

Registered number: 02685120

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018



DIRECTORS UK LIMITED
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COMPANY INFORMATION

Directors	W G Anderson O Bathurst E R M Bye (appointed 20 July 2017) A R Chowns P C Cousins T Dixit (resigned 12 June 2017 and appointed 17 October 2017) G M Gibbons (appointed 1 March 2017) N Guttridge P I Haggard (resigned 12 June 2017) L P Hannon G Hill J M Hobbs (appointed 12 June 2017) M Huda (resigned 11 April 2017) K Kelly S B Krishnamma (resigned 12 June 2017) C Le Couteur (resigned 12 June 2017) R Manley (resigned 12 June 2017) D Martin R M Max (resigned 12 June 2017) M Omer (appointed 12 June 2017) G H Posner A Prasad (appointed 17 October 2017) A A Reeves (resigned 10 March 2017) B Richards (resigned 12 June 2017) T G Roberts (resigned 12 June 2017) S A Smith I D Softley (resigned 12 June 2017) D Thomas (resigned 12 June 2017) A Thomson (appointed 12 June 2017) P A Unwin S M White D R Zeff (resigned 12 June 2017 and appointed 19 July 2017)
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 2018

Statement from the Chair

The past year has been one of continuity and change at Directors UK, as we celebrated our 25th anniversary with a newly elected Board, and my taking over as Chair from Beryl Richards. It's been an enormous privilege to play a leading role at the heart of Directors UK for nearly five years – having previously served on the Board and as a Vice-Chair – and so I feel I also bring a degree of continuity to the organisation. The new Board was immediately hard at work with renewed energy and enthusiasm, determined to continue our efforts to give directors a powerful voice in the industry and protect our rights and status.

Over the past year our membership has continued to grow and reflect our workforce, with a greater spread of ages and diversity. It was a record-breaking year in terms of our collection and distribution scheme, with our biggest ever payment of £11.2 million being distributed for UK secondary use of your work, and over £5.3 million in foreign distributions. Over the past 17 years we have grown the value of your UK TV rights from nothing to £12 million a year. I am proud of what we've achieved so far but there is more to do and change is afoot. We've started work on introducing a new model for our UK TV Rights Agreement called the Directors Licensing Scheme (DLS) and are pleased that members voted overwhelmingly by 99.6% in favour of supporting the first step in the process, via our poll about operating an Extended Collective License (ECL). I urge all of you to continue to support this work as it will make a positive difference for directors and will require your action later this year.

I am also proud of our work over recent years on gender, diversity, pay, copyright, skills and career development. Our campaigning work continues; we have made real progress this year including successful pay negotiations with continuing drama, addressing the concerns many factual directors have over health and safety, and working collaboratively with other industry bodies to develop a robust approach to managing bullying and sexual harassment so as to help protect and empower the largely freelance community that we represent.

Our industry is now dominated by a handful of international corporate giants and post Brexit I believe it will be important to form even closer ties with our international partners to find solutions to the big issues which affect us all. Over the past year we've created a new International group within Directors UK to coordinate and strengthen the work we do, continuing to represent directors at all levels with industry bodies and government, both in the UK and abroad.

When we as directors come together to share ideas and focus in on what really matters, we can have the biggest impact. By working together, stimulating and inspiring each other we can improve the picture for all directors. I look forward to continuing to lead our organisation through this period of exciting change, as we press ahead with our new DLS initiative, which I believe will provide directors with greater security and more power as copyright holders, ensuring the value of our work is protected in a developing global media landscape.

Steve Smith, Chair of Directors UK

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CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018

CHIEF EXECUTIVE'S REPORT

Financial Performance

Solid growth in revenues and judicious control over costs have enabled the company to finish the year in a strong financial position. Management fees were boosted by significantly higher UK and foreign royalty distributions, whilst Interest Income also benefited from higher levels of members funds on term deposit together with improved interest rates.

The higher revenues were largely used to broaden and enhance the level of member services and to expand our campaigns and communications efforts. Higher establishment costs reflected a full year at our Stukeley Street offices, whilst administration expenses were only marginally up on the previous year.

We closed the year with a surplus after tax of £10,580 and retained earnings of £363,005. In addition, the level of out non-distributable royalties reserve now stands at £429,574. In accordance with the EC Directive governing the management of copyright, this reserve is available to fund future projects which benefit all member right holders.

Rights and Royalty Distribution

It was another big year for our UK distributions. In the 2017/18 financial year we distributed over £11.2 million under our UK scheme, our largest distribution to date.

<u>Amounts Paid</u>	<u>2017/8</u>	<u>2016/7</u>	<u>Change</u>	<u>% change</u>
UK Rights agreement	10,798,007	9,260,400	1,537,607	16.6%
BBC Residuals	38,987	147,040	(108,053)	-73.5%
Educational recordings	395,500	389,417	6,083	1.6%
Total UK Royalties	11,232,494	9,796,857	1,435,637	14.7%
Foreign Royalties	5,391,753	3,668,325	1,723,428	47.0%
Total	16,624,247	13,465,182	3,159,065	23.5%

Under our foreign distribution scheme we processed over 480,000 individual payments, paying out over £5.3 million in our largest ever annual distribution to members. This included large payments from ZAPA (Poland), SIAE (Italy) and VEVAM (Holland). During the year we signed agreements with societies in Chile and Slovenia and received our first payments from the Russian and Argentinian societies.

The amount and frequency of individual BBC Residuals payments varies from year to year.

This year the Distribution Committee was primarily focused on reviewing the credit hierarchy and the Directors UK credit disputes process, ensuring that both remain fit for purpose. They also considered possible sources of reporting for future distributions.

Our thanks to Sim Cammarota, Nikki Hopper and the distribution team for their continued hard work.

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Copyright and Collective Rights Management

This coming year will be significant as we push forward with our plans to update our royalty collection model. In May 2017 we began to outline our plans for the future of Directors UK and the way we manage and protect our members' rights in a changing digital world. We proposed a new model for our UK TV Rights Agreement, based on collective licensing. Called the Directors Licensing Scheme (DLS), we believe this will provide directors with greater security and allow them to receive a fair value for the use of their works, particularly from broadcasters, producers and platforms who do not currently pay royalties to us.

Two videos, alongside supporting information and FAQ's on our website, were produced ahead of our AGM last year to explain to members the changes being proposed, giving background information about copyright. At the AGM members voted to give us their approval to take this proposal forward. In January 2018 members voted in a poll on operating an extended collective licensing (ECL) scheme, which gained unanimous support. This poll is just one step on the road to what we believe is a better way to manage and protect all directors' rights and royalties in a changing digital world. This work is ongoing and we will continue to inform, consult and update the membership along the way.

Membership

Our membership continues to grow with almost 2,500 Full and Associate members and more than 6,700 members in total.

MEMBERSHIP	Feb-18	Feb-17	% change
Full	2,115	1,995	6%
Associate	373	317	18%
Distribution only	4,308	4,270	1%
TOTAL	6,796	6,582	8%

Member Services & Benefits

Our programme of events, exclusive offers and discounts, and skills and career development initiatives continued to grow this year. We held 49 events (meaning that we had almost one event for every week of the year), launched a brand-new mentoring programme, and continued to run several other successful schemes. The member services team – consisting of Skills and Career Development Manager Andrea Corbett, Member Services and Events Manager Amy-Jo Bryant and Events and Member Services Coordinator Tendai Chitawuro, led by Head of Member Services Laura Adams – built a programme to engage, celebrate and develop members. Earlier this year we said goodbye to Abigail Berry, former Member Services and Events Manager, who left the organisation to pursue other interests.

Committed to highlighting the work of UK directors as well as connecting with international directors, we screened film and TV of all budgets and genres as part of our regular screening programme. Events included Q&As with John Madden, Gurinder Chadha, Jessica Hobbs, Roger Michell, Fergus O'Brien, Simon Curtis, Lone Scherfig, Valerie Faris, Jonathan Dayton, Olivier Sarbil, James Jones, Dee Rees, Saul Dibb, Martin McDonagh, Greta Gerwig, Paddy Considine, Sally Potter and Paul Thomas Anderson.

As we continued to raise awareness about Directors UK and ensure that the role of directors is foregrounded across the industry, we worked with a variety of industry partners including Glasgow Film Festival, BFI Flare Film Festival, Sheffield Doc/Fest, The Media Production Show, BAFTA Guru Live, BFI London Film Festival, UK Music Video Awards, Televisual Factual Festival, Into Film, London Short Film Festival, London Comedy Film Festival and Underwire to deliver talks, workshops and networking opportunities.

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The Challenge Alexa film competition with ARRI, in which five short films use cinema-quality cameras and lenses, ran for the sixth year. Expanding on our success with this competition we also held the Inaugural Doc Challenge, in which four short documentary films were shot with cinema-quality cameras and lenses, ending with a screening and a cash award for the best film.

Events strands such as *'Meet the Commissioners'* continued with visits from BBC Factual, Guardian Docs, Channel 4 Documentary, BFI Film Fund, and BBC Drama. The *'Directing Factual'* strand was launched, focusing on the interests of the largest section of our membership. Networking opportunities with The British Society of Cinematographers (BSC), and with PACT production companies in Bristol and London gave members the chance to meet future collaborators and employers. Creative Partnerships Day with Film London returned for a second year, as did the Stage and Screen talent Initiative with Film London and Park Theatre. We also piloted the first in a series of resources designed to give members the tools to succeed in the stressful freelance environment, with Jeremy Thomas' *How to Stay Sane in an Insane Business*.

The Directors' Festival in July celebrated our 25th anniversary and saw our highest attendance yet. Members enjoyed a number of enlightening sessions including a blockbuster film keynote from Simon West, as well as sessions on embedded directors and how to film on a mobile. Our annual conference became Directors' Viewfinder, a bi-annual day for debate and discussion on the issues that affect members most.

The members' spaces were used regularly by Full and Associate members for a mix of meetings, casting sessions, development meetings, pitches, costume tests, script reads, rehearsals, quiet workspace, collaborator interviews and simply as a drop-in for coffee.

Skills and Career Development

Led by our Skills and Career Development Manager, Andrea Corbett, 2017/18 was a busy year with more members than ever before benefiting from a range of new opportunities, partnerships and the continuation of successful schemes.

The year saw the culmination of the high-end drama directors programme, funded by Creative Skillset's High-end TV Levy, to support eight drama directors on high-end UK productions such *The Tunnel* (Kudos), *Silent Witness* (BBC Studios), *Press* (Look Out Point) and *The Bodyguard* (World Productions). All directors selected for the programme had the opportunity to learn alongside their mentor director whilst the majority had a chance to direct 2nd unit. Directors UK also continued its successful partnership with the BBC for the Continuing Drama Directors' Training Scheme, in which drama directors were mentored on BBC dramas (*Doctors*, *Holby City*, *Casualty* and *River City*), and then given the chance to direct their own block for the series within a year of their training.

This year saw the launch of a brand-new initiative, *Directors UK Inspire: A Mentoring and Career Development Programme*, aimed at encouraging directors across genres to seek structured support to enhance their career opportunities.

In response to a Skills and Training questionnaire this year, we delivered a series of bespoke workshops, on subjects such as directing actors and pitching; three were held in London, one in Bristol and one in Cardiff.

Directors UK developed strong partnerships with a number of external organisations, seeking training and employment opportunities in different genres and different regions across the UK, including Channel X North, Raising Films, 104 Films and 4Stories.

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Legal Services

Our Head of Legal Affairs Donna Thomas and our Senior Legal Advisor Charlotte Brotherton provide advice and support to members on a range of topics including vetting members' contracts, plus advice on copyright, contracts and employment issues. They have helped many members to resolve disputes with productions companies and others. This year Donna wrote *15 Tips for Improving Your Pay* for the Directors UK website – which became one of our highest-viewed articles.

Campaigns

Directors UK continues to develop leading and impactful campaigns on issues that affect directors in the film and television industry, led by Head of Campaigns, Ali Bailey and Anna Wharton (maternity cover). In November the team also recruited an additional full-time member of staff, Natasha Moore as Campaigns Manager, to extend our capacity for a growing slate of campaign projects.

Towards the end of 2017, news broke of disturbing reports of abuse and sexual harassment by some of the industry's most prominent names, which revealed a systemic culture of bullying and harassment. Directors UK is working with key industry organisations such as Equity, WFTV, WGGB, PACT, BECTU, BAFTA, the BFI and other organisations to develop an approach to help eradicate abusive behaviour.

We remain active in addressing the lack of women and BAME directorial representation in the screen industries. Our previous reports have been widely quoted throughout the industry and in Parliament since they were published and we plan to continue building our reputation for publishing quality, influential research. We have commissioned the National Centre of Social Research (NatCen) to verify our latest data for our forthcoming reports to ensure our recommendations for change are based on robust and proven analysis – the full report for both inclusion and diversity representation in UK television will be released soon in 2018.

We have also been addressing issues facing creative freelancers and have been contributing to industry and government research and activity in these areas, such as responding to a public consultation as part of the government's response to the Taylor Review. We encouraged the Creative Industries Federation (CIF) to commission and publish its Creative Freelancers research report, which highlighted significant challenges within the sector, such as long and irregular working hours, the predominance of informal recruitment processes, the insecurity of an irregular income, concerns over Intellectual property (IP) management, access to finance and work spaces, and business skills literacy.

Industrial Relations

In June 2017 Directors UK and the BBC reached an agreement on a new pay deal for directors working on their five continuing drama series: *Casualty*, *Holby City*, *EastEnders*, *Father Brown* and *Doctors*. The BBC agreed a two-year deal, with increases ranging from 7% to 8% in the first year, and then a further 2% in the second year. We agreed that pay progression will be determined through a creative conversation between the director and the executive producer or series producer. This conversation will make it clear to the director whether they have been doing what was required of them and delivered on all the necessary requirements of the role. The outcome(s) from this conversation will be relayed to the talent team who will consider it and use it as the basis of negotiation for the next booking.

We are currently in talks with ITV Studios on a further pay deal for *Coronation Street* and *Emmerdale*, following on from our previous deal in 2015, and with Lime Productions for *Hollyoaks*.

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Outreach and International

We follow a wide variety of governmental activities in both the UK and EU, monitoring and exploring issues that affect directors and their work, such as copyright, employment rights, Brexit policies, the digital economy and more, which enables us to develop lobbying activities with policy influencers and law makers.

Directors UK takes an active role in lobbying MEPs and UK representatives on the European Copyright Directive proposals and the European Broadcasting Regulations to ensure fair remuneration for audiovisual authors. As well as our own direct lobbying, this year we worked with ALCS (Authors' Licensing and Collecting Society) and with other external sister agencies, such as Writers and Directors Worldwide (W&DW), the specialist group within the international organisation CISAC, the Society of Audiovisual Authors (SAA) and the Federation of European Film Directors (FERA), to lobby, network and promote the voice of directors within the audiovisual industry.

Our CEO Andrew Chowns spoke at the Writers and Directors Worldwide Conference in Venice, and we have participated in SAA activities and meetings in Brussels in support of copyright and fair reward for directors for the use of their work online.

Former Directors UK Board Members Dan Clifton and Delyth Thomas continued their work supporting directors internationally. Dan, as the chair of FERA, focused on effective measures to ensure European audiovisual authors' fair and proportionate remuneration and lobbying for proposals to strengthen directors remuneration. Delyth was re-elected to the executive committee of Writers and Directors Worldwide, where she lobbies for the rights of directors and writers across the world. This year the organisation advocated for the creation of alliances in Latin American and Africa.

Directors UK is also represented on the Screen Sector Task Force, providing the government with an overview of the landscape and information on the impact of Brexit. Our key issues here are:

- Preserving free movement for performers and authors
- Maintaining access to key European funding for films and TV
- Ensuring the UK's copyright regulations stay in harmony with Europe

This year we have also established a new International committee to co-ordinate our work with overseas partner organisations.

Nations & Regions

North West regional representative Lily Hill has been working to support members in the region; focusing on improving pay and working conditions for directors, harassment and bullying, gender equality, and recruiting and encouraging non-member directors to join. Directors UK also supported Raising Films for the Manchester-based career development event 'Making it Possible' in November. This event was supported by Creative Skillset and the BFI, and designed to help directors in the area focus on goals, planning and addressing specific barriers, whether planning for or returning from parental leave or a career break.

Scotland regional representative Karen Kelly has focused on introducing meaningful skills and development opportunities for directors. A series of events with some of Scotland's best home-grown talent in an attempt to improve both on and off screen representation in Scotland's screen sector and build a skills sharing network. Events have included a one-day drama workshop run by director Kenny Glenaan and a masterclass from documentary director Louise Say. A partnership with Glasgow Film Festival (GFF) to host 'Advanced Tools of Directing', an all-day workshop with acclaimed direction coach Simon Philips, and two speaker sessions – one with Gabriella Apichella from Euroscript, the other with Hazel Marshall, a script consultant from the BBC. Our partnership has set in motion a relationship with GFF that will hopefully go from strength to strength.

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The regional representative for the South West is Otto Bathurst, and we have been involved in a range of festivals, events and partnerships in the area. In October Directors UK teamed up with PACT to offer factual networking sessions in Bristol, and in February we hosted a pitching workshop with David Keating.

Last year the Directors UK's Wales representative was Philippa Collie Cousins. Directors UK partnered with BAFTA to give access to new films and events at key locations in the area, and took part in the pitching workshop with David Keating, which was for directors based in Wales and the South West. We are also working on a series of commissioner sessions and career development initiatives for directors in Wales.

Representation and Profile

The Communications team – led by Victoria Morris, Head of Communications and Public Affairs, supported by Tolu Akisanya, Communications and Campaign Officer – has continued to establish Directors UK as the authoritative voice for directors. Our work has been discussed in Parliament, our committee members and expert staff are frequently invited to contribute at industry events, and sister unions, guilds and professional associations actively engage with us around the sharing of best practice and common lobbying objectives.

We continue to work with a range of publications and media outlets to raise our profile, with coverage appearing in The Independent, BuzzFeed, The Daily Telegraph, Screen International, BBC, The Guardian, Broadcast and more. This year Directors UK celebrated a milestone birthday – our 25th anniversary – at the annual Directors' Festival in July, and with a comment piece from Directors UK Chair Steve Smith in Broadcast magazine. Steve, in another article for Broadcast, also tackled the role of the director in a changing world. The Guardian facilitated an article on racial and religious diversity in UK film and television, interviewing Menhaj Huda, former Directors UK Diversity Committee Chair. We have worked with Televisual Magazine on a number of features focused on directing. This included: a four-page feature on women directors working in the multi-camera genre, highlighting the fact that three of the biggest shows on UK TV are all directed by women; a feature on self-shooting; and a feature about directing live sports TV, music concerts, ceremonies and major events.

We have also reviewed and responded to a number of consultations throughout the last twelve months, including OFCOM consultations into the regulation of the BBC, proposals for a new Scottish BBC channel, diversity, and the DCMS consultation on Channel 4 relocation, among others.

Digital

Over the last year the Directors UK website has hosted a wider range and higher volume of content than ever before, including interviews, articles, news, event announcements, career development opportunities, and videos of our ever-popular Q&As and panel sessions. Led by Digital Manager Marc Abbs, and assisted by Digital Officer Chris Young, the team has also been responsible for enhancing our Find a Director service, which now allows users to search for directors with specific skills or experience and then filter those search results by gender and ethnicity. This tool works alongside our ongoing campaigns and offers practical help to the industry as it seeks to improve its record on diversity. We are often approached by producers, production companies and broadcasters who are searching for directors for their upcoming projects; we actively refer these people to Find A Director and encourage members to add and update their details and profiles to take advantage of this new facility.

Our social media presence continues to play an important role in promoting both Directors UK and the art of directing. Our Twitter feed is a hub for the latest industry news; we now have over 13,000 followers on Twitter and more than 3,000 on Facebook.

This year also saw the launch of the Directors UK Podcast, which makes use of audio recorded at our director Q&As and other events, and has allowed us to share the experience and insight on offer with a wider audience beyond the membership; episodes with Oscar nominees Paul Thomas Anderson, Martin McDonagh and Greta Gerwig have proved particularly popular so far.

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Directors Charitable Foundation

The Directors Charitable Foundation (DCF) is now in its second year of operations. It has a fully operational Board of Trustees which, as mandated by its constitution, comprises a majority of directors from all media. The DCF is supported financially by Directors UK and currently runs two major programmes. The Directors Support Scheme, which gives emergency financial aid to directors and former directors, has made over 20 awards to directors in need. The Directors In Schools programme arranges for directors to hold workshops and presentations on the art and craft of directing for students in state secondary schools, with a focus on schools in underprivileged areas. Both schemes are expanding fast and this year the DCF will add to its activities by recording and broadcasting interviews and setting up a blue plaques scheme, both celebrating the achievement of leading directors.

Environmental Sustainability

Directors UK continues to play a leading role in promoting environmental sustainability to the film and television industry. As an affiliated member of the BAFTA Albert Consortium and a member of the Creative Energy bulk (100% renewable energy) buying scheme, we have been able to help form an energy basket and reduce the cost of that energy for companies joining the scheme. Directors UK Chair Steve Smith helps deliver Carbon Literacy Training to the industry, encouraging Directors UK members to take advantage of this free training. Since the course started the Albert Consortium has provided training to over 2,000 freelancers and BBC staff, helping to raise awareness of carbon literacy in film and television production. Steve is also working with the Climate Media Net to help organise a one-day workshop to inspire directors, writers and producers to devise ideas for new drama and comedy that touch on climate change in some way. It's hoped that this workshop will run in the autumn of 2018 and it will be open to Directors UK members.

Governance

Directors UK is governed by an elected Board of Directors drawn from its membership. Having been Vice-Chair of Directors UK for two years and on the board for four years Steve Smith took over from outgoing chair Beryl Richards. Beryl took on a leading role in the gender equality campaigns and career development initiatives and helped to raise awareness and improve employment prospects and opportunities for all women film and TV directors.

This year, several board members reached the end of their maximum number of terms and retired from their roles on the Board. Members who stepped down this year include:

- Piers Haggard OBE, a Board member for many years who played a significant role in founding the Directors' and Producers' Rights Society (now Directors UK), Stage Directors UK, and before that the Directors Guild of Great Britain. Directors UK held an event in the summer to honour Piers, who has tirelessly championed the rights of directors over a fifty-year career as a celebrated director of film, stage and television.
- Tom Roberts, former Vice-Chair, stepped down after eight years on the Directors UK Board. He had been involved with Directors UK from the start. Tom is a distinguished documentary director, one of the founding trustees of the Directors Charitable Foundation (DCF) and a passionate advocate for our membership scheme.
- Delyth Thomas, former Vice-Chair, stepped down after several years on the board. Delyth has been pivotal in our campaign work for gender equality in TV and film directing, a champion of copyright and as a spokesperson for directors internationally.
- Iain Softley, former Film Committee Chair, led several campaigns supporting feature film directors, including spearheading the successful launch of our Creative Rights Minimum Terms.

The newly elected board was established in June 2017. Newly elected members include Anna Thompson,

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Jessica Hobbs, Ashok Prasad, Ed Bye (Chair of the Entertainment and Multi-Camera Committee), and Michael Omer (Successor Members' Representative).

Entertainment and Multi-camera

The Entertainment and Multi-Camera Committee, chaired by Ed Bye, has increased its membership from thirteen members to 29. After a successful ECL polling campaign, we are actively working with members to promote the changes in the lead up to DLS. We are also tackling the preservation of credits, creative rights, award recognition and addressing the problem of harassment in the workplace. We are in the process of setting up a poll to establish a much needed pay scale that reflects all the different genres entertainment and multi-camera directors work within. We have also set up a WhatsApp group for committee members to better communicate.

Factual

The past twelve months have been significant for the factual community. After learning about Viva La PD, a Facebook group for factual directors, in Spring last year, we have been working closely with the group to tackle problems of unsafe working conditions, excessive hours and poor pay. Factual Chair Nic Guttridge and Andrew Chowns recently presented Viva La PD's survey findings to the industry Production Safety Group, revealing shocking facts about working conditions and health and safety for factual directors.

This was also the year in which the edit director credit was formally recognised by our Distribution Committee. This is intended to put an end to a situation in which principal directors are employed to shape an edit creatively and narratively (i.e. to direct it) and yet receive no residuals for their substantial contribution to the authorship of the final project.

Unity around rates of pay is another key issue, and after further consultation with members we are now working on a two-pronged approach in order to create a sliding pay scale with an accepted minimum rate that will allow members to approach pay negotiations with confidence. We also intend to put direct pressure on production companies to ensure fair pay across the genre.

TV Fiction

The TV Fiction Committee, led by Bill Anderson, focused heavily on the BBC continuing drama pay negotiations where the courage of 89 members in standing together in an embargo led to a successful outcome.

Significant though the pay increases are, the process has also created a shift in the way directors are perceived by senior BBC continuing drama series management, and the BBC's recognition 'that their relationship with directors has not been as good as it could be and they will take steps to improve this'. To remedy this we set up meetings in Glasgow, Elstree and London with Ollie Kent, Head of Continuing Drama Series for BBC Studios Scripted. Our 89 colleagues – now 'top table talent' – were warmly invited to creatively contribute to improving their shows, and our suggestions were enacted within weeks. This is a solid first rung on the ladder we are committed to climbing to restore the director's status throughout BBC Studios and across all genres and platforms.

We have also been looking at systems and processes that negatively impact drama productions – such as greenlighting systems, commissioning behaviours, continuous script development processes – in order to identify ways to reduce or lessen their adverse impact. Through an engaged committee and feedback from members, we have been able to discover possible solutions which can add value and reduce costs, and can be adopted across a number of TV drama shows; for example bringing the director in at the earliest stages of production. This highlights the importance of member involvement and contributions as an essential component of successful lobbying for change.

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Film

This year saw the launch of the Creative Rights Minimum Terms for Fiction Feature Film, which were drafted by the Film Committee under former chair Iain Softley and are designed to be added to every film director's contract to help establish reasonable best practice for directors. The terms are particularly aimed at helping directors at the beginning of their career to protect their creative rights, improve their working conditions and prevent the erosion of the director's role. These terms gained the support of a large number of high-profile and award-winning feature film directors from the UK. We also met with industry agents and key film financiers to introduce them to the Creative Rights Minimum Terms and gain their support. Since launch, the terms are now being implemented and all directors are encouraged to ask for them to be included in their contracts.

We were pleased to see the BFI publicly committing to a 50:50 gender balance as part of a series of major changes it was making to its Film Fund – a target we recommended in our Cut Out of the Picture report last year. New Film Committee Chair Susanna White also contributed to recent round tables with the BFI on ideas to provide support for UK Independent Films. Directors UK continues to be committed to equality on productions

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With special thanks to:

Directors UK Board 2017-18:

Bill Anderson
Otto Bathurst
Ed Bye
Philippa Collie Cousins
Toral Dixit
Nic Gutteridge
Lotus Hannon
Illy Hill
Jessica Hobbs
Karen Kelly
Darcia Martin
Michael Omer
Geoff Posner
Ashok Prasad
Steve Smith
Anna Thomson
Paul Unwin
Susanna White
Dan Zeff

Directors UK Staff:

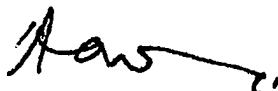
Marc Abbs
Laura Adams
Tolu Akisana
Selina Ali
Richard Anderson
All Bailey
Nicole Bando
Laura Bannister
Abi Berry
Charlotte Brotherto
Amy-Jo Bryant
Slim Cammarota
Tendai Chitawuro
Andrew Chowns
Andrea Corbett
Shadia Fakhoury
Guy Gibbons
Jonathan Hart
Nikki Hopper
Sam Hoy
Eleanor Jest
Bhavesh Mistry
Andrea Marlowe
Victoria Morris
Kate Parish
Donna Thomas
Sean Thomas
Emily-Jane Tossell
Anna Wharton
Chris Young

2017 outgoing board members:

Beryl Richards
Piers Haggard
Menhaj Huda
Suri Krishnamma
Cath le Couteur
Rebecca Manley
Richard Max
Tom Roberts
Anthony Reeves
Iain Softley
Delyth Thomas

Name: A R Chowns
Director and CEO

Date: 15th May 2018



DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018

The directors present their report and the financial statements for the year ended 28 February 2018.

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.

Directors

The directors who served during the year were:

W G Anderson
O Bathurst
E R M Bye (appointed 20 July 2017)
A R Chowns
P C Cousins
T Dixit (resigned 12 June 2017 and appointed 17 October 2017)
G M Gibbons (appointed 1 March 2017)
N Guttridge
P I Haggard (resigned 12 June 2017)
L P Hannon
G Hill
J M Hobbs (appointed 12 June 2017)
M Huda (resigned 11 April 2017)
K Kelly
S B Krishnamma (resigned 12 June 2017)
C Le Couteur (resigned 12 June 2017)
R Manley (resigned 12 June 2017)
D Martin
R M Max (resigned 12 June 2017)
M Omer (appointed 12 June 2017)
G H Posner
A Prasad (appointed 17 October 2017)
A A Reeves (resigned 10 March 2017)
B Richards (resigned 12 June 2017)
T G Roberts (resigned 12 June 2017)
S A Smith
I D Softley (resigned 12 June 2017)
D Thomas (resigned 12 June 2017)
A Thomson (appointed 12 June 2017)
P A Unwin
S M White
D R Zeff (resigned 12 June 2017 and appointed 19 July 2017)

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

Directors' responsibilities statement

The directors are responsible for preparing the Strategic 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.

Results and dividends

The surplus for the year, after taxation, amounted to £10,580 (2017 - deficit £394,141).

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.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

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.

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

A R Chowns
Director



Date:

15th May 2018.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

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 2018, 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 2018 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

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic 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 Strategic Report or 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 Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 13, 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.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

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.

Berg Kaprow Lewis

Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of
Berg Kaprow Lewis LLP

Chartered Accountants
Statutory Auditors

London

Date: 15/5/2018

DRAFT

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

	Note	2018 £	As restated 2017 £
Turnover		2,208,968	1,783,857
Gross surplus		2,208,968	1,783,857
Communications, campaigns and public affairs		(70,517)	(47,112)
Administrative and establishment expenses		(2,189,472)	(2,143,510)
Other operating income	3	165,509	33,276
Membership services		(322,933)	(221,837)
Operating deficit		(208,445)	(595,326)
Interest receivable and similar income		225,410	149,175
Interest payable and expenses		(215)	(1,390)
Surplus/(deficit) before tax		16,750	(447,541)
Tax on surplus/(deficit)	5	(6,170)	53,400
Surplus/(deficit) after tax		10,580	(394,141)
Retained earnings at the beginning of the year		352,425	746,566
		352,425	746,566
Surplus/(deficit) for the year		10,580	(394,141)
Retained earnings at the end of the year		363,005	352,425

The notes on pages 21 to 31 form part of these financial statements.

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

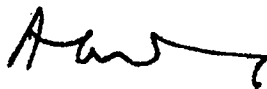
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	321,495	332,246
Investments	7	3,931	3,931
		<u>325,426</u>	<u>336,177</u>
Current assets			
Debtors	8	483,632	318,549
Current asset investments	9	19,370,091	14,500,000
Cash at bank and in hand	10	1,591,283	6,046,985
		<u>21,445,006</u>	<u>20,865,534</u>
Creditors: amounts falling due within one year	11	(21,401,427)	(20,849,286)
Net current assets		<u>43,579</u>	<u>16,248</u>
Total assets less current liabilities		<u>369,005</u>	<u>352,425</u>
Provisions for liabilities			
Deferred tax	12	(6,000)	-
		<u>(6,000)</u>	<u>-</u>
Net assets		<u><u>363,005</u></u>	<u><u>352,425</u></u>
Capital and reserves			
Income and expenditure account		363,005	352,425
		<u><u>363,005</u></u>	<u><u>352,425</u></u>

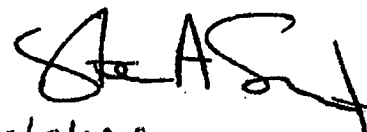
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

A R Chowns
Director



S A Smith
Director



Date: 15/5/2018.

Date: 15/5/2018.

The notes on pages 21 to 31 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 2018

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 2018

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 2018

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 2018

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.

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.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

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.

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 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.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

3. Other operating income

	2018 £	2017 £
Creative Skillset income	138,091	-
Rental income	18,000	8,250
Mentoring income	-	19,908
Sponsorship income	7,500	5,118
Sundry income	1,918	-
	<u>165,509</u>	<u>33,276</u>

4. Employees

The average monthly number of employees, including directors, during the year was 28 (2017 - 25)

5. Taxation

	2018 £	2017 £
Corporation tax		
Adjustments in respect of previous periods	(80)	(30,000)
Total current tax	<u>(80)</u>	<u>(30,000)</u>
Deferred tax		
Origination and reversal of timing differences	6,250	(23,400)
Total deferred tax	<u>6,250</u>	<u>(23,400)</u>
Taxation on profit/(loss) on ordinary activities	<u>6,170</u>	<u>(53,400)</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

6. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 March 2017	293,850	263,904	22,220	579,974
Additions		579	47,627	48,206
At 28 February 2018	293,850	264,483	69,847	628,180
Depreciation				
At 1 March 2017	15,041	212,794	19,893	247,728
Charge for the year on owned assets	29,403	22,148	7,406	58,957
At 28 February 2018	44,444	234,942	27,299	306,685
Net book value				
At 28 February 2018	249,406	29,541	42,548	321,495
At 28 February 2017	278,809	51,110	2,327	332,246

7. Fixed asset investments

	Unlisted Investments £
Cost or valuation	
At 1 March 2017	3,931
At 28 February 2018	3,931
Net book value	
At 28 February 2018	3,931
At 28 February 2017	3,931

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

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

8. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	161,313	161,313
	<u>161,313</u>	<u>161,313</u>
Due within one year		
Trade debtors	100,727	5,459
Other debtors	4,873	2,580
Prepayments and accrued income	216,719	118,707
Tax recoverable	-	30,240
Deferred taxation	-	250
	<u>483,632</u>	<u>318,549</u>

9. Current asset investments

	2018 £	2017 £
Cash held in fixed term deposits	<u>19,370,091</u>	<u>14,500,000</u>

10. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>1,591,283</u>	<u>6,046,985</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	70,457	40,832
Other taxation and social security	394,992	344,597
Members' Fund (UK)	12,420,807	11,374,798
Members' Fund (Foreign)	7,705,034	8,809,859
Members' Fund Non-Distributable	429,574	-
Accruals and deferred income	380,563	279,200
	<u>21,401,427</u>	<u>20,849,286</u>

Non-Distributable funds relate to monies which have been allocated to foreign non-registered right holders and not claimed within six years of allocation.

In line with the Collective Management of Copyright (EU Directive) Regulations (2016) and the company's distribution policy, these funds have been declared as non-distributable. The fund is available for release in the future to offset costs of activities which benefit all member right-holders.

12. Deferred taxation

	2018 £
At beginning of year	(250)
Charged to surplus or deficit	6,250
At end of year	<u>6,000</u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	7,216	36,250
Tax losses carried forward	-	(32,000)
Short term timing differences	(1,216)	(4,500)
	<u>6,000</u>	<u>(250)</u>

DIRECTORS UK LIMITED
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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. Prior year adjustment

There has been a presentational prior year adjustment to reclassify £58,331 of AGM, EGM, festival and conference costs between subheadings within the Income and Expenditure account.

There have been no changes to net assets or reported deficit as a result of this presentational prior year adjustment.

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 £55,287 (2017: £48,330). Contributions totalling £7,149 (2017: £18,868) were payable to the fund at the balance sheet date and are included in creditors.

16. Commitments under operating leases

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

	2018 £	2017 £
Not later than 1 year	322,625	201,641
Later than 1 year and not later than 5 years	1,209,844	1,290,500
Later than 5 years	1,129,188	1,371,156
	<u>2,661,657</u>	<u>2,863,297</u>

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17. 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 £234,963 (2017: £208,275).

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 £385,000 (2017: £395,500). 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 £12,934 (2017: £14,629) paid to board members while carrying out the company's duties during the year.

Also included within administration expenses are charitable donations of £50,000 (2017: £50,000), paid to Directors Charitable Foundation, an entity in which certain of the directors are trustees.