



BRITISH EQUITY  
COLLECTING SOCIETY



# Annual Transparency Report

Registered Office: Plouviez House, 19-20 Hatton Place, London, EC1N 8RU

# Annual Transparency Report

for the year ended 30 April 2021

## Introduction

The non-executive Directors of BECS, as detailed in section 6, have been appointed by the Members of BECS to provide the supervisory function over BECS as required by the Regulations.

The non-executive Directors of BECS present this Annual Transparency Report<sup>1</sup> to the Members of BECS for consideration at the Annual General Meeting of the Members of BECS, to take place from 1pm on Thursday 2<sup>nd</sup> December 2021.

## The Collective Management of Copyright (EU Directive) Regulations 2016 (“the Regulations”)

The Regulations came into force on 10 April 2016. The purpose of this Annual Transparency Report is to supply the information required by the Regulations.

The Directors’ Report and Financial Statements for the year ended 30 April 2021 shall be deemed part of this Report for consideration by Members of BECS.

## Audit and Publication

With the approval of the Members the directors of BECS have appointed BDO LLP of 55 Baker Street, London, W1U 7EU to audit the accounting information referred to in this report for the purposes of compliance with Regulation 21 (2) of the Regulations<sup>2</sup>. BDO LLP have performed work in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) 'Engagements to perform agreed-upon procedures regarding financial information' and 'The Agreed Upon Procedures for the Audit of the Annual Transparency Report' as published by the Intellectual Property Office.

Individual Statements have been made by each non-executive Director to support the publication of this Annual Transparency Report, including all declarations of conflicts of interest made and approved by the Board of Directors and noted in the company’s Register of Interests.

Once adopted by the Members of BECS, this Annual Transparency Report will be published alongside the Directors’ Report and Financial Statements<sup>3</sup> on the BECS’ website<sup>4</sup> at [www.becs.org.uk](http://www.becs.org.uk) for the purpose of reporting the activities of the company during the financial year ended 30 April 2021.

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<sup>1</sup> Regulation 21 (1) (a)

<sup>2</sup> Regulation 21 (2) (b)

<sup>3</sup> Regulation 21 (4) (a)

<sup>4</sup> Regulation 21 (1) (b)

## Annual Transparency Report

The Annual Transparency Report will remain available on the BECS website for at least 5 years<sup>5</sup>. For the purposes of the year ended 30 April 2021, this Annual Transparency Report shall refer to and apply to:-

### 1. BECS Members

All applicants for Membership of BECS are required to complete and sign a Performer Registration Form and Membership Agreement. BECS currently has 32,319 members.

Members assign the rights specified in the Membership Agreement to BECS whilst they remain in membership. They also accept a liability of £1 if BECS is dissolved whilst their membership is current.

BECS does not currently operate any Extended Collective Licensing ("ECL") scheme.

BECS operates a **Code of Practice** relating to its activities. BECS's published Code of Practice includes details of the complaints procedure to be adhered to, should a complaint be made.

### 2. Governance Structure of BECS<sup>6</sup>

BECS is a private company limited by guarantee and has no share capital.

BECS has no subsidiary undertakings<sup>7</sup>.

BECS operates on a not-for-profit basis. BECS operates as a collective management organisation for the purposes of the Regulations<sup>8</sup>.

### 3. Amounts deducted for the purposes of Social, Cultural and Educational services<sup>9</sup>

In accordance with company policy, BECS has not made any deductions for third party social, cultural or educational services during the financial year ended 30 April 2021.

### 4. Affiliations

During the financial year ended 30 April 2021, BECS recorded the following expenses:

- British Copyright Council (BCC: [www.britishcopyright.org](http://www.britishcopyright.org))
  - o £ 1,285 as membership fees
- Societies' Council for the Collective management of Performers' Rights (SCAPR: [www.scapr.org](http://www.scapr.org)):
  - o £ 4,375 as membership fees
  - o £ 7,521 as fees for VRDB2
  - o £ 7,662 as fees for IPD

The above fees are based on BECS' membership numbers and collections.

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<sup>5</sup> Regulation 21 (1) (c)

<sup>6</sup> Regulation 21 (4) (d)

<sup>7</sup> Regulation 21 (4) (e)

<sup>8</sup> Regulation 21 (4) (b)

<sup>9</sup> Regulation 21 (3) and 21 (4) (g)

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- AEPO ARTIS ([www.aepo-artis.org](http://www.aepo-artis.org)):
  - o £ 2,957 as the year's contribution.  
This charge is based on BECS' collections in the year.

#### 4. Information on refusals to grant a licence<sup>10</sup>

BECS does not grant licences and therefore this information is not applicable.

#### 5. The Financial Statements for British Equity Collecting Society Ltd (company registration number 03547531) for the year ended 30 April 2021, including the Directors' Report form part of this Annual Transparency report.

The Financial Statements and the Directors' Report for the year ended 30 April 2021 include: -

- The total revenue for the year ended 30 April 2021
- The total costs incurred by BECS as administration costs
- A breakdown of personnel costs

A detailed breakdown of BECS' administration expenditure is as follows:

	2020/21	2019/20
	£	£
Director's salaries	95,000	81,997
Director's pension costs	23,275	16,611
Staff salaries and related costs	114,572	213,739
Office costs	61,329	67,846
Database materials / System Expenditure	46,972	99,636
Travel and subsistence	165	8,860
Communication / Lobbying costs	44,642	23,206
Affiliations	23,799	27,249
Sundry expenses	1,640	1,904
Legal and professional fees	4,781	47,730
Other consultancy expenses	6,540	15,022
Auditors' remuneration	19,700	12,425
Amortisation of intangible assets	2,708	12,142
Depreciation	16,294	22,325
Bank charges	1,827	1,340
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	463,245	652,032

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<sup>10</sup> Regulation 21 (4) (c)

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### 6. Directors and officers

Procedures for the appointment of Directors are set out in the BECS Articles of Association which are published and made accessible on the BECS website at <http://www.becs.org.uk/articles-of-association>.

The directors who served on the BECS' Board during the year ended 30 April 2021 were:

- Jean Rogers (Chair)
- Natasha Gerson (Vice Chair)
- Tayyiba Nasser (CEO) – appointed 01/05/2020
- Peter Barnes
- Robin Browne - resigned 04/12/2020
- Jo Cameron Brown
- Dawn Hope – appointed 04/12/2020
- Steve Kenis
- Lola May – appointed 04/12/2020
- Frederick Pyne – resigned 04/12/2020
- Nana St Bartholomew-Brown Morgan – appointed 04/12/2020
- Sally Treble – resigned 04/12/2020

All directors are non-executive Directors except for Tayyiba Nasser who is an executive director.

No remuneration was paid for the services of any non-executive Director during the year. The following non-executive Directors received payments made by BECS in respect of their rights as Performers and as reimbursement of expenses<sup>11</sup>:

	<b>Performers' Remuneration</b>	<b>Expenses</b>
Jean Rogers	0	25
Peter Barnes	17	0
Robin Browne	16	0
Jo Cameron Brown	332	0
Dawn Hope	25	0
Sally Treble	0	85

The executive directors' remuneration is detailed in section 5

BECS paid £2,276 for insurance to cover its Directors and Officers against liabilities in relation to their duties to the company.

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<sup>11</sup> Regulation 21 (4) (f)

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### 7. BECS Activities in the year<sup>12</sup>

#### Management Changes

With the new CEO in situ at the beginning of the year, additional personnel and management changes have been introduced through the year. Our Board elections were held in December 2020 and we now have 3 new board directors: Lola May, Nana St Bartholomew Brown and Dawn Hope.

BECS has also appointed Jess Winchester as our in-house Legal Counsel and new Company Secretary. With the increasing complexity and number of niche legal issues to deal with, rather than using external consultancy services, it was decided by the Board to invest in an in-house counsel. Jess joined the team at the beginning of 2021.

#### Withdrawal from the EU

As the UK is now no longer part of the EU, BECS has been using this opportunity to seek better protections for our members and UK audio-visual performers' rights in general. We have been keeping a close eye on the UK DCMS's enquiry into the "Economics of Music Streaming" and highlighting to the authorities that audio-visual performers also face similar issues with the advent of new technologies and new use channels.

We have also looked to fortify our members' position in relation to continuing to benefit from the remuneration rights legislated in the EU.

BECS continues to work collaboratively with our European sister CMOs and with the AEPO Artis to push forward the agenda of Fair Remuneration for our performers. We have also worked throughout the year with SCAPR to make our operations more efficient and effective by working on new high-tech solutions to assist all SCAPR members in our exchange of data.

#### Beijing Treaty on Audio-Visual Performances (BTAP)

With the help of our members, we successfully tabled an Early Day motion in early July 2020 calling for the UK Government to ratify the BTAP in a way that supports the aim of the Treaty which is to enhance the moral and economic rights of audio-visual performers. Following our campaign, the UK Government opened a consultation in April 2021 calling for stakeholders' views on how best to ratify the Beijing Treaty meaningfully to support fair rewards for performers whilst supporting the UK's creative industries more widely.

BECS discussed with several organisations the need for the improved rights for audio-visual performers, resulting in them submitting supportive papers. Along with our own detailed submission, BECS participated in a round-table discussion set up by the UK's Intellectual Property Office (IPO) to stress the importance of updating audio-visual

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<sup>12</sup> Regulation 21 (4) (b)

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performers' rights and to highlight the important principle of national treatment within the Treaty. The call for views is now closed and we await an update from the IPO.

### UK Cable Retransmission & Public Performance

BECS has been working with other UK rightsholder representatives towards the formation of a new CMO to license the right to communicate to the public audiovisual works in public places, such as hotels.

These discussions are well advanced, and UK Hospitality is supportive of the initiative due to the wide range of rightsholders represented and the transparency of the licensing taking place via a CMO. Discussions have spanned rights, tariffs and revenue shares and are still ongoing, with the competing interests of each category of rightsholder needing to be carefully balanced.

If the initiative succeeds, BECS expects to receive revenue from the new CMO, some of which will be payable to its bilateral partners for the exploitation of the work of their members – creating some reciprocity.

### S72 Post Implementation Review

The Government called for views about the effects of the removal of the exception for film from S72 of the CDPA. BECS expressed the view that the amendment to S72 without a parallel amendment to Schedule 2, paragraph 18, has introduced a discrepancy in the exception as it applies to performers, compared to other rightsholders.

An equivalent amendment to Schedule 2, paragraph 18, ideally in conjunction with the introduction of an exclusive right of authorising communication to the public as a result of ratification of the Beijing Treaty, would help to clarify the rights position of performers and their entitlement to a share of revenue from licensing communication to the public.

### Member Training

Over the year, BECS members benefitted from our training courses which ranged from our ever-popular language lessons as well as voice-over classes.

Due to the social distancing measures put in place, all member training courses moved to an online format. This change proved very successful as members had more time to spend on well-being and improving their skills. We were also able to provide the benefit to those members who had previously not been able to travel into London to take up the on-site course offerings.

Unfortunately, due to the pandemic, we were unable to offer any support courses for overseas performers. With continued uncertainty, the collaboration agreement with the AISGE Fundación has not been renewed. Nevertheless, we will continue to work together to see where we can work supportively for the benefit of our members.

British Equity Collecting Society Ltd (company no. 03547531)  
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## 8. Revenues

Total revenue for the year is shown in the Directors' Report and Financial statements for the year.

## 9. Distribution Policy

BECS' Members have seen and approved the Distribution Policies applied by BECS and the Collective Management Organisations from which BECS received payments of Performers Remuneration for the purposes of proposing and (subject to required approvals) making distributions to BECS Members.

The approved Distribution Policies are referred to on the BECS website at <https://becs.org.uk/wp-content/uploads/sites/702/2021/09/Notice-item-8-Distribution-Rules-and-Policies-BECS-fnal.pdf>

## 10. Allocations to categories of right holders<sup>13</sup>

Each BECS member assigns certain exclusive rights to BECS to enable BECS to exercise the "Mandated Rights", including the right to collect and distribute "Performers Remuneration" (as defined in the BECS Membership Agreement and Articles of Association respectively).

BECS does not currently recognise any monies collected for distribution that it considers as non-distributable.

As at 30<sup>th</sup> April 2021 BECS had £8.6 million recorded as distributable to members. The full amount is recognised as a current liability. £6 million of this (less admin fees) was allocated for distribution in June 2021, and a further £1.4m (less fees) is expected to be allocated in November 2021. The remaining is outstanding either because we await further information to enable payment or is below our minimum individual payment threshold.

## 11. Management Fees<sup>14</sup>

BECS' total deductions for administering performers' rights payments during the year ended 30 April 2021 was £691,000. This is lower than the maximum of 10% deduction rate as agreed at the December 2017 Annual General Meeting.

Amounts received from sister collecting societies that were allocated out for distribution during the year ended 30 April 2021 after deductions made to cover administration expenses are as follows:

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<sup>13</sup> Regulation 21 (4) (j)

<sup>14</sup> Regulation 21 (4) (i)



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Region	Amount collected	Fee	Amount allocated
Belgium	244,224	23,000	221,224
Denmark	396,060	39,000	357,060
France	1,220,856	122,000	1,098,856
Germany	1,691,350	168,000	1,523,350
Italy	470,923	47,000	423,923
Netherlands	1,680,585	167,000	1,513,585
Norway	262,140	25,000	237,140
Spain	846,902	84,000	762,902
Sweden	92,690	8,000	84,690
Switzerland	83,100	8,000	75,100
<b>Total</b>	<b>6,988,830</b>	<b>691,000</b>	<b>6,297,830</b>

BECS' bilateral agreements cover a number of rights relevant to local national legislation. The table below gives a breakdown of the monies collected by region and by the type of right. The rights are described in more detail on our website: [www.becs.org.uk/payments/#income-sources](http://www.becs.org.uk/payments/#income-sources)

Region	Private Copying	Lending/Rental	Comm to Public	Broadcasting / Cable Retransmission	Education Right	Equitable Remuneration	N/A or Adjustments
Belgium	123,184	1,167					119,873
Denmark	26,126			369,934			
France	1,220,856						
Germany	1,329,283	41,084	187,024	133,958			
Italy	117,436					353,487	
Netherlands	774,943	122,624		762,562			20,456
Norway	148,010			113,827	303		
Spain	157,856	14	689,032				
Sweden	92,690						
Switzerland	83,100						
<b>Grand Total</b>	<b>4,073,485</b>	<b>164,889</b>	<b>876,056</b>	<b>1,380,281</b>	<b>303</b>	<b>353,487</b>	<b>140,329</b>

### 12. Income arising from Investment of Rights Revenue<sup>15</sup>

Bank income received by BECS from holding monies on behalf of BECS Members pending distribution as authorised together with company funds amounted to £28,574.

<sup>15</sup> Regulation 21 (4) (h)

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With the approval of BECS' Members, the company used the interest earned to meet approved management costs, rather than allocating the monies for distribution to members.

### **13. Relationships with other Collective Management Organisations<sup>16</sup>**

Below is a list of sister CMOs that BECS has active Bilateral Agreements with as at the end of April 2021:

1. Belgium – PlayRight
2. Norway – NORWACO
3. France – ADAMI / SAI
4. Denmark – FILMEX
5. Netherlands – NORMA
6. Italy – Nuovo IMAIE
7. Germany – GVL
8. Hungary – EJI
9. Switzerland - SwissPerform
10. Portugal – GDA
11. Spain – AISGE
12. Sweden – CopySwede
13. Romania – CREDIDAM
14. Chile – CHILEACTORES
15. Colombia – Colombia ACTORES

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<sup>16</sup> Regulation 21 (k)