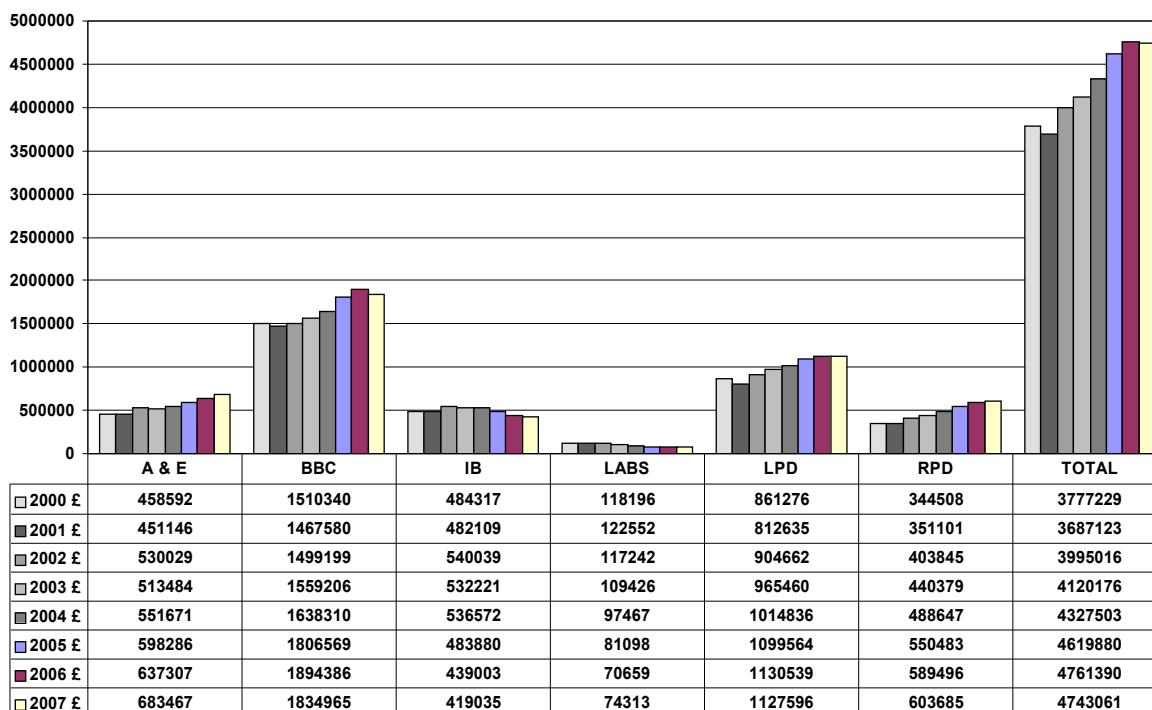


## FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

- 1 The total general fund income generated for 2007 was £4,794,026, which is 2.52% under the budget forecast. Of this amount membership subscriptions for the year 2007 totalled £4,743,061 as against 2006 membership income of £4,761,390 - a difference of £18,330, which equates to a drop against budget forecast of 3.36%. (Subscription income by division is shown in the graph below.)
  
- 2 The total general fund expenditure for the year 2007 is £4,519,982 excluding depreciation and the capital expenditure on the new membership database system. This is a 6.85% 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.

**BECTU MEMBERSHIP INCOME 2000 to 2007**



## **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:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

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 2007 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 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 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 information given in the Financial Report for the year ended 31 December 2007 contained in the Agenda for the 2008 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 2008 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 relevant United Kingdom Generally Accepted Accounting Practice, of the state of the union's affairs as at 31 December 2007 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 2008 Conference is consistent with the financial statements.

HARD DOWDY

a trading style of

Chantrey Vellacott DFK LLP

Chartered Accountants

Registered Auditor

LONDON

18 March 2008

# BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

## GENERAL FUND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		£	£
<b>INCOME</b>			
Subscriptions	1b	4,743,061	4,761,390
Grant	1d	3,994	3,994
Other income	2	125,160	108,777
		4,872,215	4,874,161
		4,872,215	4,874,161
 <b>EXPENDITURE</b>			
<b>Administration</b>			
Salaries and national insurance		2,079,010	2,028,124
Staff pension and insurance costs	3	425,153	902,541
Pension Protection Fund Levy		-	15,927
Office occupancy		323,499	255,439
Communications		133,621	148,868
Printing and stationery		85,227	103,057
Organising	4	725,161	718,365
Publicity		1,085	-
Annual conference		132,471	76,807
Trade Union education		44,224	51,673
Journal		105,428	120,443
Legal and professional		146,925	157,460
Audit		18,597	17,678
Bank charges and interest paid		21,774	30,686
Carried forward		4,242,175	4,627,068

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION  
GENERAL FUND**

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>Brought forward</b>		4,242,175	4,627,068
<b>EXPENDITURE</b>			
<b>Miscellaneous</b>			
Affiliation fees	5	105,680	105,470
Grants and donations		7,119	12,281
Ballot expenses		9,850	18,449
Property repairs		27,001	15,848
Depreciation	1c, 9	44,087	65,485
		193,737	217,533
<b>Transfers to other funds</b>			
Death benefit fund	6	4,550	8,050
Political fund		38,563	40,240
		43,113	48,290
		4,479,025	4,892,891
<b>SURPLUS (DEFICIT) FOR THE YEAR BEFORE TAXATION</b>		393,190	(18,730)
<b>Taxation</b>	11	(16,510)	-
<b>SURPLUS (DEFICIT) AFTER TAXATION</b>		376,680	(18,730)
<b>PENSION SCHEME ACTUARIAL GAIN</b>	3	1,114,038	2,245,276
		1,490,718	2,226,546
<b>EXCEPTIONAL ITEMS</b>			
Profit share on sale of land at 373/377 Clapham Road		-	260,000
<b>SURPLUS AFTER EXCEPTIONAL ITEMS</b>	8	1,490,718	2,486,546

# BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

## POLITICAL FUND

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		£	£
<b>INCOME</b>			
Transfer from general fund		38,563	40,240
Donations		1,766	1,901
		<u>40,329</u>	<u>42,141</u>
<b>EXPENDITURE</b>			
Affiliations	7	31,843	29,524
Delegates' expenses		2,297	2,611
Parliamentary grants and donations		15,299	2,417
Administration		1,179	789
		<u>50,618</u>	<u>35,341</u>
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	8	<u>(10,289)</u>	<u>6,800</u>

## DEATH BENEFIT FUND

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		£	£
<b>INCOME</b>			
Transfer from general fund	6	<u>4,550</u>	<u>8,050</u>
<b>EXPENDITURE</b>			
Death grants		<u>4,550</u>	<u>8,050</u>
<b>RESULT FOR THE YEAR</b>	8	<u>-</u>	<u>-</u>

**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**

**BALANCE SHEET AT 31 DECEMBER 2007**

	<b>Note</b>	<b>2007</b>	<b>2006</b>
		£	£
<b>FIXED ASSETS</b>	1c, 9		
Freehold properties		2,789,996	2,789,996
Computer equipment, furniture and fittings		57,904	63,837
<b>INVESTMENTS</b>	10		
Quoted at market value		1,241	1,284
Unquoted		5,000	5,000
<b>CURRENT ASSETS</b>			
Debtors and prepaid expenditure		226,857	203,567
Staff loans		22,151	17,134
Deposits with solicitors		71,919	72,586
Cash at bank and in hand		1,331,557	1,126,858
		1,652,584	1,420,145
<b>CURRENT LIABILITIES</b>			
Corporation tax payable	11	11,799	-
Creditors and accruals		413,130	458,814
		424,929	458,814
<b>NET CURRENT ASSETS</b>		1,227,655	961,331
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,081,796	3,821,448
<b>PENSION SCHEME LIABILITY</b>		(4,113,000)	(5,333,038)
		(31,204)	(1,511,590)
<b>FINANCED BY</b>			
Accumulated funds	8	(31,445)	(1,511,874)
Investment revaluation reserve		241	284
		(31,204)	(1,511,590)

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# BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 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 2007 have been eliminated from these accounts.

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

	2007	2006
	£	£
2 <b>OTHER INCOME</b>		
Investment income	64,293	34,666
Miscellaneous	60,867	74,111
	<u>125,160</u>	<u>108,777</u>

# BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 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 2006 by a qualified independent actuary.

The major assumptions used by the actuary

	At 31.12.2007	At 31.12.2006
Rate of increase in salaries	4.3%	4.1%
Rate of increase of pensions in payment	2.7% to 4.1%	2.6% to 4.1%
Discount rate	5.8%	5.1%
Inflation assumption	3.3%	3.1%

	Long-term expected	Value at 31.12.2007	Long-term expected	Value at 31.12.2006	Long-term expected	Value 31.12.
--	-----------------------	------------------------	-----------------------	------------------------	-----------------------	-----------------

	rate of return	£	rate of return	£	rate of return	
Equities	7.8%	7,160,841	7.9%	7,118,774	6.7%	5,40
Bonds	5.8%	2,734,092	5.1%	2,626,914	4.7%	2,65
Fixed interest gilts	4.5%	1,110,139	4.6%	1,030,478	4.1%	1,35
Cash	5.5%	219,798	5.0%	14,796	4.5%	9
Total market value of assets		<u>11,224,870</u>		<u>10,790,962</u>		<u>9,50</u>
Present value of scheme liabilities		15,337,870		16,1 24,000		9
Deficit in scheme being net pension liability		<u>(4,1 13,000)</u>		<u>(5,33 3,038)</u>		<u>2</u>

The union is only subject to corporation tax in line with note 11 and does not therefore account for deferred tax. As a consequence, the to the above pension liability.

## BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 3 PENSION SCHEME CONTRIBUTIONS (Continued)

	2007	2006
	£	£
<b>Analysis of amount charged to expenditure</b>		
Current service cost	337,000	606,760
Past service cost	-	-
Curtailments	-	-
Total operating charge	<u>337,000</u>	<u>606,760</u>
<b>Analysis of amount included as income</b>		
Expected return on pension scheme assets	753,000	553,754
Interest on pension scheme liabilities	(824,000)	(798,863)
Expenses	(57,000)	(49,793)
Negative return	<u>(128,000)</u>	<u>(294,902)</u>
<b>Analysis of actuarial amount recognised as gain</b>		
Actual return less expected return on scheme assets	(577,000)	477,203
Experience gains and losses arising on scheme liabilities	(213,000)	304,073
Changes in assumptions underlying the present value of the scheme liabilities	1,904,03 8	1,464,00 0
Actuarial gain recognised	<u>1,114,038</u>	<u>2,245,276</u>



**BROADCASTING ENTERTAINMENT CINEMATOGRAPH AND THEATRE UNION**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**3 PENSION SCHEME CONTRIBUTIONS (continued)**

	<b>2007</b>	<b>2006</b>
	£	£
<b>History of experience gains and losses</b>		
Difference between expected and actual return on assets	(577,000)	477,203
Percentage of scheme assets	5.1%	4.4%
Experience gains and losses arising on scheme liabilities	(213,000)	304,073
Percentage of the present value of scheme liabilities	1.4%	1.9%
Amount of recognised actuarial gain	1,114,038	2,245,276
Percentage of the present value of scheme liabilities	7.3%	13.9%

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 2007

	2007	2006
	£	£
<b>4 ORGANISING</b>		
Head office and general organising	82,666	76,356
Divisional and other organising	513,104	525,892
Regional offices	77,364	73,108
NEC and committees	34,853	27,095
Miscellaneous committees	17,174	15,914
	<u>725,161</u>	<u>718,365</u>
<b>5 AFFILIATION FEES</b>		
Trades Union Congress	59,191	59,632
General Federation of Trade Unions	5,000	4,000
Media Entertainment International	31,580	32,742
Federation of Entertainment Unions	2,500	2,500
Scottish Trades Union Congress	2,068	2,118
Irish Congress of Trade Unions	938	985
International Affiliation of English Speaking Directors Organisations	2,000	2,000
Various	2,403	1,493
	<u>105,680</u>	<u>105,470</u>

### 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 2007**

	<b>2007</b>	<b>2006</b>
	£	£
<b>7 POLITICAL FUND AFFILIATION FEES</b>		
Labour Party	21,199	21,199
British Screen Advisory Council	5,000	4,800
British Copyright Council	1,110	960
Various	4,534	2,565
	<hr/>	<hr/>
	31,843	29,524
	<hr/>	<hr/>

<b>8 ACCUMULATED FUNDS</b>	<b>Total</b>	<b>General Fund</b>	<b>Death Benefit</b>	<b>Political Fund</b>
	£	£	£	£
Balance at 1 January 2007	(1,511,874)	(1,560,292)	28,700	19,718
Surplus (deficit) result for the year	1,480,429	1,490,718	-	(10,289)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2007	(31,445)	(69,574)	28,700	9,429
	<hr/>	<hr/>	<hr/>	<hr/>

<b>9 FIXED ASSETS</b>	
<b>Freehold Property</b>	<b>373/377</b>
	<b>Clapham Road</b>
	<b>London SW9</b>
	£
Cost at 1 January 2007	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 2007**

9 **FIXED ASSETS**

Computer Equipment, Furniture and Fittings

	<b>Computer Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	£	£	£
Cost at 1 January 2007	113,691	137,919	251,610
Additions	41,429	4,057	45,486
Disposals	(36,720)	(104,167)	(140,887)
	<u>118,400</u>	<u>37,809</u>	<u>156,209</u>
Depreciation at 1 January 2007	74,987	112,786	187,773
Disposals	(36,720)	(96,835)	(133,555)
Charged in year	39,459	4,628	44,087
	<u>77,726</u>	<u>20,579</u>	<u>98,305</u>
Net Book Value at:			
31 December 2007	<u>40,674</u>	<u>17,230</u>	<u>57,904</u>
31 December 2006	<u>38,704</u>	<u>25,133</u>	<u>63,837</u>

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 2007**

10 **INVESTMENTS**

	<b>Cost</b>	<b>Market value</b>
	£	£
<b>Quoted</b>		
British Government Stock	1,000	1,241
	<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 £11,799 has been made in respect of the year ended 31 December 2007. An under provision of £4,711 arises in respect of the previous year to give a charge in the accounts of £16,510.

12 There are no outstanding capital commitments at 31 December 2007 (2006: none).

13 **COMMITMENT**

At 31 December 2007, 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 2007

	2007	2006
	£	£
<b>RECONCILIATION OF OPERATING RESULTS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Total surplus for year	1,480,429	2,493,346
Depreciation	44,087	65,485
Profit share on sale of land of 373/377 Clapham Road	-	(260,000)
(Increase) decrease in debtors and prepayments	(27,740)	32,068
(Decrease) in creditors and accruals	(45,684)	(63,701)
Increase in corporation tax payable	11,799	-
(Decrease) in pension liability	(1,220,038)	(1,849,425)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>242,853</u>	<u>417,773</u>
<b>CASH FLOW STATEMENT</b>		
Net cash inflow from operating activities	242,853	417,773
Purchases of fixed assets	(45,486)	(47,289)
Sales of fixed assets	7,332	260,000
Bank loan (repaid)	-	(279,204)
<b>INCREASE IN CASH IN THE YEAR</b>	<u>204,699</u>	<u>351,280</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH</b>		
Increase in cash in the year	204,699	351,280
Net cash at 1 January 2007	1,126,858	775,578
<b>NET CASH AT 31 DECEMBER 2007</b>	<u>1,331,557</u>	<u>1,126,858</u>