

DIRECTORS UK

ANNUAL TRANSPARENCY REPORT
2020-2021

DIRECTORS UK LIMITED

ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2021

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 2021, in compliance with these regulations. Further information about Directors UK including the Annual Report, Financial Statements and Director's Report for the financial year 2020/21 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 7,800 registered right holders and over 2,500 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 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 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 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://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 2021, an amount of £434,691 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 2020/21. 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 eleven.

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 2021****FINANCIAL STATEMENTS AND ANNUAL REPORT**

A summary of income and expenditures during the financial year ended 28th February 2021, 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 2021		
	Rights Management	Other Activities	Total
TURNOVER			
Management fee income	2,106,998		2,106,998
Membership scheme income		309,030	309,030
	<u>2,106,998</u>	<u>309,030</u>	<u>2,416,028</u>
OTHER OPERATING INCOME			
Screen Skills income		19,335	19,335
Other income	47,759	2,033	49,792
Transfer from non-distributable funds	75,000		75,000
Interest receivable	295,801		295,801
	<u>2,525,558</u>	<u>330,398</u>	<u>2,855,956</u>
LESS: OPERATING EXPENSES			
Administration expenses	(1,173,828)	(1,021,353)	(2,195,181)
Establishment expenses	(253,310)	(194,905)	(448,215)
Communications, Campaigns & Public Affairs		(66,965)	(66,965)
Membership Services	(1,444)	(76,334)	(77,778)
	<u>(1,428,582)</u>	<u>(1,359,557)</u>	<u>(2,788,139)</u>
Surplus / (Deficit) before tax	1,096,976	(1,029,159)	67,817
Tax (charge) / credit on surplus / deficit	653,199	(665,909)	(12,710)
Surplus / (Deficit) after tax	<u>1,750,175</u>	<u>(1,695,068)</u>	<u>55,107</u>

The total operating expenses of £2,788,139 represent 16% of the total rights amounts of £17,381,519 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	Management fees deducted from Rights paid
UK Rights agreement	9,361,071	10,380,522	10,132,501	1,013,520
BBC Residuals	54,636	54,636	22,809	8,195
Educational recordings	412,125	409,500	409,500	40,950
UK Royalties	9,827,832	10,844,658	10,564,810	1,062,665
Foreign Royalties	7,553,687	7,547,589	6,923,267	1,026,280
Registration fees				18,053
Totals	17,381,519	18,392,247	17,488,077	2,106,998

Rights Distribution Report	Due to Rights Holders at 29/02/20	Collected on behalf of Rights Holders	Paid to Rights Holders	Transferred to Non-distributable	Non-distributable utilised	Due to Rights Holders at 28/02/21
UK Rights agreement	10,193,212	9,361,071	(10,132,501)			9,421,782
BBC Residuals	79,821	54,636	(22,809)			111,648
Educational recordings	409,500	412,125	(409,500)			412,125
UK Royalties	10,682,533	9,827,832	(10,564,810)			9,945,555
Foreign Royalties	11,393,775	7,553,687	(6,923,267)	(28,467)		11,995,728
Foreign Royalties - non distributable	481,224			28,467	(75,000)	434,691
Totals	22,557,532	17,381,519	(17,488,077)	-	(75,000)	22,375,974

Amounts Due to Rights Holders at 28th February 2021	Collected not yet attributed	Attributed not distributed	Total
UK Rights agreement	8,015,742	1,406,040	9,421,782
BBC Residuals		111,648	111,648
Educational recordings	412,125		412,125
UK Royalties	8,427,867	1,517,688	9,945,555
Foreign Royalties	9,771,707	2,224,021	11,995,728
Foreign Royalties - non distributable		434,691	434,691
Totals	18,199,574	4,176,400	22,375,974

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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	Management fees deducted from Rights paid
UK and International sales	5,965,611	6,916,132	6,937,256	699,817
Secondary transmissions	3,750,000	3,535,563	3,237,434	323,826
DVD and Video sales	112,221	392,963	390,120	39,022
Totals	9,827,832	10,844,658	10,564,810	1,062,665

Rights Distribution Report	Due to Rights Holders at 29/02/20	Collected on behalf of Right Holders	Paid to Right Holders	Due to Rights Holders at 28/02/21
UK and International sales	6,597,891	5,965,611	(6,937,256)	5,626,246
Secondary transmissions	3,643,369	3,750,000	(3,237,434)	4,155,935
DVD and Video sales	441,273	112,221	(390,120)	163,374
Totals	10,682,533	9,827,832	(10,564,810)	9,945,555

Amounts Due to Rights Holders at 28th February 2021	Collected not yet attributed	Attributed not distributed	Non-distributable	Total
UK and International sales	4,662,403	963,843	n/a	5,626,246
Secondary transmissions	3,625,703	530,232	n/a	4,155,935
DVD and Video sales	139,761	23,613	n/a	163,374
Totals	8,427,867	1,517,688	n/a	9,945,555

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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	Management fees deducted from Rights paid
Private Copying, Cable, Video and Online	2,347,024	5,576,771	4,989,437	740,933
Television, Cinema & Public Performance	1,679,613	1,688,112	1,618,822	240,138
Educational Recording	313,211	184,148	177,097	26,507
Other / Not yet attributed	3,213,839	98,558	137,911	18,702
Totals	7,553,687	7,547,589	6,923,267	1,026,280

Rights Distribution Report	Due to Rights Holders at 29/02/20	Collected on behalf of Right Holders	Paid to Right Holders	Non-distributable utilised	Due to Rights Holders at 28/02/21
Private Copying, Cable, Video and Online	7,653,737	2,347,024	(4,989,437)		5,011,324
Television, Cinema & Public Performance	2,391,185	1,679,613	(1,618,822)		2,451,976
Educational Recording	249,379	313,211	(177,097)		385,494
Other / Not yet attributed	1,580,698	3,213,839	(137,911)	(75,000)	4,581,626
Totals	11,874,999	7,553,687	(6,923,267)	(75,000)	12,430,419

Amounts Due to Rights Holders at 28th February 2021	Collected not yet attributed	Attributed not distributed	Non-distributable	Total
Private Copying, Cable, Video and Online	3,138,723	1,659,773	212,829	5,011,324
Television, Cinema & Public Performance	2,080,519	371,317	139	2,451,976
Educational Recording	315,560	44,915	25,018	385,494
Other / Not yet attributed	4,236,905	148,016	196,705	4,581,626
Totals	9,771,707	2,224,021	434,691	12,430,419

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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
28.02.21	6,112,671		412,125	6,909,371	13,434,167
29.02.20	1,001,777			1,173,225	2,175,002
28.02.19	904,955			557,218	1,462,173
28.02.18	99			46,986	47,085
28.02.17	(60)			306,635	306,575
29.02.16	13			258,361	258,374
28.02.15	(99)			63,314	63,215
28.02.14	137			53,885	54,022
28.02.13 and prior	(3,751)			402,712	398,961
Totals	8,015,741	-	412,125	9,771,707	18,199,574

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
28.02.21				872,390		872,390
29.02.20	803,978	111,648		400,530		1,316,156
28.02.19	456,842			365,600		822,442
28.02.18	78,804			183,623		262,427
28.02.17	39,995			119,957		159,952
29.02.16	27,485			110,427		137,911
28.02.15	17,799			38,536		56,335
28.02.14	2,510			20,842	51,180	74,532
28.02.13 and prior	(21,373)			112,115	383,511	474,253
Totals	1,406,040	111,648	-	2,224,021	434,691	4,176,400

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Amounts received from Foreign Collecting Societies

Amounts received from Foreign CMO's during the period ended 28/02/21	Amount
AIPA - Slovenia	303
ASDACS - Australia	3,005
VG BILD-KUNST - Germany	1,344,122
COPYDAN - Denmark	40,995
COPYSWEDE - Sweden	92,020
DAMA - Spain	504,024
DGA - USA	97,411
DHFR - Croatia	171,202
DILIA - Czech Republic	38,430
DRCC - Canada	4,835
FILMJUS - Hungary	27,666
KOPIOSTO - Finland	63,659
LATGA-A - Lithuania	3,727
LITA - Slovakia	31,651
NORWACO - Norway	151,143
SACD - France (dramatic works)	425,554
SCAM - France (factual works)	801,360
SGAE - Spain	10,644
SIAE - Italy	1,618,619
SSA - Switzerland.	6,170
SUISSIMAGE - Switzerland	742,486
VDFS - Austria	66,478
VEVAM - Netherlands	909,793
ZAPA - Poland	398,389
Total	7,553,687

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Management fees derived from distributions of funds originally collected from Foreign Collecting Societies

Source CMO	Gross Distribution	Management fees deducted
ASDACS - Australia	3,322	332
VG BILD-KUNST - Germany	865,294	129,251
COPYDAN - Denmark	74,462	11,081
COPYSWEDE - Sweden	168,945	25,114
DAMA - Spain	542,830	81,214
DGA - USA	38,109	3,797
DHFR - Croatia	12,486	1,862
DILIA - Czech Republic	30,739	4,524
FILMJUS - Hungary	68,210	10,200
KOPIOSTO - Finland	63,705	9,552
LATGA-A - Lithuania	10,030	1,502
LITA - Slovakia	1,680	218
NORWACO - Norway	160,352	23,949
SACD - France (dramatic works)	1,278,263	189,775
SCAM - France (factual works)	136,769	20,504
SGAE - Spain	42,944	6,005
SIAE - Italy	1,044,665	155,399
SSA - Switzerland.	1,954	293
SUISSIMAGE - Switzerland	397,146	59,333
VDFS - Austria	55,500	8,294
VEVAM - Netherlands	1,348,081	198,544
ZAPA - Poland	570,443	84,287
Other	7,338	1,250
Total	6,923,267	1,026,280

DIRECTORS UK LIMITED**ANNUAL TRANSPARENCY REPORT - FINANCIAL YEAR ENDED 28TH FEBRUARY 2021**

Payments to and Remuneration of Board Directors

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

Name	Royalties	Fees	Expenses
W G Anderson	27,455	12,000	84
E R M Bye	8,015	5,200	
J Genesis	1,666	3,900	
N Guttridge	799	5,200	
L P Hannon	-	5,200	
J M Hobbs	26,279	5,200	
R Hopkins	209	5,200	228
C V Lalla	248	3,900	
E Russell (beneficiary K Russell estate)	2,317	3,120	
S A Smith	34,919	20,000	
D A Stones (independent)	-	3,120	
A Thomson	2,210	12,000	
S M White	20,604	12,000	
D R Zeff	11,799	10,000	
Associated costs		3,409	
	136,519	109,449	312

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

Salaries	259,591
Pension costs	13,258
Medical Insurance	875
Expenses	<u>34</u>
Total	<u>273,756</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 2021. 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), j(i)(ii)(iii)(iv)(v)(vi)(vii) and k(i)(ii)(iii)(iv) of the Annual Transparency Report (ATR) as at 28 February 2021 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 2021.

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

BERG KAPROW LEWIS LLP

Chartered Accountants

London

Date: Jun 14, 2021

Income Statement	Rights	Other	
Operating Expenses	Management	Activities	Total
<u>Administration Expenses</u>			
Staff employment costs	921,875	752,417	1,674,291
Staff training and recruitment	4,435	3,412	7,847
Staff welfare	3,721	2,863	6,585
Entertainment	153	118	271
Travel & Subsistence	285	219	504
Non-executive directors' fees	61,855	47,594	109,449
Printing & stationery	2,897	2,229	5,126
Postage and Couriers	717	552	1,269
Telephone and Internet	4,173	3,211	7,384
IT and database costs	49,611	38,173	87,784
Trade subscriptions	44,047	33,892	77,939
Charitable donations		75,075	75,075
Legal and professional	4,538	3,492	8,031
Auditors' remuneration	13,281	10,219	23,500
Equipment hire / Operating Leases	7,232	5,565	12,796
Bank charges	7,639	5,878	13,518
Sundry expenses	9,327	7,176	16,503
Depreciation - office equipment	3,256	2,505	5,761
Depreciation - computer equipment	16,554	12,738	29,292
Depreciation - leasehold property	18,229	14,026	32,256
	1,173,828	1,021,353	2,195,181
<u>Establishment expenses</u>			
Rent - operating lease	164,100	126,264	290,364
Rates	53,359	41,056	94,415
Service Charge	22,831	17,567	40,397
Cleaning	2,818	2,168	4,986
Security	1,747	1,344	3,091
Light and heat	1,497	1,152	2,649
Insurances	3,651	2,809	6,459
Repairs and maintenance	372	286	659
Dilapidations	2,935	2,259	5,194
	253,310	194,905	448,215
<u>Communications, Campaigns & Public Affairs</u>			
Marketing & PR		561	561
Campaign costs		24,765	24,765
Website		5,999	5,999
Website content, live streaming and development		35,640	35,640
		66,965	66,965
<u>Membership Services</u>			
Meetings & Events		7,735	7,735
Training and mentoring		26,997	26,997
Training and Skills		40,491	40,491
AGM, EGM Festival and Conference costs	1,444	1,111	2,555
	1,444	76,334	77,778
Total Operating Expenses	1,428,582	1,359,557	2,788,139

CASH FLOW STATEMENT		£
Cash flows from operating activities		
Profit / (Loss) for the financial year		55,107
Adjustments for:		
Depreciation of tangible assets		67,308
Loss on disposal of tangible assets		-
Interest paid		-
Interest received		(295,801)
Taxation charge		12,710
(Increase) in debtors		357,634
Decrease in creditors		(160,427)
Corporation tax received/(paid)		(19,293)
Net cash outflow from operating activities		<u>17,238</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(25,685)
Interest received		295,801
Net cash from investing activities		<u>270,116</u>
Cash flows from financing activities		
Interest paid		-
Net cash used in financing activities		<u>-</u>
Net decrease in cash and cash equivalents		287,354
Cash and cash equivalents at beginning of year		22,885,221
Cash and cash equivalents at the end of year		<u>23,172,575</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand		23,172,575
Bank overdrafts		-
		<u>23,172,575</u>