
DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	W G Anderson B Barker (appointed 26 September 2018, resigned 28 September 2018) O Bathurst E R M Bye A R Chowns P C Cousins (resigned 24 April 2018) T Dixit G M Gibbons N Guttridge L P Hannon G Hill J M Hobbs R Hopkins (appointed 10 August 2018) K Kelly (resigned 25 July 2018) S M White D Martin M Omer G H Posner A Prasad S A Smith A Thomson P A Unwin D R Zeff
Company secretary	A R Chowns
Registered number	02685120
Registered office	3rd & 4th Floor 22 Stukeley Street London WC2B 5LR
Independent auditors	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditors 35 Ballards Lane London London N3 1XW

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STATEMENT FROM THE CHAIR
FOR THE YEAR ENDED 28 FEBRUARY 2019

Statement from the Chair

The rise of new global, digital, SVoD platforms and the way audiences consume content is fast changing the media landscape. Over the past year we've seen proposals for a UK BritBox, extending the iPlayer window, and numerous new platforms and players. These changes have enormous implications for Directors UK and the way we handle your rights.

As Chair, it's my responsibility to ensure the organisation can evolve to meet these new challenges. The Board has been focused on building strong foundations for the future, initiating a wide-ranging governance review to make sure Directors UK remains fit for purpose. As a Collective Management Organisation, we are heavily regulated and the Board has legal responsibilities under the Companies Act. The recommendations will ensure we have the structure, skills, independent voices and expertise in place to discharge our responsibilities, working strategically to successfully steer the organisation through a changing landscape.

Protecting the value of our members rights is our highest priority. We started a major re-negotiation of the UK Rights Agreement, and to strengthen our hand, we've been changing the way members assign their copyright with our new Directors Licensing Scheme. We asked for your support and you've responded in overwhelming numbers by signing the new Collection Agreement – if you haven't yet signed, I urge you to do so as soon as possible. The rights negotiations will pave the way for us to strike new deals with new platforms and increase the value of our rights going forward.

We must continue to have influence in a post-Brexit world, so it's never been more important for us to forge close working relationships with our international partners – FERA, SAA, CISAC and the DGA. Our International Committee coordinates the work we do on the international stage and following a long and hard-fought battle, we've just seen our first victory as the European Parliament voted to modernise copyright for the digital age. The EU Copyright Directive is a game-changer for directors and – if passed into UK law – will provide, for the first time, the right to fair and proportionate remuneration for the use of our work online. It will equip Directors UK with the legal means to defend and protect this right wherever our work is used. Now we must focus on getting this into UK legislation.

Throughout the year we've continued to grow, and we now have just over 7,000 members. Our distribution scheme paid out a whopping £17.2 million to directors – the biggest annual payout to date. Our member services team are providing the widest range of mentoring and career development opportunities ever, supporting more members with the skills they need to progress in their careers, as well as organising our largest programme of screenings and events so far.

Directors UK continue to give directors a powerful and united voice. Our evidence-based campaigns directly influence the policy decisions of broadcasters, regulators and government. In late summer, we ran major updates to our work on gender and diversity – “Who's Calling the Shots?” and “Adjusting the Colour Balance”. Both reports have been widely shared and quoted, and many of our recommendations are considered the best way of tackling under-representation within the industry. The publication of our bullying and harassment handbook in the autumn set new standards for how to tackle this complex issue and we continue to work closely with industry partners to make sure the workplace remains a safe space for everyone. We've made more progress helping members with pay negotiations and industrial relations, as well as addressing health and safety concerns among self-shooting PDs in factual production. Given our role at the centre of the industry, we have also responded to numerous industry consultations from Ofcom's Review of Regional TV Production and Programming Guidance to the BBC's consultation on age-related TV Licence policy.

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STATEMENT FROM THE CHAIR
FOR THE YEAR ENDED 28 FEBRUARY 2019

The strong foundations we've been laying throughout the year put Directors UK in the best possible position to meet the challenges of the future – and we can only achieve this with an engaged and passionate membership. I'd like to end by thanking and paying tribute to our incredibly talented staff, CEO and senior management team. They are the best in the business who, along with our dedicated Board, work so hard to better the industry on behalf of our members.

Steve Smith, Chair of Directors UK

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CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019

Financial Performance

The company's financial performance was strong this year, generating a surplus after tax of £74,456. Both management fees and membership income were higher than last year, contributing to revenue growth of 3%. Interest income also increased strongly.

Establishment costs were up on the previous year due to rates and service charge increases, together with the need to establish a dilapidations provision. Higher staff costs were the main contributor to an increase in administration expenses. The external costs of our combined communications, campaigns and public affairs department finished marginally higher than last year, as a result of two report launches and other significant project work. At the same time, the membership department's costs were well down on the previous year.

Our balance sheet shows an increase in retained earnings to £437k. This year, for the first time, a small amount of our Non-Distributable Creditor was released (£18.5k), but the overall balance nevertheless increased to £467k.

Rights and Royalty Distribution

In the 2018/19 financial year, we yet again distributed record levels of payments to directors. Total distributions throughout the year were £17.2m, a £0.6m increase from the previous year. This was driven by increases to the amounts received under both our UK Rights Agreement and from sister foreign societies.

Amounts Paid £000's	2018/19	2017/18	Change	% Change
UK Rights Agreement	11,171	10,798	373	3.50%
BBC Residuals	101	39	62	159%
Educational Recordings	385	395	(10)	(2.5%)
Total UK Royalties	11,657	11,232	425	3.80%
Foreign Royalties	5,557	5,392	165	3.10%
Total	17,214	16,624	590	3.50%

The Distribution Committee, chaired by Dan Zeff, continued to fine tune the distribution rules and general policy to ensure they remain relevant. We streamlined the procedures for raising credit disputes and explored whether the payment allocation split for DVD sales under the UK distribution was still fair. We have also followed developments regarding the Directors Licensing Scheme negotiations with current broadcasters and are poised to develop the distribution rules to accommodate the new scheme once details have been finalised.

At the start of the financial year, we reviewed our data protection arrangements to ensure they are compliant with the new GDPR provisions. This included making a number of changes to our IT infrastructure and revising our data protection policies.

This year, we also began a review of the eligibility criteria and documentation required for beneficiaries of deceased directors to become members of Directors UK.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

Copyright and Collective Rights Management

Copyright has been the focus of our lobbying activity in Europe, and it has been the most sustained and comprehensive activity we have ever undertaken. Our efforts – and those of others representing creative individuals – have paid off, and the new EU Copyright Directive has completed all its stages in the European Parliament and is now ratified by the European Commission.

The new Directive contains some significant beneficial provisions for directors, including:

- The right to receive appropriate and proportional remuneration for the uses of your work;
- The right to receive information on uses of your work;
- The right to re-negotiate your contract if your work is more successful than originally envisaged when you signed your contract; and
- The right to access a disputes procedure.

We have continued with our Directors Licensing Scheme and throughout the year members have been enrolling in the scheme by signing a new Collection Agreement, in which their future copyright is assigned to Directors UK. Negotiations have also begun this year for the renewal of our UK Rights Agreement. For the first time, talks are also taking place with broadcasters who have no previous agreement with us, including UKTV, Viacom and Netflix.

Last year, members voted in favour of a proposal for Directors UK to seek accreditation to operate an Extended Collective Licensing Scheme (ECL). However, due to ongoing Europe-wide legal issues, we had to put these plans on hold. Despite this setback, we expect the IPO to confirm whether they are able to accept applications for ECL accreditation shortly.

At the time of writing this report, Brexit is unresolved and there is no clear picture of when or how this might happen. Directors UK has been a member of the UK Screen Sector Task Force – an industry body charged with advising the UK Government on Brexit-related matters. In this capacity, we have argued for the retention of free movement to enable directors to travel for work and performance, for continued access to EU funds for film and television production, and for maintaining common legal protections regarding copyright and workers' rights.

Membership

Our membership continues to grow with over 2,600 Full and Associate members, and more than 7,100 members in total.

Membership	Feb-19	Feb-18	% Change
Full	2,249	2,115	6%
Associate	390	373	5%
Distribution only	4,501	4,308	4%
TOTAL	7,140	6,796	5%

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CHIEF EXECUTIVE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

Member Services and Benefits

The member services team remain committed to supporting members through a full and varied programme of activity. Aiming to enrich the Directors UK community, our events offer a celebration of the work of the director and respond to ongoing issues raised by our Committees and campaign reports.

This year we continued to connect our members with future collaborators and employers. We partnered with Pact to deliver production company matchmaking sessions, at Creative Partnerships Day (held in association with Film London) we connected directors with producers and writers working in film and high-end TV, and we worked with Spotlight to tackle the hurdles of making an independent feature film.

The Challenge ALEXA competition with ARRI ran for its seventh year. And ARRI's support of Directors UK members grew with a brand-new TRINITY competition, which challenged members to shoot a one-shot film in a single day.

The Directors' Festival 2018 saw the highest attendance on record, with sessions covering topics ranging from the importance of self-branding to getting the best out of your actors, as well as facilitating vital discussions around the Directors Licensing Scheme and the credit debate concerning factual directors.

Highlighting the work of UK directors as well as connecting with international colleagues, we hosted screenings and Q&As with some of the year's most sought-after directors: Spike Lee, Damien Chazelle, Steve McQueen, David Yates, Paul Greengrass, Bradley Cooper, Paul Schrader, Lynne Ramsay, Dominic Cooke, Pawel Pawlikowski, Elizabeth Chai Vasarhelyi and Jimmy Chin, Alex Holmes, Rob Marshall, Josie Rourke, Jonathan Hacker, Tamara Jenkins, Adam McKay and Peter Medak.

Raising awareness of Directors UK and ensuring that the role of directors remains in the foreground across the industry, we once again ran sessions, supported awards and provided expertise both locally and nationally at various festivals and events, including the BFI London Film Festival, Underwire Film Festival, BSC Expo, Media Production Show, BFI Flare: London LGBTQ+ Film Festival, UK Music Video Awards, Glasgow Film Festival, Sheffield Doc/Fest, BAFTA Guru, Film:Connect at Screenology, and S.O.U.L.

Skills and Career Development

2018/19 was a busy year which saw an increase in bespoke workshops alongside the continuation of established schemes – all of which allow members to benefit from a wide range of opportunities.

The High-end Drama Directors Programme placed directors on dramas including Killing Eve and Wild Bill, giving them the opportunity to gain a second unit credit whilst opening the door to a career in high-end television.

We also worked in partnership with broadcasters and production companies - including Channel 4 (4Stories), BBC (Continuing Drama Directors, CBeebies, BBC3), Nutopia and ITV (Multi-camera Drama Directing Workshop) - to offer career development across a range of genres. Working strategically with partners across the creative industries, we continue to lobby for additional funding opportunities for training and contribute to research into skills trends and needs.

We ran workshops across the country, providing training and advice to members in Bristol, Glasgow, Leeds and London on topics including pitching, working with actors and directing your behaviour in a professional environment. Directors UK has facilitated one-to-one career support, focusing on delivering development opportunities and advice tailored to our member's needs. Our mentorship programme, Inspire, enabled more than twenty directors to gain practical and structured experience and support from their peers.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)
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Legal

Our legal team continued to provide vital advice and support to members. This year, the first Directors UK Legal Clinic offered an opportunity for all members to seek legal advice on any element of their work as a director. We also created a number of articles for the website including how to deal with the difficulties associated with working as a freelance director, and how to negotiate a better pay deal.

Campaigns

Campaigning to improve the working lives of UK screen directors and to support the rights of freelance authors continues to be central to the work of Directors UK.

We published the latest editions of our *“Adjusting the Colour Balance”* and *“Who’s Calling the Shots?”* reports, challenging the industry on its lack of directorial equality and diversity. These reports respectively examine the levels of Black, Asian and minority ethnic (BAME) and women directors employed in TV production and make evidence-based recommendations on how to improve these numbers. As a consequence of our sobering figures, Channel 4 held a Spotlight on Directors event and Sky has worked with us to introduce BAME directors to their commissioners. Directors UK are in formal discussions with Ofcom, the Creative Diversity Network and the Federation of Entertainment Unions on how to effectively monitor and report diversity in production. We also continue to work with Pact to create networking opportunities for women directors working in factual programming.

2018 revealed how prevalent bullying and harassment is across the industry. The Board and the campaigns team responded with the development of *“Bullying & Harassment: A Handbook for Screen Directors”* – a practical guide to help identify and handle unacceptable behaviour. Our handbook has made a significant impact on the industry and has been shared widely by colleagues in other guilds. Directors UK remains committed to creating a safer, more inclusive working environment for all and continues to push best practice forward through its work with the BFI and BAFTA.

The campaigns team provided research and insight supporting the Directors Licensing Scheme negotiations. This initiative will continue to be a priority in the coming year as it underpins our work to support the cultural, creative and economic interests of all directors.

Industrial Relations

We have continued to make progress with industrial action to achieve improved pay for members working in continuing drama. Following our pay deals with ITV and BBC Studios, this year we agreed a new pay deal with Lime Pictures for *Hollyoaks*, the first such deal with an independent production company.

Both ITV and BBC Studios have also announced that pay rates for freelance directors on their continuing dramas will rise by 2% with effect from 1 April 2019.

We undertook a number of pay surveys, asking members for information about pay levels within factual, entertainment and drama. The results have helped us understand the current landscape and will form the basis of future action. They are now with the respective member committees to decide on what action they wish to support.

International

As our International work continues to assume greater importance, we have established a new International Committee that meets quarterly and oversees our representation in international organisations. These organisations include the world governing body for collective management organisations (CISAC), the European Film Directors Association (FERA) and the European Society of Audiovisual Authors (SAA).

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CHIEF EXECUTIVE'S REPORT (CONTINUED)
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This year, FERA – where former Directors UK Board member Dan Clifton sits as Chair – published a comprehensive study of authors' remuneration, which has informed much of our lobbying work. FERA are also working on preparing for the implementation of the EU Copyright Directive, alongside SAA, where CEO Andrew Chowns chairs a working group on this subject. Another SAA working group is looking at how data protection and cybersecurity issues impact directors' organisations, and we are represented there by our Head of IT, Bhavesh Mistry. CISAC undertook a study on the representation of women in the creative workforce, initiated by former Directors UK Board member Delyth Thomas.

Directors UK has also been building ties with our US colleagues in the Directors Guild of America, focusing on eliminating unfair pay differentials between US and other directors in international high-end drama co-productions..

Governance

Having both been appointed to senior broadcasting roles, Philippa Collie Cousins and Karen Kelly stood down from our Board this year. The Board also commissioned a review of our governance by independent consultant Prue Skene. Recommendations from Prue Skene's report will require the approval of members at the AGM.

Nations and Regions Report

This year, we have been refocusing how to best support members working in the nations and regions.

With news that **Scotland** representative Karen Kelly was stepping down from the Board, a Scottish working group was set up by members, following an open meeting with senior staff and Chair Steve Smith. We supported emerging directors with a networking breakfast and a pitching and presentation workshop at Glasgow Film Festival. And in partnership with Pact, factual TV directors joined us at Film City for a matchmaker event with Scottish production companies.

In **Wales**, Morgan Hopkins was voted to the Board, following Philippa Collie Cousins' departure. We held an open meeting at Tramshed tech and have supported emerging directors at BAFTA Cymru Guru with a talk from Morgan.

North West representative Illy Hill was available for member queries throughout the year, and we delivered our Directing Your Behaviour workshop in Leeds, with Alec McPhedran.

Alongside **South West** representative Otto Bathurst, we have supported emerging directors with a series of talks at Screenology's Connect:Film day.

Representation & Profile

Confirming Directors UK's status as the authoritative voice for directors, the communications team has continued to raise the profile of our campaigning and lobbying, as well as amplifying our member services and career development opportunities.

We continue to share the work of the campaigns team, whose reports and handbooks were cited on social media by a number of industry organisations including BECTU, Pact, WGGB, Creative Access Shooting People, WFTV and Underwire Festival.

As well as making an impact on social media, our campaigns, reports and the issues they raise continue to be picked up by both industry and mainstream press, where we have become a go-to for journalists looking for trusted comment. We have featured in outlets including the BBC World Service, The Guardian, The Telegraph, Metro, Broadcast, Screen International, Advanced Television, Televisual and TBI Vision. Importantly, our work often prompts support and enquiries from key politicians and industry stakeholders, engaging them directly with our work.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

Our increasing public affairs activities reaffirm our position as a key voice in the industry. This year we have: fought for fair remuneration for authors by supporting the EU Copyright Directive; formed a Creative Authors group alongside ALCS, WGGB and the Society of Authors in order to present a united front on the issues affecting directors and screenwriters as a result of Brexit; worked with high-profile British creatives to call for tax breaks encouraging diverse representation behind the camera; and reviewed and responded to an increasing number of consultations including Ofcom's Review of Regional TV Production and Programming Guidance and their Made Outside London review, as well as the BBC's consultations on age-related TV License policy and the iPlayer.

The Directors UK website has continued to host a range of interesting and varied content about our members and the art of directing, from articles to collected live tweets, from videos to audio. The Directors UK Podcast has also gone from strength to strength, repurposing the audio recorded at our director Q&A events and presenting it to our members and a wider public audience. Episodes featuring Adam McKay, Douglas Mackinnon and Lynne Ramsay have proved particularly popular.

Entertainment and Multi-Camera

The Entertainment and Multi-Camera Committee, chaired by Ed Bye, continues to make inroads into the preservation of billing and credits, publishing an article on the Directors UK website exploring the importance of the status of the director as a creative. The Committee are working towards the Directors Licensing Scheme and promoting the changes this would bring.

The Committee stay connected with each other with regular meetups and a WhatsApp group, both of which provide a place for directors in their field to discuss pay, terms and conditions, credits and shared experiences.

Factual

The Factual Committee, led by Nic Guttridge, continues to advocate for new health and safety guidelines for self-shooters and lone shooters, ensuring that the wellbeing of directors is safeguarded.

In response to member feedback at last year's Viewfinder event, the Committee have been working on a minimum rate card for factual directors and clarifying factual director credits, with a plan to publish pay and credits guidelines. This will bring consistency to these areas for both directors and production companies.

Factual directors make up the largest proportion of Directors UK's membership, so the Directors Licensing Scheme remains an ongoing focus for the Committee.

TV Fiction

Following negotiations for fair pay within continuing drama series, the TV Fiction Committee, led by Bill Anderson, also have plans to negotiate a successful revision of pay rates within returning drama.

The Committee are liaising with the Directors Charitable Foundation over broader welfare policy, the Casting Directors' Guild over best practice for how to safely cast parts requiring sexual intimacy, and the Directors Guild of America to find ways to co-operate in our expanding global markets.

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Film

This year, the Film Committee has been strengthened by an influx of new members, and we welcomed both new and existing members at an open meeting.

Committee Chair Susanna White continues to be involved with industry consultations and meetings with public funding bodies, as well as hosting an event with the UK Cinema Association. Susanna White is keen to continue this dialogue with exhibitors in the coming year. The Committee also continue to raise awareness of the Creative Rights Minimum Terms for Fiction Feature film.

Name: A R Chowns
Director and CEO

Date:

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DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019

The directors present their report and the financial statements for the year ended 28 February 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Chief Executive's Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

Directors UK Limited is the professional association for film and television directors. Directors UK licences the use of directors' copyright and collects royalties resulting from licensing schemes in the UK and the rest of the world. It is also a member organisation for directors that provides campaigning and negotiating on behalf of its members, supporting them in their careers, providing a resource of knowledge, running a programme of events, training and other benefits, and creating a network and community where directors can interact with one another.

Results and dividends

The surplus for the year, after taxation, amounted to £74,456 (2018 - £10,580).

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

Directors

The directors who served during the year were:

A Prasad
A R Chowns
A Thomson
B Barker (appointed 26 September 2018; resigned 28 September 2018)
D Martin
D R Zeff
E R M Bye
G H Posner
G Hill
G M Gibbons
J M Hobbs
K Kelly (resigned 25 July 2018)
L P Hannon
M Omer
N Guttridge
O Bathurst
P A Unwin
P C Cousins (resigned 24 April 2018)
R Hopkins (appointed 10 August 2018)
S A Smith
S M White
T Dixit
W G Anderson

Future developments

The company will continue to optimise its functions as a collective management organisation and develop its representation of and services to its members.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

This report was approved by the board and signed on its behalf.

A R Chowns
Director

Date:

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED

Opinion

We have audited the financial statements of Directors UK Limited (the 'Company') for the year ended 28 February 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chief Executive's Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chief Executive's Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chief Executive's Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Chief Executive's Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of

Berg Kaprow Lewis LLP

Chartered Accountants
Statutory Auditors

London

Date:

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019 £	2018 £
Turnover		2,270,760	2,208,968
Gross surplus		2,270,760	2,208,968
Communications, campaigns and public affairs		(71,829)	(70,517)
Administrative and establishment expenses		(2,327,121)	(2,189,472)
Other operating income	3	89,891	165,509
Membership services		(218,644)	(322,933)
Operating deficit		(256,943)	(208,445)
Interest receivable and similar income		352,594	225,410
Interest payable and expenses		-	(215)
Surplus before tax		95,651	16,750
Tax on surplus	5	(21,195)	(6,170)
Surplus after tax		74,456	10,580
Retained earnings at the beginning of the year		363,005	352,425
		363,005	352,425
Surplus for the year		74,456	10,580
Retained earnings at the end of the year		437,461	363,005

The notes on pages 19 to 30 form part of these financial statements.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER:02685120

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	272,133	321,495
Investments	7	3,931	3,931
		<u>276,064</u>	<u>325,426</u>
Current assets			
Debtors	8	425,891	483,632
Current asset investments	9	22,245,517	19,370,091
Cash at bank and in hand	10	1,580,270	1,591,283
		<u>24,251,678</u>	<u>21,445,006</u>
Creditors: amounts falling due within one year	11	(24,087,931)	(21,401,427)
		<u>163,747</u>	<u>43,579</u>
Net current assets		<u>163,747</u>	<u>43,579</u>
Total assets less current liabilities		<u>439,811</u>	<u>369,005</u>
Provisions for liabilities			
Deferred tax	12	(2,350)	(6,000)
		<u>(2,350)</u>	<u>(6,000)</u>
Net assets		<u>437,461</u>	<u>363,005</u>
Capital and reserves			
Profit and loss account		437,461	363,005
		<u>437,461</u>	<u>363,005</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

A R Chowns
Director

S A Smith
Director

The notes on pages 19 to 30 form part of these financial statements.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

1. General information

Directors UK Limited ("the Company") is a professional association for film and television directors. Directors UK licences the use of directors' copyright and collects royalties resulting from licensing schemes in the UK and the rest of the world. It is also a member organisation for directors that provides campaigning and negotiating on behalf of its members, supporting them in their careers, providing a resource of knowledge, running a programme of events, training and other benefits, and creating a network and community where directors can interact with one another.

The Company is limited by guarantee and is incorporated in England and Wales.

The Company's registration number is 02685120 and registered office is 3rd & 4th Floor; Stukeley Street; London; WC2B 5LR.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Turnover from operations is derived from two sources:

- Royalty distributions;
- Membership scheme service.

Royalty distributions

Income arises from management fees, deducted from royalties distributed to members, and is recognised at the point of distribution.

Membership scheme service

A service offered to members whereby members pay an annual subscription to become entitled to additional support services. Income is recognised in the Income and Expenditure account in the period to which it relates.

2.2 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.2 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over lease period
Fixtures and fittings	- 25% and 33% straight line
Distribution system	- Straight line over life of the system

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.3 Valuation of investments

Fixed asset investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Current asset investments

Investments in cash held as fixed-term deposits are initially recognised at transaction price, and subsequently carried at amortised costs using the effective interest method.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.5 Financial instruments

The company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from third parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income and Expenditure account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised costs using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.8 Other operating income and other operating charges

Other operating income comprises:

- (i) Grant funding which is credited to the Income and Expenditure Account as the related project expenditure is incurred. The related project expenditure is included as part of other operating charges, and;
- (ii) Rental income, which is credited to the Income and Expenditure Account over the period to which it relates.
- (iii) Creative Skillset income, which is credited to the Income and Expenditure Account in the period in which the expenses are incurred.
- (iv) Sundry income, which is credited to the Income and Expenditure Account in the period to which it relates.
- (v) Release from Members' Fund Non-Distributable, which is credited to the Income and Expenditure Account as the project arises in accordance with accounting policy 2.12.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Distribution policy

Royalties are allocated to members and rights holders for distribution in accordance with the Rules of Distribution of Directors UK. A copy of the current rules can be accessed on the Directors UK website and is available on request from the company.

2.12 Members' Fund Non-distributable

The company receives royalty payments from fellow foreign collecting societies for allocation and distribution to members. In line with the Collective Management of Copyright (EU Directive) Regulations (2016) and the company's own general policy on the use of non-distributable funds, foreign monies which have been allocated to non-registered right holders and not claimed within six years of allocation are considered to be non-distributable. These monies are reclassified to a Members' Fund Non-Distributable creditor.

The balance remains a creditor owed to the Members, from which the company will continue to honour claims from right holders who join as members in good faith more than six years after allocation. Nevertheless, the Member approved general policy on the use of non-distributable funds enables a proportion of the balance to be appropriated against specific projects that meet pre-determined criteria, for the benefit of all member right-holders, as those projects arise.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

3. Other operating income

	2019	<i>2018</i>
	£	£
Creative Skillset income	47,436	138,091
Rental income	18,000	18,000
Sponsorship income	5,450	7,500
Release from Members' Fund Non-Distributable	18,505	-
Sundry income	500	1,918
	89,891	<i>165,509</i>
	89,891	<i>165,509</i>

4. Employees

The average monthly number of employees, including directors, during the year was 30 (2019 - 28)

5. Taxation

	2019	<i>2018</i>
	£	£
Corporation tax		
Current tax on surplus for the year	24,845	-
Adjustments in respect of previous periods	-	(80)
Total current tax	24,845	<i>(80)</i>
Deferred tax		
Origination and reversal of timing differences	(3,650)	6,250
Total deferred tax	(3,650)	<i>6,250</i>
Taxation on surplus on ordinary activities	21,195	<i>6,170</i>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

6. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 March 2018	293,850	264,483	69,847	628,180
Additions	-	-	15,064	15,064
Disposals	-	(219,949)	-	(219,949)
At 28 February 2019	<u>293,850</u>	<u>44,534</u>	<u>84,911</u>	<u>423,295</u>
Depreciation				
At 1 March 2018	44,444	234,942	27,299	306,685
Charge for the year on owned assets	31,192	16,670	16,564	64,426
Disposals	-	(219,949)	-	(219,949)
At 28 February 2019	<u>75,636</u>	<u>31,663</u>	<u>43,863</u>	<u>151,162</u>
Net book value				
At 28 February 2019	<u><u>218,214</u></u>	<u><u>12,871</u></u>	<u><u>41,048</u></u>	<u><u>272,133</u></u>
At 28 February 2018	<u><u>249,406</u></u>	<u><u>29,541</u></u>	<u><u>42,548</u></u>	<u><u>321,495</u></u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

7. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 March 2018	3,931
At 28 February 2019	3,931
Net book value	
At 28 February 2019	3,931
<i>At 28 February 2018</i>	3,931

The investment refers to the cost of shares held in 'Société des Auteurs Audiovisuel', The Association of European Collecting Societies.

8. Debtors

	2019 £	<i>2018 £</i>
Due after more than one year		
Other debtors	161,313	161,313
	161,313	161,313
Due within one year		
Trade debtors	3,000	100,727
Other debtors	22,232	4,873
Prepayments and accrued income	239,346	216,719
	425,891	483,632

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

9. Current asset investments

	2019	<i>2018</i>
	£	£
Cash held in fixed term deposits	22,245,517	<i>19,370,091</i>

10. Cash and cash equivalents

	2019	<i>2018</i>
	£	£
Cash at bank and in hand	1,580,270	<i>1,591,283</i>

11. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£	£
Trade creditors	27,277	<i>70,457</i>
Corporation tax	24,845	<i>-</i>
Other taxation and social security	348,228	<i>394,992</i>
Members' Fund (UK)	13,172,794	<i>12,420,807</i>
Members' Fund (Foreign)	9,718,286	<i>7,705,034</i>
Members' Fund Non-Distributable	466,729	<i>429,574</i>
Accruals and deferred income	329,772	<i>380,563</i>
	24,087,931	<i>21,401,427</i>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

12. Deferred taxation

	2019 £
At beginning of year	(6,000)
Charged to surplus	3,650
At end of year	<u><u>(2,350)</u></u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	5,934	7,216
Short term timing differences	(3,584)	(1,216)
	<u><u>2,350</u></u>	<u><u>6,000</u></u>

13. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £61,924 (2018: £55,286). Contributions totalling £8,908 (2018: £7,149) were payable to the fund at the balance sheet date and are included in creditors.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

15. Commitments under operating leases

At 28 February the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	<i>2018</i>
	£	£
Not later than 1 year	327,907	<i>322,625</i>
Later than 1 year and not later than 5 years	1,221,653	<i>1,209,844</i>
Later than 5 years	806,563	<i>1,129,188</i>
	<u>2,356,123</u>	<i><u>2,661,657</u></i>

16. Related party transactions

The board comprises both elected and co-opted working directors.

Like all members of the company, these board members are entitled to royalty payments from the company under its distribution scheme in respect of the use of any copyright works created by them.

The payments are calculated on the same basis as those paid to all members, and paid in accordance with the Distribution Rules of the company. The total royalties paid by the company to the board members during the year amounted to £223,995 (2018: £234,963).

During the year the company received royalties for distribution from The Educational Recordings Agency Limited, a company in which Directors UK Limited is a member totalling £420,000 (2018: £385,000). These royalties were received during the normal course of business, and distributed to members in accordance with the company's distribution policy.

Administration expenses include allowances totalling £9,017 (2018: £12,934) paid to board members while carrying out the company's duties during the year.

Also included within administration expenses are charitable donations of £25,000 (2018: £50,000), paid to Directors Charitable Foundation, an entity in which certain of the directors are trustees.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019 £	2018 £
Turnover		2,270,760	2,208,968
Gross surplus		<u>2,270,760</u>	<u>2,208,968</u>
Other operating income		<u>89,891</u>	<u>165,509</u>
Less: overheads			
Communications, campaigns and public affairs		(71,829)	(70,517)
Administration expenses		(1,854,028)	(1,763,180)
Establishment expenses		(473,093)	(426,292)
Membership services		(218,644)	(322,933)
Operating deficit		<u>(256,943)</u>	<u>(208,445)</u>
Interest receivable		352,594	225,410
Interest payable		-	(215)
Tax on profit on ordinary activities		(21,195)	(6,170)
Surplus for the year		<u>74,456</u>	<u>10,580</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	2019	<i>2018</i>
	£	£
Turnover		
Management fee income	1,980,905	<i>1,941,606</i>
Membership scheme income	289,855	<i>267,362</i>
	<u>2,270,760</u>	<u><i>2,208,968</i></u>
	2019	<i>2018</i>
	£	£
Other operating income		
Creative Skillset income	47,436	<i>138,091</i>
Rental income	18,000	<i>18,000</i>
Release of non-distributable funds	18,505	<i>-</i>
Sponsorship income	5,450	<i>7,500</i>
Sundry income	500	<i>1,918</i>
	<u>89,891</u>	<u><i>165,509</i></u>
	2019	<i>2018</i>
	£	£
Communications, campaigns and public affairs		
Communications costs	27,862	<i>18,265</i>
Campaign costs	43,967	<i>52,252</i>
	<u>71,829</u>	<u><i>70,517</i></u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	2019 £	2018 £
Administration expenses		
Directors national insurance	28,487	30,381
Directors salaries	235,643	236,475
Directors pension costs - defined contribution schemes	13,280	14,890
Staff salaries	992,704	870,311
Staff private health insurance	12,097	12,557
Staff national insurance	90,970	73,729
Staff pension costs - defined contribution schemes	48,644	40,397
Staff training	8,704	27,234
Staff welfare	4,893	4,367
Entertainment	7,768	9,409
Hotels, travel and subsistence	8,033	18,744
Printing and stationery	13,908	14,125
Postage	7,462	6,553
Telephone	4,843	3,036
Computer costs	91,720	110,789
Trade subscriptions	61,851	49,196
Charity donations	43,580	50,075
Legal and professional	41,591	56,712
Auditors' remuneration	23,178	20,761
Accountancy fees	2,763	12,073
Equipment hire	11,121	6,490
Bank charges	13,369	12,268
Difference on foreign exchange	17	128
Sundry expenses	22,977	23,523
Depreciation - office equipment	16,669	22,148
Depreciation - computer equipment	16,564	7,406
Depreciation - leasehold property	31,192	29,403
	<u>1,854,028</u>	<u>1,763,180</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	2019	<i>2018</i>
	£	£
Establishment		
Rent, rates and service charges	429,012	407,982
Security	3,294	2,747
Light and heat	4,865	(195)
Cleaning	11,045	9,539
Insurances	5,072	4,612
Repairs and maintenance	4,223	1,607
Dilapidations	15,582	-
	473,093	<i>426,292</i>
	473,093	<i>426,292</i>
	2019	<i>2018</i>
	£	£
Membership services		
Training and mentoring - Skillset	47,436	138,356
Meeting and events	55,355	50,879
Training and skills	50,664	48,869
AGM, EGM, festival and conference costs	65,189	84,829
	218,644	<i>322,933</i>
	218,644	<i>322,933</i>
	2019	<i>2018</i>
	£	£
Interest receivable		
Bank interest receivable	352,594	225,410
	352,594	<i>225,410</i>
	2019	<i>2018</i>
	£	£
Interest payable		
Bank overdraft interest payable	-	215
	-	<i>215</i>