



# ANNUAL TRANSPARENCY REPORT

## 2021-2022

## **DIRECTORS UK LIMITED**

### **ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28<sup>TH</sup> FEBRUARY 2022**

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#### **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 2022, in compliance with these regulations. Further information about Directors UK including the Annual Report, Financial Statements and Director's Report for the financial year 2021/22 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 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 – 98% and DVD and Video Sales - 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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#### **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 originating from other collective management organisations are distributed directly to right holders.

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 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://directors.uk.com/distribution/distribution-policy#general-policy-on-distribution-foreign> ) 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 2022, an amount of £483,045 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.

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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.

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.

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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 & 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 2021/22. 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 one Director UK Limited board member served as a DCF trustee 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 28<sup>TH</sup> FEBRUARY 2022****FINANCIAL STATEMENTS AND ANNUAL REPORT**

A summary of income and expenditures during the financial year ended 28th February 2022, 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 2022		
	Rights Management	Other Activities	Total
<b>TURNOVER</b>			
Management fee income	2,263,434		2,263,434
Membership scheme income		294,803	294,803
	2,263,434	294,803	2,558,237
<b>OTHER OPERATING INCOME</b>			
Screen Skills income		25,761	25,761
Other income	30,208		30,208
Transfer from non-distributable funds	80,000		80,000
Interest receivable	186,044		186,044
	2,559,686	320,564	2,880,250
<b>LESS: OPERATING EXPENSES</b>			
Administration expenses	(1,327,138)	(1,030,740)	(2,357,878)
Establishment expenses	(191,232)	(117,481)	(308,713)
Communications, Campaigns & Public Affairs		(76,985)	(76,985)
Membership Services	(2,969)	(79,458)	(82,427)
	(1,521,339)	(1,304,664)	(2,826,003)
Surplus / (Deficit) before tax	1,038,347	(984,100)	54,247
Tax (charge) / credit on surplus / deficit	-	-	-
Surplus / (Deficit) after tax	1,038,347	(984,100)	54,247

The total operating expenses of £2,826,003 represent 16% of the total rights amounts of £17,377,891 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**

<b>Rights Activity Report</b>	<b>Collected on behalf of Rights Holders</b>	<b>Attributed to Rights Holders</b>	<b>Paid to Rights Holders</b>	<b>Mgmt fees on Rights paid</b>
UK Rights agreement	10,995,427	10,030,449	10,141,394	1,014,046
BBC Residuals			22,860	
Educational recordings	549,500	412,125	412,125	41,213
UK Royalties	11,544,927	10,442,574	10,576,379	1,055,259
Foreign Royalties	5,832,964	8,372,414	7,987,368	1,194,726
Registration fees				13,450
Totals	17,377,891	18,814,988	18,563,747	2,263,435

<b>Rights Distribution Report</b>	<b>Due to Rights Holders at 28/02/21</b>	<b>Collected on behalf of Rights Holders</b>	<b>Paid to Rights Holders</b>	<b>Transferred to Non-distributable</b>	<b>Non-distributable utilised</b>	<b>Due to Rights Holders at 28/02/22</b>
UK Rights agreement	9,421,782	10,995,427	(10,141,394)			10,275,815
BBC Residuals	111,648		(22,860)			88,788
Educational recordings	412,125	549,500	(412,125)			549,500
UK Royalties	9,945,555	11,544,927	(10,576,379)			10,914,103
Foreign Royalties	11,995,728	5,832,964	(7,987,368)	(128,354)		9,712,970
Foreign Royalties - non distributable	434,691			128,354	(80,000)	483,045
Totals	22,375,974	17,377,891	(18,563,747)	-	(80,000)	21,110,118

<b>Amounts Due to Rights Holders at 28th February 2022</b>	<b>Collected not yet attributed</b>	<b>Attributed not distributed</b>	<b>Total</b>
UK Rights agreement	9,029,600	1,246,215	10,275,815
BBC Residuals		88,788	88,788
Educational recordings	549,500		549,500
UK Royalties	9,579,100	1,335,003	10,914,103
Foreign Royalties	7,232,257	2,480,713	9,712,970
Foreign Royalties - non distributable		483,045	483,045
Totals	16,811,357	4,298,761	21,110,118

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**ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28<sup>TH</sup> FEBRUARY 2022**

**Financial Information on Amounts due to Right Holders.  
Analysis by Type of Use - UK**

<b>Rights Activity Report</b>	<b>Collected on behalf of Rights Holders</b>	<b>Attributed to Rights Holders</b>	<b>Paid to Rights Holders</b>	<b>Mgmt fees on Rights paid</b>
UK and International sales	7,650,018	6,725,236	6,945,736	693,011
Secondary transmissions	3,750,000	3,575,833	3,476,536	346,872
DVD and Video sales	144,909	141,505	154,107	15,376
<b>Totals</b>	<b>11,544,927</b>	<b>10,442,574</b>	<b>10,576,379</b>	<b>1,055,259</b>

<b>Rights Distribution Report</b>	<b>Due to Rights Holders at 28/02/21</b>	<b>Collected on behalf of Right Holders</b>	<b>Paid to Right Holders</b>	<b>Due to Rights Holders at 28/02/22</b>
UK and International sales	5,826,102	7,650,018	(6,945,736)	6,530,384
Secondary transmissions	3,979,819	3,750,000	(3,476,536)	4,253,283
DVD and Video sales	139,634	144,909	(154,107)	130,436
<b>Totals</b>	<b>9,945,555</b>	<b>11,544,927</b>	<b>(10,576,379)</b>	<b>10,914,103</b>

<b>Amounts Due to Rights Holders at 28th February 2022</b>	<b>Collected not yet attributed</b>	<b>Attributed not distributed</b>	<b>Non-distributable</b>	<b>Total</b>
UK and International sales	5,828,855	701,529	n/a	6,530,384
Secondary transmissions	3,630,316	622,967	n/a	4,253,283
DVD and Video sales	119,929	10,507	n/a	130,436
<b>Totals</b>	<b>9,579,100</b>	<b>1,335,003</b>	<b>n/a</b>	<b>10,914,103</b>

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**Financial Information on Amounts due to Right Holders.**

**Analysis by Type of Use – Foreign**

<b>Rights Activity Report</b>	<b>Collected on behalf of Right Holders</b>	<b>Attributed to Right Holders</b>	<b>Paid to Right Holders</b>	<b>Mgmt fees on Rights paid</b>
Private Copying, Cable, Video and Online	1,595,405	6,734,391	6,548,288	982,245
Television, Cinema & Public Performance		1,441,053	1,045,268	156,790
Educational Recording	189,198	89,042	169,808	25,471
Other / Not yet attributed	4,048,361	107,928	224,004	30,220
<b>Totals</b>	<b>5,832,964</b>	<b>8,372,414</b>	<b>7,987,368</b>	<b>1,194,726</b>

<b>Rights Distribution Report</b>	<b>Due to Rights Holders at 28/02/21</b>	<b>Collected on behalf of Right Holders</b>	<b>Paid to Right Holders</b>	<b>Non-distributable utilised</b>	<b>Due to Rights Holders at 28/02/22</b>
Private Copying, Cable, Video and Online	9,055,395	1,595,405	(6,548,288)		4,102,512
Television, Cinema & Public Performance	1,456,431		(1,045,268)		411,163
Educational Recording	222,738	189,198	(169,808)		242,128
Other / Not yet attributed	1,695,855	4,048,361	(224,004)	(80,000)	5,440,212
<b>Totals</b>	<b>12,430,419</b>	<b>5,832,964</b>	<b>(7,987,368)</b>	<b>(80,000)</b>	<b>10,196,015</b>

<b>Amounts Due to Rights Holders at 28th February 2022</b>	<b>Collected not yet attributed</b>	<b>Attributed not distributed</b>	<b>Non-distributable</b>	<b>Total</b>
Private Copying, Cable, Video and Online	1,924,425	1,946,424	231,663	4,102,512
Television, Cinema & Public Performance	42,903	360,253	8,007	411,163
Educational Recording	189,027	31,629	21,472	242,128
Other / Not yet attributed	5,075,902	142,407	221,903	5,440,212
<b>Totals</b>	<b>7,232,257</b>	<b>2,480,713</b>	<b>483,045</b>	<b>10,196,015</b>

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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
28.02.22	7,190,819		549,500	4,074,713	11,815,032
28.02.21	1,192,851			1,152,477	2,345,328
29.02.20	699,384			811,987	1,511,371
28.02.19	(49,794)			555,878	506,084
28.02.18	99			46,752	46,851
28.02.17	(60)			176,988	176,928
29.02.16	13			59,957	59,970
28.02.15	(99)			58,573	58,474
28.02.14 and prior	(3,613)			294,932	291,319
Totals	9,029,600		549,500	7,232,257	16,811,357

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
28.02.22				934,660		934,660
28.02.21	611,535	88,788		583,953		1,284,276
29.02.20	421,194			278,942		700,136
28.02.19	93,271			284,496		377,767
28.02.18	41,870			114,575	50,375	206,820
28.02.17	18,849			74,709	35,112	128,670
29.02.16	24,604			48,010	51,015	123,629
28.02.15	18,090			26,026	50,254	94,370
28.02.14 and prior	16,802			135,342	296,289	448,433
Totals	1,246,215	88,788		2,480,713	483,045	4,298,761

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**Amounts received from Foreign Collecting Societies**

<b>Amounts received from Foreign CMO's during the period ended 28/02/22</b>	<b>Amount</b>
ASDACS - Australia	3,291
VG BILD-KUNST - Germany	933,487
COPYDAN - Denmark	32,722
COPYSWEDE - Sweden	129,200
DAMA - Spain	448,226
DGA - USA	71,720
DHFR - Croatia	286,781
DILIA - Czech Republic	30,174
DRCC - Canada	338
FILMJUS - Hungary	738
KOPIOSTO - Finland	754,254
LATGA-A - Lithuania	7,106
LITA - Slovakia	14,582
NORWACO - Norway	130,545
SACD - France (dramatic works)	517,306
SCAM - France (factual works)	426,485
SGAE - Spain	18,390
SIAE - Italy	304,290
SOCIETY SUISSE	238
SPA	27,380
SUISSIMAGE - Switzerland	394,999
VDFS - Austria	44,011
VEVAM - Netherlands	777,487
ZAPA - Poland	479,214
Total	5,832,964



**DIRECTORS UK LIMITED****ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28<sup>TH</sup> FEBRUARY 2022****Management fees derived from distributions of funds originally collected from Foreign Collecting Societies**

Source CMO	Gross Distribution	Management fees deducted
ASDACS - Australia	3,513	283
VG BILD-KUNST - Germany	1,669,972	250,496
COPYDAN - Denmark	268,636	40,295
COPYSWEDE - Sweden	280,372	42,056
DAMA - Spain	511,047	76,657
DGA - USA	79,419	7,942
DHFR - Croatia	91,444	13,717
DILIA - Czech Republic	117,034	17,555
DRCC - Canada	4,347	435
FILMJUS - Hungary	99,589	14,938
KOPIOSTO - Finland	344,684	51,703
LATGA-A - Lithuania	32,748	4,912
LITA - Slovakia	219,620	32,943
NORWACO - Norway	152,125	22,819
SACD - France (dramatic works)	639,025	95,854
SCAM - France (factual works)	951,878	142,782
SGAE - Spain	76,373	11,456
SIAE - Italy	632,303	94,846
SPA - Portugal	1,764	265
SSA - Switzerland.	4,255	638
SUISSIMAGE - Switzerland	423,169	63,475
VDFS - Austria	178,637	26,796
VEVAM - Netherlands	521,364	78,205
ZAPA - Poland	690,036	103,506
Returns and other	(5,986)	152
Total	7,987,368	1,194,726

**DIRECTORS UK LIMITED****ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28<sup>TH</sup> FEBRUARY 2022**

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**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:

<b>Name</b>	<b>Royalties</b>	<b>Fees</b>	<b>Expenses</b>
W G Anderson	32,734	6,000	
E R M Bye	7,166	2,600	
A Dankwa	502	2,600	
A L Evans		2,600	
J Genesis	3,254	2,600	
N Guttridge	94	2,600	
L P Hannon		2,600	
J Hawes	20,722	4,134	
Z Hines	1,402	2,600	
J M Hobbs	23,399	5,200	
M R Hopkins	194	1,300	
A Jacob	2,372		
A Kalymnios	4,463	2,600	
K Kelly	712	5,938	193
A Tatparanan		2,600	
C V Lalla	824	2,600	
E Russell (beneficiary K Russell estate)	3,688	5,200	
C Saunders		2,600	
S A Smith	21,897	10,000	
D A Stones (independent)		6,283	
A Thomson	3,005	14,196	
S M White	33,663	6,000	
D R Zeff	13,209	5,000	
Associated costs		1,809	
	173,299	99,659	193

**DIRECTORS UK LIMITED**

**ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28<sup>TH</sup> FEBRUARY 2022**

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

Salaries	273,007
Pension costs	16,968
Medical Insurance	3,794
Expenses	<u>1,069</u>
Total	<u>294,838</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 2022. 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 2022 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 2022.

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.

*M Neville*

**Myfanwy Neville FCA**

For and on behalf of

**BKL Audit LLP**

Chartered Accountants

London

Date: 27/05/2022

Income Statement Operating Expenses	Rights Management	Other Activities	Total
<b><u>Administration Expenses</u></b>			
Staff employment costs	1,028,391	783,930	1,812,321
Recruitment fees	1,833	1,126	2,959
Staff training	3,071	1,886	4,957
Entertainment	699	430	1,129
Staff welfare	3,868	2,377	6,245
Hotels, travel and subsistence	7,031	4,320	11,351
Non-executive directors' fees	61,733	37,926	99,659
Printing & stationery	2,272	1,396	3,668
Postage and Couriers	842	518	1,360
Telephone and Internet	3,862	2,373	6,235
Computer costs	53,850	33,083	86,933
Trade subscriptions	48,273	29,656	77,929
Charitable donations		63,275	63,275
Legal and professional	10,759	6,610	17,369
Auditors' remuneration	16,235	9,974	26,209
Consultancy	17,344	10,656	28,000
Equipment hire / Operating Leases	3,546	2,179	5,725
Bank charges	8,496	5,220	13,716
Sundry expenses	928	570	1,498
Depreciation - computer equipment	8,672	5,328	14,000
Depreciation - leasehold property	45,430	27,910	73,340
	<b>1,327,138</b>	<b>1,030,740</b>	<b>2,357,878</b>
<b><u>Establishment expenses</u></b>			
Rent - operating lease	123,825	76,072	199,897
Rates	47,335	29,081	76,416
Service Charge	11,982	7,361	19,343
Cleaning	558	343	900
Security	1,702	1,045	2,747
Light and heat	1,128	693	1,821
Insurances	3,683	2,262	5,945
Repairs and maintenance	92	56	148
Dilapidations	927	569	1,496
	<b>191,232</b>	<b>117,482</b>	<b>308,713</b>
<b><u>Communications, Campaigns &amp; Public Affairs</u></b>			
Marketing & PR		1,488	1,488
Campaign costs		31,711	31,711
Website		6,070	6,070
Website content, live streaming and development		37,716	37,716
		<b>76,985</b>	<b>76,985</b>
<b><u>Membership Services</u></b>			
Meetings & Events		5,874	5,874
Training and mentoring		11,721	11,721
Training and Skills		60,039	60,039
AGM, EGM Festival and Conference costs	2,969	1,824	4,793
	<b>2,969</b>	<b>79,458</b>	<b>82,427</b>
<b>Total Operating Expenses</b>	<b>1,521,339</b>	<b>1,304,665</b>	<b>2,826,003</b>

CASH FLOW STATEMENT		£
<b>Cash flows from operating activities</b>		
Profit / (Loss) for the financial year		54,247
<b>Adjustments for:</b>		
Depreciation of tangible assets		87,340
Loss on disposal of tangible assets		-
Interest paid		-
Interest received		(186,044)
Taxation charge		-
(Increase) in debtors		(370,190)
Decrease in creditors		(1,085,765)
Corporation tax received/(paid)		(12,710)
<b>Net cash outflow from operating activities</b>		<u>(1,513,122)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets		(147,069)
Interest received		186,044
<b>Net cash from investing activities</b>		<u>38,975</u>
<b>Cash flows from financing activities</b>		
Interest paid		-
<b>Net cash used in financing activities</b>		<u>-</u>
<b>Net decrease in cash and cash equivalents</b>		(1,474,147)
Cash and cash equivalents at beginning of year		23,172,575
<b>Cash and cash equivalents at the end of year</b>		<u>21,698,428</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand		21,698,428
Bank overdrafts		-
		<u>21,698,428</u>