

BRITISH EQUITY COLLECTING SOCIETY LTD



Annual Transparency Report 2021-2022

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

Annual Transparency Report

for the year ended 30 April 2022

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 Supervisory Board of BECS present this Annual Transparency Report¹ to the Members of BECS for consideration at the Annual General Meeting of the Members of BECS, to take place from 1pm on Thursday 8th December 2022.

The Collective Management of Copyright (EU Directive) Regulations 2016

This transparency report relates to BECS's financial year ended 30 April 2022 and has been published in accordance with the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations").

The Directors' Report and Financial Statements for the year ended 30 April 2022 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 Regulations². 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 Statements³ on the BECS' website⁴ at www.becs.org.uk for the purpose of reporting the activities of the company during the financial year ended 30 April 2022.

The Annual Transparency Report along with the Directors' Report and Financial Statements will remain available on the BECS website for at least 5 years⁵.

¹ Regulation 21 (1) (a)

² Regulation 21 (2) (b)

³ Regulation 21 (4) (a)

⁴ Regulation 21 (1) (b)

⁵ Regulation 21 (1) (c)

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1. BECS Members

All applicants for Membership of BECS are required to complete and sign a Performer Registration Form (or Performer Heir Registration Form) and Membership Agreement. BECS currently has 31,981 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 BECS⁶

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

BECS has no subsidiary undertakings⁷.

BECS operates on a not-for-profit basis.

BECS is a collective management organisation for the purposes of the Regulations⁸. It is owned and controlled by its Members being performers and their heirs.

3. Amounts deducted for the purposes of Social, Cultural and Educational services⁹

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 2022.

4. Affiliations

During the financial year ended 30 April 2022, BECS has been a member of or affiliated to the following bodies and recorded respective expenses:

- British Copyright Council (BCC: www.britishcopyright.org)
 - o £ 1,306 as membership fees
 - o £ 350 as sponsorship of WIPO course

- Societies' Council for the Collective management of Performers' Rights (SCAPR: www.scapr.org):
 - o £ 4,634 as membership fees
 - o £ 7,350 as fees for VRDB2
 - o £ 7,752 as fees for IPD

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

- AEPO ARTIS (www.aepo-artis.org):
 - o £ 3,990 as the year's contribution.

This charge is based on BECS' collections in the year.

⁶ Regulation 21 (4) (d)

⁷ Regulation 21 (4) (e)

⁸ Regulation 21 (4) (b)

⁹ Regulation 21 (3) and 21 (4) (g)

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4. Information on refusals to grant a licence¹⁰

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 2022, including the Directors' Report form part of this Annual Transparency report.

The Financial Statements and the Directors' Report for the year ended 30 April 2022 include: -

- The total revenue for the year ended 30 April 2022
- The total costs incurred by BECS as administration costs
- A breakdown of personnel costs

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

	2021/22	2020/21
	£	£
Director's salaries	95,000	95,000
Director's pension costs	20,850	23,275
Staff salaries and related costs	136,164	114,572
Office costs	62,396	61,329
Database materials / System Expenditure	53,033	46,972
Travel and subsistence	1,293	165
Communication / Lobbying costs	5,088	44,642
Affiliations	25,383	23,799
Sundry expenses	11,771	1,640
Legal and professional fees	6,663	4,781
Other consultancy expenses	1,890	6,540
Auditors' remuneration	18,970	19,700
Amortisation of intangible assets	2,902	2,708
Depreciation	14,745	16,294
Bank charges	1,798	1,827
	457,946	463,245

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 2022 were:

- Jean Rogers (Chair)
- Natasha Gerson (Vice Chair)
- Peter Barnes
- Jo Cameron Brown
- Kevin Francis – appointed 06/12/2021
- Dawn Hope
- Steve Kenis – resigned 06/12/2021
- Lola May
- Tayyiba Nasser
- Nana St Bartholomew-Brown Morgan

¹⁰ Regulation 21 (4) (c)

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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 expenses¹¹:

	Performers' Remuneration	Expenses
Jean Rogers	0	81
Peter Barnes	69	0
Jo Cameron Brown	633	141
Dawn Hope	46	0
Lola May	0	10
Nana St Bartholomew Brown	0	154

The executive director's 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.

7. BECS Activities in the year¹²

A summary of activities during the financial year is set out below:

Collections and Distributions

The principal activity of BECS is the collection and distribution of audio-visual rights revenue on behalf of its membership. BECS did not undertake any activities unrelated to collective rights management.

There was a 5.3% increase in collections for distribution to our members this year to £7.36million from the previous year's amount of £6.99million. Over 11,000 members received at least one payment in the year, either directly or via their agent, from BECS.

Withdrawal from the EU

With a different regime of performers' rights across Europe, there is a risk that UK performers and/or those working in UK productions will no longer be afforded the same protections and rights to statutory payments that they have enjoyed previously. BECS has continued to engage with partner organisations across EU member states to minimise any disruption to the representation of BECS Members' rights in Europe as a consequence of Brexit. We have also sought legal advice on this and discussed the issues we are facing with the UK Intellectual Property Office.

BECS has continued to participate in stakeholder dialogue with governmental departments not only to ensure continued protection but also to seek improvements to UK legislation for performers' rights, particularly in line with the European Copyright Directive which requires that performers are entitled to receive appropriate and proportionate remuneration when they license or transfer their exclusive rights for the exploitation of their

¹¹ Regulation 21 (4) (f)

¹² Regulation 21 (4) (b)

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works; and new income streams from within the UK that will meet reciprocity requirements from EU member states.

Other Initiatives

BECS is continuing to work with other interested UK CMOs to promote “The Smart Fund”. This project aims to get the UK government to introduce a private copying system in the UK similar to that being operated in many countries worldwide. There has been some slow progress on this as the team continues to engage and gain support from the politicians and relevant governmental departments and assemble the required evidence for the benefits of the scheme.

We have also, together with other UK CMOs, been involved in a project to set up a licensing scheme in respect of television programmes transmitted within hotels. This project is progressing well, and we hope to be able to collect licensing revenue from this in the near future.

Member Training

Following the successful introduction of online language courses during the COVID lockdowns, we have continued to offer these to BECS members over the current year. We hope to re-introduce in-person training over the coming year dependant on demand.

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 [here](#).

10. Allocations to categories of right holders¹³

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 30th April 2022 BECS had £10.96 million recorded as distributable to members. The full amount is recognised as a current liability. £8.5 million of this (less admin fees) was allocated for distribution in July 2022, and a further £1.3m (less fees) is expected to be allocated in November 2022. The remaining is outstanding either because we await further information to enable payment or is below our minimum individual payment threshold.

¹³ Regulation 21 (4) (j)

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11. Management Fees¹⁴

BECS' total deductions for administering performers' rights payments during the year ended 30 April 2022 was £726,000. This is slightly lower than the maximum of 10% deduction rate as agreed by the BECS Membership.

Amounts received from sister collecting societies that were allocated out for distribution during the year ended 30 April 2022 after deductions made to cover administration expenses are as follows:

Region	Amount collected	Fee	Amount allocated
Belgium	942,788	93,000	849,788
Colombia	4,085	0	4,085
Czech Republic	37,591	2,000	35,591
France	638,051	63,000	575,051
Germany	1,221,903	121,000	1,100,903
Italy	1,163,340	116,000	1,047,340
Netherlands	1,769,210	176,000	1,593,210
Norway	230,716	22,000	208,716
Portugal	100,666	9,000	91,666
Spain	1,044,332	104,000	940,332
Sweden	41,172	4,000	37,172
Switzerland	166,038	16,000	150,038
Total	7,359,892	726,000	6,633,892

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

Region	Private Copying	Broadcasting and Communication to Public	Making Available	Lending / Rental	Retransmission	Other / Adjustments
Belgium	839,580			4,196		99,012
Colombia		4,085				
Czech Republic	19,416				18,175	
France	638,051					
Germany	961,737	158,527		16,475	84,903	261
Italy	362,290	751,867	49,183			
Netherlands	795,257	873,328		99,500		1,125
Norway	218,860					11,856
Portugal	41,943	58,723				
Spain	119,932	849,003	73,539	132	1,727	
Sweden	41,172					
Switzerland	166,038					
Grand Total	4,204,276	2,695,532	122,722	120,303	104,805	112,254

¹⁴ Regulation 21 (4) (i)

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12. Income arising from Investment of Rights Revenue¹⁵

Bank income received by BECS from holding monies on behalf of BECS Members pending distribution as authorised together with company funds amounted to £33,826.

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 Organisations¹⁶

Below is a list of sister CMOs that BECS has active Bilateral Agreements with as at the end of April 2022:

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

¹⁵ Regulation 21 (4) (h)

¹⁶ Regulation 21 (k)