
DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	W G Anderson O Bathurst A R Chowns P C Cousins T Dixit C Giedroyc (resigned 12 September 2016) N Guttridge P I Haggard G Hill M Huda (resigned 11 April 2017) S B Krishnamma C Le Couteur R Manley D Martin R M Max G H Posner A A Reeves (resigned 10 March 2017) B Richards T G Roberts S A Smith I D Softley D Thomas P A Unwin S M White D R Zeff G M Gibbons (appointed 1 March 2017) L P Hannon K Kelly
Company secretary	A R Chowns
Registered number	02685120
Registered office	3rd & 4th Floor 22 Stukeley Street London WC2B 5LR
Independent auditors	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditors 35 Ballards Lane London N3 1XW

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REVIEW OF PERFORMANCE
FOR THE YEAR ENDED 28 FEBRUARY 2017

Statement from the Chair

This year has been my last as Chair of Directors UK as under the terms of the constitution I am required to stand down at the election in June. But what a year it has been. Little did we expect that we would be navigating Directors UK through such a tumultuous year, which saw a referendum and vote for Brexit, a new prime minister, the BBC Charter renewal, and the implementation of a new directive for Collective Management Organisations. Through all of this Directors UK has demonstrated a clarity of voice to the wider industry on behalf of directors. I'm proud to have led the transformation of Directors UK into the powerful campaigning organisation it has become. Our work on gender, diversity, pay, copyright, and the importance of training and career development has put Directors UK on the industry map, raising our profile both in the UK and abroad. As an organisation I am pleased to see our membership growing to reflect our workforce and times, with a greater spread of ages and diversity. Our work on copyright in Europe and around the world has been of particular importance this year, and closer to home we continue to act on behalf of all our members to improve pay/working conditions and opportunities for freelancers. I have enjoyed serving my term as Chair and hope I have left Directors UK in a strong position to push through many more exciting changes in the future.

Beryl Richards, Chair of Directors UK

REVIEW OF PERFORMANCE FOR 2016/2017

Financial Performance

2016/17 was a year in which we set out to invest some of our growing reserves in new services for members (through the creation of a Member Services department) and in resources to enable us to operate more effectively as a CMO and in compliance with the new EC Directive and UK Regulations on CMOs. Our original plans for this envisaged a deficit for the year of £280,216. Shortly after the start of the year we were faced with the termination of our lease on our offices in Dryden Street, and we had to find new premises quickly. Thanks to the sterling efforts of our Office Manager, Shadia Fakhoury, we found new premises in Stukeley Street and we were quickly up and running with no disruption to operations. However, this move added additional costs that brought the deficit for the year up to £394,141. This has had the effect of reducing our reserves to £352,424. However, we are now in premises that will fit our needs for the long term, and our reserves remain healthy.

Rights and Royalty Distribution

2016/17 saw another strong year for royalty distributions with an increase in total distributions to members. Over £9.6 million was distributed to right-holders under our UK distribution scheme, with over £3.6 million distributed under our foreign scheme. This, together with payments we administer under the BBC Residual Scheme, brought our total distributions for the year to just under £13.5 million.

<u>Amounts Paid</u>	<u>2016/7</u>	<u>2015/6</u>	<u>Change</u>	<u>% change</u>
UK Rights agreement	£9,260,400	£8,505,951	£754,449	8.9%
BBC Residuals	£147,040	£55,120	£91,920	166.8%
Educational recordings	£389,417	£360,500	£28,917	8.0%
Foreign Royalties	£3,668,325	£4,393,847	(£725,522)	-16.5%
Total	<u>£13,465,182</u>	<u>£13,315,418</u>	<u>£149,764</u>	<u>1.1%</u>

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Foreign distributions were lower than last year primarily due to the new nine-month rule in the EC directive. Directors UK now has an obligation to distribute payments nine months after the end of the financial year in which they were received, which means payments have to be worked through in order of receipt rather than by the size or ease of processing. Although the amount distributed was lower than last year, in volume, the distribution team processed approximately 20% more payments in the current year.

In April 2016 the EC Directive on Collective Rights Management was passed into UK Law. During the first part of the year, a number of changes were made to our IT systems and internal procedures in order to ensure compliance with the Directive. These included making additional information available to right-holders regarding their payments in order to promote greater transparency. As part of this work, the membership approved our updated General Policy of Distributions at our AGM in the summer.

This year also saw the Distribution Committee finish their review of the distribution rules. Several adjustments were made to the rules to ensure they remain fit for purpose and continue to reflect the way in which audio-visual works are used in an ever-changing environment.

During the year we also signed reciprocal agreements under our foreign distribution scheme with societies in Croatia (DHFR), Russia (RUR) and Ukraine (AuPO CINEMA).

The Board would like to express its thanks to Sim Cammarota, Nikki Hopper and the distribution team for their exceptional work this year.

Membership

Our membership continues to grow with over 2,300 Full and Associate members and more than 6,500 members in total.

Membership	Feb 2017	Feb 2016	Increase
Full	1,995	1,818	10%
Associate	317	257	23%
Distribution-only	4,270	4,215	1%
Total	6,582	6,290	5%

Events and Member Services

This year saw the creation of a dedicated member services team responsible for events, member benefits and training and career development, overseen by Head of Member Services, Laura Adams.

Full and Associates members have continued to enjoy an engaging events programme, led by Abigail Berry and assisted by Tendai Chitawuro. We have screened a mixture of big and small budget features and TV shows as part of our monthly screening programme, with a commitment to showcase the diversity of UK directors' work. In the past year we have hosted Q&As with Chanya Button, Noel Clarke, Dexter Fletcher, Mandie Fletcher, Olly Lambert, John Madden and Susanna White. We also welcomed Damien Chazelle, Tom Ford and Barry Jenkins from the US, who took part in members-only Q&As.

We have worked with a variety of partners including The Media Production Show, Sheffield Doc/Fest, London Film Festival, Flare, Televisual Factual Festival, TriForce and Underwire to raise the status of the director at public events. We also set up Creative Partnerships Day with Film London and the WGGB, to bring writers, producers and directors together. Our work with Film London has also involved establishing Stage and Screen, which gives members the opportunity to attend the Park Theatre and strengthen the bonds between theatre and film creatives.

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We successfully ran Challenge ALEXA for the fifth time, selecting six members to make short films with cinema-quality cameras and lenses, supporting them throughout production. Some of our previous year's participants have since showcased their films at festivals and have gone through several stages of development with national funding bodies. We have hosted Meet the Commissioners evenings with the BBC and are holding more frequent networking sessions with PACT and other organisations to allow the membership to forge new professional relationships and make themselves better known to indies.

In July 2016 we held our third Directors' Festival, attracting over 200 members to a full day of screenings and sessions, including keynotes from Gurinder Chadha and Stephen Frears. We hosted our second Directors' Conference in October, providing members with the opportunity to discuss the issues facing them.

Our office move to Stukeley Street means we now have a better equipped event space which continues to be used regularly by members for castings, read-throughs and meetings.

Training and Career Development

Over the year Directors UK has pushed ahead with initiatives to support and sustain directors' careers across a variety of genres, led by Andrea Corbett.

2016 saw the launch of the highly successful partnership with Lime Pictures and Channel 4, as two women directors were offered nine-week paid placements on Channel 4's flagship soap Hollyoaks, following a call which attracted an exceptionally high standard of entrants. Directors UK, along with BBC Drama and Creative Skillset's High End TV Council, again supported the 'New Directors Training Scheme', which will see nine drama directors mentored on one of the continuing drama series Doctors, River City, Holby City and Casualty; observing and participating in the entire production process and directing one full episode to gain a directing credit.

A career development partnership with Wall to Wall created a unique paid mentoring opportunity on Who Do You Think You Are? In entertainment, collaboration with Remarkable TV saw two multi-camera directors (fresh from Directors UK's 2015 Multi-Camera Training) spend three days in supported training before directing an episode of Pointless. A pilot one-day training course, The Director as Entrepreneur, was also delivered in November, followed up by courses in pitching and presentation skills.

In high-end drama, a substantial funding award was made to Directors UK in December from the Creative Skillset High-End TV Council to expand the high-end drama Directors Mentoring scheme into a longer, more sustainable programme. Over 200 high quality applications were received for this ambitious programme of work due to complete in 2018.

Directors UK also uses its expertise and funding to support organisations like Raising Films, offering training bursaries as well as travel, accommodation and childcare support to initiatives which action the broad recommendations of our recent campaign work.

The team, alongside the newly formed Training Sub-Committee, continue to respond to the needs of the membership to design and deliver effective career development opportunities.

Legal Service

The Directors UK Legal Service continues to be in high demand with our Head of Legal Affairs, Donna Thomas and Senior Legal Advisor, Charlotte Brotherton offering legal and contractual advice on employment and copyright issues, and other work-related matters that may concern a director. On behalf of members we have assisted with contract vetting, unfair and premature termination of employment, credit issues, reduction of fees and non-payment of fees. We have had positive results aiding negotiations for directors seeking to obtain full remuneration of their rights additional to their engagement fees, such as through format fees, back-end participation and development fees, and we have assisted directors to retrieve the full or partial copyright ownership rights in their works. We have also successfully supported members in difficult and emotional negotiations concerning working practices.

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Campaigns

Directors UK continues to advance its reputation within the industry and beyond for evidence-based, impactful campaigning led by Head of Campaigns, Ali Bailey.

The year began with work on the BBC Charter renewal process, which is widely regarded as a crucial moment in the broadcaster's history. A working group identified the points that mattered most to directors in the BBC Charter Renewal consultation, which informed our lobbying work on issues such as examining how 'distinctiveness' might be assessed, the representation of freelancers on the BBC's strategic boards, and the BBC's role in training. The campaign continues with the recently launched consultation on the new role Ofcom will have as the BBC's regulator.

Directors UK's work on gender inequality in the film industry has become our most high profile campaign to date. The launch event at Cannes Film Festival resulted in an unprecedented level of pick up from the press and media and had global reach. Our campaign resulted in a number of UK public funders committing themselves to improving opportunities for women directors as well as Directors UK being invited to contribute to international work. The campaign featured at the Toronto International Film Festival (TIFF) and the first US Women's Media Summit, with Directors UK being the only non-US organisation to attend.

2016 saw the consolidation of our policy and lobbying work around the status of freelance creatives into a comprehensive freelancer campaign. The campaign spans our work in Europe on remuneration and copyright, the submission of evidence to the Department of Business, Energy, Industry and Strategy inquiry and the Government's review led by Matthew Taylor on modern employment practices, as well as developing a research project with the Creative Industries Federation. By listening to our members on the realities of being a freelance director, we have identified clear priority areas on which to lobby: monitoring the freelancer workforce; on employment status; personal service companies; competition law and collective bargaining; the nine-month rule; unfair termination of contracts and other harmful practices.

Industrial Relations

Back in April 2016 we presented proposals to the BBC for improved pay for freelance directors working on some of their continuing drama series. This followed our successful pay deal with ITV Studios for Emmerdale and Coronation Street in the previous year. The BBC was slow to accept the need to get round the table with us, and after we received a very negative response from them in December we escalated our campaign with a round of member meetings in London, Elstree and Birmingham that brought together a committed group of 82 members who work on Eastenders, Casualty, Holby City, Doctors and Father Brown. When our group wrote to the BBC calling on them to begin genuine pay talks with Directors UK, and declined to accept any BBC contracts on these shows until the BBC agreed to talks, the response from the BBC was swift – talks got under way within two weeks, with an opening offer from the BBC. Such is the power of solidarity among our members. These talks are in progress at the time of writing this Review.

Copyright and Collective Rights Management

The European Commission published its proposals for a new Copyright Directive in September 2016. These included three new provisions designed to help authors and directors receive better remuneration for uses of their works:

- a transparency obligation on producers to provide reports of uses
- a "best-seller" clause giving the right to renegotiate your contract if it does much better than expected
- a disputes resolution clause

As yet the draft Directive does not include our ideal outcome – a right of remuneration for online uses of your work – but we lobbied hard for this in Strasbourg last December and we are continuing our lobbying efforts with our colleagues in the rest of Europe as the Directive proceeds through the European Parliament.

Here in the UK the Government announced its intention to repeal section 73 of the UK Copyright Act. What sounds like a dry legal detail may turn out to be something of a gamechanger for directors: repeal of this section would mean that UK cable companies and online platforms would have to seek a licence from right-holders – including Directors UK – in order to re-transmit TV channels. That opens up the possibility of an entirely new retransmission rights deal for us, to match those in almost all other European countries.

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Outreach and International

Little did we suspect, as we published our risk assessment ahead of the European Referendum last June, that we would be faced with a vote for Brexit. In the months that followed, Directors UK has been representing directors and other creative individuals on the BFI's Screen task force, channelling views and proposals to Government and to the Creative Industries Council. Now that Article 50 has been triggered and negotiations with the EU are under way, the scope of this work will expand. It is already clear, however, that the crucial challenges for our industry and for our members are:

- to retain sufficient freedom of movement to allow British authors and performers to work in Europe on a temporary basis
- investment in creative skills education, training and career development to overcome the shortage of skilled and diverse talent in our profession and in many sectors of our industry
- continued access to European funding for creative projects
- trade agreements with Europe to allow the free flow of creative works

Delyth Thomas has once again represented us with a seat on the executive committee of Writers and Directors Worldwide - the specialist group within the international organisation CISAC. Its aim is to support lobbying, facilitate networking, promote the voice of the creator, and is behind the Audiovisual Campaign for fair remuneration. W&DW has made great strides to modernise and ensure that the voice of audio-visual authors is heard – at the CISAC council (the global governing body of collecting societies), at the World Intellectual Property Organisation, and by lawmakers across the world. Former Directors UK Board member Dan Clifton has continued as the chair of FERA, the Federation of European Film Directors. FERA is actively lobbying on the EU copyright proposals outlined above, which are intended to strengthen remuneration for rights-holders. Despite Brexit, the most likely scenario is that if adopted by the EU, then these will also form the basis of UK copyright provisions. FERA, together with the SAA, has also been pushing to amend the legislative package with the introduction of an unwaivable right to remuneration for every use of a work online. Our CEO Andrew Chowns has been performing a similar role on the Council of the Society of Audio-Visual Authors in Europe (SAA). All three bodies – W&DW, FERA and SAA are campaigning in close harmony on contracts and fair remuneration to present the most powerful and persuasive case, especially in relation to the changes in the new Copyright Directive.

Representation and Profile

Directors UK's status as an authoritative industry voice continues to grow thanks to the profile-raising activities of our campaigning, lobbying and member services work and our increasing presence at major national and international events such as Cannes Film Festival, TIFF, Edinburgh International TV Festival and in the media.

Our communications activities are overseen by Victoria Morris, Head of Communications and Public Affairs, working with Tolu Akisanya. Our report on gender in film, Cut Out of the Picture, was launched with Screen International and on the BBC Today programme. Coverage was far reaching including in The Guardian, The Times, The Hollywood Reporter, BBC online and many other trade, national and international media. Our research has also been quoted in debates in Parliament and the House of Lords. Other recent press has included coverage of our career development schemes and features such as the recent Televisual magazine article showcasing women directors working in multi-camera. As part of our increasing public affairs activity we have: lobbied MEPs in the European Parliament in Strasbourg on the proposed changes to copyright; met with MPs, Lords and civil servants at the DCMS to discuss BBC Charter Renewal, Brexit and the Digital Economy Bill; and lobbied the IPO, MPs and Lords on copyright issues, including the Repeal of Section 73 of the UK Copyright Act.

Digital

This year we have continued to make improvements to the Directors UK website, with several exciting developments under way including plans for more articles, interviews and other features as part of a comprehensive content strategy led by our Digital Manager, Marc Abbs and assisted by Chris Young. The site currently receives an average of 20,000 page views per month. Some of our most popular articles have included announcements of our various career development opportunities and the launch of our gender equality in UK film campaign. Our social media presence has continued to serve as an important means for promoting Directors UK and the art of directing more generally. We now have nearly 12,000 followers on Twitter and over 3,000 on Facebook. As well as bringing our followers updates on the latest industry news, we regularly live-tweet our

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panel sessions and Q&As and promote the work of Directors UK members. The infographics and other posts about our gender equality campaign were particularly popular, making over 400,000 impressions across Twitter and Facebook.

Directors Charitable Foundation

Last year saw Directors UK support the formation of the Directors Charitable Foundation (DCF). In September the DCF was awarded charity status by the Charity Commission and is now formally governed by their laws and regulations. The original interim Board subsequently resigned and the process of establishing the new Board is underway, with Joyce Hytner, Philippa Collie Cousins, Anthony Gostyn, David Coppard and Ivor Benjamin appointed so far. The three DCF trustees, Vladimir Mirodan (DGGB), Tom Roberts (Directors UK) and Piers Haggard (Stage Directors UK), have also been appointed to the new Board, with Vladimir as the Chair and Piers and Tom as Deputy Chairs. The DCF received funding from Directors UK in January and has set about establishing an administrative structure, completing the appointment of the final Board members and recruiting a fundraising consultant. They have established the basic principles of an Emergency Support Scheme (ESS) for directors in need and are in the process of identifying the DCF's first project, both of which are due to be launched later in the year.

Environmental Sustainability

Directors UK continues to play a leading role in promoting sustainability as an affiliated member of the BAFTA albert Consortium. We most recently demonstrated our commitment by being one of the first organisations to join the Creative Energy group buying initiative. Switching to the Creative Energy tariff has not only reduced the carbon footprint at our offices but also reduced our electricity bill, saving members money. Steve Smith, on behalf of Directors UK, helped draft a new editorial guide supporting audience engagement with environmental sustainability called Planet Placement, which will be launched later this year. The guide is aimed at commissioning editors, writers, producers, directors, and designers and helps them identify opportunities to engage audiences with sustainable living across all programming. Steve has also been asked to represent Directors UK on a new albert project to create a sustainability group for the film industry working in collaboration with the BBC, Channel 4, Film London, Creative England and the BFI.

Governance

Our EGM in October 2016 approved changes to our Articles to bring us into line with the European Directive and UK Regulations on Collective Management Organisations (CMOs). In October we instituted a new split Board structure, enabling the full Board to focus on policy, campaigning and the provision of member services for all members. The business of running Directors UK as a CMO and fulfilling the supervisory function as laid out in the CMO Regulations has been passed to a smaller Management Board comprising the Chair and Vice-Chairs, the Distribution Committee Chair and the Successor Members' Representative.

The new Articles also gave us the platform to implement new Election Regulations which will reduce the size of our Board to a more practical 21 members, ahead of elections in Spring 2017.

Our Audit Committee has been strengthened with an independent chair – John England, partner at Mishcon de Reya – and an additional independent member, John Coverdale, partner at MHA MacIntyre Hudson.

Two Board members resigned during the year: Coky Giedroyc and Anthony Reeves, and we thank them both for their contributions to the work of Directors UK.

Our Members at Work

Animation

Our animation group, led by Rebecca Manley, has been hard at work building and strengthening Directors UK's relations with the UK animation industry. In March we sponsored the British Animation Awards. In June we met with Animation UK to discuss the future of the organisation and the potential for collaboration and mutual support. Since then Animation UK has joined forces with the UK Screen Association to establish the UK Screen Alliance. A follow-up meeting is planned to explore how this new organisation will function and how this will affect

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its relationship with Directors UK members in terms of creative rights. At the Directors UK Festival the 'Directing Animated Features' session with Mark Waring (currently Animation Director on Wes Anderson's Isle of Dogs) was very well attended and member feedback extremely positive. The role of Board representative for animation has been formalised in the Board structure this year. Rebecca has also established a Facebook group for animation directors.

Entertainment and Multi-camera

Our Entertainment and Multi-camera Committee, chaired by Steve Smith, has continued to focus on training, career development and diversity. Following our multi-camera training scheme in January 2016, we have been supporting our trainees as they take their first steps into the workplace. Steve has joined the new Channel 4 Spotlight on Directors Advisory Group which has included mentoring Jan Genesis through a paid work placement on the new Channel 4 entertainment series Cheap, Cheap, Cheap - resulting in him being paid to direct his own block of 10 shows and receiving an all important on-screen credit. We have also helped raise the profile of some of the women directing the nation's favourite multi-camera entertainment shows, from Strictly Come Dancing and The X-Factor to The Voice. We continue to promote the minimum daily rate of £600 across the industry - a rate that will need to be reviewed in the coming year.

Factual

This year Directors UK Factual has been busy remodelling itself to ensure it can reach and speak to the interests of all its directors. It has been our core focus to engage and connect with members across the broad sub-genres within factual in order to understand the various issues they face. A newly restructured Factual Committee has been formed, led by committee Chair Nic Guttridge and comprised of members from all corners and levels of the factual world. We have recently launched 'Directing Factual', an ongoing events programme specifically catering to the interests and needs of factual members. The committee is also currently working hard to bring clarity to the messy arena of factual director credits, and we are pushing for developments here that will be of benefit to many members, both professionally and financially.

TV Fiction

The TV Fiction Committee, chaired by Bill Anderson, conducted a hugely informative survey of members on their experience of late scripts. The findings showed how the delays and disruption caused by the greenlighting and commissioning process and late scripts continue to negatively impact productions and the work of directors. Diverse and passionate respondents have joined a working group which is formulating a plan of action. Our campaign aims to drive change through collaboration, working with writers, producers and actors, to present a compelling case to broadcasters and production companies on why different ways of working would benefit all.

Film

The Film Committee, led by Iain Softley, has been working hard to improve standards and conditions for film directors. Over the past year they have consulted on and developed a Creative Rights Minimum Terms initiative which has gained the support of a large, illustrious and diverse group of directors and is now nearing its launch. In April 2016 Iain Softley, along with a number of other directors attended a directors' roundtable as part of BFI's 'Next Five Years' consultation. Iain, his co-Chair Roger Michell and Andrew Chowns also made a Directors UK presentation in person to BFI Film Fund head Ben Roberts. In March 2016 Iain met with Julian Pinn, CEO of the UK's Cinema Exhibitor's Association, to discuss initiatives with Directors UK for a "Kite Mark" of quality to be awarded to cinemas with high exhibition standards. This was taken up and endorsed at the BSC EXPO in February. The idea of a British Directors programmed strands in cinemas was discussed with representatives of Picturehouse Cinemas, Showcase Cinemas and the BFI. The latter are considering our proposal for a British Directors channel on the BFI Player.

North West of England

North West regional rep Illy Hill has been busy supporting members across the region. We have held meetings in the North West at Space in Manchester and Fact in Liverpool; although not well attended, they were both enthusiastic and invigorating meetings and have allowed us to build a stronger, active branch in the area with lots of one-on-one meetings as well as email, phone and text conversations covering issues including pay, lateness of scripts and working conditions. Discussions were also held with the Northern Film School regarding lecturing posts and resulted in the opportunity for directors with a penchant for teaching to gain some much

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needed employment. We supported Raising Films with a one-day coaching workshop in Leeds, which was free to attend for Directors UK members.

Scotland

As Directors UK's Scottish representative, Karen Kelly has focussed her work on four key areas: creating skills development opportunities for Scottish directors; improving the pathways of progression for directors in Scotland; increasing the visibility of the directors' voice in Scotland and to the networks; and building relationships with local screen agencies. We have run Scottish-based events including a one-day workshop on moving from factual into drama, a masterclass for factual self-shooters, a 'Narrative day' and one-day workshop for experienced drama directors at GIFF, and we supported Raising Films on a one-day coaching workshop as part of EIFF. Karen has met with BBC Scotland, Channel 4's Scotland office and Creative Scotland to discuss ways to increase opportunities and access to commissioners for Scottish directors, and met with BBC Scotland's Writers Room to explore future creative partnerships. Karen is in discussions with RTS, IPS, Tron 100, BAFTA and Screen Academy Scotland to explore future partnership opportunities and has represented Directors UK at a number of industry events. A Directors UK Scotland Facebook group has been established and is growing.

South West of England

The regional representative for the South West is Otto Bathurst. Over the past year we have been increasing our activity in the South West through involvement in a range of festivals, events and partnerships to support directors in the region. At Encounters Film Festival we were a partner of their BAME-focussed Widening the Lens scheme for emerging talent, with the award winner being given Directors UK membership and a mentoring opportunity with a Directors UK member. In July, final year directing students from Bristol institution Screenology, were given places to attend the Directors' Festival. In August Directors UK members had access to a Q&A screening of Swallows and Amazons with Philippa Lowthorpe. In November we supported Raising Films with a one-day coaching workshop in Bath, which was free to attend for selected Directors UK members.

Wales

In Wales, Directors UK's representative Philippa Collie Cousins has been focussing on gathering information to help directors build directing careers in Wales; she has also developed a programme of events to help foster a vibrant sector where members can mix with each other, share ideas and discuss improvements in pay and conditions. At the start of 2017 we met with BAFTA Wales, Ffilm Cymru, Wales Screen, and Chapter Arts Centre in Cardiff to plan partnership opportunities and events. Directors UK members were given access to BAFTA Wales screenings of Decline and Fall and Lady Macbeth. Philippa has also started a Wales-focussed newsletter to share regional relevant news and to encourage Welsh members to talk about pay, conditions and career development needs.

Name B Richards
Outgoing Chair

Date

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DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2017

The directors present their report and the financial statements for the year ended 28 February 2017.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 deficit for the year, after taxation, amounted to £394,141 (2016 - surplus £49,803).

Directors

The directors who served during the year were:

W G Anderson
O Bathurst
A R Chowns
P C Cousins
T Dixit
C Giedroyc (resigned 12 September 2016)

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N Guttridge
P I Haggard
G Hill
M Huda (resigned 11 April 2017)
S B Krishnamma
C Le Couteur
R Manley
D Martin
R M Max
G H Posner
A A Reeves (resigned 10 March 2017)
B Richards
T G Roberts
S A Smith
I D Softley
D Thomas
P A Unwin
S M White
D R Zeff
G M Gibbons (appointed 1 March 2017)
L P Hannon
K Kelly

Future developments

The company will continue to optimise its functions as a collective management organisation and develop its representation of and services to its members.

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

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.

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(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2017

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

A R Chowns
Director

Date:

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIRECTORS UK LIMITED

We have audited the financial statements of Directors UK Limited for the year ended 28 February 2017, set out on pages 14 to 28. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 on page 9, 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 Financial Reporting Council'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 Strategic Report and 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 2017 and of its profit or 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.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

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

Opinion on other matter 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our 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.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Myfanwy Neville ACA (Senior Statutory Auditor)

for and on behalf of

Berg Kaprow Lewis LLP

Chartered Accountants

Statutory Auditors

Date:

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Note	2017 £	2016 £
Turnover		<u>1,783,857</u>	<u>1,777,932</u>
Gross surplus		1,783,857	1,777,932
Communications, campaigns and public affairs		(105,444)	(210,114)
Administrative and establishment expenses		(2,143,510)	(1,572,745)
Other operating income	3	33,276	69,589
Membership services		<u>(163,505)</u>	<u>(177,102)</u>
Operating deficit		(595,326)	(112,440)
Interest receivable and similar income		149,175	180,433
Interest payable and expenses		<u>(1,390)</u>	<u>-</u>
(Deficit)/surplus before tax		(447,541)	67,993
Tax on (deficit)/surplus	5	<u>53,400</u>	<u>(18,190)</u>
(Deficit)/surplus after tax		<u>(394,141)</u>	<u>49,803</u>
Retained earnings at the beginning of the year		<u>746,566</u>	<u>696,763</u>
		746,566	696,763
(Deficit)/surplus for the year		<u>(394,141)</u>	<u>49,803</u>
Retained earnings at the end of the year		<u>352,425</u>	<u>746,566</u>

The notes on pages 16 to 28 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 2017

	Note	28 February 2017 £	<i>As restated</i> 29 February 2016 £
Fixed assets			
Tangible assets	6	332,246	207,562
Investments	7	3,931	3,931
		336,177	211,493
Current assets			
Debtors	8	318,549	278,458
Current asset investments	9,17	14,500,000	14,500,000
Cash at bank and in hand	10,17	6,046,985	2,895,046
		20,865,534	17,673,504
Creditors: amounts falling due within one year	11	(20,849,286)	(17,115,281)
Net current assets		16,248	558,223
Total assets less current liabilities		352,425	769,716
Provisions for liabilities			
Deferred tax	12	-	(23,150)
		-	(23,150)
Net assets		352,425	746,566
Capital and reserves			
Profit and loss account		352,425	746,566
		352,425	746,566

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

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

A R Chowns
Director

S A Smith
Director

Date:

The notes on pages 16 to 28 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 2017

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. Its registration number is 02685120 and registered office is 3rd & 4th Floor; Stukeley Street; London; WC2B 5LR.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements for the year ended 28 February 2017 are the first financial statements of Directors UK Limited prepared in accordance with FRS 102. The date of the transition to FRS 102 was 1 March 2015

The transition to FRS 102 Section 1A - Small Entities has result in a small number of changes in accounting policies to those used previously. The nature of these changes and their impact on opening equity and surplus for the comparative period are explain in note 17 below.

The following principal accounting policies have been applied:

2.1 Going concern

The Company's Income and Expenditure account for the year showed a deficit of £394,141, which reduced the overall retained surplus to £352,425. The deficit for the year was due partly to a planned investment in new services for members and partly to one off costs of moving to new premises.

The Directors are satisfied that the Company has the resources available to meet its liabilities as they fall due. For this reason, these financial statements have been prepared on the going concern basis.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.2 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.

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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.3 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.

2.4 Valuation of investments

Fixed asset investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Current asset investments

Investments in cash held as fixed-term deposits are initially recognised at transaction price, and subsequently carried at amortised costs using the effective interest method.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.6 Financial instruments

The company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from third parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income and Expenditure account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised costs using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.7 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'.

2.8 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 term of the lease as an integral part of the total lease expense.

2.9 Other operating income and other operating charges

Other operating income comprises:

(i) grant funding which is credited to the Income and Expenditure Account as the related project expenditure is incurred. The related project expenditure is included as part of other operating charges, and;

(ii) rental income, which is credited to the Income and Expenditure Account over the period to which it relates.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.10 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.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Distribution policy

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

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

3. Other operating income

	2017	2016
	£	£
Creative Skillset income	-	69,589
Rental income	8,250	-
Mentoring income	19,908	-
Sponsorship income	5,118	-
	33,276	69,589
	33,276	69,589

4. Employees

The average monthly number of employees, including directors, during the year was 25 (2016 - 22)

5. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	-	30,000
Adjustments in respect of previous periods	(30,000)	40
	(30,000)	30,040
	(30,000)	30,040
Deferred tax		
Origination and reversal of timing differences	(23,400)	(11,850)
	(23,400)	(11,850)
	(23,400)	(11,850)
Taxation on (loss)/profit on ordinary activities	(53,400)	18,190
	(53,400)	18,190

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

5. Taxation (continued)

Factors that may affect future tax charges

There are trading losses carried forward of £188,819, available to carry forward against future trading profits.

6. Tangible fixed assets

	Short-term leasehold property £	Other fixed assets £	Total £
Cost or valuation			
At 1 March 2016	198,467	381,411	579,878
Additions	293,850	13,588	307,438
Disposals	(198,467)	(108,875)	(307,342)
At 28 February 2017	<u>293,850</u>	<u>286,124</u>	<u>579,974</u>
Depreciation			
At 1 March 2016	63,665	308,651	372,316
Charge for the period on owned assets	30,644	32,911	63,555
Disposals	(79,268)	(108,875)	(188,143)
At 28 February 2017	<u>15,041</u>	<u>232,687</u>	<u>247,728</u>
Net book value			
At 28 February 2017	<u>278,809</u>	<u>53,437</u>	<u>332,246</u>
At 29 February 2016	<u>134,802</u>	<u>72,760</u>	<u>207,562</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

7. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 March 2016	3,931
At 28 February 2017	3,931
 Net book value	
At 28 February 2017	3,931
At 29 February 2016	3,931

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

8. Debtors

	28 February 2017 £	<i>29 February 2016 £</i>
Due after more than one year		
Other debtors	161,313	-
	161,313	-
Due within one year		
Trade debtors	5,459	5,700
Other debtors	2,580	44,104
Prepayments and accrued income	118,707	228,654
Tax recoverable	30,240	-
Deferred taxation	250	-
	318,549	278,458

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

9. Current asset investments

	28 February 2017	<i>As restated</i> <i>29 February</i> <i>2016</i>
	£	£
Cash held in fixed term deposits	14,500,000	<i>14,500,000</i>
	14,500,000	<i>14,500,000</i>

10. Cash and cash equivalents

	28 February 2017	<i>As restated</i> <i>29 February</i> <i>2016</i>
	£	£
Cash at bank and in hand	6,046,985	<i>2,895,046</i>
	6,046,985	<i>2,895,046</i>

11. Creditors: Amounts falling due within one year

	28 February 2017	<i>29 February</i> <i>2016</i>
	£	£
Trade creditors	40,832	<i>85,278</i>
Corporation tax	-	<i>30,000</i>
Other taxation and social security	344,597	<i>317,504</i>
Royalties payable (UK)	11,374,798	<i>9,792,181</i>
Royalties payable (Foreign)	8,809,859	<i>6,732,168</i>
Accruals and deferred income	279,200	<i>158,150</i>
	20,849,286	<i>17,115,281</i>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

12. Deferred taxation

	2017 £
At beginning of year	23,150
Charged to surplus or deficit	(23,400)
At end of year	<u>(250)</u>

The deferred taxation balance is made up as follows:

	28 February 2017 £
Accelerated capital allowances	36,250
Tax losses carried forward	(32,000)
Short term timing differences	(4,500)
	<u>(250)</u>

13. Company status

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

14. 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 £48,331 (2016: £35,815). Contributions totalling £26,590 (2016: £17,414) were payable to the fund at the balance sheet date and are included in creditors.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

15. Commitments under operating leases

At 28 February 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2017	<i>29 February 2016</i>
	£	£
Not later than 1 year	161,312	<i>87,500</i>
Later than 1 year and not later than 5 years	645,248	<i>-</i>
Later than 5 years	2,016,409	<i>-</i>
	<u>2,822,969</u>	<i><u>87,500</u></i>

As at 29 February 2016, the company had 7 months remaining on a lease at the previous operating premises and shortly after the 29 February 2016 signed an agreement for 10 years at the current operating premises. The above analysis reflects the rents legally due at each respective year end date.

16. 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 £208,275 (2016: £165,874).

During the year the company received royalties for distribution from The Educational Recordings Agency Limited, a company in which Directors UK Limited is a member totalling £395,500 (2016: £389,417). 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 £14,629 (2015: £7,301) 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 (2016: £nil), paid to Directors Charitable Foundation, an entity in which certain of the directors are trustees.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

17. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 March 2015.

Upon adoption of FRS102, no changes were required to the opening balances at the dates of transition. However a presentational adjustment was required to the accounting period to 29 February 2016 to reclassify £14,500,000 of fixed-term deposits from cash and cash equivalents, to current asset investments. There was no impact on the Income and Expenditure account or net assets as a result of this presentational adjustment.

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2017

	28 February 2017	<i>29 February 2016</i>
	£	£
Turnover	<u>1,783,857</u>	<u>1,777,932</u>
Gross surplus	<u>1,783,857</u>	<u>1,777,932</u>
Other operating income	<u>33,276</u>	<u>69,589</u>
Less: overheads		
Communications, campaigns and public affairs	(105,444)	(210,115)
Administration expenses	(1,748,708)	(1,320,784)
Establishment expenses	(394,802)	(251,960)
Membership services	(163,505)	(177,102)
Operating deficit	<u>(595,326)</u>	<u>(112,440)</u>
Interest receivable	149,175	180,433
Interest payable	(1,390)	-
(Deficit)/surplus for the year	<u>(447,541)</u>	<u>67,993</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	28 February 2017	<i>29 February 2016</i>
	£	£
Turnover		
Management fee income	1,530,541	1,549,432
Membership scheme income	253,316	228,500
	<u>1,783,857</u>	<u>1,777,932</u>
	28 February 2017	<i>29 February 2016</i>
	£	£
Other operating income		
Creative Skillset income	-	69,589
Other operating income	8,250	-
Sundry income	19,908	-
Fees receivable	5,118	-
	<u>33,276</u>	<u>69,589</u>
	28 February 2017	<i>29 February 2016</i>
	£	£
Communications, campaigns and public affairs		
Marketing and PR	33,813	79,192
Sponsorship	7,000	11,042
Campaign costs	6,300	56,368
AGM, EGM, Festival and Conference costs	58,331	63,513
	<u>105,444</u>	<u>210,115</u>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	28 February 2017 £	<i>29 February 2016 £</i>
Administration expenses		
Directors national insurance	21,289	18,988
Directors salaries	163,054	145,690
Directors pension costs - defined contribution schemes	16,305	14,569
Staff salaries	762,908	636,388
Staff private health insurance	8,375	6,868
Staff national insurance	79,277	61,651
Staff pension costs - defined contribution schemes	32,025	21,246
Staff training and recruitment	42,334	31,650
Entertainment	4,127	2,200
Hotels, travel and subsistence	28,354	44,377
Printing and stationery	17,228	15,644
Postage	16,893	11,949
Telephone and fax	11,214	2,989
Computer costs	130,063	93,362
Trade subscriptions	24,384	36,530
Charity donations	50,000	-
Legal and professional	78,395	26,757
Auditors' remuneration	21,000	15,000
Accountancy fees	14,249	24,335
Equipment hire	2,132	4,715
Bank charges	15,855	9,031
Bad debts	7,298	-
Difference on foreign exchange	-	(32)
Sundry expenses	19,194	17,164
Depreciation - office equipment	32,912	42,711
Depreciation - computer equipment	-	16,198
Depreciation - leasehold property	30,644	20,804
Loss on sale of tangible assets	119,199	-
	1,748,708	<i>1,320,784</i>

DIRECTORS UK LIMITED
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	28 February 2017 £	<i>29 February 2016 £</i>
Establishment		
Rent - operating leases	342,702	<i>229,032</i>
Security	6,917	<i>3,075</i>
Light and heat	2,000	<i>1,600</i>
Cleaning	10,406	<i>9,020</i>
Insurances	7,784	<i>6,348</i>
Repairs and maintenance	24,993	<i>2,885</i>
	394,802	<i>251,960</i>
	28 February 2017 £	<i>29 February 2016 £</i>
Membership services		
Training and mentoring costs	102,035	<i>122,803</i>
Meetings and events	61,470	<i>54,299</i>
	163,505	<i>177,102</i>
	28 February 2017 £	<i>29 February 2016 £</i>
Interest receivable		
Bank interest receivable	149,175	<i>180,433</i>
	149,175	<i>180,433</i>
	28 February 2017 £	<i>29 February 2016 £</i>
Interest payable		
Bank overdraft interest payable	1,390	<i>-</i>
	1,390	<i>-</i>