
DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

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COMPANIES HOUSE

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

S H Berthon
J D Campbell
A R Chowns (appointed 1 September 2010)
D J Clifton (appointed 10 November 2010)
S Curtis (resigned 10 November 2010)
A R Davies
J Goldschmidt (appointed 10 November 2010)
P I Haggard
J E A Hawes
B A Hill (resigned 10 November 2010)
N P R Hornby
P Kosminsky (resigned 10 November 2010)
M R Lipsey
R H Michell
R P J Nicholson
S Orme
T G Roberts
I D Softley (appointed 10 November 2010)
C Sturridge
T Sullivan
D Thomas (appointed 10 November 2010)
P A Unwin
S M White
P D Wilmshurst

COMPANY SECRETARY

A R Chowns

COMPANY NUMBER

02685120

REGISTERED OFFICE

Inigo Place
31-32 Bedford Place
London
WC2 9ED

AUDITORS

Berg Kaprow Lewis LLP
Chartered Accountants & Statutory Auditor
35 Ballards Lane
London
N3 1XW

ACCOUNTANTS

French Associates
Swan Centre
Fishers Lane
Chiswick
London
W4 1RX

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

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DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2011

The Chief Executive Officer presents his report for the period

2010/11 has been a year in which Directors UK has begun to turn the dream of a professional association for all film and television directors into reality

Chief among the immediate priorities was to reform the governance structures so that Directors UK becomes representative of all directors, with a dynamic Board and transparent and accountable operations. New Election Regulations will come into operation in the election of November 2011 for a smaller Board and elected committee chairs on two-year terms of office. The Board, chaired by Charles Sturridge, has tackled a challenging agenda with renewed vitality, creativity and dynamism, aided by the co-options of Lara Akeju, Cath le Couteur, Krish Majumdar and Alrick Riley. We have a new Audit Committee, and we are ready to operate within new compliance guidelines that we expect to be introduced under the auspices of the British Copyright Council in 2012.

The first of three major projects of the year has been the new Membership Scheme – due to launch in Autumn 2011 – to supplement the existing Distribution Scheme. Membership will enable us to attract all directors into membership, and to provide them with a range of valuable services and benefits that will offer support, knowledge, networking, and facilitate our campaigning activities.

The second major project has been the renegotiation of a new UK Television Rights Agreement. Talks with the broadcasters and producers went to the wire at the end of June 2011, but agreement was reached that will increase total payments in the next three years to £20.5m, up from £8.65m in the prior three year period. The new deal has also boosted our opportunity to access the Irish cable re-transmission agreement, and we have a commitment from ITV and Pact to complete good faith negotiations on a Creative Rights Agreement by the end of 2011, completing a project that we began with the BBC two years ago. The deal also commits all parties to collect key economic data on the value of our rights, to inform the next negotiation.

In film, we have established a presence for directors on all the key industry policy-making bodies, including the BFI Board, the British Film Commission, the DCMS Ministerial Film Forum, and most recently on the government's Film Policy Review. There remains much uncertainty how the British film industry will shake down after the transfer of functions from the UK Film Council to the BFI, but directors are in place to influence policy and make sure our views and knowledge are at the heart of the decision-making. Our key goals are the delivery of a clear strategic direction for British film, protection for director's copyright with fair rewards and incentives, and support for elite training.

A key task to take forward in 2012 will be the achievement of a collective agreement and minimum terms for film directors. Our initial approach to Pact in early 2011 was rebuffed, but we will return with a case soundly based on evidence and analysis, as we did with the UK Television negotiations.

Name A Chowns
 Chief Executive Officer



Date 19 August 2011

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2011

The directors present their report and the financial statements for the year ended 28 February 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently,
- make judgments and 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITIES

Directors UK Limited is a collecting society that licences use of directors' copyrights and collects revenues due to members under licensing schemes in the UK and the rest of the world.

It is also soon to become a professional membership association, campaigning and negotiating on behalf of members, supporting them in their careers, providing a resource of knowledge, and creating a network and community where directors can interact with one another.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2011

DIRECTORS

The directors who served during the year were

S H Berthon
J D Campbell
A R Chowns (appointed 1 September 2010)
D J Clifton (appointed 10 November 2010)
J Goldschmidt (appointed 10 November 2010)
P I Haggard
J E A Hawes
N P R Hornby
M R Lipsey
R H Michell
R P J Nicholson
S Orme
T G Roberts
I D Softley (appointed 10 November 2010)
C Sturridge
T Sullivan
D Thomas (appointed 10 November 2010)
P A Unwin
S M White
P D Wilmshurst
A Davies
S Curtis (resigned 10 November 2010)
B A Hill (resigned 10 November 2010)
P Kosminsky (resigned 10 November 2010)

PROVISION 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and

that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2011

AUDITORS

During the year, French Associates resigned as auditors to the company, and Berg Kaprow Lewis LLP were appointed in their stead

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 1 September 2011 and signed on its behalf

C Sturridge
Director

A handwritten signature in black ink, appearing to read 'C Sturridge', written over a horizontal line.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED

We have audited the financial statements of Directors UK Limited for the year ended 28 February 2011, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 28 February 2011 and of its surplus for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and

have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 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' exemption in preparing the Directors' Report

Berg Kaprow Lewis LLP

Myfanwy Neville ACA (Senior Statutory Auditor)

for and on behalf of

Berg Kaprow Lewis LLP

Chartered Accountants

Statutory Auditor

London

Date *5 September 2011*

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2011**

	Note	2011 £	2010 as restated £
TURNOVER	1	683,862	657,535
Distribution costs		(12,128)	(9,303)
Administrative expenses		(742,428)	(697,142)
Other operating income	2	113,963	139,243
OPERATING SURPLUS	3	43,269	90,333
EXCEPTIONAL ITEMS			
Surplus on revaluation of cash investments	5	1,254	68,683
SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST		44,523	159,016
Interest receivable and similar income		26,197	81,933
Interest payable and similar charges		(10)	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		70,710	240,949
Tax on surplus on ordinary activities	6	(16,000)	(17,520)
SURPLUS FOR THE FINANCIAL YEAR	13	54,710	223,429

The notes on pages 9 to 14 form part of these financial statements

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

BALANCE SHEET
AS AT 28 FEBRUARY 2011

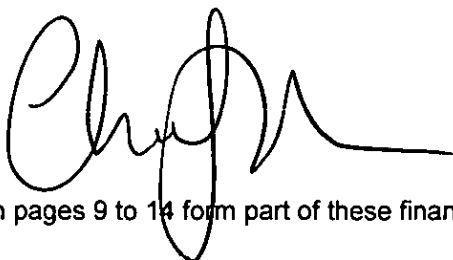
	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	7		28,765		34,343
Investments	8		3,931		3,931
			<u>32,696</u>		<u>38,274</u>
CURRENT ASSETS					
Debtors	9	163,842		80,251	
Cash at bank and in hand		11,781,704		9,572,079	
		<u>11,945,546</u>		<u>9,652,330</u>	
CREDITORS: amounts falling due within one year	10	(11,639,403)		(9,406,475)	
NET CURRENT ASSETS			<u>306,143</u>		<u>245,855</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>338,839</u>		<u>284,129</u>
CAPITAL AND RESERVES					
Income and expenditure account	13		<u>338,839</u>		<u>284,129</u>
			<u>338,839</u>		<u>284,129</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

1 September 2011

C Sturridge
Director



A R Chowns
Director



The notes on pages 9 to 14 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 2011

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 CASH FLOW

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.3 TURNOVER AND REVENUE RECOGNITION

Income comprises amounts derived from ordinary activities, exclusive of Value Added Tax

Income arises as a percentage deduction from amounts distributed to members under defined agreements, and is recognised at the point that the funds are distributed in each financial year

The company also receives a one-off registration fee from its members, recognised as invoiced in each financial year

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short Term Leasehold Property	-	Over lease period to next rent review
Fixtures & fittings	-	25% and 33% straight line
Distribution system	-	20% straight line

1.5 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment

1.6 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.7 CASH RECOGNITION POLICY

Funds received pending distribution to members are recognised within current assets, with a corresponding creditor shown as part of current liabilities

DIRECTORS UK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

2. OTHER OPERATING INCOME

	2011 £	2010 £
Other operating income	<u>113,963</u>	<u>139,243</u>

Other operating income comprises additional funds allocated to the company, by agreement of the members, to assist with costs arising during the company's expansion and development plans

3. OPERATING SURPLUS

The operating surplus is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	23,228	45,799
Auditors' remuneration	5,500	4,000
Pension costs	<u>16,179</u>	<u>15,139</u>

4. DIRECTORS' REMUNERATION

	2011 £	2010 £
Director's salary, national insurance contributions and pension costs	<u>71,738</u>	<u>5,057</u>

The above comprise the employment costs of the Chief Executive Officer. During the year retirement benefits were accruing to 1 director (2010 - NIL) in respect of defined contribution pension schemes

5. EXCEPTIONAL ITEMS

	2011 £	2010 as restated £
Surplus on revaluation of cash investments	<u>1,254</u>	<u>68,683</u>

Please refer to note 14 for further information relating to this investment

6. TAXATION

	2011 £	2010 £
UK corporation tax charge on surplus for the year	<u>16,000</u>	<u>17,520</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

6 TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has capital losses available to carry forward of £161,793. No deferred tax asset has been recognised in respect of these losses.

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Other fixed assets £	Total £
COST			
At 1 March 2010	5,542	249,934	255,476
Additions	6,731	10,919	17,650
At 28 February 2011	<u>12,273</u>	<u>260,853</u>	<u>273,126</u>
DEPRECIATION			
At 1 March 2010	540	220,593	221,133
Charge for the year	3,805	19,423	23,228
At 28 February 2011	<u>4,345</u>	<u>240,016</u>	<u>244,361</u>
NET BOOK VALUE			
At 28 February 2011	<u>7,928</u>	<u>20,837</u>	<u>28,765</u>
At 28 February 2010	<u>5,002</u>	<u>29,341</u>	<u>34,343</u>

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 March 2010 and 28 February 2011	<u>3,931</u>

The investment refers to the cost of shares held in 'Societe des Auteurs Audiovisuel', a European collecting society.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

9. DEBTORS

	2011 £	2010 £
Trade debtors	128,256	3,018
VAT repayable	-	23,815
Accrued income and prepayments	14,447	13,547
Other debtors	21,139	39,871
	<u>163,842</u>	<u>80,251</u>

**10. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Bank loans and overdrafts	1,400	5,870
Trade creditors	57,806	32,290
Corporation tax	16,000	20,757
Social security and other taxes	45,367	10,385
Other funds for distribution	251,423	45,932
Members' Fund (Foreign)	6,415,761	5,761,212
Members' Fund (UK)	4,750,419	3,468,067
Other creditors	101,227	61,962
	<u>11,639,403</u>	<u>9,406,475</u>

Funds for distribution and Members' Fund balances totalling £11,417,603 (2010 £9,275,211) comprise amounts earmarked for distribution to members from the company's cash reserves

11. FUNDS HELD ON ESCROW

	2011 £	2010 £
Cash at bank	109,694	-
Creditors	(109,694)	-
	<u>-</u>	<u>-</u>
Total	-	-

The above represents balances held by the company on behalf of third parties. At no point does the company have rights or legal title to this income. Accordingly, the balances are not recognised on the company's balance sheet.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

12. 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.

13. RESERVES

	Income and expenditure account £
At 1 March 2010	284,129
Surplus for the year	54,710
	<hr/>
At 28 February 2011	338,839
	<hr/>

14. PRIOR YEAR ADJUSTMENT

During 2006, the company invested £2m in a bank investment fund. The fund was closed in 2008 and its assets were distributed in tranches to its investors, with the final balance distributed in November 2010. The accounting treatment adopted in prior years, was to record fluctuations in the value of the fund as unrealised gains or losses within the Statement of Total Recognised Gains and Losses ("STRGL"), before transferring the balance to closing profit reserves in that year.

The directors now believe it would have been more appropriate to record the gain or loss on the fund directly within the profit and loss account. Accordingly, the comparative figures have been amended. The impact is that the comparative surplus previously stated in the Profit and Loss account has been increased by £68,683, with no corresponding impact on the comparative balance sheet.

For completeness, a summary of the movement in the fund is included below.

Summary of historic movement of investment fund

	Investment addition £	Distributions from the fund £	Adjustment to market value £	Cumulative balance £
Initial investment	2,000,000	-	-	2,000,000
2007 - adjustment to market value	-	-	28,405	2,028,405
2008 - distributions	-	(541,463)	-	1,486,942
2008 - adjustment to market value	-	-	(43,210)	1,443,732
2009 - distributions	-	(936,443)	-	507,290
2009 - adjustment to market value	-	-	(216,925)	290,365
2010 - distributions	-	(105,266)	-	185,098
2010 - adjustment to market value	-	-	68,683	253,781
2011 - distributions	-	(255,035)	-	(1,254)
2011 - adjustment to market value	-	-	1,254	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,000,000	(1,838,207)	(161,793)	-
	<hr/>	<hr/>	<hr/>	<hr/>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

15. OPERATING LEASE COMMITMENTS

At 28 February 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
EXPIRY DATE:		
Between 2 and 5 years	56,580	56,580

16. RELATED PARTY TRANSACTIONS

The Board comprises both elected and co-opted working directors

Like all members of Directors UK Limited, these board members are entitled to rights payments from Directors UK under its Distribution Schemes in respect of the use of any copyright works created by them

The total royalties paid by Directors UK Limited to these board members during the year amounted to £119,764. The payments were calculated on the same basis as those paid to all members and paid in accordance with the Distribution Rules of the company

17. 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 £16,179 (2010: £15,139). Contributions totalling £7,317 (2010: £673) were payable to the fund at the balance sheet date and are included in creditors.