting period;
- A report regarding compliance with the Code of Practice over the past year, including data on the total level of complaints and resolution methods.

In addition The Copyright (Regulation of Relevant Licensing Bodies) Regulations 2014 (S.I. 898) were brought into force on 6 April 2014.

These Regulations reiterated that published Codes of Practice should include provisions for the publication of an annual report which includes the above details and details of the remuneration of each director, or, where appropriate, managers or similar officers of the relevant licensing body during the reporting period.

For the purposes of the year ended 30 April 2014, this BECS Annual Report shall refer to and apply to:-

1. The Members of BECS

BECS currently has in excess of 30,000 members. BECS does not issue any licences relevant to any Extended Collective Licensing scheme.

2. The Financial Statements for British Equity Collecting Society Limited (Company Registration Number 3547531) for the year ended 30 April 2014, including the Directors' Report forming part of the Financial Statements.

BECS does not itself operate any licensing schemes to which the provisions S.I. 116 Copyright, Designs and Patents Act 1998 (as amended) would apply.

The total administration and overhead costs of BECS for the Financial Year ended 30 April 2014 (including Directors and staff salaries) amounted to £730,224.

These administration costs were funded by the combination of approved commission and fees charged by BECS for acting as appointed distribution agent in respect of monies which are linked to contractual terms, administration charges agreed payable to BECS in respect of work undertaken by BECS to enable the allocation of non-contractual monies received from other Collective Management Organisations onto individual performer accounts and bank interest and investment income received by BECS during the Financial Year ended 30 April 2014. Details of all income are set out in the Financial Statements for the year ended 30 April 2014.

In addition, the Financial Statements include:-

- Detailed Profit and Loss Account on administration expenditure of BECS including reference to Directors' salaries, Directors' national insurance contributions and staff salaries.
- Details of the Directors who served on the Board of BECS during the year ended 30 April 2014. Procedures for the appointment of Directors are set out in the BECS Articles of Association as the same are published and made accessible on the BECS website at www.equitycollecting.org.uk
- Confirmation that Director's remuneration (being payments to the CEO who is also a Director of BECS) amounted to £83,005 with national insurance contributions of £10,390. No other Director received remuneration from the company, although the company purchased Directors and Officers liability insurance cover at a cost of £1,780.76.

3. The Code of Conduct of British Equity Collecting Society Limited first published in November 2012 and first reviewed from November 2013. This Code of Conduct was issued as the Code of Practice of BECS.

The BECS Code of Conduct is published and accessible on the company website at www.equitycollecting.org.uk.

The Code of Conduct includes a description of the mandates that performers or their heirs grant to BECS when they become members of BECS. These mandates also set out the rights which BECS is authorised to enforce for its members.

The Code of Conduct also sets out the Distribution Rules and Distribution Policies applied by BECS to the monies that are collected as a result of the rights managed by BECS for its members.

In addition to rights which BECS is authorised to represent under mandates provided by BECS members, BECS acts as an appointed distribution agent for monies on the instruction of Equity and a number of broadcasting organisations.

Report regarding compliance with BECS Code of Conduct (as a Code of Practice) for the year ended 30 April 2014, including data on the total level of complaints and resolution methods.

The first review of BECS's Code of Practice was undertaken by Walter Merricks CBE from November 2013.

Recognition of BECS's compliance was confirmed in a report on the Review published on 2 June 2014 at <http://www.independentcodereview.org.uk/news/independent-code-review-published/>

The Report noted that BECS does not itself issue licences to the general public.

The BECS Code of Conduct includes details of the complaints procedure to be adhered to should a complaint be made. In Appendix 1 of the Report it was noted that BECS had not received any complaints requiring reliance on the complaints procedure.

British Equity Collecting Society Limited
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