

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

MINUTES of the Twenty Third Annual General Meeting
of British Equity Collecting Society Limited ('the Society')
held on Thursday 2nd December 2021 at 2.00pm
Hybrid format (board members present, members online)

A. Welcoming remarks from the Chairman

The Chairman of the Board (The Chair), Jean Rogers, opened the Annual General Meeting by thanking the staff of BECS for working very hard during daunting situations during the past year.

Proxies: there were 132 proxies for the Chair.

A quorum of members (being the lesser of 25 members or one twentieth of the members entitled to attend and vote at the meeting) was present for the meeting with voting attendees numbering up to 30 through the meeting.

B. Ordinary Business

- 1. To receive and approve the Minutes of the previous Annual General Meeting held on Friday 4th December 2020.**

The Chair asked all present whether they wished to raise any comments or corrections to the Minutes of the 2020 AGM.

There being no comments, the Chair therefore asked the members present to approve the Minutes of the 2020 AGM as previously circulated to the membership.

- The minutes were approved with 2 abstentions.

- 2. To receive and consider the Directors' Report and the Financial Statements of the Company for the year ended 30th April 2021 and the Auditor's Report thereon.**

The CEO, Tayyiba Nasser ("TN") presented a summary of the Financial Statements included in the 2021 Annual Review which had been made available to all members. Members had also been given notice that copies of the full Financial Statements, the Annual Transparency Report for the year ending 30th April 2021 together with the Auditors' Report on these and the Directors' Report had been made available for all members through the BECS website since October 2021.

TN explained that since the beginning of the pandemic, all BECS staff worked from home using remote-working technology and all board meetings had been held remotely. A seamless service was delivered to members. It was another year of significantly increased volume of work because of increased collections and changes to the way of working including providing more detail on distributions to members. BECS has sent out around £7 million for distribution in the financial year.

TN advised that unfortunately BECS was not able to make additional emergency funds available to members during the pandemic as BECS does not hold reserves for that purpose. What we did instead was bring forward the normal distributions as much as possible.

BECS only has two staff in the operations team. No-one was furloughed as that is the minimum number of people we can work with.

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

TN reported that as previously advised, Covid-19 had an impact on public performance. Hence, collections from those sources had dropped. However, most of the impact of that will be felt in the current financial year and the next, but we forecast no significant impact on overall collections as the shortfall is likely to be made up from new sources (such as making available).

Interest rates have been poor due to the near-zero base rate, thus reducing what we can make on our bank deposits.

Although we are no longer part of Europe, the European CMOs are our most important trading partners and we have kept good relations with our bilateral partners and continued to support initiatives in Europe.

TN advised that the EU Copyright Directive is being implemented in Europe and improving the lot of performers. There is no obligation on the UK to implement this, but we can use it as a precedent and in our lobbying efforts.

The UK is working on ratification of the Beijing Treaty. We have put in submissions in response to IPO consultations and have had a number of meetings with them on this topic.

We have been working with the British Copyright Council to keep an eye on trade deals the UK is doing to ensure performers are protected worldwide.

The Smart Fund: A coalition of UK CMOS is trying to introduce private copying remuneration in the UK. We will approach our members to ask for help with the lobbying effort when the need arises.

As a going concern, we have no issues raised by the auditors.

TN showed a chart illustrating BECS' increased collections over the past few years. She informed that BECS has signed a couple of new agreements with South American societies but that has not resulted in increased income yet. The increase is due to our repertoire being popular in Europe. Since 2017/18 we have collected over £22 million, with an additional £7.4 million processed in July and November 2021. TN thanked her staff, Sarah and Katie, saying that none of this would have been possible without their dedication.

The Chair introduced Jess Winchester, BECS legal counsel, who joined in January 2021 and commented that the "Know Your Rights" Seminar had been very clear and useful.

TN presented tables showing the financial highlights for the year and revenue breakdown.

Revenue for the year was down from £831K to £766K. Expenses were down from £652K to £463K. We have a surplus for the year of £248K which is higher than last year's £159K.

Current assets (£9.97 million) cover current liabilities (£8.84 million).

- Management fee income was £691K, which is an increase on last year, due to increased collections.
- Other income decreased to £50K because the agreement with AISGE has not been renewed - we were unable to hold language courses in our training suite due to pandemic.
- Time deposit interest income was also down due to very low interest rates.

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

TN presented an expenses breakdown, the decrease was mainly due to lower staffing, systems and legal and professional costs. We have spent £25k on lobbying efforts.

There were no questions on the report and financial statements.

Sarah McGibbon of BDO LLP provided an auditor review. She explained that the audit is an independent examination of the financial statements of the entity after which an opinion is prepared confirming that the accounts have been properly prepared.

The auditors did not have any issues which need to be brought to the attention of the members. Sarah thanked TN for all her help.

- The resolution to approve the 2020/21 financials was passed with 144 votes (including proxies) and no abstentions.

- 3. To consider and, if thought fit, pass a resolution that the auditors of the Company, BDO LLP, be reappointed as auditors of the Company to hold office from the conclusion of the meeting until the Annual Report and Financial Statements are next laid before the Members, and that their remuneration be determined by the Directors.**

- The resolution to approve the reappointment of the auditors was passed with 145 votes (including proxies) and no abstentions.

- 4. To receive and consider the Annual Transparency Report for the Members prepared and presented by the non-executive Directors of the Company following audit in respect of the year ended 30 April 2021.**

Tayyiba presented a summary of Annual Transparency report and explained its purpose and that it is prepared in accordance with approved principles agreed with the IPO.

BECS has 32,319 members.

TN explained that BECS had affiliations with certain organisations, the BCC, so that we can have input into the protection of performers, SCAPR and Aepo-Artis so that we can have a platform to make sure UK performers continue to be recognised worldwide.

TN summarised BECS main activities during the year:

Due to the UK leaving the EU there have been some question marks over the ability of some European societies to continue protecting and remunerating members' rights. We have been working very hard to minimise the impact of that. We are hoping that once the Beijing Treaty is ratified in the UK and Europe it will help us show a stronger hand in these relationships. Because BECS does not yet collect any money in the UK that we can give to our sister societies, it is becoming increasingly difficult in our relationships with those societies, so it is something we are working very hard to achieve.

TN told members that we will be putting the slides for the "Know Your Rights" seminar on the website and invited them to look at them.

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

Members' language and voice-over training has carried on remotely.

Distribution Policy and Allocations: Distribution policy has not changed.

Management fee has remained at a maximum of 10% of collections.

The largest part of collections was from private copying levies – around £4million which is around 58% of total collections.

Interest income from investment of rights revenue is used to cover BECS costs as agreed at previous AGMs. Our management fee is lower than the vast majority of other CMOs.

Bilateral agreements: We currently have 15 active bilateral agreements and have been working on agreeing more. Unfortunately, we lost one due to Brexit. The full list can be seen in the Annual Transparency Report.

There were no questions on the report.

The Chair said BECS is hoping that the Smart Fund will be successful because it would enable BECS to have reciprocity with its sister CMOs.

- The annual transparency report was approved with 144 votes (including proxies) and no abstentions.
- 5. To ratify the appointment of the CPMA's nominated Director – Peter Barnes - to the Board of Management pursuant to Article 15.6 of the Articles.
- The resolution was approved with 144 votes (including proxies) and no abstentions.
- 6. To ratify the appointment of the PMA's nominated Director – Kevin Francis, with Andy Herrity as his alternate - to the Board of Management pursuant to Article 15.7 of the Articles.
- The resolution was approved with 145 votes (including proxies) and no abstentions.

QUESTIONS FROM MEMBERS:

The following questions were received from members and answered by Jess Winchester (“JW”) and TN:

1. How is Brexit going to affect BECS and its collections from Europe?

This still remains to be seen. Some CMOs are saying that they should not be obliged to continue to pay UK performers because they are only obliged to pay performers from the EEA. We are saying that is not the case because of wording that is in the Charter of the European Union and there is currently a case going on which backs up that view. The outcome of that is currently not certain but we are strongly sticking to our guns that UK performers should still be receiving payment from EU CMOs. It is not all CMOs that are saying that, only a small number. We are confident that BECS will be able to continue to collect for members from Europe. We have strong networks in Europe, and they want BECS to continue existing because of the value of the UK repertoire. We will keep you posted.

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

2. My previous work / production is always being repeated on UK TV (on terrestrial UK channels) – why do I not get any payments from BECS for these repeats?

BECS collects statutory payments for members, which include private copying levies and equitable remuneration. Presently, neither of those exist for audiovisual performers in the UK, so we only collect them from other countries on your behalf.

Currently, there is no exclusive right for AV performers in the UK in respect of broadcasting and communication to the public of recorded performances, only live performances. This is one of the rights which might be introduced when the Beijing Treaty gets ratified and is one of the elements we are campaigning for. Therefore, any payments for repeats being on TV or indeed your work being on on-demand services would only be whatever you are entitled to under your contract with the producer, not via statutory payments. So, if you are entitled to any such payments, they would come via the producer, your agent, or Equity.

The Chair pointed out that confusion about this arises because a few years ago, BECS was distributing on behalf of Equity. Kevin Francis said that the payments often take several months to come through.

3. Why are my payments from BECS only from a few countries – never USA, Canada or Australia?

BECS can only collect where there are statutory payments due to audiovisual performers for the use of their work in that country. Unfortunately, like the UK, that is not the case in the USA, Canada or Australia – they do not have equitable remuneration payable. If your work is used in those countries, it will be down to whatever is in your contract that governs what royalties or residuals are due to you for that use. It would not be a payment that BECS would collect and for that reason we do not have agreements with CMOs in those countries.

TN invited any other questions and the Chair asked if there was any other business:

Ken Ellis asked whether BECS could see whether statutes could be improved as performers seem to be in a weak position.

The Chair responded that that is why we support the Beijing Treaty. TN said we are working on trying to improve rights in the UK in terms of being able to get an equitable remuneration right that supports the contractual rights.

Ken Ellis commented that the trade unions were getting weaker and that his agent had said he was making more money 20 or 30 years ago.

Peter Barnes disagreed and said that Equity was one of the 3 strongest unions on the planet, next to ACTRA and SAG AFTRA and that it was due to many more people trying to do it and that in this country you have anti trade union legislation which means that people who are not Equity members can work. He said that Equity has a growing membership and needs improvement, but he would not say it is weak. Employers want to make collective agreements with Equity, though these are still some that do not.

JW spoke about the amount of press coverage that was happening about music streaming and arguments that musicians should get money from Spotify and other music streaming platforms because, in their opinion, record labels have been taking too big a share of it. That is very much on the political agenda at the moment and one of the things that BECS is working hard to do is to expand this to include audiovisual performers, as we do not believe that they are benefitting enough from the on-demand use of their work. That is one of the things that we are campaigning for and

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

speaking to MPs and the IPO about. There is political will to help music performers and we need to persuade the powers that be to extend that to AV performers.

Diana Brooks said that she had received a payment via her agent from BECS for 15p. She suggested we have a fund that these very small amounts go into and be used for something else.

TN explained that the minimum payment threshold for any single payee was £10 and therefore if we pay an agent a chunk of payments, it may be that only a small amount may be allocated to the individual member. If someone requests that they do not want to receive payments until it reaches a certain minimum amount, we can put a block on the account so that amounts are not paid out until it reaches that level. However, if the payment is to an agent, the system looks at the minimum payment to the agent rather than the individuals. TN advised members to contact BECS staff separately and directly if they wanted a minimum payment limit on their account.

Robin Browne asked how many payments go out from BECS to agents. He asked whether it was the case that when Equity took over responsibility for some payments that BECS had previously been sending, they decided to send everything to agents and therefore there is very little money that goes from BECS to agents directly.

TN responded that he was partly correct. The monies that BECS used to distribute before 2017 were contractual and non-contractual. For the contractual monies that BECS distributed on behalf of Equity, BECS was obliged to send the monies to the agents, where the agent still existed. The monies BECS distributes now are all non-contractual (statutory). For those, it is up to the individual concerned whether they want the monies to be paid to them directly or via the agent. We always take the member's instruction on where they want that payment to go. We do still have quite significant amounts of money going to members via their agents.

Robin Browne suggested that any member listening should instruct BECS to pay the money directly to them rather than via their agents because it is non-contractual.

TN said it was down to the individual contract that the member has with their agent. Some agents have BECS monies within the contract with their clients, so we must be careful what we suggest.

Kevin Francis responded, from an agent's perspective, that even if payments are non-contractual, if the engagement had been generated and negotiated by the agent, the agent would still expect payments to go through them and that according to him was the standard, accepted way of processing payments.

TN responded that our system is set up to send out a performer's payment for all their works to one payee with a statement detailing what productions those payments are for. So, if the full payment goes to their current agent but that agent did not source that particular work for the client, then the full amount of that money should go to the performer who is then obliged to let the relevant agents know depending on their contracts. We send out duplicate statements to performers directly if the money is going through their agent, so they can raise this issue with their agent.

A question was received about what happens if an agent goes out of business or dies. TN responded that this happens quite regularly, and the money would bounce back to BECS then we would contact the member directly to take their instructions as to where the payment should go.

Concluding remarks

The Chair gave her thanks to the board for their contributions and attending meetings remotely this year and thanked the members for attending with the hope that next year's AGM would be face to face.