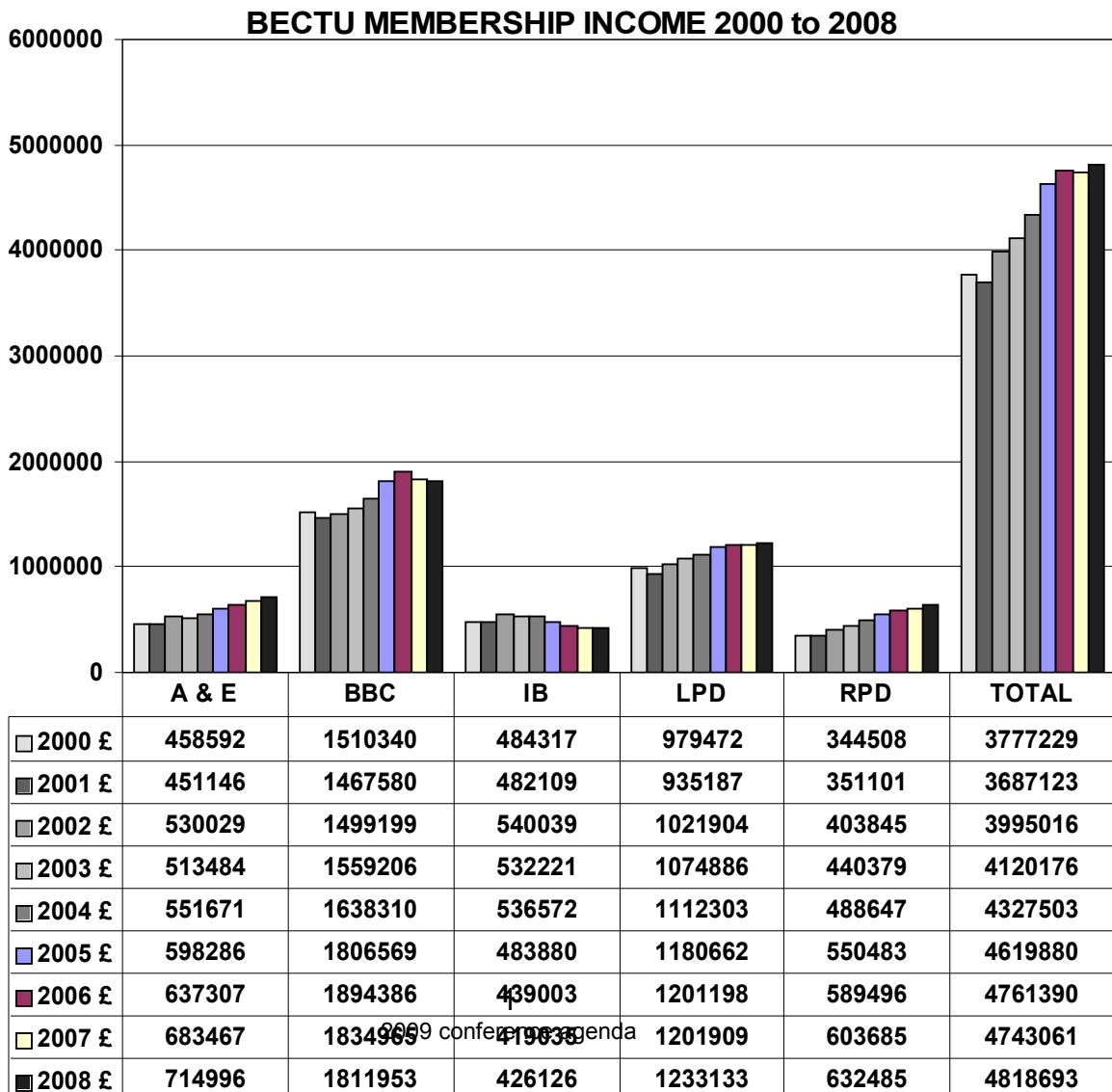


## BECTU FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

- 1 The total general fund income generated for 2008 was £4,880,170 which is 2% under the budget forecast. Of this amount membership subscriptions for the year 2008 totalled £4,818,693 as against 2007 membership income of £4,743,061, a difference of £75,632 which equates to an increase in membership income of 1.59%.
- 2 The total general fund expenditure for the year 2008 is £4,492,870 excluding depreciation and the capital expenditure on the upgraded database system. This is an 8.21% saving against budget forecast; these savings occurred on general expenditure and not on divisional or membership expenditure.
- 3 The figures used in producing this report are taken from the *management accounts* as opposed to the annual accounts (which follow). The reason for this is that income and expenditure in the annual accounts incorporates the FRS17 Pension Scheme Contributions and this changes certain figures such as staff pension costs and pension scheme actuarial gain. All the figures used come from the same source and can be agreed back to the annual accounts.



## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

### **STATEMENT OF THE NATIONAL EXECUTIVE COMMITTEE'S RESPONSIBILITIES**

Trade Union law requires the National Executive Committee to prepare the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice for each financial year which give a true and fair view of the state of affairs of the union and of the surplus or deficit of the union for that period. In preparing those financial statements the National Executive Committee is required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the union will continue to operate.

The National Executive Committee is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the union and to enable them to ensure that the financial statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992. It is also responsible for safeguarding the assets of the union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and must also establish and maintain a satisfactory system of control over its accounting records, its cash holdings and all its receipts and remittances.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**

We have audited the financial statements of the Broadcasting Entertainment Cinematograph and Theatre Union for the year ended 31 December 2008 which comprise the General Fund, Political Fund and Death Benefit Fund Income and Expenditure Accounts, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the union's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the union'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 union and the union's members, as a body for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF THE NATIONAL EXECUTIVE COMMITTEE AND AUDITORS**

The National Executive Committee's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the National Executive Committee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. We also report to you if, in our opinion, the information given in the Financial Report for the year ended 31 December 2008 contained in the Agenda for the 2009 Conference is consistent with the financial statements, if the union has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Financial Report contained in the Agenda for the 2009 Conference and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the

National Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **OPINION**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the union's affairs as at 31 December 2008 and of its results for the year then ended and have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and the information given in the Financial Report contained in the Agenda for the 2009 Conference is consistent with the financial statements.

## **HARD DOWDY**

a trading style of  
Chantrey Vellacott DFK LLP  
Chartered Accountants  
Registered Auditor  
LONDON

12 March 2009

# BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

## GENERAL FUND

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008	2007
		£	£
<b>INCOME</b>			
Subscriptions	1b	4,818,693	4,743,061
Grant	1d	-	3,994
Other income	2	130,917	125,160
		4,949,610	4,872,215
		4,949,610	4,872,215
 <b>EXPENDITURE</b>			
<b>Administration</b>			
Salaries and national insurance		2,111,581	2,079,010
Staff pension and insurance costs	3	395,929	425,153
Office occupancy		325,252	323,499
Communications		137,131	133,621
Printing and stationery		96,641	85,227
Organising	4	702,593	725,161
Publicity		5,019	1,085
Annual conference		103,795	132,471
Trade Union education		34,085	44,224
Journal		116,842	105,428
Legal and professional		155,190	146,925
Audit		22,630	18,597
Bank charges and interest paid		18,347	21,774
Carried forward		4,225,035	4,242,175

# BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

## GENERAL FUND

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008	2007
		£	£
<b>Brought forward</b>		4,225,035	4,242,175
<b>EXPENDITURE</b>			
<b>Miscellaneous</b>			
Affiliation fees	5	114,682	105,680
Grants and donations		7,857	7,119
Ballot expenses		5,124	9,850
Property repairs		13,735	27,001
Depreciation	1c, 9	38,773	44,087
		180,171	193,737
<b>Transfers to other funds</b>			
Death benefit fund	6	6,650	4,550
Political fund		38,803	38,563
		45,453	43,113
		<u>4,450,659</u>	<u>4,479,025</u>
<b>SURPLUS FOR THE YEAR BEFORE TAXATION</b>		498,951	393,190
<b>Taxation</b>	11	(14,644)	(16,510)
<b>SURPLUS AFTER TAXATION</b>		484,307	376,680
<b>PENSION SCHEME ACTUARIAL (LOSS) GAIN</b>	3	(1,916,000)	1,114,038
<b>(DEFICIT) SURPLUS</b>	8	<u>(1,431,693)</u>	<u>1,490,718</u>

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**POLITICAL FUND**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
<b>INCOME</b>			
Transfer from general fund		38,803	38,563
Donations		1,965	1,766
		<u>40,768</u>	<u>40,329</u>
<b>EXPENDITURE</b>			
Affiliations	7	30,281	31,843
Delegates' expenses		3,051	2,297
Parliamentary grants and donations		2,985	15,299
Administration		5,684	1,179
		<u>42,001</u>	<u>50,618</u>
<b>(DEFICIT) FOR THE YEAR</b>	8	<u>(1,233)</u>	<u>(10,289)</u>

**DEATH BENEFIT FUND**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
<b>INCOME</b>			
Transfer from general fund	6	<u>6,650</u>	<u>4,550</u>
<b>EXPENDITURE</b>			
Death grants		<u>6,650</u>	<u>4,550</u>
<b>RESULT FOR THE YEAR</b>	8	<u>-</u>	<u>-</u>

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**BALANCE SHEET AT 31 DECEMBER 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>	1c, 9		
Freehold properties		2,789,996	2,789,996
Computer equipment, furniture and fittings	2	33,780	57,904
<b>INVESTMENTS</b>	10		
Quoted at market value		1,405	1,241
Unquoted		5,000	5,000
<b>CURRENT ASSETS</b>			
Debtors and prepaid expenditure		279,660	226,857
Staff loans		24,548	22,251
Deposits with solicitors		73,357	71,919
Cash at bank and in hand		1,659,293	1,331,557
		<u>2,036,858</u>	<u>1,652,584</u>
<b>CURRENT LIABILITIES</b>			
Corporation tax payable	11	14,712	11,799
Creditors and accruals		400,293	413,130
		<u>415,005</u>	<u>424,929</u>
<b>NET CURRENT ASSETS</b>		<u>1,621,853</u>	<u>1,227,655</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,452,034	4,081,796
<b>PENSION SCHEME LIABILITY</b>	3	(5,916,000)	(4,113,000)
		<u>(1,463,966)</u>	<u>(31,204)</u>
<b>FINANCED BY</b>			
Accumulated funds	8	(1,464,371)	(31,445)
Investment revaluation reserve		405	241
		<u>(1,463,966)</u>	<u>(31,204)</u>

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**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**1 ACCOUNTING POLICIES**

**a Basis of Accounts**

The accounts have been prepared under the historical cost basis of accounting as modified by the revaluation of quoted investments and in accordance with applicable Accounting Standards.

**b Subscriptions**

Subscriptions are shown in the accounts on the basis of those amounts collected from members in respect of the year under review.

**c Depreciation**

No depreciation is provided on freehold property.

Depreciation is provided on furniture and fittings at 20% per annum on cost and on computer equipment at 33% per annum on cost in order to write these assets off over their estimated useful life. Assets which were fully depreciated at 1 January 2008 have been eliminated from these accounts.

	<b>2008</b>	<b>2007</b>
	£	£
<b>2 OTHER INCOME</b>		
Investment income	79,613	64,293
Miscellaneous	51,304	60,867
	<hr/>	<hr/>
	130,917	125,160
	<hr/> <hr/>	<hr/> <hr/>

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**3 PENSION COSTS**

The union operates a final salary defined benefit pension scheme. Benefits are linked to members' final pensionable salaries and service at their retirement (or date of leaving if earlier).

The most recent formal actuarial valuation was carried out at 1 November 2007 and updated to 31 December 2008 by a qualified independent actuary.

The assumptions used by the actuary were:

<b>FINANCIAL ASSUMPTIONS</b>	<b>2008</b>	<b>2007</b>
Discount rate	6.2%	5.8%
Price inflation	2.5%	3.3%
Salary increases	2.5%	4.3%
Rate of increase of pensions in payment	2.4%	3.2%
Rate of increase for deferred pensioners	2.5%	3.3%
Expected return on assets	6.41%	6.94%

The overall expected return on assets has been derived by calculating the weighted average of the expected rate of return for each asset class as follows:

Fixed interest securities, current market yields

Equities, including property, allowance for an additional return of 3.25% above that available on UK government securities

Cash, bank base rate

<b>DEMOGRAPHIC ASSUMPTIONS</b>	<b>2008</b>	<b>2007</b>
Mortality (pre-retirement)	AMC00/AFC00	AM92/AF92
Mortality (post-retirement)	PA92mc	90% PA92 ( C = 2 0 2 0 )

The assets of the scheme are invested in a diversified portfolio.

In the current year they are valued at bid market value. In previous years they have been quoted at mid market value.

<b>ASSET CLASS</b>	<b>2008</b>		<b>2007</b>		<b>2006</b>	
	£'000	% of total	£'000	% of total	£'000	% of total
Equities (including property)						
Bonds	2,322	26%	2,734	24%	2,627	24%
Gilts	1,274	14%	1,110	10%	1,030	10%
Cash	72	1%	220	2%	15	0%
	<u>8,869</u>		<u>11,225</u>		<u>10,791</u>	
Actual return	(2,541)		176		77	

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**3 PENSION COSTS (continued)**

**BALANCE SHEET RECONCILIATION**

	<b>2008</b>	<b>2007</b>
	£'000	£'000
Market value of assets	8,869	11,225
Present value of liabilities	(14,785)	(15,338)
Pension (liability) recognised in balance sheet	<u>(5,916)</u>	<u>(4,113)</u>

**ANALYSIS OF CHANGES IN VALUE OF SCHEME LIABILITIES**

Value at 1 January	15,338	16,124
Service cost	207	337
Interest cost	889	824
Members' contributions	110	110
Benefits paid	(349)	(366)
Actuarial (gains)	(1,410)	(1,691)
Value at 31 December	<u>14,785</u>	<u>15,338</u>

**ANALYSIS OF CHANGES IN THE VALUE OF SCHEME ASSETS**

Value at 1 January	11,225	10,791
Expected return	785	753
Actuarial (losses)	(3,326)	(577)
Employer's contributions	508	571
Members' contributions	110	110
Expenses paid	(84)	(57)
Benefits paid	(349)	(366)
Value at 31 December	<u>8,869</u>	<u>11,225</u>

**CHARGE TO INCOME AND EXPENDITURE**

Current service cost	207	337
Expenses paid	84	57
Interest cost	889	824
Expected return	(785)	(753)
	104	71
Adjustment	-	(40)
	<u>395</u>	<u>425</u>

**ACTUARIAL (LOSSES) GAINS**

Scheme liabilities	1,410	1,691
Scheme assets	(3,326)	(577)
	<u>(1,916)</u>	<u>1,114</u>

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**3 PENSION COSTS (continued)**

**HISTORY OF ASSETS, LIABILITIES, EXPERIENCE GAINS AND LOSSES**

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	£'000	£'000	£'000	£'000	£'000
<b>At 31 December</b>					
Market value of scheme assets	8,869	11,225	10,791	9,508	7,871
Value of scheme liabilities	(14,785)	(15,338)	(16,124)	(16,690)	(13,713)
(Deficit) in the scheme	<u>(5,916)</u>	<u>(4,113)</u>	<u>(5,333)</u>	<u>(7,182)</u>	<u>(5,842)</u>
<b>Actuarial gains (losses) arising</b>					
<b>on scheme liabilities</b>					
Due to experience	(655)	(213)	304	22	(797)
% of liabilities	(4)%	(1)%	2%	0%	(6)%
Due to change in basis	2,065	1,904	1,464	(1,896)	(2,240)
	14%	12%	9%	(11)%	(16)%
<b>on scheme assets</b>					
Due to experience	(3,326)	(577)	477	867	332
	(37)%	(5)%	4%	9%	4%

The cumulative amount of actuarial gains and losses in the last five years is £(2,269,000).

**FUTURE FUNDING OBLIGATION**

The union agreed to pay annual contributions of 32% of members' pensionable salaries for the year to 31 December 2008 and subsequently 13.3% of pensionable salaries plus £25,300 per month (increasing in line with RPI each 1 November).

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
	£	£
<b>4 ORGANISING</b>		
Head office and general organising	82,286	82,666
Divisional and other organising	486,812	513,104
Regional offices	73,573	77,364
NEC and committees	41,915	34,853
Miscellaneous committees	18,007	17,174
	<hr/>	<hr/>
	702,593	725,161
	<hr/> <hr/>	<hr/> <hr/>
<b>5 AFFILIATION FEES</b>		
Trades Union Congress	60,807	59,191
General Federation of Trade Unions	5,000	5,000
Media Entertainment International	39,573	31,580
Federation of Entertainment Unions	1,250	2,500
Scottish Trades Union Congress	2,152	2,068
Irish Congress of Trade Unions	2,656	938
International Affiliation of English Speaking Directors Organisations	2,000	2,000
Various	1,244	2,403
	<hr/>	<hr/>
	114,682	105,680
	<hr/> <hr/>	<hr/> <hr/>

**6 DEATH BENEFIT FUND**

In accordance with rules 5(s) and 22 the Death Benefit Fund is maintained at a sum equivalent to twice the highest total annual amount of death benefit claims paid in any of the five years immediately preceding by an allocation from or (to) the General Fund of the union.

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
	£	£
<b>7 POLITICAL FUND AFFILIATION FEES</b>		
Labour Party	21,199	21,199
British Screen Advisory Council	5,200	5,000
British Copyright Council	1,060	1,110
Various	2,822	4,534
	<hr/>	<hr/>
	30,281	31,843
	<hr/>	<hr/>

**8 ACCUMULATED FUNDS**

	<b>Total</b>	<b>General Fund</b>	<b>Death Benefit</b>	<b>Political Fund</b>
	£	£	£	£
Balance at 1 January 2008	(31,445)	(69,574)	28,700	9,429
(Deficit) result for the year	(1,432,926)	(1,431,693)	-	(1,233)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2008	(1,464,371)	(1,501,267)	28,700	8,196
	<hr/>	<hr/>	<hr/>	<hr/>

**9 FIXED ASSETS**

<b>Freehold Property</b>	<b>373/377</b>
	<b>Clapham Road</b>
	<b>London SW9</b>
	£
Cost at 1 January 2008	2,789,996
Additions	-
Disposals	-
	<hr/>
	2,789,996
	<hr/>

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

9 **FIXED ASSETS**

Computer Equipment, Furniture and Fittings

	<b>Computer Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	£	£	£
Cost at 1 January 2008	118,400	37,809	156,209
Additions	11,582	3,067	14,649
Disposals	(37,819)	(622)	(38,441)
	<hr/> 92,163	<hr/> 40,254	<hr/> 132,417
Depreciation at 1 January 2008	77,726	20,579	98,305
Disposals	(37,819)	(622)	(38,441)
Charged in year	30,722	8,051	38,773
	<hr/> 70,629	<hr/> 28,008	<hr/> 98,637
Net Book Value at:			
31 December 2008	<hr/> 21,534	<hr/> 12,246	<hr/> 33,780
31 December 2007	<hr/> 40,674	<hr/> 17,230	<hr/> 57,904



**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

10 **INVESTMENTS**

	<b>Cost</b>	<b>Market value</b>
	£	£
<b>Quoted</b>		
British Government Stock	1,000	1,405
	<hr/> <hr/>	<hr/> <hr/>
<b>Unquoted</b>		
Equities	5,000	
	<hr/> <hr/>	

11 **TAXATION**

The union is not liable to taxation on income from its members. Taxation is payable to the extent that investment income and chargeable gains exceed allowable provident benefits. A provision of £14,712 (2007: £11,799) has been made in respect of the year ended 31 December 2008.

12 There are no outstanding capital commitments at 31 December 2008 (2007: none).

13 **COMMITMENT – SOFTWARE LICENCE AND SERVICES SUPPLY AGREEMENT**

At 31 December 2008, the union has software licence and services supply agreement commitments of £4,858 per quarter. The last payment is due on 1 April 2011.

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
	£	£
<b>RECONCILIATION OF OPERATING RESULTS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Total surplus for year	(1,432,926)	1,480,429
Depreciation	38,773	44,087
(Increase) in debtors and prepayments	(56,538)	(27,740)
(Decrease) in creditors and accruals	(12,837)	(45,684)
Increase in corporation tax payable	2,913	11,799
Increase (decrease) in pension liability	1,803,000	(1,220,038)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>342,385</b>	<b>242,853</b>
 <b>CASH FLOW STATEMENT</b>		
Net cash inflow from operating activities	342,385	242,853
Purchases of fixed assets	(14,649)	(45,486)
Sales of fixed assets	-	7,332
<b>INCREASE IN CASH IN THE YEAR</b>	<b>327,736</b>	<b>204,699</b>
 <b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH</b>		
Increase in cash in the year	327,736	204,699
Net cash at 1 January 2008	1,331,557	1,126,858
<b>NET CASH AT 31 DECEMBER 2008</b>	<b>1,659,293</b>	<b>1,331,557</b>