
DIRECTORS UK LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

DIRECTORS UK LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	A Dankwa A Evans G M Gibbons A J Harrower J Hawes Z Hines J M Hobbs A Jacob A Kalymnios K Kelly A Krishnan Tatparanadam E Russell C Saunders D A Stones A Thomson T Toumazis (appointed 26 April 2022)
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 Auditor London

DIRECTORS UK LIMITED
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DIRECTORS UK LIMITED
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CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023

Statement from the Chief Executive

Following a long period of disruption from the pandemic in 2020 and 2021, the last year has seen Directors UK return to business as usual, being able to focus fully on delivering what our members value the most.

At the forefront of this has been making sure that we collect every penny for the use of our members' copyright works - the television programmes and films they direct - both in the UK and internationally. This financial year, we paid out a total of £19.6million - over £1million more than last year - to more than 5,800 directors. That's the largest sum, paid out to the most directors, in a single year.

Our January 2023 distribution was the last to be paid out under the terms of our previous UK Rights Agreement. In July 2022, after months of negotiations, we reached a new and improved deal for directors' rights with UK broadcasters and production companies. A large part of our discussions focused on securing the right value for sales of programmes directed by our members. We were able to negotiate some significant uplifts compared to the previous agreement, but this remains an area where we will have to keep on pushing to ensure our members receive royalties which properly reflect the financial success that these programmes enjoy.

These negotiations with broadcasters, production companies and streamers will always be challenging and it is critical that we continue to invest in building the expertise and capability in our team so that we can negotiate from a position of strength. We also need to invest in our systems so that we can distribute royalties from new sources as quickly and accurately as possible. It is against this background that I continue to talk to the Board about how we can grow Directors UK's income so that we are able to make these investments and secure our future.

Over the last year, our membership grew to 8,167 and we've engaged with our members in many different ways:

We've returned to hosting in-person events including screenings, director on director conversations and networking events - fostering a sense of community and connection. We've offered a wide range of workshops and masterclasses in the areas where our members are asking for support - all with an eye to bolster the skills in the existing workforce and prevent directors from stalling mid-career. To ensure that everyone in our membership has the opportunity to attend, we've continued to offer online access to the majority of these events and career development sessions.

We've represented the realities of working directors – both the triumphs and the challenges – by responding to consultations and being involved in working groups around topics such as freelancers (including PEC's Good Work Review), the ever-changing landscape of the industry (including the various changes at the BBC and the debate over ownership of Channel 4), copyright, and ultimately, the impact of all of this on directors.

We've shared both craft and issue-focused stories from our membership through articles on our website and represented their experiences in both the trade and mainstream media. These stories are amplified through our social media platforms, all of which have seen increased followers and engagement. Our podcast is streamed and downloaded across the globe, and has seen an increase in listens of over 50% in the last 12 months alone. Our focus is on telling stories about directing that no one else is sharing.

Our support for the Directors Charitable Foundation, which helps directors in need, has continued, with our board agreeing a three year-funding plan for the charity so that it can carry on with its good work as it seeks to grow donations from other sources.

DIRECTORS UK LIMITED
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CHIEF EXECUTIVE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

We are the only organisation in the UK collecting royalties for screen directors, and that is really important, as royalties remain a vital source of income for many directors. None of this would be possible without the hard work of the Directors UK team and board. On that note, I'd like to thank our Finance Director, Guy Gibbons, who is retiring in May 2023 after over six years at Directors UK during which he has transformed the financial operations of the company. We are a small team, but we are dedicated to standing up for the rights of directors, protecting the craft of directing, and making a real difference to the working lives of our members.

Name **Andy Harrower**

Director and CEO

Date

DIRECTORS UK LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present their report and the audited financial statements for the year ended 28 February 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 audited 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 profit or loss 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 audited 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 audited 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 deficit for the year, after taxation, amounted to £10,279 (2022 - surplus £54,247).

DIRECTORS UK LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

Directors

The directors who served during the year were:

A Dankwa
A Evans
G M Gibbons
A J Harrower
J Hawes
Z Hines
J M Hobbs
A Jacob
A Kalymnios
K Kelly
A Krishnan Tatparanadam
E Russell
C Saunders
D A Stones
A Thomson
T Toumazis (appointed 26 April 2022)

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 2023

Auditors

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.

Small companies note

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

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

A J Harrower
Director

Date: 12 May 2023

DIRECTORS UK LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED

Opinion

We have audited the financial statements of Directors UK Limited (the 'Company') for the year ended 28 February 2023, 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 2023 and of its loss 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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.

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 3, 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.

Ian Saunderson FCA (Senior statutory auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants

Statutory Auditor

London

12 May 2023

DIRECTORS UK LIMITED
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**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	Note	2023 £	2022 £
Turnover		2,644,422	2,558,237
Gross profit		2,644,422	2,558,237
Communications, campaigns and public affairs		(75,700)	(76,985)
Establishment		(302,226)	(308,713)
Administration Expenses		(2,636,582)	(2,357,878)
Other operating income	3	178,421	135,969
Membership Services		(144,822)	(82,427)
Operating loss		(336,487)	(131,797)
Interest receivable and similar income		330,996	186,044
(Loss)/profit before tax		(5,491)	54,247
Charge on tax-adjusted deficit		(4,788)	-
(Loss)/profit after tax		(10,279)	54,247
Retained earnings at the beginning of the year		607,761	553,514
		607,761	553,514
(Loss)/profit for the year		(10,279)	54,247
Retained earnings at the end of the year		597,482	607,761

The notes on pages 12 to 20 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	202,131	249,221
Investments	6	3,931	3,931
		<u>206,062</u>	<u>253,152</u>
Current assets			
Debtors due after more than 1 year		104,064	104,064
Debtors due within 1 year		263,606	655,188
Current asset investments	8	19,758,404	17,335,242
Cash at bank and in hand	9	2,776,246	4,363,186
		<u>22,902,320</u>	<u>22,457,680</u>
Creditors: amounts falling due within one year	10	(22,510,900)	(22,103,071)
Net current assets		<u>391,420</u>	<u>354,609</u>
Total assets less current liabilities		<u>597,482</u>	<u>607,761</u>
Net assets		<u><u>597,482</u></u>	<u><u>607,761</u></u>
Capital and reserves			
Profit and loss account		597,482	607,761
		<u><u>597,482</u></u>	<u><u>607,761</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

A J Harrower
Director

Date: 12 May 2023

The notes on pages 12 to 20 form part of these financial statements.

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

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 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:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the deficit 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.

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 2023

2. Accounting policies (continued)

2.3 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 profit or loss 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 profit or loss within 'other operating income'.

2.4 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.

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.5 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.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.7 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.

2.8 Taxation

Tax is recognised in profit or loss 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.

2.9 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.9 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% & 33% straight line
Computer equipment	- 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.

2.10 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 recognised at cost.

2.11 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.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

(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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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.

3. Other operating income

	2023	2022
	£	£
Screen skills income	57,696	25,761
UK rights agreements - cost contribution	30,000	30,000
Release from members fund non-distributable	90,725	80,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

3. Other operating income (continued)

Sundry Income	-	208
	<u>178,421</u>	<u>135,969</u>

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Number of Employees	<u>33</u>	<u>32</u>

5. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 March 2022	422,444	16,015	130,110	568,569
Additions	-	7,759	10,904	18,663
At 28 February 2023	<u>422,444</u>	<u>23,774</u>	<u>141,014</u>	<u>587,232</u>
Depreciation				
At 1 March 2022	212,316	-	107,032	319,348
Charge for the year on owned assets	44,856	8,208	12,690	65,754
At 28 February 2023	<u>257,172</u>	<u>8,208</u>	<u>119,722</u>	<u>385,102</u>
Net book value				
At 28 February 2023	<u>165,272</u>	<u>15,566</u>	<u>21,292</u>	<u>202,130</u>
At 28 February 2022	<u>210,128</u>	<u>16,015</u>	<u>23,078</u>	<u>249,221</u>

DIRECTORS UK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

6. Fixed asset investments

	Other Fixed Asset Investments £
Cost or valuation	
At 1 March 2022	3,931
At 28 February 2023	<u>3,931</u>

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

7. Debtors

	2023 £	2022 £
Due after more than one year		
Other debtors	104,064	104,064
	<u>104,064</u>	<u>104,064</u>
Due within one year		
Trade debtors	-	536,611
Other debtors	5,888	6,929
Prepayments and accrued income	257,718	111,648
	<u>367,670</u>	<u>759,252</u>

8. Current asset investments

	2023 £	2022 £
Cash held in fixed term deposits	19,758,404	17,335,242
	<u>19,758,404</u>	<u>17,335,242</u>

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

9. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	2,776,246	4,363,186
	<u>2,776,246</u>	<u>4,363,186</u>

10. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	53,605	48,855
Corporation tax	4,788	-
Other taxation and social security	444,253	661,440
Members' Fund (UK)	12,667,458	10,914,108
Members' Fund (Foreign)	8,516,459	9,712,970
Member's Fund Non-Distributable	552,103	483,045
Accruals and deferred income	272,234	282,653
	<u>22,510,900</u>	<u>22,103,071</u>

11. Company status

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

12. 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 £91,803 (2022: £88,715). Contributions totaling £12,636 (2022: £12,316) were payable to the fund at the balance sheet date and are included in creditors.

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

13. Commitments under operating leases

At 28 February 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	209,366	211,542
Later than 1 year and not later than 5 years	489,280	698,646
	<u>698,646</u>	<u>910,188</u>

14. 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 £66,886 (2022: £173,299). In addition, fees amounting to £108,976 (2022: £99,659) 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 £449,750 (2022: £549,500). 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 £11,353 (2022: £6,651) 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 (2022: £50,000), paid to Directors Charitable Foundation, an entity in which certain directors are trustees.

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