

INTRODUCTION

This report has been compiled in accordance with the terms of The Collective Management of Copyright (EU Directive) Regulations (2016) (the Directive). Its objective is to provide a clear overview of the structure, management and activities of Directors UK Limited during its financial year ended 28th February 2018, in compliance with these regulations. Further information about Directors UK including the Annual Report, Financial Statements and Director's Report for the financial year 2017/18 is also available on our website: <https://www.directors.uk.com/about/governance>.

LEGAL AND GOVERNANCE STRUCTURE

Directors UK Limited is a private company owned by its members, limited by guarantee, and run on a not for profit basis. It was launched in June 2008 and is the professional association which represents British film and television directors. It performs both the role of a collecting society and of a representative body and currently has over 6,700 registered right holders and over 2,400 full members. It evolved from the Directors and Producers Rights Society (DPRS), a collecting society that administered payments for film and TV directors for the secondary use of their works.

Directors UK Limited is governed by an elected Board of Directors drawn from its members and right holders.

Elections are held every two years to appoint directors to the Directors UK Limited Board. The nomination and election procedures and criteria (including members' voting rights) are set out in the company's Articles of Association and summarised at <https://www.directors.uk.com/about/governance>. The Election Regulations can also be found at this location.

The company has no subsidiaries and does not control any other entities. Directors UK is a member of the Educational Recording Agency (ERA) of which our Chief Executive Officer, Andrew Chowns, is a director.

COLLECTING AND DISTRIBUTION ACTIVITIES

Directors UK collects and distributes money due to the principal directors of film or television programmes for the secondary exploitation of their work. Payments are collected from UK broadcasters and from Europe.

The general policies on distribution and investment of rights revenue are set by the Board and approved by the members. Full detail is available on our website: <https://www.directors.uk.com/distribution/distribution>

In order to receive distribution payments right holders must be registered with Directors UK as full or distribution only members.

The company manages the following categories rights on behalf of its members:

UK Distribution Scheme

Under the terms of its Rights Agreement with broadcasters and producers, Directors UK receives an annual payment to compensate for rights assigned by directors under individual contract and distributes the funds to individual directors according to a scheme devised and administered by Directors UK.

Payments are allocated under the terms of the UK Distribution Scheme. This takes account of the type of work, transmission length and form of secondary exploitation (e.g. repeat transmissions, sales, DVD releases etc.)

This scheme applies to all programmes made by, for or in association with the signatory companies (BBC, ITV, Channel 4, Channel 5, Sky, S4C) and for which the director was engaged on or after 1 July 2001 under a freelance contract.

Producers are contractually required to supply Directors UK with information on which to base distributions of payments under the Distribution Scheme. This includes details of all secondary exploitation of qualifying works.

The UK distribution scheme allocates across the following principal type of use categories:

- UK and International sales,
- Secondary Transmissions,
- DVD and Video sales.

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The total amount available for distribution each year is allocated on the basis that 85% of the payments distributed will be due to UK and International Sales, 10% for Secondary Transmissions and 5% for DVD and Video sales.

Educational Recording (UK)

Directors UK is a member of the Educational Recording Agency (ERA) and receives payments for the recording of broadcasts in educational establishments.

These payments are added to the annual Supplementary UK Distribution which normally takes place in July. The ERA payments to be included in the distribution will be those received in the previous calendar year.

BBC Residuals (UK)

In 2006 Directors UK took over the administration of the BBC Residuals payments due to directors and producers for programmes made under the 1976 and 1984 union agreements. Directors UK administers payments for sales under this scheme.

Foreign Collections

Throughout the European Union (and in several other countries) film and television directors are legally recognised as being authors of their work. This right of authorship may give directors an entitlement to receive payment for certain uses of their work.

These payments are administered through the international network of authors' collecting societies. Directors UK has concluded agreements with collecting societies in over twenty countries, listed on page 15 of this report, and receives payments due under national legislations for the re-use of work.

The principal type of use categories under which royalties are paid by foreign collecting societies are as follows: -

- Private copying, cable retransmission, video rental and online;
- Television, Cinema & Public Performance;
- Educational recording.

No amounts are distributed directly to right holders originating from other collective management organisations.

The company does not collect royalties on behalf of overseas right-holders under the foreign distribution scheme and has not paid any revenues to foreign societies, other than to pay sums due to members of those CMOs which were originally sent to Directors UK Limited in error.

Non-Distributable Amounts (Foreign)

To be paid any amounts due to them, the director (right-holder) must be registered with either Directors UK or be registered with a sister Collective Management Organisation (CMO) representing directors.

In accordance with the Directive, any money allocated to non-registered right holders and not claimed within three years of allocation will be declared as potentially non-distributable. During this initial period, Directors UK will take all necessary measures to track down the right holder.

If, after a further three-year period, this money has still not been claimed by the right holder it will be declared fully non-distributable and Directors UK will no longer be required to track down the right holder in respect of this payment.

Payments that have been declared as fully non-distributable will be available for reallocation in accordance with the Directors UK non-distributable policy (further detail is available on our website at: <https://www.directors.uk.com/distribution/distribution-policy#foreign-collections>) which is approved, together with the General Rules of Distribution (further detail is available on our website at: <https://www.directors.uk.com/distribution/distribution>), at the Directors UK General Assembly of Members.

At 28th February 2018, an amount of £429,574 of Foreign Funds held on behalf of right holders has been declared as non-distributable. This fund is available for release to offset costs of activities which benefit all member right-holders, in accordance with the approved policy on non-distributable amounts.

Other Licencing Activities

Directors UK does not currently undertake any other licensing activities and has not refused any applications or requests to grant a licence.

Further detail on the company's distribution policies are available on our website at <https://www.directors.uk.com/distribution/>

DISTRIBUTIONS TIMETABLE

Initial distribution of payments of UK royalties collected during each year are made no later than nine months after the end of the reporting year. Royalty amounts collected from foreign CMO's are normally distributed within six months of receipt.

Not less than eighteen months after an initial distribution and not more than twenty-four months after the end of a reporting year, a supplementary distribution of royalties collected under our UK Distribution Scheme will take place. Any money not allocated, and any money allocated to a director who has not registered with Directors UK, will be distributed in the form of a supplementary payment to all members who received payment in the initial distribution. Payments will be proportionate to the original payment.

The annual timetable of distributions is as follows:

- April / May - Foreign payments received from various foreign collecting societies.
- July - Supplementary UK payments covering secondary use in earlier years and educational recordings royalties received during the previous year
- September / October - Foreign payments received from various foreign collecting societies.
- December / January - Main UK distribution.

Smaller distributions are made approximately every six to eight weeks for new members. BBC residuals distributions are normally made at least twice per year.

In some cases, the allocation and distribution of certain foreign payments is delayed beyond six months after receipt for objective reasons such as the absence of sufficient reporting by the foreign society which has submitted the revenue on the works, the authors and/or the uses.

MANAGEMENT FEES AND OTHER DEDUCTIONS

Management fees are deducted from each payment issued for the following rights categories:

- UK Rights agreement – 10%
- Educational recordings (UK) – 10%
- Foreign distributions – 15%

Management fees of 15% relating to BBC Residuals (UK) payments are charged separately to and paid by the BBC, rather than being deducted from payments to individual directors.

Once off registration fees of up to £75 are also deducted from:

- initial distributions to those right holders who joined an historic registration scheme under which payment of joining fees were deferred, to be deductible from future rights payments or
- initial distributions to a small number of overseas members and members of other collecting societies.

VAT is charged on the management fee in the case of all payments issued to UK residents and to EU residents who are not themselves registered for VAT. VAT is not charged on payments issued to residents outside the European Union or where the member is a resident of another EU country and is VAT registered.

An additional charge of £10 plus VAT is deducted from all payments issued by cheque where the payment is issued to a UK resident.

No other charges or commissions are deducted from distributions to rights holders.

Interest income arising from the investment of rights holders' funds is used to partially cover the operating expenses of Directors UK.

OTHER ACTIVITIES

In addition to its collecting and distribution activities, Directors UK acts as the principle representative organisation for film and television directors and directing to Government in the UK and in Europe, to broadcasters, to regulators, to other industry bodies and to the media. It acts as a campaigning body for directors on current issues and topics.

Training and Mentoring

The organisation also undertakes training and mentoring initiatives on behalf of members under a scheme which offers two levels of membership:

- Full membership - open to directors with a principal director credit on a screened feature film or TV programme. It offers annual access to all our services and benefits.
- Associate membership - open to those with a director credit on audio-visual works such as short films, commercials, corporate videos and video games, or those who are just starting out as a director in the TV industry.

The costs of the Communications, Campaigns & Public Affairs and Membership Services departments activities are partially funded by membership fees.

In addition, the company's constitution also allows it to make approved donations to charities operating in the film and television industry.

Apart from the management fees described above, Directors UK Limited has made no other deductions for the purposes of social, cultural and educational services in 2017/18. The cost of any such services provided to members is funded out of management fees, membership subscriptions, interest income arising from members' funds invested and match funding provided by partner organisations. The non-distributable reserve (described on page 4) is also available to fund such services, which benefit all member right holders.

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MEMBERSHIP OF OTHER BODIES

Directors UK Limited is in partnership with the Directors Guild of Great Britain and Stage Directors UK governing the Directors Charitable Foundation (DCF). During the year three Directors UK Limited board members served as DCF trustees out of a total of twelve.

During this financial period, Directors UK has also been a member of or affiliated to the following bodies:

- Society of Audio-visual Authors (SAA) and is a shareholder;
- Educational Recording Agency (ERA), and has a seat on its board;
- British Copyright Council (BCC);
- Alliance for Intellectual Property;
- International Confederation of Societies of Authors and Composers (CISAC);
- Creative Industries Federation;
- Federation of European Film Directors (FERA).

DIRECTORS UK LIMITED**ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2018****FINANCIAL STATEMENTS AND ANNUAL REPORT**

A summary of income and expenditures during the financial year ended 28th February 2018, split between Rights Management and Other Activities, is set out below. The turnover and operating income comprise the resources used to cover the total operating costs of the company.

Transparency Report Income and Expenditure Account	Year ended 28th February 2018		
	Rights Management	Other Activities	Total
TURNOVER			
Management fee income	1,941,606		1,941,606
Membership scheme income		267,362	267,362
	<u>1,941,606</u>	<u>267,362</u>	<u>2,208,968</u>
OTHER OPERATING INCOME			
Creative Skillset income		138,091	138,091
Other income		27,418	27,418
Interest receivable	225,410		225,410
	<u>2,167,016</u>	<u>432,871</u>	<u>2,599,887</u>
LESS: OPERATING EXPENSES			
Administration expenses	(948,848)	(814,332)	(1,763,180)
Establishment expenses	(242,711)	(183,581)	(426,292)
Communications, Campaigns & Public Affairs		(70,517)	(70,517)
Membership Services	(48,298)	(274,635)	(322,933)
Bank Interest payable	(215)		(215)
	<u>(1,240,073)</u>	<u>(1,343,064)</u>	<u>(2,583,137)</u>
Surplus / (Deficit) before tax	926,943	(910,193)	16,750
Tax on surplus / (deficit)	(3,513)	(2,657)	(6,170)
Surplus / (Deficit) after tax	<u>923,430</u>	<u>(912,850)</u>	<u>10,580</u>

The total operating expenses of £2,583,137 represent 15.2% of the total rights revenue of £16,995,005 collected on behalf of members.

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The balance sheet, statement of assets and liabilities, and full income and expenditure account for the financial year are contained in the Audited Financial Statements and Directors' Report which can be found on our website: <https://www.directors.uk.com/about/governance>.

Appendix 1 to this report provides further detail on operating expenses by cost type, allocated between Rights Management and Other Activities based on relevant staff headcount. Operating expenses are not allocated between different sub-categories of rights management or by type of use as our internal departments operate as a single unit and any such allocation would be entirely artificial.

Appendix 2 contains a cash flow statement.

REPORT ON ACTIVITIES DURING THE FINANCIAL YEAR

Full detail on our activities during the year can be found under the Annual Review section in Annual Report and Accounts which can be found on our website at: <https://www.directors.uk.com/about/governance>

FINANCIAL INFORMATION ON AMOUNTS DUE TO RIGHTS HOLDERS

The following tables provide detail on:

- amounts collected, attributed and paid to rights holders during the financial year and;
- funds held on behalf of rights holders at the year end.

- The rights activity reports provide analysis by:
 - o category of rights managed and;
 - o type of secondary use for which the royalties are attributed and paid.

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**Financial Information on Amounts due to Right Holders.
Analysis by Category of Rights Managed**

Rights Activity Report	Collected on behalf of Rights Holders	Attributed to Rights Holders	Paid to Rights Holders	Mgmt fees on Rights paid
UK Rights agreement	11,775,000	10,869,403	10,798,007	1,080,130
BBC Residuals	118,503	118,503	38,987	17,381
Educational recordings	385,000	395,500	395,500	39,550
UK Royalties	12,278,503	11,383,406	11,232,494	1,137,061
Foreign Royalties	4,716,502	5,561,779	5,391,753	804,545
Totals	16,995,005	16,945,186	16,624,247	1,941,606

Rights Distribution Report	Due to Rights Holders at 28/02/17	Collected on behalf of Rights Holders	Paid to Rights Holders	Transferred to Non-distributable	Due to Rights Holders at 28/02/18
UK Rights agreement	10,929,758	11,775,000	(10,798,007)		11,906,751
BBC Residuals	49,540	118,503	(38,987)		129,056
Educational recordings	395,500	385,000	(395,500)		385,000
UK Royalties	11,374,798	12,278,503	(11,232,494)		12,420,807
Foreign Royalties	8,425,877	4,716,502	(5,391,753)	(45,592)	7,705,034
Foreign Royalties - non-distributable	383,982			45,592	429,574
Totals	20,184,657	16,995,005	(16,624,247)	-	20,555,415

Amounts Due to Rights Holders at 28th February 2018	Collected not yet attributed	Attributed not distributed	Total
UK Rights agreement	10,988,354	918,397	11,906,751
BBC Residuals		129,056	129,056
Educational recordings	385,000		385,000
UK Royalties	11,373,354	1,047,453	12,420,807
Foreign Royalties	6,625,716	1,079,318	7,705,034
Foreign Royalties - non-distributable		429,574	429,574
Totals	17,999,070	2,556,345	20,555,415

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Financial Information on Amounts due to Right Holders.

Analysis by Type of Use - UK

Rights Activity Report	Collected on behalf of Rights Holders	Attributed to Rights Holders	Paid to Rights Holders
UK and International sales	10,436,728	9,642,691	9,483,919
Secondary transmissions	1,227,850	1,128,966	1,125,569
DVD and Video sales	613,925	611,750	623,006
Totals	12,278,503	11,383,406	11,232,494

Rights Distribution Report	Due to Right Holders at 28/02/17	Collected on behalf of Right Holders	Paid to Right Holders	Due to Right Holders at 28/02/18
UK and International sales	9,590,953	10,436,728	(9,483,919)	10,543,761
Secondary transmissions	1,229,281	1,227,850	(1,125,569)	1,331,562
DVD and Video sales	554,565	613,925	(623,006)	545,483
Totals	11,374,798	12,278,503	(11,232,494)	12,420,807

Analysis of Amounts Due to Rights Holders at 28th February 2018	Collected not yet attributed	Attributed not distributed	Non-distributable	Total
UK and International sales	9,667,351	843,249	n/a	10,510,600
Secondary transmissions	1,137,335	184,926	n/a	1,322,261
DVD and Video sales	568,668	19,278	n/a	587,946
Totals	11,373,354	1,047,453	n/a	12,420,807

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Financial Information on Amounts due to Right Holders.

Analysis by Type of Use – Foreign

Rights Activity Report	Collected on behalf of Right Holders	Attributed to Right Holders	Paid to Right Holders
Private Copying, Cable, Video and Online Television, Cinema & Public Performance	3,035,699	2,917,888	2,780,147
Educational Recording	78,972	307,565	304,966
Other / Not yet attributed	1,366,220	63,605	104,180
Totals	4,716,502	5,561,779	5,391,753

Rights Distribution Report	Due to Right Holders at 28/02/17	Collected on behalf of Right Holders	Paid to Right Holders	Due to Right Holders at 28/02/18
Private Copying, Cable, Video and Online Television, Cinema & Public Performance	5,048,164	3,035,699	(2,780,147)	5,303,717
Educational Recording	366,378	78,972	(304,966)	140,384
Other / Not yet attributed	621,347	1,366,220	(104,180)	1,883,387
Totals	8,809,859	4,716,502	(5,391,753)	8,134,608

Analysis of Amounts Due to Rights Holders at 28th February 2018	Collected not yet attributed	Attributed not distributed	Non-distributable	Total
Private Copying, Cable, Video and Online Television, Cinema & Public Performance	4,436,344	730,551	136,821	5,303,717
Educational Recording	689,582	117,404	135	807,121
Other / Not yet attributed	78,801	40,333	21,249	140,384
Totals	1,420,988	191,030	271,369	1,883,387
Totals	6,625,716	1,079,319	429,574	8,134,608

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Financial Information on amounts due to right holders

Analysis by Year of Receipt

Analysis of amounts collected not yet attributed by year of receipt					
Financial year ended	UK Rights agreement	BBC Residuals	Educational recordings	Foreign	Total
28.02.18	8,962,500		385,000	4,525,385	13,872,885
28.02.17	1,125,259			514,914	1,640,173
29.02.16	899,217			332,974	1,232,191
28.02.15	(99)			372,604	372,505
28.02.14	116			69,688	69,805
28.02.13	35			130,680	130,715
28.02.12	28			60,229	60,257
28.02.11	(505)			596,406	595,901
28.02.10 and prior	1,803			22,836	24,639
Totals	10,988,354		385,000	6,625,716	17,999,070

Analysis of amounts attributed not yet distributed by year of receipt						
Financial year ended	UK Rights agreement	BBC Residuals	Educational recordings	Foreign	Non-distributable	Total
28.02.18		129,056		414,252		543,308
28.02.17	646,697			159,680		806,377
29.02.16	269,127			143,417		412,544
28.02.15	24,707			105,596		130,303
28.02.14	4,387			71,814		76,202
28.02.13	(18,181)			80,102		61,921
28.02.12	(12,563)			18,144		5,581
28.02.11	(3,362)			16,121	50,619	63,378
28.02.10 and prior	7,585			70,193	378,954	456,732
Totals	918,397	129,056		1,079,319	429,574	2,556,345

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Financial Information on amounts due to right holders

Analysis of Amounts received from Foreign Collecting Societies

Society	Amount
ASDACS - Australia	6,150
VG BILD-KUNST - Germany	1,193,555
COPYSWEDE - Sweden	193,390
DACS - Argentina	2,270
DAMA - Spain	213,019
DGA - USA	47,138
DILIA - Czech Republic	31,145
DRCC - Canada	3,208
FILMJUS - Hungary	154,576
KOPIOSTO - Finland	78,972
LATGA-A - Lithuania	7,246
LITA - Slovakia	15,240
NORWACO - Norway	118,339
SACD - France	491,944
SCAM - France	2,312
SGAE - Spain	38,518
SIAE - Italy	711,057
SPA - Portugal	10,987
SSA - Switzerland	654
SUISSIMAGE - Switzerland	421,130
VDFS - Austria	13,661
VEVAM - Netherlands	613,309
ZAPA - Poland	348,683
Total	<u>4,716,502</u>

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PAYMENTS TO AND REMUNERATION OF BOARD OF DIRECTORS

The royalties and other benefits received by right holder directors of Directors UK during the financial year were as follows:

Payments to Board Members	Total Royalties	Daily Allowances & Expenses
Steve Smith	38,755	2,087
Bill Anderson	23,453	1,128
Philippa Collie Cousins	116	2,547
Susanna White	29,198	14
Ed Bye	11,434	
Nic Guttridge	1,559	
Dan Zeff	16,077	
Otto Bathurst	17,606	
Illy Hill	70	639
Karen Kelly	1,466	3,026
Lotus Hannon		407
Michael Omer (executor for Marylin Fox estate)		268
Toral Dixit	836	
Jessica Hobbs	12,707	
Darcia Martin	11,356	
Geoff Posner	1,419	
Ashok Prasad	1,495	260
Anna Thomson	5,746	
Paul Unwin	13,811	
David Lean	8,499	
Beryl Richards	3,619	
Delyth Thomas	4,213	2,708
Iain Softley	19,853	
Menhaj Huda	3,173	
Piers Haggard	1,701	
Richard Max	2,456	
Suri Krishnamma	4,300	300
Tom Roberts	45	89
	<u>234,963</u>	<u>13,474</u>

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The remuneration and other benefits received by staff directors were as follows:

Salaries	236,475
National insurance	30,381
Pension costs	14,890
Medical insurance	1,727
Expenses	<u>16,277</u>
Total	<u>299,750</u>

INDEPENDENT CHARTERED ACCOUNTANTS' REVIEW REPORT TO DIRECTORS UK LIMITED

To the directors of Directors UK Limited

We have performed the procedures agreed with you and appended to the Letter of Engagement dated 30 March 2018 with respect to the Annual Transparency Report ("ATR") of Directors UK Limited for the year ended 28 February 2018. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely for the purpose of your compliance with Regulation 21(2)(b) of the Collective Management of Copyright (EU Directive) Regulations 2016 and are summarised in the guidance provided by the IPO (October 2017) as appended to the Letter of Engagement dated 30 March 2018.

We report our findings as follows:

Based on our review, nothing has come to our attention that causes us to believe that the information included within sections 21.4a, h(i)(ii), i(i)(ii)(iii)(iv)(v)(vi)(vii) and j(i)(ii)(iii)(iv)(v)(vi)(vii) of the Annual Transparency Report (ATR) as at 28 February 2018 is incomplete or misleading, or that the ATR has not been compiled in accordance with the requirements of the Regulations.

We would comment by exception as follows on the work done:

- i. The guidance provided by the IPO requires us to review amounts deducted for the purposes of social, cultural and educational services. This was not possible, as no amounts had been deducted for these purposes. This fact has been disclosed in the ATR.
- ii. The guidance provided by the IPO requires us to agree revenue items to third party documentation, but this was not always possible for foreign revenue items, due to timing delays of documentation provided by the foreign CMO's.
- iii. The guidance provided by the IPO also requires us to verify the allocation of rights revenue between categories of rights managed to 3rd party documentation to ensure they are consistent. Where Directors UK Limited have information to enable them to accurately allocate the information between categories, our review indicates that they have done so. However, where this is not possible – e.g. due to lack of information from 3rd parties upon receipt of funds, this information is presented within the report as "not yet allocated", until further information or a more detailed calculation for the split is available.
- iv. The guidance provided by the IPO requires us to understand and measure distributions against the specific timescales for each distribution type for a sample of distributions. This testing identified two instances where the absence of sufficient reporting by the foreign CMO, resulted in a delay of beyond 6 months on some foreign income being distributed – this is also referred to within the ATR. All other distributions within the sample selected were paid out within the specific timescales.

Although the procedures performed are of an audit nature, they do not constitute a full scope audit or review engagement performed in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland). Accordingly, we do not express any assurance on the annual transparency report for the year ended 28 February 2018.

Had we performed additional procedures or had we performed engagements in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland), other matters might have come to our attention that would have been reported to you.

Use and purpose of our report

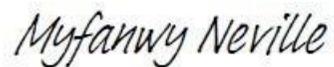
Our Report is prepared solely for the use of Directors UK Limited and solely for the purpose of its compliance with Regulation 21(2) (b) of the Collective Management of Copyright (EU Directive) Regulations 2016. It may not be relied upon by Directors UK Limited for any other purpose whatsoever. Our Report was not prepared for the benefit of any party other than Directors UK Limited. Berg Kaprow Lewis LLP neither owes nor accepts any duty to any other party (including any copyright owner, heirs to copyright owners, agents or licensees) and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our Report.

Directors' Responsibilities

The directors are responsible for the preparation of the Transparency Report, and for being satisfied that it is complete and compliant with the requirements of the Regulations.

The directors are also 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. 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 have undertaken to make available to us as and when required, all the company's accounting records and related financial information, including minutes of management and directors' meetings that we need to do our work.

This includes excerpts from relevant legal documentation, and any other explanations they believe are relevant to enable us to fulfil our responsibilities.



Myfanwy Neville FCA

For and on behalf of

BERG KAPROW LEWIS LLP

Chartered Accountants

London

Income Statement	Rights	Other	
Operating Expenses	Management	Activities	Total
<u>Administration Expenses</u>			
Staff employment costs	701,547	577,193	1,278,740
Staff training and recruitment	15,506	11,728	27,234
Staff welfare	2,486	1,880	4,367
Entertainment	5,357	4,052	9,409
Travel & Subsistence	10,672	8,072	18,744
Printing & stationery	8,042	6,083	14,125
Postage and Couriers	3,731	2,822	6,553
Telephone and Internet	1,729	1,307	3,036
IT and database costs	63,078	47,711	110,789
Trade subscriptions	28,010	21,186	49,196
Charitable donations		50,075	50,075
Legal and professional	32,289	24,423	56,712
Auditors' remuneration	11,820	8,941	20,761
Accountancy fees	6,874	5,199	12,073
Equipment hire / Operating Leases	3,695	2,795	6,490
Bank charges	6,985	5,283	12,268
Foreign exchange	73	55	128
Sundry expenses	13,393	10,130	23,523
Depreciation - office equipment	12,610	9,538	22,148
Depreciation - computer equipment	4,217	3,189	7,406
Depreciation - leasehold property	16,741	12,662	29,403
	948,855	814,325	1,763,180
<u>Establishment expenses</u>			
Rent - operating lease	165,320	125,044	290,364
Rates	48,663	36,807	85,470
Service Charge	18,304	13,844	32,148
Cleaning	5,431	4,108	9,539
Security	1,564	1,183	2,747
Light and heat	(111)	(84)	(195)
Insurances	2,626	1,986	4,612
Repairs and maintenance	915	692	1,607
	242,711	183,581	426,292
<u>Communications, Campaigns & Public Affairs</u>			
Marketing & PR		18,265	18,265
Campaign costs		52,252	52,252
		70,517	70,517
<u>Membership Services</u>			
Training and mentoring - Skillset		138,356	138,356
Meetings & Events		50,879	50,879
Training and Skills		48,869	48,869
AGM, EGM Festival and Conference costs	48,298	36,531	84,829
	48,298	274,635	322,933

CASH FLOW STATEMENT

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Cash flows from operating activities

(Loss)/profit for the financial year 10,580

Adjustments for:

Depreciation of tangible assets 58,957

Loss on disposal of tangible assets

Interest paid 215

Interest received (225,410)

Taxation charge 6,170

(Increase) in debtors (165,083)

Increase in creditors 552,141

Corporation tax received/(paid) (170)

Net cash generated from operating activities 237,400

Cash flows from investing activities

Purchase of tangible fixed assets (48,206)

Interest received 225,410

Net cash from investing activities 177,204

Net cash from investing activities

Interest paid (215)

Net cash used in financing activities (215)

Net increase in cash and cash equivalents 414,389

Cash and cash equivalents at beginning of year 20,546,985

Cash and cash equivalents at the end of year 20,961,374

Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand 20,961,374

Bank overdrafts -

20,961,374