

**Company Registration Number 3547531**

**British Equity Collecting Society  
Limited**

**Company Limited by Guarantee**

**Annual report**

**30 April 2012**

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

**Annual report**

**Year ended 30 April 2012**

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# British Equity Collecting Society Limited Company Limited by Guarantee

## Directors' report

Year ended 30 April 2012

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The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 30 April 2012.

### 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.

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

We continuously work to increase the sources of revenue for our members.

BECS' membership continues to grow. As at the time of writing, we represented over 27,500 members.

### Directors

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

J A Rogers  
I Barritt  
B Evans  
J Cameron Brown  
R Browne  
F Pyne  
P Barnes  
J Webb  
J G H McOwat  
S Kenis  
A Prodger

S Kenis was appointed as a director on 23 January 2012.

A Prodger was appointed as a director on 23 January 2012.

### 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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 2012**

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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.

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

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

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the directors

Tayyiba Nasser  
Company Secretary

Approved by the directors on 25 July 2012

**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 2012**

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We have audited the financial statements of British Equity Collecting Society Limited for the year ended 30 April 2012 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 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. 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 2012 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.

**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.

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

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

**Profit and loss account**

**Year ended 30 April 2012**

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	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Turnover</b>		<b>687,408</b>	638,602
Administrative expenses		<b>674,212</b>	689,242
<b>Operating profit/(loss)</b>	<b>2</b>	<b>13,196</b>	(50,640)
Interest receivable		<b>149,197</b>	101,541
<b>Profit on ordinary activities before taxation</b>		<b>162,393</b>	50,901
Tax on profit on ordinary activities	<b>3</b>	<b>31,515</b>	10,217
<b>Profit for the financial year</b>		<b>130,878</b>	40,684

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 6 to 10 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 2012**

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	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Fixed assets</b>			
Tangible assets	<b>4</b>	<b>145,933</b>	133,100
Investments	<b>5</b>	<b>934,184</b>	904,116
		<u><b>1,080,117</b></u>	<u>1,037,216</u>
<b>Current assets</b>			
Debtors	<b>6</b>	<b>163,470</b>	111,630
Cash at bank		<b>12,934,048</b>	9,554,458
		<u><b>13,097,518</b></u>	<u>9,666,088</u>
<b>Creditors: amounts falling due within one year</b>	<b>7</b>	<u><b>9,548,422</b></u>	<u>7,695,749</u>
<b>Net current assets</b>		<b>3,549,096</b>	1,970,339
<b>Total assets less current liabilities</b>		<u><b>4,629,213</b></u>	<u>3,007,555</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>8</b>	<b>4,101,657</b>	2,615,262
<b>Provisions for liabilities</b>			
Deferred taxation	<b>9</b>	<u><b>22,100</b></u>	17,715
		<u><b>505,456</b></u>	<u>374,578</u>
<b>Reserves</b>	<b>10</b>		
Profit and loss account	<b>11</b>	<u><b>505,456</b></u>	374,578
		<u><b>505,456</b></u>	<u>374,578</u>
<b>Members' funds</b>			

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 25 July 2012, and are signed on their behalf by:

J A Rogers

Company Registration Number: 3547531

**The notes on pages 6 to 10 form part of these financial statements.**

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

**Notes to the financial statements**

**Year ended 30 April 2012**

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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. There is a new income stream this year; Administration charge 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.

**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.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.



**British Equity Collecting Society Limited  
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**Notes to the financial statements**

**Year ended 30 April 2012**

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**2. Operating profit/(loss)**

Operating profit/(loss) is stated after charging:

	<b>2012</b>	2011
	<b>£</b>	£
Directors' remuneration	<b>76,000</b>	–
Depreciation of owned fixed assets	<b>37,000</b>	19,090
Auditor's fees	<b>4,250</b>	5,000
Operating lease costs:		
- Other	<b>70,459</b>	79,806
Net loss on foreign currency translation	<b>47,459</b>	–

**3. Taxation on ordinary activities**

**Analysis of charge in the year**

	<b>2012</b>	2011
	<b>£</b>	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	<b>27,130</b>	(7,498)
Total current tax	<b>27,130</b>	(7,498)
Deferred tax:		
Origination and reversal of timing differences	<b>4,385</b>	17,715
Tax on profit on ordinary activities	<b>31,515</b>	10,217

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

**Notes to the financial statements**

**Year ended 30 April 2012**

**4. Tangible fixed assets**

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 May 2011	40,466	21,017	127,953	189,436
Additions	–	–	49,833	49,833
<b>At 30 April 2012</b>	<u>40,466</u>	<u>21,017</u>	<u>177,786</u>	<u>239,269</u>
<b>Depreciation</b>				
At 1 May 2011	6,812	3,655	45,869	56,336
Charge for the year	8,228	4,273	24,499	37,000
<b>At 30 April 2012</b>	<u>15,040</u>	<u>7,928</u>	<u>70,368</u>	<u>93,336</u>
<b>Net book value</b>				
<b>At 30 April 2012</b>	<u>25,426</u>	<u>13,089</u>	<u>107,418</u>	<u>145,933</u>
At 30 April 2011	<u>33,654</u>	<u>17,362</u>	<u>82,084</u>	<u>133,100</u>

**5. Investments**

	Investments £
<b>Cost</b>	
At 1 May 2011	904,116
Additions	320,490
Disposals	(290,422)
<b>At 30 April 2012</b>	<u>934,184</u>
<b>Net book value</b>	
<b>At 30 April 2012</b>	<u>934,184</u>
At 30 April 2011	<u>904,116</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 2012 was £963,778 (2011 - £939,353).

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

**Notes to the financial statements**

**Year ended 30 April 2012**

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**6. Debtors**

	<b>2012</b>	2011
	£	£
Trade debtors	<b>30,999</b>	30,428
Corporation tax repayable	–	7,498
Other debtors	<b>132,471</b>	73,704
	<u><b>163,470</b></u>	<u>111,630</u>

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

	<b>2012</b>	2011
	£	£
Corporation tax	<b>27,130</b>	–
PAYE and social security	<b>10,070</b>	7,549
Other creditors	<b>9,385,344</b>	7,565,823
Accruals and deferred income	<b>125,878</b>	122,377
	<u><b>9,548,422</b></u>	<u>7,695,749</u>

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

	<b>2012</b>	2011
	£	£
Other creditors including:		
Allocated but unpaid	<b>628,278</b>	361,039
Awaiting Distribution Data	<b>3,228,526</b>	1,969,900
Other creditors	<b>244,853</b>	284,323
	<u><b>4,101,657</b></u>	<u>2,615,262</u>

**9. Deferred taxation**

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

	<b>2012</b>	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	<b>22,100</b>	17,715
	<u><b>22,100</b></u>	<u>17,715</u>

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

**Notes to the financial statements**

**Year ended 30 April 2012**

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**10. 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.

**11. Profit and loss account**

	<b>2012</b>	2011
	£	£
Balance brought forward	<b>374,578</b>	333,894
Profit for the financial year	<b>130,878</b>	40,684
Balance carried forward	<b><u>505,456</u></b>	<u>374,578</u>

**12. Control**

The company is under the control of its members.

**13. Related party transactions**

The company paid rent, service charges and administration charges totalling £97,557 (2011 - £52,228) to Equity, a trade union of which the majority of the board directors are members.