

Company Registration Number 3547531



**British Equity Collecting Society  
Limited**

**Company Limited by Guarantee**

**Annual report**

**30 April 2014**

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Annual report**

**Year ended 30 April 2014**

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# British Equity Collecting Society Limited Company Limited by Guarantee

## Directors' report

Year ended 30 April 2014

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The directors present their report and the audited financial statements of the company for the year ended 30 April 2014.

### Principal activities

British Equity Collecting Society Limited (known as BECS) is the only United Kingdom based collective management organisation for the rights of audio visual performers. Founded in 1998 by the performers union, Equity, the primary role of the company is to collect, distribute and administer remuneration due to performers under statute, or paid to the organisation on a collective basis for the benefit of performers.

The company enforces the statutory rights of performers in the United Kingdom and collects revenue from the exploitation of these rights and other rights from within the United Kingdom and from overseas.

In acting as a collective management organisation, BECS has adopted a voluntary Code of Conduct applicable to its activities. The Code of Conduct was prepared to recognise and comply with both the Principles of Good Conduct developed for collective management organisations which were prepared and published by the British Copyright Council and with the "Minimum Standards for UK collecting societies", published by the Intellectual Property Office. A first review of the BECS Code of Conduct took place in January 2014 and further reviews are planned. The report published following the review noted that no complaints had arisen relating to application of the BECS Code of Conduct up to publication on 2 June 2014.

The company also acts as a collection and distribution agent for fees collectively negotiated by Equity which are distributed to performers utilising the expertise and data handling capability of our company.

BECS' membership continues to grow. As at the time of writing, we represented over 30,000 members.

### Directors

The directors who served the company during the year were as follows:

J A Rogers  
B Evans  
J Cameron Brown  
F Pyne  
P Barnes  
J G H McOwat (aka G Hamilton)  
S Kenis  
A Prodger  
N Gerson  
S Spence

### Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Directors' report (continued)**

**Year ended 30 April 2014**

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The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditor**

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the directors

Tayyiba Nasser  
Company Secretary

Approved by the directors on ..21/07/14.

**British Equity Collecting Society Limited**  
**Company Limited by Guarantee**

**Independent auditor's report to the members of British Equity Collecting Society Limited**

**Year ended 30 April 2014**

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We have audited the financial statements of British Equity Collecting Society Limited for the year ended 30 April 2014 which comprise the profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2014 and of its profit 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Independent auditor's report to the members of British Equity Collecting Society  
Limited (continued)**

**Year ended 30 April 2014**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

*Chantrey Vellacott DFK LLP*

**PHIL CLARK (Senior Statutory Auditor)  
for and on behalf of CHANTREY VELLACOTT DFK LLP  
Chartered Accountants and Statutory Auditor  
London**

*30 September 2014*

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Profit and loss account**

**Year ended 30 April 2014**

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	Note	2014 £	2013 £
Turnover		634,754	659,894
Administrative expenses		730,224	694,356
<b>Operating loss</b>	<b>2</b>	<b>(95,470)</b>	<b>(34,462)</b>
Attributable to:			
Operating loss before exceptional items		(95,470)	(26,560)
Exceptional items	<b>2</b>	–	(7,902)
		<b>(95,470)</b>	<b>(34,462)</b>
Interest receivable		146,244	169,776
<b>Profit on ordinary activities before taxation</b>		<b>50,774</b>	<b>135,314</b>
Tax on profit on ordinary activities	<b>3</b>	<b>(1,401)</b>	29,013
<b>Profit for the financial year</b>		<b>52,175</b>	<b>106,301</b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

There is no difference between the results shown above and their historical cost equivalents.

The notes on pages 7 to 11 form part of these financial statements.

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**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Balance sheet**

**As at 30 April 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	4	183,842	35,931
Investments	5	965,503	950,046
		<u>1,149,345</u>	<u>985,977</u>
<b>Current assets</b>			
Debtors	6	456,659	350,311
Cash at bank		15,743,188	12,987,759
		<u>16,199,847</u>	<u>13,338,070</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>12,029,874</u>	<u>9,643,373</u>
<b>Net current assets</b>		<u>4,169,973</u>	<u>3,694,697</u>
<b>Total assets less current liabilities</b>		<u>5,319,318</u>	<u>4,680,674</u>
<b>Creditors: amounts falling due after more than one year</b>	8	4,638,413	4,062,360
<b>Provisions for liabilities</b>			
Deferred taxation	9	16,973	6,557
		<u>663,932</u>	<u>611,757</u>
<b>Reserves</b>	11		
Profit and loss account	12	663,932	611,757
<b>Members' funds</b>		<u>663,932</u>	<u>611,757</u>

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

These financial statements were approved by the directors and authorised for issue on 21/07/14, and are signed on their behalf by:



.....  
J A Rogers

Company Registration Number: 3547531

The notes on pages 7 to 11 form part of these financial statements.



**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Notes to the financial statements**

**Year ended 30 April 2014**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

Income represents the amounts receivable in the year from commissions, distributions fees and interest income. Income arises either as a percentage deduction from amounts distributed to members or a flat fee charged to broadcasters under a defined agreement. Due to the time required to negotiate agreements, to receive data for allocations of monies and the uncertainty over amounts involved, income is recognised as received or invoiced in each financial year. Income is also generated from administration charges for European Distributions.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	20% per annum on cost
Fixtures & Fittings	-	20% per annum on cost
Equipment	-	33% - 20% per annum on cost

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Deferred taxation**

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Notes to the financial statements**

**Year ended 30 April 2014**

**2. Operating loss**

Operating loss is stated after charging:

	2014 £	2013 £
Directors' remuneration	83,005	84,868
Depreciation of owned fixed assets	31,263	37,270
Auditor's fees	6,000	5,500
Operating lease costs:		
- Other	67,944	68,054
Exceptional costs	-	7,902
	<u>          </u>	<u>          </u>

During the year pension benefits of £12,238 (2013: £11,879) were provided in respect of one director (2013: one).

During the prior year the company undertook a project to have specific software developed by a third party for in house use. After preliminary works were undertaken the decision was made by the directors to cease continuing with this supplier. Costs incurred in respect of the failed project, including those capitalised, were released to the profit and loss account and were disclosed as an exceptional item.

The need for the software still exists and a new supplier has been engaged this year. Costs in relation to this expenditure have been capitalised where necessary.

**3. Taxation on ordinary activities**

**Analysis of charge in the year**

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	(11,817)	45,462
Adjustments in respect of withholding tax	-	(906)
Total current tax	<u>(11,817)</u>	<u>44,556</u>
Deferred tax:		
Origination and reversal of timing differences	<u>10,416</u>	<u>(15,543)</u>
Tax on profit on ordinary activities	<u>(1,401)</u>	<u>29,013</u>

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Notes to the financial statements**

**Year ended 30 April 2014**

**4. Tangible fixed assets**

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 May 2013	40,466	21,017	56,323	117,806
Additions	—	—	179,174	179,174
<b>At 30 April 2014</b>	<u>40,466</u>	<u>21,017</u>	<u>235,497</u>	<u>296,980</u>
<b>Depreciation</b>				
At 1 May 2013	23,247	12,168	46,460	81,875
Charge for the year	8,207	4,204	18,852	31,263
<b>At 30 April 2014</b>	<u>31,454</u>	<u>16,372</u>	<u>65,312</u>	<u>113,138</u>
<b>Net book value</b>				
<b>At 30 April 2014</b>	<u>9,012</u>	<u>4,645</u>	<u>170,185</u>	<u>183,842</u>
At 30 April 2013	<u>17,219</u>	<u>8,849</u>	<u>9,863</u>	<u>35,931</u>

**5. Investments**

	Investments £
<b>Cost</b>	
At 1 May 2013	950,046
Additions	396,906
Disposals	(381,449)
<b>At 30 April 2014</b>	<u>965,503</u>
<b>Net book value</b>	
<b>At 30 April 2014</b>	<u>965,503</u>
At 30 April 2013	<u>950,046</u>

The company has invested surplus cash in an investment portfolio of fixed interest bonds which are readily convertible to cash. The market value of these investments as at 30 April 2014 was £984,778 (2013 - £990,277).

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Notes to the financial statements**

**Year ended 30 April 2014**

**6. Debtors**

	2014 £	2013 £
Trade debtors	368,420	198,342
Corporation tax repayable	10,732	-
Other debtors	77,507	151,969
	<u>456,659</u>	<u>350,311</u>

**7. Creditors: amounts falling due within one year**

	2014 £	2013 £
Corporation tax	-	44,556
PAYE and social security	9,247	18,337
VAT	72,701	-
Other creditors	11,900,465	9,431,216
Accruals and deferred income	47,461	149,264
	<u>12,029,874</u>	<u>9,643,373</u>

**8. Creditors: amounts falling due after more than one year**

	2014 £	2013 £
Other creditors including:		
Allocated but unpaid	1,830,708	1,615,567
Awaiting Distribution Data	2,660,835	2,303,233
Other creditors	146,870	143,560
	<u>4,638,413</u>	<u>4,062,360</u>

**9. Deferred taxation**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	36,231	6,557
Tax losses available	(19,258)	-
	<u>16,973</u>	<u>6,557</u>



**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Notes to the financial statements**

**Year ended 30 April 2014**

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**10. Related party transactions**

The company paid rent, service charges and administration charges totalling £91,872 (2013:£103,738) to Equity, a trade union of which the majority of the board directors are members.

The only director to be remunerated in the year was A Prodger with the amounts being disclosed as part of note 2.

The only other related party transactions in the year were the reimbursement of expenses to J Rogers of £67, F Pyne £492, N Gerson £107 and A Prodger £535.

At the year end there were amounts included in other creditors of £67 owed to J Rogers and £492 owed to F Pyne.

**11. Company limited by guarantee**

The company is limited by guarantee and has no share capital.

Every member of the company undertakes to contribute to the assets of the company, in the event of a winding up, such an amount as may be required not exceeding £1.

**12. Profit and loss account**

	2014 £	2013 £
Balance brought forward	611,757	505,456
Profit for the financial year	<u>52,175</u>	<u>106,301</u>
Balance carried forward	<u>663,932</u>	<u>611,757</u>

**13. Control**

The company is under the control of its members.

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Management information**

**Year ended 30 April 2014**

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**The following page does not form part of the statutory financial statements  
which are the subject of the independent auditor's report on pages 3 to 4.**

**British Equity Collecting Society Limited  
Company Limited by Guarantee**

**Detailed profit and loss account**

**Year ended 30 April 2014**

	2014 £	2013 £
<b>Turnover</b>		
Fee Income	174,728	168,893
Commission Income	394,326	394,029
Administration Charge for European Distributions	65,700	96,972
	<u>634,754</u>	<u>659,894</u>
<b>Overheads</b>		
Directors salaries	83,005	84,868
Directors national insurance contributions	10,390	10,494
Staff salaries	256,876	271,468
Rent	67,944	68,054
Database materials / System Expenditure	148,892	70,029
Travel and subsistence	16,455	16,324
Communication costs	28,391	32,022
Sundry expenses	81,008	90,425
Auditors remuneration	6,000	5,500
Exceptional costs	-	7,902
Depreciation of leasehold improvements	8,207	8,207
Depreciation of fixtures and fittings	4,204	4,240
Depreciation of office equipment	18,852	24,823
	<u>730,224</u>	<u>694,356</u>
<b>Operating loss</b>	<b>(95,470)</b>	<b>(34,462)</b>
Bank interest and investment income receivable	146,244	169,776
<b>Profit on ordinary activities</b>	<u><b>50,774</b></u>	<u><b>135,314</b></u>