

BRITISH EQUITY COLLECTING SOCIETY LTD



Annual Transparency Report 2023-24



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

Annual Transparency Report

for the year ended 30 April 2024

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 Tuesday 3rd December 2024.

The Collective Management of Copyright (EU Directive) Regulations 2016

This transparency report relates to BECS's financial year ended 30 April 2023 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 2024 shall be deemed part of this Report for consideration by Members of BECS.

Audit and Publication

The directors of BECS have appointed Shipleys LLP of | 10 Orange Street, Haymarket, London, WC2H 7DQ to audit the accounting information referred to in this report for the purposes of compliance with Regulation 21 (2) of the Regulations². Shipleys 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 2024.

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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AUDITORS' REPORT TO THE DIRECTORS OF BRITISH EQUITY COLLECTING SOCIETY LIMITED

We have performed the procedures agreed with you and enumerated below with respect to the annual transparency report of British Equity Collecting Services Limited for the year ended 30 April 2024. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely for the purpose of your compliance with Regulation 21(2)(b) of the Collective Management of Copyright (EU Directive) Regulations (2016) and are summarised in guidance issued by the Intellectual Property Office to Auditors in October 2017.

The procedures are set out in Annex A: Agreed upon procedures for the audit of an annual transparency report of the "Guidance on the collective management of Copyright (EU Directive) Regulations 2016: annual transparency reports and audit" issued by the Intellectual Property Office in October 2017.

Solely on the basis of the above procedures we report that:

We carried out the procedures as set out in Annex A: Agreed upon procedures for the audit of an annual transparency report of the "Guidance on the collective management of Copyright (EU Directive) Regulations 2016: annual transparency reports and audit" issued by the Intellectual Property Office in October 2017. There were no errors or exceptions found as a result of our testing.

Because the above procedures do not constitute engagements made in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland), we do not express any assurance on the annual transparency report for the year ended 30 April 2024.

Had we performed additional procedures or had we performed engagements in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland), other matters might have come to our attention that would have been reported to you.

Use and purpose of our report

Our Report is prepared solely for the use of British Equity Collecting Society Limited and solely for the purpose of its compliance with Regulation 21(2)(b) of the Collective Management of Copyright (EU Directive) Regulations (2016). It may not be relied upon by British Equity Collecting Society Limited for any other purpose whatsoever. Our Report was not prepared for the benefit of any party other than British Equity Collecting Society Limited. Shipleys LLP neither owes nor accepts any duty to any other party (including any copyright owner, heirs to copyright owners, agents or licensees) and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our Report.

Tim Hardy

Shipleys LLP,

5 Godalming Business Centre, Woolsack Way, Godalming, Surrey, GU7 1XW

Date:

British Equity Collecting Society Ltd (company no. 03547531)

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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. At the time of writing, BECS has 31,474 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 2024.

4. Affiliations

During the financial year ended 30 April 2024, BECS has been a member of or affiliated to the following bodies and recorded respective expenses:

- British Copyright Council (BCC: www.britishcopyright.org)
 - o £ 1,401 as membership fees
- Societies' Council for the Collective management of Performers' Rights (SCAPR: www.scapr.org):
 - o £ 5,466 as membership fees
 - o £ 11,131 as fees for VRDB2
 - o £ 7,338 as fees for IPD

The above fees are based on BECS' membership numbers and collections.
- AEPO ARTIS (www.aepo-artis.org):
 - o £ 10,452 as the year's contribution.

This charge is based on BECS' collections in the year.
- Creators' Rights Alliance (CRA: www.creatorsrightsalliance.org):
 - o £ 500 as membership fees

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 2024 including the Directors' Report form part of this Annual Transparency report.

The Financial Statements and the Directors' Report for the year ended 30 April 2024 include: -

- The total revenue for the year ended 30 April 2024
- The total costs incurred by BECS as administration costs
- A breakdown of personnel costs

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

	2023/24	2022/23
	£	£
Directors salaries	99,645	96,875
Directors pension costs	52,304	46,470
Staff salaries and related costs	193,406	174,428
Office costs	66,925	66,493
Database materials / System Expenditure	64,880	59,450
Travel and subsistence	9,543	6,873
Communication / Lobbying costs	13,722	21,731
Affiliations	36,289	31,790
Sundry expenses	2,482	2,303
Legal and professional fees	24,288	16,925
Other consultancy expenses	50,379	0
Auditors' remuneration	17,140	17,725
Amortisation of intangible assets	1,954	2,810
Depreciation	688	1,970
Bank charges	2,635	2,269
	636,280	548,112

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 2024 were:

- Jean Rogers (Chair)
- Natasha Gerson (Vice Chair)
- Peter Barnes
- Fiona Branson – appointed 7 Dec 2023
- Jo Cameron Brown
- Ryan Early – appointed 7 Dec 2023
- Kevin Francis
- Lola May – resigned 30 Oct 2023
- Louis Rolston
- Tayyiba Nasser
- Nana St Bartholomew-Brown Morgan – resigned 7 Dec 2023

¹⁰ Regulation 21 (4) (c)

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 Directors received payments made by BECS in respect of their rights as Performers and as reimbursement of expenses¹¹:

	Performers' Remuneration	Expenses
Jean Rogers	15	156
Peter Barnes	150	0
Fiona Branson	20	0
Jo Cameron Brown	292	129
Ryan Early	157	147
Tayyiba Nasser	0	427
Louis Rolston	0	267

The executive director's remuneration is detailed in section 5

BECS paid £2,331 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.

Collections for distribution to our members this year amounted to £9.34 million, down slightly from last year's figure of £9.70million. Over 13,300 members received at least one payment in the year, either directly or via their agent, from BECS.

UK Withdrawal from the EU

With the usual 2–3-year time lag associated with statutory payments, some of the collections paid out in the year to 30 April 2024 related to collections made during 2021. From 1 January 2021, the UK was no longer a member of the EU. As predicted in the last two transparency reports performers are now losing out on statutory payments from some countries as a consequence of the UK's withdrawal from the EU. CMOs in France, Belgium and several other countries (which are less significant in terms of revenue), have ceased to pay BECS, either in relation to performers who are UK nationals, or in relation to performances in UK productions. This is because they interpret their national laws (which vary between Member States) as preventing them from remunerating the use of our members' work as the UK is now classified as a "Third Country" and the UK does not afford reciprocal remuneration to EU performers.

BECS continues to engage with partner organisations on this issue. We are pursuing various avenues to try to resolve these issues, including obtaining legal advice and dialogue with the CMOs in question and via the UK Intellectual Property Office, which has regular meetings with its counterpart in the EU. We are also campaigning for changes in the UK which would create reciprocity – further details on this below.

¹¹ Regulation 21 (4) (f)

¹² Regulation 21 (4) (b)

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The Smart Fund

In September 2023, BECS was invited to take part in an Inquiry into Creators' Remuneration by the Culture Media and Sport Select Committee, along with representatives from several other organisations representing creatives. BECS member, actor, John Hollingworth, gave evidence about how precarious life as an actor is and how vital payments for ongoing use of work overseas is. BECS gave evidence about the issues its members are facing regarding cessation of payments from some countries due to Brexit and the lack of reciprocal payments, particularly in relation to private copying. All participants advocated the introduction of the Smart Fund.

The Smart Fund aims to establish a system of remuneration to compensate rightsholders (including performers) for when individuals make private copies of copyrighted works or performances on devices for their own use. This is funded by manufacturers and importers of devices which enable copies paying a small percentage of the selling price to CMOs. It is important to note that this scheme will not result in an additional cost to consumers or taxpayers. Such systems are already in place in 45 countries around the world and BECS members benefit when their work is used in countries which have such a system. Indeed, this private copying remuneration from overseas is BECS' most important source of collections currently but as mentioned above, our members' entitlement to a share of it from some countries is under threat due to Brexit and lack of reciprocity. If this remuneration system were established in the UK, it would provide a new source of revenue for performers and other creatives in the UK, help fund local cultural projects and would enable BECS to make reciprocal payments to our partner organisations when their members' work is copied in the UK.

The Committee published its report on 10 April 2024 and recommended that Government work with the UK's creative industries to introduce a statutory private copying scheme within the next twelve months. It also recommended the creation of a Freelancers' Commissioner, to advocate in the interests of creative freelancers. BECS and the other members of the Smart Fund campaign will continue to lobby the new Government to make sure it follows through on these recommendations.

AI

BECS has been following developments in the debate around AI regulation and has responded to several consultations from various parts of Government and the Information Commissioners Office, either in its own name or via its membership of the British Copyright Council. Along with other organisations representing creatives, we call for AI developers to be transparent about what works and performances have been used to train their models, for confirmation that consent from the performer is required in respect of reproduction and use of their performances by AI, for the creation of look and soundalikes to be regulated, for performers to be fairly remunerated when they allow their work to be used and overall for the Government to ensure that human creativity is valued and protected so that, in the race to become a centre for AI innovation, the UK's world-leading creative industries are not decimated.

New Alliances

Together with other creatives' CMOs, BECS has set up an organisation – the Audiovisual Licensing Alliance (AVLA), which has now started licensing rights in relation to communication to the public of television programmes within hotels in the UK. Performers will receive a share of this licensing revenue via BECS in due course.

BECS has joined together with audiovisual performers' CMOs from all over the world to create a new organisation, the Global Audiovisual Alliance (GAVA), with a shared vision of safeguarding the rights of audiovisual performers worldwide. GAVA represents a collaborative effort to address the challenges faced by actors in the rapidly evolving landscape of the audiovisual industry globally. GAVA's mission is to champion the rights of audiovisual performers on an international scale.

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Beijing Treaty on Audiovisual Performances (BTAP)

From September to November 2023, the Intellectual Property Office conducted another consultation regarding how to implement the BTAP, with respect to the optional elements of the Treaty. BECS responded, again advocating the introduction of some statutory remuneration rights for performers (to augment, not replace, the residuals they receive under their contracts) which cannot be waived or assigned to producers and supplied evidence about how well this works in other countries. The IPO asked us some follow up questions, to which we responded. Since then, there has been a hiatus on this, in part due to the election. Ratification of the Beijing Treaty is something for which BECS will continue to strongly lobby the new Government.

Member Training

BECS has continued to organise an array of training courses for members, ranging from French language courses to casting director workshops and voice-over and accent courses. We are always open to organising new courses that would benefit our members, so please get in touch with the team if you have any ideas or suggestions.

For data protection reasons, you need to be opted in to receive communications about training courses. If you do not currently receive these and would like to, please email us at: training@becs.org.uk.

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 30 April 2024 BECS had £11 million recorded as distributable to members. The full amount is recognised as a current liability. £9.3 million of this (less admin fees) was allocated for distribution in June 2024, and a further £0.6m (less fees) is expected to be allocated in November 2024. The remaining balance of £1.2m is outstanding either because we await further information to enable payment or is below our minimum individual payment threshold (£10 for BACS and £50 for International WIRES).

Once source amounts have been allocated to individual members' accounts, it is not currently technically possible to analyse total amounts attributed to rights holders but not yet distributed by the financial year in which the amounts were collected (as required by regulation 21 4 (j)) due to the huge volume of individual transactions.

BECS allocates all monies received for distribution to members within 9 months of the end of the financial year in which the rights revenue was collected, unless there are objective reasons preventing BECS from doing so. All allocated monies are ordinarily distributed as soon as they reach the payment threshold.

¹³ Regulation 21 (4) (j)

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11. Management Fees¹⁴

BECS' bilateral agreements cover a range 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.

BECS' total deductions for administering performers' rights payments during the year ended 30 April 2023 was £912,000. This is slightly lower than the maximum of 10% deduction rate as agreed by the BECS Membership.

Region	Amount Collected	Private Copying	Lending / Rental	Communication to Public	Broadcasting	Retransmission	Making Available	Other / Adjustment	BECS Fee deducted
Belgium	595,091	582,414	12,507	0	0	0	0	170	59,000
Colombia	2,421	0	0	2,421	0	0	0	0	0
Denmark	325,840	26,087	0	0	0	267,536	0	32,217	32,000
France	311,565	311,565	0	0	0	0	0	0	31,000
Germany	4,690,387	3,561,861	79,249	627,702	116	417,252	4,207	0	468,000
Hungary	65,186	28,404	0	36,782	0	0	0	0	0
Italy	586,445	122,188	0	0	341,036	0	123,220	0	58,000
Netherlands	1,581,080	536,561	45,721	110,484	874,485	0	1,581	12,247	157,000
Norway	45,291	0	0	0	0	0	0	45,291	0
Portugal	57,418	33,986	0	23,432	0	0	0	0	0
Spain	954,795	152,195	199	61,095	466,463	161,418	113,424	0	95,000
Switzerland	126,646	126,646	0	0	0	0	0	0	12,000
Grand Total	9,342,164	5,481,908	137,676	861,915	1,682,101	846,205	242,433	89,925	912,000

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 £497,283.

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 Organisations

Below is a list of sister CMOs that BECS has active Bilateral Agreements with as at the end of April 2024:

- | | |
|-------------------------|---------------------------------|
| 1. Belgium – PlayRight | 8. Switzerland - SwissPerform |
| 2. France – ADAMI / SAI | 9. Portugal – GDA |
| 3. Denmark – FILMEX | 10. Spain – AISGE |
| 4. Netherlands – NORMA | 11. Romania – CREDIDAM |
| 5. Italy – Nuovo IMAIE | 12. Chile – CHILEACTORES |
| 6. Germany – GVL | 13. Colombia – Colombia ACTORES |
| 7. Hungary – EJI | 14. Ecuador – UNIARTE ACTORES |

¹⁴ Regulation 21 (4) (i)

¹⁵ Regulation 21 (4) (h)