



The  
**Video Standards Council**

**ANNUAL REPORT &  
ACCOUNTS 2013**





The  
**Video Standards Council**

**ANNUAL REPORT &  
ACCOUNTS 2013**

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

**The Video Standards Council  
4 Imperial Place, Maxwell Road  
Borehamwood, Hertfordshire WD6 1JN  
020 8213 3148**

[www.videostandards.org.uk](http://www.videostandards.org.uk)

[www.gamesratingauthority.org](http://www.gamesratingauthority.org)

[vsc@videostandards.org.uk](mailto:vsc@videostandards.org.uk)

© 2014 The Video Standards Council

## CONTENTS

Page 1	Introduction from the Chair
Page 2	A first full year
Page 4	UK video games analysis
Page 9	The age rating process
Page 13	An overview of UK activities
Page 19	The global world of the internet
Page 24	VSC Board, panels & senior executives
Page 26	Statistics

## APPENDIX

Page 27	Directors' report & accounts 2013
---------	-----------------------------------





## INTRODUCTION FROM THE CHAIR



This Annual Report will be my last, as I am stepping down as VSC Chair during 2014. It is a post I have been privileged to hold since November 2005. That nine year period has seen enormous changes in the work of the VSC.

When I took over the chair, PEGI had been established for only two years, and operated in 17 European countries. It now operates in 32 countries.

In 2005, the VSC rated games only at the 16 and 18 age levels, while games at the 12 age level were rated by our colleagues at NICAM in Holland. Games at 3 and 7 were not rated before release. Now all games are rated in advance, with 12, 16 and 18 games being rated by the VSC and NICAM rating games at the 3 and 7 year age levels. All of this has meant a great increase in the VSC workload.

In 2005, we had only 2 members of staff, Laurie Hall and Peter Darby. Now with the increased volume of work, and the designation in 2012 of the VSC as the UK regulator, we have 8 members of staff.

In 2005, the VSC retailer membership represented more than 10,000 high street outlets. This has been greatly reduced, with the demise of many well known high street names, and the relentless move to internet sales.

In 2008, Tanya Byron published her extremely influential review at the request of the then Government. She recommended a single system of classification rather than the dual use of PEGI and the BBFC. After much consultation and debate, a legally backed system based on PEGI became law as part of the Digital Economy Act 2010. As a result the VSC was officially designated as the UK regulator in July 2012

We have of course had changes in our staff since 2005, although one of the reasons for the VSC's success over the years has been the stability and expertise of our senior staff. Laurie Hall stepped down as Director General in January 2014 after 24 years in the role. Peter Darby has taken over the lead role after 10 years with the VSC. We are greatly indebted to them both for their invaluable contribution over the years.

To them, to the rest of our excellent staff, to the hard working and expert members of the VSC Council, and especially to my Vice Chairs, Iain Muspratt and Tony Lake I give my warmest thanks for their dedication to the VSC. In one of the most rapidly evolving sectors of a rapidly changing business world, their support for the ideals of the VSC will continue to maintain the high standards which have underpinned all our work since our foundation, and I wish them well.

**Baroness Shephard of Northwold**  
**Chair**  
**The Video Standards Council**



## A FIRST FULL YEAR

In 1989 I could not have imagined that I was about to embark on a journey which would last for a quarter of a century. Having qualified as a solicitor in 1970 I had spent the next 19 years with various music and video companies. However the time had come to do a proper job.

I was approached by two directors of the British Video Association (a certain Iain Muspratt and Dave Rozalla) and asked if I wanted to set up what was to become the Video Standards Council. The Home Secretary at that time (Douglas Hurd) had told the video industry that he wanted to see the industry observing both the letter and the spirit of the Video Recordings Act. This legislation had become law in 1984 in the wake of the 'video nasties' controversy. It is hard to imagine that the video industry was viewed with a certain degree of suspicion in those days.

In July of that year the VSC was established with directors drawn from all sectors of the video industry. It established its Code of Practice designed to promote high standards in the video industry and ensure that videos and DVDs were provided to the public in a responsible manner. It drew up staff training guidelines for video retailers with particular reference to age restricted titles and the requirement not to supply them to anyone below the specified ages. In July 1993 the Code of Practice was extended to promote high standards within the video games industry.

In 1994, after lengthy discussions with the games industry trade body ELSPA (now UKIE), the VSC introduced the voluntary ELSPA system of age rating for video games in the UK. At this time the very large majority of video games (over 95%) were completely exempt from any sort of age rating. Less than 10 years later the ELSPA system was to form the basis of the Pan-European Game Information (PEGI) system which was launched in 2003.

As they say, the rest is history. The PEGI system was launched in 17 countries and now operates in 32 countries. The PEGI system was effectively adopted into UK law in 2010 and the VSC became the UK regulator for video games in July 2012. Had there not been the prospect of being designated I would have probably stepped back from the position of DG sooner rather than later.

An annual report was published for 2012 but it only dealt with the last 5 months of that year. This report is the first report for a complete calendar year.

As stated in the report for 2012 we will always intend to include a narrative dealing with issues of great concern or controversial decisions arising during the year. I have to say (almost apologetically) that during 2013 there were none.

The VSC does have the legal power to 'ban' any video game from supply in the UK if it contravenes the provisions of the Video Recordings Act or certain other UK criminal laws. During 2013 no video game was considered for 'banning'.

We have a formal arrangement with the BBFC to pass across any video game containing explicit pornographic content. The BBFC will then examine it with a view to granting an R18 BBFC classification. In 2013 no video game containing such content was passed to the BBFC. I would say again in this report that since the VSC started age rating video games in 1994 it has never had a video game containing such content submitted to it.

Occasionally video games can feature video footage which is not integral to the game. We have an agreed formal arrangement with the BBFC to deal with this



situation. During 2013 we have (on the 5 occasions where it has arisen) passed the video footage to the BBFC for a rating determination and taken the determination into account when classifying the video game concerned.

In this report we have included a UK video games analysis which highlights a number of games submitted in 2013 and which for one reason or another caught both our and the public's attention. I hope that this section gives an insight into the wide and varied topics which have to be dealt with in the age rating process.

The statistics shown later in this report show again that over half (51.8%) of games are suitable for children (given a PEGI 3 or 7). These games contain nothing unsuitable for younger children.

At the other end of the scale the figures show that in the UK 14.3% of video games attracted an 18 PEGI rating. This figure is a little misleading as it relates to games supplied in a physical format (games in boxes) where a UK certificate is issued. It does not include online games as they are exempt from legal rating in the UK. The 9.6% figure for PEGI ratings overall is probably more indicative.

During the year 16.8% of games received a PEGI 12 rating and 17.2% a PEGI 16 rating.

It is recognised that as the UK regulator the VSC does have to keep abreast of UK sensitivities. In general terms we believe that UK consumers view the PEGI rating positively. However, we are not complacent and recognise the need to actively engage with the general public to make sure that PEGI ratings reflect their expectations. In the 'overview of UK activities' section of this report you will read that Ipsos MORI have been commissioned to research UK public attitudes to PEGI.

Within our resources we have decided not to research attitudes towards every single aspect of PEGI. On certain topics such as violence, sex, and drugs we believe PEGI is currently well positioned. Whilst we will keep all topics under review we intend to concentrate our immediate efforts on aspects of PEGI which are important in a UK environment and where there is a degree of uncertainty. These aspects are offensive/abusive content and content likely to 'sexualise young children'. Both these topics seem to be developing and changing on an almost daily basis. On this front we have no reason to believe PEGI is out of step but believe it is prudent to find out. We hope to publish the results of this research in the autumn of 2014.

Finally can I take this opportunity to thank Baroness Shephard (VSC Chair), Iain Muspratt and Tony Lake (VSC Vice-Chairs), the directors of the VSC and the VSC staff for all their work, support and guidance. I have to give a special thank you to Peter Darby who has taken over from me as DG at the turn of the year. I certainly could not have done it all without him. I wish him well in his new position.

**Laurie Hall**  
**Former Director General**



## UK VIDEO GAMES ANALYSIS

Video games have finally become a mainstream entertainment medium and no longer carry the stigma of being a niche appeal medium only played by youthful 'gamers' buried in their computers. Many games these days come with Hollywood-size production budgets (some larger!) and are enjoyed right across the age range from small children to senior citizens - indeed the 'average gamer' is 34 and a significant proportion of the audience are women.

Nevertheless, in 2013 we did receive games that gave us pause for thought due to certain themes or elements such as sexual violence or strong physical violence, and which required careful analysis and consideration before appending the appropriate rating. This is especially so in the case of games released in the UK where the VSC must consider issues of potential "harm" to the consumer before issuing a PEGI 12, 16 or 18 rating.

In this respect, we have highlighted a number of games from 2013 which, for one reason or another, caught both our and the public's attention and which serve to illustrate the type of material we deal with on a regular basis. As a counter-balance, we have also highlighted some games rated PEGI 12 to illustrate that games can also provide a positive entertainment experience for children contrary to the view of some who believe that video games are predominantly violent and negative in outlook.

### BIOSHOCK INFINITE (PEGI 18)



Set in the fantasy city of 'Columbia', a floating city in the sky, Bioshock Infinite is an intriguing, narrative-rich game in which its hero, Booker DeWitt, is sent there in search of a woman, Elizabeth, who has been held captive for most of her life.

Columbia is a strange place as DeWitt discovers after he has found Elizabeth. Both of them are caught between two warring factions, one being the elitist and racist "Founders" and the other being the "Vox Populi" comprised of the city's more regular citizens. DeWitt also discovers that Elizabeth has extraordinary telekinetic powers that enable him and her to fight and defeat the many enemies they must face.

After careful consideration the game was classified at PEGI 18 because of strong graphic violence, yet many commentators seemed to pick up on the alleged 'racism' within the game narrative. From a 21<sup>st</sup> century perspective, and at first



glance, this can appear to be the case. It is important to note, however, that there is no intention whatsoever on the part of the game to stir-up or encourage any racial dislike or hatred towards a particular group (if it did, it would likely breach UK law and be banned).

It is evident that the game world is set in a period of American history where intolerance in all its varying shades was not unusual. The city of Columbia is ruled by an autocratic group that is clearly of an extreme political persuasion and one in which white supremacy is a defining feature.

Whilst there is use of racist language and behaviour in the game after careful consideration we decided it was not discriminatory. It was clear that the game acted as a means for the player to reflect on these attitudes and how segregation, in the first part of the 20<sup>th</sup> century, affected minorities.

### GRAND THEFT AUTO V (PEGI 18)



This much anticipated game was one occasion where the reality really did live up to the hype. Developed by Rockstar North (Edinburgh), GTA V is a massive open-world game set in the fictional city of Los Santos in Southern California. The main thrust of the game centres on completing a number of heists through three separate and different characters who can be controlled by the player. These characters will eventually interact with each other as the game progresses, but like previous incarnations of the game much of the pleasure to be had rests in the ability of the player-character to simply roam around the city, completing side missions or simply enjoying the variety of activities that can be undertaken.

In terms of rating the game, a number of factors gave rise to the final PEGI 18. Much of the game involves criminal activity which can vary from relatively low-key crime, such as theft, to murder at the other end of the scale. However, the actions of such crimes are not without consequence – arrest, imprisonment and even death – serve to act as a counter to the impression that such behaviour is risk-free.

Games centred on criminal themes would generally attain a PEGI 16, but in the case of GTA V, the ability to kill innocent bystanders and inflict violence on vulnerable or defenceless human characters will normally generate a PEGI 18.



Of particular note, is one level entitled “Friends Reunited”, which involves the torturing of a spy in order to extract information required to undertake a ‘hit’. The PEGI Assessment Form indicates that an ‘18’ will be engaged for:

*“Depictions of gross violence, which includes torture, dismemberment, sadism and horrific depictions of death or injury towards human-like or animal-like characters.”*

The victim is bound to a chair and the player takes control of the psychotic “Trevor” character. In order to find out who and where the target is, Trevor proceeds to torture the victim using a number of methods in order to extract the information – a large wrench, a pair of pliers, electrical jump cables and a large can of water for ‘water boarding’ the victim. In each instance, the torture applied has to be carefully measured since too much will kill the victim and too little will have no effect.

VSC examiners brought this sequence to the attention of the executive who concluded that while the scene was, indeed, very strong, it had much in common with the likes of some feature films such as Eden Lake, Hostel, Reservoir Dogs and Marathon Man. Unlike those films, however, the game characters are animated people and the torture itself lacks any great process or brutalising detail.

It is also worth noting that there is a post-torture sequence of dialogue between Trevor and his victim, (who has been released and is being driven to the airport seemingly uninjured after all that he has been subjected to), in which Trevor denounces torture because it doesn’t actually achieve its real aim. In fact, he states a possible truth that torture is committed first and foremost because the oppressor actually enjoys it and not because he expects to extract any useful information, but that’s a whole other debate.

Many commentators, both online and in the print media, also picked up on this level of the game and while many expressed discomfort and unease about the scene, none suggested it should be banned or cut.

### **BEYOND: TWO SOULS (PEGI 16)**



This was another much anticipated game of 2013 which, unusually in a video game, manages to blur the line between fully-fledged feature film and game.

The story revolves around teenager, Jodie Holmes, as we follow and play episodes from her life spanning some fifteen years. Raised by foster parents who coincidentally work for the CIA, Jodie becomes a much prized asset when it is



discovered that she has telekinetic powers as a result of a psychic link between her and an enigmatic spirit known as Aiden.

The game was submitted some months in advance for 'advice' – a process which allows game publishers to get an estimation of what rating the game is likely to gain. During the course of the advice viewing we suggested a number of edits would be necessary if the publisher wished to acquire a PEGI 16 rating. These edits included changes to a scene of sexual violence and some scenes of physical violence. After changes were made the game was finally given a PEGI 16.

The main element which caused us some concern centred around two moments in the game when a very unhappy Jodie can opt to end her life. As a clear and present real world "harm", we were highly sensitised to this issue and quite prepared to rate the game at PEGI 18. It transpired, however, that this was not necessary since the detail lacked any notable process and there was no sense that such an act was being condoned or made to seem appealing. In the first instance a knife is pressed into the skin with a tiny welling of blood around the blade before 'Aiden' intervenes and removes the knife. In the second instance, Jodie can jump from a bridge and into the path of a train. Once again, however, Aiden intervenes as she jumps and places her back on the bridge.

### CALL OF DUTY: GHOSTS (PEGI 16)

This latest instalment of the popular modern warfare first person shooter, came as something of a surprise to the VSC, game critics and the public alike, but only in respect of its final rating. Although this is a long-standing series (originally published in 2003), most of the previous versions have been rated PEGI 18 for graphic, bloody violence. However, this latest version has been toned down with none of the decapitations or limb removal evident in its predecessors. The assessment form notes that: "*Depictions of realistic looking violence towards human-like or animal-like characters*" are permissible at PEGI 16.

By this, it generally means that some bloody violence is permissible, but the presence of visceral body damage - decapitations and other gory effects - are likely to tip the game into the 'gross violence' category and, subsequently, a PEGI 18.

This toning-down of the blood and gore seems to have wrong-footed many gamers and game critics alike. Some emails to PEGI suggested that consumers were surprised at the 16 rating and had assumed that PEGI rules had suddenly changed. We quickly pointed out that this wasn't the case, and that this version of the series sat comfortably at PEGI 16 for the reasons stated above.

We do of course deal with many games containing controversial content but it is clear from the range of games coming to PEGI for age rating that the vast majority of them offer simple, straightforward pleasures for many millions of people. To briefly illustrate this, we have set out below some examples of games released in 2013 which fit this description and which also illustrate the wide variety of activities covered by video games.

### X-BOX FITNESS (PEGI 12)

Could this be the future of fitness? Using the X-Box Kinect sensor, this 'game' is your own personal fitness system where your on-screen fitness trainer takes you through a series of quite strenuous workouts. The sensor gives much in the way of



feedback including such information as heart rate, which muscles you are using and which ones you should be using.

### THE INNER WORLD (PEGI 12)

This is a visually attractive and somewhat quirky adventure game populated by a host of strange-looking characters who live on Asposia, a place where everything is made of soil. It is something of a modern fairy-tale involving a character called 'Robert' who is trying to find an item that has been lost by his beloved master and which requires much puzzle solving on his (and the player's) part.

### 9 CLUES: THE SECRET OF SERPENT CREEK (PEGI 12)

This is a detective-style puzzler set in 1950's America in which a private investigator finds himself in the town of Serpent's Creek in search of a reporter who has gone missing in the town. If that wasn't bad enough, the investigator finds the town is crawling with snakes and must uncover an evil plot to bring back a mighty Snake God.

### RAIN (PEGI 12)



Describing itself as, "the story of an invisible world revealed by the rain", this is an original and intriguing game in which a boy awakes to see the shimmering outline of a girl. He follows her into a mysterious world where it is permanently raining. The boy eventually becomes invisible and can only be seen by the light which reflects off the rain striking him or by the footprints he leaves in the wet pavements.

Aside from the visually arresting imagery, this game is a real mental challenge as your character attempts to find his way out of the invisible world. Matters are made more difficult by the fact that physical objects and obstacles can only be negotiated when they are revealed by the light reflecting off the falling rain. An atmospheric and challenging game with an engaging storyline.



## THE AGE RATING PROCESS



### HOW IS A VIDEO GAME GIVEN AN AGE RATING FOR THE UK?

The VSC has adopted the name **Games Rating Authority** in respect of its games classification activities both as the UK regulator and the PEGI administrator.

The PEGI system is internet based and is designed to be used by games publishers from all over the world. In order to enter the PEGI system the games publisher has first to enter into an agreement with the Interactive Software Federation of Europe (ISFE) and amongst other things contractually agree to comply with the PEGI Code of Conduct. In order to submit a game for a PEGI age rating the publisher has then to nominate at least one 'coder' who will be the person responsible for completing the online submission process and who will be the main point of contact with the PEGI administrators.

In order to submit a video game for a PEGI rating the coder is required to complete an initial online assessment form (available for download from the VSC website). The answers provided in the assessment form will elicit a provisional rating for the video game. The questions, associated help pages and associated criteria have been established and developed over the years with the advice and guidance of family welfare and child safety experts. They have also been designed to accommodate particular matters of concern in any one or more of the countries using the PEGI system. For example, they accommodate the UK concerns about bad language and the Greek concerns about gambling. The PEGI philosophy is one where the concern of one country is shared by all countries.

Under the PEGI rules there are significant penalties for deliberately failing to disclose relevant content in a game or being negligent (a possible fine of up to €500,000).

The requirement to complete the initial assessment form illustrates the need for a separate approach to age rating video games. For a film it is straightforward. A film is linear. If the film is 90 minutes long it takes 90 minutes to see everything in it. Video games are both interactive and not necessarily restricted to a set time limit. Every time the game is played the experience is different and different things are seen. A single act of violence or use of a sexual expletive in a film may only be seen or heard once. In a video game it may be seen or heard many times over as the player endeavours to progress through each level of the game. To see everything in a video game and every combination of its component parts is all but impossible. The assessment form is completed by the coder on behalf of the games publisher who knows precisely what the game contains and where.

The completion and submission of the assessment form and the establishment of a provisional rating is a starting point only. At this stage a PEGI rating has not been given. The provisional rating simply serves to establish which of the PEGI administrators will examine the game.

Games with a provisional 3 or 7 PEGI classification are examined by the Netherlands Institute for the Classification of Audiovisual Media (NICAM) in



Holland. Games with a provisional 12, 16 or 18 PEGI classification are examined by the VSC. There are arrangements between the VSC and NICAM to ensure that all video games submitted at 3 or 7 and which are eventually classified at 12 and above are examined by the VSC.

Under UK law it is mandatory to classify games attracting the PEGI 12, 16 and 18 classifications. Games given PEGI 3 and 7 classifications are advisory only and are exempt from UK legal classification. Although PEGI as such is not mentioned in UK legislation the benchmark at which exemption from classification is lost has essentially been set at the PEGI 12 level.

## THE CLASSIFICATION CRITERIA

For violent video games there are degrees of violence. Gross violence and such things as torture, sadism, horrific depictions of death or injury, motiveless killing and violence towards vulnerable people will attract a PEGI 18 classification.

For video games attracting PEGI 16 violence is permitted at levels which fall short of the violence attracting the 18 classification such as realistic violence and sustained depictions of death or injury to human characters

For video games attracting a PEGI 12 the level of violence falls even lower and includes such things as violence to fantasy characters and unrealistic looking violence.

A similar approach is adopted when dealing with the other main rating issues such as drugs, sex and nudity, crime, and bad language.

If the use of illegal drugs is shown in a game it will attract a PEGI 16 and if the game in any way glamorises the use of illegal drugs the rating will be raised to PEGI 18.

Sexual innuendo, images and descriptions as well as sexual posturing will attract a PEGI 12. If the sex act is shown in a non-explicit manner or there is erotic or sexual nudity the classification will rise to PEGI 16. If it does become explicit then it will go to the PEGI 18 level.

If a game in any way glamorises crime it will attract a PEGI 16. A game containing mild swearing will be given a PEGI 12 and the use of any sexual expletives will raise this to PEGI 16.

It is useful to point out that once a single depiction of 18 level violence is identified the video game concerned will never be classified at a rating lower than PEGI 18 regardless of any other content, A single depiction of violence in a game may be seen many times over as the player may make many attempts to play through the level of the game where the single depiction is.

## EXAMINATION

The completed assessment forms for games given a provisional PEGI 12, 16 or 18 are submitted to the VSC, and subject to the PEGI fee being paid, the examination process begins.

The game is allocated to a VSC examiner. Examiners have to be adept at playing games and using the various games consoles, but they are essentially recruited for



their analytical skills. They have to be able to understand the criteria used at each of the age levels and apply them to what they are seeing on the screen.

Before an examiner starts the examination the following must be supplied:

A copy of the completed game (including any additional material that will appear with the retail version of the game).

Video footage giving an overview of the game and of sequences in the game resulting in 'yes' answers in the assessment form.

Plus as much of the following as is available:

Storyline & manual

Any cheat codes, 'God' modes, walkthroughs and shortcuts.

Saved games at the beginning of sequences resulting in a 'yes' answer in the assessment form.

Easy access to sequences resulting in a 'yes' answer.

Song lyrics and dialogue scripts.

If at any time the examiner wants more materials to be provided, the examination stops until it is supplied.

The examiner then reviews the video footage supplied to ensure it is consistent with the provisional rating. After that the examiner plays the game to the extent necessary to establish that the supplied video footage is truly representative of the game and that the game is unlikely to contain undisclosed pertinent content. The examiner will then allocate an age rating to the game. If this is different to the provisional rating the examiner will give the coder the opportunity to remove or alter content giving rise to the different rating. If content is altered or removed, the examiner will look at the amended version and allocate the appropriate rating.

If the examiner comes across any particularly controversial content in a game, or matters where there is any uncertainty as to the appropriate age rating there are systems in place to refer such issues to senior VSC management

In practice nearly all differences between the rating given by the examiner and the rating expected by the coder are resolved by the coder accepting advice from the examiner in respect of necessary changes.

At the end of the examination a PEGI licence is issued specifying the classification and content descriptors specified by the examiner. If the games publisher disagrees with the classification given there is a formal PEGI appeals procedure available.

## UK CERTIFICATES

The issuing of a PEGI licence for games rated 12, 16 and 18 does not give the games publisher the ability to supply the game in the UK. It is at this point that the VSC (operating as the Games Rating Authority) has to assume its position as the designated authority. In this position it has to answer two basic questions:



Has the game been properly classified under the PEGI system?

Does the game contravene UK law?

The answer to the first question will of course be in the affirmative as the VSC itself (as PEGI administrator) will have just rated the game using the PEGI system. In the vast majority of cases the answer to the second question will be 'no'. However, this may not always be the case.

Before answering this question there are a number of UK statutes which have to be considered dealing with such subjects as sexual content, pornographic images, protection of children, cruelty to animals, private sexual recordings, obscenity and tobacco advertising. Beyond this there is the Video Recordings Act which gives the designated authority the ability to decline to grant a UK certificate ('ban' a game from UK supply) upon the basis that the game contains significantly harmful content.

The process the VSC will follow upon initially considering a game should be 'banned' allows the game to be referred to an expert advisory panel. This panel (members listed at page 25) will advise on all psychological, clinical, legal and research factors. The designated persons (the VSC Chair and Vice-Chairs) will take this advice into account when reaching a final decision on whether a UK certificate should be issued or not. If they decide that a UK licence should not be issued then the game is effectively 'banned' from supply in the UK.

## APPEALS

If a UK certificate is refused the games publisher concerned has a right to appeal against this decision. In this respect, the VSC has established an independent appeals panel and appeals procedure. The appeals panel comprises a Chair and a team of members for the Chair to draw on to hear an appeal.



## AN OVERVIEW OF UK ACTIVITIES



Although PEGI is an international classification system for video games the VSC is very aware that it must also comply with all the legal and other requirements applicable in the UK.

### PROCEDURAL & LEGAL

#### Packaging

There are certain regulations in force in the UK which specify what must appear on the packaging (including discs) for video games supplied in the UK. The PEGI packaging regulations (applicable throughout all PEGI countries) are compatible with the UK regulations.

#### Content descriptors

Unlike the classifications used for videos and DVDs, the PEGI classifications are accompanied by content descriptors which indicate the dominant reasons why the video game has been given a classification.

At present there are ten pictogram descriptors which indicate whether a video game contains bad language, discrimination, drugs, fear, horror, gambling, nudity, sex, violence and whether it can be played online.

The applicable content descriptors must appear on the reverse of the packaging for video games.

Each of the content descriptors must be read in the context of the PEGI age classification. Accordingly, a violence descriptor with an 18 classification will indicate a much higher level of violence than a violence descriptor with a 12 classification.

#### Enforcement authorities

Trading Standards in the UK are responsible for the enforcement of the classification requirements and the packaging regulations for video games supplied in the UK. Against this background the VSC entered into a dialogue with the Trading Standards Institute to ensure that arrangements it had made were fully compatible with legal requirements.

The VSC set up a system whereby advice can be given and certificates of evidence supplied to Trading Standards officers who may require them in connection with any proposed legal proceedings.

The VSC has entered into a Primary Authority Partnership with Hertfordshire Trading Standards (its home authority). This will mean that the VSC and Trading



Standards departments across the country have a central national reference point for legal or enforcement matters relating to video games.

### UK certificates

It is the UK certificate issued by the VSC which gives the legal authority to supply a video game classified in the UK. The VSC has set up a system for the issuing of UK certificates for video games given 12, 16 and 18 age ratings under the PEGI system. It is the UK certificates which form the basis of certificates of evidence given to the trading standards authorities.

It should be noted that where a video game is supplied in the UK for a number of different games consoles (e.g. Xbox, Playstation, and Wii) a separate UK certificate is issued for each version of the game.

### Video games given PEGI 3 and 7 age ratings

3 or 7 age ratings given to video games under the PEGI system are voluntary and such games are exempt from legal classification in the UK. The VSC does not issue UK certificates for such games.

### The right to decline issuing a UK certificate

Under UK law the VSC does have the legal right to effectively 'ban' the supply of a video game in the UK. This facility does not exist within the PEGI system which is advisory only.

The VSC is however very aware that if relevant circumstances arise it must exercise this right even if the video game is released in the other PEGI countries. The circumstances resulting in consideration for 'banning' a video game in the UK are set out earlier in this report as are the procedures to be followed (including the appeals procedure).

Since designation no video game has been submitted to the VSC which has warranted such a consideration.

### Sexual content

As part of its agreed arrangements with the BBFC the VSC has agreed that any video game containing explicit sexual content will be passed to the BBFC for classification in the R18 category. If the BBFC consider any such video game does not warrant an R18 classification it will be passed back to the VSC for classification under PEGI.

Since designation no such video game has been submitted to the BBFC.

The VSC is very aware of the current UK concern about the sexualisation of young children. In relation to video games these concerns are generally in relation to such matters as sexual innuendo, sexual descriptions or sexual posturing. This type of content already attracts at least a 12 classification under the PEGI system.

As was highlighted for example in Reg Bailey's review for Government, 'Letting Children be Children', parents have expressed particular concerns about



sexualised behaviour in music videos that may be watched by young children. PEGI has always appropriately classified such videos contained in video games.

### Video footage which is not part of the video game

In the agreed arrangements with the BBFC the VSC has agreed that it will not classify or give a determination to video footage which is either not an integral part of the video game but is accessible through the game, or which is not part of the game but appears on the same disc (e.g. trailers and other advertisements for unrelated video games). The VSC has set in place procedures and agreements with the BBFC to deal with such video footage as and when it is encountered.

In 2013 the VSC has on five occasions identified non-integral video footage accessible through the video game concerned and has submitted the video footage to the BBFC for a determination. These determinations have been taken into account in the final PEGI classification.

## INFORMATION

### Websites

The main VSC website contains a full explanation of the VSC structure and the systems and procedures set in place for the classification of video games supplied in the UK at the 12, 16 and 18 levels.

[www.videostandards.org.uk](http://www.videostandards.org.uk)

The Games Rating Authority website is aimed more specifically at the public (particularly parents) wishing to know about PEGI classifications and what they mean. Amongst other matters this website gives the consumer the ability to search for games classified for the UK and provides more comprehensive information as to why such video games have received a particular classification. This additional consumer information is available for all video games classified PEGI 12, 16 and 18 since designation in July 2012.

[www.gamesratingauthority.org](http://www.gamesratingauthority.org)

The VSC fully supports the 'ask-about-games' website, a resource for parents providing further information about video gaming.

[www.askaboutgames.com](http://www.askaboutgames.com)

The VSC has joined with other UK regulators (TV, film, advertising and newspapers) in establishing the Parentport website which provides consumers with a one-stop-shop to direct their complaints or comments to the relevant regulator. The site was established and is maintained by OFCOM.

[www.parentport.org.uk](http://www.parentport.org.uk)



## Dealing with public complaints, queries and requests for information

Virtually all complaints, queries and requests for information are made directly online to the PEGI public website (please see details on page 26).

[www.pegi.info](http://www.pegi.info)

These communications cover a plethora of topics but recent years would serve to show that the volume of technical questions and comments on classifications is decreasing and the volume of general requests for information about PEGI is increasing.

Familiarity with the PEGI system has certainly increased over recent years. However the VSC recognises that there remains a great deal of work to be done in terms of raising public awareness.

Although there is a centralised PEGI system for dealing with public complaints, queries and requests for information the VSC does identify matters raised by UK based members of the public. Where it concerns a UK specific matter then the VSC deals with it. In any event all matters raised by the public are dealt with in a proper and prompt manner.

## TRAINING & EDUCATION

### UK retailers

Since it was established in 1989 the VSC has provided its retailer members with staff training guidelines designed to educate staff involved in the supply of video entertainment about the law relating to age restricted videos and DVDs and the consequences of supplying them to persons under the specified ages. The staff training guidelines have now been amended to take into account age restricted video games.

The VSC also provides its retailer members with other information and in store display materials dealing with age restricted videos, DVDs and video games.

In addition, the VSC has established an online e-learning staff training programme for its retailer members which now incorporates the new laws relating to age restricted video games. The programme includes an exam designed to ensure that members of staff have understood what their responsibilities are. The programme produces an overview report for retailer members (both large and small) giving details of each member of staff and their status so far as the course and taking the exam are concerned. It provides retailer members with a very useful tool to ensure that all members of staff have been properly trained.

### Education

Increasing UK public awareness of PEGI is and probably will remain at the top of the VSC priority list for quite some time. Although awareness of PEGI has improved greatly over recent years the VSC recognises that promoting PEGI ratings is important to ensure that both parents and children understand why video games are classified and the rationale behind these classifications.

In this respect the VSC has and will continue to identify opportunities to reach out, not only to the public, but also to colleges, universities and other educational establishments with a view to ensuring that the next generation of opinion formers



and parents are as knowledgeable and familiar with PEGI classifications as they are with age restrictions for other media.

Within VSC resources we have already had a measure of success and have conducted a number of presentations to educational establishments including the University of Hull, City College Coventry, Uxbridge College and South Thames College in Wandsworth.

We have to acknowledge that this approach will be a gradual process since many educational establishments do not always have space in their curricula to accommodate us. In many cases we supply information and literature through our websites.

In 2013 we also attended the Eurogamer Expo video show at Earls Court which was attended by 70,000 members of the public where we had experts on hand to explain the PEGI ratings to parents and young people.

## PEGI IN THE UK

### UK Sensitivities

When PEGI was launched in 2003 it was designed to accommodate the national sensitivities of all 17 participating countries. PEGI has a policy of adopting a common approach. A concern of one country will be adopted by all. This policy has been continued even though the PEGI participating countries now include 30 other nations alongside the UK.

There is, perhaps, a perception that sensitivities in other countries are not the same or set at a lower standard than in the UK. This is not so. Sensitivities and concerns in other countries are (with very few exceptions) remarkably similar to those in the UK.

In 2003 there was a particular UK concern regarding the use of mild swear words in video games. This was not such an issue in other countries. Nevertheless, the UK concern was incorporated into the PEGI criteria and the use of such words in a game will attract a PEGI 12 classification. More serious sexual expletives are commonly frowned upon and attract a PEGI 16.

The PEGI criteria used for classifying video games at the various age levels were established and are continually monitored and amended (where necessary) by a PEGI experts group. This is made up of specialists and academics in the fields of media, psychology, classification, legal matters, technology and the digital environment. The UK has representation in this group.

Since 2003 the experts group has been able to adopt a very dynamic and robust approach to new situations and technological developments. Matters dealt with by the group have usually arisen from within the group itself, from public complaints and from difficulties encountered by the PEGI administrators (including the VSC).

In the event that the VSC does identify a significant UK specific matter which is not dealt with by the PEGI criteria it does have the ability to raise it with the PEGI experts group. In such event it is likely it will (subject to PEGI procedures) be incorporated in the PEGI criteria. In the unlikely event that it is not the VSC will have the legal ability to override a PEGI rating given for video games supplied in the UK.



The assessment form saw two significant additions in 2013. These were the 'horror' criteria at the 12 level and 'minor non-realistic violence towards humans' at the 7 level.

A new horror question was added due to a requirement to categorise games that contained frightening content that goes beyond being just scary to younger children. The horror criteria cover pictures or sounds that may be shocking or cause revulsion to the viewer such as graphic injury detail or mutilated bodies. It is important to note that this does not include the violence associated with this, as this would likely be rated higher than 12.

A question dealing with 'minor non-realistic violence towards humans' was introduced to bring some violence from 12 down to the 7 category. This includes instances where the violence is so minor that there is little physical reaction and no depictions of pain or suffering.

### Surveying UK public attitudes to PEGI

The VSC is very aware of the need to stay up-to-date with contemporary attitudes and values amongst the UK population.

With this in mind Ipsos MORI have been commissioned to research UK public attitudes to PEGI. It is anticipated that this research will be conducted in late spring/early summer of 2014 with a report provided in the autumn.

The research will be conducted predominantly online but will utilise data obtained from a face to face survey so as to adjust for any over-population of more advanced technologically aware consumers that may be found in online surveying.

It is anticipated that it will examine the extent to which PEGI is known and understood by the public and to specifically query UK consumer sensitivities in relation to discrimination, sexualisation and offensive language found in video games. It will also enquire into specific areas of the content of video games that may warrant further research in the future thus forming a framework for continued assessment of public attitudes towards the age rating of video games.

In addition to the planned study outlined above the VSC continues to monitor all UK comments received by PEGI for signs of unease over the rating criteria. It also has directors representing the children and family welfare sector on its board and is able to receive concerns expressed through these channels.





2013 was a year of anticipation, with the launch of 8th generation consoles from Sony and Microsoft happening almost simultaneously. And although that marked the end of a market cycle, 2013 also saw the release of a record-breaking entertainment title, Grand Theft Auto V. Meanwhile, statistics about the use of smartphones and tablets show that the most popular and highest grossing apps are almost all games (e.g. the massive success of Candy Crush Saga). This shows that, although the current industry landscape is very challenging and highly competitive, its diversity provides more potential than ever. There is room for small developers right next to established names. The media loves to speculate on whether gamers will turn from one console to the other, or leave console gaming altogether for digital games on other devices, but the reality shows that more and more people combine different devices for different types of games. And that can only mean that there is a future for all these markets.

In the last three years, we have worked hard to update the functionality of the PEGI system, since new games markets and business models required us to take action. With PEGI for APPS, we are able to serve the fast-moving, low-budget world of digitally delivered mobile games (or apps in general). Microsoft has already successfully implemented it for apps on the Windows Phone platform and the Windows 8 system.

The digital games market works on a completely different scale than the packaged market for pc and consoles. Entirely different logistics, shorter development cycles and global audiences with a short attention span. It's a very thrilling environment and we see that various business models allow for sustainable growth, as some of the tremendously popular titles are proving. Evidently, there is a considerably long tail of titles that do not reach a certain level of success, but that is because the digital market is very easily accessible. Developing a game for digital distribution can happen relatively quickly and, in many cases, on a very small budget. There is not much room at the top, so it's quite tough to get there, but the ones who do, have the chance to make a nice profit.

Apart from the digitisation of the market, globalisation is another evolution that we needed to act upon. Our cooperation with rating boards across the world to share best practices resulted in IARC (International Age Rating Coalition – see page 20). Together, we built a procedure that classifies digitally delivered products with various, region-specific age ratings in one single effort. That way, we're offering a fast and efficient way of working for thousands of app publishers, while consumers can still rely on trusted, familiar labels. Building this was the first complicated step, and the second phase – implementing IARC in various storefronts – is a technical challenge as well, but given time, IARC will be a great benefit to consumers, publishers and platform holders. And a continuous international collaboration will help PEGI to stay relevant, up-to-date and in line with new innovations.

Simon Little (Managing Director – PEGI SA)





PEGI Online was launched in 2007 as an addition to the PEGI system with the purpose to give young people in Europe better protection against inappropriate online gaming content and to help parents understand the risks within this environment. The licence to display the PEGI Online label is granted by the PEGI Online administrator to any online gameplay service provider that meets the requirements set out in the PEGI Code of Conduct.

Since online games often support virtual communities, players can be exposed to the risks associated with real-time interaction with unknown fellow players. Such risks include:

- Content being created as a result of the game which could be unsuitable for young people and a mismatch with the rating given for the game.
- Some players engaging in behaviour that might not be suitable for young people.

For example, inappropriate or offensive language; bullying in games that allow text, voice or video communication; unsporting conduct like cheating and tampering; or aggressiveness towards others.

- Breaches of privacy.

Online players sometimes encourage children to build relationships, share personal details, or even meet unknown fellow players outside the game.

- Links to websites where content may not be suitable for young people.

To address these topics, the main provisions of the PEGI Online are:

- Only game content that has been appropriately rated by PEGI or another recognised European system can be included on a site.
- Appropriate mechanisms are in place to allow game players to report the existence of undesirable content on any related websites.
- Licence holders will use their best endeavours to ensure that online services under their control are kept free of any content which is illegal, offensive, obscene or which might permanently impair the development of young people.
- Any PEGI Online licence holder collecting personal information from subscribers will maintain an effective and coherent privacy policy in accordance with European Union and national Data Protection laws.
- Licence holders will maintain community standards to prohibit subscribers from introducing content or indulging in online behaviour which is illegal, offensive, obscene, or which might permanently impair the development of young people.
- All advertising shall be conducted demonstrating a sense of responsibility towards the public.



The PEGI Online label indicates whether a particular game or site is under the control of an operator who cares about protecting young people.

The PEGI Online website [www.pegionline.eu](http://www.pegionline.eu) offers all relevant information about the nature, categories and potential risks of online gaming. It contains useful tips for safer online game play and offers the possibility to report complaints or abuses by consumers.



### Coalition

Rating boards from different regions in the world have joined forces to provide a solution for the globalised market of digital games (downloads, apps as well as browser-based games). The International Age Rating Coalition (IARC) aims to unify and streamline the age classification process for digitally delivered games. Officially introduced in 2013, IARC simplifies the submission process for publishers by providing them with a single set of questions about the game's content.

The IARC questionnaire is based on the criteria that every individual rating board considers when assigning age classifications. Once a publisher has filled out the questionnaire, the IARC system automatically generates multiple age and content ratings, one for every participating territory's local system. This means a publisher can get a PEGI rating for Europe, an ESRB rating for the United States, a USK rating for Germany and others by completing one set of questions online.

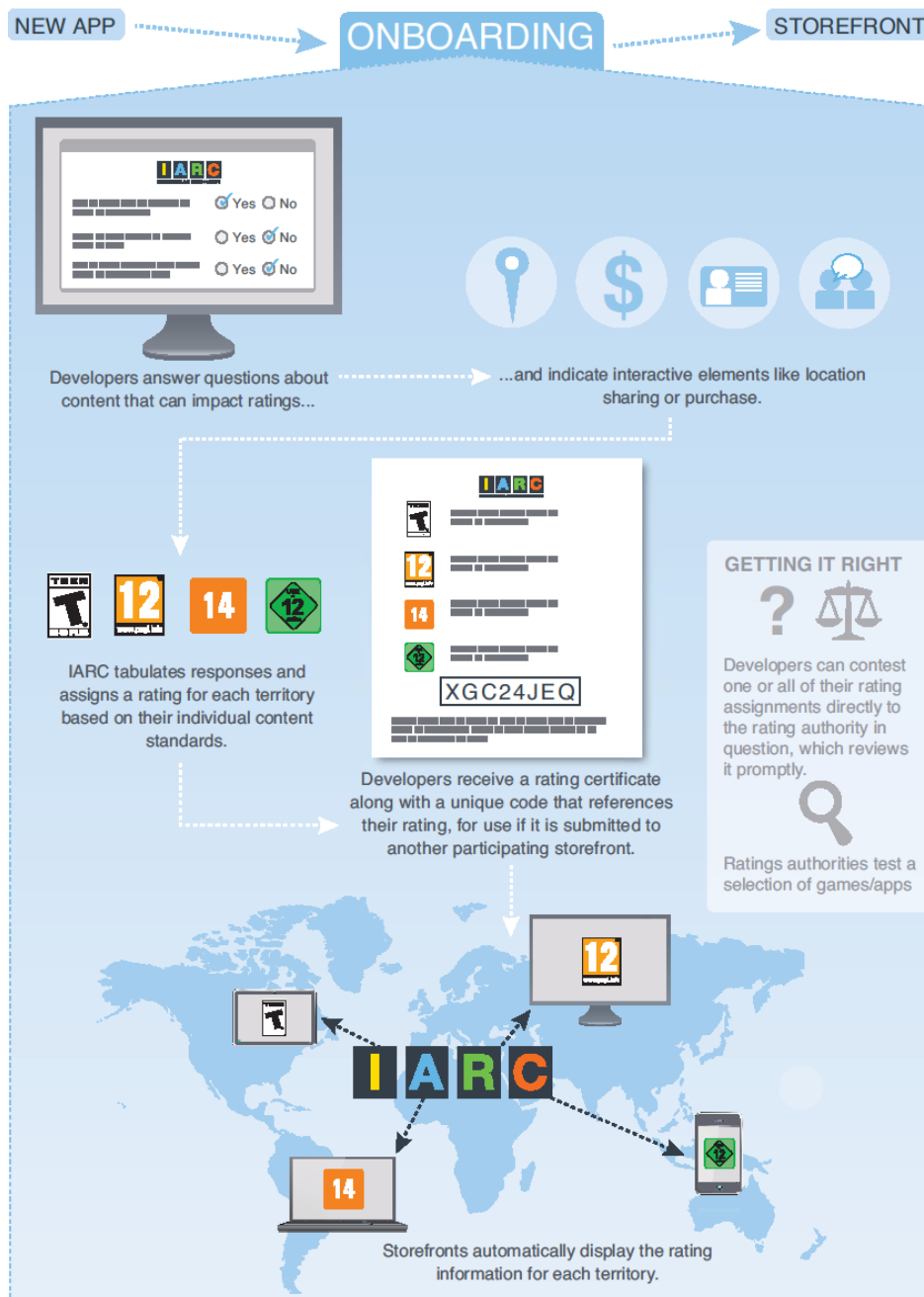
IARC currently includes rating authorities from Europe, North America, Brazil, South Africa and Australia. Together they represent 36 countries, collectively serving 1.4 billion people across the globe, with more expected to join in the future. IARC also produces generic ratings that may be used in territories that lack an official or participating rating system.

### Benefits

Storefronts and platforms are able to forego administering their own rating systems in favor of using established standards while complying with the content classification requirements that are legally mandated in certain countries. Developers are relieved of having to go through multiple processes for obtaining ratings for the different territories and storefronts in which they wish to make their games available. And consumers are presented with a consistently applied set of familiar and trusted ratings that reflect their local, distinct sensibilities about content and age appropriateness.



## How IARC Works



In terms of methodology, IARC is quite similar to the rating procedure that PEGI already has in place in Europe for digitally delivered content: PEGI for APPS is currently used on the Windows Phone platform, allowing publishers to get a PEGI rating for their app, quickly and for free.

PEGI for APPS is designed to cater specifically to the needs of app developers and digital platform operators. It is an extension of the existing PEGI system, providing a more flexible and tailor-made procedure that allows publishers to use PEGI as it is known from boxed products and online titles.

On top of that, PEGI for APPS and IARC add feature descriptors that inform a consumer about certain types of functionality in an app. These features improve the general user experience, but also warrant caution, as consumers are not always aware of such features, like in-app purchasing or location data sharing. These descriptors are not linked to specific age ratings, but rather operate

alongside the age rating and its corresponding content descriptors. The current feature descriptors are:



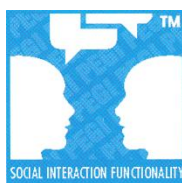
The app contains elements enabling the consumer to purchase additional content or functionality when the app is active, regardless of whether the app itself was acquired for free or not.



The app gives its developer (or a third party) access to personal data such as home address, contact details or bank account numbers.



The app contains the option to share exact location on a map when using the app. The location information may be shared publicly or with a specific network inside the app or elsewhere online.



The app includes an option for a user to chat with other users of the app. These users may operate under a pseudonym or anonymously.



## VSC BOARD, PANELS & SENIOR EXECUTIVES



The  
**Video Standards Council**

### VSC BOARD

#### **Baroness Shephard of Northwold (Chair)**

Former Secretary of State for Education & Employment

#### **Tony Lake OBE QPM (Vice-Chair)**

Former Chief Constable of Lincolnshire Police

#### **Iain Muspratt (Vice-Chair)**

Chartered Accountant. Past Chairman of the British Video Association and member of the British Screen Advisory Council.

#### **Kim Bayley (Entertainment Retailers Association)**

ERA is the trade association representing retailers of music, video, DVDs and video games.

#### **Lavinia Carey OBE (British Video Association)**

The BVA is the trade body representing the interests of publishers and rights owners of video entertainment.

#### **Dr Jo Twist (Association for UK Interactive Entertainment)**

UKIE is the trade association representing the video games and interactive entertainment industries.

#### **Mary MacLeod OBE**

Independent family policy adviser and a leading voice on children and family welfare.

#### **Chris Atkinson**

Child protection background and has worked in the children's charity sector for most of her career including 16 years at the NSPCC

#### **Harry Marsh MBE**

Freelance consultant in the UK voluntary sector; advising a wide range of charities and charitable trusts on governance, strategy, project management, diversity and fund raising.

#### **Paul Bennun (Game Retail)**

Game is a major video games retailer.

#### **Charles Webster (Delta Music)**

Delta is a publisher of DVDs and CDs and a distributor with its own network of fully merchandised outlets.



## APPEALS PANEL

### **Baroness Kennedy of the Shaws QC (Chair)**

Leading barrister and expert in human rights law, civil liberties and constitutional issues

### **Prof. Barry Everitt**

Master of Downing College, Cambridge

### **Anthony Lilley OBE**

Award winning media producer with experience in the commercial and public sectors

### **Judge Kyrie James**

Member of the Asylum & Immigration Tribunal and the Government's Advisory Council on the Misuse of Drugs

### **John Grieve CBE QPM**

Former New Scotland Yard detective. He teaches at Portsmouth and London Metropolitan universities

## EXPERT ADVISORY PANEL

### **Geoffrey Robertson QC**

Leading media lawyer and 'distinguished jurist' member of the United Nations Justice Council

### **Prof. Tanya Byron**

Consultant clinical psychologist specialising in child and adolescent mental health

### **Dr. Guy Cumberbatch**

Chartered psychologist and Director of The Communications Research Group in Birmingham

## SENIOR EXECUTIVES

### **Peter Darby (Director General)**

Former senior police officer having served 34 years with the Metropolitan Police Service. Joined the VSC in 2003.

### **Laurie Hall (Director of Business Affairs)**

Qualified solicitor with many years experience in the music, video and video games industries.



Full profiles for all of the above are available on the VSC website.

## STATISTICS

### UK ONLY

UK certificates issued by the VSC (for 12, 16 & 18 classifications) and total video games (unique titles) rated for the UK under PEGI for the year to 31<sup>st</sup> December 2013

Age classification	UK certificates	UK Exempt	Percentage
3	-	224	28.1%
7	-	188	23.7%
12	134		16.8%
16	137		17.2%
18	114		14.3%
<b>TOTAL</b>	<b>385</b>	<b>412</b>	

Note:

For a video game supplied in the UK for a number of different games consoles (e.g. Xbox, Playstation, and Wii) a separate UK certificate is issued for each version of the game.

### ALL PEGI TERRITORIES

Overall PEGI ratings by age for the calendar year 2013  
These figures include online ratings

Age classifications		Percentage
PEGI OK	4	0.3%
3	471	30.5%
7	371	24%
12	326	21.1%
16	225	14.6%
18	149	9.6%
<b>TOTAL</b>	<b>1546</b>	

Complaints & enquiries made to PEGI public website for 2013

Complaints related to rating delivered	74
Complaints concerning advertising	4
Requests for information on PEGI	479
Comments on PEGI System	26
Questions and comments on ratings	132
Complaints via pegionline.eu	89
Other	155
Technical difficulties	192
<b>Total</b>	<b>1151</b>



**APPENDIX**

Company Registration No: 02402805 (England & Wales)

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT & ACCOUNTS  
YEAR ENDED 31ST DECEMBER, 2013

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)  
REPORT OF THE DIRECTORS

The directors present their annual report together with the audited accounts of the company for the year ended 31st December, 2013.

PRINCIPAL ACTIVITY

The principal activity of the company during the year remained that of administering regulation schemes for members of the video and video games industries engaged in the distribution, wholesaling and direct and indirect retailing and renting of videos and video games.

DIRECTORS

The directors who have served during the year were:-

Baroness Shephard (Chair)  
I.D. Muspratt (Vice-Chair)  
J. Lake (Vice-Chair)  
C. Webster  
UK Interactive Entertainment Association  
Entertainment Retailers Association  
British Video Association  
C.M. Atkinson  
M. Macleod  
H. Marsh  
N. Ward (Resigned 20th November, 2013)  
P. Bennun (Appointed 20th November, 2013)

Auditors

In accordance with the company's Articles, a resolution proposing that Newton & Garner Ltd. be reappointed as auditors of the company will be proposed at the forthcoming annual general meeting.

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:-

- (i) Select suitable accounting policies and apply them consistently.
- (ii) Make judgements and estimates that are reasonable and prudent.
- (iii) 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

In accordance with the Company's Articles, a resolution proposing that Newton & Garner Ltd., be reappointed as auditors of the company will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board on 2<sup>nd</sup> April 2014 and signed on its behalf

L. J. Hall - SECRETARY

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)  
YEAR ENDED 31ST DECEMBER, 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VIDEO STANDARDS COUNCIL

We have audited the financial statements of The Video Standards Council for the year ended 31st December, 2013 which comprise the Income and Expenditure account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard for Smaller Entities (effective April 2008) and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December, 2013 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.

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)  
YEAR ENDED 31ST DECEMBER, 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VIDEO STANDARDS COUNCIL

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 of the information and explanations we require for our audit.

Robert Knight FCCA ATII  
Senior Statutory Auditor  
For and on behalf of Newton & Garner Ltd.  
Chartered Accountants  
Statutory Auditor

DATE: 4th April 2014  
BUILDING 2,  
30 FRIERN PARK,  
NORTH FINCHLEY,  
LONDON, N12 9DA

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)  
INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31ST DECEMBER, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
<u>SUBSCRIPTIONS AND FEES</u>			
Fees receivable	2	630,985	677,821
<u>INVESTMENT INCOME</u>			
Interest receivable		124	141
		-----	-----
		631,109	677,962
<u>EXPENDITURE</u>			
Administrative expenditure		608,291	650,613
		-----	-----
<u>SURPLUS FOR THE YEAR</u>			
<u>BEFORE TAXATION</u>			
	3	22,818	27,349
Tax on surplus	4	4,772	5,610
		-----	-----
<u>SURPLUS FOR THE YEAR</u>			
<u>AFTER TAXATION</u>			
		£18,046	£21,739
		=====	=====

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET

AT 31ST DECEMBER, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
<u>FIXED ASSETS</u>			
Tangible assets	5	-	-
<u>CURRENT ASSETS</u>			
Debtors	6	66,286	24,613
Cash at bank and in hand		218,014	241,261
		-----	-----
		284,300	265,874
<u>CREDITORS</u>			
Amounts falling due within one year	7	29,565	29,185
		-----	-----
<u>NET CURRENT ASSETS</u>		254,735	236,689
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		£254,735	£236,689
		=====	=====
<u>RESERVES</u>			
Income & expenditure account	9	£254,735	£236,689
		=====	=====

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the board on 2<sup>nd</sup> April 2014 and signed on its behalf

Baroness Shephard of Northwold - DIRECTOR

I. D. Muspratt - DIRECTOR

Company Registration No. 02402805

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the company's accounts:-

**Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided to write off the cost of office equipment in full, when acquired.

**Pensions**

The company operates a defined contribution (salary sacrifice) scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. VOLUNTARY INCOME**

Fees receivable represents the invoiced amounts of services provided during the year, excluding value added tax.

	<u>2013</u>	<u>2012</u>
<b>3. <u>SURPLUS FOR THE YEAR BEFORE TAXATION</u></b>		
Surplus is stated after charging:-		
Depreciation	2,916	4,220
Directors' remuneration	58,150	61,900
Auditors' remuneration	1,000	1,000
	=====	=====

THE VIDEO STANDARDS COUNCIL  
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

	<u>2013</u>	<u>2012</u>
<b>4. <u>TAXATION ON INCOME</u></b>		
U.K. Corporation tax at 20% (2012 - 20%)	£4,772 =====	£5,610 =====

**5. TANGIBLE FIXED ASSETS**

<u>COST</u>	<u>2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>2013</u>
Office equipment	£42,099 =====	£2,916 =====	- ===	£45,015 =====
		<u>Charge</u>		
<u>ACCUMULATED DEPRECIATION</u>	<u>2012</u>	<u>for year</u>	<u>Disposals</u>	<u>2013</u>
Office equipment	£42,099 =====	£2,916 =====	- ===	£45,015 =====
<u>NET BOOK VALUE</u>	<u>2012</u>			<u>2013</u>
Office equipment	- ===			- ===

	<u>2013</u>	<u>2012</u>
--	-------------	-------------

**6. DEBTORS**

Trade debtors	48,167	-
Prepayments	10,724	14,449
Other debtors	7,395	10,164
	-----	-----
	£66,286 =====	£24,613 =====

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Taxation & social security	16,047	18,184
Fees received in advance	7,050	4,167
Accruals	6,468	6,834
	-----	-----
	£29,565 =====	£29,185 =====

THE VIDEO STANDARDS COUNCIL

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

8. PENSIONS

The company operates a defined contribution (salary sacrifice) scheme. Assets of The scheme are held separately from those of the company in independently administered funds.

	<u>2013</u>	<u>2012</u>
Contributions payable by the company for the year	£59,203 =====	£56,523 =====

9. RESERVES

Income & Expenditure account

Balance at 1st January, 2013	236,689	214,950
Surplus for the year	18,046 -----	21,739 -----
<u>Balance at 31st December, 2013</u>	<u>£254,735</u> =====	<u>£236,689</u> =====



The Video Standards Council  
4 Imperial Place, Maxwell Road  
Borehamwood, Hertfordshire Wd6 1JN

020 8213 3148