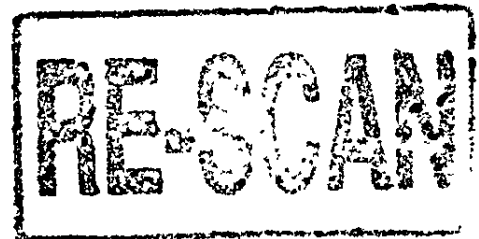

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

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COMPANIES HOUSE

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

L Akeju
A R Chowns
S Clarkson
D J Clifton
P C Cousins
C Le Couteur
J Dower
P R Elston
C Giedroyc
P I Haggard
M Huda
Y A Khan
K MacDonald
R Manley
B Richards
T G Roberts
R E Sheppard
S A Smith
I D Softley
C Sturridge
D Thomas

COMPANY SECRETARY

A R Chowns

REGISTERED NUMBER

02685120

REGISTERED OFFICE

3rd Floor
8-10 Dryden Street
London
WC2E 9NA

INDEPENDENT AUDITORS

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

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 2015

The Chief Executive Officer presents his report for the period

2014/15 has been a year of growth on all fronts. Our royalty distributions are at record levels, our membership numbers continue to rise, and we are providing more services and benefits to members. Members have been more actively involved with our work this year, with major projects completed by our Film, Factual and Entertainment committees, and new groups forming for games and animation. Our position as an industry player has been enhanced by our contributions to diversity and career development, and has been reflected in a higher press and industry profile. Our reach extends through the international directors' organisations that we support.

All this gives us a strong but vital platform for the challenges ahead of us in 2015/16. The battle to secure fair pay for directors is yet to be won, and we have a major re-negotiation of our UK Rights agreement in progress that is a potential game-changer for our members. In Europe we must play our part in the debate over the future of Copyright, and in campaigning for better pay and working conditions for freelancers.

Royalty Distribution

At the time of writing we are deeply engaged with the UK broadcasters and producers in the re-negotiation of our UK Rights agreement. Our aim in these negotiations is to establish the right and fair level of royalties based on thorough analysis of the uses and the values of our members' work, and to set a basis that will provide us with a sustainable deal for many years to come. We have invested heavily in research to support our arguments, and we are determined to emerge with a substantial increase in licence fee that represents the right and fair deal for members.

In 2014/15 we set another record for royalty distributions to members. Total distributions were just under £13m, a 30% increase on the previous year, driven by an almost 50% increase in UK royalties.

	2014/15	2013/14	Change	% change
BBC residuals scheme	£111,037	£77,586	+£33,451	+43.1%
UK Rights agreement	£8,121,057	£5,494,628	+£2,626,429	+47.8%
UK educational licensing	£316,050	£307,125	+£8,925	+2.9%
Foreign	£4,442,763	£4,087,648	+£355,115	+8.7%
Total	£12,990,907	£9,966,987	+£3,023,920	+30.3%

I would like to thank Sim Cammarota, Nikki Hopper and the distribution team for their exceptional work this year in achieving these results.

Our Distribution Committee chaired by Delyth Thomas completed its review of our distribution rules and credit hierarchy, ensuring that our process and rules remain modern and fit for purpose. One of the most important changes was to create a new two tier credit hierarchy to simplify the rules, and to add a new credit of Edit Director to tier two. Edit Directors are currently called Edit Producers, and this move is designed to remedy what many members feel is an inaccurate credit that is unfair to those who carry out the role of the director in edits. It is also a move that is intended to help us campaign for an end to the fragmentation of the director's role and to support young directors to gain more experience in every aspect of the director's role.

This year we have entered discussions with or received approaches from societies in Russia, Slovenia, Ukraine, Mexico and Columbia about negotiating new reciprocal agreements with them.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

Membership and Member Services

Our membership continues to grow with almost 1,900 full and Associate/Student members and more than 5,900 members in total

Membership	March 2014	February 2015	Increase
Full	1,302	1,701	31%
Associate	117	174	49%
Student	7	7	0%
Distribution-only	3,854	4,041	5%
Total	5,280	5,923	12%

This year members and associates have continued to enjoy a varied events programme. We have screened a mixture of big and small budget live-action features, documentaries and animated films as part of our monthly screening programme, with a commitment to showcase the diversity of UK directors' work. This year we have heard from Gareth Edwards, Yann Demange, Amma Asante, Anand Tucker and James Kent. We have also had Richard Linklater, Christopher Nolan, Phil Lord and Chris Miller over from the US to talk to members about their work.

We launched our regional tickets scheme in 2015, so that members living outside London are able to enjoy the films we screen at their local cinema.

This year we successfully ran the ALEXA Challenge for the third time, selecting five members to make short films and adverts with cinema-quality cameras and lenses and supporting them throughout production. Our spaces are increasingly being used by full and associate members for castings, read-throughs, rehearsals and meetings.

We have continued to host 'Meet the Commissioners' evenings with Film London and London Live and are holding more frequent networking sessions with fellow organisations such as PACT, to allow the membership to forge creative partnerships.

Our legal affairs head Charlotte Brotherton has been busy advising members and helping them to defend their rights. We have had some notable successes in obtaining outstanding salaries and expenses owing to members using statutory demands in order to secure the outstanding payment, without the director needing to take costly legal action. Other successes involve securing payments and credits after unfair dismissal, protecting a director's rights in their format idea and development work for a TV programme against a well-known production company who were seeking to claim ownership and failing to provide appropriate payment for the director's work, protecting a first time feature director during a period of suspension and negotiating pay during the suspension and procuring better terms.

Our new Digital Manager/Editor Ashley Mann joined us in Spring and set about creating our Employer Advisor online service, and is currently deep into a major new website development which we will be rolling out this Summer. We have made great strides in social media, adding 2,000 new Twitter followers to bring our total up to 8,600. One real bonus has been to discover how our followers can actively help us with a number of our campaigns by re-tweeting our messages and building pressure on others to support us.

In Summer we held our first Festival which was a great success, attracting a large and diverse group of members to the AGM, our debate on Pay, and to a full programme of screenings and sessions including a brilliant tour de force from Nikki Parsons, Geoff Posner and Hamish Hamilton on multi-camera direction.

Two new initiatives were launched this year to put our accumulated reserves to good use. The first is our Bursary scheme, which enables members to top up a Skillset bursary to cover the full cost of their selected training course. Our second initiative is the creation of a mentoring programme for high end drama directors. So far we have successfully placed four members on high end dramas, and we plan to do more in 2015/16, especially once the new legislation on the use of "undistributable" funds is published.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

Our Members at work

Our member groups and committees have had a productive year. Our Film Committee led by Ian Softley concluded a deal with Pact and the Writers Guild to guarantee directors and writers a share of recouped revenues from BFI-funded films. This deal opens the way to a new negotiation with Pact on minimum terms for film directors. We have also commissioned an important research project on career development for film directors and the challenges facing UK independent films, and we will be consulting members in the coming weeks and at the Festival on the results and how we can best use them to support our campaigning.

The TV Factual Committee chaired by Paul Elston has concentrated on driving through the project to recognise edit directors and to campaign against the fragmentation of the director's role. Our new Entertainment and Multi-camera Committee chaired by Steve Smith has, from a standing start last January, promoted a new minimum daily rate of £600 that is starting to gain acceptance by production companies. This successful new approach to pay campaigning is something that we are looking to extend to other genres this year. This group is also now looking at creating new training projects. The TV Fiction group chaired by Robin Shepherd has focussed on the issue of disruption to productions caused by delays in script delivery. John Dower (Games) and Rebecca Manley (Animation) have been working hard to establish new groups of members active in these areas.

Copyright and Collective Rights Management

The European Commission has embarked on a major review of the Copyright Directive this year. This directive is the foundation of the legal basis of joint ownership of copyright in films and television programmes by production companies and directors, so this review is of vital interest to Directors UK and its members. We are taking a particular interest in three main areas of the Commission's work: proposals for better remuneration for authors, possible changes to the current exceptions to copyright (i.e. uses of copyright works that do not require permission of or payment to the copyright owner) and proposals to facilitate the cross border availability of works and the ability of consumers to use their subscriptions for one country to view works in another. Remuneration is of clear direct interest to us: we are lobbying the Commission directly on this as well as working with our international organisations FERA and SAA. We are also considering the other areas to be sure that new proposals do not damage the value of members' rights while enhancing the value of members' works for audiences. Directors UK was given a clean bill of health by the independent Code Reviewer for the UK's collecting societies in his first report.

Campaigns

Alison Bailey joined us last Summer as Head of Campaigns and has been focussing on three main areas: better pay, our work on diversity, and promotion of the status and role of the director. Our recently-launched member Pay Survey will provide us with invaluable evidence to support our campaign. We are tackling this issue on several fronts, both conventional pay bargaining (with ITV Studios for their drama serials) and some more novel approaches such as the promotion of our own new minimum rate for multi-camera directors. We have made great strides in our work on diversity, led by our Women's Committee chaired by Beryl Richards, and our new Ethnic Diversity Committee chaired by Menhaj Huda. The publication in Spring 2014 of our report on women directors in television "Who's Calling the Shots" was hailed as one of the most authoritative pieces of work in this field, highlighting the clear under-representation of women directors in several key genres such as drama and entertainment. The response to this from producers and broadcasters has been generally positive and we are preparing an updated report this year to highlight changes and progress. This year we will also be publishing a similar report on ethnicity of directors, and we expect this to have an equally profound impact. We have a number of projects in progress to bring the role and status of directors to greater attention from industry and public alike, working currently with the Edinburgh TV Festival and key journalists.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

Representation and Profile

Our recognition within the industry and beyond has been noticeably higher this year thanks to the efforts of our Board, members, and the Communications team led by Victoria Morris and Amanda Parker. The Independent picked up on Directors UK's call for better wages for freelance directors and micro management issues at the BBC. Our first gender research report was widely covered in print, on radio and online – nationally and internationally. The news of our pay negotiation with ITV caused a stir in the industry press and online, as did our announcements about introducing Edit Directors and the recent joint statement about the film Locked Box agreement with the BFI, Pact and WGGB. A swift response from Directors UK to Mark Lawson's Guardian blog "TV will never be a directors medium" prompted a heated debate on The Guardian website and was featured in Televisual. Training has been a hot topic for the industry this year and the Directors UK mentoring scheme was referred to in Broadcast articles as an industry example of good practice. Members too have been providing us with editorial to help raise the status of directing, with recent pieces written for The Guardian by John Dower on directing for games and Tom Roberts for Broadcast on rebuilding the factual director's role. We are putting pressure on the Royal Television Society to improve its recognition of the work of directors in its Awards. I have taken over the role of chair of Creative Skillset's Television Council this year, which is a clear indication of the prominence that we now have in the industry.

Outreach and International

Much progress has been made this year in providing support to directors in the UK and internationally. Board member Piers Haggard has almost single-handedly managed to establish Stage Directors UK from nothing to become a credible organisation capable of providing theatre directors with the support and community that they desperately need. Directors UK has been proud to provide assistance to Piers and we will continue to support Stage Directors UK as it embarks on crucial campaigning and negotiating. Delyth Thomas represents us on the board of Writers and Directors Worldwide - a sub-group within the international organisation CISAC - and she has done much to push WDW to become a more dynamic campaigning force for directors on pay and rights issues. Dan Clifton has been working hard on the board of FERA, the European Directors Federation, to ensure it is effective in lobbying in Europe especially as we get to grips with the review of the Copyright Directive. I have been performing a similar role of the Council of the Society of Audio-Visual Authors in Europe. Directors UK is recognised in all these international bodies as an energetic, creative and powerful organisation, contributing strong ideas and initiatives.

In the political arena we sent a delegation to Strasbourg in December to lobby new MEPs on pay, copyright, diversity, our film industry and on the perilous position of freelancers. These contacts with MEPs will be crucial this year as we gather support for our ideas and views ahead of new legislation on copyright and contracts. Similar effort will be required with the new government once the results of the UK election are known.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

Governance

Our elections this Summer will for the first time include elections for four regional representatives to join our Board as part of our aim to ensure Directors UK speaks for members throughout the UK

The next AGM will be asked to vote on a raft of changes to our Articles of Association to ensure they these are compliant with the most up to date standards, and that they meet the requirements of the new European Directive on Collective Management Organisations. The new Directive is intended to set high standards of good governance and accountability for CMOs throughout Europe, and Directors UK is supportive of this objective

Finally, two members who have contributed hugely to the foundation and the development of Directors UK since its creation in 2007 decided this year to step down from office. Paul Greengrass has served as both a Board member and President, providing us with invaluable and wise leadership as well as taking a leading role in crafting our contributions to Lord Chris Smith's review of the British Film Industry.

Charles Sturridge has served as Chair from the start, stepping down at the start of this year. Charles has been an inspirational and committed leader of Directors UK, constantly pushing us to achieve better results. I would like to thank both Paul and Charles personally for their outstanding support and their leadership of Directors UK.

Name A Chowns
 Chief Executive Officer

Date 14 May 2015

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

The directors present their report and the financial statements for the year ended 28 February 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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.

DIRECTORS

The directors who served during the year are as listed on the company information schedule.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

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

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

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 and signed on its behalf



A R Chowns
Director

Date 19 May 2015

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 2015, 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 Directors' Responsibilities Statement, 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 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 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report



Myfanwy Neville ACA (Senior Statutory Auditor)

for and on behalf of
Berg Kaprow Lewis LLP

Chartered Accountants
Statutory Auditor

London
Date 21 May 2015

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 £	2014 £
TURNOVER	1	1,687,776	1,326,742
Distribution costs		(136,353)	(45,740)
Administrative expenses		(1,588,540)	(1,459,510)
OPERATING DEFICIT	2	(37,117)	(178,508)
Interest receivable and similar income		193,328	230,656
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		156,211	52,148
Tax on surplus on ordinary activities	4	(40,578)	(29,500)
SURPLUS FOR THE FINANCIAL YEAR		115,633	22,648

The notes on pages 12 to 18 form part of these financial statements

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

BALANCE SHEET
AS AT 28 FEBRUARY 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	5		273,118		376,175
Investments	6		3,931		3,931
			<u>277,049</u>		<u>380,106</u>
CURRENT ASSETS					
Debtors	7	227,345		237,840	
Cash at bank and in hand	8	17,175,777		18,672,700	
		<u>17,403,122</u>		<u>18,910,540</u>	
CREDITORS: amounts falling due within one year	9	(16,948,408)		(18,667,516)	
NET CURRENT ASSETS			<u>454,714</u>		<u>243,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>731,763</u>		<u>623,130</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	10		(35,000)		(42,000)
NET ASSETS			<u>696,763</u>		<u>581,130</u>
CAPITAL AND RESERVES					
Income and expenditure account	12		696,763		581,130
			<u>696,763</u>		<u>581,130</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies 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 by


T G Roberts
Director


A R Chowns
Director

Date 19.5.15

19 May 2015

The notes on pages 12 to 18 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 2015

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

Turnover comprises revenue recognised by the company in respect of services provided during the year, exclusive of Value Added Tax

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 profit and loss account in the period to which it relates

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
Fixtures & fittings	-	25% and 33% straight line
Distribution system	-	Straight line over the life of the system

1.5 FIXED ASSET INVESTMENTS

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

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

1. ACCOUNTING POLICIES (continued)

1.6 OPERATING LEASES

Rentals under operating leases are charged to the Income and Expenditure Account 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 period until the date the rent is expected to be adjusted to the prevailing market rate

1.7 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

1.8 DISTRIBUTION POLICY

Royalties are allocated to members 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 OPERATING SURPLUS

The operating surplus is stated after charging

	2015 £	2014 £
Depreciation of tangible fixed assets - owned by the company	115,062	128,881
Auditors' remuneration	9,750	9,250
Pension costs	32,620	29,551
	<u>157,432</u>	<u>167,682</u>

3. DIRECTORS' REMUNERATION

	2015 £	2014 £
Director's salary, benefits and pension costs	157,924	154,728
	<u>157,924</u>	<u>154,728</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

4. TAXATION

	2015 £	2014 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX		
UK corporation tax charge on surplus for the year	48,500	12,000
Adjustments in respect of prior periods	(922)	-
TOTAL CURRENT TAX	<u>47,578</u>	<u>12,000</u>
DEFERRED TAX (see note 10)		
Origination and reversal of timing differences	(7,000)	17,500
TAX ON SURPLUS ON ORDINARY ACTIVITIES	<u>40,578</u>	<u>29,500</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2014 - 20%)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company had trade losses brought forward of £36,700 which have now been utilised in full, together with a corresponding reduction to deferred tax assets as per Note 10

The company has historic capital losses available to carry forward of £161,794. No deferred tax asset has been recognised in respect of these losses.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Other fixed assets £	Total £
COST			
At 1 March 2014	198,467	355,699	554,166
Additions	-	12,005	12,005
Disposals	-	(450)	(450)
At 28 February 2015	<u>198,467</u>	<u>367,254</u>	<u>565,721</u>
DEPRECIATION			
At 1 March 2014	21,739	156,252	177,991
Charge for the year	21,122	93,940	115,062
On disposals	-	(450)	(450)
At 28 February 2015	<u>42,861</u>	<u>249,742</u>	<u>292,603</u>
NET BOOK VALUE			
At 28 February 2015	<u>155,606</u>	<u>117,512</u>	<u>273,118</u>
At 28 February 2014	<u>176,728</u>	<u>199,447</u>	<u>376,175</u>

6. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 March 2014 and 28 February 2015	<u>3,931</u>
NET BOOK VALUE	
At 28 February 2015	<u>3,931</u>
At 28 February 2014	<u>3,931</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

7. DEBTORS

	2015 £	2014 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	37,500	37,500
DUE WITHIN ONE YEAR		
Trade debtors	5,530	4,245
Accrued income and prepayments	178,207	177,943
Other debtors	6,108	18,152
	<u>227,345</u>	<u>237,840</u>

8. CASH AT BANK AND IN HAND

Included within Cash at Bank and in Hand are fixed term deposits of £12,100,000 (2014 £14,100,000) due to mature between April 2015 and March 2016

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

	2015 £	2014 £
Trade creditors	43,928	55,337
Corporation tax	48,500	12,019
Other taxation and social security	182,125	81,839
Other royalties for distribution	48,706	72,909
Royalties payable (Foreign)	7,369,020	8,151,288
Royalties payable (UK)	9,087,425	10,164,030
Other creditors	168,704	130,094
	<u>16,948,408</u>	<u>18,667,516</u>

10. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	42,000	24,500
(Released during)/charge for year (P&L)	(7,000)	17,500
At end of year	<u>35,000</u>	<u>42,000</u>

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10. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	2015 £	2014 £
Accelerated capital allowances	35,000	49,500
Tax losses carried forward	-	(7,500)
	<u>35,000</u>	<u>42,000</u>

11. 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.

12. RESERVES

	Income and expenditure account £
At 1 March 2014	581,130
Surplus for the financial year	115,633
	<u>696,763</u>
At 28 February 2015	<u>696,763</u>

13. OPERATING LEASE COMMITMENTS

At 28 February 2015 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2015 £	2014 £
EXPIRY DATE		
After more than 5 years	<u>150,000</u>	<u>150,000</u>

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14. RELATED PARTY TRANSACTIONS

The Board comprises both elected and co-opted working directors

Like all members of Directors UK Limited ("Directors UK"), these board members are entitled to royalty payments from Directors UK under its Distribution Schemes 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 Directors UK Limited to the elected board members during the year amounted to £73,929 (2014 £79,537)

During the year the company received royalties for distribution from the Educational Recording Agency, a company in which Directors UK Limited is a member and in which A R Chowns is a director, totalling £360,500 (2014 £316,050). These royalties were received during the normal course of business, and distributed to members in accordance with the company's distribution policies.

Included within administration expenses are professional fees of £Nil (2014 £420) paid to Porcupine Pictures Limited during the normal course of business, a company controlled by the director B Richards.

Included within other creditors is a balance of £17,120 (2014 £Nil) owed to Stage Directors UK Limited, a company in which P Haggard is also a director. This balance is unsecured and interest free, with no fixed repayment terms. Distribution expenses include £10,000 (2014 £Nil) paid to Stage Directors UK Limited during the year.

15. 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 £32,620 (2014 £29,551). Contributions totalling £4,722 (2014 £Nil) were payable to the fund at the balance sheet date and are included in creditors.