
DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

| | |
|-----------------------------|--|
| DIRECTORS | L Akeju (appointed 20 June 2013) A R Chowns S Clarkson (appointed 20 June 2013) D J Clifton P C Cousins (appointed 20 June 2013) C Le Couteur (appointed 20 June 2013) A R Davies (resigned 20 June 2013) P R Elston G Giedroyc J Goldschmidt (resigned 20 June 2013) P I Haggard J E A Hawes (resigned 20 June 2013) D Reed (resigned 20 June 2013) B Richards T G Roberts R E Sheppard I D Softley C Sturridge D Thomas P A Unwin (resigned 20 June 2013) |
| COMPANY SECRETARY | A R Chowns |
| REGISTERED NUMBER | 02685120 |
| REGISTERED OFFICE | 3rd Floor 8-10 Dryden Street London WC2E 9NA |
| INDEPENDENT AUDITORS | Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditors 35 Ballards Lane London N3 1XW |

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

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DIRECTORS UK LIMITED
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CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2014

The Chief Executive Officer presents his report for the period.

2013/14 has been a year in which we have been able to push ahead with our campaigning activity and membership development, free from some of the distraction and disturbance of government consultations and reviews that characterised 2012/13. There have been notable successes such as the hosting of the 2013 FERA Assembly and our campaign to support the creative choice of shooting and delivering on film, and substantive progress with developing our membership services and in our distribution operation. Progress has been slow in some crucial areas - notably on pay for freelance directors, and in our talks with Pact on sharing of film revenues - but we are determined to push ahead with these and other vital campaigns in 2014/15.

Royalty distribution

In 2013/14 we set another record for royalty distributions to members, ending up a fraction under £10 million in total (up 7.8% year on year), with increases in every category:

| | 2013/14 | 2012/13 | Change |
|--------------------------|-------------------|-------------------|------------------|
| BBC residuals scheme | £77,586 | £47,126 | +£30,460 |
| UK Rights agreement | £5,494,628 | £5,210,517 | +£284,111 |
| UK educational licensing | £307,125 | £302,750 | +£4,375 |
| Foreign | £4,087,648 | £3,686,577 | +£401,071 |
| Total | £9,966,987 | £9,246,970 | +£720,017 |

In January 2014 we signed a reciprocal collection agreement with DAC - the directors' society in Argentina. We are in talks with the Russian society RUR on a reciprocal agreement.

Throughout the year our Distribution Committee chaired by Delyth Thomas has been reviewing our Distribution Rules and our credits hierarchy, steered by our Head of Distribution, Sim Cammarota. This review has resulted in a number of major changes that our designed to keep our rules fit for purpose. The new rules are being promoted to production companies, to encourage their adoption and to try to reduce the possibility of credit disputes.

Creative Rights

Negotiations have continued this year with ITV Studios to create a Creative Rights Agreement with them to match the partnership we agreed with the BBC in 2012. The ITV talks are in their final stages, with CRA versions for fiction and factual programmes in advanced drafts. A new draft document to cover entertainment and multi-camera productions has just been produced.

Membership and Member services

We passed two milestones for our membership this year, with full membership growing to over 1,500 members, and more than 5,000 members in total. Three new co-opted board members - Rebecca Manley, Steve Smith and John Dower - have each started initiatives to grow our membership among the communities of animation, multi-camera and games directing. Our membership fee income for the year rose to £144,890.

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CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2014

Full members have enjoyed a rich and diverse programme of events and services this year, with major screenings including three Oscar-nominees and their films plus screenings of new work by young directors. Our regular strands Meet the Commissioners and Working with... have featured networking with the BFI team, BBC and ITV Studios, and with stunt co-ordinators. Technical workshops and career advice seminars have continued. Most of our events are now taking place in our new offices in London. We have also started to run events at other venues in the UK, but with around 30% of our membership living outside London and the South-East we know we must ensure a service throughout the UK, and we will be announcing new proposals in our regional road shows in May.

Full members are also making regular use of our legal service. As well as enabling us to give advice and help members with problems, it also provides a valuable alert for us on areas where Directors UK can intervene with a wider campaign. We have assisted a number of members this year with problems of early/unfair termination of contracts, non-payment and forced surrender of rights.

Our website is part-way through a major redevelopment. This year we have upgraded the Find a Director feature and our Twitter feed, and construction of two other major new modules - employer advisor and member clusters - is under way.

Film

Our talks with Pact on a new minimum terms agreement for film directors, and the three-way discussions with Pact and the Writers Guild to agree terms for sharing in the revenues that flow back from BFI-funded films, have been very slow to progress despite relentless pressure on our part and latterly also by the BFI. The pace has picked up, however, in the last three months and we are hopeful of agreeing the revenue share deal in the next three months, and beginning talks with Pact in the same period.

We are especially keen to see our relationship with Pact and writers develop because we need to move forward with our campaigns to promote both better performance for British films in British cinemas and more opportunities for directors to get beyond making their first British film.

Our successes this year include the agreement by the BBC and other broadcasters to revise their technical delivery rules and overturn their ban on delivery of films in super 16mm format. We were also pleased that, following our intervention, there is now a continuing British film processing capability. This success is due in no small part to the letter of support from almost 50 of our leading film directors that film committee chair Iain Softley was able to submit to the BBC and the British Film Commission.

Copyright and Collective Rights Management

There was no let up this year in the interest shown by governments in the UK and Europe in copyright and the affairs of collecting societies, so we have had to maintain our vigilance and commitment to lobbying on a number of fronts. The European Commission passed the new Directive on the Management of Collecting Societies and this is now with member states for implementation into their laws by the end of 2015. Although there are one or two aspects of the Directive that will require us to alter some of our practices and rules, its overall impact is broadly neutral for us. It will, however, be of great value in raising the standards of other societies from whom we receive payment, and help to counter the adverse publicity and profile that societies tend to receive.

The Commission has also embarked upon a review of Copyright. We responded to its public consultation, and we expect to see the Commission's first deliberations in the next two months. The threat of greater "liberalisation" of copyright law and the expanding use of exceptions which permit uses without payment to the rights holder remains a danger for us, although the Commission has retained an interest in its document in the issue of remuneration for authors.

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CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2014

This year is the first in which we have been operating with our voluntary code of conduct. The Code Reviewer - Walter Merricks - is in the process of conducting the first review of collecting societies and their compliance with their codes, and we expect his report on us soon.

Campaigns

Directors' pay remains the top priority in our campaigning activity. Our joint research project with the BBC - to which many members contributed information - is starting to deliver results and these are being analysed as part of our preparation for pay talks with the main employer groups which will begin later this year.

We have been pressing HMRC to clarify its interpretation of the 9 month rule, as we have seen a number of employers use this as the reason to limit engagements of directors to 9 months per year and thus create an enforced period of 3 months' unemployment.

Our women's group, chaired by Beryl Richards, has pursued an extremely effective campaign to raise awareness of the shocking under-representation of women in television directing credits. We are about to publish our findings based on our own research, and following a series of meetings with employers we will be making a number of recommendations for action to monitor employment of women, raise awareness and set targets for the achievement of 30% episodes directed by women by the end of 2017.

Representation, Recognition and Profile

After our successful lobbying of Bafta last year, our attention turned this year to the Royal Television Society Awards and to the Edinburgh TV Festival, both virtual director-free zones. We have lobbied both for a much higher presence for directors at their events in 2014 and 2015.

In January we held a very successful briefing session and networking with almost all of the agencies with director clients.

Outreach And International

I participated in one of the EC's Licences for Europe project groups, looking at ways to encourage the use of content by audio-visual archives. It achieved a modest success with a new protocol, but the longer-term value of this project is in eventually opening up the archives of the public service broadcasters, for whom much of their content remains unusable.

Directors UK hosted the 2013 FERA Assembly in a tour de force masterminded by Piers Haggard and our Head of Press and Public Affairs, Amanda Parker. The three-day event saw a varied and engaging programme interlaced with exciting social events, and we received many expressions of appreciation from the delegates, which have encouraged us in our plans for our own Festival in June 2014.

Name A Chowns
 Chief Executive Officer

Date 5 May 2014

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2014

The directors present their report and the financial statements for the year ended 28 February 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

PRINCIPAL ACTIVITIES

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

DIRECTORS

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

DIRECTORS UK LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2014

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

This report was approved by the board on

and signed on its behalf.

C Sturridge
Director

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

We have audited the financial statements of Directors UK Limited for the year ended 28 February 2014, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report.

Myfanwy Neville ACA (Senior Statutory Auditor)

for and on behalf of

Berg Kaprow Lewis LLP

Chartered Accountants
Statutory Auditors

London

Date:

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2014

| | Note | 2014 £ | 2013 £ |
|---|------|--------------------|-------------|
| TURNOVER | 1 | 1,326,742 | 1,181,326 |
| Distribution costs | | (45,740) | (32,047) |
| Administrative expenses | | (1,459,510) | (1,118,305) |
| | | <hr/> | <hr/> |
| OPERATING (DEFICIT)/SURPLUS | 2 | (178,508) | 30,974 |
| Interest receivable and similar income | | 230,656 | 229,906 |
| | | <hr/> | <hr/> |
| SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION | | 52,148 | 260,880 |
| Tax on surplus on ordinary activities | 4 | (29,500) | (54,500) |
| | | <hr/> | <hr/> |
| SURPLUS FOR THE FINANCIAL YEAR | | 22,648 | 206,380 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 10 to 16 form part of these financial statements.

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

BALANCE SHEET
AS AT 28 FEBRUARY 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|---|------|------------|---------------------|------------|---------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 376,175 | | 283,958 |
| Investments | 6 | | 3,931 | | 3,931 |
| | | | <u>380,106</u> | | <u>287,889</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 237,840 | | 227,430 | |
| Cash at bank and in hand | 8 | 18,672,700 | | 17,962,458 | |
| | | | <u>18,910,540</u> | | <u>18,189,888</u> |
| CREDITORS: amounts falling due within one year | 9 | | <u>(18,667,516)</u> | | <u>(17,894,795)</u> |
| NET CURRENT ASSETS | | | <u>243,024</u> | | <u>295,093</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>623,130</u> | | <u>582,982</u> |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred tax | 10 | | (42,000) | | (24,500) |
| NET ASSETS | | | <u>581,130</u> | | <u>558,482</u> |
| CAPITAL AND RESERVES | | | | | |
| Income and expenditure account | 12 | | 581,130 | | 558,482 |
| | | | <u>581,130</u> | | <u>558,482</u> |

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

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

C Sturridge
Director

A R Chowns
Director

The notes on pages 10 to 16 form part of these financial statements.

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 CASH FLOW

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

1.3 TURNOVER AND REVENUE RECOGNITION

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

Turnover from operations is derived from two sources:

- Royalty distributions;
- Membership scheme service.

Royalty distributions

Income arises from management fees, deducted from royalties distributed to members, and is recognised at the point of distribution.

Membership scheme service

A service offered to members whereby members pay an annual subscription to become entitled to additional support services. Income is recognised in the profit and loss account in the period to which it relates.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

| | | |
|-------------------------------|---|---|
| Short term leasehold property | - | Over lease period |
| Fixtures & fittings | - | 25% and 33% straight line |
| Distribution system | - | Straight line over the life of the system |

1.5 FIXED ASSET INVESTMENTS

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

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

1. ACCOUNTING POLICIES (continued)

1.6 OPERATING LEASES

Rentals under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 PENSIONS

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

1.8 CASH RECOGNITION POLICY

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

1.9 DISTRIBUTION POLICY

Royalties are allocated to members for distribution in accordance with the Rules of Distribution of Directors UK. A copy of the current rules can be accessed on the Directors UK website and is available on request from the company.

2. OPERATING SURPLUS

The operating surplus is stated after charging:

| | 2014 | 2013 |
|--|----------------|---------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 128,881 | 34,412 |
| Auditors' remuneration | 9,250 | 8,000 |
| Pension costs | 29,551 | 25,679 |
| | 167,682 | 68,101 |

3. DIRECTORS' REMUNERATION

| | 2014 | 2013 |
|---|----------------|----------------|
| | £ | £ |
| Director's salary, benefits and pension costs | 154,728 | 163,628 |

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

4. TAXATION

| | 2014 | 2013 |
|---|---------------|---------------|
| | £ | £ |
| ANALYSIS OF TAX CHARGE IN THE YEAR | | |
| CURRENT TAX | | |
| UK corporation tax charge on surplus for the year | 12,000 | <i>46,000</i> |
| DEFERRED TAX (see note 10) | | |
| Origination and reversal of timing differences | 17,500 | <i>8,500</i> |
| TAX ON SURPLUS ON ORDINARY ACTIVITIES | 29,500 | <i>54,500</i> |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2013 - 20%).

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has trade losses available to carry forward of £36,700. A deferred tax asset has been recognised in respect of these losses as per note 10.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014**

5. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Other fixed assets £ | Total £ |
|----------------------------|----------------------------|----------------------------|----------------|
| COST | | | |
| At 1 March 2013 | 124,602 | 241,863 | 366,465 |
| Additions | 86,137 | 138,932 | 225,069 |
| Disposals | (12,272) | (25,096) | (37,368) |
| | <u>198,467</u> | <u>355,699</u> | <u>554,166</u> |
| At 28 February 2014 | | | |
| DEPRECIATION | | | |
| At 1 March 2013 | 12,890 | 69,617 | 82,507 |
| Charge for the year | 21,121 | 107,760 | 128,881 |
| On disposals | (12,272) | (21,125) | (33,397) |
| | <u>21,739</u> | <u>156,252</u> | <u>177,991</u> |
| At 28 February 2014 | | | |
| NET BOOK VALUE | | | |
| At 28 February 2014 | <u>176,728</u> | <u>199,447</u> | <u>376,175</u> |
| <i>At 28 February 2013</i> | <u>111,712</u> | <u>172,246</u> | <u>283,958</u> |

6. FIXED ASSET INVESTMENTS

| | Unlisted investments £ |
|--------------------------------------|------------------------------|
| COST OR VALUATION | |
| At 1 March 2013 and 28 February 2014 | <u>3,931</u> |
| NET BOOK VALUE | |
| At 28 February 2014 | <u>3,931</u> |
| <i>At 28 February 2013</i> | <u>3,931</u> |

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

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

7. DEBTORS

| | 2014 £ | 2013 £ |
|-------------------------------------|----------------|----------------|
| DUE AFTER MORE THAN ONE YEAR | | |
| Other debtors | 37,500 | 37,500 |
| DUE WITHIN ONE YEAR | | |
| Trade debtors | 4,245 | - |
| Accrued income and prepayments | 177,943 | 166,982 |
| Other debtors | 18,152 | 22,948 |
| | 237,840 | 227,430 |
| | 237,840 | 227,430 |

8. CASH AT BANK AND IN HAND

Included within Cash at Bank and in Hand are fixed term deposits of £14,100,000 (2013: £10,817,047) due to mature between April 2014 and March 2015.

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

| | 2014 £ | 2013 £ |
|------------------------------------|-------------------|-------------------|
| Trade creditors | 55,337 | 125,473 |
| Corporation tax | 12,019 | 46,000 |
| Other taxation and social security | 81,839 | 17,662 |
| Other royalties for distribution | 72,909 | 224,566 |
| Royalties payable (Foreign) | 8,151,288 | 8,820,869 |
| Royalties payable (UK) | 10,164,030 | 8,474,909 |
| Other creditors | 130,094 | 185,316 |
| | 18,667,516 | 17,894,795 |
| | 18,667,516 | 17,894,795 |

10. DEFERRED TAXATION

| | 2014 £ | 2013 £ |
|-----------------------|---------------|---------------|
| At beginning of year | 24,500 | 16,000 |
| Charge for year (P&L) | 17,500 | 8,500 |
| | 42,000 | 24,500 |
| | 42,000 | 24,500 |

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

10. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

| | 2014 £ | 2013 £ |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | 49,500 | 29,000 |
| Tax losses carried forward | (7,500) | (4,500) |
| | <u>42,000</u> | <u>24,500</u> |

11. COMPANY STATUS

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

12. RESERVES

| | Income and expenditure account £ |
|--------------------------------|---|
| At 1 March 2013 | 558,482 |
| Surplus for the financial year | 22,648 |
| | <u>581,130</u> |
| At 28 February 2014 | <u>581,130</u> |

13. CAPITAL COMMITMENTS

At 28 February 2014 the company had capital commitments as follows:

| | 2014 £ | 2013 £ |
|--|-----------|---------------|
| Leasehold improvements contracted for but not provided in these financial statements | - | 68,995 |
| | <u>-</u> | <u>68,995</u> |

DIRECTORS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

14. OPERATING LEASE COMMITMENTS

At 28 February 2014 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|-------------------------|---------------------------|---------------|
| | 2014 | 2013 |
| | £ | £ |
| EXPIRY DATE: | | |
| After more than 5 years | 150,000 | 68,750 |

15. RELATED PARTY TRANSACTIONS

The Board comprises both elected and co-opted working directors.

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

The payments are calculated on the same basis as those paid to all members, and paid in accordance with the Distribution Rules of the company. The total royalties paid by Directors UK Limited to the elected board members during the year amounted to £79,537 (2013: £101,451).

During the year the company received royalties for distribution from the Educational Recording Agency, a company in which A R Chowns is a director, totalling £316,050 (2013: £307,125) These royalties were received during the normal course of business, and distributed to members in accordance with the company's distribution policies.

Included within administration expenses are professional fees of £420 (2013: £2,100) paid to Porcupine Pictures Limited during the normal course of business, a company controlled by the director B Richards,

16. 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 £29,551 (2013: £25,679).

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2014

| | 2014 £ | 2013 £ |
|------------------------------------|----------------------|-----------------------|
| TURNOVER | 1,326,742 | 1,181,326 |
| LESS: OVERHEADS | | |
| Distribution expenses | (45,740) | (32,047) |
| Administration expenses | (1,242,571) | (999,754) |
| Establishment expenses | (216,939) | (118,551) |
| OPERATING (DEFICIT)/SURPLUS | <u>(178,508)</u> | <u>30,974</u> |
| Interest receivable | 230,656 | 229,906 |
| SURPLUS FOR THE YEAR | <u><u>52,148</u></u> | <u><u>260,880</u></u> |

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2014**

| | 2014 £ | 2013 £ |
|--------------------------------|-----------|-----------|
| TURNOVER | | |
| Management fee income | 1,181,852 | 1,099,301 |
| Membership scheme income | 144,890 | 82,025 |
| | 1,326,742 | 1,181,326 |
| | 1,326,742 | 1,181,326 |
| | | |
| | 2014 £ | 2013 £ |
| DISTRIBUTION EXPENSES | | |
| Advertising | 28,175 | 15,139 |
| Sponsorship | 2,667 | 5,898 |
| AGM and EGM costs | 14,898 | 11,010 |
| | 45,740 | 32,047 |
| | 45,740 | 32,047 |
| | | |
| | 2014 £ | 2013 £ |
| ADMINISTRATION EXPENSES | | |
| Directors national insurance | 18,250 | 19,640 |
| Directors salaries | 139,921 | 149,185 |
| Directors pension costs | 13,993 | 13,590 |
| Staff salaries | 436,048 | 451,217 |
| Staff private health insurance | 3,168 | 3,065 |
| Staff national insurance | 44,894 | 45,820 |
| Staff pension costs | 15,558 | 12,089 |
| Staff training | 11,289 | 5,896 |
| Entertainment | 2,033 | 821 |
| Travel and subsistence | 13,058 | 21,386 |
| Printing and stationery | 18,258 | 8,562 |
| Postage | 7,139 | 6,007 |
| Telephone and fax | 2,625 | 1,939 |
| Computer costs | 81,581 | 54,394 |
| Meetings and events | 59,307 | 47,078 |
| Trade subscriptions | 29,856 | 24,457 |
| Legal and professional | 61,727 | 31,076 |
| Auditors' remuneration | 9,250 | 8,000 |
| Accountancy fees | 36,540 | 31,018 |
| Equipment hire | 4,655 | 1,526 |
| Bank charges | 2,139 | 1,879 |
| PR and brochures | 360 | 4,398 |
| Sundry expenses | 22,317 | 15,929 |
| Cleaning | 8,486 | 5,378 |
| Repairs and maintenance | 3,940 | 992 |
| | 1,046,392 | 965,342 |
| Sub-total carried forward | 1,046,392 | 965,342 |

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

| | 2014 £ | 2013 £ |
|--|------------------|----------------|
| ADMINISTRATION EXPENSES (continued) | | |
| Sub-total brought forward | 1,046,392 | 965,342 |
| Depreciation - office equipment | 59,184 | 7,899 |
| Depreciation - computer equipment | 48,576 | 21,773 |
| Depreciation - leasehold property | 21,121 | 4,740 |
| Profit/loss on sale of tangible assets | 3,821 | - |
| FERA Convention | 63,477 | - |
| | <u>1,242,571</u> | <u>999,754</u> |
| | | |
| | 2014 £ | 2013 £ |
| ESTABLISHMENT EXPENSES | | |
| Rent and rates | 218,890 | 100,735 |
| Light, heat and water | 1,600 | 2,200 |
| Insurances | 4,629 | 3,193 |
| Repairs and maintenance | 3,320 | 923 |
| Dilapidations | (11,500) | 11,500 |
| | <u>216,939</u> | <u>118,551</u> |
| | | |
| | 2014 £ | 2013 £ |
| INTEREST RECEIVABLE | | |
| Bank interest receivable | <u>230,656</u> | <u>229,906</u> |
