

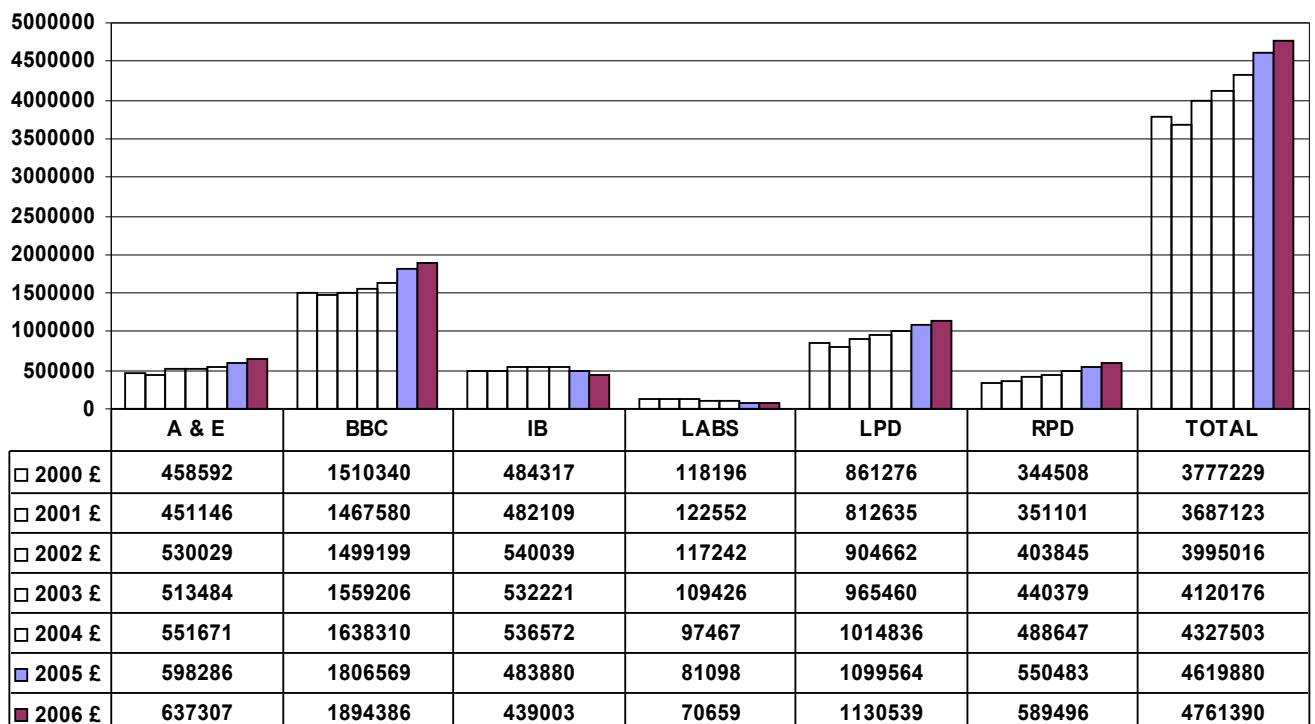
FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

- 1 The total general fund income generated for 2006 was £4,786,503, which is 1.93% above budget forecast. Of this amount membership subscriptions for the year 2006 totalled £4,761,390 as against 2005 membership income of £4,619,881. This is an increase of £141,509, which equates to a growth of 3.06% and an increase on budget forecast of 1.3%.

- 2 The total general fund expenditure for the year 2006 is £4,400,402 excluding depreciation and the final loan repayments, but for the first time including an accrual of £40,000 in respect of legal cases for which we have not yet been billed. This is a 4.22% 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. 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.

BECTU MEMBERSHIP INCOME 2000 to 2006



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 relevant 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 2006 which comprise the Balance Sheet, the General Fund, Political Fund and Death Benefit Fund Income and Expenditure Accounts, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of quoted investments and 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 auditors' 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 Annual Report and the financial statements in accordance with applicable law and relevant 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 Financial Report for the year ended 31 December 2006 contained in the Agenda for the 2007 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 2007 Conference and consider the implications for our report if we become aware of any apparent misstatements in 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 relevant United Kingdom Generally Accepted Accounting Practice, of the state of the union's affairs as at 31 December 2006 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 2007 Conference is consistent with the financial statements.

23/28 Great Russell Street
London WC1B 3NG

HARD DOWDY
Registered auditors

3 April 2007

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

GENERAL FUND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006	2005
		£	£
INCOME			
Subscriptions	1b	4,761,390	4,619,881
Grant	1d	3,994	3,994
Other income	2	108,777	281,429
		4,874,161	4,905,304
		4,874,161	4,905,304
 EXPENDITURE			
Administration			
Salaries and national insurance		2,028,124	1,951,344
Staff pension and insurance costs	3	902,541	793,361
Pension Protection Fund Levy		15,927	-
Office occupancy		255,439	250,437
Communications		148,868	163,691
Printing and stationery		103,057	103,244
Organising	4	718,365	636,311
Annual conference		76,807	128,027
Trade Union education		51,673	33,940
Journal		120,443	105,815
Legal and professional		157,460	204,712
Audit		17,678	20,889
Bank charges and interest paid		30,686	121,181
Carried forward		4,627,068	4,512,952

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

GENERAL FUND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006	2005
		£	£
Brought forward		4,627,068	4,512,952
EXPENDITURE			
Miscellaneous			
Affiliation fees	5	105,470	98,816
Grants and donations		12,281	11,519
Ballot expenses		18,449	-
Property repairs		15,848	16,684
Depreciation	1c, 9	65,485	58,484
		217,533	185,503
Transfers to other funds			
Death benefit fund	6	8,050	4,900
Political fund		40,240	41,414
		48,290	46,314
		4,892,891	4,744,769
(LOSS) SURPLUS FOR THE YEAR		(18,730)	160,535
PENSION SCHEME ACTUARIAL GAIN (LOSS)	3	2,245,276	(1,006,259)
		2,226,546	(845,724)
EXCEPTIONAL ITEMS			
Surplus on sale of 111 Wardour Street		-	1,079,239
Surplus on sale of land at 373/377 Clapham Road		-	547,833
Profit share on sale of land at 373/377 Clapham Road		260,000	-
SURPLUS AFTER EXCEPTIONAL ITEMS	8	2,486,546	781,348

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

**POLITICAL FUND
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2006**

	Note	2006 £	2005 £
INCOME			
Transfer from general fund		40,240	41,414
Donations		1,901	2,130
		<u>42,141</u>	<u>43,544</u>
EXPENDITURE			
Affiliations	7	29,524	29,567
Delegates' expenses		2,611	1,884
Parliamentary grants and donations		2,417	1,095
Administration		789	608
		<u>35,341</u>	<u>33,154</u>
SURPLUS FOR THE YEAR	8	<u>6,800</u>	<u>10,390</u>

**DEATH BENEFIT FUND
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2006**

	Note	2006 £	2005 £
INCOME			
Transfer from general fund	6	8,050	4,900
EXPENDITURE			
Death grants		8,050	10,500
RESULT (DEFICIT) FOR THE YEAR	8	<u>-</u>	<u>(5,600)</u>

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
BALANCE SHEET AT 31 DECEMBER 2006

	Note	2006 £	2005 £
FIXED ASSETS	1c, 9		
Freehold properties		2,789,996	2,789,996
Computer equipment, furniture and fittings		63,837	82,033
INVESTMENTS	10		
Quoted at market value		1,284	1,260
Unquoted		5,000	5,000
CURRENT ASSETS			
Debtors and prepaid expenditure		203,567	229,948
Staff loans		17,134	22,468
Deposits with solicitors		72,586	72,939
Cash at bank and in hand		1,126,858	775,578
		1,420,145	1,100,933
CURRENT LIABILITIES			
Bank loan		-	52,392
Creditors and accruals		458,814	522,515
		458,814	574,907
NET CURRENT ASSETS		961,331	526,026
TOTAL ASSETS LESS CURRENT LIABILITIES		3,821,448	3,404,315
Amounts falling due after more than one year	11	-	(226,812)
TOTAL ASSETS		3,821,448	3,177,503
PENSION SCHEME LIABILITY		(5,333,038)	(7,182,463)
		(1,511,590)	(4,004,960)
FINANCED BY			
Accumulated funds	8	(1,511,874)	(4,005,220)
Investment revaluation reserve		284	260
		(1,511,590)	(4,004,960)

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 2006 have been eliminated from these accounts.

d Government grants are amortised over the useful economic life of the assets purchased.

2006

2005

£

£

2 OTHER INCOME

Investment income

34,666

12,292

Miscellaneous

74,111

269,137

108,777

281,429

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

3 PENSION SCHEME CONTRIBUTIONS

The union operates a defined benefit scheme in the United Kingdom. A full actuarial valuation was carried out at 1 November 2004 and updated to 31 December 2006 by a qualified independent actuary.

The major assumptions used by the actuary

	At 31.12.2006	At 31.12.2005	At 31.12.2004
Rate of increase in salaries	4.1%	4.4%	4.4%
Rate of increase of pensions in payment	2.6% to 4.1%	2.2% to 4.13%	2.2% to 4.13%
Discount rate	5.1%	4.73%	5.3%
Inflation assumption	3.1%	2.9%	2.9%

The assets in the scheme and the expected rate of return

	Long-term expected rate of return	Value at 31.12.2006	Long-term expected rate of return	Value at 31.12.2005	Long-term expected rate of return	Value at 31.12.2004
		£		£		£
Equities	7.9%	7,118,774	6.7%	5,402,787	7.0%	4,435,865
Bonds	5.1%	2,626,914	4.7%	2,655,246	5.3%	2,258,210
Fixed interest gilts	4.6%	1,030,478	4.1%	1,353,123	4.5%	1,130,132
Cash	5.0%	14,796	4.5%	96,381	4.0%	46,356
Total market value of assets		10,790,962		9,507,537		7,870,563
Present value of scheme liabilities		16,124,000		16,690,000		13,713,000
Deficit in scheme being net pension liability		(5,333,038)		(7,182,463)		(5,842,437)

The union is only subject to corporation tax in line with note 12 and does not therefore account for deferred tax. As a consequence, there cannot be a deferred tax asset related to the above pension liability.

	2006	2005
	£	£
Analysis of amount charged to expenditure		
Current service cost	606,760	494,975
Past service cost	-	-
Curtailments	-	-
Total operating charge	606,760	494,975

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

3 PENSION SCHEME CONTRIBUTIONS (Continued)

	2006	2005
	£	£
Analysis of amount included as income		
Expected return on pension scheme assets	553,754	491,313
Interest on pension scheme liabilities	(798,863)	(736,386)
Expenses	(49,793)	(51,509)
Negative return	<u>(294,902)</u>	<u>(296,582)</u>
Analysis of actuarial amount recognised as loss		
Actual return less expected return on scheme assets	477,203	867,459
Experience gains and losses arising on scheme liabilities	304,073	22,282
Changes in assumptions underlying the present value of the scheme liabilities	000 1,464,	(1,896 ,000)
Actuarial gain (loss) recognised	<u>2,245,276</u>	<u>(1,006,259)</u>
Movement in deficit during the year		
Deficit in scheme at beginning of the year	(7,182,463)	(5,842,437)
Movement in the year:		
Charge to expenditure	(606,760)	(494,975)
Negative income return	(294,902)	(296,582)
Actuarial gain (loss)	2,245,276	(1,006,259)
Contributions	505,811	457,790
Deficit in scheme at end of the year	<u>(5,333,038)</u>	<u>(7,182,463)</u>

The full actuarial valuation at 1 November 2004 showed a deficit of £3,860,000. The trustees agreed with the employer that the union's rate of contribution would be 32% throughout the year. Employee contributions were 7%.

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006**

3 PENSION SCHEME CONTRIBUTIONS (continued)

	2006	2005
	£	£
History of experience gains and losses		
Difference between expected and actual return on assets	477,204	867,459
Percentage of scheme assets	4.4%	9.1%
Experience gains and losses arising on scheme liabilities	304,073	22,282
Percentage of the present value of scheme liabilities	1.9%	0.1%
Amount of recognised actuarial gain (loss)	2,245,276	(1,006,259)
Percentage of the present value of scheme liabilities	13.9%	6.0%

Under FRS17 the operating costs of providing benefits, the service costs, and the interest cost and expected return on assets are included in the income and expenditure account in the period in which they arise. Market fluctuations are set out as recognised gains and losses. The cash flow required to meet any deficit relates to future pension contributions and in the long term this is expected to rise. However the amount of any deficit is subject to considerable variation as it depends on a number of both demographic and financial assumptions.

Provision of the expected benefit is, at least partly, based on the assumption that the liability can be funded in equities. There is an expectation that a higher return on equities, compared with that on less risky investments, eg AA corporate bonds, would make such promises affordable.

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£	£
4 ORGANISING		
Head office and general organising	76,356	73,277
Divisional and other organising	525,892	450,532
Regional offices	73,108	69,339
NEC and committees	27,095	25,096
Miscellaneous committees	15,914	18,067
	<hr/>	<hr/>
	718,365	636,311
	<hr/>	<hr/>
5 AFFILIATION FEES		
Trades Union Congress	59,632	55,295
General Federation of Trade Unions	4,000	3,000
Media Entertainment International	32,742	31,309
Federation of Entertainment Unions	2,500	2,500
Scottish Trades Union Congress	2,118	1,957
Irish Congress of Trade Unions	985	869
International Affiliation of English Speaking Directors Organisations	2,000	2,000
Various	1,493	1,886
	<hr/>	<hr/>
	105,470	98,816
	<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 2006

	2006	2005
	£	£
7 POLITICAL FUND AFFILIATION FEES		
Labour Party	21,199	21,199
British Screen Advisory Council	4,800	4,570
British Copyright Council	960	930
Various	2,565	2,868
	<hr/>	<hr/>
	29,524	29,567
	<hr/>	<hr/>

8 ACCUMULATED FUNDS

	Total	General Fund	Death Benefit	Political Fund
	£	£	£	£
Balance at 1 January 2006	(4,005,220)	(4,046,838)	28,700	12,918
Surplus / Result for the year	2,493,346	2,486,546	-	6,800
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2006	(1,511,874)	(1,560,292)	28,700	19,718
	<hr/>	<hr/>	<hr/>	<hr/>

9 FIXED ASSETS

Freehold Property	373/377
	Clapham Road
	London SW9
	£
Cost at 1 January 2006	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 2006

9 **FIXED ASSETS**

Computer Equipment, Furniture and Fittings

	Computer Equipment	Furniture and Fittings	Total
	£	£	£
Cost at 1 January 2006	94,016	135,721	229,737
Additions	39,152	8,137	47,289
Disposals	(19,477)	(5,939)	(25,416)
	<hr/> 113,691	<hr/> 137,919	<hr/> 251,610
Depreciation at 1 January 2006	56,563	91,141	147,704
Disposals	(19,477)	(5,939)	(25,416)
Charged in year	37,901	27,584	65,485
	<hr/> 74,987	<hr/> 112,786	<hr/> 187,773
Net Book Value at:			
31 December 2006	<hr/> 38,704	<hr/> 25,133	<hr/> 63,837
31 December 2005	<hr/> 37,453	<hr/> 44,580	<hr/> 82,033

During the year 2005 the union received a capital grant from the Union Learning Fund of £11,982 which has been used to purchase computer and IT equipment. In line with Statement of Standard Accounting Practice (SSAP) 4 the grant has been amortised to income over 3 years which is the useful economic life of the assets purchased.

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

10 **INVESTMENTS**

	Cost	Market value
	£	£
Quoted		
British Government Stock	1,000	1,284
	<hr/> <hr/>	<hr/> <hr/>
Unquoted		
Equities	5,000	
	<hr/> <hr/>	
	2006	2005
	£	£
11 AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Bank loan	-	226,812
	<hr/> <hr/>	<hr/> <hr/>

12 **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.

13 There are no outstanding capital commitments at 31 December 2006 (2005: none).

BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£	£
RECONCILIATION OF OPERATING RESULTS TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES		
Total surplus for year	2,493,346	786,138
Depreciation	65,485	58,484
Surplus on sale of 111 Wardour Street	-	(1,079,239)
Surplus on sale of land at 373/377 Clapham Road	-	(547,833)
Profit share on sale of land of 373/377 Clapham Road	(260,000)	-
Decrease (Increase) in debtors and prepayments	32,068	(11,574)
(Decrease) in creditors and accruals	(63,701)	(201,994)
(Decrease) Increase in pension liability	(1,849,425)	1,340,026
NET CASH INFLOW FROM OPERATING ACTIVITIES	417,773	344,008
 CASH FLOW STATEMENT		
Net cash inflow from operating activities	417,773	344,008
Purchases of fixed assets	(47,289)	(69,426)
Sales of fixed assets	260,000	3,729,258
Bank loan (repaid)	(279,204)	(3,370,796)
INCREASE IN CASH IN THE YEAR	351,280	633,044
 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH		
Increase in cash in the year	351,280	633,044
Net cash at 1 January 2006	775,578	142,534
NET CASH AT 31 DECEMBER 2006	1,126,858	775,578