



ANNUAL TRANSPARENCY REPORT

2022-2023

DIRECTORS UK LIMITED

ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2023

INTRODUCTION

This report has been compiled in accordance with the requirements 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 2023, in compliance with these regulations. Further information about Directors UK including the Annual Report, Financial Statements and Director's Report for the financial year 2022/23 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 8,000 registered right holders and over 2,400 full and associate 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 three 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 is a director.

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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 producers and from European collecting societies.

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 offers three levels of membership:

- Full membership - open to directors with a principal director credit on a broadcast UK television programme or commercially distributed and screened feature film. Full members pay an annual subscription and are permanently registered on our distribution schemes for any potential payments. They also become contributing members with access to all our member benefits and services.
- Distribution-only membership - for those with a principal director credit on a broadcast UK television programme, or commercially distributed and screened feature film (as above). These members choose to pay a one-off registration fee to become permanently registered for payments through our distribution schemes. They pay no annual subscription but don't have access to any of our other member benefits or services.
- Associate membership - open to those with professional audio-visual director credits that are not currently covered by our distribution schemes. Associate members pay an annual subscription to become a contributing member with access to a range of member benefits and services.

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 annual payments 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.

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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:

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

Under the 2019 Directors Rights Agreement Directors UK receives separate payments for Tier 1 repeat transmissions and Tier 2 secondary sales. The amounts available for distribution each year are allocated between these categories according to the Tier 1 and Tier 2 collections. The total amount received for sales is sub-allocated on the following ratio: UK and International Sales – at least 98% and DVD and Video Sales - up to 2%.

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.

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International 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 twenty five 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 originating from other collective management organisations are distributed directly to right holders.

The company does not collect royalties on behalf of overseas right-holders 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 (International)

To be paid any amounts due to them, the director (right-holder) must be registered with either Directors UK or 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 non-distributable. During the three year period, Directors UK will take all necessary measures to track down the right holder. If a director becomes a member of Directors UK (or a sister CMO) after the three-year time limit, they may still be able to recover payments from Directors UK under the provisions of governing law at that time.

Payments that have been declared as 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.

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At 28th February 2023, an amount of £552,103 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 - International payments received from various overseas collecting societies.
- July - Supplementary UK payments covering secondary use in earlier years and educational recordings royalties received during the previous year.
- September / October - International payments received from various overseas 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 international sourced payments is delayed beyond six months after receipt for objective reasons such as the absence of sufficient reporting by the overseas society which has submitted the revenue on the works, the authors and/or the uses.

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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.

One off registration fees of £70 plus VAT are also deducted from:

- initial distributions to those right holders who elect to join as distribution-only members
- 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.

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.

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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 full and associate members.

The costs of the Communications, Campaigns and 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 2022/23. 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 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 2023****FINANCIAL STATEMENTS AND ANNUAL REPORT**

A summary of income and expenditures during the financial year ended 28th February 2023, 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.

Income and Expenditure Account	Year ended 28th February 2023		
	Rights Management	Other Activities	Total
TURNOVER			
Management fee income	2,359,371		2,359,371
Membership scheme income		285,051	285,051
	2,359,371	285,051	2,644,422
OTHER OPERATING INCOME			
Screen Skills income		57,696	57,696
Other income	30,000		30,000
Transfer from non-distributable funds	90,725		90,725
Interest receivable	330,996		330,996
	2,811,092	342,747	3,153,839
LESS: OPERATING EXPENSES			
Administration expenses	(1,720,933)	(915,649)	(2,636,582)
Establishment expenses	(203,786)	(98,440)	(302,226)
Communications, Campaigns & Public Affairs	(33,152)	(42,548)	(75,700)
Membership Services	(1,608)	(143,214)	(144,822)
	(1,959,479)	(1,199,851)	(3,159,330)
Surplus / (Deficit) before tax	851,613	(857,104)	(5,491)
Tax (charge) / credit	(161,806)	157,018	(4,788)
Surplus / (Deficit) after tax	689,807	(700,086)	(10,279)

The total operating expenses of £3,159,330 represent 16% of the total rights amounts of £20,336,644 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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ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2023

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	13,327,636	11,866,618	11,685,800	1,168,423
BBC Residuals	350,741	350,741	139,477	52,611
Educational recordings	330,750	430,500	430,500	43,050
UK Royalties	14,009,127	12,647,859	12,255,777	1,264,084
Foreign Royalties	6,327,517	7,523,617	7,364,245	1,083,928
Registration fees				11,359
Totals	20,336,644	20,171,476	19,620,022	2,359,371

Rights Distribution Report	Due to Rights Holders at 28/02/22	Collected on behalf of Rights Holders	Paid to Rights Holders	Transferred to Non-distributable	Non-distributable utilised	Due to Rights Holders at 28/02/23
UK Rights agreement	10,275,820	13,327,636	(11,685,800)			11,917,656
BBC Residuals	88,788	350,741	(139,477)			300,052
Educational recordings	549,500	330,750	(430,500)			449,750
UK Royalties	10,914,108	14,009,127	(12,255,777)			12,667,458
Foreign Royalties	9,712,970	6,327,517	(7,364,245)	(159,783)		8,516,459
Foreign Royalties - non distributable	483,045			159,783	(90,725)	552,103
Totals	21,110,123	20,336,644	(19,620,022)	-	(90,725)	21,736,020

Amounts Due to Rights Holders at 28th February 2023	Collected not yet attributed	Attributed not distributed	Total
UK Rights agreement	10,541,359	1,376,297	11,917,656
BBC Residuals		300,052	300,052
Educational recordings	449,750		449,750
UK Royalties	10,991,109	1,676,349	12,667,458
Foreign Royalties	6,036,157	2,480,302	8,516,459
Foreign Royalties - non distributable		552,103	552,103
Totals	17,027,266	4,708,754	21,736,020

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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	Mgmt fees on Rights paid
UK and International sales	9,736,825	8,684,127	8,362,767	874,833
Secondary transmissions	4,087,500	3,907,238	3,834,612	383,412
DVD and Video sales	184,802	56,494	58,398	5,839
Totals	14,009,127	12,647,859	12,255,777	1,264,084

Rights Distribution Report	Due to Rights Holders at 28/02/22	Collected on behalf of Right Holders	Paid to Right Holders	Due to Rights Holders at 28/02/23
UK and International sales	6,460,386	9,736,825	(8,362,767)	7,834,444
Secondary transmissions	4,453,722	4,087,500	(3,834,612)	4,706,610
DVD and Video sales		184,802	(58,398)	126,404
Totals	10,914,108	14,009,127	(12,255,777)	12,667,458

Amounts Due to Rights Holders at 28th February 2023	Collected not yet attributed	Attributed not distributed	Non-distributable	Total
UK and International sales	6,845,563	988,881	n/a	7,834,444
Secondary transmissions	4,027,456	679,154	n/a	4,706,610
DVD and Video sales	118,090	8,314	n/a	126,404
Totals	10,991,109	1,676,349	n/a	12,667,458

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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	Mgmt fees on Rights paid
Private Copying, Cable, Video and Online	723,652	5,685,313	5,608,654	828,377
Television, Cinema & Public Performance		1,383,566	1,327,819	196,937
Educational Recording	17,351	104,504	104,052	15,494
Other / Not yet attributed	5,586,514	350,234	323,720	43,120
Totals	6,327,517	7,523,617	7,364,245	1,083,928

Rights Distribution Report	Due to Rights Holders at 28/02/22	Collected on behalf of Right Holders	Paid to Right Holders	Non-distributable utilised	Due to Rights Holders at 28/02/23
Private Copying, Cable, Video and Online	7,437,994	723,652	(5,608,654)		2,552,992
Television, Cinema & Public Performance	1,876,249		(1,327,819)		548,430
Educational Recording	138,472	17,351	(104,052)		51,771
Other / Not yet attributed	743,300	5,586,514	(323,720)	(90,725)	5,915,369
Totals	10,196,015	6,327,517	(7,364,245)	(90,725)	9,068,562

Amounts Due to Rights Holders at 28th February 2023	Collected not yet attributed	Attributed not distributed	Non-distributable	Total
Private Copying, Cable, Video and Online	348,515	1,926,017	278,460	2,552,992
Television, Cinema & Public Performance	133,214	391,325	23,891	548,430
Educational Recording		31,783	19,988	51,771
Other / Not yet attributed	5,554,428	131,177	229,764	5,915,369
Totals	6,036,157	2,480,302	552,103	9,068,562

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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
28.02.23	8,229,518		449,750	3,653,097	12,332,365
28.02.22	1,387,975			414,190	1,802,165
29.02.21	931,736			721,641	1,653,377
28.02.20	(7)			296,704	296,697
28.02.19	(25)			323,915	323,890
28.02.18	99			42,919	43,018
29.02.17	(60)			171,973	171,913
28.02.16	13			56,816	56,829
28.02.15 and prior	(7,890)			354,902	347,012
Totals	10,541,359		449,750	6,036,157	17,027,266

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
28.02.23		300,052		691,589		991,641
28.02.22	680,355			666,047		1,346,402
29.02.21	470,014			458,195		928,209
28.02.20	89,956			240,051		330,007
28.02.19	67,082			173,104	60,897	301,083
28.02.18	26,767			82,480	68,037	177,284
29.02.17	11,252			52,229	44,773	108,254
28.02.16	19,368			25,335	61,515	106,218
28.02.15 and prior	11,503			91,272	316,881	419,656
Totals	1,376,297	300,052		2,480,302	552,103	4,708,754

DIRECTORS UK LIMITED**ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2023**

Amounts received from Foreign Collecting Societies

Amounts received from Foreign CMO's during the period ended 28/02/23	Amount
AIPA - Slovenia	12,952
ASDACS - Australia	3,088
VG BILD-KUNST - Germany	877,978
COPYDAN - Denmark	9,261
COPYSWEDE - Sweden	100,775
DACS - Argentina	38,715
DAMA - Spain	446,605
DGA - USA	76,963
DHFR - Croatia	151,950
DILIA - Czech Republic	86,492
FILMJUS - Hungary	66,506
KOPIOSTO - Finland	232,063
LATGA-A - Lithuania	11,191
LITA - Slovakia	10,808
NORWACO - Norway	90,614
SACD - France (dramatic works)	420,492
SCAM - France (factual works)	190,346
SGAE - Spain	1,207
SIAE - Italy	1,153,189
SPA - Portugal	30,328
SSA - Switzerland.	1,338
SUISSIMAGE - Switzerland	475,221
VDFS - Austria	58,985
VEVAM - Netherlands	1,481,131
ZAPA - Poland	299,319
Total	6,327,517

DIRECTORS UK LIMITED**ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2023****Management fees derived from distributions of funds originally collected from Foreign Collecting Societies**

Source CMO	Gross Distribution	Management fees deducted
ASDACS - Australia	2,663	266
VG BILD-KUNST - Germany	632,874	93,032
COPYDAN - Denmark	25,822	3,802
COPYSWEDE - Sweden	131,137	19,278
DAMA - Spain	691,713	103,113
DGA - USA	100,467	10,047
DHFR - Croatia	688,819	103,265
DILIA - Czech Republic	29,246	4,309
FILMJUS - Hungary	1,761	199
KOPIOSTO - Finland	278,600	41,634
LATGA-A - Lithuania	8,287	1,241
LITA - Slovakia	14,801	2,223
NORWACO - Norway	137,583	20,244
SACD - France (dramatic works)	691,983	101,321
SCAM - France (factual works)	60,578	8,853
SGAE - Spain	16,622	2,183
SIAE - Italy	1,232,849	183,740
SUISSIMAGE - Switzerland	423,136	62,274
VDFS - Austria	39,684	5,927
VEVAM - Netherlands	1,699,503	249,754
ZAPA - Poland	453,534	66,503
Returns and other	2,583	720
Total	7,364,245	1,083,928

DIRECTORS UK LIMITED**ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2023**

Payments to and Remuneration of Board Directors

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

Name	Royalties	Fees	Expenses
A Dankwa	2,069	5,200	
A L Evans		5,200	
J Hawes	22,086	12,000	
Z Hines	1,126	5,200	70
J M Hobbs	22,594	5,200	
A Jacob	5,842	5,200	805
A Kalymnios	5,061	5,200	
K Kelly	936	20,000	3,449
A Krishnan Tatparanandam	1,731	3,900	
E Russell (beneficiary K Russell estate)	1,921	5,200	
C Saunders		5,200	
D A Stones (independent)		10,000	
A Thomson	3,521	12,000	127
T Toumazis (independent)		25,833	213
	66,886	125,333	4,664

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

Salaries	276,467
Pension costs	17,607
Medical Insurance	6,873
Expenses	7,496
Total	<u>308,443</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 26 May 2022 with respect to the Annual Transparency Report ("ATR") of Directors UK Limited for the year ended 28 February 2023. 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 26 May 2022.

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), j(i)(ii)(iii)(iv)(v)(vi)(vii) and k(i)(ii)(iii)(iv) of the Annual Transparency Report (ATR) as at 28 February 2023 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.

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 2023.

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.

Ian Saunderson

Ian Saunderson FCA

For and on behalf of

BKL Audit LLP

Chartered Accountants

London

Date: 12/05/2023

Income Statement	Rights	Other	
Operating Expenses	Management	Activities	Total
<u>Administration Expenses</u>			
Employment costs	1,261,425	643,608	1,905,033
Recruitment fees	32,027	15,471	47,498
Staff training	2,291	1,107	3,398
Entertainment	1,950	942	2,892
Staff welfare	9,104	4,397	13,501
Hotels, travel and subsistence	13,534	6,538	20,072
Non-executive directors' fees	73,481	35,495	108,976
Printing & stationery	2,423	1,170	3,593
Postage and Couriers	336	162	498
Telephone and Internet	5,147	2,487	7,634
IT costs	66,878	32,306	99,184
Trade subscriptions	66,327	32,040	98,367
Charitable donations		50,075	50,075
Legal and professional	74,616	36,044	110,660
Auditors' remuneration	19,622	9,478	29,100
Consultancy	32,900	15,893	48,793
Equipment hire / Operating Leases	2,957	1,429	4,386
Bank charges	9,628	4,651	14,279
Sundry expenses	1,948	941	2,889
Depreciation - office equipment	5,535	2,673	8,208
Depreciation - computer equipment	8,557	4,133	12,690
Depreciation - leasehold property	30,246	14,610	44,856
	1,720,933	915,649	2,636,582
<u>Establishment expenses</u>			
Rent - operating lease	122,512	59,180	181,692
Rates	43,046	20,794	63,840
Service Charge	16,569	8,004	24,573
Cleaning	5,437	2,627	8,064
Security	4,123	1,991	6,114
Light and heat	2,696	1,302	3,998
Insurances	4,303	2,078	6,381
Sundry establishment expenses	1,947	941	2,888
Repairs and maintenance	2,144	1,036	3,180
Dilapidations	1,009	487	1,496
	203,786	98,440	302,226
<u>Communications, Campaigns & Public Affairs</u>			
Marketing & PR		3,785	3,785
Campaign costs		22,749	22,749
Website	3,334	1,610	4,944
Website content, live streaming and development	29,818	14,404	44,222
	33,152	42,548	75,700
<u>Membership Services</u>			
Meetings & Events		13,840	13,840
Screen Skills Costs		93,452	93,452
Training and Skills		35,145	35,145
AGM, Festival and Conference costs	1,608	777	2,385
	1,608	143,214	144,822
Total Operating Expenses	1,959,479	1,199,851	3,159,330

CASH FLOW STATEMENT		£
Cash flows from operating activities		
Profit / (Loss) for the financial year		(10,279)
Adjustments for:		
Depreciation of tangible assets		65,754
Loss on disposal of tangible assets		-
Interest paid		-
Interest received		(330,996)
Taxation charge		4,788
Decrease in debtors		391,583
Increase in creditors		403,040
Corporation tax received/(paid)		-
Net cash inflow from operating activities		<u>523,890</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(18,664)
Interest received		330,996
Net cash from investing activities		<u>312,332</u>
Cash flows from financing activities		
Interest paid		-
Net cash used in financing activities		<u>-</u>
Net increase in cash and cash equivalents		836,222
Cash and cash equivalents at beginning of year		21,698,428
Cash and cash equivalents at the end of year		<u>22,534,650</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand		22,534,650
Bank overdrafts		-
		<u>22,534,650</u>