

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

MINUTES of the Twenty Fifth Annual General Meeting
of British Equity Collecting Society Limited ('the Society')
held on Thursday 7th December 2023 at 2.00pm
Screen 5, Curzon Bloomsbury Cinema, The Brunswick Centre, London WC1N 1AW

A. Welcoming remarks from the Chairman

The Chairman of the Board, Jean Rogers, opened the Annual General Meeting and welcomed the members to the 25th Anniversary AGM.

Proxies: there were 56 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 32.

D. Ordinary Business

1. To receive and approve the Minutes of the previous Annual General Meeting held on Thursday 8th December 2022.

The Chair asked all present whether they wished to raise any comments or corrections to the Minutes of the 2022 AGM.

There being no comments, the Chair therefore asked the members present to approve the Minutes of the 2021 AGM as previously circulated to the membership.

- The resolution to approve the minutes was proposed by Diana Brookes, seconded by John Hollingworth; passed unanimously.

2. To receive the Directors' Report and the Financial Statements of the Company for the year ended 30th April 2023 and the Auditor's Report thereon. Report from CEO.

The CEO, Tayyiba Nasser ("TN") presented a summary of the Financial Statements for the year ended 30 April 2023. Members had been given notice that copies of the full Financial Statements, the Annual Transparency Report for the year ending 30th April 2023 together with the Auditors' Report on these and the Directors' Report had been made available for all members through the BECS website since October 2023.

TN showed a graph illustrating BECS' timeline, focusing on the collections made for members. She reported that BECS had collected a total of £72.5 million for distribution to members since its inception, with almost the same amount being collected during the last 5 years as was collected during the 20 years prior to that. She thanked the BECS staff and board for making this possible.

TN showed a chart showing an increase in BECS' international collection year on year since 2017 which she attributed to new agreements and our sister CMOs negotiating new rights and tariffs, and also the popularity and demand for high quality UK productions in Europe – which means BECS has higher international collections than its counterparts in other European countries. The chart showed a small dip in collections for the current 2023/24 financial year due to post-Brexit reciprocity issues.

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TN ran through the financial highlights of BECS for the financial year 2023 - in terms of assets, liabilities, expenses, and revenue. Management fees had increased by £239,000 due to higher collections, and time-deposit interest by £167,000 due to higher interest rates, year on year. Therefore, BECS reserves currently stand at £1.9 million.

A member asked how BECS tracks down monies due to members from other countries and TN explained the process.

TN explained that BECS has changed auditors this year. Tim Hardy of the current auditors, Shipleys LLP spoke.

He noted that they did not find any areas of concern during their audit and that they had issued an unqualified audit report opinion, concluding that there are no concerns about BECS continuing as a going concern and found no errors in the Annual Transparency Report. TN explained that the audit report and accounts had already been approved by the BECS board and would shortly be submitted to Companies House.

3. To consider and, if thought fit, pass a resolution that the auditors of the Company, Shipleys 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 proposed by Louis Rolston, seconded by John Hollingworth; passed unanimously.

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 30th April 2023. Includes report from Legal Counsel.

TN mentioned some highlights from the Annual Transparency Report:

TN explained that the ATR has been approved by the board and has been available to view on the website. BECS membership currently stands at 31,866. She explained that we have been at this number for a few years now, and the reason why the number was slightly lower than previous year was because we are obliged to remove members that are uncontactable or who do not have credits on AV productions. There are about 90,000 performers on the Spotlight website so we are not capturing a lot of potential members who may be losing out on payments due to them. BECS is attempting to recruit more members and she urged members to invite other AV performers to join.

BECS deductions to cover operating expenses remain at a maximum of 10% of distributable income and TN explained that unlike other CMOs, BECS does not deduct amounts for social and cultural funds. In the 2022/23 financial year BECS had a 32% increase in collections for distribution to members amounting to £9.7 million. Over 13,250 members received at least one payment during that financial year, either via their agent or directly from BECS. Due to the usual 2–3-year time lag associated with statutory payments, the collections paid out in the year to 30 April 2023 included collections up to the end of the 2020, the end of the transition period for the UK leaving the EU, so collections may be lower for future financial years.

TN showed a table showing details of collections by country and type of right for the 2022/23 financial year. 60% was from private copying and 27% from broadcasting and communication to the public. The largest payments were from Belgium, France, Germany and the Netherlands.

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A video by Conservative MP Giles Watling, who is a member of the DCMS Select Committee and the All-Party Parliamentary Group for Visual Arts as well as being an actor, director, writer and producer and member of BECS was shown. He expressed support for the work of BECS and the issues faced by AV performers.

TN explained that one popular benefit of BECS membership is training courses we organise for members. We currently have language courses, Meisner technique, casting director and self-taping workshops among others in the pipeline.

Ty Glaser, Actor, BECS member and teacher of the American Accents course spoke to the meeting. She expressed appreciation for the work of BECS in tracking down money due to her from her previous work. Ty explained that she had developed a 4-level standard American Accent Course which has been run for BECS members via Zoom and in person at BECS' offices. It has been great to be back in the room with people face to face because of the energy and mental health benefits.

BECS' Legal Counsel, Jess Winchester "JW", gave a presentation about current legal issues for performers and BECS campaigns.

Issues BECS has been focussing on are:

The Loss of remuneration from some EU countries due to Brexit;
the need for statutory remuneration in the UK to supplement contractual payments;
the need for fairer remuneration for digital uses; and
AI.

JW started by recapping what BECS collects for its members, explaining that these are non-contractual payments which are due to audiovisual performers when their work is used – primarily payments due under the statutes or laws of other countries. She emphasised that these are separate from the contractual payments due to performers under their contracts with producers. BECS can collect these payments because it is a Collective Management Organisation or "CMO" – recognised and regulated by the Intellectual Property Office and because members assign certain rights to it when they join so that BECS can collect the payments on its members' behalf as it is impossible or impractical to do so individually.

JW explained that BECS' largest source of collections is currently private copying remuneration from private copying compensation schemes that are in place in many other countries. There is currently no such scheme in the UK.

JW explained that BECS' other large source of income for its members is equitable remuneration ("ER"), granted by statute, which is collected by CMOs. She explained that this was collected from TV broadcasters and on demand platforms, and those CMOs will pay a share of the ER to BECS relating to the use of UK productions featuring its members, which BECS then distributes to the relevant performers. There is no equivalent right to ER in the UK, for either UK performers, or foreign performers whose work is shown in the UK.

The national law of some EU member states requires reciprocity in order for performers from a country outside the EU to benefit from the payments mentioned, when their work is used in those countries. Since the UK left the EU, CMOs in those countries have informed BECS that payments can only be made if there is a reciprocal statutory scheme in the UK. The losses to BECS members as a result of this issue are just beginning to be felt due to the time lag for payments.

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BECS is currently considering our options regarding obtaining a further legal opinion and the possibility of a complaint to the EU Commission. A simpler solution to this problem, would be to establish reciprocity in the UK.

BECS has been working with other rightsholder CMOs on a project called the Smart Fund – which is trying to introduce a PC scheme in the UK. The Campaign's lobbying has been successful in garnering political support to the extent that the Culture Media and Sport Select Committee, which consists of MPs across the political parties, held an Inquiry into Creators' Remuneration recently. BECS member, actor John Hollingworth, and JW gave evidence at the Inquiry.

BECS and the CMOs representing other rightsholders which also took part, all spoke with one voice in advocating the Smart Fund as an important part of the solution to these issues.

BECS member and ambassador, actor John Hollingworth addressed the meeting

John spoke about what a bleak year this had been for actors as a result of the WGA and SAG AFTRA strikes. He explained that JW and TN had reached out to him after reading an article he wrote for the i-Newspaper about the precarity of life as an actor and asked him whether he would be prepared to give evidence at a DCMS Select Committee Inquiry on Creators' Remuneration. He said there is a pressure on actors to give the impression that they are inundated with scripts and get to pick and choose their work. He explained that he grew up without any money and had to turn down a place at RADA because he could not afford it. Fortunately, some alumni paid for him to attend. He was therefore happy to give his personal perspective on the financial issues facing actors to the Committee.

The Committee seemed keen to understand the financial pressures that actors live under, and John said he was happy to disabuse them of the commonly held fantasy that all actors are rich and living off endless streams of royalties. One of the MPs asked him how it could be so hard for him as he is a successful actor - it goes to show how easily people can conflate celebrity with actors and think that actors live a life of financial bliss. John explained that he was staggered as a young actor to hear from successful actors of the 1970s and 80s about the large royalty cheques they received, and it was important to make the point to the Committee that that has not been the case for his generation of actors. He wanted to stress to the MPs the difficulty of living without a financial safety net and the importance of the payments from BECS.

John said he had always been very grateful for the monies that come from BECS but until recently he knew very little about BECS. He was surprised when he came into the office to find how small and hardworking the BECS team is and was blown away by the frugal attitude to make sure as much money as possible goes to the people who have earned it. He had been shocked to hear about the threats to BECS payments due to reciprocity requirements. His own payments have gone down this year. This is a pressing problem that is going to get worse unless we can help BECS agitate for initiatives like the Smartfund. John explained in addition to getting the Committee to understand the importance of the private copying levy issues, we had also made the point to the Committee that what actors do is demanding and the amount of soft power that the acting industry brings to the UK globally is huge and it is a massive driver of GDP and a huge employer. It is only fair that when the work of actors is enjoyed by people, actors should benefit from that. He asked the attendees to tell other actors about the importance of what BECS does and about the Smartfund and encourage them to join BECS.

The Chair thanked John for all he has done and for agreeing to be a BECS Ambassador. She agreed with John that there is a misapprehension about actors living in luxury.

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BECS Legal Counsel continued her report:

JW informed the meeting that the DCMS Select Committee Inquiry report is due to come out in the next couple of months and we are hoping it will recommend that the DCMS consider introducing the Smartfund scheme – which could meet with objections from the tech industry even though they are already paying these levies in numerous other countries.

Beijing Treaty:

The other main issue BECS has been working on is pushing for the ratification of the Beijing Treaty. It has been signed by numerous countries all over the world since 2012 and sets out certain rights for AV performers. However, it has not yet been ratified or put into law by either the UK or the EU.

The next phase of the IPO's consultation about how to implement the rights in the Treaty into law in the UK (which we have been waiting for since 2021) was launched in September. Most of the rights provided for in the Beijing Treaty are already in UK and EU law but there is one new right which gives rise to differences of opinion and has delayed implementation.

The right which AV performers do not currently have in UK or EU law relates to broadcasting and communication to the public. The Treaty contains options about how signatory countries can implement this. Fortunately, the IPO has discounted the possibility of no new right at all.

Based on discussions with our colleagues in Europe (where there is a lack of consensus on this issue), BECS favours the introduction of an exclusive right with equitable remuneration for certain uses when that right has been transferred. The aim is to strike a balance between not unduly disrupting the status quo and obtaining fair remuneration for performers in respect of uses of their work, particularly uses that are more remote from the producer, or where new digital uses develop, and to create reciprocity in respect of some uses.

Another aspect of the consultation that was very welcome was the inclusion of questions about introducing a right to ER for AV performers when the exclusive right of making available is transferred. This relates to use of performers work on standalone on demand streaming services such as Netflix, Amazon Prime, Apple TV, Pluto, Roku as well as potentially user upload services such as YouTube and TikTok and the on- demand services of the broadcasters. BECS has been campaigning for the on-demand platforms to pay equitable remuneration to AV performers via a CMO, in addition to what they receive under their contract with the producer. We hear from our members and their agents that contractual remuneration for these uses is not adequate or proportionate, particularly if a film or series is very popular, and given the rise of streaming which has been at the expense of traditional broadcasting and the video rental market and the increasing revenues of the streaming services.

We provided evidence from a survey we conducted of AV performers agents and of our sister CMOs in countries where this right already exists in our response to the recent Beijing Treaty consultation and also in our evidence to the Culture Media and Sport Select Committee Inquiry. This is something for which music performers' organisations are also campaigning and on which all performers' CMOs in Europe are in agreement.

AI:

The issues relating to AI which affects AV performers fall into 3 categories:

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Inputs – use of previous work for training AI with no remuneration;

Outputs – putting livelihoods at risk;

Transparency & Labelling – so rightsholders know whether their work has been used for training and so consumers know whether a work is AI generated.

These are big issues for everyone in the creative community, not just performers but authors, songwriters, artists, photographers etc. too. The IPO has been holding meetings involving rightsholders and AI companies with the aim of arriving at a voluntary Code of Practice. Representatives of the British Copyright Council have attended. Unfortunately, there is still disagreement between rightsholders and some major AI companies on some important issues and more work needs to be done to resolve it.

A major concern for performers is the creation of look and soundalikes of them (or “deepfakes”) which can then potentially be used to replace them without payment. This was one of the main issues being negotiated between performers and producers during the SAG AFTRA strike and Equity is also focusing on this issue and doing a lot of campaigning on it.

This can be dealt with in contracts between performers and producers, but it would be much better if there was also a change to the law so that the creation of a look and sound alike of a performer required express, informed, written consent to the specific use to which it be put, with appropriate and fair remuneration. The Beijing Treaty contains new moral rights for audiovisual performers which, when introduced into law, may help them combat the misappropriation of their voice and likeness but BECS believes the changes to the law should go further, as just described and we have called for this, for example in our response to a recent House of Lords Inquiry into large language models.

A member asked JW to explain how private copying remuneration works in other countries, and she did so. Another member asked why the producer was not responsible for payments for ongoing exploitation and JW explained that they were to the extent that the contract the actor signed with the producer provided for additional payments for certain uses, but that private copying is not exploitation that the producer can control because it is done by a private individual. Another member asked why there is resistance to us providing reciprocity in this country. JW explained that there have been several attempts to get a private copying scheme set up in the past unsuccessfully. JW said there is resistance in the current Government to anything that may be perceived as a tax and a fear that the levy might increase the price of devices for consumer although in fact research shows that it does not do that, and the devices are cheaper in countries which have the levy and prices fluctuate with market forces. BECS may ask members to write to their MPs on this topic as the campaign progresses. BECS Director, Peter Barnes, commented that Conservative governments are resistant to anything perceived as imposing additional regulation on business.

Audiovisual Licensing Alliance - AVLA:

TN announced that AVLA, an organisation of which BECS is one of the founding members, that will licence transmission of television programmes within hotels, has just officially launched and showed a video explaining what AVLA does from its website.

5. To note the resignation of the Directors of the Company previously appointed under Article 15.3 of the Articles.

TN thanked the non-executive directors who were stepping down due to expiry of their 3-year term for their support – Jean Rogers, Jo Cameron Brown, Natasha Gerson, Nana St Bartholomew Brown and Lola

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May and noted that Nana St Bartholomew Brown and Lola May had decided not to stand for re-election this year.

6. To note the election results for the vacancies for Directors on the Board of Management for the purposes of Article 15.9 of the Articles.

215 valid votes were received. The following were elected for a 3-year period:

Fiona Branson
Jean Rogers
Jo Cameron Brown
Natasha Gerson
Ryan Early

TN thanked everyone who stood for election.

JR invited Ryan Early and Jo Cameron Brown to speak (Fiona Branson and Natasha Gerson were not present at the meeting). They explained what motivated them to apply for a board position and why they feel the work done by BECS is important.

7. To ratify the appointment of the CPMA's nominated Director, Peter Barnes with Robin Browne as his alternate, to the Board of Management per Article 15.6 of the Articles.

Proposed by Nana St Bartholomew Browne and seconded by Jo Cameron Brown. Unanimously approved.

8. To ratify the appointment of the PMA's nominated Director, Kevin Francis with Andy Herrity as his alternate, to the Board of Management per Article 15.7 of the Articles.

Proposed by Lola May and seconded by Sean Kernow. Unanimously approved.

Any other business

A video recorded by actor and BECS member, Neil Dudgeon encouraging people to join BECS and support its campaigns was played.

TN told the meeting that BECS will be launching a survey on AV performers' income and encouraged members to complete the survey and encourage fellow performers to do so and to respond to requests from BECS re. contacting their MPs in support of BECS' lobbying.

A member suggested sending an email to each Equity branch to put membership of BECS on the agenda of their meetings. PB said that only branch members can put items on agendas. Another member suggested targeting casting studios. Another member said that Spotlight and Equity should have a live link to the BECS website. TN and JR said we have tried unsuccessfully to request that.

A member asked whether there is a list of key points on BECS website of key points members can use when writing to their MPs about Beijing Treaty ratification etc.

A member suggested just telling people that BECS has free money for them, and TN explained that many people are suspicious that it is a scam.

Close of AGM and reception