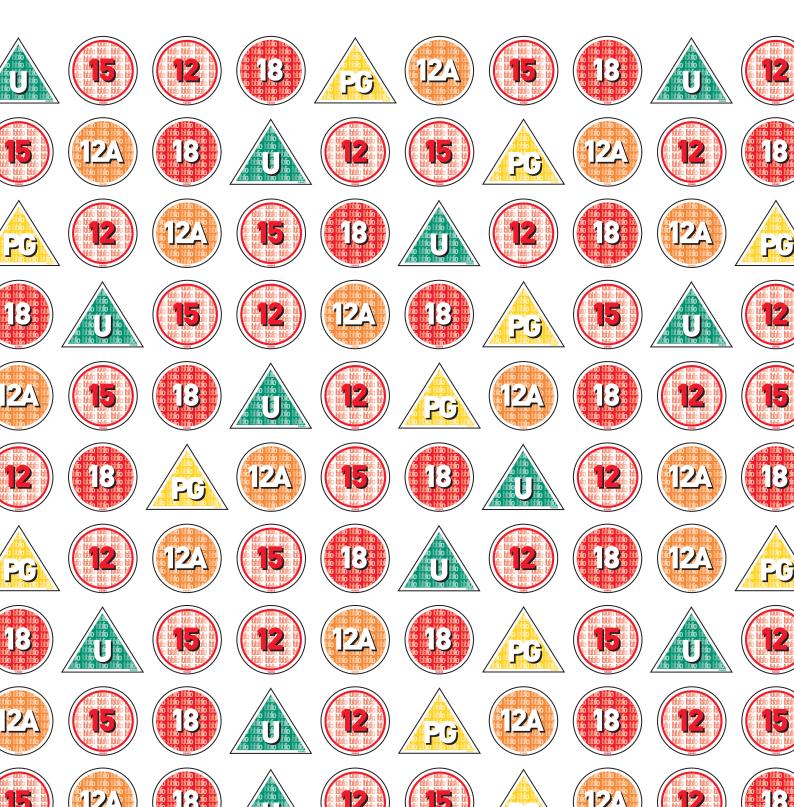
Annual report and accounts 2018



British Board of Film Classification Annual Report and Accounts

1 January 2018 – 31 December 2018

Presented to Parliament pursuant to Section 6(2) of the Video Recordings Act 1984

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President's introduction

The classification of cinema and physical home entertainment content remains at the heart of what we do. However, as more viewing shifts online, there is increasing public demand for a trusted guide to help people choose content that is right for them and their families and avoid content that is not. The strongest demand comes from teenagers, who are the most avid viewers of films and series online. We sought the views of over 1,000 teenagers during a major public consultation we carried out in 2018. Ninety five percent of them told us that they wanted consistent age ratings online and offline. They want, and need, the same ratings that exist in cinemas and on DVDs to apply on VOD platforms. It is our duty to meet this demand.

So, once again in 2018 child online safety and protection has been a major area of concern for us.

Bringing offline protections online

Since 2008, the BBFC has been at the forefront of working to promote initiatives that help bring offline protections online, in accordance with public expectations. These voluntary initiatives have proved positive, contributing to child protection in the online space. The BBFC now rates content for release on online platforms, including Netflix and Amazon. We are also the content regulator for the UK's mobile networks, ensuring that over the last five years hundreds of millions of websites are filtered according to BBFC standards.

This broad objective of offline and online parity of protection was also reflected in the Government's formal Response to its Consultation on the Internet Safety Strategy, published in May. We fully support the objectives set out by Government in this space.

Both offline and online, the BBFC has unparalleled experience in considering questions of harmful content for minors. For example, the BBFC's regulatory experience in taking account of mental health issues relating to young and vulnerable people in its classification decisions across websites and other audio-visual material is second to none and was highlighted by



Government in 2018. In this area, the BBFC draws on expert advice in order to do this, for example working in partnership with the Samaritans, on assessing risk around depictions of suicide.

In partnership with other regulators and with industry during 2018, we continued to develop new, scalable classification methods that are able to bring offline protections online. For example, the BBFC's You Rate It tool (YouRI), developed in partnership with the Dutch regulator NICAM and with cooperation from colleagues in Italy and Ireland, is able to provide age ratings for user-generated content (UGC) on online videosharing platform services through a simple questionnaire, designed to be completed by those uploading videos onto a platform, or by the crowd, or by both. It can then potentially be linked to parental controls and could assist the Government's determination to make social media, in particular, safer for children online. Looking forward, the BBFC will remain committed to working with others - Government, fellow regulators, industry, children's charities – to contribute to helping achieve the objective of making the internet a safer place for British children. Two specific areas where the BBFC is principally well-skilled and able to contribute include:

 defining and assessing ageinappropriate, potentially harmful and illegal content and ensuring that such content is labelled and can be filtered or have parental controls linked to it

Patrick Swaffer -

President

 establishing and regulating ageverification beyond pornography, including on a granular level, to help online media platforms enforce their own terms and conditions

BBFC designated as Ageverification Regulator

In February 2018, the BBFC was designated as the Age-verification Regulator under the Digital Economy Act 2017 because of our expertise online and in relation to adult content. By the end of the year, following a public consultation, our Guidance on Age-verification Arrangements and Ancillary Service Providers was approved by Parliament. This guidance will ensure that robust age-verification standards will have to be met by online commercial pornographic services. It is a considerable step forward, which will not only stop young children from stumbling across content on adult websites, but also support the educational efforts which have an important role to play in also protecting children in the online space.

The BBFC continues to work closely with other organisations whose primary aims are the protection and education of children. In particular with the children's charities sector, meeting collectively to ensure our shared objectives are aligned and

President's introduction

to update on age-verification and the Digital Economy Act. A focus on age verification in other areas has already been highlighted by children's charities, as a potentially important contributing factor to better protect children online.

In 2018, we also worked closely with the PSHE Association, developing, and achieving accreditation for, a Key Stage 2 educational resource which has been sent to well over 500 schools since it was launched. Bevond this, the BBFC's dedicated Education Team spoke to almost 10,000 people, primarily children and young people and their teachers from across the UK to help guide children in particular to make viewing choices that are right for them. 60% of our audience during 2018 were secondary age, 25% primary, 7% University, 3% adult public and 1% filmmakers, with adults working in the UK film industry and home educated children making up the rest. This face-to-face contact is in addition to the significant educational resources we provide online.

Age labelling and parental controls online

In July 2018, the Minister for Digital and the Creative Industries, Margot James MP, commissioned the BBFC and our colleagues at the Video Standards Council (VSC) to look at the current state of age labelling and parental controls online for video and video game content. We and the VSC were asked to identify areas for improvement that would better meet the Government's key commitment of making the UK the safest place in the world for users to be online, in particular by protecting young people and the vulnerable. As part of this process, the BBFC and the VSC sought evidence of what users of VOD services and online games platforms say they need in order to have the confidence to make informed choices for their families. The BBFC and the VSC commissioned joint quantitative research to find out the latest thinking from parents about age labelling and parental controls where video-on-demand (VOD) and video game content is made available. The research surveyed

over 1,200 parents of children aged 3-17 who use VOD services and nearly 600 children aged 10-17 who use VOD services. It also surveyed 800 parents of children aged 3-7 and nearly 450 children aged 10-17 who say they buy online games.

Although the response from industry demonstrated a commitment to provide the type of information that their customers require, it is clear that more can be done, with the public survey highlighting a demand for greater coverage of age ratings online and for those age ratings to come from a recognised and trusted source. In particular, almost 80% of parents are concerned about children seeing inappropriate content on VOD platforms, 89% of parents believe VOD content should always carry age ratings, 92% of parents think it is important for VOD platforms to show the same type of ratings they would expect at the cinema or on DVD/ Blu-ray, and 94% of parents think it's important to have consistent ratings across all VOD platforms, rather than a variety of bespoke systems. The parallel survey about online games painted a similar picture. These figures were very close indeed to the findings of the BBFC's Classification Guidelines, which David discusses in his report.

In response to these findings, and as we go into 2019, the BBFC and VSC will work with Government to provide industry with best-practice recommendations for voluntary age labelling and parental controls to allow services to work with both bodies towards more consistent application of age labelling between online and offline content. The Minister, Margot James, has joined calls for consistent BBFC age labelling to be used across all VOD services. The BBFC will continue to work with industry to support these objectives and, at Government's request, review industry's progress.

Hails and Farewells

It has been a year of significant change in the Presidential team.

Alison Hastings and Gerard Lemos, my Vice Presidents since I was appointed, have both stepped down, their period of office having come to an end. I want to express my thanks to them both for their support, hard work and the insight and good sense they brought to the classification of difficult material. During their time at the BBFC they have overseen and actively encouraged the development of our work to protect children and provide families with trusted advice. This is reflected particularly in our online regulatory partnerships and our designation as the Age-verification Regulator.

I should like to welcome as our new Vice Presidents Murphy Cobbing and Lord Kamlesh Patel. Their combined skills and experience mean that the BBFC will continue to be provided with the support and expertise needed to effectively carry out its important work and develop new and innovative models to support initiatives to ensure child online safety and protection.



Lord Kamlesh Patel - Vice President



Murphy Cobbing - Vice President

Chief Executive's report

I am delighted to present the 2018 BBFC Annual Report and Accounts.

In a fast evolving media landscape, the BBFC's core mission continues to be to help families and young people choose films, videos and websites that are right for them. Whenever, wherever and however they view them. Whether they are viewing content at the cinema, on DVD, on streaming platforms or on websites.

Across 2018 we have built on the work of previous years, and developed new initiatives that we will take into 2019, including by making a significant contribution to Government's objective of making the UK the safest place for children to be online.

Asking people across the UK what they need

In order to ensure that we are able to fulfil our mission, we need public trust. How we classify content must be in line with what people expect.

So, every four to five years through a large-scale consultation, we speak to around 10,000 people, adults and teenagers, across the length and breadth of the UK. We ask them how they want us to classify issues such as violence, discrimination, self harm, suicide and sex in films and videos and on websites. We then turn what people tell us into Classification Guidelines that reflect the needs and expectations of UK viewers.

During 2018, we carried out our most recent consultation, our fifth in 20 years. We ran 32 focus groups across the UK, including in Scotland, Wales and Northern Ireland. Those focus groups saw parents and teenagers discussing the films that had generated the most feedback to the BBFC over the previous five years, as well as films that had raised challenging or unusual classification issues. The films considered ranged across the classification categories, from Minions to Fifty Shades of Grey. We also conducted over 5,000 online interviews with the general public, nearly 2,000 face-to-face interviews with regular film viewers, and 1,000 interviews with teenagers. We additionally invited feedback from around 1,700 users of the BBFC's website and app. In total, over 10,000 people contributed to the research that resulted in the publication of new Classification Guidelines in January 2019.

The research not only looked at attitudes towards individual decisions made by the BBFC but also at what people are watching, how and where they're watching it, and what kinds of information they need to help them make informed viewing decisions for their families.

Reassuringly, 97% of the public believe audiences benefit from having age ratings, 83% of parents trust BBFC ratings all or most of the time and 92% of film viewers agree with the age ratings of films they have seen recently. Over nine in 10 people recognise and understand the BBFC's main age ratings from U to 18. But what the research also highlights is the shift towards downloading and streaming as the main mode of film viewing. For many people, this shift is making it more challenging for audiences to find the recognised and trusted BBFC ratings they expect. 91% of people say it's important to have the same kind of age ratings online that they would expect to see at the cinema or on DVD, with that figure rising to 95% among teenagers. While the increase in the range of content available online has many positive benefits for consumers, the inconsistent manner in which ratings are currently being used and displayed on many online platforms is leading to confusion and concern about what viewers, and children in particular, might encounter when they use a downloading or streaming service. While many sections of the industry have made significant steps towards increasing the display of trusted and recognised ratings, we look forward to working closely with VOD providers during 2019 to find cost effective and practical methods of increasing coverage of BBFC ratings and providing their customers with the information they need.

It was reassuring to learn that, in nearly every case, viewers are content with the existing Classification Guidelines and with the decisions we make using them. Nonetheless, it became evident during the 2018 research that there is heightened public concern about sexual violence, an area the BBFC already approaches with far greater caution than many other ratings bodies. People told us that sexual violence should have its own section within the Guidelines, rather than being dealt with under 'Violence'. People also told us that the stronger forms of sexual violence, including



David Austin -Chief Executive

Chief Executive's report

rape, should not be shown at all at 12A/12 and should only be shown at 15 provided the depiction is not detailed or prolonged. People also told us that any sexual threat or abusive behaviour must be brief at 12A/12 and should not be strong or sustained at 15. We have adjusted the Guidelines to reflect these clear and widespread public concerns.

While sexual violence was undoubtedly the stand-out issue that arose during the 2018 consultation, there were also concerns about the manner in which pornographic references have crept into mainstream culture and how appropriate this is for viewers below 18. The new Guidelines make it clear that frequent crude sex references, particularly those that borrow from pornography, will not be permissible below 18. By contrast, focus groups endorsed our approach of treating scenes of violence and threat less restrictively where the context is fantastical, unreal or where it would be expected because of the genre of the film - for example in a Bond or Bourne film. However, violence should be treated more restrictively where it occurs in a recognisable real world setting that makes viewers think "this could happen to me". The focus groups also endorsed the less restrictive approach to strong nudity at 15 that we have been operating since the previous public consultation and endorsed the changes we made to our policy on strong and very strong language in trailers at the 15 level.

Building technology infrastructure for a fast and efficient service to industry

In last year's report, I highlighted the work we began in 2017 to transform our existing technology infrastructure and systems to ensure the most effective, efficient and reliable service to all our customers. As a result of the work we carried out during 2018, we remain on course not only to deliver a quicker, more user-friendly service to our broad customer base, but also to develop new tools, including machine learning and AI, to best serve industry in the interests of providing consumers, and parents in particular, with the age ratings they trust.

This will be the greatest single transformation of the BBFC's systems in our history. It is a multi-millionpound project. We will fund it entirely from our reserves. We will not pass any of the costs on to our customers. During 2015-2017 in particular we generated an operating surplus to invest directly in this ambitious and transformational project that will offer real and significant benefit to industry.

During 2018 we invested £473,000 in this project. This sizable investment has had a considerable impact on our Statement of Comprehensive Income account during the year. We anticipate a loss in 2019 as a result of even greater investment in what is a vital and hugely exciting project.

In parallel with this project, providing an efficient service to industry remained a key priority for the BBFC during 2018. I am pleased to report that the year saw us deliver record low turnaround times to our customers. Video turnaround time, from receipt of submission to delivery of the category decision, averaged 6.2 calendar days. This is 22.5% lower than the eight-day business target. Similarly, film turnaround was 1.3 calendar days, 57% below the three-day business target.

Regulation of online commercial pornography to protect children from harmful content

Patrick refers to The Digital Economy Act 2017 in his President's Introduction. In February we were designated the Age-verification Regulator under Part 3 of this ground breaking child protection legislation.

The Digital Economy Act requires online commercial pornographic services, no matter where in the world they are based, to carry controls which mean it is not normally possible for children to access commercial pornographic content. In practice, this means that commercial adult websites and apps will have to carry effective ageverification controls. We know from research which has been carried out in the UK that young children are most commonly first exposed to pornography online without intending to see it. The requirements under the Digital Economy Act will stop young children inadvertently stumbling across pornographic websites and will contribute significantly to making the UK a safer place for children to be online.

We have worked closely with the age-verification industry to ensure clear understanding of the requirements under our Guidance on Age-verification Arrangements. Working with industry we have seen new solutions that will provide consumers with choice while maintaining a robust age-verification check to protect children. We have seen costs substantially reduced to help remove potential barriers to adoption.

Working with Government and the Information Commissioner's Office, and a third party auditor, we are developing the Age-verification Certificate for age-verification providers. This scheme will hold age-verification providers to high standards on privacy and data security and help ensure that consumers will be able to use ageverification online with confidence. We will be rolling out the certification function in 2019 before the law comes into force. Although it is a voluntary certification, all the known providers of age-verification services to the online adult industry have told us that they will seek to secure the certificate.

We have worked closely with the adult industry to make sure they understand what their obligations are under the new law, and I am optimistic that we will see high levels of compliance. Where we find noncompliance, Parliament has given us effective tools to address breaches of the new law. These include asking payment service providers to withdraw their services from noncompliant companies and requiring Internet Service Providers to block non-compliant websites altogether.

This new law will come into force in 2019. The eyes of the world are watching to see the impact that it has. Concern about children accessing pornography online, and the potential harms which come from

Chief Executive's report

this exposure, are not unique to the UK. Consequently, we do not expect to be the only country taking positive steps to address the problem. I know that age-verification for online pornography will have a real, positive impact and help make children safer online.

I believe that age-verification has wider benefits in the online space as well. We are supporting the Government's Internet Safety Strategy, and are working with Government, by helping understanding of age-verification arrangements and the possibilities that this innovative industry can bring to, for example, the social media environment.

Broadening presence of BBFC classifications online

Building on the VOD work Patrick refers to in his President's introduction, one example of what best practice could look like is the BBFC's on going collaboration with Netflix. During 2018, we classified around 60% of Netflix's UK platform (including all Netflix Original content). This content carries BBFC age ratings and ratings info. However, we and Netflix are committed to achieving 100% coverage of BBFC ratings and advice across the Netflix platform.

In 2019, the BBFC and Netflix will launch a pilot that will ultimately permit Netflix to self-rate films and series under licence from the BBFC. We will set the classification standards, enshrined in our Classification Guidelines and incorporated into algorithms created by Netflix. Netflix will identify any issues present in the film or series, and generate BBFC ratings and ratings information. We will audit Netflix's work to ensure that BBFC standards are being accurately maintained.

By partnering with Netflix in this way, UK consumers will benefit from a single, trusted set of classifications and ratings symbols across the entirety of the UK's biggest streaming service. We hope that others will follow Netflix's lead and provide comprehensive, trusted, well understood age ratings and ratings info, consistent with film and DVD, on their UK platforms. This may be by means of other self-rating tools that the BBFC is developing and testing with industry.

This is not where the BBFC's innovation and forward-looking attitude ends. We continue to evolve our You Rate It tool for crowdsourced ratings for user-generated content on video-sharing platforms. In 2019 we will have an updated version for industry to trial, making it possible to provide ratings for the vast amounts of content produced on platforms catering to user-generated content.

I am immensely proud of the work my team is doing here at the BBFC. Innovations such as our partnership with Netflix demonstrate how we can find solutions in a fast-changing media landscape, to ensure that the UK public, and parents in particular, benefit from a trusted guide that provides well-understood content ratings to help them choose well and to make the online space safer for our children.

Accountability

We are accountable to both the public and Parliament. We take this accountability seriously. This Annual Report is a key part of our fulfilment of this requirement and provides a review of our activities and classification decisions during 2018 as well as information about our financial position as required by law.

All our previous Annual Reports are available on our website and placed in the libraries of both Houses of Parliament.

We provide people, especially parents, with detailed and accessible information about the films and videos we classify, which we call ratings info. This is an essential element of our function and accountability. We publish this information on our websites and free app. This vital service means that parents, children, families and individuals can view what's right for them, at the cinema, online and at home.



Ratings info and resources

Helping viewers make informed decisions

Our first priority is to help children and families choose well. We publish detailed information about the content we classify, which we call ratings info. It's a helpful guide, particularly for parents, that gives a summary of how and why we gave a film or video its age rating. Ratings info appears on the black card shown on the cinema screen before a film starts. You will also see it on film posters, listings and DVD packaging, and on some video-on-demand (VoD) services, such as Netflix. We publish a longer, fuller version on our website and app.

Families can engage younger children in the decision-making process by using our website for children (cbbfc.co.uk). We publish ratings info specifically tailored to younger audiences for films classified at U, PG and 12A.

In order to reflect how people watch and consume content more broadly, we are extending the use of our trusted age ratings beyond our statutory responsibilities for classifying films shown in UK cinemas and released on DVD and Blu-ray. This includes classifying for VoD services and music videos online, as well as helping Mobile Network Operators set parental controls at the right level.

In 2018 the BBFC education team launched our first primary school resource, *Let's Watch a Film! Making choices about what to watch.* Aimed at Key Stage 2 learners, and accredited by the PSHE Association, the lesson plans help pupils develop the tools to make the best choices about what to watch, when and where.

We are also setting the standards for how the adult industry will age-verify people accessing online pornography, helping protect children from this potentially harmful content online as well as offline.

Working closely with the film and digital industries and with educators and organisations dedicated to children's welfare, we are continually evolving the guidance we offer, and are increasingly able to make a bigger difference in helping everyone – children, families and adults – choose well.



PSHE Teacher Resources









Feedback from the public

Public feedback is important to us and we respond to every email and letter we receive. Feedback helps shape the large-scale public consultations carried out at each review of our Classification Guidelines.

In 2018 we received 364 complaints covering 101 films and 67 complaints covering 24 trailers. The majority of these were from people who had attended the cinema or viewed films at home. However, we also received a number of complaints inspired by news reports, online blogs and organised campaigns.

Red Sparrow attracted 64

complaints. All correspondents felt that we should have classified the film at 18 instead of 15 because of elements of violence and sexual violence in the film. During postproduction we advised the film company that an 18 was likely but that they could achieve their preferred 15 by making reductions in one scene of strong sadistic and sexual violence. The film company made reductions and we classified the film 15. There are also some scenes of sexual violence. In each case characters interrupt or prevent the attack, beating or killing the assailant. Given the lack of aggravating factors such as strong nudity and eroticisation in these scenes, they are permissible at 15.

Fifty people contacted us about Peter Rabbit, a film featuring animated rabbits and based on the stories of Beatrix Potter. Four people complained about violence and upsetting scenes but the majority complained about a scene in which the rabbits pelt their adversary, an adult man, with fruit in order to defend themselves from his attack and provoke an allergic reaction. Complainants felt that this was unacceptable at PG because it might be emulated by children. We received complaints about the allergic reaction before the film was released in the UK in response to press coverage that started in the US. We received no complaints about this scene after the film was released.

The scene in question does not feature any bullying but is instead part of an ongoing battle between the rabbits and the owner of a vegetable garden. The pelting with fruit is simply one of the ploys the rabbits use in order to overcome their nemesis in response to his attempts to trap them, electrocute them, drown them and blow them up.

A Northern Soul is a British documentary in which a man attempts to make a positive impact on the lives of children in his

community by touring with a hip hop bus. We classified the film 15 because of around 20 uses of strong language.

While the language in the film is not used aggressively or sexually, our research suggests that a significant proportion of parents are concerned about the normalisation of such language in films. The language in *A Northern Soul*, is used casually in conversations, across a relatively short feature (75 minutes), with no particular justification.

Three people wrote to us complaining about the 15 rating for *A Northern Soul* feeling a 12A would be more appropriate. We received 45 postcards protesting the 15 rating; however, these had been created and handed out to cinema goers by the filmmakers at screenings and do not provide an accurate representation of broad public opinion.

Kaala is a Tamil-language drama which we classified 12A. 43 people emailed us to complain about the film's release. The complaints were not about the rating of the film itself but seemed to object to the actions of the film makers. They were all worded identically and were clearly part of an organised online campaign.

Show Dogs is classified PG. It is an action comedy in which a police Rottweiler goes undercover at a dog show. As part of the operation he is required to let the judges inspect his genitals in a manner that is not uncommon in dog shows. The character is reluctant but is encouraged to go to his 'happy place' to get through the experience.

Thirty-one people wrote in to us echoing claims made in blogs that the scene might lower children's resistance to predators who wish to inappropriately touch them. However, the scene is comic, innocent and non-sexual in nature and occurs within the fantastical context of a film about anthropomorphised canines. In a similar vein to *Peter Rabbit* the complaints regarding *Show Dogs* predominantly stopped once the film had been released in cinemas.

We received 18 complaints about a PG-rated trailer for the film *Love*, *Simon*. The trailer covers teenage relationships and features some implied kissing and references to being in love. All complainants took issue with the discussion of sex and teenage relationships in the trailer but 11 took particular issue with the fact that the character is gay, believing the depiction of gay relationships to be inappropriate at the PG level.

We apply BBFC guidelines to the same standard regardless of sexual orientation and so classified the trailer PG.



1 Red Sparrow (15)

Feedback from the public



Ready Player One received ten complaints with correspondents focusing on infrequent strong language at 12A and some moments of horror. We have permitted infrequent strong language at 12 since we introduced the rating in 1989 and at 12A since we introduced that rating in 2002 and so the use of strong language is well precedented and within the guidelines at 12A. There are also moments of horror reconstructing scenes and characters from *The Shining*. These moments take place within the virtual reality world of the film where the characters' real-world counterparts suffer no lasting harm. Although *The Shining* is rated 15, in the science fiction context of *Ready Player One*, which features robots and alien creatures, we could permit this brief section of moderate horror at 12A.

Jurassic World: Fallen Kingdom

received six complaints, chiefly regarding very young children being brought to the 12A screenings.

Six people complained about *Venom*, which is rated 15. Complainants were disappointed they or their children would be unable to see the film. Horror sequences include alien organisms entering people's bodies, causing their limbs to distort and their bones to crack. While we do allow some gory moments at 12A, the moments of 'body horror' in *Venom* are too strong for 12A and we classified it 15.



2 Venom (15)

3 Ready Player One (12A)

Education outreach

In 2018 we launched an engagement strategy making 'choosing well' and positive choices around viewing the focus of all our education work. Other priorities include ensuring our education resources are relevant and easily available and that our goals of being on the side of children, young people and their parents, and working closely with education and industry partners, are met.

Working with the PSHE Association, we created an accredited primary school resource. Aimed at Key Stage 2. the free lesson plans, entitled Let's watch a film! Making choices about what to watch, encourage resilience by exploring how and why we have rules and regulations, how age ratings work and where to find them, and how children navigate media entertainment at home, in cinema, and particularly online. More than 500 UK schools have downloaded it so far. Teachers described the lessons as engaging. pacy and interactive, saying they will help develop pupils' risk-assessment, decision-making and assertiveness skills and help them to share strategies for dealing with pressure to 'watch material they are unsure of'.

A targeted marketing campaign to primary school head teachers and PSHE leads allowed us to promote our other children's BBFC resources, including our website for children, CBBFC, creating an uplift in demand.

Talking directly to children, teenagers and adults remained fundamental to our outreach work and in 2018 we spoke to 9,986 people. Most of these were face-to-face meetings, and included 145 education sessions, 95 of which were external visits. We travelled the length and breadth of the UK including Wigan, Norwich, Folkestone, Southampton, Harrow,

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Uxbridge, Preston, Warwick, Daventry, Guildford, Hackney, Cardiff, Belfast, Bognor, Edinburgh, Leicester, Stirling, Swansea and Truro working with BFI Film Academies. We also made a return visit to the Evelina Children's Hospital School in London.

Our Head of Education visited Dublin in May, presenting at a full-day event with the Irish Film Classification Office. Alongside comparing classification standards and history in both countries, it was a useful opportunity to swap creative best practice for student engagement.

We delivered 46 in-house seminars and 3 Skype sessions from our Soho offices. Overall, 60% of our audience are secondary school pupils, 25% primary school pupils, 7% university students, 3% adult public and 1% film makers, with adults working in the UK film industry and home-educated children making up the rest.

During the 2018 Into Film Festival we gave 22 talks (in 19 locations) speaking to large audiences about films and age ratings, as well as hosting seminars on Marvel films, documentaries and horror cinema. We produced a short film to play in front of all festival screenings, emphasising our role in helping audiences choose what's right for them whatever, wherever and however they watch.

We also worked with Into Film's nationwide Youth Advisory Council, feeding their views into the planning stages of the guidelines consultation.



New audiences included over 280 teachers at the PSHE annual conferences in London and Leeds, sharing insights into children's media consumption, and teachers at the London Connected Learning Centre, where we led a session on online regulation including VoD titles and music videos. We also attended a university symposium in Warwick on the children's film, *Watership Down*.

Our Head of Education featured in a film for the V&A Museum's special exhibition 'Censored! Stage, Screen, Society at 50', which ran from July 2018.

We work with teachers to ensure our resources reflect areas of interest and study. We published case studies on exam texts *I, Daniel Blake* and *Straight Outta Compton*, as well as the often-referenced *Human Centipede* films. We also wrote a detailed resource on the high-profile Netflix series *13 Reasons Why*, uploaded to coincide with the release of the second series, after questions from teenagers, parents and teachers about the strong depictions of suicide and the scenes of sexual violence.

Our student survey is now in its eighth iteration and in 2018 we also surveyed teachers who attended our education events. Of those that use our resources, 63% use our case studies, 37% the student guide and 47% the classroom poster. 100% told us they show clips from online sources in class and most (68%) would appreciate more guidance on age ratings and suitability for material available online. All would recommend our seminars to other teachers.

1 13 Reasons Why (18)

Age-verification

The UK Government introduced the Digital Economy Act 2017 (DEA) as part of their commitment to make the UK the safest place for children to be online. This groundbreaking piece of child protection legislation will mean that all online commercial pornography services, chiefly websites and Apps, accessible in the UK are required to carry ageverification controls to prevent children from accessing or stumbling across pornographic content. The Act also gives the BBFC the power to block sites that make extreme pornography, as defined by the Criminal Justice and Immigration Act 2008, available in the UK. The Government will decide a date for entry into force in 2019.

In February 2018, the UK Government appointed us as the Age-verification Regulator under Part 3 of the DEA because of our experience in online regulation and our expertise in classifying pornographic content.

Our research demonstrates that the new regime will have a significant child protection impact. In November 2018, we surveyed 200 of the most visited adult websites and found 82% offered no form of barrier to prevent access by under 18s. Of those that did, 89% allowed age confirmation with just the click of a button, e.g. 'I am over 18 years old'. None of the sites surveyed would be compliant with the DEA, which requires robust age-verification controls. We carried out research with YouGov in December 2018 which showed that 88% of parents with children aged 7-17 agree that there should be robust age-verification controls to prevent children from accessing pornography online.

As the Age-verification Regulator we are required to produce Guidance on Age-verification Arrangements and Guidance on Ancillary Service Providers (ASPs). We held a public consultation on both pieces of draft guidance in April and May 2018. There were 624 responses in total: 584 from individuals and 40 from organisations. We received a number of supportive responses from the age-verification industry and children's charities including the NSPCC, Barnardo's and the PSHE Association. After analysing the responses, we made a number of changes to our guidance, including clarification on a number of technical points on age-verification standards and to our approach to ASPs. The Guidance was laid in Parliament in October 2018, and debated and approved by Parliament in December 2018.

If we find an online commercial pornographic service fails to carry the necessary age-verification controls, or carries extreme pornography as defined by the Criminal Justice and Immigration Act 2008, we will take enforcement action against it. Under the DEA, we have a range of enforcement powers including:

- requesting ASPs (those businesses who facilitate and support access to the pornographic service) to withdraw their services. This might include search engines, such as Google, social media platforms, such as Twitter and Facebook, and advertisers.
- requesting Payment Service Providers (PSPs), such as MasterCard and Visa, to withdraw their services. If an online service does business using MasterCard and Visa, then we can enforce the withdrawal of services on a global scale.
- requiring Internet Service Providers (ISPs) (both home broadband and mobile) to block access to those services that do not carry ageverification controls or that carry extreme pornography.

We are working with children's charities, ASPs, PSPs and ISPs to ensure that the regime is effective and proportionate. We have also engaged with the adult industry to explain the new age-verification requirements and enforcement powers and we are confident of a high level of compliance.

In our role as the Age-verification Regulator we have a responsibility to continue to conduct research to measure the effectiveness of the new regime and identify any changes in behaviour. We also have an obligation to report to the Secretary of State for Digital, Culture, Media and Sport within 12-18 months of entry into force on the effectiveness and impact of the implementation of the regime and on any improvements and technological changes.

We are also working with the ageverification industry to ensure that viable and effective means of ageverifying UK consumers are available to the adult industry and acceptable to the public. To encourage good practice and high standards of privacy and data security, in 2019 we will launch a voluntary, non-statutory BBFC certification scheme for ageverification providers. The scheme has support from the age-verification industry, the Department for Digital, Culture, Media and Sport and the Information Commissioner's Office. We appointed cyber security firm NCC Group to design the framework for the voluntary BBFC certification scheme and carry out the first assessments of age-verification providers. Age-verification providers which pass the NCC assessment will then be awarded a certification by us.

We look forward to the introduction of this new regime in 2019 which will, without any doubt, improve child protection from potentially harmful material online.

Non-statutory content: trusted and understood age ratings however people view content

Since our inception in 1912, we have worked with industry to provide rating services to help children and families choose content that is right for them.

This work continues, and it now spans a variety of content consumed outside of the realm of cinema and packaged media with which we are traditionally associated. This includes the classification of feature and episodic content for use on VoD services, age ratings to allow users of YouTube and Vevo to understand the suitability of UK music videos, and providing frameworks for the UK Mobile Network Operators (MNOs) to ensure their customers can control the strength of material they, and their children, have access to.

Helping video-on-demand services use our age ratings

2018 marked ten years since we began to work with the home entertainment industry to extend the use of our trusted statutory classifications for packaged media to burgeoning VoD services. Viewing habits continue to change, with a significant shift away from DVD, Blu-ray and traditional scheduled television broadcasts in the living room, to on-the-go viewing of on-demand content and catch-up TV on smartphones and tablets.

Our Digital Video Service Licensing Scheme continues to support this shift by offering VoD services a formal mechanism to use any existing BBFC home entertainment classification on their service. This allows the UK public to make viewing decisions based on the same classification standards they are used to when they go to the cinema or buy a DVD or Blu-ray.

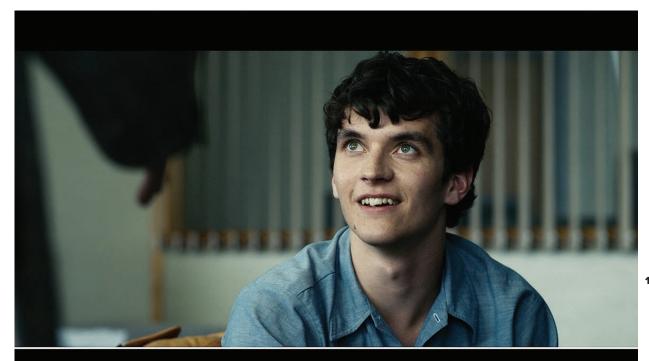
In 2018, the scheme enables anyone offering professional digital video content to use BBFC age ratings and ratings info, and provided services to ensure that the correct age ratings are displayed, as well as advice on how to implement age labelling and parental controls effectively.

In 2018 we licensed 24 different services, ranging from leading

subscription VoD platforms such as Netflix and Amazon Prime Video, to popular transactional services for buying and renting film and episodic content, including iTunes Store, Google Play, Rakuten TV and our newest licensee, Sky Store.

We also continue to offer voluntary classification services to help the industry make its ratings available for the large volumes of content that now bypass traditional cinema and packaged media release, instead premiering online.

Our flexible and cost-effective Watch & Rate classification product allows services such as Amazon Prime Video to make original episodic content such as *Jack Ryan, Homecoming, The Grand Tour* and *The Marvelous Mrs Maisel* available to their customers with trusted age ratings. All Netflix Originals, from 2018's *Bird Box, Roma* and *You* to the interactive *Black Mirror: Bandersnatch*, also carry BBFC ratings upon release.



1 Black Mirror: Bandersnatch (15)

ACCEPT

REFUSE

Non-statutory content: trusted and understood age ratings however people view content

The demand for original content on services such as these drove the total amount of content viewed by us to grow by 3.6% in 2018, to just under 12,500 hours. This comprises 5,533 titles viewed for an online-only age rating, an increase of 55.2%. The success of this voluntary age rating service, now in its eighth year, demonstrates the value that content owners and video platforms hold in helping their customers to choose content safely.

Mobile Network Operators

During 2018, on a best-practice, voluntary basis, we continued to regulate commercial and internet content delivered by the UK's MNOs under our Classification Framework. which defines content unsuitable for customers under the age of 18. In addition, we maintain an additional Classification Framework specifically for EE network customers, who wish to set filter levels to 'Strict'. This Framework outlines content that is unsuitable for children under the age of 12 and is based on our guidelines for PG. To ensure that the system is accountable and transparent, we offer a free appeals procedure that is open to all, the results of which we publish in full every quarter on our website.

In 2018, we adjudicated on 34 websites. These requests came from website owners, members of the public and the MNOs themselves. Examples of requests for adjudications came from: websites offering burlesque lessons; websites selling Cannabidol products; an online fashion retailer selling outdoor headwear; a political blog; a further education website; and a forum for an air rifle club. In all these cases, we found no content which we determined to be suitable for adults only. MNOs removed filters from these sites.

We found that nine of the websites we were asked to adjudicate on were correctly placed behind adult filters. These included: a digital archive which featured explicit images of sexual activity, in a website which retailed products intended to help consumers test illegal drugs for purity; and a website belonging to a far-right group that includes discriminatory attitudes to religious groups. The MNOs maintained filters on these sites.

We also considered the 34 adjudications under the EE 'Strict' Classification Framework. We considered nine to be unsuitable for children under the age of 12 on the grounds of strong language, violent content, strong sex references (including references to pornography), and other suggestive material. EE maintained or imposed filters on the nine sites.

Providing age ratings for UK music videos

The voluntary classification initiatives detailed in this section, and other content throughout our Annual Report, broadly exist to help parents easily navigate the fast changing and complex digital landscape with their children. We also work with the music industry to allow UK-signed artists to make their music videos available on YouTube and Vevo with trusted BBFC age ratings.

In 2018 Vevo mostly closed its standalone services, but it lives on as a brand accompanying most artists' official channels on YouTube. During 2018 we classified 51 new release music videos for online use. Although down from a peak of 101 in 2015, the number was equal to those classified in 2017. We classified no music videos submitted in the last twelve months at the PG or 18 categories. We passed two at U, 24 at 12, and 25 at 15.

Participation in this scheme remains voluntary for the music labels, and we continue to evolve our services to make it as easy as possible for the music industry to support the classification of online music videos. We will continue to work with Government and to engage with record labels both in the UK and the US to promote the scheme and encourage take-up.

Enforcement

The Video Recordings Act 1984 requires that each video title supplied on DVD, Blu-ray or any other physical format in the UK be classified by the BBFC, unless it is exempt from classification. We assist Trading Standards Officers and the police by providing Certificates of Evidence in respect of seized films. In 2018, we provided evidence on 72 titles. In June, we hosted an exhibition stand at the annual Chartered Trading Standards Institute symposium. This promoted our services and provided the opportunity to discuss a range of matters with Trading Standards Officers and other stakeholders.

Research

In 2018, we undertook our fifth largescale public consultation exercise into our Classification Guidelines. The consultation ensures that the guidelines, which inform our classification decisions, continue to reflect public opinion.

Covering nearly the whole of 2018, the consultation included both qualitative and quantitative phases. We listened to 32 focus groups, including teenagers, which took place across the UK, in Scotland, Wales, Northern Ireland and England.

We conducted over 5,000 interviews online, nearly 2,000 face-to-face interviews with regular film viewers and more than 1,000 interviews with teenagers, and we received over 1,700 responses to a survey on our website. In total, over 10,000 people contributed to our research. Their views inform the new BBFC Classification Guidelines which will be in use from the end of February 2019. Key findings from our guidelines research include: 97% of the general public believe audiences benefit from having age ratings; 91% of the public and 95% of teenagers, specifically, say it is important to have consistent age ratings on online platforms; over 90% of people recognise each of our age rating symbols; 83% of parents trust BBFC ratings 'all or most' of the time; 92% of film viewers agree with the age ratings of films they have seen recently.

Sexual violence is the main concern for all audiences surveyed. There is a clear view that the stronger forms of sexual violence, including rape, should not be depicted at 12A/12. At 15 depictions of the strongest forms of sexual violence should be neither detailed nor prolonged. Sexual threat was also a concern. At 12A it should be brief. At 15, sexual threat should not be strong or sustained. Where sexual violence occurs in a credible real-world setting, the concern is heightened. The same is true where there is a focus on the victim being overpowered, or a strong

emphasis on their fear and distress, an emphasis on the pleasure of the attacker, or where the depiction is prolonged, detailed or gratuitous.

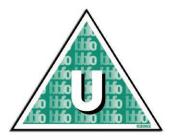
People are also concerned about particularly crude sex references at 15 especially where they borrow language or visuals commonly encountered in pornography.

The research also confirmed that viewers are less concerned by the presentation of issues in contexts that are divorced from reality than they are by the presentation of issues in realistic or relatable contexts. Accordingly, they support the classification of Bond and Bourne films at 12A, where choreographed action violence is seen as both fantastical and expected, but are more cautious about the presentation of issues such as suicide and selfharm that they felt 'could happen to me'.

The new guidelines and full report are available on our website.



- 1 Batti Gul Meter Chalu (PG)
- 2 Hotel Transylvania 3: A Monster Vacation (U)









The U category, which stands for 'Universal', is awarded to films which are generally suitable for audiences aged four years and over. BBFC guidelines state that a U film 'should be within a positive framework and should offer reassuring counterbalances to any violence, threat or horror'. Although U is the lowest category, there may still be elements in the content that we need to consider. This includes issues such as threat, violence, bad language, sex references and dangerous behaviour, as well as wider aspects such as theme and tone.

One of the most common issues at the most junior category is threat,

which we consider carefully. Our guidelines state that at U, 'scary or potentially upsetting sequences should be mild, brief and unlikely to cause any undue anxiety to young children. The outcome should be reassuring.' Mary Poppins Returns is a musical fantasy adventure sequel in which a magical nanny helps a family through a bereavement. It contains a scene in which a child is taken away in a carriage by animated characters. At the end of a perilous pursuit, he wakes up safe in his bed. This reassuring resolution, and the fantastical context, helped ensure that the level of threat does not exceed the 'very mild' category. A bereavement theme is also handled

sensitively, and we classified the film U, with ratings info of 'very mild threat'.

The issue of threat also occurs in Mary and the Witch's Flower, an animated fantasy film in which a young girl is transported to a land of magic after discovering a rare flower. There are scenes in which the young character loses control of her magical broomstick and hurtles towards the ground, as well as sequences involving creatures being transformed through magic potions and spells. Once again, the reassuring resolutions and fantastical context meant that the film is permissible at U, with ratings info of 'very mild threat'.

At the most junior category, fantasy settings and comic tone are a common mitigating factor for violence. Hotel Transylvania 3: A Monster Vacation is an animated comedy sequel in which Dracula and his monster family take a cruise. Amongst other classification issues, there are sequences in which characters suffer grisly mishaps. Any violence is represented unrealistically, including having heavy objects dropped on them and a flare gun being fired in their direction. We passed it U, with ratings info of 'mild scary scenes, slapstick violence, rude humour'.

1 Mary Poppins Returns (U)

2 The Grinch (U)







In the case of *Hotel Transylvania 3: A Monster Vacation*, 'rude humour' refers to scenes in which characters break wind after eating a virulent guacamole. Rude humour is a recurring issue at the junior categories, and other examples occur in *Sherlock Gnomes*, an animated adventure in which a pair of garden gnomes join forces with a detective to find their kidnapped friends. There are scenes in which the audience's attention is drawn to the exposed buttocks of the character Mankini, named after his outfit of choice. In another scene a gnome's trousers fall down and a character exclaims, 'Big hairy bums!' We passed the film U, with ratings info of 'very mild threat, violence, rude humour'.

Although fantasy settings are a mitigating factor, we still consider imitable and dangerous behaviour at the U category. At U, 'potentially dangerous or anti-social behaviour which young children may copy must be clearly disapproved of.' The Little Vampire is an animated fantasy film in which a 13-year-old boy helps a vampire try to save his family from vampire hunters. We initially classified it PG because of a scene in which a child uses electrical apparatus to send an electric charge to an enemy. However, the distributor chose to remove the scene in order to achieve a U classification. We subsequently passed it U, with ratings info of 'mild comic violence, threat, very mild bad language'.

Bad language continues to be an issue of concern for a significant proportion of parents, especially at the more junior classification. The animated comedy *The Grinch* initially contained a use of 'ass', which we categorise as mild bad language, and is likely to confound parental expectations at the lowest classification. In order to obtain a U rating, the distributor chose to remove the term and we ultimately classified it U with ratings info of 'mild



3 Smallfoot (U)

4 The Little Vampire (U)



U Universal

slapstick, very mild bad language'. Similarly, we would have rated the animated comedy *Smallfoot* PG for a use of 'crap', but the distributor chose to replace the offending term and we passed it at U, with ratings info of 'very mild threat, rude humour, language'. A more straightforward classification, at least in terms of language, was *Luis and the Aliens*, which included a use of 'butt head' – considered to be 'very mild bad language' and permitted at U. We also required the distributor to make a cut to the animated feature **A Wizard's Tale** in order to obtain a U age rating. The distributor chose to remove a scene in which characters inhale gaseous substances in a manner that suggests drug misuse.

We also classify content for online distribution for platforms such as Netflix and Amazon in which the same classification standards apply. We passed all episodes in Season 1 of the Netflix animated series **Boss Baby: Back in Business** – a spinoff from the 2017 feature – at U, with classification issues including rude humour, mild comic violence, threat, and very mild bad language. However, some mild bad language meant that we classified some episodes of the second season at PG.



1 A Wizard's Tale (U)

2 Incredibles 2 (PG)







PG Parental Guidance



Content classified PG is generally suitable for children aged eight years and over. PG films may depart from the safe and generally nonthreatening world presented in films classified U, but where there are scary moments they will usually be balanced by elements such as humour or fantasy.

Goosebumps 2: Haunted Halloween

is a horror adventure sequel in which three teens must stop an evil dummy intent on bringing Halloween creatures to life. The scary elements come from a variety of fantasy horror creatures, including a ventriloguist's dummy, witches, skeletons, a werewolf, pumpkins and a giant spider made from balloons. There are extended action sequences in which the heroes fight or flee from creatures. However, these scenes focus on adventure and excitement, broken up by the use of humour and, although the heroes are occasionally scared, the emphasis remains on their resourcefulness, bravery and teamwork which allows the film to be classified at PG, in line with the original feature from 2015. The

ratings info advises of 'frequent scary scenes'.

Mild threat and violence are also elements in *Incredibles 2*, another sequel which follows the animated adventures of a family of superheroes. Scenes of the heroes battling the villains feature kicking and punching, and in one encounter a villain attacks a woman with a cattle prod. However, the action is set in a firmly established fantasy adventure context in which the violence is unrealistic and leavened by comedy, enabling us to pass it at PG, which also covers instances of mild bad language.

There are occasions when factors such as fantasy and comedy are insufficient to mitigate the impact of violent scenes at the PG category. An example of this is *Bumblebee* – part of the popular *Transformers* science fiction adventure franchise – in which a robot takes refuge in a Californian town where he is befriended by a teenage girl. We originally classified the film 12A for moderate fantasy violence, in line with previous *Transformers* films, but the distributor subsequently made changes to some scenes which reduced the impact of stronger fighting sequences and allowed it to be passed at PG. We still describe the violence in the ratings info as 'moderate' but its fantastical elements – with much of the fighting taking place between giant robots, rather than with humans being involved – play an important part in terms of the revised version being suitable at PG.

Peter Rabbit is an adaptation of the Beatrix Potter story in which a rabbit tries to outwit a gardener and save his supply of food. There is threat to the animals from the gardener involving a variety of makeshift weapons including garden implements and sticks of dynamite, and comic violence when the animals retaliate with lots of slapping and kicking and comical pratfalls. Prior to the film's release in the UK, but after it had opened in the US, we received complaints about a scene in which the animals pelt the farmer with blackberries, to which he is

1 Bumblebee (PG)



allergic, causing him to have an adverse reaction. There appeared to be some misunderstanding about the scene with complainants stating that a child was the victim of bullying and that the blackberry-throwing would encourage children to bully others who suffered from allergies. This is clearly not the case, since the gardener is an adult and the animals are simply fighting back against him and his own arsenal of weapons. It is unlikely that children will emulate such actions any more than they might the rest of the slapstick comic action in the film. Furthermore, the provoking of the allergy is not shown to be harm-free, with the gardener using an Epipen in response to his reaction. The extended ratings info published on our website did include the following reference: 'In one scene, a character who is allergic to blackberries is pelted with the fruit and must use an Epipen to counteract the effects'. We classified the film PG for 'mild threat. comic violence'. Once the distributor had released the film, we largely stopped receiving complaints.

Another PG film that gave rise to unexpected concern prior to its

release was Show Dogs, a US action comedy in which a police dog goes undercover with an FBI agent to bring down a gang of animal smugglers. The film contains mild bad language and comic violence, as well as rude humour, including a scene in which the police dog is self-conscious about having its private parts inspected by the competition judges, and attempts to go to his 'happy place' to take his mind off what is happening. Before the film started its UK release, some members of the public, who had not yet seen it but who had read blog posts from the US suggesting that these scenes might reduce the resistance of children to adults touching them inappropriately, expressed concerns. However, the scene in question is light, comic and entirely non-sexual, if a little rude. Our view is that the US allegations were a misinterpretation of the scene in question.

Mamma Mia! Here We Go Again is

a romantic comedy sequel in which a woman finds out more about her mother's past. It contains mild sex references, including a man anticipating his 'first time' with a woman, and couples shown lying in bed together after implied sexual activity. There is nothing crude or gratuitous in these references, which are comic and are placed in the context of an exuberantly 'feel-good' film. While the MPAA rated the film PG-13 in the US, we gave it a rating of PG, in line with the original film.

Similar contextual arguments allow for the passing of mild sex references at PG in the Indian drama Sui Dhaaga (Made in India) in which a family face various obstacles in their attempt to set up a clothing business. The references include: a man suggesting his employee only wants to borrow a bike so that he can go somewhere with his wife and 'get it on'; women delighting in their plan to 'take advantage of being a woman' in order to get their husbands on board with a project; and one of the men subsequently complaining that the women are 'shunning' their husbands in bed. The film is a touching family drama which received a PG classification for 'infrequent mild violence and injury detail'.

2018 saw the latest re-release of the 1955 British war film *The Dam Busters* in which British forces



2 Peter Rabbit (PG)



PG Parental Guidance

plan and execute a daring attack on Germany's Ruhr dams during the Second World War, and the consequent revisiting of an issue concerning discriminatory language. The film, which is based on a true story, features a dog whose name is 'Nigger', which was also the name of the dog in question in real life. The name is used repeatedly in more than one scene and was also the code word to confirm the successful bombings of the dams. We had previously classified the film at the U category, most recently for a cinema re-release in 2007. Even since 2007, public concern about discriminatory language has increased and we have amended our guidelines accordingly. The film is now more appropriately placed at PG where the guidelines state 'Discriminatory language or behaviour is unlikely to be acceptable unless clearly disapproved of, or in an educational or historical context, or in a particularly dated work with no likely appeal to children'. The ratings info for the film signals 'racist terms, mild bad language'.



Even though we have passed all other episodes of the Netflix children's animated comedy series *The Epic Tales of Captain Underpants* at U, one episode raised an issue concerning rude humour. Although the series is intended for online distribution, we apply the same standards when classifying such content. In this episode, a device is referred to by the acronym TERDS which is used repeatedly in comments such as 'We really need your TERDS', 'The government hired me to make TERDS' and 'We're deep inside the mountain of TERDS'. The repetition of the term, which is usually considered a PG term when used as bad language, and the more overtly offensive contexts in which it is used, is likely to confound parental expectations at the U category, and so we passed the episode at PG.

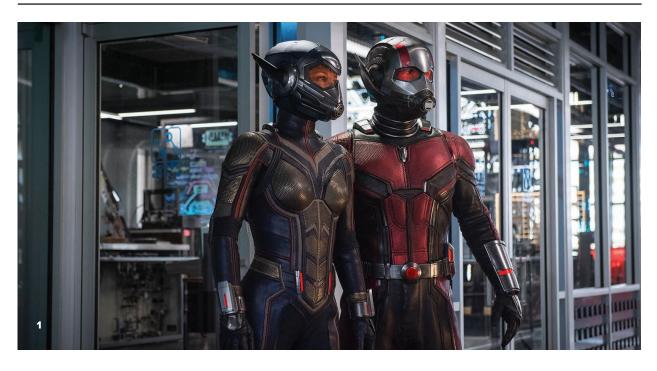


- 1 Goosebumps 2: Haunted Halloween (PG)
- 2 Mamma Mia! Here We Go Again (PG)
- 3 Maze Runner: The Death Cure (12A)









We award the 12A category to cinema films that are suitable, in general, for those aged 12 and over. An adult may take a younger child if they believe that the film is appropriate for that particular child. In such circumstances, responsibility for allowing a child under 12 to view the film lies with the accompanying adult. To help adults make such decisions, we provide ratings info, available on our website and free mobile and tablet Apps. Ratings info describes significant issues in the film that influenced its classification, such as bad language, sex, nudity and violence. The 12 classification is the equivalent category for video content, and no one under 12 may buy or rent a video classified 12.

Distributors frequently submit action blockbusters to us with a 12A category request, especially those in the sci-fi and fantasy genres. This is helpful to us as it gives us an indication of the audience that the distributor is hoping to reach, however it does not influence our classification decision. BBFC guidelines at 12A allow for the depiction of moderate violence, although the instances should not feature an emphasis on blood or injury detail. 2018 saw the release of numerous Marvel Comic adaptations including Ant-Man and the Wasp, Black Panther and Avengers: Infinity War. Avengers: Infinity War is the nineteenth film in the

Marvel Cinematic Universe and this latest instalment follows an army of superheroes who work together to stop an evil foe from destroying the universe. The film features frequent scenes of moderate fantasy violence in which various characters with special powers fight each other or battle an army of aliens. The violence includes shootings with futuristic weapons, as well as punches, kicks and blows from other weaponry. In this respect, the film's content is similar to previous Marvel films and we classified it 12A for 'moderate violence, threat'.

In addition to violence, *Black Panther* contains sequences of injury detail including one in which a torso wound is shown during a healing process. There is also sight of other bloody wounds, but we permit scenes of injury at 12A as long as they are infrequent and there is no dwelling on detail. We therefore classified the film 12A for 'moderate violence, injury detail'.

Also released in 2018 was the Tamil-language action adventure 2.0 featuring a robot that is reactivated to defeat an evil force threatening a city. The original version of the film featured strong bloody images that required a 15 classification. The distributor chose to make two cuts to reduce the stronger moments in order to secure a 12A classification. After cuts, we gave it an age rating of 12A for 'moderate fantasy violence, threat, bloody images, scene of hanging'.

Distributors will sometimes make changes to a film during post



- **1** Ant-Man and the Wasp (12A)
- 2 Mission Impossible: Fallout (12A)



production using our advice service. One example of a film submitted for advice ahead of its formal classification in 2018 is Maze Runner: The Death Cure, a science fiction drama in which a group of young people try to save their friends who are being held captive. The film features scenes of action violence and threat, in keeping with previous 12A-rated entries in this franchise. However, we advised the distributor that in order for the film to achieve the requested 12A, they needed to make reductions to a sequence in which zombies attack a group. The scene included a focus on people being threatened by zombies and several impactful shootings. As a result of this advice the distributor decided to make reductions to the scene in guestion prior to formal submission. We gave the version submitted for formal classification an age rating of 12A for 'moderate violence, threat, language'.

Instances of violence, threat and injury detail in films such as **2.0** and *Maze Runner: The Death Cure* largely exist within a context that is fantastical and distanced from reality. Another example of this is Mission Impossible: Fallout, an action thriller in which the Impossible Missions Force must race against time to foil a terrorist group's plan. Audiences often approach sequels with the expectation that the film's content will be similar to previous entries in a series. The violence in Mission Impossible: Fallout does contain some impactful hand-to-hand combat scenes with forceful punches and kicks. However, the focus of these sequences is on fast-paced action rather than dwelling on violence or bloodshed. There is also a scene of injury detail in the aftermath of an accident which shows a man with burn injuries on the side of his face. We classified the film 12A for 'moderate violence, injury detail, infrequent strong language'.

By contrast, other films present these issues, especially violence, in a slightly more 'real world' setting. An example of a film which features more realistic violence is *The Hate U*

12A Cinema/12 Home Entertainment

Give, a US drama in which a teenage girl is drawn into activism after she witnesses the murder of her friend. One scene shows a white police officer shooting a black teenager, which results in the bloody aftermath as the young man dies in the street. There is also moderate threat during drive-by shootings and riots. We allow occasional bloody moments in 12A films if justified by context, providing there is no focus on blood or wound detail. We classified The Hate U Give 12A for 'moderate violence, drug and sex references, infrequent strong language'.

Scenes of threat are often the category-defining issue in horror films. Eli Roth's *The House with a Clock in Its Walls* is a fantasy horror in which an orphaned boy must help his warlock uncle uncover the mystery of the ticking clock hidden in his gothic mansion. Scary scenes include those in which the heroes are menaced by frightening, supernatural creatures including sinister puppets and slime-spitting pumpkins. Some of the imagery in the film is quite



3 2.0 (12A)



frightening and there are occasional scenes of supernatural threat. However, the overall tone of the film is fantastical with scenes containing elements of adventure and humour which diffuse the tension. We therefore classified the film 12A for 'moderate threat, scary scenes'.

The context in which issues appear is a key consideration when classifying material including depictions of drug misuse. Our guidelines at 12A state that drug misuse 'must be infrequent and should not be glamorised or give instructional detail'. An example of this treatment of drug misuse and references to drugs can be seen in the autobiographical documentary My Generation which looks at Britain in the 1960s. In the documentary, there are references to drug misuse by the youth of the day, including verbal references to the use of LSD, marijuana and speed, illustrated by archive footage showing joints being prepared and smoked, and people swallowing pills. Given the historical and documentary content, we classified the film 12A for 'drug misuse and references, nudity'.



Drug references were also an issue in *Bohemian Rhapsody*, a biopic following the life and music career of Freddie Mercury. The film contains a scene in which lines of white powder are briefly seen on a table, and a scene in which a man swallows an unidentified pill. The film does not condone drug misuse and the drugs are clearly disapproved of. We classified it 12A for 'moderate sex references, drug references, infrequent strong language'.

Just as depictions of drug misuse, violence, injury detail and threat



- 1 The Hate U Give (12A)
- **2** Bohemian Rhapsody (12A)





must remain moderate in nature in order to qualify for 12A, so must depictions of, and references to, sex. I Feel Pretty is a romantic comedy in which a woman who hits her head discovers a new-found confidence. The film contains a sex scene that includes close-up shots of a woman's face as she rides on top of a man. The scene includes a brief view of the woman's back, but there is no clear nudity. Because there is no strong detail, the film conforms to our guidelines at 12A, which state that 'sexual activity may be briefly and discreetly portrayed'. There are also sex references, including 'banging', and a woman wanting 'sex but not babies'. The sex references are not crude or graphic and thus adhere to our guidelines at 12A, which state that 'moderate sex references are permitted'.

There are also moderate sex references in the Hindi-language comedy drama **Badaai Ho**, in which a man is embarrassed to face his community after he learns that his parents are expecting another child. The sex references include conversations about parents having sex and references to using protection. In one scene, a couple undress in a bedroom, implying that they are about to have sex. **Badaai Ho** is classified 12A for 'moderate sex references'.

3 My Generation

4 Green Book

(12A)

(12A)

Occasionally, classification issues that are not of a typical nature will arise. *That Good Night*, for instance, is a drama in which a terminally ill writer attempts to set his affairs in order before his death. Throughout the film there are references to assisted dying as a terminally ill man considers taking steps to end his life. There are also scenes in which a man receives visits from a representative from a euthanasia organisation. In recognition that themes such as death and euthanasia may prove distressing for some audiences, we classified the film 12A for 'references to assisted dying'.

Another film that deals with serious issues is *Back to Berlin*, a documentary in which a group of bikers from Israel retrace the steps of earlier travellers and ride through Europe. The documentary contains images of real dead bodies that accompany the personal testimony and family memories of the members of the group. Because the images are brief and within a documentary context, we classified *Back to Berlin* 12A for 'images of real dead bodies'.

At 12A, BBFC guidelines state that discriminatory language or behaviour 'must not be endorsed by the content as a whole. Aggressive discriminatory language or behaviour is unlikely to be acceptable unless clearly condemned.' Green Book is a comedy drama in which a white man takes a job as a driver for a black pianist on tour through the Deep South. The film contains racist language, as well as a scene in which the pianist is refused service in shops and told to use a separate lavatory. In this case the racist language and behaviour are mitigated by both the historical context within which they occur and the film's critique of such discrimination. The film does not condone or endorse discriminatory language or behaviour and shows two contrasting characters forming a friendship. We gave Green Book an age rating of 12A with ratings info advising that it contains 'infrequent strong language, moderate violence, and discriminatory behaviour'.

Also released in 2018 was the

comedy drama Freak Show, featuring an eccentric teenager who struggles to find acceptance at his conservative high school. There is a scene in which the teenager is attacked by a gang of bullies, leaving him unconscious with streaks of blood on his face. The teenager is also verbally and physically abused by his classmates, who use homophobic slurs. However, the film carries a strong anti-discrimination message and features an inspiring narrative for a young teen audience. Freak Show is classified 12A for 'moderate violence, discrimination







theme, sex references, strong language'.

Bad language is another key issue in classifying films at 12A. The frequency of strong language at this category is not the only factor we consider. We also take into account context, such as the manner in which language is used. Our guidelines state that strong language may be permitted 'depending on the manner in which it is used, who is using the language, its frequency within the content as a whole and any special contextual justification'. Everybody's Talking About Jamie is a recording of a live performance of a West End musical in which a teenage boy dreams of performing in drag. There are four clear uses of strong language throughout the production. Four uses of strong language does not exceed our auidelines at 12A. and we also concluded that the production has a positive message and could be of value to viewers within the 12A age range.

In the comedy *Instant Family*, a couple of first-time foster parents take in three siblings. There is a single use of 'f**k' in addition to one cut-off use of a particularly strong term ('motherf**ker'). Use of this term

is unusual in films classified 12A but in this case we considered the word sufficiently obscured to allow a 12A age rating for 'moderate sex and drug references, infrequent strong language'.

Older films are sometimes resubmitted to us in order to obtain a revised age rating. In 2018 this included Ingmar Bergman's 1955 romantic comedy Smiles of a Summer Night. Originally rated X with cuts in 1956, this was changed to PG in 1995 for video release. Under current guidelines, however, Smiles of a Summer Night is classified 12A for its re-release for 'moderate sex references, suicide attempt'. By contrast, we lowered the age rating of the horror comedy **Beetlejuice** (first released in 1988) from 15 to 12A for 'moderate horror. sex and suicide references, infrequent strong language'.

Distributors regularly submit recordings of live performances of opera, theatre and dance productions to us for classification if they are to have a cinema release. An example of a theatre production in 2018 is *National Theatre Live: King Lear*, a recording of a stage performance of the Shakespeare tragedy. There is a scene of violence in which a man is 'waterboarded' before having his eyes gouged out. There is also sight of stage blood after injuries are inflicted with bladed weapons. The impact of the violence was reduced by the stage setting and the lack of realism. As a result, we classified National Theatre Live: King Lear 12A for 'moderate violence'. Also in 2018, we classified Troilus and Cressida, a recording of a production of Shakespeare's play in which the two are separated when Cressida is given to the Greek camp in a prisoner exchange during the siege of Troy. The production includes several uses of 'whore' and is classified 12A for 'moderate bad language'.

We also see a range of categorydefining issues in our ongoing work classifying music videos online. Among the music videos which received a 12 age rating in 2018 are Zayn's *Let Me* which features moderate threat, violence and sex references. Little Mix featuring Nicki Minaj's *Woman Like Me* received a 12 for moderate bad language, while Dizzee Rascal featuring Skepta's *Money Right* received a 12 classification for 'infrequent strong language, drug references'.

Several VoD services voluntarily choose to submit content to us in order to obtain an age rating. Netflix original content included To All The Boys I've Loved Before, a romantic drama in which a teenager's life is turned upside down after various love letters she's written are mysteriously mailed out. We classified the film 12 for 'moderate sex references, language'. We rated the second season of the comingof-age comedy series Atypical 12 for issues including 'moderate sex references, drug misuse, language, violence and injury detail'. In submitting these titles for classification, VoD services provide their customers with a consistent and recognised classification system across cinema, home media and online viewing.

1 RSC: Troilus and Cressida (12A)

2 Deadpool 2 (15)









In keeping with recent years, we classified more cinema releases at 15 in 2018 than at any other category. No-one under 15 may see a 15 film in a cinema or buy a 15-rated video.

South Asian films often reach this category for violence but seldom for sex. *Veere di Wedding* was an exception this year and the film polarised opinion among its audience: some thought it too explicit, while others praised its refreshing portrayal of female sexuality. The comedy, in which a group of female friends take a trip to Thailand, contained strong sex references, over twenty uses of strong language and a scene of implied masturbation without nudity, and therefore we passed it 15 uncut.

Nudity in a sexual context is permissible at 15 but usually without strong detail. *120 BPM*, a French drama following AIDS activists in 1990s Paris, contains scenes showing protestors marching with placards bearing photographic images of an erect penis between buttocks, and other graphic sexual stills. The social and historical context, together with an absence of clear sight of penetration, allowed these moments of stronger sexual detail to pass at 15.

120 BPM and the British adaptation of the Ian McEwan novel On Chesil Beach (which follows the consequences of a couple's disastrous wedding night) both contain another example of stronger sexual detail: sight of liquid resembling semen after sex. We also permitted both of these scenes at 15: they shared a clear narrative justification and a lack of titillatory intent.

As with other issues, a comic context can often be a mitigating factor to strong sexual detail of this type. However, crudity in the tonal treatment of such detail can aggravate. *The Festival* (an example of a film whose makers chose to consult us at the script stage of the project) is a British comedy which follows the misadventures of a group of friends at an outdoor pop concert. We classified it 15 for 'strong sex references, crude humour, sex, drug misuse, very strong language', but only after the company made cuts to remove a crude and realistically presented shot of implied ejaculation, to reduce a scene of urination onto a man's face, and to reduce to a minimum a scene of implied sex with a goat, in the context of a 'pagan' ceremony.

As with *The Festival*, we suggest cuts, where possible, to any company that wishes to achieve a lower age rating. In 2018, a number of distributors chose to reduce scenes of violence in order to achieve a 15 rather than an 18 rating. We saw *The Equalizer 2* for advice and recommended an 18, as had been the case with its predecessor. The action thriller sees the return of former black ops agent Robert McCall as he hunts

1 The Festival



for the killer of a friend. We required cuts for 15 to moments focusing on the sadistic infliction of pain and injury - including McCall severing a foe's spine and twisting another's already broken arm. The company behind the espionage thriller Red Sparrow elected to make cuts to a bloody garrotting scene, with focus on the wounding of the victim's throat and subsequent bloody aftermath in order to achieve a 15. We similarly awarded a 15 to Final Score, in which a US Armed Forces veteran becomes embroiled in a terrorist attack at a football match. only after the company made cuts to the stabbing of a man's groin and sight of another's head being held beneath the surface of a deep fat fryer. Sadistic violence like this is unlikely to be acceptable at 15. Eli Roth's remake of Michael Winner's **Death Wish**, containing a torture scene in which Bruce Willis' vigilante exposes a nerve in a captive's leg, probes it with a scalpel and then pours brake fluid into the wound, exceeded what we accept at 15 and the company subsequently made cuts to this scene. Adult audiences

who wished to see these films in their original form were usually able to do so: the distributors of *The Equalizer 2, Final Score* and *Death Wish* all reinstated the cuts for uncut 18-rated home entertainment releases.

The fictional depictions of violence and injuries in films such as these can be less troubling to audiences than actual footage of real harm. Serious documentary intent, however, may mitigate. An example, in this centennial year of the Armistice, was Sir Peter Jackson's collaboration with the Imperial War Museum to apply modern production techniques to the First World War archive footage. They Shall Not Grow Old contains graphic enhanced and colourised footage of battlefield injuries that is mitigated to some degree by the educational context but which exceeds in frequency the guidelines' allowance at 12A for 'occasional gory moments'. We classified it 15 for 'bloody injury detail, images of real dead bodies'. Footage of real violence towards children gives audiences particular concern: the documentary Scream for Me, Sarajevo, which follows a

1994 Bruce Dickinson concert in the war-torn city, uses archive of the aftermath of a fatal shooting of a young boy by a sniper. The brevity of the images, together with their narrative justification in establishing the trauma imposed on the city by the Bosnian War, did not provide sufficient mitigation to pass the killing of a child at 12A. We classified it 15 for 'strong language, images of real dead bodies'.

A third category of problematic violence on screen is the dramatisation of real events. particularly those that remain fresh in the mind. With submissions such as these, we must consider that reconstructions of real events are likely to have a greater impact on viewers. Notable examples in 2018 were Clint Eastwood's The 15:17 to Paris, which recreates the 2015 Islamist attack on a Thalys train, and two films based on the 2011 Norway attacks: Utøva - July 22 by Erik Poppe, which reconstructs events in real time, and the Netflix drama 22 July by Paul Greengrass. All three films handle their subject matter with



2 On Chesil Beach (15)





sensitivity, but audiences are less inclined to dismiss violence in films of this type than they are in the fictional 12A universes of Bond or Bourne, DC or Marvel. *The* **15:17** to *Paris*, *Utøya* -*July* **22** and **22** *July* are all rated 15.

Two 2018 submissions from the Marvel universe - where fantastical context and comic tone mitigate the issues involved - were Venom and **Deadpool 2**. Most superhero blockbusters fall comfortably into the 12A category, but these continued a trend of examples of the genre which are appropriate for an older audience. Venom follows the story of an investigative journalist who becomes host to an alien lifeform, which manifests itself by transforming its body into a monstrous, fanged creature. The film's more horrific elements exceed those permissible at 12A, most notably the 'body horror' sequences in which victims are infected by the lifeform, causing them to convulse and contort in a bone-breaking manner. Deadpool 2 is an action comedy sequel in which Wade Wilson returns to intercept a time-travelling assassin. It contains infrequent very strong language,

frequent strong language, crude comic sex references, and regular strong bloody violence, all of which marked it out as a 15 in line with the original.

In an attempt to make **Deadpool 2** available to a wider audience, the company subsequently submitted an edited version, Once Upon a **Deadpool**, which contains new elements and which is softened in terms of tone and content: very strong language was removed; strong language was largely bleeped; bloodier moments were reduced; and sex references were toned down. While Once Upon a Deadpool was rated PG-13 in the US, in the UK, moments of personalised violence and injury - including an audible arm break during a fight sequence and Deadpool breaking his back on a metal table after falling from a height – remained. So did an emphasis on playing with notions of strong language, mouthed, bleeped and in word play. Crude comic sex references included the implication that Deadpool had filled a soap dispenser with semen. We therefore rated Once Upon a Deadpool 15 for

strong violence and crude humour.

Very strong language continues to be an issue that UK audiences find unacceptable at the junior categories, and this can include dialogue which plays on the word. In the Royal Shakespeare Company's recording of a live performance of a Shakespeare comedy, RSC: The Merry Wives of Windsor, a pointed comic exchange revolves around the mispronunciation of the word 'count'. A character then uses actual very strong language to check what has been said. Infrequent very strong language such as this is permissible at 15 subject to context, but more than occasional use of very strong language is rare. The short form Netflix documentary series Follow This, which charts investigations by the digital news website Buzzfeed, contains an episode with around ten uses of the term. However, the context of the subject matter in which the uses occur (an inquiry into the problem of online misogynistic abuse), together with the likely appeal and educational value to an older teenage audience, provided mitigation for a 15 age rating.

1 Bird Box (15)



Language, too, was the categorydefining issue in the British documentary A Northern Soul, which follows a Hull factory worker who sets up a mobile recording studio to take music to impoverished children. Nineteen clear uses of strong language in a 75-minute feature meant that we classified the film 15. The film's director sought to challenge this, suggesting that the 15 classification reflected a class bias. However, our research shows that a significant number of parents remain concerned by the normalisation of strong language through casual use. Local councils may exercise their right to overturn any BBFC theatrical age rating and, in this case, a small number - including Hull, Leeds, Liverpool and Manchester – chose to do so, at the invitation of the film's director, producer and distributor.

We classify some music videos for online release, and language is the most common reason for a 15 age rating. A prominent example in 2018 was the video for Dua Lipa's platinum-selling single *IDGAF* which, with eight uses of strong language, exceeds allowances at 12, particularly in a three-minute video. An unusual classification decision arose in the video for Ibiza by The Manor. It is set in a luxury villa on the island, in which a party-goer chugs champagne through a funnel and hose. The imitability and danger of the drinking game to a younger teenage audience, together with the aspirational glamour of the setting, meant that we classified it at 15, with the short ratings info of 'alcohol misuse'. The British rock band Bring Me The Horizon's video for Mantra was towards the higher end of 15. It depicts, among other issues, the apparent suicide of the lead singer by taking pills, followed by the mass suicide of members of his 'cult'. Given the fictional nature of the pills, together with the fantastical consequences of taking them, this scene lacks the instructional elements or imitable suicide techniques which might have required an 18.

Our classification decisions, where suicide arises, are informed by work with charities and researchers, including a close collaboration with The Samaritans. The subject was a classification-defining issue for one of the most prominent Netflix releases of the year, the post-apocalyptic

drama Bird Box. In the film, human life on Earth has been devastated by a mysterious entity which causes those who look at it to take their own lives. There are multiple scenes of suicide and self-harm: characters stab themselves in their necks with scissors; step in front of speeding lorries; beat their heads against glass; and walk into flames. When considering scenes of this type, we are alert to romanticising elements in the treatment of the suicide, and instructional detail (beyond that which can reasonably be assumed to be familiar to audiences). Bird Box contained no complicating factors of this type, and the fantastical nature of the cause of the suicides helped distance it from the audiences' concerns. The short ratings info included a warning of 'suicide scenes' for audiences who might wish to avoid such content, regardless of context.

Other prominent Netflix releases from the year included *The Ballad of Buster Scruggs* and *Roma*. The Ballad of Buster Scruggs is an anthology of tales from the Wild West by the Coen Brothers. In it, a gunslinger shoots each of the fingers from a man's hand, seen in close-



2 Roma (15)





up detail. The scene is played for comedy and lacks a sense of sadism or dwelling on injury, which might have indicated an 18. We classified it at 15 for 'strong bloody violence'. *Roma*, by Alfonso Cuarón, is a semiautobiographical drama following a year in the life of a middle-class family in Mexico City during the 1970s.

We recognise that the passage of time, advances in special effects and film techniques, and the wider changes in public attitudes can all make classifications decided in previous decades seem out of step with the current audience expectation. In 2018, we lowered the age rating of several previously classified older films that distributors resubmitted for modern classification. We reclassified the theatrical version of George A. Romero's zombie classic **Night of the Living Dead** from 18 to 15 for the first time in cinemas. A number of films by John Carpenter also returned to us, with the theatrical releases of They Live and Prince of Darkness both reclassified from 18 to 15, while Escape from New York and *The Fog* remained at the 15

rating. For older films, as with Dennis Hopper's 1971 drama *The Last Movie*, the existing age rating may no longer exist: it was re-released this year and reclassified from X to 15, with modern audiences less likely to be surprised by its brief references to BDSM than their equivalents in 1982 when we previously classified it.



- 1 The Ballad of Buster Scruggs (15)
- 2 The 15:17 to Paris (15)
- **3** Halloween (2018 version) (18)







18



In films and videos at lower categories, we may resolve concerns arising from certain content by giving it a higher classification. This peaks at the adult rating, 18, where content that pushes the upper boundaries of the category may require cuts or be refused a classification. BBFC guidelines at 18 therefore reflect a desire to balance concerns about protecting rights to freedom of expression with a need to protect vulnerable individuals, and wider society, from the possible harmful effects of some film and video material. This position corresponds with the legal framework within which we operate, including the Human Rights Act 1998, the Video Recordings Act 1984 and the **Obscene Publications Acts 1959** and 1964. Since its amendment in 1994, the Video Recordings Act has placed a duty on our organisation to have 'special regard (among other relevant factors) to any harm that may be caused to potential viewers or, through their behaviour, to society by the manner in which the content deals with: criminal behaviour; illegal drugs; violent behaviour or incidents; or human sexual activity'. Within these parameters BBFC guidelines, underpinned by a regular process of

public consultation, respect the right of adults to decide for themselves what to watch and exceptions to this principle are kept to a minimum. As with lower categories, we also provide content advice in the form of ratings info, so adult viewers can continue to make informed viewing choices.

A recurrent issue that results in films receiving an 18 age rating is the depiction of strong violence, especially if such actions are sadistic, made to look appealing, dwell on the infliction of pain and injury or contain the strongest gory images. The French thriller Revenge, from director Coralie Fargeat, depicts a young woman wreaking violent retribution on the men who assaulted her. The film contains prolonged focus on gory injury detail and the victims' suffering, as well as scenes of strong bloody violence and a harrowing sequence of sexual violence. Revenge is classified 18 accordingly.

2018 also saw the release of horror thriller *Halloween*, a sequel to John Carpenter's 1978 slasher film of the same name, in which a serial killer escapes from captivity and hunts the woman who once evaded him. The distributor first submitted the film to us for advice ahead of its formal classification and requested a 15. We advised, however, that the company should make cuts to moments of strong bloody violence and gore to secure this rating. These included a man being bludgeoned to death in a sadistic manner and a man's head being crushed, with resulting graphic detail. In the end, the distributor chose to leave the film uncut and *Halloween* is therefore classified 18.

Alongside this latest instalment of the horror franchise, the original 1978 *Halloween* came in to us for a 40th anniversary re-release. We had first classified the film X and we had subsequently given it an 18 certificate on video, which we had upheld for a theatrical re-release in 2012. However, viewing it under current guidelines, we considered the film to be no longer reasonable or defensible at the adult category, and this is therefore now classified 15 for 'strong threat, violence, and nudity'.

Another 1978 film that received an anniversary release in 2018 was Michael Cimino's Vietnam War drama *The Deer Hunter*, in which a group of men from a small 1 Kler (18)



town are left traumatised by their wartime experiences. We originally classified the film X uncut in 1978 and then 18 on video in 1987. *The Deer Hunter* features sequences in which American prisoners of war are forced to play Russian roulette by their captors. The aspects of threat, humiliation and violence in these scenes contributed to our upholding the 18 rating in 2018 with the ratings info advising that the film contains 'strong violence, threat, and portrayals of wartime trauma'.

As well as films in the horror and war genres, we also awarded an 18 classification to the darkly satirical comedy, Assassination Nation. The film depicts a town descending into violence after personal information about its inhabitants is leaked onto the internet. The distributor submitted the film for advice with a 15 request ahead of its formal submission. However, an accumulation of scenes depicting strong bloody violence and a sequence of sexual threat placed it at the 18 level. Under BBFC guidelines, we reserve the right to deny a request for cuts if 'the required changes would be very extensive or complex, or would not address, for example, a tonal or thematic issue running throughout the work'. The extent of the violent scenes and the tonal impact they have on the film prevented cuts being viable in this case, and we awarded Assassination Nation an 18 age rating accordingly.

Some of the most challenging material we consider concerns representations of sexual violence. BBFC guidelines state that we may refuse to classify content which: makes sexual or sadistic violence look appealing or acceptable; reinforces the suggestion that victims enjoy sexual violence; or invites viewer complicity in sexual violence or other harmful violent activities. We found that sexual and sexualised violence were the key factors in classifying several feature films at 18 in 2018. A Prayer Before Dawn is based on the true story of Billy Moore, a British national whose drug use led to him serving time in a Thai prison where he agreed to participate in Muay Thai boxing competitions. In one scene in the film, Moore witnesses the gang rape of another prisoner, which is too detailed and prolonged for a 15 age rating. The ratings info also reflected the brutality of the scenes of boxing and the significance of drugs to the plot, with A Prayer Before Dawn being classified 18 for 'sexual violence, strong bloody violence, drug misuse'.

The Polish drama *Kler* also deals with the issue of sexual violence. The film follows a group of clergymen as they try to conceal a dark history of abuse during a highly publicised construction project. The film reveals details of these secrets through sometimes graphic verbal references and discreetly visualised in a series of flashbacks. In one scene, a boy is assaulted by other teens in his dormitory, and in another sequence it is implied a boy is made to touch a priest. Although these scenes are not detailed and the actions of the abusers are clearly not condoned, their distressing nature and the surrounding tonal issues resulted in *Kler* receiving an 18 age rating with the ratings info 'child sex abuse theme'.

The links between media effects and harm can be inconclusive and are a good deal less convincing where violence without a sexual element is concerned and our treatment of non-sexual violence at 18 reflects this. We remain confident that our differentiation in our treatment of sexual and non-sexual violence is substantiated by the available evidence and, additionally, research undertaken to inform BBFC guidelines shows the general public supports this position. In 2018, as in previous recent years, we required no cuts at the adult level on the grounds of violence alone. We did, however, place several documentaries at the adult category because of the strength of their depiction of real violence.

One such example is *Matangi/Maya/ M.I.A.*, following rapper M.I.A. as she discusses her life and upbringing against the backdrop of the horrors of the Sri Lankan Civil War. This includes an image of two children hanging from nooses, footage of an execution in which a man is shot in the head, and sight of dead bodies



2 Revenge (18)





in the street. Although the inclusion of these scenes is justified by the documentary's serious and thoughtprovoking approach, their disturbing nature meant they could potentially be more shocking and upsetting than some fictional scenes of violence. *Matangi/Maya/M.I.A.* is classified 18, with ratings info warning that the film contains 'images of real killings and dead bodies'.

Similar issues influenced the classification of *Path of Blood*, a documentary compiled from seized footage shot by members of Al-Quaeda which depicts their

training methods and execution of terrorist plots. While the film does not condone or glamorise their actions, in the course of the footage there are graphic images of real dead bodies, injuries and violence. The film is classified 18 accordingly.

The treatment of potentially disturbing or upsetting themes often influences classification decisions such as in the depiction of suicide in an episode of the Hindi-language Netflix series *Sacred Games*. Based on a novel by Vikram Chandra, the series follows a policeman as he attempts to save his city from violence and corruption. Although the majority of episodes received 15 classifications, the detail and treatment of suicide in one episode led to the title receiving an 18 age rating overall. Adapted from the novel of the same name by Gillian Flynn, the TV mini-series Sharp Objects, in which a woman returns to her home town to report on the murder of two young girls, deals with themes of suicide, self-harm, and physical and psychological abuse. The detail with which certain episodes portray these topics, as well as occasional sight of brief but strong sexual images, led to our awarding the series an 18 classification.



category-defining issues in the drama *Touch Me Not*, in which a filmmaker explores intimacy with three subjects. While the content is evidently not pornography, it does feature scenes that exceed BBFC guidelines allowance at 15. In one scene, for instance, a man is shown holding his erect penis after masturbating, and there is a sequence in which people engage in BDSM activities. Accordingly, we classified the film 18. Similarly, the second season of the HBO drama *The Deuce* features scenes of strong sex and nudity

Strong sex and nudity were the

1 Sacred Games (18)

2 Touch Me Not (18)



R18

in its depiction of the porn and nightclub industry in 1970s New York. Although there are scenes depicting pornographic films being shot, these are carefully composed so as not to show prolonged or graphic detail, and we therefore classified the season 18.

Frequent crude or pornographic references to sexual activity can also lead to a film receiving an 18 rating. This proved the case in *War of Words: Battle Rap in the UK*, a documentary exploring a form of rap in which competitors take it in turns to insult each other to the amusement of the crowds. In clips

of these 'battles', there are frequent crude sex references, sometimes incorporating references to incest, paedophilia and rape as well as racist language. The film also features use of very strong language as part of the rapped insults, which in content and frequency exceed the BBFC guidelines allowance at 15. While the language and references are intended as shock-value humour and the film clearly does not condone some rappers' approaches to controversial topics, the accumulation of issues and crude detail led to the film requiring an 18 age rating.

Humour can often be a mitigating factor to allow a title to be classified at a lower category but it can sometimes aggravate an issue if it is perceived as not treating a given subject with due care. In the lighthearted US documentary series Cooking on High, two chefs are invited to prepare dishes using cannabis as an ingredient. As they do this, attention is given to the types of cannabis being used and its effects, and the participants' enjoyment of recreational drug use. The series does not adequately warn against the detrimental effects of the drug, or take into account the more restrictive laws on cannabis in countries such as the UK. As such, the series contradicts BBFC guidelines at 15 which state: 'Drug taking may be shown but the film as a whole must not promote or encourage drug misuse (for example, through instructional detail).' Accordingly, we classified Cooking on High 18.

In 2018, the makers of Four Play, a short explicit pornographic film, submitted the film with an R18 request for cinema classification. This is only the third R18-rated cinema film since 1993, and the film forms the centrepiece of a Channel 4 TV series in which a group of mothers, concerned by the abusive nature of much online pornography, make their own 'ethical' porn film. The television transmission of the documentary shows the mothers attending a private screening of Four Play, although any explicit detail is masked or obscured for TV transmission in accordance with Ofcom rules. Although the film does not technically require a BBFC age rating, given that private screenings do not need our authorisation, the makers intended to demonstrate that the film has been properly regulated and is within UK standards. Given that Four Play is a sex title featuring images of real sex but nothing abusive, harmful or illegal, we accordingly classified it R18.

In 2018, there was another decrease in the number of pornographic films submitted to us. We classified 298 films, which is a 19% decrease in submissions compared to 2017. The proportion of R18 titles subject to cuts in 2018 was 15%, the same as the previous year. However, the cuts that we required to R18 titles in 2018 continue to reflect our strict policies on material which combines sexual detail with activity which is illegal, harmful, abusive or involves a lack of consent or the infliction of pain or injury.

We required cuts to a number of films to remove abusive and potentially harmful activity, including choking and gagging during deep throat fellatio and instances of oxygen being restricted during sexual activity. We also required cuts to remove abusive scenarios encouraging an interest in underage sex.

We continue to require cuts to material likely to be in breach of current interpretation of the Obscene Publications Act 1959 and 1964 (OPA). Because the OPA does not define which types of material are likely to be considered obscene, the BBFC relies upon advice from the CPS regarding the forms of behaviour that are likely to result in pornographic content being regarded as suitable for prosecution.

During 2018, the CPS consulted on the guidance it issues to prosecutors on the issue of obscenity. As a result, in early 2019, it issued new guidance that places a stronger emphasis on the depiction of harmful and abusive behaviour as the key reason for prosecution, rather than the depiction of niche sexual practices. Accordingly, at the beginning of 2019, the BBFC revised its own R18 policies to permit the depiction of certain activities, including but not limited to sexualised urination, provided those activities occur in a consensual and non-abusive context.

Aside from OPA considerations, we do not allow at R18 penetration with objects likely to cause actual harm. In making these decisions we continue to draw upon expert research which can be found on our website. Since 30 July 2012, with a few exceptions, the responsibility for classifying video games has lain with the Video Standards Council Rating Board (VSC), applying the Pan European Games Information (PEGI) system. We continue to be responsible for classifying any video game content attached to linear submissions. The VSC sends linear material, which may form part of a game, to us for a determination of suitability, as this content may affect the overall age rating of a game. In 2018, this included add-on material for five video games. We are also responsible for classifying any video games containing R18-level material, although we have given no video game an R18 age rating since 2007.

In 2018, we advised a U age rating for a submission of linear content attached to the game 11:11 Memories **Retold**. This a narrative-driven adventure game, set during the First World War. The material submitted to us comprised a collection of featurettes which explain more about the production design, score and historical accuracy of the game. There is brief archive footage of British soldiers on the front line, including a brief scene of two men helping an injured man to walk. There is no discernible sight of blood or injury detail and the historical context provides significant mitigation. We considered these images unlikely to cause offence or harm and gave the content an age rating of U. PEGI gave the full game a 12 age rating.

We advised a PG age rating for linear content attached to Broken Sword 5: The Serpent's Curse, the fifth instalment in the adventure game series. The content similarly comprises short featurettes in which game developers and members of the voice cast discuss their experience of working on the game. The content includes some game play footage which feature scenes of violence, including a sequence in which an explosion erupts, causing a person to fly through the air. The mild violence resulted in a PG rating. The full game received a 16 PEGI classification.

Punch Line is a visual novel adventure game, based on a Japanese anime television series of the same name. We gave the linear content for this game an age rating of 12. The content consists of a short scene from an anime series in which voung female characters engage in numerous activities, including swimming at the beach. The material depicts the characters in swimwear, and there is occasional emphasis on the characters' breasts. There are also infrequent shots of the characters standing in sexualised poses. The VSC gave the full game a 16 PEGI classification.

We also viewed linear material from the fantasy action adventure game *Hellblade: Senua's Sacrifice*. Norse mythology and Celtic culture inspire the game's design and narrative, which revolves around a Pict warrior who does battle with various fantastical creatures in order to rescue the soul of her dead lover. One of the game's main themes is mental illness and the additional material makes reference to the main character's experience of psychosis. As a consequence, the content includes numerous scenes of game play footage in which the protagonist appears to be in significant mental distress. This includes a couple of sequences in which the heroine self-harms. Although the theme of mental illness is sensitively treated, we considered the detailed depiction of self-harm to be most appropriately classified 15. Strong horror images such as hanging corpses and sight of mutilated bodies, seen during game play footage, also confirm the category. The full game received a PEGI age rating of 18.

We advised an 18 rating for a single submission of linear material. The content relates to the game Yakuza Kiwami: 2, a remake of a game from 2006. The linear material comprises live-action videos of women with whom the player can interact. The dialogue uttered by the women in the video is suggestive. The women wear revealing outfits, including bikinis and lingerie, as they pose and move in a sexualised manner. Although there is no depiction of nudity, the material is strongly sexualised and titillatory in nature. As such, we considered this linear material most suitable at the 18 category. The full game received a PEGI age rating of 18.

Unclassified content

Where cuts are viable, we will suggest cuts to films, DVDs, Blu-rays and online content which contain unlawful or potentially harmful material. If this is not possible because, for instance, the cuts are so extensive or complex that a viable release cannot be salvaged from the remaining material, or if the distributor refuses to make the required cuts, we may refuse to give content an age rating altogether. In 2018, we refused an age rating to no film or video content.

Legal issues

We must have regard to several pieces of legislation that may affect the classification of content. The Human Rights Act 1998 (HRA) requires us to consider, among other things, the requirement that a filmmaker's freedom of expression is not unfairly infringed by our classification decisions. The Act permits such restrictions on freedom of expression as are prescribed by law and are necessary in a democratic society for the protection of health and morals or the prevention of crime and disorder. If we do intervene with a film or video the intervention must be proportionate. Although no specific issues with the HRA arose in 2018, its application is something that remains at the forefront of our thinking when classifying material.

The Video Recordings Act (VRA) 1984 is the legislation that underpins the supply and classification of physical audio-visual content in the United Kingdom. It is a piece of legislation that features prominently in our deliberations. Apart from setting out the requirement to have content classified, the VRA also requires us to pay special regard to any material that may cause harm to viewers, or through their actions, to society, such as by the manner in which content deals with violence, drugs or human sexual activity.

The application of the Obscene Publications Acts (OPA) 1959 and 1964 tends to be limited to our work with pornography. If content is deemed likely to be obscene under current interpretation of the OPA, we are required to intervene. Content will be considered obscene if it has a tendency to deprave and corrupt a significant proportion of the audience likely to see it. In 2018, we required cuts to a number of films to remove material that we considered to be potentially obscene under the current interpretation of the Act. These decisions are discussed in more detail in the R18 section of this report.

Under the Protection of Children Act 1978, it is a criminal offence to exploit children by making, distributing or possessing indecent photographs or pseudo-photographs of them. We will refuse to classify content that contains potentially indecent images of children under 18. This can often be a difficult decision to make, especially since the definition of the term 'indecent' is not defined in law and rests on interpretation by the courts. We have taken legal advice on the current interpretation of indecency and we return to lawyers where necessary on a case-by-case basis. We also seek proof of age for younger-looking performers in pornographic content.

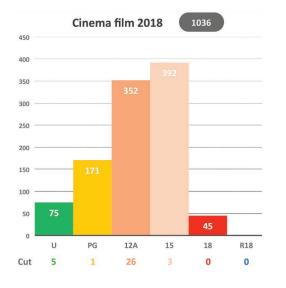
The French drama Reinventing Marvin, which follows a boy's path through an abusive childhood to a theatrical career in Paris, features a scene in which it is implied that a teenager is forced to perform oral sex on school bullies. The film contained shots of the boy's head being held next to another boy's crotch, with buttocks exposed. We sought proof of age which confirmed that the actor playing the victim was 15 years old at the time of filming, whilst the actor playing the attacker was 18. Given the age of the performers and the impression created, we required cuts to remove potentially indecent images of a child.

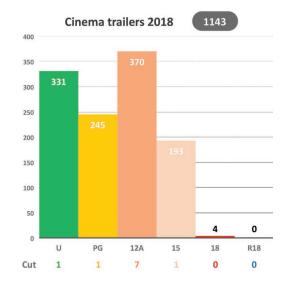
The Cinematograph Films (Animals) Act 1937 prohibits the public exhibition of a film in a British cinema if any scene within it has been 'organised or directed' in such a way as to involve the cruel infliction of pain or terror, or cruel goading to fury of any vertebrate animal. It is our policy to apply the tests laid out by the Act equally to DVD, Blu-ray and online submissions.

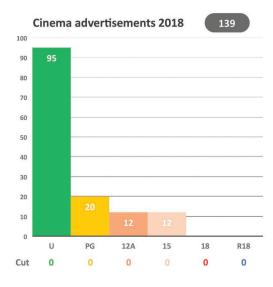
In 2018, the distributor of 1969 western Butch Cassidy and the Sundance Kid submitted it to us for a cinema re-release. We previously classified it A uncut on film in 1969 and PG uncut on video in 1987. However, since then evidence has come to light confirming that the filmmakers staged a horse fall by means of dangerous trip wires. Accordingly, we required a compulsory cut to remove this scene of deliberate animal cruelty, staged for the film, to comply with the Cinematograph Films (Animals) Act 1937.

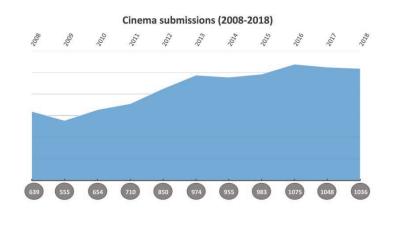
We also required cuts to a number of video submissions to remove sight of real animal cruelty that appeared to be orchestrated and directed for the purposes of the film. These include Adventure in Sahara (a horse being deliberately tripped and made to fall on its head and neck) and The Planter's Wife (a cobra and mongoose fight). Similarly, we required cuts to remove scenes of animal cruelty in content for online distribution, including When the Daltons Rode (a horse falling into water from a height), The Fortress (a horse being dangerously tripped), episodes from the series Monkey Twins (cockfighting), and The Rise of the Phoenixes (a horse being deliberately tripped and made to fall on its neck).

Statistics





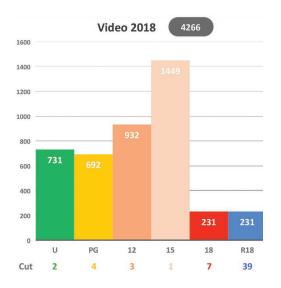


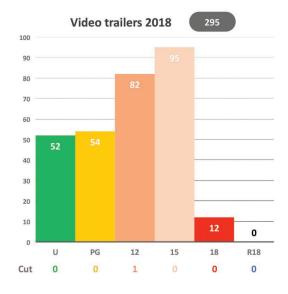


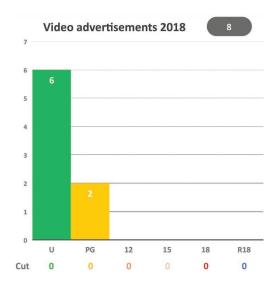
Cinema statistics

2008-2018

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----|------|------|------|------|------|------|------|------|------|------|------|
| U | 69 | 53 | 81 | 102 | 87 | 127 | 128 | 81 | 110 | 95 | 75 |
| PG | 117 | 83 | 110 | 98 | 150 | 145 | 147 | 137 | 153 | 138 | 171 |
| 12A | 178 | 143 | 174 | 215 | 234 | 321 | 275 | 321 | 369 | 378 | 352 |
| 15 | 227 | 226 | 226 | 239 | 315 | 313 | 372 | 383 | 401 | 392 | 392 |
| 18 | 48 | 50 | 63 | 56 | 64 | 68 | 33 | 61 | 42 | 45 | 45 |
| R18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |







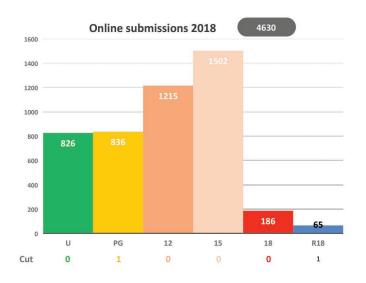
Video submissions (2008-2018)

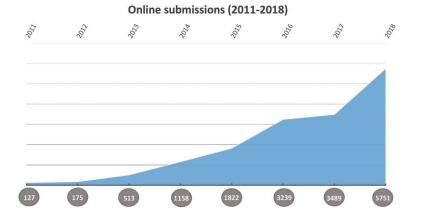
Video statistics



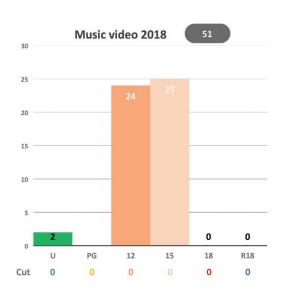
2008-2018

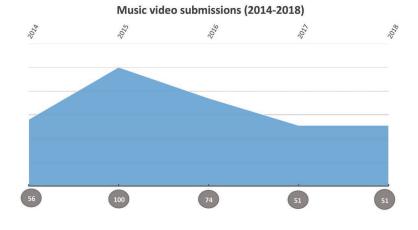
Statistics





| | Online Submission statistics | | | stics | 2011-2018 | | | |
|----------|-------------------------------------|------|------|-------|-----------|------|------|------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| U | 19 | 30 | 112 | 481 | 602 | 754 | 594 | 826 |
| PG | 29 | 54 | 89 | 145 | 119 | 372 | 516 | 836 |
| 12 | 22 | 47 | 85 | 225 | 300 | 579 | 712 | 1215 |
| 15 | 48 | 42 | 192 | 266 | 688 | 1351 | 1502 | 2623 |
| 18 | 9 | 2 | 32 | 38 | 67 | 110 | 96 | 186 |
| R18 | 0 | 0 | 3 | 3 | 45 | 73 | 69 | 65 |
| Rejected | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |





| Music video statistics | 2014-2018 |
|------------------------|-----------|
| | |

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------|------|------|------|------|------|
| U | 6 | 3 | 1 | 7 | 2 |
| PG | 10 | 4 | 4 | 1 | 0 |
| 12 | 17 | 48 | 29 | 16 | 24 |
| 15 | 22 | 43 | 38 | 27 | 25 |
| 18 | 1 | 2 | 2 | 0 | 0 |
| R18 | 0 | 0 | 0 | 0 | 0 |
| Rejected | 0 | 0 | 0 | 0 | 0 |

Video Appeals Committee

During 2018, there were no appeals to the Video Appeals Committee (VAC). The VAC is an independent body constituted under Section 4(3) of the Video Recordings Act 1984 to hear appeals from submitting companies against BBFC decisions they consider stricter than warranted. At the end of 2018, the full membership of the VAC was as follows:

Video Appeals Committee Chair

Professor Andrew Burrows QC FBA: Professor of the Law of England at the University of Oxford and a Fellow of All Souls College. Barrister at Fountain Court Chambers, London and a part-time judge. Andrew stepped down on 31 December 2019, we would like to to thank him for his exceptional support as VAC Chair and we will be recruiting his successor in 2019.

Members

Salman Momen: Former Head of Interactive Media Group, IBM. Now Managing Director at Accenture Interactive.

Judy Clements: Former Director of the Independent Police Complaints Commission. Now Adjudicator for HM Revenue and Customs.

Valerie Owen OBE: Managing Director, Le Valliant Owen. Former Managing Director for London First and Director of Jones Lang LaSalle. Valerie has a portfolio of Non executive Directorships including Swan Housing Group and Trinity

Lighthouse Board.

Professor Samuel Stein: Consultant in Child, Adolescent and Family Psychiatry. Barrister. Qualified Family Mediator.

Consultative Council

In 1985, we formed the Video Consultative Council (later the Consultative Council) as a response to a requirement, by the then Home Secretary, that the BBFC should be accountable not only to Parliament by means of its annual report but also to the views of the 'wider public'. The BBFC Classification Guidelines review that takes place every four to five years now fulfils that requirement. We reached out to members of the Consultative Council in 2018, who agreed that the body has achieved its original aims and that direct public consultation is a more effective means of representing the views of the wider public. Nonetheless, we will continue our relationships with stakeholders and colleagues who formed part of the Consultative Council including representatives of local government, the theatre and home entertainment industries, and fellow regulators.

In June 2018, we convened a meeting of local licensing authority representatives to discuss a range of topics relating to cinema screenings.

These included the BBFC Guidelines, the differences between historical classifications and current ratings, and ways in which cinemas handle one-off screenings appropriately and effectively. We plan to establish this form of local authority engagement as a regular event.

We would like to thank all the members of the Consultative Council who have supported us over the last 33 years.



1 Blackkklansman (15)

Advisory Panel on Children's Viewing

The Advisory Panel on Children's Viewing (APCV) provides a wide range of skills and expertise in child welfare and development. It meets three times per year and contributes to the development of BBFC policy and BBFC Classification Guidelines.

During 2018, the APCV looked at the classification of three films; the work of our education team; our designation as the Age-verification Regulator for online pornography under the Digital Economy Act 2017; and the Classification Guidelines consultation.

In March, the Panel considered *The Florida Project*, set at a motel just outside Disney World as a young mother struggles to provide for her daughter. The Panel discussed the classification issues, including references to prostitution, especially the sensitive handling of the child character in relation to her mother's prostitution, as well as the discreet portrayal of a paedophile. The Panel unanimously agreed with the 15 age rating we gave. In July, the Panel deliberated A Quiet Place, a horror film in which a family live in silence in a post-apocalyptic world where alien creatures hunt by sound. We classified it 15 for sustained threat throughout. Our US equivalent, the Classification and Ratings Administration of the Motion Picture Association of America (MPAA), had rated the film PG-13 (parents strongly cautioned - some material may be inappropriate for children under 13), an age rating that carries no formal age restrictions nor any formal requirement of adult accompaniment. This reflects the slightly different approach in the US to psychological threat or horror. We considered that, despite the strong representation of the family group and of disability, the prolonged and frequent threat faced by the family merited the higher rating. Overall, the Panel agreed with our 15 age rating and was clear that 12 or 13 year olds should not watch it although they accepted 14 year olds would probably have seen it despite the 15 rating.

In November, the Panel discussed *The House with a Clock in Its Walls*,

a fantasy adventure in which an orphaned boy must help his warlock uncle uncover the mystery of the ticking clock hidden in his gothic mansion. We classified it 12A for moderate threat and scary scenes. The MPAA rated the film PG (parental guidance suggested – some material may not be suitable for children) for release in the US. The Panel unanimously agreed with the 12A age rating we gave.

Baroness Claire Tyler and Louise Robinson joined the APCV in July.

Membership of the Panel in 2018

Margo Boye-Anawomah Childcare barrister & family judge

John Carr OBE

Expert on child protection in relation to new media

Naomi Eisenstadt

Independent Adviser on Poverty and Inequality (previously Senior Research Fellow, Department of Education, Oxford University

Joe Godwin Director of the BBC Academy

Professor Charlie Lewis

Professor of Family & Developmental Psychology, Lancaster University Andrew Mackereth Regional Education Director, E-ACT

Annie Mullins OBE

Director of Ask.fm Europe Trust & Safety and Co-founder of the Institute of Digital Well-Being

The Very Reverend Professor Martyn Percy

Dean of Christ Church, Oxford

Professor Ann Phoenix Co-Director of the Thomas Coram Research Unit

Honor Rhodes OBE

Director of Strategic Development, Tavistock Centre for Couple Relationships

Reg Bailey

Chair of The Board of Trustees at YMCA England & Wales

Louise Robinson

Director, Newcastle University Institute for Ageing and Professor of Primary Care and Ageing; Regius Professor of Ageing

Baroness Claire Tyler Liberal Democrat Life Peer in the House of Lords

Business review 2018

The principal officers of the British Board of Film Classification in 2018

President Patrick Swaffer

Vice Presidents Alison Hastings – resigned 2 November 2018 Gerard Lemos – resigned 20 April 2018 Lord Kamlesh Patel – appointed 1 May 2018 Murphy Cobbing – appointed 1 November 2018

Chief Executive Officer David Austin

Chief Operating Officer Dave Barrett

Policy Director David Miles

Finance Director Siobhan Smedley-Wild

Head of Compliance Craig Lapper

Compliance Manager Sarah Peacock

Head of Digital Economy Act Murray Perkins

Head of Business Services Tom Cairns

Executive Director of Marketing Faye Harcourt

Head of Communications Catherine Anderson

Head of Education Lucy Brett

Council of Management

Chair Maggie Carver

Finance Committee Chair Lesley Mackenzie

Remuneration Committee Chair Sonita Alleyne

Members

Merion Alcock Alison Hastings – resigned 2 November 2018 Gerard Lemos – resigned 20 April 2018 Jon Teckman

Auditors

Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP

Bankers

Barclays Bank PLC 27 Soho Square London W1D 3QR

Solicitors

Goodman Derrick LLP 10 St Bride Street London EC4 4AD

Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP

Registered Office

3 Soho Square London

W1D 3HD
Registered number

117289

The directors present their report with the financial statements for the year ended 31 December 2018.

Principal activities

The company, which is limited by guarantee, is responsible for the classification of cinema films on behalf of local authorities and, in accordance with the terms of the Video Recordings Act 1984, for the classification of video works. It also classifies under voluntary selfregulatory services, video content distributed over the internet and commercial and internet content distributed via the UK's mobile networks. In addition, on 20 February 2018, the BBFC was designated the Age-Verification regulator under the Digital Economy Act 2017 (DEA). Its revenue is derived principally from fees charged to distributors for the classification of their product. Funding for the BBFC's DEA work comes from Government.

Review of the business

The BBFC continues to focus on providing trusted classification for film, video and online services.

The results for the last financial year are shown in the annexed financial statements. The key financial indicators used by management to monitor performance and to assess risks, continue to be sales volumes, turnaround times, operating costs and level of cash generated from operations. The BBFC continues to monitor and review its operational procedures with the aim of providing the best and most cost-effective services to its customers.

The Company has been saving over a number of years for an anticipated major investment in the technology infrastructure. During 2018 we have invested £0.6m in substantially updating the BBFC's technology systems, workflow infrastructure and in developing technology based tools for online classification. Significant investment will continue in 2019. Consequently, we will be able to provide a more cost efficient and speedy service, including to those operating in the non-statutory regulatory landscape. In addition to this infrastructure investment, the BBFC incurred significant distinct and largely nonrecurring costs in 2018 totalling £0.4m, including expenditure on Guidelines research.

This sizable investment has had a considerable impact on the statement of comprehensive income, and further losses are anticipated in 2019 as a result of continued investment.

Turnover for the year was £5.6m (2017: £5.6m). There has been a 15% decline in income from DVD classification, which was expected. This decline as seen in the previous ten years is predicted to continue, as the demand for online product increases.

The decline has been offset by a 44% increase in online submissions. The current rate of increase is not expected to offset further declines in DVD income and the cost base of the Company is being managed accordingly.

Film submissions remain steady and it is anticipated that the current level of submissions will continue to be maintained.

Turnaround times for DVD home entertainment works to be processed were reduced to 6.2 days (2017: 6.9 days) beating the BBFC's 8 day business target.

The BBFC works in partnership with different industry sectors (for example, VOD platforms, mobile network operators, broadcasters) to develop consistent, transparent, best-practice non-statutory regulatory services that apply trusted BBFC standards online on a voluntary basis in order to help families choose online content well and protect children. Although current levels of income for such services are moderate at 19% (2017: 12%) of total fee income, this presents an increase of 46% on the previous year.

Brexit

The UK's decision to leave the EU is likely to result in the short to medium term period of economic and political uncertainty and complexity. The directors do not consider this to be a significant risk for the BBFC and are confident that Brexit will have minimal impact on the business.

Financial instruments

The company's financial instruments at the balance sheet date compromised of bank loans, investments, cash and liquid resources. The company has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations.

A loss on the value of investments of $\pounds 0.4m$ (2017: $\pounds 0.4m$ gain) has had a considerable impact on the reported result for the year.

Interest rate risk

The company has no interest rate exposure as it has no long term debt.

Liquidity risk

The company has significant net cash balances as at the balance sheet date.

Foreign currency risk

The company's risk to foreign exchange transactions does not arise as all the company's financial instruments are denominated in sterling.

Borrowing facilities

As at 31 December 2018, the company had undrawn committed borrowing facilities of £11,221 (2017: £26,877).

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

David Austin

Chief Executive Officer

3 April 2019

Directors' report for the year ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results

The loss for the year, after taxation, amounted to $\pounds421,878$ (2017: profit $\pounds1,179,948$).

Directors

The Directors of the company are the members of the Council of Management together with the President.

The Directors who served during the year were:

M Carver Chair (resigned 1 January 2019)

S Alleyne Chair of the Remuneration Committee

L A Mackenzie Chair of the Finance Committee

P L Swaffer President

D J R Austin Chief Executive Officer

M Alcock

A Hastings Vice President (resigned 2 November 2018)

G Lemos Vice President (resigned 20 April 2018)

J S P Teckman

The Council of Management would like to record their thanks to Maggie Carver who resigned in January 2019, and Alison Hastings and Gerard Lemos, who resigned in 2018, for their long and dedicated service as directors.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is
- inappropriate to presume that the
- Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Environment, Health and Safety

The company is firmly committed to managing its activities so as to provide the highest level of protection to the environment and to safeguard the health and safety of its employees, customers and the community.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

S Alleyne Director

3 April 2019

Opinion

We have audited the financial statements of British Board of Film Classification (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 52, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as

Independent auditor's report to the Members of British Board of Film Classification

the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org. uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sergio Cardoso

Senior Statutory Auditor for and on behalf of Grant Thornton UK LLP Statutory Auditor, Chartered Accountants London

3 April 2019

Statement of Comprehensive Income for the year ended 31 December 2018

| | Note | 2018 | 2017 |
|---|------|-------------|--------------|
| | | £ | £ |
| Turnover | 4 | 5,572,520 | 5,554,457 |
| Operating costs | | (5,957,690) | (4,817, 733) |
| Gross (loss)/profit | | (385,170) | 736,724 |
| Other operating income | 5 | 163,494 | 150,113 |
| Fair value loss on investment property | | (3,943) | - |
| | | | |
| Operating (loss)/profit | 10 | (225,619) | 886,837 |
| (Loss)/gain on financial assets at fair value | | (443,614) | 420,477 |
| Interest receivable and similar income | 6 | 184,781 | 222,669 |
| Interest payable and charges | 7 | (1,941) | (14,750) |
| | | | |
| (Loss)/profit before tax | | (486,393) | 1,515,233 |
| Tax on (loss)/profit | 12 | 64,515 | (335,285) |
| | | | |
| (Loss)/profit for the financial year | | (421,878) | 1,179,948 |
| | | | |
| Total comprehensive income for the year | | (421,878) | 1,179,948 |

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 59 to 70 form part of these financial statements.

Statement of Financial Position as at 31 December 2018

| | Note | 2018 | 2017 |
|--|------|---------------|--------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 13 | 3,038,542 | 3,025,695 |
| Investments | 15 | 7,180,443 | 7,358,057 |
| Investment property | 14 | 3,536,087 | 3,540,030 |
| | | 13,755,072 | 13,923,782 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 16 | 988,442 | 863,956 |
| Cash at bank and in hand | 17 | 2,252,436 | 2,659,390 |
| | | 3,240,878 | 3,523,346 |
| Creditors: amounts falling due within one year | 18 | (1 ,367 ,030) | (1 ,340,338) |
| Net current assets | | 1,873,848 | 2,183,008 |
| Total assets less current liabilities | | 15,628,920 | 16,106,790 |
| Provisions for liabilities | | | |
| Deferred tax | 20 | (261,979) | (317,971) |
| | | (261,979) | (317,971) |
| Net assets | | 15,366,941 | 15,788,819 |
| Capital and reserves | | | |
| Profit and loss account | 21 | 15,366,941 | 15,788,819 |
| | | 15,366,941 | 15,788,819 |
| | | | |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 April 2019.

S Alleyne - Director

L A Mackenzie - Director

The notes on pages 59 to 70 form part of these financial statements.

| | Profit and loss account | Total equity |
|---|----------------------------|--------------|
| | £ | £ |
| At 1 January 2018 | 15,788,819 | 15,788,819 |
| Comprehensive income for the year | | |
| Loss for the year | (421,878) | (421,878) |
| | | |
| Total comprehensive income for the year | (421,878) | (421,878) |
| | | |
| At 31 December 2018 | 15,366,941 | 15,366,941 |
| | | |

Statement of Changes in Equity for the year ended 31 December 2017

| | Profit and loss account | Total equity |
|---|----------------------------|--------------|
| | £ | £ |
| At 1 January 2017 | 14,608,871 | 14,608,871 |
| Comprehensive income for the year | | |
| Surplus for the year | 1,179,948 | 1,179,948 |
| | | |
| Total comprehensive income for the year | 1,179,948 | 1,179,948 |
| | | |
| At 31 December 2017 | 15,788,819 | 15,788,819 |
| | | |

The notes on pages 59 to 70 form part of these financial statements.

Statement of Cash Flows for the year ended 31 December 2018

| | 2018 | 2017 |
|--|-------------------|-------------|
| | £ | £ |
| Cash flows from operating activities | | |
| (Loss)/profit for the financial year | (421,878) | 1,179,948 |
| Adjustments for: | | |
| Depreciation of tangible assets | 147,714 | 133,128 |
| Interest paid | 1,941 | 14,750 |
| Interest received | (184,781) | (222,669) |
| Taxation charge | (64,515) | 335,285 |
| Decrease/(increase) in debtors | 297,666 | (339,660) |
| (Decrease) in creditors | (115,377) | (155,305) |
| Net fair value losses recognised in P&L | 3,943 | - |
| Corporation tax (paid) | (268,408) | (147,613) |
| Loss/(gain) on assets | 444,457 | (421,007) |
| Net cash generated from operating activities | (159,238) | 376,857 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | { 59,679) | (46,982) |
| Sale of tangible fixed assets | 296 | 530 |
| Purchase of listed investments | (266,000) | (3,475,826) |
| Sale of listed investments | - | 3,522,578 |
| Interest received | 10,582 | 17,949 |
| Dividends received | 174,199 | 204,720 |
| Net cash from investing activities | (140,602) | 222,969 |
| Cash flows from financing activities | | |
| Repayment of loans | (105,173) | (283,989) |
| Interest paid | (1,941) | (14, 750) |
| Net cash used in financing activities | (107,114) | (298, 739) |
| Net (decrease)/increase in cash and cash equivalents | (406,954) | 301,087 |
| Cash and cash equivalents at beginning of year | 2,659,390 | 2,358,303 |
| Cash and cash equivalents at the end of year | 2,252,436 | 2,659,390 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 2,252,436 | 2,659,390 |
| The notes on pages 59 to 70 form part of these financial statements. | 2,252,436 | 2,659,390 |

1. General information

British Board of Film Classification is a private company limited by guarantee & incorporated in England and Wales. Its registered head office is located at 3 Soho Square, London, W1 D 3HD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared the financial statements on the going concern basis having projected cashflow and operating forecasts for the business for a period of at least 12 months from the date of signing these financial statements. In considering the going concern assumption, the directors have also taken into account the balance sheet position at the date of signature of these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Tangible fixed assets

Tangible fixed assets are stated at ordinal cost. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset on a straight line basis over its estimated useful life, as follows:

Depreciation is provided on the following basis:

| Fixtures and fittings | - 4 years |
|-----------------------|-----------|
| Computer equipment | - 4 years |
| Building improvements | - 5 years |

Long leasehold property is amortised on a straight line basis over the duration of the lease.

Expenditure on leasehold property and immovable furniture and equipment is fully depreciated in the year of acquisition.

2.5 Investment property

Investment property is carried at fair value and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

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

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are
- publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

2.16 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets can be recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. At this point, management have the option to either expense or capitalise development costs. Management have taken the option to expense all development costs incurred.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Management consider there to be a key judgement to be in relation to the market value of property. See note 15.

Management use their judgement when determining whether trade debtors and accrued income are considered recoverable or where a provision for impairment is considered necessary. The assessment of recoverability will include consideration of whether the balance is with a long standing client, whether the customer is experiencing financial difficulties and the fact that balances are recognised under contract. Management consider a bad debt provision to not be necessary.

| | | 2018 | 2017 |
|----|---|-----------|-----------|
| | | £ | £ |
| 4. | Turnover | | |
| | An analysis of turnover by class of business is as follows: | | |
| | Classfication income | 4,878,657 | 4,967,158 |
| | Age-verification income | 693,863 | 587,299 |
| | | | |
| | | 5,572,520 | 5,554,457 |
| | | | |

The turnover and operating surplus are attributable to the principal activities of the company. The entire turnover in both periods is attributable to geographical areas within the United Kingdom.

| | | 2018 | 2017 |
|----|--|---------|---------|
| | | £ | £ |
| 5. | Other operating income | | |
| | Income from education seminars | 5,093 | 3,931 |
| | Rents receivable and service charge income | 158,401 | 145,652 |
| | Other | - | 530 |
| | | | 450,442 |
| | | 163,494 | 150,113 |

| | | 2018 | 2017 |
|----|--|-----------|-----------|
| | | 2016 | 2017 |
| | | £ | £ |
| 6. | Interest receivable | | |
| | Other interest and similar income | 184,781 | 222,669 |
| | | | |
| | | | |
| 7. | Interest payable and similar charges | | |
| | Interest on loan repayable | 1,941 | 14,750 |
| | | | |
| | | | |
| 8. | Employees | | |
| | Staff costs, including directors' remuneration, were as follows: | | |
| | Wages and salaries (including severance pay) | 2,364,676 | 2,468,997 |
| | Social security costs | 249,640 | 259,845 |
| | Cost of defined contribution scheme | 151,581 | 164,444 |
| | | | |
| | | 2,765,897 | 2,893,286 |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2018 | 2017 |
|-------------------------|------|------|
| | No. | No. |
| Non-executive directors | 7 | 8 |
| Presidential team | 1 | - |
| Management | 4 | 4 |
| Administration | 12 | 12 |
| Operations | 26 | 27 |
| | | |
| | 50 | 51 |

In 2017 the presendential team were included within non-executive directors. The two Vice Presidents appointed in 2018 are not acting as directors.

| | | 2018 | 2017 |
|----|---|---------|---------|
| | | £ | £ |
| 9. | Directors' remuneration | | |
| | Directors' emoluments | 320,471 | 336,947 |
| | Company contributions to defined contribution pension schemes | 24,906 | 28,094 |
| | | | |
| | | 345,377 | 365,041 |

During the year retirement benefits were accruing to 4 directors (2017 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £172,515 (2017- £171,565).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,803 (2017- £17,073).

The directors are considered to be key management.

| | | 2018 | 2017 |
|-----|---|---------|---------|
| | | 3 | £ |
| 10. | Operating (loss)/profit | | |
| | The operating surplus is stated after charging: | | |
| | Directors' remuneration | 345,377 | 365,041 |
| | Depreciation of tangible fixed assets | 147,728 | 128,016 |
| | Research and development expenditure | 613,014 | 132,929 |
| | Guidelines research | 205,663 | - |
| | | | |
| 11. | Auditor's remuneration | | |
| | Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 17,050 | 16,550 |
| | | | |
| | Fees payable to the Company's auditor and its associates in respect of: | | |
| | Non audit services | 21,778 | 25,100 |
| | | | |

| | | 2018 | 2017 |
|-----|--|----------|---------|
| | | £ | £ |
| 12. | Taxation | | |
| | Corporation tax | | |
| | Current tax on profits for the year | - | 267,822 |
| | Adjustments in respect of previous periods | (53,213) | - |
| | Total current tax | (53,213) | 267,822 |
| | Deferred tax | | |
| | Origination and reversal of timing differences | (11,510) | 67,463 |
| | Adjustments in respect of prior periods | 208 | - |
| | Total deferred tax | (11,302) | 67,463 |
| | Taxation on (loss)/profit on ordinary activities | (64,515) | 335,285 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

| | 2018 | 2017 |
|---|-----------|-----------|
| | £ | £ |
| (Loss)/profit on ordinary activities before tax | (486,393) | 1,515,233 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%) | (92,415) | 291,630 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 75,113 | 5,534 |
| Fixed asset differences | 23,620 | 21,742 |
| Adjust opening deferred tax to average rate of 19.00% | 32,175 | (8,915) |
| Adjust closing deferred tax to average rate of 19.00% | (30,821) | - |
| Adjustments to tax charge in respect of previous periods | (53,203) | (72,466) |
| Adjustments to tax charge in respect of previous periods - deferred tax | 208 | - |
| Investment gains/losses not taxable | - | 55,638 |
| Other timing differences | - | 70,602 |
| Exempt ABGH distributions | (24,179) | (28,480) |
| Adjustments to brought forward values | (48,113) | - |
| Losses carried back | 53,100 | - |
| Total tax charge for the year | (64,515) | 335,285 |
| | | |

| 13. Tangible fixed asse | ets Long leasehold property | Computer equipment | Long leasehold property expenditure | Fixtures and fittings | Total |
|----------------------------------|--------------------------------------|-----------------------|--|-----------------------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | |
| At 1 January 2018 | 3,137,264 | 541,922 | 240,336 | 318,002 | 4,237,524 |
| Additions | - | 93,137 | 15,991 | 52,930 | 162,058 |
| Disposals | | (32,279) | | (58,535) | (90,814) |
| At 31 December 20 | 18 3,137,264 | 602,780 | 256,327 | 312,397 | 4,308,768 |
| Depreciation | | | | | |
| At 1 January 2018 | 368,105 | 460,703 | 91,634 | 291,387 | 1,211,829 |
| Charge for the year owned assets | on 25,098 | 53,989 | 49,799 | 18,720 | 147,606 |
| Disposals | - | (31,305) | - | (57,904) | (89,209) |
| At 31 December 20 | 18 393,203 | 483,387 | 141,433 | 252,203 | 1,270,226 |
| Net book value | | | | | |
| At 31 December 20 | 18 2,744,061 | 119,393 | 114,894 | 60,194 | 3,038,542 |
| At 31 December 20 | 17 2,769,159 | 81,219 | 148,702 | 26,615 | 3,025,695 |

| 14. | Investment property | Long term leasehold investment property |
|-----|------------------------|--|
| | | £ |
| | Valuation | |
| | At 1 January 2018 | 3,540,030 |
| | Deficit on revaluation | (3,943) |
| | | |
| | At 31 December 2018 | 3,536,087 |
| | | |

The 2018 valuation was made by Reid Rose Gregory Limited, a firm of chartered surveyors, on an open market value for existing use basis.

| 15. | Fixed asset investments | | Listed investments |
|-----|--------------------------------|---------|-----------------------|
| | | | £ |
| | Cost or valuation | | |
| | At 1 January 2018 | | 7,358,057 |
| | Additions | | 266,000 |
| | Revaluations | | (443,614) |
| | At 31 December 2018 | | 7,180,443 |
| | Net book value | | |
| | At 31 December 2018 | | 7,180,443 |
| | At 31 December 2017 | | 7,358,057 |
| | | 2018 | 2017 |
| | | £ | £ |
| 16. | Debtors | | |
| | Trade debtors | 308,559 | 347,833 |
| | Other debtors | 32,994 | 19,985 |
| | Prepayments and accrued income | 593,090 | 451,448 |
| | Tax recoverable | 53,799 | - |
| | Deferred taxation | - | 44,690 |
| | | 988,442 | 863,956 |

Included in prepayments and accrued income is Age-verification income of £456,544 (2017: £286,599).

| | | 2018 | 2017 |
|-----|---------------------------|-----------|-----------|
| | | £ | £ |
| 17. | Cash and cash equivalents | | |
| | Cash at bank and in hand | 2,252,436 | 2,659,390 |

This balance includes Cofunds cash on deposit balance of £171,264 (2017: £282,415).

| | | 2018 | 2017 |
|-----|--|-----------|-----------|
| | | £ | £ |
| 18. | Creditors: Amounts falling due within one year | | |
| | Bank loans | - | 105,174 |
| | Trade creditors | 337,235 | 77,878 |
| | Corporation tax | - | 267,822 |
| | Other taxation and social security | 539 | 133,649 |
| | Other creditors | 11,221 | 9,255 |
| | Accruals and deferred income | 1,018,035 | 746,560 |
| | | | |
| | | 1,367,030 | 1,340,338 |

| 2018 | 2017 |
|------|------|
| £ | £ |

19. Bank loans

Analysis of the maturity of loans is given below:

Amounts falling due within one year

| Bank loans | - | 105,174 |
|------------|---|---------|
| | | |

| | | 2018 | 2017 |
|-----|--|-----------|-----------|
| | | £ | £ |
| 20. | Deferred taxation | | |
| | At beginning of year | (273,281) | (205,818) |
| | Charged to the profit or loss | 11,302 | (67,463) |
| | At end of year | (261,979) | (273,281) |
| | The provision for deferred taxation is made up as follows: | | |
| | Provisions b/fwd | (273,281) | (205,818) |
| | Current year charge at 17% (PY 17 %) | 11,302 | (67,463) |
| | | (261,979) | (273,281) |
| | Comprising: | | |
| | Asset | | 44,690 |
| | Liability | (261,979) | (317,971) |
| | | (261,979) | (273,281) |

21. Reserves

Profit and loss account

Includes all current and prior period retained surplus and losses.

22. Capital commitments

The company has no capital commitments at 31 December 2018 (2017: £Nil), however the software system is in the progress of being upgraded.

23. Pension commitments

The company operates a defined contribution scheme to provide retirement benefits for staff. The total pension charge for the year was £151,581 (2017: £164,444). There are no balances outstanding in relation to pensions at year end.

24. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 | 2017 |
|--|-----------|-----------|
| | £ | £ |
| Not later than 1 year | 37,500 | 37,500 |
| Later than 1 year and not later than 5 years | 150,000 | 150,000 |
| Later than 5 years | 4,103,125 | 4,140,625 |
| | | |
| | 4,290,625 | 4,328,125 |
| Equipment | | |
| Not later than 1 year | 4,048 | 4,048 |
| Later than 1 year and not later than 5 years | 3,170 | 4,611 |
| | 7,254 | 8,659 |

25. Company status

The company is limited by guarantee and is under the control of its members. The liability of the members is limited to \pounds 1 each, in the event of the company being wound up.

26. Related party transactions

There were no transactions with related parties during the year (2017: \pounds Nil).

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