

Registered number: 02685120

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022



DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	W G Anderson (resigned 13 July 2021) E R M Bye (resigned 13 July 2021) A Dankwa (appointed 13 July 2021) A Evans (appointed 13 July 2021) J Genesis (resigned 13 July 2021) G M Gibbons N Guttridge (resigned 13 July 2021) L P Hannon (resigned 13 July 2021) A J Harrower J Hawes (appointed 13 July 2021) Z Hines (appointed 13 July 2021) J M Hobbs M R Hopkins (resigned 27 April 2021) A Jacob (appointed 8 February 2022) A Kalymnios (appointed 13 July 2021) K Kelly (appointed 13 July 2021) A Krishnan Tatparanadam (appointed 13 July 2021) C V Lalla (resigned 13 July 2021) E Russell C Saunders (appointed 13 July 2021) S A Smith (resigned 13 July 2021) D A Stones A Thomson T Toumazis (appointed 26 April 2022) S M White (resigned 13 July 2021) D R Zeff (resigned 13 July 2021)
Company secretary	A Harrower
Registered number	02685120
Registered office	4th Floor 20/22 Stukeley Street London WC2B 5LR
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditors 35 Ballards Lane London London N3 1XW

DIRECTORS UK LIMITED
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DIRECTORS UK LIMITED
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STATEMENT FROM THE CHAIR
FOR THE YEAR ENDED 28 FEBRUARY 2022

Statement from the Chair

We all know the world around is changing fast, and so many certainties we've taken for granted are under threat. As directors we've had to find new ways to deal with those changes whilst balancing reality with ambition. Adapting quickly, solving problems and finding creative ways forward is in our DNA. From accommodating challenging restrictions, to creating original ways of telling stories and grasping the demands of new platforms, we've had to invent and reinvent. And so has Directors UK.

In summer 2021, I was elected to the Board and appointed Chair. I'm delighted to be supported by the brilliant management team and staff, as well as the Board itself. It's crucial that the Board reflects the membership's wealth of expertise and points of view, and I believe our new board does just that. It's made up of directors working across different genres, from different backgrounds and with varied experiences of the industry.

As a new board, it's important we take time to build solid foundations – to plan, anticipate, prepare – so that we can, together, be the voice of the 8,000 directors we represent.

We've been working with the staff team to understand more about what the organisation can do to support to our members where it is needed most.

We must ensure directors are compensated for the secondary uses of their works, no matter what the platform; that directors are represented as the industry recovers from the pandemic and are supported throughout their careers, to make sure they can progress without hitting glass ceilings. We must also ensure that directors concerns are represented to the industry and to policy makers. We must have a voice at the table.

'One of you, many of us' rings true. When we work together, we can lead the conversation and drive real change.

I do want to extend my gratitude to Steve Smith, who finished his term as Chair this year. Steve, and his fellow outgoing board members, served with a tremendous dedication and commitment to championing directors.

Directors UK must now look to the future and, alongside our CEO Andy Harrower and his team, I am looking forward to leading the way.

Karen Kelly, Chair of Directors UK

DIRECTORS UK LIMITED
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CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022

Statement from the Chief Executive

This report spans a year of great change. From living under lockdown and working under restrictions, to navigating life with COVID-19, the world looked very different at the start of the twelve months we cover than it did at the end. One constant is that the copyright directors hold for the works they create has huge value. Another is that it is our job to ensure that directors are properly rewarded for what they do.

During the 2021/2022 financial year we paid out a total of £18.5million to directors across all distributions, our highest ever total distributions in one year. We distributed £10.5million to more than 4,000 members under the UK distribution scheme. We distributed just under £8million in foreign payments, which is our largest foreign distribution to date. A great indication that our members' works are enjoyed both at home and across the globe.

Our membership grew to 8,082. Despite changing restrictions, we delivered services tailored to our members both online and in person. Our specialist legal support was accessed by a record number of members. We offered an extensive series of in conversation events with acclaimed directors working across formats and genres, an array of skills webinars and networking opportunities. By embracing new ways of working we can build connections and community within our membership.

We worked on many projects designed to give professional directors the tools and experience they need to sustain careers, no matter their level of experience. To name but a few, these projects included: partnering with BBC Studios to deliver mentoring and training opportunities to under-represented directors on continuing drama productions; supporting 4Stories to offer emerging drama directors the opportunity to direct a film for the BAFTA-winning anthology *On the Edge*; and pitching for and securing funding from the ScreenSkills' Unscripted TV Skills Fund to programme a UK-wide training course designed to address urgent skills gaps in unscripted TV. All of our career development programmes directly support and bolster the skills within the existing workforce, and aim to prevent barriers to progression.

It is vital that the experiences of our members are shared with policy makers and those shaping the regulations that affect directors. Directors UK acts as a voice for directors in industry and government conversations by responding to numerous complex consultations, inquiries and roundtables on a broad range of issues, from the impact of the pandemic on the industry to public service broadcasting issues, and by being actively engaged in the work of a number of cross-industry working groups. Directors have a seat at the table.

Through coverage in trade and mainstream media, articles on our website and our podcast, we've celebrated the working practices of directors and promoted the craft of directing to a global audience. Work that solidifies the importance of the role of the director.

In July 2021, Steve Smith, an outstanding champion for directors, reached the end of his time in office having served his maximum term as Chair. A number of other long serving board members also came to the end of their terms, having spent many years tirelessly and passionately representing their colleagues. Following a Board election, which saw more candidates stand than ever before, a new Board was elected, and Karen Kelly was appointed Chair. Providing incredible insight into life as a director, we work together to highlight and confront the issues that matter the most to our membership.

DIRECTORS UK LIMITED
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CHIEF EXECUTIVE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

The work that we have been doing this year, which will continue into the years ahead, focuses on collecting every penny that directors are owed. I believe that there are many opportunities for directors on the horizon – opportunities that Directors UK is working tirelessly to maximise on behalf of its members. We are making sure that we make the most of new revenue opportunities, and ensuring that directors are rewarded appropriately for the huge value that their works bring to audiences around the world.

Finally, Directors UK was immeasurably impacted by the unexpected passing of our colleague and friend Marc Abbs in July 2021. Marc was our Senior Digital and Communications Manager and made an incredible contribution to the organisation during the decade he worked with us. He was a vital part of the work that we do and is much missed.

Andy Harrower

Andy Harrower
Director and CEO

Date: 27/05/2022

DIRECTORS UK LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022

The directors present their report and the audited financial statements for the year ended 28 February 2022.

Directors' responsibilities statement

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

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

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

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

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

Principal activity

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

Results and dividends

The surplus for the year, after taxation, amounted to £54,247 (2021 - £55,107).

DIRECTORS UK LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

Directors

The directors who served during the year were:

W G Anderson (resigned 13 July 2021)
E R M Bye (resigned 13 July 2021)
A Dankwa (appointed 13 July 2021)
AL Evans (appointed 13 July 2021)
J Genesis (resigned 13 July 2021)
G M Gibbons
N Guttridge (resigned 13 July 2021)
L P Hannon (resigned 13 July 2021)
A Harrower
J E A Hawes (appointed 13 July 2021)
Z Hines (appointed 13 July 2021)
J M Hobbs
M R Hopkins (resigned 27 April 2021)
A Jacob (appointed 8 February 2022)
A Kalymnios (appointed 13 July 2021)
K Kelly (appointed 13 July 2021)
A Krishnan Tatparananda (appointed 13 July 2021)
C V Lalla (resigned 13 July 2021)
E R M Russell
C Saunders (appointed 13 July 2021)
S A Smith (resigned 13 July 2021)
D A Stones
A Thomson
S M White (resigned 13 July 2021)
D R Zeff (resigned 13 July 2021)

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.

DIRECTORS UK LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

Auditors

During the year, Berg Kaprow Lewis LLP acted as auditor to the company until 31 March 2022. On 31 March 2022, Berg Kaprow Lewis LLP transferred its audit business to a new LLP, BKL Audit LLP. The directors consented to treating the appointment of Berg Kaprow Lewis LLP as extending to BKL Audit LLP with effect from 1 April 2022.

Under section 487(2) of the Companies Act 2006, BKL Audit 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.

Andy Harrower

A J Harrower
Director

Date: 27/05/2022

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 2022, 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 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Chief Executive 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 Chief Executive Report.

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of those charged with governance, including the audit committee and interim audit committee meeting minutes to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Detailed review of cash transactions both across office and member bank accounts.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

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.

M Neville

Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of
BKL Audit LLP 27/05/2022

Chartered Accountants
Statutory Auditors

London

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

	Note	2022 £	2021 £
Turnover		2,558,237	2,416,028
Gross profit		2,558,237	2,416,028
Communications, campaigns and public affairs		(76,985)	(66,965)
Establishment		(308,713)	(448,215)
Administration expenses		(2,357,878)	(2,195,181)
Other operating income	3	135,969	144,127
Membership Services		(82,427)	(77,778)
Operating loss		(131,797)	(227,984)
Interest receivable and similar income		186,044	295,801
Profit before tax		54,247	67,817
Tax on profit	5	-	(12,710)
Profit after tax		54,247	55,107
Retained earnings at the beginning of the year		553,514	498,407
		553,514	498,407
Profit for the year		54,247	55,107
Retained earnings at the end of the year		607,761	553,514

The notes on pages 13 to 24 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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	249,221	189,492
Investments	7	3,931	3,931
		<u>253,152</u>	<u>193,423</u>
Current assets			
Debtors: amounts falling due after more than one year	8	104,064	161,313
Debtors: amounts falling due within one year	8	655,188	227,749
Current asset investments	9	17,335,242	21,416,367
Cash at bank and in hand	10	4,363,186	1,756,208
		<u>22,457,680</u>	<u>23,561,637</u>
Creditors: amounts falling due within one year	11	(22,103,071)	(23,201,546)
Net current assets		<u>354,609</u>	<u>360,091</u>
Total assets less current liabilities		<u>607,761</u>	<u>553,514</u>
Net assets		<u><u>607,761</u></u>	<u><u>553,514</u></u>
Capital and reserves			
Profit and loss account		<u>607,761</u>	<u>553,514</u>
		<u><u>607,761</u></u>	<u><u>553,514</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:

Andy Harrower

A J Harrower
Director

Date: 27/05/2022

The notes on pages 13 to 24 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 2022

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 4th Floor; Stukeley Street; London; WC2B 5LR.

2. Accounting policies

2.1 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 ("FRS 102") and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the surplus for the year, the Statement of Financial Position at the accounting date and reviewed forecasts and are satisfied that the Company is in a position to meet its liabilities as they fall due for a period of at least twelve months from the date of signing these financial statements.

Future collections of royalties from foreign societies may be reduced due to the ongoing effects of the economic downturn of recent years. Any reductions will impact on subsequent royalty payments to members by Directors UK Limited.

It is not possible to quantify the potential amount of any such future reductions and for the foreseeable future, the company will continue its normal distributions schedule. In the event that future royalty distributions are reduced, resulting in lower management fees accruing to the company, management are confident that the company's reserves are more than adequate to cover any short term deficits.

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.3 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.

2.4 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.

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.

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.5 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 reporting 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.

2.6 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.

2.7 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.

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.7 Financial instruments (continued)

(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.

2.8 Coronavirus Job Retention Scheme income and expenditure

Furlough income is receivable as compensation for salary expenses already incurred and to give immediate financial support to the Company with no future related costs. This income is recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.9 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'.

2.10 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.11 Other operating income and other operating charges

Other operating income comprises:

- (i) Grant funding which is credited to the Statement of Income and Retained Earnings as the related project expenditure is incurred. The related project expenditure is included as part of other operating charges.
- (ii) Rental income, which is credited to the Statement of Income and Retained Earnings over the period to which it relates.
- (iii) Screen Skills income, which is credited to the Statement of Income and Retained Earnings in the period in which the expenses are incurred.
- (iv) Sundry income, which is credited to the Statement of Income and Retained Earnings in the period to which it relates.
- (v) Release from Members' Fund Non-Distributable, which is credited to the Statement of Income and Retained Earnings as the project arises in accordance with accounting policy 2.15 .

2.12 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.

2.13 Taxation

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.

2.14 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.15 Members' Fund Non-distributable

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

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

3. Other operating income

	2022 £	2021 £
Screen skills income	25,761	19,335
Rental income	-	6,000
UK rights agreements - cost contribution	30,000	30,000
Government grants receivable	-	11,759
Release from members fund non-distributable	80,000	75,000
Sundry income	208	2,033
	<u>135,969</u>	<u>144,127</u>

4. Employees

The average monthly number of employees, including directors, during the year was 32 (2021 - 31)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

5. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	12,710
	-	12,710
Total current tax	-	12,710
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	12,710

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

6. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 March 2021	293,850	44,901	127,650	466,401
Additions	128,594	16,015	2,460	147,069
Disposals	-	(44,901)	-	(44,901)
At 28 February 2022	<u>422,444</u>	<u>16,015</u>	<u>130,110</u>	<u>568,569</u>
Depreciation				
At 1 March 2021	138,976	44,901	93,032	276,909
Charge for the year	73,340	-	14,000	87,340
Disposals	-	(44,901)	-	(44,901)
At 28 February 2022	<u>212,316</u>	<u>-</u>	<u>107,032</u>	<u>319,348</u>
Net book value				
At 28 February 2022	<u>210,128</u>	<u>16,015</u>	<u>23,078</u>	<u>249,221</u>
At 28 February 2021	<u>154,874</u>	<u>-</u>	<u>34,618</u>	<u>189,492</u>

7. Fixed asset investments

	Other fixed asset investments £
Cost	
At 1 March 2021	3,931
At 28 February 2022	<u>3,931</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

8. Debtors

	2022 £	2021 £
Due after more than one year		
Other debtors	104,064	161,313
	<u>104,064</u>	<u>161,313</u>
	2022 £	2021 £
Due within one year		
Trade debtors	536,611	62,666
Other debtors	6,929	7,830
Prepayments and accrued income	111,648	157,253
	<u>655,188</u>	<u>227,749</u>

9. Current asset investments

	2022 £	2021 £
Cash held in fixed term deposits	17,335,242	21,416,367

10. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	4,363,186	1,756,208
	<u>4,363,186</u>	<u>1,756,208</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	48,855	57,462
Corporation tax	-	12,710
Other taxation and social security	661,440	454,367
Members' Fund (UK)	10,914,108	9,945,560
Members' Fund (Foreign)	9,712,970	11,995,728
Members Fund Non-Distributable	483,045	434,691
Accruals and deferred income	282,653	301,028
	<u>22,103,071</u>	<u>23,201,546</u>

12. Company status

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

13. 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 £88,715 (2020: £76,563). Contributions totalling £12,316 (2020: £12,447) were payable to the fund at the balance sheet date and are included in creditors.

14. Commitments under operating leases

At 28 February 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	211,542	327,147
Later than 1 year and not later than 5 years	698,646	1,134,103
Later than 5 years	-	241,969
	<u>910,188</u>	<u>1,703,219</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. 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 £173,299 (2021: £136,519). In addition, fees amounting to £99,659 (2021: £109,449) were paid to non-executive board members, as agreed by all members at the AGM.

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 totaling £549,500 (2021: £412,125). 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 £6,651 (2021: £312) 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 (2021: £75,000), paid to Directors Charitable Foundation, an entity in which certain directors are trustees.