

Company Registration Number 3547531

**British Equity Collecting Society
Limited**

Company Limited by Guarantee

Annual report

30 April 2015

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

Annual report

Year ended 30 April 2015

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British Equity Collecting Society Limited Company Limited by Guarantee

Directors' report

Year ended 30 April 2015

The directors present their report and the audited financial statements of the company for the year ended 30 April 2015.

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 distributed to performers utilising the expertise and data handling capability of the company.

Code of Practice

The company has adopted and published a Code of Conduct relating to its operations.

The Code of Conduct has been made available to the members of the company and is published on the company website at www.equitycollecting.org.uk

The Copyright (Regulation of Relevant Licensing Bodies) Regulations 2014 (S.I. 898) were implemented on 6 April 2014.

These Regulations set out the circumstances in which the Secretary of State can direct relevant bodies to adopt a code of practice which satisfies the criteria set out in the Schedule to the Regulations or (if no such code is in place) impose such a code of practice on a licensing body.

The directors apply the Code of Conduct of the company in providing for the publication of information in an annual report as envisaged under the Regulations.

The Code of Conduct includes a description of the Mandates that performers or their heirs grant to company when they become Members. These Mandates also set out the rights which the company is authorised to enforce for its Members.

The Code of Conduct also sets out the Distribution Rules and Distribution Policies applied by the company to the monies that are collected as a result of the rights managed by the company for its Members.

As at 30 April 2015 the company represented in excess of 31,000 Members.

The company does not itself operate any licensing schemes to which the provisions s 116 Copyright, Designs and Patents Act 1998 (as amended) would apply. The company does not issue any licences relevant to any Extended Collective Licensing scheme.

British Equity Collecting Society Limited Company Limited by Guarantee

Directors' report *(continued)*

Year ended 30 April 2015

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	
L Rolston	(Appointed 1 September 2014)
N Simons	(Appointed 1 September 2014)
N Woodeson	(Appointed 1 September 2014)
S Spence	(Resigned 31 August 2014)

During the year the following directors stood down and were reappointed in their new elected capacity on 1 December 2014.

J A Rogers
F Pyne
N Gerson

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.

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 has merged its practice with Moore Stephens LLP and now practises under the name of Moore Stephens LLP. Chantrey Vellacott DFK LLP formally resigned as auditors on 30.4.15 in accordance with the requirements of the Companies Act 2006. The Board approves recognition of the newly merged practice and a resolution to appoint Moore Stephens LLP as auditor will be proposed at the forthcoming Annual General Meeting.

**British Equity Collecting Society Limited
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Directors' report *(continued)*

Year ended 30 April 2015

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

**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 2015

We have audited the financial statements of British Equity Collecting Society Limited for the year ended 30 April 2015 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 page 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 2015 and of its loss 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 2015

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 exemptions from the requirement to prepare a strategic report.

**PHIL CLARK (Senior Statutory Auditor)
for and on behalf of MOORE STEPHENS 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 2015

	Note	2015 £	2014 £
Turnover		844,845	634,754
Administrative expenses		1,015,254	730,224
Operating loss	2	(170,409)	(95,470)
Interest receivable		139,294	146,244
(Loss)/profit on ordinary activities before taxation		(31,115)	50,774
Tax on (loss)/profit on ordinary activities	3	(17,744)	(1,401)
(Loss)/profit for the financial year		(13,371)	52,175

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 8 to 12 form part of these financial statements.

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

Balance sheet

As at 30 April 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	4	292,132	183,842
Investments	5	981,597	965,503
		<u>1,273,729</u>	<u>1,149,345</u>
Current assets			
Debtors	6	470,148	456,659
Cash at bank		15,545,088	15,743,188
		<u>16,015,236</u>	<u>16,199,847</u>
Creditors: amounts falling due within one year	7	<u>11,325,025</u>	<u>12,029,874</u>
Net current assets		<u>4,690,211</u>	4,169,973
Total assets less current liabilities		<u>5,963,940</u>	<u>5,319,318</u>
Creditors: amounts falling due after more than one year	8	5,283,029	4,638,413
Provisions for liabilities			
Deferred taxation	9	30,350	16,973
		<u>650,561</u>	<u>663,932</u>
Reserves			
Profit and loss account	11 12	650,561	663,932
Members' funds		<u>650,561</u>	<u>663,932</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, and are signed on their behalf by:

.....
J G H McOwat (aka G Hamilton)

Company Registration Number: 3547531

The notes on pages 8 to 12 form part of these financial statements.

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

Notes to the financial statements

Year ended 30 April 2015

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.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

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

Notes to the financial statements

Year ended 30 April 2015

2. Operating loss

Operating loss is stated after charging:

	2015	2014
	£	£
Directors' remuneration	86,525	83,005
Depreciation of owned fixed assets	138,161	31,263
Auditor's fees	6,000	6,000
Operating lease costs:		
- Other	76,421	67,944

During the year pension benefits of £12,773 (2014: £12,238) were provided in respect of one director (2014: one).

3. Taxation on ordinary activities

Analysis of charge in the year

	2015	2014
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	(31,121)	(11,817)
Total current tax	(31,121)	(11,817)
Deferred tax:		
Origination and reversal of timing differences	13,377	10,416
Tax on (loss)/profit on ordinary activities	(17,744)	(1,401)

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

Year ended 30 April 2015

4. Tangible fixed assets

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
Cost				
At 1 May 2014	40,466	21,017	235,497	296,980
Additions	–	–	246,451	246,451
At 30 April 2015	<u>40,466</u>	<u>21,017</u>	<u>481,948</u>	<u>543,431</u>
Depreciation				
At 1 May 2014	31,454	16,372	65,312	113,138
Charge for the year	8,206	4,163	125,792	138,161
At 30 April 2015	<u>39,660</u>	<u>20,535</u>	<u>191,104</u>	<u>251,299</u>
Net book value				
At 30 April 2015	<u>806</u>	<u>482</u>	<u>290,844</u>	<u>292,132</u>
At 30 April 2014	<u>9,012</u>	<u>4,645</u>	<u>170,185</u>	<u>183,842</u>

5. Investments

	Investments £
Cost	
At 1 May 2014	965,503
Additions	242,722
Disposals	(226,628)
At 30 April 2015	<u>981,597</u>
Net book value	
At 30 April 2015	<u>981,597</u>
At 30 April 2014	<u>965,503</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 2015 was £997,959 (2014: £984,778).

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

Year ended 30 April 2015

6. Debtors

	2015 £	2014 £
Trade debtors	360,696	368,420
Corporation tax repayable	-	10,732
Other debtors	109,452	77,507
	<u>470,148</u>	<u>456,659</u>

7. Creditors: amounts falling due within one year

	2015 £	2014 £
PAYE and social security	13,238	9,247
VAT	54,050	72,701
Other creditors	11,182,762	11,900,465
Accruals and deferred income	74,975	47,461
	<u>11,325,025</u>	<u>12,029,874</u>

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

	2015 £	2014 £
Other creditors including:		
Allocated but unpaid	2,148,888	1,830,708
Awaiting Distribution Data	3,052,427	2,660,835
Other creditors	81,714	146,870
	<u>5,283,029</u>	<u>4,638,413</u>

9. Deferred taxation

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

	2015 £	2014 £
Excess of taxation allowances over depreciation on fixed assets	30,350	36,231
Tax losses available	-	(19,258)
	<u>30,350</u>	<u>16,973</u>

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

Notes to the financial statements

Year ended 30 April 2015

10. Related party transactions

The company paid rent, service charges and administration charges totalling £90,996 (2014: £91,872) 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 £1,156 (2014: £67), F Pyne £Nil (2014: £492), N Gerson £219 (2014: £107) and A Prodger £257 (2014: £535).

At the year end there were amounts included in other creditors of £Nil (2014: £67) owed to J Rogers and £Nil (2014: £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

	2015 £	2014 £
Balance brought forward	663,932	611,757
(Loss)/profit for the financial year	(13,371)	52,175
Balance carried forward	<u>650,561</u>	<u>663,932</u>

13. Control

The company is under the control of its members.

**British Equity Collecting Society Limited
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Management information

Year ended 30 April 2015

**The following page does not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5.**

**British Equity Collecting Society Limited
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Detailed profit and loss account

Year ended 30 April 2015

	2015	2014
	£	£
Turnover		
Fee Income	268,946	174,728
Commission Income	423,097	394,326
Administration Charge for European Distributions	152,802	65,700
	844,845	634,754
Overheads		
Directors salaries	86,525	83,005
Directors national insurance contributions	10,841	10,390
Staff salaries	286,265	256,876
Office costs	76,421	67,944
Database materials / System Expenditure	231,330	148,892
Travel and subsistence	12,389	16,455
Communication costs	31,121	28,391
Sundry expenses	136,201	81,008
Auditors remuneration	6,000	6,000
Depreciation of leasehold improvements	8,208	8,207
Depreciation of fixtures and fittings	4,163	4,204
Depreciation of office equipment & software	125,790	18,852
	1,015,254	730,224
Operating loss	(170,409)	(95,470)
Bank interest and investment income receivable	139,294	146,244
(Loss)/profit on ordinary activities	(31,115)	50,774
