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Robin Duval

Deputy Director

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Vice Chairman: Brian Smith (to 29 April)

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Personnel Officer: Clive Hooper

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Programming: Jackie Simons

Registration: David Hyman

Film Projection: Alan Burkey

Assistant to the Director: Craig Lapper

Press and Publicity Officer: Xandra Barry

Accounts: Pete Mavromatis

Examining Administration: Karen Venn

Office Services: Natasha McFadzean

Information Technology: Simon Leiber

Video Archivist and Chief Technical Analyst: Steve Myers

President's Introduction

From time to time, the British Board of Film Classification must review its Guidelines. This millennium year, 2000, is such an occasion. While the law itself fixes the outer boundaries of what films may be shown in the cinema and what videos may be rented or sold, the Board's Guidelines give a more detailed indication of its policy and can be more flexible.

As far as legislation affecting film is concerned, there is no film act as such, no more than there is a theatre act, or a newspaper act or a books act. Instead the Board has to pay attention to the law of the land in general, and to three pieces of legislation in particular - a pre-war act which makes it illegal to show actual cruelty to animals, the Protection of Children Act and the Obscene Publications Acts. But none of these helps the Board to determine what is suitable for, say, 12 year olds as opposed to 16 year olds.

The video market is more precisely regulated, as is broadcasting. There is a Video Recordings Act and there is a Broadcasting Act. Parliament has decided that viewing in the home requires special care. And the Video Recordings Act is a well articulated law. It requires us to consider the notion of harm and it also instructs us to pay special attention to episodes of criminal behaviour, illegal drugs, violence, horror and sex. But again this leaves it to the Board to set rules for different age bands.

The Board has formulated its Guidelines by reference not only to precedent but also by trying to learn what is the state of public opinion. The Board also has due regard for the European Convention on Human Rights which is now incorporated into English law. Viewers and the entertainment industry which serves them should know what to expect.

When the Board was founded in 1913, its first rules were extremely simple. There should be no portrayal of Christ and no nudity. Violence was unmentioned. But so great have been the changes in what the public expects that today the Board's Guidelines cover 15 pages. Violence, particularly sexual violence, has become our greatest concern. Blasphemy is rarely an issue. And even at the 'U' category, occasional natural nudity is permitted, albeit with no sexual content.

It is impossible to obtain an unambiguous reading of public opinion. When all the research has been tabulated and the public meetings have been held, the President and Vice Presidents, together with the Director and his staff, still have to make a judgement on the appropriateness of the current Guidelines. But we are improving our chances of coming to reasonable conclusions, I think, by listening to the public in three different ways.

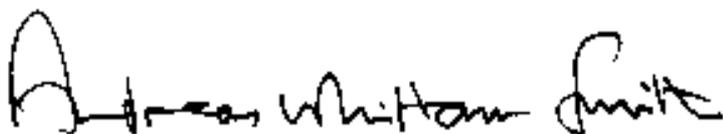
We are involved in a large survey of public opinion. We have undertaken two 'citizens' jury' projects in which the participants debate the issues over a number of days. And we have conducted a series of well-attended public meetings around the country.

Each of the three methods has strengths and weaknesses. The survey of public opinion reaches every type of viewer, but its inevitable focus on what the majority thinks may distract us from considering vulnerable minorities. Many of the respondents, too, may not have given much thought to their answers; they would say, reasonably enough, that they have had better things to think about. The technique of using citizens' juries rectifies this last shortcoming; however it may be thought that people who can spare the time to serve are not truly representative of the country as a whole.

I enjoy our public meetings, though I am aware of their shortcomings. We generally attract some 200 people. In the hall there will be film enthusiasts, people with strong views about censorship, students studying the media and ordinary members of the public. It isn't a body which satisfies strict polling criteria. But what people state in open debate can be vivid and illuminating.

The Board will shortly examine the results of all this. I think we shall perceive a need to adjust our Guidelines. But it shouldn't be supposed that movement is invariably in one direction. The public can become simultaneously more tolerant of one aspect of what it sees on the screen, and less tolerant of another. That is what we may have to reflect.

I cannot finish without paying tribute to Margaret Ford who retired last year. She was Deputy Director. I greatly enjoyed working with Margaret; in the lively discussions which are an admirable feature of life at the Board, she could be relied upon to supply a quiet voice of reason. Often her sensible opinions prevailed over all others. We miss her.

A handwritten signature in black ink that reads "Andreas Whittam Smith". The signature is written in a cursive, flowing style.

Andreas Whittam Smith
President



Director's Report for 1999

I did not imagine, when I succeeded James Ferman as Director at the beginning of 1999, that I would have quite such an eventful first 12 months. This has been a year in which the Board's policy and resolve have been robustly tested. A year of appeal and litigation. A year in which the classification Guidelines have been redrafted and put to extended public consultation. The year of *The Exorcist*, *The Idiots*, *The Texas Chain Saw Massacre*, *Seul Contre Tous*, *Romance* and *Fight Club* (to mention only a few). A year in which our media image has veered from libertarian to kill-joy - depending upon your newspaper, television or radio programme or website: or perhaps more simply upon the short-term media response to the Board's most recent decision.

In fact, the principles by which the Board has operated have remained constant. The classification Guidelines, first published in 1998 on the basis of the practice of many years, continue to be our central touchstone. They inform the Board and the public and the moving pictures industry. At the same time, whether or not something is acceptable still depends ultimately upon how it is treated i.e. its context. Contrary to speculation, the Board makes no distinction between American movies and 'art films'. If it occasionally appears that a decision about the portrayal of sex or violence favours the latter, then that may only be because such films have managed to treat sensitive topics with particular responsibility. But the same can be just as true of Hollywood. One of the most challenging titles of the last year or so, the American-made *Happiness*, dealt frankly with child abuse. It nevertheless remained uncut by the Board at '18' on film and video because of the integrity and discretion with which it addressed its very difficult subject.

It is probably true that the arrival of a new Director encouraged companies to seek classification for titles previously rejected or assumed unclassifiable. Whether they would have received a different outcome had there been no change of regime, however, I very much doubt. The fact of the matter is that times change and with them public expectation and acceptability. Passing *The Exorcist* at '18' for video early in the year was not a hard decision to take. It was evident to the Board that a modern audience would have little difficulty with imagery that had so frightened impressionable cinema-goers nearly 30 years previously. Cinema effects, audience sophistication, media thrills generally, have grown apace since then. For the same reason, *The Texas Chain Saw Massacre* and a number of other old titles with a lurid pre-history could be classified in 1999 either uncut or with minimum interference by the Board.

For an explanation of any of the Board's decisions, it was generally unnecessary to look further than the Guidelines. Occasionally a decision had to be made on the margins, where for example judgement of contextual justification was difficult. In the case of *The Idiots* and *Romance*, the unusual degree of sexual explicitness could be so justified; in the case of *Seul Contre Tous* (which, uniquely, featured an extended sequence of conventional hard-core pornography) it could not and cuts were required. Cuts were also required to the sadistic violence of *Fight Club*, in line with the general Guidelines constraint on 'promoting sadism as a source of pleasure'. All these decisions were explained in news releases, on the board's website, in correspondence with enquiring members of the public, or in radio, television or press interviews. The Board made a point of ensuring that its reasoning was known and understood by the interested sections of the public.

Whether the public necessarily agreed with every decision is another matter. The ongoing process of consultation on the new draft Guidelines may well lead to developments in the criteria and, in the future, different conclusions. But that is what public accountability is all about.

In line with that duty, the Board is publishing in this Annual Report a Statement of its role, its purpose and its aims. It is not generally understood that the BBFC is a financially independent body, funded solely by the fees charged for its services. Its cinema classification is done on behalf of the Local Authorities. Videos and digital media are classified within the terms set out in the Video Recordings Act (and expressed more fully in the classification Guidelines). The Board's Statement is also an important commitment to transparency and clarity, to efficiency, independence and fairness. It is a challenge we make to ourselves.

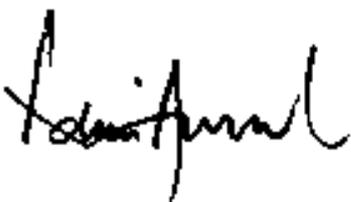
A different kind of challenge in 1999 was mounted by two companies whose hard-core sex videos were refused 'R18' classification early in the year. Though the content of these seven videos was in conflict with the requirements of the published Guidelines for 'R18' (a classification for works available to the public only through licensed sex shops), the companies challenged the Board's decision at the Video Appeals Committee, which upheld their appeal. The Board's argument, based upon the Video Recordings Act, that children would be at serious risk of harm through seeing such material in the home was not considered sufficient by the Video Appeals Committee to justify a refusal to classify. The Board accordingly sought a Judicial Review in the High Court to clarify the meaning and intention of the Video Recordings Act in relation to harm.

Whatever the outcome of any particular case, harm will remain the abiding and central concern of the BBFC. That concern is most vivid where violence is the issue. The nature and extent of any causal relationship between violence in films, videos and computer games and (anti)social behaviour may remain for ever indefinable. There is simply too much conflicting research for any certainty to be achieved, and too many other factors in society (e.g. poverty, deprivation, environment, parenting) which cannot be disentangled from possible media influences. As a regulator, the BBFC can only err subjectively on the side of caution. In the meantime, we may draw comfort from some recent trends. There has been no sign of a new wave of violent heroes to take the place of Schwarzenegger, Van Damme, Seagal, Willis, Stallone et al. And in America, for example, where cinema attendances (as in the UK) have been increasing over the past decade, the highest profits tend to be made by the most family-orientated films. Put simply, the higher the certificate the lower the return: between 1994 and 1998 the American equivalents of 'U'/'PG' grossed nearly twice as much as the '15'/'18' equivalents. If this means a reduction generally in Hollywood violence, then that is something I would personally welcome.

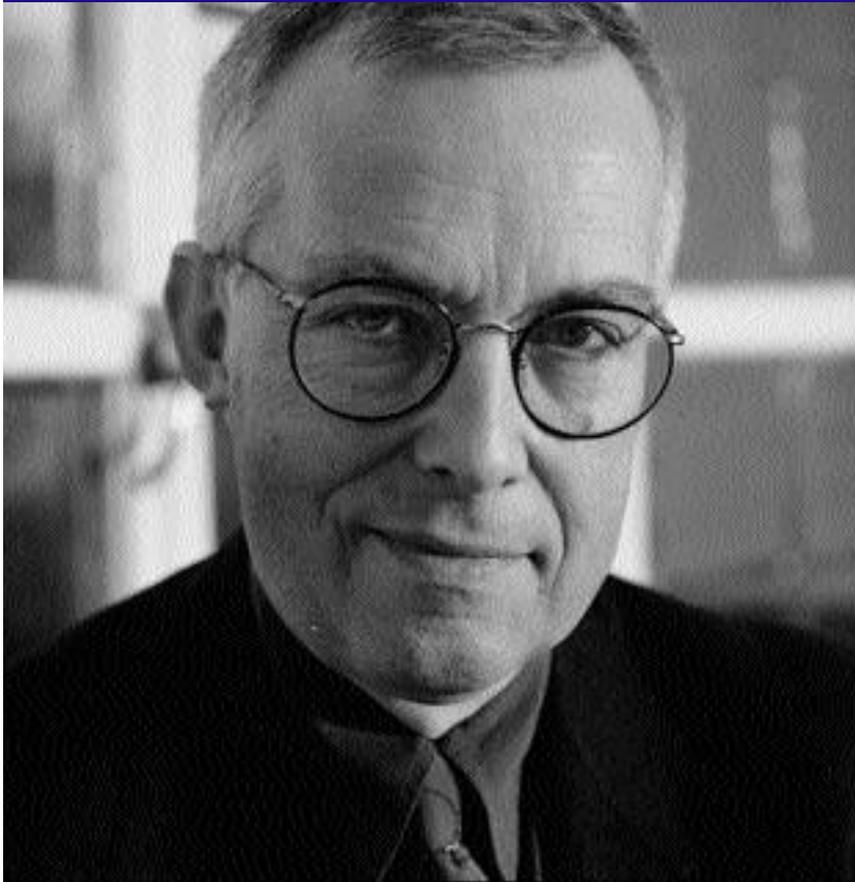
Violence has always been an important reason for cuts being required by the Board, especially at the lower classification levels. It is quite common for a Hollywood film quite clearly designed to appeal to younger audiences to contain images which we do not accept at the lower classification levels: head butts, ear claps, dangerous and imitable use of weapons, etc. Unless the distributor is content with a higher classification, cuts must be made. A recent technological development has presented the Board with an interesting dilemma. A popular

work will go to video, with cuts to secure the preferred classification. Later, however, when the DVD version appears, the distributor may prefer to put out the uncut version at the higher classification. But the Board has concluded that the effect of two such different versions may be to confuse the consumer and to make the forbidden fruit of the uncut version illegitimately attractive to underaged viewers. It has therefore established a policy of only permitting different versions of the same work providing they can be accommodated in the same classification category.

On a more personal note, I would like to thank Andreas Whittam Smith and the Vice Presidents for their wise counsel throughout the year. I owe a great deal also to the financial and administrative guidance of the Council of Management under the chairmanship of Dennis Kimbley and subsequently Brian Smith. Finally, I cannot report on 1999 without expressing my very considerable gratitude to Margaret Ford who retired as Deputy Director in December. Her support and wisdom throughout the year was invaluable. The British Video Association's Lifetime Achievement Award to her in the Autumn was the clearest token of how highly she was esteemed also within the industry itself.



Robin Duval
Director



The role of the BBFC

The BBFC classifies films, videos and digital media. It does this on behalf of the Local Authorities, who are responsible for cinema licensing and classification, and as the designated authority under the Video Recordings Act.

The BBFC is funded solely from the fees charged for its services.

Statement of Purpose

1 To provide the public with the means to make informed decisions about the films, videos or digital media which they, or those in their care, may wish to view or play.

2 To classify works into appropriate categories with regard to relevant legislation and in accordance with the Board's published Classification Guidelines. In doing so, to preserve a proper balance between social responsibility and freedom of expression.

3 To provide a reliable and efficient service to the Board's client industries.

4 To operate at all times in an independent, fair, consistent and transparent manner.

5 To be accessible and responsive to the public and its representatives.

6 To ensure a sound financial base for the Board's work and to preserve its independence and integrity.

Aims

The BBFC, additionally, has the following aims:

i To ensure that the Classification Guidelines are in line with current legal requirements and contemporary public opinion. To that end, to engage in regular and wide ranging consultation with the public and its representatives, with expert and

specialist advisers and with the relevant entertainment industries.

ii To seek at all times, in the implementation of the Guidelines, to ensure that the younger and more vulnerable members of society are protected from harm.

iii To monitor closely research into the effects of the media and changes in public opinion; and to participate in relevant research projects.

iv To promote clear, effective and efficient working practices, lines of communication and accountability, in all aspects of the Board's work.

v To treat all submitting clients fairly and impartially and to promote openness by providing information and advice about Board policy and procedures.

vi To continue to improve the quality and efficiency of the Board's performance at all levels through ongoing internal review and early response to developments in the industry and in technology.

vii To ensure that the Board is responsive to new requirements for classification services.

viii To achieve a high level of courtesy in all forms of communication.

ix To keep under review appropriate means of informing audiences about film, video or digital media content and to promote their use.

x To explain the Board's function and activities to the public clearly and fully.

xi Through the application of equal opportunities and fair employment policies and practices, to develop the Board's staff to their full potential to enable them to secure the aims set out here.

Accountability

Guidelines Consultation

The Board published the Guidelines used to classify all films and videos for the first time in 1998. Because the Guidelines reflect the Board's current perceptions of public attitudes and concerns, it is important that the Board keeps closely in touch with public opinion. To that end a new draft set of Guidelines was issued for consultation at the end of October. The new draft was designed to be clearer and simpler, but also to provide a more comprehensive, practical guide to the Board's classification policy.

The consultation was far ranging, taking in the general public, interest groups, opinion formers and industry. Copies of the new draft were supplied direct by post, at the public presentations and at speaking events carried out by Examiners around the country, and were also available on the Board's website. A specially designed questionnaire, complete with pre-paid envelope, was supplied with the draft Guidelines, although people were encouraged to develop any themes which they considered particularly important. The new Guidelines are due for publication in early Summer 2000.

Public Presentations

As part of the consultation on the draft Guidelines the Board put on seven public presentations around the country towards the end of 1999. The first of the presentations, which were ticketed events, was held in London at the British Library and was three times over-subscribed. The Board also visited Edinburgh, Londonderry, Bristol, Norwich, Newcastle and Swansea. Around a thousand people attended altogether and plans were made for further presentations in the New Year in Manchester and Birmingham with one in London specifically for those who did not receive tickets for the British Library. The events were advertised on the Board's website and in the national and local press, and tickets were allocated on a first come first served

basis. Posters were displayed at the venues and in local libraries. Because of the nature of the material being shown, a minimum age of 18 was stipulated, and a broad range of people attended the events, including media students, film buffs, industry professionals as well as the less committed general public.

The events consisted of a presentation by the Director of film clips highlighting a range of classification issues, with the second part of the evening providing the audience with an opportunity to raise issues or questions with a panel of Examiners. In order to ensure that as many people as possible had an opportunity to put their question, and to cover a full range of issues, the audience was asked to fill in a question slip during the interval and then called upon by name to put each point. The questioning ranged from general issues, about the BBFC's right to classify films and how to become an Examiner, to questions about specific film classification decisions.

The two predominant issues at every presentation were the level of sex and violence in films and videos. Some people questioned why the Board seemed happy for explicit violence to be shown in films but not explicit sex between consenting adults. Some of the audiences felt that the Board was too restrictive, and that there should be no restrictions on what is shown in the '18' category; but they were balanced by the people who felt that the Guidelines should be more restrictive, with some even suggesting the introduction of a '21' category. Everyone who attended the presentations was asked to fill in and return a questionnaire about the new draft Guidelines. The audience feed-back was that the evenings were both entertaining and educational with people going away with a greater knowledge and understanding of the work of the BBFC.

Public Relations and Media Access

The Board's President, Director and Examiners gave press and broadcast media interviews, took part in radio and TV discussion programmes and featured in documentary programmes about a wide range of topics, from general issues like censorship or current trends in sex and violence, to specific film or video titles. The Director gave a series of interviews following his appointment at the beginning of the year. The Board issued a number of news releases which are available on the website at www.bbfc.co.uk under 'Recent Decisions'.

As part of the policy of making the Board's activities more transparent and accessible, a Head of Press and Publicity was appointed at the beginning of September. The post provides the media with an identifiable spokesperson to explain the Board's position, and an out of hours service for the media which means that the Board is always accessible.

Research

The Board is committed to keeping in touch with public opinion. To that end, a number of research initiatives were undertaken in 1999. The large scale consultation exercise which accompanied the publication of the draft classification Guidelines was supported by a questionnaire survey. The questionnaire was designed to discover the extent to which the public agreed with the draft Guidelines in the key areas of sex, violence, language and drugs. A copy of the draft Guidelines and the questionnaire were given to every person who attended one of the BBFC public presentations held around the country, and visitors to the Board's website were also encouraged to participate in the survey. The Board's Examiners also handed out copies whenever they made visits around the country. The survey will be extended, in 2000, to a nationally representative sample, with the results informing the revision of the Guidelines used to classify films and videos.

The Board also participated in the annual British Social Attitudes survey, conducted by the National Centre for Social Research. This long established and well regarded project, which looks at many aspects of contemporary British life, included a module examining public attitudes towards the representation of sex in films, videos and TV. The work was co-sponsored by the Independent Television Commission, Broadcasting Standards Commission (BSC), BBC and Flextech. The full results will be made public in November 2000, and the findings are intended to inform future classification policy in this area.

Towards the end of 1999 the Board co-sponsored (alongside the Health Education Authority and BSC) a qualitative project looking at the influence of media representations of drug use on actual behaviour and attitudes. The study was conducted by Cragg Ross Dawson, a company with considerable experience in the area. The results will contribute to the revision of the classification Guidelines.

Two Citizens' Juries, taking place in Portsmouth and Birmingham in the early part of 2000, will add a qualitative dimension to the draft Guideline consultation process. There are also plans to conduct a survey of child psychologists, psychiatrists and social workers, to try and discover the extent to which these professional groups have evidence of the potential 'harmful' effects of pornography on children. Both studies will be described in more detail in the next Annual Report.

Letters from the Public

An important aspect of public accountability is responding to letters, requests for speakers, and phone enquiries. This remains an important gauge of how well the Board is meeting public expectations. In 1999 many letters were requests for information from students (who were supplied with a Guide to

the Board's work or invited to attend our monthly seminars). All letters received a reply. Many others raised a variety of issues. Those referring to specific titles were normally replied to by an Examiner involved in the classification decision. The advent of the Board's website has provided an electronic means of writing in with comments and questions, which is now the preferred option for many people. Over 2000 people used it in 1999 to raise issues and pass on comments and they in turn received an electronic reply.

Letters relating to the 'U' Category were predominantly complaints about the strength of some of the images or subject matter. Ten letters were received complaining about *Babe: Pig In The City*; four were received about *Star Wars Episode 1: The Phantom Menace*; one about *The Prince of Egypt* and one about *The Black Cauldron*. All felt that the films should have had a higher classification.

At 'PG' there were three complaints that *Small Soldiers* contained too much bad language and violence; two about the level of violence in *The Mask of Zorro*; two that there was too much horror in *Ghost Fever*; one person thought there was too much sex and alcohol in *Cider with Rosie*; one thought *True Heart* was 'blasphemous'; two thought the Bond film *The World is not Enough* should have been a 'PG' (not 12); and one complained about *The Truman Show* showing an electrical appliance near water.

The greatest number of complaints about films in the '12' category were about *Austin Powers: The Spy Who Shagged Me* with 26 people complaining about the title and nine about the film being 'too sexually explicit' and four complaining generally about language passed at '12'. Bad language at '12' featured in letters on *Pleasantville* (2), *Big Daddy* (2), *In and Out* (1) and

Entrapment (1). Six letters complained that there was still too much horror and violence in *The Mummy* despite it being cut for a '12' certificate by the Board.

Shakespeare In Love was an interesting film which was classified '15' because of the sex, but which many people felt should have been a '12'. However, two letters were received complaining that it contained 'too much explicit sex' even at '15'. A similar criticism was made of *Divorcing Jack*, *Rob Roy*, *Cruel Intentions*, *Velvet Goldmine* and *American Pie*. There were complaints about the horror in *The Cube*, *Beloved* and *The Faculty*.

In the '18' category, over 50 letters were received opposing the cinema release of *Romance*; four letters demanded that the Board reject *The Texas Chain Saw Massacre*; *The Exorcist* continued its controversial career with 14 letters opposing its video release; 13 correspondents thought the Board should not have passed the sexually explicit moments in *The Idiots*; two letters called for *Lolita* to be banned along with *Bride of Chucky* (2). There were nine requests to pass Bruce Lee's *Enter The Dragon* uncut.

Finally, three people wrote in to express support for the liberalisation of the 'R18' category and one person opposed it.

Media Education

Examiners continued to pursue the Board's educational objectives throughout the year. Interaction with young people gives the Board valuable feedback as well as providing them with an insight into the workings of the Board and the classification system. It also raises their media awareness enabling them to become more discerning viewers in the future. An extensive nationwide programme of visits to educational establishments, from universities to sixth form colleges, primary and secondary schools, was carried out. Examiners ran classes, workshops and seminars, arranged screenings and took part in conferences and debates on media issues. In-service training for media teachers also featured as part of the educational programme, with presentations to media teachers at conferences in Wales and Sheffield.

Young people visited the Board for seminars and discussions with the Examining staff. One particular highlight was the visit in March of groups of young people from the Prince's Trust. They were invited to the Board for screenings of sample material for classification and then took part in group seminars with Examiners. This two-way process proved valuable in gathering responses from a group that is not as accessible to Examiners as students, and demonstrated to the visitors the complexities of the classification process.

The monthly in-house seminars were attended by students who used the opportunity to question Examiners on issues raised by their media studies courses. Inevitably a major feature of these sessions, and of the numerous interviews given by Examiners to students, is the explaining of BBFC policy as applied to their favourite (often obscure) films.

National Schools Film Week, run by Film Education, involved the majority of Examiners hosting screenings of films in 14

locations countrywide, from Edinburgh to Plymouth and Norwich to Belfast. Presentations by Examiners to a total of 2,440 children and young people followed screenings of a variety of films. Audiences spanned the age range from five years to young adults. The programme of films was selected to illustrate the complexity of the decisions that have to be made on a regular basis as part of the Examining process. The flagship presentation was made by the BBFC's Director in a London cinema to a capacity audience of secondary school students and media education teachers, where a discussion about BBFC practice and policy was accompanied by film clips.

A substantial proportion of the Board's work is the classifying of foreign language works and during this year a leaflet explaining the classification system was produced in Cantonese. It is hoped to develop this initiative with other language versions.

Information Technology

The BBFC continued to invest in information technology throughout 1999. The BBFC website @<http://www.bbfc.co.uk> received over 200,000 hits in its first full year of operation and is now the main source of information about the BBFC.

The website provides classification information on more than 125,000 films and videos. It also carries general information about the work of the Board, news releases, job opportunities, information about submitting works for classification and educational material. At over 130,000 pages it is one of the largest sites on the Internet.

Emails now far exceed conventional mail from the public. This enables us to respond much more quickly to queries, comments and complaints, which has proved popular with our correspondents.

The use of IT by the BBFC internally has led to reduced costs and improved levels of service. The integration of all formal documentation has been completed, with savings of 50 per cent in costs and the virtual elimination of errors.

The systems achieved 99.8 per cent reliability. The only loss of service was traced to problems at our external Internet service provider and a review of those services is underway. The systems completely under our control have been highly reliable with no unplanned loss of service.

The Year 2000 programme at the BBFC was completely successful and there were no disruptions to business processes as a result of the date change.

In the coming year the investment in IT will continue to address ongoing needs and to respond to changes.

The BBFC is in the process of replacing the current telephone system with a digital system. This will enable a significant improvement in call handling as well as providing an out of hours service.

The rapid increase in demand for Internet services has convinced us that we need to upgrade our external communication facilities. This will involve increased network bandwidth to the BBFC, a redesign of the website to optimise its capacity for network traffic and the implementation of proxy serving for internal users. These changes will further improve the service to the Internet community and support future developments in e-business.

Client Helpline

The Client Helpline provides a centralised information source for the Board's industry customers. Since it was set up in 1997 the Helpline has dealt with 6611 calls and emails to the end of 1999.

In 1999, 2529 enquiries were received from 180 separate companies. This represented a 12 per cent call volume increase on 1998's figure of 2265.

In order to provide an enhanced service to the Board's customers, the Helpline opening hours were extended to 6pm.

Enforcement

The Board continues to assist the police and trading standards officers in their action against unclassified videos. 1999 saw an increase in submissions and the key factor in this seems to be the introduction of new delivery formats such as Video on CD, CD-ROM and DVD. The advent of DVD in particular has led to an increase in counterfeiting, piracy and illegal sales of imported material. The majority of enquiries were for title checks only, but the figures for recordings submitted for comparison since last year rose from 914 to 1082. In addition 9339 'title only' checks were made in 1999. The graph opposite illustrates this upward trend, and shows the point at which the amendment, proposed by the Board in 1993 to the Video Recordings Act, whereby evidence could be provided by title only, came into force.

Classification

Violence

Although the past year had its moments of controversy regarding violence in film and video, the days of the big star blockbuster action movie, with its dependence on frequent, and often bloody, violence seem to be at an end. An exception was Jean-Claude Van Damme in *Universal Soldier - The Return*. Both the film and video were cut for an '18' certificate. However, given its strong under-age appeal, the video was cut more stringently. The Board's Guidelines and the Video Recordings Act 1984 (VRA) require that special regard be given to issues of harm, particularly harm to potential viewers (including a child or young person), or, through them, to the wider community.

Inevitably, the VRA makes difficult, and daily, demands on the Board's examiners, who must make judgements which balance the right of the public, especially adults, to view works without censorship, with the need to protect children from harmful experiences and influences. In the great majority of cases, film and video works receive their appropriate classification and pass through the Board to the cinemas and shops as submitted. In a minority of cases, cuts are made to meet the Board's duties. However, most of these are to ensure an appropriate classification.

Only two videos were rejected by the Board during the year on the grounds of their violent content. *Banned From Television* was a compilation of real scenes of extremely violent death, injury and mutilation. The sensationalised commentary, in effect, invited the enjoyment of human suffering. No attempt was made to justify the images by placing the incidents in any journalistic or educational context. The Board concluded that

the video was potentially harmful because of its possible influence on attitudes and behaviour, as well as its utter lack of respect for the dignity of human life - and death. *Bare Fist - The Sport That Wouldn't Die*, was a documentary portrayal of the illegal 'sport' of bare-fist fighting, in which the director attempted to make a case for its legalisation. However, the Board also considered that the film had the effect of promoting gross violence and selling its pleasures. The Board recommended cuts which would have reduced the potentially harmful influence, but the producer was unwilling to make the changes recommended.

Bare fist fighting was also central to *Fight Club*, one of the more controversial and newsworthy films of the year. It excited media attention across the world for its portrayal of men for whom violence was part of their rite of passage to manhood. Unlike *Bare Fist - The Sport That Wouldn't Die*, *Fight Club* was a fictional work which explored - and ultimately eschewed - male violence. However, cuts were made to two scenes in order to reduce moments of excessively brutal and sadistic violence.

The Matrix was another notable film which had considerable appeal to teenagers, with its parallels with video games, and its fantasy theme and heroes. The violence, though relatively strong, was mitigated by its supernatural quality. For its targeted mid teenage audience, and '15' certificate, the Board required two cuts to remove heavy - and potentially imitative - head butts.

A Clockwork Orange was resubmitted to the Board for a modern classification. It is widely recognised as a serious exploration of both individual and state violence. The Board was confident that the film fell within its current Guidelines for violence at '18'.

Cuts for violence were also made to a total of forty videos. Many of these cuts matched those made to the cinema version of the work and were mostly brief cuts to remove moments of detailed violence. The majority of cuts were to achieve a classification suitable for viewing by their natural audience. A frequently occurring violent technique is the double ear clap, an easily imitated and very dangerous action. This technique is cut as a matter of policy, and certainly where it appears in a work which may be watched by a younger audience. Sight of this technique was cut from no fewer than six videos. Head butts, neck breaks, neck chops and similar violent techniques also proliferate in action movies, and may be removed where a younger audience is being targeted.

Cuts were made to only seven videos with an '18' certificate. One documentary which required cuts to picture and commentary for a '15' rating was *Great Balls of Fire*, in which Vinnie Jones presented a compilation of soccer fouls and other sporting and crowd violence. In the view of the Board, the original video created a general impression of condoning the violence with obvious implications for impressionable youngsters to whom anti-social and harmful behaviour of this nature may actually appeal.

The prevalence, strength and realism of violence in film and video and its possible influence on the attitudes and behaviour of children and young people has long been a concern for parents, teachers, the media, politicians and others. The protection of children is a central aim and duty of the Board. Violence is, however, a social reality. Like other social issues, it is legitimate to explore its incidence, nature and effects. There is also a case to be made for screen (and literary) violence for entertainment with a long history of widely enjoyed films going back to the gangster movies of James Cagney, Humphrey Bogart, George Raft and their like. However, care must be taken where violence is imitable, adversely influential of attitudes, designed to encourage sadistic feelings, or where it is commended as the primary method of solving problems.

Horror

1999 proved to be a bumper year for horror submissions, suggesting that the genre is alive and well. The trend towards postmodern horrors, following the success of films such as *Scream*, continued. Like *The Faculty* (passed '15' on film and video), they have rejuvenated the genre, offering teenagers an opportunity to enjoy the thrills, chills and spills of traditional horror but with a young cast with which to identify.

In addition to these developments, distributors have been keen to revisit older titles which have helped to shape the contemporary horror scene. This year saw the classification on video of a number of notorious horror titles from the past three decades. Most notable was the classification of *The Exorcist* without cuts, following its absence from the video market since the early 1980s. The film, which has always had an adult certificate for theatrical release, has been voted the scariest film of all time in numerous polls and is considered by many to be a classic. The Board decided that the passage of time since its first release had done much to date the special effects and generate familiarity with the film's contents. While recognising the film's provocative and unsettling power, the work was judged acceptable at '18' by today's standards.

Another famous title, *The Texas Chain Saw Massacre*, was granted an '18' certificate uncut for theatrical and video release. The film had been previously screened with a Local Authority certificate without raising concerns for contemporary audiences. It is notable for the hyperbole generated on its initial release in the early 70s. However, it contains much less graphic violence than many subsequent works passed '18', making use rather of the threat of violence to prolong suspense. Careful thought was given, during the classification process, to the sustained terrorisation of the central female character, but it was decided that the film's horrors were unlikely to be taken too seriously.

The year also saw the submission of a number of titles previously included on the Director of Public Prosecutions' (DPP) list of so-called 'video nasties' in the early 1980s. A pre-cut version of *The Driller Killer* was classified '18' without further cuts for video. The Board was satisfied that those elements which had the potential for prosecution under the Obscene Publications Act had been excised by the distributor prior to submission. Three other notorious titles, *California Axe Massacre*, *Tenebrae* and *Zombie Flesh Eaters*, were also passed with brief cuts to remove the sadistic excesses which drew the attentions of the DPP.

A small number of less well known horror titles were passed on video with cuts. These included *The Dentist 2*, *My Sweet Satan*, *Trauma* and *The Occultist*. In each case, the intention was to remove sadistic details.

Early in the year, the Board concluded that the video *A Cat in the Brain* was potentially harmful to a significant proportion of its likely viewers, due to the profusion of gross sexual violence. Cuts were considered. However, the quantity of unacceptable material rendered such an approach impossible since it would be unlikely to change the general tone or approach of the work. It was therefore refused a certificate.

One of the year's biggest horror titles, aimed at a younger audience, was *The Haunting*. The film was passed '12' uncut on film and video, but the video trailer was trimmed in order to reduce the intensity of some of the horror imagery. Video trailers come unannounced into the living room, and special care is always taken to ensure that they do not contain material which may disturb younger viewers.

A cut was also made to a video trailer for *Three on a Meathook*. The film was passed '18' uncut on video, but the trailer contained one of the more unsettling scenes from the film showing three female corpses hung from meathooks. Its horrific impact was heightened by the lack of narrative context in the trailer and it was cut for '18'.

Weapons and Imitable Techniques

Significant changes were made during the year to the Board's policies on the depiction of imitable techniques and the use of weapons in films and videos, particularly relating to martial arts weapons. The changes represent a rationalisation and modernisation of policies first established in the 1970s when public concerns about the popularity and apparent imitable use of martial arts weapons first emerged. The Board's aim, however, continues to be to discourage the glamorisation and popularisation of weapons and instruction in criminal and violent techniques.

Historically, sight of or use of a range of martial arts weapons, such as chainsticks, metal throwing stars and butterfly knives, was automatically cut from films and videos except in very rare exceptions. In the 1970s, with the great popularity of martial arts movies, particularly those starring Bruce Lee, many teenagers were attracted to the exotic and extremely dangerous weapons demonstrated in those films. Fans of the films sought out these weapons and some even manufactured and used them themselves, especially in the kind of violence witnessed at football grounds and among teenage gangs during that era.

By 1999, however, the attraction and popularity of these weapons had waned, along with the associated gang and football violence. Their depiction and use were widespread in a

range of media including terrestrial television, thus making the Board's policies seem out of line with those of other regulators. The Board also found that teenagers were now attracted by a whole new generation of action heroes and films which offered digitally enhanced special effects as their principal pleasure. Consequently, the Board undertook a wide-ranging review of its approach to all weapons, including martial arts weapons, and produced a new policy which treats all weapons equally, focussing more specifically on the manner in which they are used and the degree to which they are glamorised or popularised.

Seventeen films and videos were cut for weapons, with the vast majority in the early part of the year, reflecting the fact that the new policy came into force in the middle of the year. Following the change in policy it was possible in many cases to deal with weapons issues through classification rather than cuts, thus putting scenes involving weapons use out of the range of impressionable young people.

Imitable techniques, such as double ear-claps and lock picking, remained a fundamental concern of the Board. Ear claps and head-butts can cause extreme and permanent damage to victims and demonstrations of these techniques, particularly in the junior categories are reduced where possible. Technical detail showing how to break into cars, open doors or make explosives continued to be taken extremely seriously. During the year a total of eight films and videos were cut which contained such scenes.

Drugs

Despite the large numbers of films and videos which dealt with drug issues during 1999 only one video was cut, a scene in a 'PG' rated Hong Kong TV series called *Plain Love* in which the detailed preparation of and smoking of an opium pipe was removed. The instructional nature of the sequence and the

degree of detail was deemed unsuitable in a work which was otherwise clearly 'PG' in terms of its overall family address and appeal. One film, a five minute short, featuring the drug campaigner Howard Marks was not cut, but the Board insisted on some additional text being added to the final credits, which served to remind viewers about the criminal status of cannabis in the UK.

One particularly challenging film was *Human Traffic*. The Board found it to be an honest portrayal of the British youth 'clubbing scene', including the part played by fashionable modern drugs like Ecstasy. The film was given very careful consideration, not least because any portrayal of drugs and drug-taking in film and video is of particular concern to the Board and the public in general. The Board came to the decision that it had treated the issue of drug-taking with responsibility and discretion, with no suggestion of glamorisation, and therefore passed it '18' uncut.

The Board constantly needs to ensure that its views of and information about social and cultural issues, including drugs, are up to date and relevant. To that end, a number of Examiners embarked upon a review of the Board's existing policies on drugs and this will be informed by two sets of important research. The BBFC, in partnership with the Broadcasting Standards Commission (BSC), has jointly funded research designed to investigate the potential of the depiction of illegal drugs in broadcast media and film to promote drug taking amongst younger people. The issue of the depiction of drugs was also part of the considerations of the two Citizens Juries referred to in the Research section of this Report. The results of both research projects will be available to the Board in 2000.

Animals

Perhaps the least known of the Board's duties is the protection of animals from cruel exploitation in the making of films. The Cinematograph Films (Animals) Act 1937 prohibits the exhibition of 'any scene ...organised or directed in such a way as to involve the cruel infliction of pain or terror on any animal or the cruel goading to terror of any animal to fury.' This duty was extended to video works through the Video Recordings Act 1984.

Since 1940, the American Humane Association (AHA) has been working with American film-makers to prevent the mistreatment of animals. The AHA reviews scripts, works with trainers and producers prior to production and is present on sets when significant animal activity takes place. In 1999, more than 850 productions were monitored across North America including the film *Three Kings* where a cow was blown up by a mine explosion. The scene was created by the use of a live cow, a deceased cow's head and other parts constructed of foam and fake blood. The nearest equivalent of the AHA in the UK is the RSPCA. It plays a less prominent role in monitoring the welfare of animals used in film, primarily because it has traditionally had looser ties with the UK film industry. But it does provide guidelines and advice. Whenever invited to do so, it also monitors the use of animals. Complaints about possible maltreatment of animals are always investigated.

Over the last 12 months, only nine video features required cuts for the mistreatment of animals. Some bizarre examples included *Where Evil Dwells* where a man was seen eating live rodents; *Dreadnaught* in which chicken heads were pulled off; and *The Blood of Fu Manchu* which involved rubble falling on a snake. In addition a cut of two seconds was made to a dangerous horse fall in the trailer for a video reissue of a 1971 western. There were no cuts to films for theatrical release.

Language

Nothing divides people quite so much as the use of 'bad language' in films and videos. What is normal and acceptable day to day language for one person is highly offensive to someone else. The Board categorises bad language under five headings from 'very mild' to 'very strong' and one of the key areas of the consultation on the Board's Classification Guidelines is whether those categories reflect current public acceptability. The Board takes into account the severity and context of the language, as well as the audience for which the work is intended. One of the films of 1999 that was famous, or possibly infamous, for the incidence of bad language, was *South Park Bigger, Longer and Uncut*, a spin-off from the successful adult TV cartoon. The Board passed it, and the video version, '15' uncut because of the obvious teenage audience for the work, for whom none of the language would come as a surprise.

However, other titles were cut for language in order to achieve a lower category appropriate to the work's natural audience. *Entrapment*, starring Sean Connery, had one sexual expletive removed to reduce the category to '12' on film and video. The film's appeal was felt by the Board to be at this level and the expletive was used by a minor character in casual dialogue and was therefore not vital to the drama. The Disney animated feature, *Pocahontas II - Journey to a New World* had three instances of the use of 'bloody' removed from a video where the appeal and address were wholly at 'U', and which was 'U' in all other respects.

From the Earth to the Moon - Part Seven - That's All There Is was one part of a video drama documentary series covering the history of lunar exploration and with a very general appeal which proved to be consistently 'PG' in all episodes bar this one. The Board removed an instance of strong language used

by an exasperated newscaster, and two of coarse language uttered by astronauts. This meant that the episode did not have to be classified at '15' to accommodate these three incongruous moments and was then available to a wide 'PG' audience along with the rest of the series.

Foreign Language

During 1999, the Board classified a total of 662 foreign language films, videos and trailers, representing 9.5 per cent of all titles submitted to the Board. This represents a rise of over 5 per cent on the previous year. Titles were submitted in Arabic, Bengali, Bhutanese, Cantonese, Croatian, Czech, Danish, Dutch, Farsi, Filipino, French, German, Greek, Gujarati, Hindi, Hungarian, Italian, Japanese, Malayalam, Mandarin, Portugese, Punjabi, Russian, Serbo-Croat, Spanish, Swedish, Tamil, Tigrayan, Urdu, Vietnamese and Welsh. The majority were Cantonese (203), followed by Hindi (150). Together, they represented the majority of titles that were neither sub-titled nor dubbed. The most unusual language was a Tigrayan film, *The Darkness in the Light*, charting the cultural tensions of an Eritrean family living in America.

Chinese Cantonese television series, all produced by Hong Kong's largest TV company, made up the majority of Chinese material classified by the Board in 1999. The rest comprised action films from the 1980s, recent police/triad thrillers and the occasional comedy horror. The only new film was the award-winning Cantonese *Made in Hong Kong*, classified '15' for occasional strong language, violence and sexual references.

Four years and 1128 episodes later, *A Kindred Spirit* came to an auspicious end in December: the Cantonese pronunciation of "1128" is a pun reflecting the daily, easy generation of wealth.

The series offered dialogue-rich entertainment usually classified 'U' or 'PG' for mild sexual references or mild violence. In contrast, *At the Threshold of an Era*, about friends living through a time of political and economic uncertainty, attracted categories ranging from 'PG' to '15', mainly for occasional graphic violence.

The consistent elements in the TV series were the reliance on dialogue to develop plot and character, a focus on relationships and a strong moralistic tone. As in previous years, bad language rarely featured. Kissing was seldom seen and sex, if it appeared at all, was either coyly referred to or implied by a couple – usually clothed – lying together in bed. Other trends were sexual references in dialogue to adultery, promiscuity, co-habitation, homosexuality, illegitimate children, rape, sexual assault or genitals, drug references and references to triads. Generally, they would be considered mild in comparison to Western soaps of a similar genre.

Spoken Mandarin was more common than in previous years. Instead of an occasional sentence, there were prolonged exchanges in Mandarin and Cantonese with Chinese subtitles. This is a reflection of the increased use of Mandarin in Hong Kong following its hand-over to China in 1997 and is a trend that is bound to continue. In contrast, the video features, always subtitled or dubbed in English, raised the whole range of issues from sex and nudity (*Erotic Ghost Story*), to language, violence and drugs (*Beast Cops*). Six titles were cut, primarily for violence (*Legend of the God of Gamblers* and *The Boxer from Shantung*), drugs (*Plain Love II*), animals (*Mr Vampire 2*), imitative techniques (*My Lucky Stars*) and weapons (*The Flying Fox of the Snowy Mountain 1999*).

South Asian The Board classified 242 South Asian language works, 37 per cent of all foreign language material for 1999. An 18 per cent increase in the number of Hindi language classifications was mostly accounted for by video trailers and the re-submission of video titles intended for DVD.

Among the highlights of the Hindi classifications were *Earth* (the second installment of Deepa Mehta's India trilogy, which dealt with one woman's experience of the partitioning of India and Pakistan); *Kaun?* (Ram Gopal Varma's Indian take on a classic western-style murder mystery horror, featuring just three characters and no song and dance sequences); the lavish family musical romances *Taal* and *Hum Saath-Saath Hain* and a DVD re-release of the Yash Chopra romance melodrama *Kabhi Kabhie*.

Tamil language classifications rose only slightly, but classifications in the sister language of Malayalam rose from just one in 1998 to 11 in 1999. However, there were some significant Tamil language features classified. Among these were *Kaathalar Thinam* and *Padayappa*. The year also saw the classification of the Punjabi language film *Shaheed Uddham Singh*, a biographical account of the Punjabi martyr in the cause of Indian independence.

A continuing problem is the classification of films such as *Hello Brother* and *Vaastav*, which contained language, violence and drugs references requiring a higher category than 'PG'. Another issue of note is the use of English expletives in South Asian language works. Words such as 'shit' or 'bloody' appear in works which in all other respects would be a straightforward 'U' classification. For an English language work such words would almost certainly demand a 'PG' classification.

There is an argument to be made for allowing English bad language uncut in a 'U' classified South Asian language work, because in the context of a typical 140 minute South Asian film replete with song, dance, comedy and comedic South Asian language dialogue the English words simply become stylistic expletives devoid of their power to offend. However, the use of South Asian language expletives and bad language in South Asian language works is treated in exactly the same way as English bad language in English language works.

Sexual Violence

The Board continues to apply a strict policy on sexual violence in film and video, whilst recognising it as a legitimate film theme. Most depictions of sexual violence in films and videos are responsibly staged, meaning that such scenes can be dealt with through the classification system, with the category reflecting the strength of the material.

A small number of works in 1999, however, were less straightforward. Research on potentially harmful 'media effects' is at best inconclusive, but is at its most convincing in the area of sexual violence. The Video Recordings Act 1984 requires the Board to have regard to the harm that may be done to viewers or to society through the depiction of, among other elements, sex and violence in videos. The Board considers that violent scenes which could trigger sexual arousal may encourage an association between sexual violence and sexual gratification. This in turn might lead to the reinforcement of anti-social attitudes or behaviour. Scenes and narratives which suggest that victims 'deserve' or 'enjoy' being sexually assaulted are cause for particular concern.

Only one cinema film classified during 1999 required cuts on sexual violence grounds. *Perdita Durango* contained a lengthy sequence in which a young woman is stripped and

raped and appears to become aroused. In addition the film contained a clip from a Japanese cartoon showing a woman being raped by 'alien' tentacles. The Board was concerned that both scenes presented sexual violence in a way likely to offer sexual thrills to at least part of the audience and therefore required cuts to be made for an '18' certificate. The same cuts were required for the video classification.

Two films attracted widespread press coverage for strong scenes of sexual violence. *A Clockwork Orange* which, contrary to popular belief, had never been banned by the Board was resubmitted for a modern certificate. It was passed 'X' uncut in 1971 and subsequently withdrawn from UK cinemas by its director, Stanley Kubrick. Careful consideration was given to the sexually violent sequences (as well as other issues) which were judged to be acceptable for an adult audience in a serious work of considerable artistic merit and the film was passed '18' uncut. A rape sequence in the French film *Romance*, although brutal and shocking, was filmed in a manner which avoided offering sexual thrills to the audience and was not cut for '18'.

Another major film, *The War Zone*, directed by Tim Roth, took a serious look at the abusive, sexual relationship between a father and his young adult daughter. A crucial scene established the fact of the abuse beyond doubt, but was filmed in a way which minimised the risk that some of the audience might find it sexually arousing. Again, after careful consideration the film was passed '18' uncut.

In 1999 cuts were required in 22 videos on sexual violence grounds. (This total excludes six works to which cuts were made in line with the Board's policy on sado-masochistic practices, referred to in the following section.) This marks a

significant reduction on the number cut in 1998 (46 titles) and 1997 (44 titles). The lower numbers reflect the fact that fewer titles were submitted with problematic sexual violence scenes rather than any relaxation of policy. Of the videos cut, two were cut at the request of the distributor to make the work suitable for younger audiences; 11 were cut in line with previous cut versions of the same work (e.g. *Rob Roy*, *Showgirls*, *Pink Flamingos*); and four were old features from the 1960s and 1970s being submitted on video for the first time (e.g. *Baby Cart to Hades*, *Secrets of Summer School Teachers*). The material removed included depictions of rape, forcible stripping, the beating of naked or semi-naked women, and asphyxiation during sex.

A video version of the 1971 Sam Peckinpah film *Straw Dogs* had been under consideration for some time. After much debate, the Board concluded that the rape sequence contained elements that might still be harmful to potential viewers or, through their actions, to society. The Board was concerned that the sequence was filmed in a manner which could arouse some viewers and that the victim's enthusiastic reaction dangerously endorsed the male myth that women enjoy being raped. The distributor declined to make the extensive cuts that would have been necessary for the video to be passed '18'.

The independent film maker Bruce LaBruce challenged the Board's established boundaries with the video of *Skin Flick*. The work explored racist skinhead culture and gay sexuality but its mixture of drama, fascist characters, explicit sex, and two brutal and prolonged rape sequences overstepped a number of the boundaries set out in the Board's published Guidelines. The scenes of sexual violence were considered to be particularly problematic. Not only did they appear in a work

which offered graphic sex as a major pleasure, but the sequences themselves were filmed in a way which some viewers might find arousing. The explicitly racist element in one of the sexual assaults posed additional problems. Both the rape sequences (as well as explicit details in consenting sex scenes) were cut before the video was passed '18'.

Sex and Pornography

During 1999, the portrayal of human sexual activity continued to challenge the boundaries set by the Board's Guidelines and reflected the fact that many European Community countries take a more relaxed view of sex on screen. In particular, three foreign language 'art house' films (*The Idiots*, *Romance* and *Seul Contre Tous*) presented the Board with difficulties in balancing established UK standards of acceptability with the right of freedom of expression.

Each of the three films was judged according to the published Guidelines for sex in works classified '18' which clearly state that 'images of real sex must be brief and justified by context'. Under this criterion, *The Idiots*, (a Danish film about a group of young people who pretend to be mentally impaired) which included a single brief image of real sex, was judged acceptable at '18' for both film and video. The French film *Romance* (a frank exploration of female sexuality) included a number of sexually graphic scenes and these were also considered to be acceptable for an adult cinema audience. On video, where one exceptionally explicit image would have been much more evident than in the cinema, a single brief cut was made before an '18' certificate was granted. *Seul Contre Tous*, (an uncompromising French study of an angry and dysfunctional butcher) contained extracts from a 70s hard-core pornography film, which the BBFC required to be modified. The film's distributor decided to soften the images optically

rather than remove them altogether by cutting. The same course was followed on the video.

Pornographic videos sold in licensed sex shops and the Restricted 18 ('R18') category continued to be a pressing concern during 1999. The Board has continued to insist on the removal of the most graphic images of real, consensual sex from videos before they can be passed 'R18'. During 1999, two companies, Sheptonhurst and Prime Time Promotions, challenged this policy and lodged appeals against the Board's decision not to give an 'R18' classification to seven pornographic videos. The Video Appeals Committee (VAC) hearing took place in late July and, by a majority of four to one, it upheld the appeals. The VAC found that the Board was wrong to conclude that the works breached the provisions of the Video Recordings Act (VRA) because they had the potential to cause harm to children. The VAC stated that 'We might have taken a different view if there was evidence that the effects were affecting more than a small minority of children or were devastating if this did happen'. In the Board's view this decision was based on a definition of harm which was an incorrect interpretation of the VRA. The Board sought a Judicial Review of the decision which was eventually scheduled for April 2000.

The issue of harm also impacts on the Board's policy on sado-masochistic sexual material. Scenes which involve significant actual harm or the infliction of real pain are not allowed under the Board's Guidelines. Allowances are occasionally made for documentaries which are making a serious attempt to explore or explain the activity. However, this consideration was not judged strong enough to allow *Blood Sisters*, a campaigning documentary video made by a group of female S&M practitioners, to be classified '18' without cuts to remove sights of sadomasochistic violence to women.

The video release of the successful Channel 4 series *Queer as Folk* tested the Board's commitment to equal standards for the portrayal of homosexual and heterosexual sex activity. Episodes were classified '15' or '18' based on the strength of the sex scenes.

Although much consideration was devoted to the portrayal of real sex in feature films and sex videos, these works constituted a very small proportion of the works examined over the course of the year. In most cases, scenes involving sexual activity are simulated and are classified according to the context and the amount of detail. The question of whether the Board's Guidelines for the level of acceptable sex at different categories match the expectations of the British public is one of the major considerations in the extensive public consultation exercise set underway during the course of the year.

Digital Media

The number of digital works submitted to the Board continued to fall in 1999 with only 21 works being classified. The violent games which the Board received for classification were mostly contained inside futuristic or fantastic settings and corresponding categories reflected the nature of their content. However, trends are clearly changing with adult consumers in particular demanding that games offer more than just the simple 'level' game involving a selection of weapons and targets which become incrementally more difficult to defeat. Many of the games received offer a narrative structure, a context, within which the action can be justified and these more sophisticated games require as much mental as manual dexterity in order to overcome the hurdles they present to the player. This often means complicated puzzles to solve and actions to perform which mitigate violent content and are clearly designed to give the user a more meaningful and

mentally stimulating experience than merely raising the testosterone levels. Perhaps the basic 'shoot-em-up' has little mileage left and developers are moving away from this rather dated and limited type of action game.

Adult 'soft core' CD ROMS were the biggest proportion of digital works received, but in terms of content they traded in the more traditional area of erotica rather than pornography. Some offer a link, however, to porn sites on the Internet. The photographic content of these works virtually replicates the top-shelf magazines to which they are often attached. Cuts were necessary to three of the works for explicit genital detail which, under the Board's current Guidelines, is inadmissible.

Children

One of the key aims of the Board, as set out in the section of this Report entitled **The Role of the BBFC**, is "to seek at all times, in the implementation of the Guidelines, to ensure that the younger and more vulnerable members of society are protected from harm." Many of the year's issues reported on in the preceding sections have, as will have been apparent, been based on concerns about children. Indeed, the majority of the classification decisions made by the Board are made with children in mind. Determining what is appropriate viewing for children and young adults is the constant consideration of the Board's Examiners, and the people who are appointed as Examiners bring with them expertise in a range of issues to do with child development and welfare. Of the 20 films cut in 1999, 11 were in the 'PG', '12' and '15' categories.

The Protection of Children Act 1978 makes it a crime to produce or publish indecent photographs of a child and this legislation has a significant impact on the work of the Board. Concern for the mental well being of children was also at the core

of the Board's rejection of seven sex videos, which were the subject of an appeal to the Video Appeals Committee, dealt with elsewhere in this report. The concern was that the hard-core pornography videos could fall into the hands of young children who could be mentally traumatised by watching them.

One particular issue for the Board is that of imitable techniques, especially in relation to films aimed at younger audiences who may not always be able to understand the consequences of their actions. One of the year's most popular films *The Mummy* was classified '12', but not before 14 seconds were cut from a hanging sequence. The length of the original sequence and the lack of adverse effects on the hero as a result of his being hanged was a cause for concern and could be interpreted by young viewers as indicating that hanging was not a particularly dangerous activity. Similarly *The Matrix*, with its obvious teenage audience, was passed '15' with cuts to remove imitable and dangerous head butts.

The video of *Kids* was classified '18' and, as was the case with the cinema film released in 1996, cuts were necessary to ensure full compliance with the requirements of the Protection of Children Act. The cuts were required when actors below the age of 16 were present during scenes portraying sexual activity involving older actors. Proof of age was required of all the actors involved in the simulated sex scenes. All were above the British age of consent.

The establishment during the year of the new Advisory Panel on Children's Viewing will provide the Board with an invaluable source of advice about classification matters concerning children. The range of expertise offered by the Panel will strengthen its ability to reach considered judgements on issues of harm, suitability and imitability.

Video Appeals Committee

The Video Appeals Committee (VAC) is an independent body constituted under section 4 (3) of the Video Recordings Act to hear appeals from submitting companies against any BBFC decisions they consider stricter than warranted.

The VAC met in July to consider two appeals against the Board's decision to reject seven sex videos containing sexually explicit material. The appeals were lodged by distributors Sheptonhurst Ltd. and Prime Time Promotions and related to *Horny Catbabe*, *Nympho Nurse Nancy*, *T.V. Sex*, *Office Tart*, *Carnival International Version (Trailer)*, *Wet Nurses 2 Continental Version* and *Miss Nude International Continental Version*. The Board had rejected the videos because the material contravened the Board's Guidelines for 'R18' material.

The appellants asserted that the content of their videos was not dissimilar to *Makin' Whoopee!* which had been the subject of a successful appeal to the VAC in July 1998. They argued that consistency was an important element of fair and reasonable decision-making. They further complained that a trailer for *Carnival* had been rejected, even though the video had received an 'R18' classification and the content was identical. In addition the Board had issued an Interim Clearance Form for *Miss Nude International*, and a cuts list for *Wet Nurses 2* had been compiled with only to be met with a requirement for further cuts after it was resubmitted.

The Board responded that the shots of graphic sex contained in the videos - specifically, shots of penetration by penis, hand or dildo as well as shots of a penis being masturbated or taken into a woman's mouth - were plainly contrary to the Board's published Guidelines for 'R18'. When *Makin' Whoopee!* had gone to appeal the Board had argued that its content would place it at risk of being forfeited under Section 3 of the

Obscene Publications Act. The VAC had been unanimous in its opinion that *Makin' Whoopee!* was not obscene within the terms of the Act and it had subsequently been granted an 'R18' certificate by the Board. The Board accepted that following this, for a short period, the Guidelines for 'R18' material had been informally relaxed. However, with the arrival of the new Director, there was a return to the criteria clearly established by the published Guidelines, pending appropriate consultation with the public, the industry, specialist advice and the relevant enforcement bodies. The Board did not accept that *Makin' Whoopee!* had set a binding precedent.

The Board argued at the hearing that careful consideration had to be given to the potential particularly for under-age viewing and the effect the material may have on such viewers. The Board considered that the very explicit pornographic images contained in the seven videos carried a risk of harming these viewers. Section 4A of the Video Recordings Act 1984, as amended by the Criminal Justice and Public Order Act 1994, states that the Board must have special regard to any harm that may be caused to potential viewers or, through their behaviour, to society by the manner in which videos deal with, among other things, human sexual activity. The Board argued that this Section means that the Board must have regard to any harm that may be caused to any person, including a child, likely to view the video work. Although the videos in question were only available for sale through licensed sex shops, they would be viewed in the home and the risk of children gaining access to them had to be taken into account when considering them for classification. The appellants maintained that the scale of the problem of children gaining access to 'R18' videos was negligible.

The Board produced expert evidence that the material could cause harm to children. The issue of obscenity under the

Obscene Publications Act 1959 was not argued since the Board accepted that the VAC had made its own view clear in that regard in 1998 when it found similar content in *Makin' Whoopee!* not to be obscene.

The VAC Judgment, by a majority of four to one, was announced on 16 August. The Committee accepted "that 'R18' material in the hands of children - and perhaps even the maladjusted - can be harmful." However it decided that it should not be assumed that a large number of parents would not exercise their parental authority and duties. It accepted the argument that, in general, adults should not be prevented from having access to material just because it might be harmful to children if it fell into their hands. "We might have taken a different view if there was evidence that the effects were affecting more than a small minority of children or were devastating if this did happen." The majority of the Committee, therefore, came to the view that all of the works under appeal were "suitable for sale uncut solely to adults in sex shops, and that the risk of any so sold being viewed by and causing harm to children or young persons, is, on present evidence, insignificant."

The Board decided to contest the decision, because in the Board's view the Judgment was based on a definition of harm which was an incorrect interpretation of the Video Recordings Act. The correct approach, in the Board's view, was to give "special regard" to the risk of harm which had been demonstrated in this case. It was not appropriate to require quantification of how many children would be harmed. The Board was subsequently granted leave to seek a Judicial Review.

Copies of the VAC's Judgment are available on the BBFC's website as an attachment to the news release about the decision, or by contacting the Director's Office direct.

At the end of 1999, the full membership of the Video Appeals Committee was as follows:

President:

John Wood CB: Solicitor; Consultant to Morgan Lewis and Bockius, Solicitors; former Deputy Director of Public Prosecutions; former Director of the Serious Fraud Office; former Director of Public Prosecutions in Hong Kong; .

Members

Nina Bawden, CBE, MA, FRSL, JP: Novelist; President, Society of Women Writers and Journalists.

Biddy Baxter: Former producer of children's programmes; BBC Television, Editor of Blue Peter; Consultant to the Director-General of the BBC since 1988.

Professor Philip Graham: Chair, National Children's Bureau; Emeritus Professor of Child Psychiatry, Institute of Child Health, University of London.

Clive Hollin: Forensic Psychologist; Professor of Psychology, University of Leicester; holder of the British Psychological Society senior award for distinguished contribution to the field of Forensic Psychology.

Dr Neville March Hunnings: Lawyer; author; former editor of Common Market Law Reports; former member of the Lord Chancellor's Advisory Committee on Legal Education and Conduct; Editor of the Encyclopaedia of European Union Law.

Claire Rayner, OBE: Author; writer; broadcaster; President of the Patients Association; President of the British Humanist Association.

The Hon. Mrs. Sara Morrison: Annan Committee; former Director of Channel Four Television; Non Executive Director of Carlton Television.

Laurie Taylor: Writer; broadcaster; Visiting Professor in the Department of Politics and Sociology at Birbeck College, University of London.

Fay Weldon: Writer.

Video Consultative Council

The Video Consultative Council (VCC), is an advisory forum set up as a result of the Video Recordings Act. It brings together representatives of the Local Authority Associations of Great Britain and Northern Ireland, the screen entertainment industry, and persons of individual distinction and expertise. It meets thrice-yearly and is chaired by the President or one of the Vice Presidents of the BBFC.

During 1999, issues discussed by the Council included: VCC Membership; the Video Appeals Committee judgement and the 'R18' issue; public presentations and consultation; relations with the new Advisory Panel on Children's Viewing; workflow and developments in digital media.

VCC Membership

The VCC is an invaluable source of advice to the Board. With some resignations in 1999, the new Director of the BBFC took the opportunity to look at the composition of the Council and the appointment of members. The local authority and industry representation is prescribed, but consideration was given to the expertise which might prove most useful to the Board in the 'persons of individual distinction and expertise' category. At the beginning of 1999, the council had 22 members and four observers, all of whom were entitled to contribute to discussions. Six members represented local authorities, nine had a background in TV or video-related industries and seven had other expertise. Traditionally the children's sector had been strongly represented in this latter category, but in the middle of 1999 there were two resignations. The Council was asked to consider (a) whether the membership proportions were ideally balanced (b) whether a sufficient range of interests was represented (c) whether the membership needed to be adjusted in view of the creation of the Advisory Panel on Children's Viewing (APCV) (d) whether, post-Nolan, members

were being recruited in a manner appropriate to a public body and (e) whether there should be a set term of office.

Academic and research input was felt to be inadequate and concern was expressed about the under-representation of ethnic minorities and the regions and whether the Council reflected the demographics of the nation. It was suggested that members might be recruited from regulatory bodies, enforcement agencies, the film (as opposed to the TV or video) industry, the telecommunications industry, cable and satellite and leisure software publishing. Some members felt that the VCC needed guidance in the technologies associated with convergence. The possibility of creating ad hoc sub-committees to allow for the input of specialist advice was also discussed. There was support for the retention of the observer category.

It was also suggested that the under-18s should be consulted, as so much of the Board's work involved classification on their behalf. The possibility of talking to school children or collaboration with the young people's parliaments, which existed in some local authorities, should be considered. Links could be made with children's charities and teachers of Media Studies. The VCC recognised that the creation of the APCV might affect the level of attention given by the Council to children's issues. A proposal that the Chairman of the APCV might become an ex-officio member of the VCC was welcomed, recognising the need for co-ordination between the two bodies.

Since the VCC is a public body, it was generally accepted that future voluntary vacancies, in the 'individual distinction and expertise' category, should be advertised in the national, minority and, if necessary, regional press. There was support for a set term of office and for a change of name to reflect the advent of DVD and digital media.

At the end of 1999, firm proposals for changes to VCC membership were circulated by the Director, so that decisions could be taken in the the new year.

The Video Appeals Committee Judgement and the 'R18' Issue

The appeal by two sex video distributors against the Board's decisions to reject seven of their titles for 'R18' classification is reported elsewhere. However, much discussion was devoted to this subject at each of the Council's three meetings in 1999. Members were kept fully informed about the VAC appeal and the subsequent BBFC decision to seek a Judicial Review of the VAC's decision. Prior to the November meeting, Council members were shown *Office Tart*, one of the seven sex videos which were the subject of the VAC appeal. The Council was broadly supportive of the Board's decision to seek a Judicial Review, and the need for a proper legal definition of what was meant by 'potential harm' in the Video Recordings Act. Members took the view that the BBFC could not apply standards which were in conflict with those operated by enforcement agencies such as the Police and HM Customs and Excise.

Although the VCC generally supported the Board's attempt to clarify these issues, it was argued that the 'harm' issue could equally be applied to other videos which might have more appeal to young viewers than pornography. The Board should not try to fulfil what was a parental role. However, it was recognised that some parents did not take sufficient care to keep unsuitable material from children, who might well be harmed by images of dehumanising and mechanistic sex, such as could be found in the videos in question. Attitudes to future sexual partners might be affected and a sense of "anything goes" might be promoted. Addiction to this type of material

could have an indirect effect on children by interfering with family relationships. Trauma would be stronger in the case of live action material of this kind than it would be if inappropriate works of fiction were viewed. Although pornography might reach children via the Internet, the images available on video were currently much clearer.

Council members expressed the view that evidence presented to the VAC had substantially underestimated the number of children who had access to pornographic tapes through illegal copying. Several members expressed regret at the reluctance of local authorities to license sex shops, as this led to large parts of the pornography market being unregulated.

Public Presentations and Consultation

The majority of Council members attended one of the BBFC public presentations. The Director was complimented on the effectiveness of his presentation, but members expressed concern that they seemed to attract extremes of opinion rather than 'Mr and Mrs Average'. It was noted that the presentations would form only part of the consultation process and that other types of research and opinion gathering, based on the Board's new draft Guidelines, would compensate for that. Members praised the draft Guidelines for their clarity, though they advised that the wording be carefully checked in case the resulting Guidelines were cited in future litigation. It was acknowledged that it would be the Board itself which would have the last word as to how its Guidelines should be interpreted.

Relations with the new Advisory Panel on Children's Viewing (APCV)

The APCV met twice in 1999 and, as the year ended, it was too early to forecast what the exact relationship of the two bodies would be. As the remit of the APCV was to monitor the work of the BBFC with the interests of children in mind, its role was different from that of the VCC.

Workflow

Members were given statistical information at every meeting about the number of video, DVD and digital media works submitted to the Board. Information about the time taken for works to be processed was now available on the BBFC website and so was no longer routinely presented to the Council, though the issue was discussed. Indications were that distributors were generally happier with the speed of processing than they had been in 1998. VCC members expressed concern about the inaccuracy of forecasts by distributors and were informed at the November meeting that the Board had devised a clearer questionnaire in the hope of securing more reliable forecasts.

Digital Media

At the February meeting a VCC member from the industry body ELSPA explained that the reason for a dramatic fall in the number of digital media submissions was partly the result of leisure software publishers being better informed about BBFC criteria and the fact that there had been a move away from sexual and violent content on the part of major publishers. The decline in submissions also reflected the success of the voluntary rating system run by ELSPA.

One member expressed anxiety about reports that in some computer games it would soon be possible to scan in pictures of people known to the player e.g. parents or teachers. The Council was informed that technology had not yet reached that stage but that this type of capability was indeed being developed. It would present difficulties for the BBFC which might find itself classifying works whose content might subsequently be changed.

Other Issues

Members were kept informed about significant video decisions, works which presented difficulties, cuts and rejects. Titles discussed included *Romance* and horror works such as *The Driller Killer* and *The Toolbox Murders*. The VCC received a presentation at the June meeting on the work of Trading Standards Officers and enforcement issues. It noted that there had been an upturn in requests for the BBFC to provide evidence for court proceedings against distributors and traders which reflected the current focus by Trading Standards Officers on the protection of the young.

Apart from the principal officers of the BBFC, the membership of the Video Consultative Council at the end of 1999 was as follows:

Sheila Abrahams, Justice of the Peace
Gill Bennet, National Association for Pastoral Care in Education (NAPCE)
Roger Bennett, European Leisure Software Publishers Association (ELSPA)
Provost Tommy Brookes, Convention of Scottish Local Authorities (COSLA)
Cllr Lyn Brown, Local Government Association (LGA)
Professor Kevin Browne, Professor of Forensic and Family Psychology, University of Birmingham
Lavinia Carey, British Video Association (BVA)
Evan Dobson, Convention of Scottish Local Authorities (COSLA)
June Dromgoole, Channel Four Television
Laurie Hall, Video Standards Council (VSC)
Steve Jenkins, Senior Editor, Feature Films, BBC Television
Cllr Peter Kent, Local Government Association (LGA)

Simon Lee, Entertainment Software Retailers Association (ESRA)
Bob Lewis, British Association of Record Dealers (BARD)
Michael Marland, Head, North Westminster School
Cllr Maurice Mills, Association of Local Authorities in Northern Ireland (ALANI)
Peter Wilson, Psychotherapist; Director, Young Minds
John Woodward, Chief Executive Officer, Film Council

Observers

Keith Hale, Local Authorities Co-ordinating Body on Trading Standards (LACOTS)
Birol Mehmet, Home Office
Stephen Ruddell, Home Office
Paul Stephenson, Scottish Office

Advisory Panel on Children's Viewing

The Advisory Panel on Children's Viewing (APCV) was set up in 1999. The panel's remit is to monitor the BBFC in the important work of classifying videos (but not films) with the interests of children in mind and to advise the BBFC on any relevant matter, in particular difficult policy issues. The panel also has the right to raise issues with the Board at any time. The membership of the panel was selected from nearly 500 applicants following national advertising.

Inaugural Meetings

The panel held its first meeting in July. Members introduced themselves and detailed their own areas of expertise. All have specialist backgrounds working with children or children's issues, including child psychology, the law, teaching, social work, research, children's television programmes and theatre, and residential school care. They debated their terms of reference and working methods. Areas of concern for members included the representation of sex on film and video and bad language. The issue of clearer consumer advice was also raised.

The second meeting of the panel was held in November. Members had had the opportunity to view one of the seven sex videos which were the subject of a successful appeal to the Video Appeals Committee. The Board had previously rejected the videos on the grounds that their pornographic content was likely to be seen by children and cause them harm. The Director explained that the Board was seeking a Judicial Review of the VAC judgement on the grounds of its interpretation of the Video Recordings Act. The content of the video was discussed. Panel members concluded that the material was not so harmful that its availability through licensed sex shops should be curtailed.

Public Presentations

Panel members who had attended Public Presentations held around the country as part of the Board's consultation on the new draft Guidelines offered their impressions of the proceedings. They commented that the audience questions varied in quality and that the audiences did not represent a cross section of the population. It was noted that the presentations were one element in a wider programme of consultation which would draw upon more balanced samples of the population.

Future Agenda

It was proposed that future subjects for the panel to consider might include: investigation into issues around sex, drugs and violence; clarification of the difference between film and video classification; the absence of Consumer Advice from the packaging of hired videos taken into the home; the extent to which broadcasters take account of BBFC decisions; the relationship between the carrying of knives by the young and the depiction of the use of knives as offensive weapons in the media; the scope for the involvement of the film and video industries in media education; and the relationship between factual events and the sensationalised re-enactment of them on screen. The panel would be able to call upon a wide range of professionals to assist them in their deliberations.

APCV members:

Floella Benjamin, Children's TV Presenter

Karen Johnson, Children's TV Producer (BBC)

Dr Sue Krasner, Chartered Clinical Psychologist

Winnie Lacey, Senior Social Worker

Frances Lennox, Crown Prosecutor

Alexander Paterson, Principal of a Residential School

Elsbeth Rea, Independent Social Work Trainer

John Retallack, Freelance Theatre Director

Naomi Rich, Former Primary School Teacher/Education
Adviser

Lewis Rudd, Former Head of Children's Programmes (ITV)

Professor Jack Sanger, Director, Centre for Organisational
Research

David Simpson, Stipendiary Magistrate.

Profit and Loss Account

The strong growth in the Board's income in the previous year of 18 per cent was not repeated in the current year and income grew by a modest 3 per cent.

Video income which represents 77 per cent of the Board's total income grew by just 1 per cent over the previous year. An increase of 3 per cent in the number of video works submitted to the Board and an increase in the Board's tariff of 2 per cent were to a great extent offset by a reduction in the run time of each item submitted. The shorter run time of individual items on a DVD disc had an impact on the value of many of the items submitted.

Film volume on the other hand showed particularly strong growth with volume rising by 20 per cent, although again, despite the tariff increase, the value of each item viewed fell.

Digital Media submissions continued to decline and income from the voluntary packaging scheme also fell.

Expenditure for the year was held at approximately the same level as last year and because of this the operating profit increased to 8.4 per cent of turnover. The Board's reserves, representing five and a half months expenditure, now stand at a reasonable level in relation to the level generally considered appropriate for other similar bodies.

Cash Flows

Operating cash flow was £385,000 of which £179,000 was invested in capital equipment and alterations to the building as follows: enhancements/modifications to the Computer Information System, the upgrading of PCs, video and air-conditioning equipment and the provision of further office

space. After adjustment for taxation and return on investments the Board had a net inflow of funds of £229,000.

Review of the year ahead

The Board starts the new millennium with a sound financial base.

The 2000 customer survey indicates a large increase in video throughput of 24 per cent. Predicting the rate of growth of the DVD market and the impact this will have on the run time of submissions continues to add a further element of uncertainty to the predictions. In view of this the Board is maintaining its examining strength at 16 full-time examiners and will in addition use the services of part-time examiners when this proves necessary in order to deal efficiently with the projected workload.

During the year 2000 the Board plans to increase its spending on research, testing public opinion by surveys and citizens juries and canvassing experts in various fields. Significant expenditure will also be incurred on professional representation at the Judicial Review of the Video Appeals Committee sex videos Judgment.

The Board will continue in 2000 to invest in new technology that provides efficiency gains and improves the service to our clients. £180,000 has been earmarked for such items which includes an upgrade to the Board's telephone system which will improve the effectiveness of our first point of daily contact with the industry.

Report of the Council

for the year ended 31st December 1999

President

A. Whittam Smith

Vice Presidents

Ms J. Lewis-Jones

Lord Taylor of Warwick

Council of Management

Chairman – J.B. Smith

Vice Chairman – E.J. Needham

Hon. Treasurer – J.R. Millard

D.C. Calder
W.T. McMahon

M.H. Cox
P.P. Rigby CBE., JP
J.F.G. Wilson

J.C. Holton
Mrs. S.M. Sheridan

Secretary

R.A.P. Duval

Principal activities

The company, which is limited by guarantee, is responsible for the classification of cinema films, and, in accordance with the terms of the Video Recordings Act 1984, for the classification of video works. Its revenue is derived from fees charged to distributors for the classification of their product.

Business review

The Council of Management consider the state of the affairs of the company at the balance sheet date as satisfactory. The Board's income grew by a modest 3 per cent in 1999. Whilst film income was some 16 per cent greater than in 1998, video, which provides the largest part of the Board's income, increased by just 1%. Expenditure was held at approximately the same level as last year.

The distributor survey carried out by the Board would indicate an increase in video volume in 2000 and this has, at this early stage in the year, been borne out by submissions so far.

Council

The members of the Council are shown above and all of them held office throughout the year with the exception of Mrs. S.M. Sheridan who was appointed as a member on 11th November 1999. Mr. D.J. Kimbley retired as the Chairman of the Council of Management on 29th April 1999 when he was replaced by Mr. J.B. Smith. Mr. E.J. Needham succeeded Mr. J.B. Smith as the Vice Chairman on 5th August 1999. All voting members of the Council of Management retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

Members of the Council's responsibilities

Company law requires the members of the Council to prepare accounts for each financial year which 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 those accounts, the members are required to:

Report of the Council

for the year ended 31st December 1999 (continued)

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The members of the Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. 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.

Corporate Governance

The Council of Management continues to give careful consideration to, and has adopted the main principles of, corporate governance as set out in the Code of Best Practice of the Committee of the Financial Aspects of Corporate Governance (the Cadbury Report). However it is the opinion of the Council that not all the provisions of the Cadbury Report are appropriate for a company of the size and structure of the British Board of Film Classification.

Transfers to reserves

The retained profit for the year of £254,888 has been transferred to reserves.

Fixed assets

Information relating to changes in the tangible fixed assets is given in note 8 to the accounts.

Donations

During the year the company made charitable donations totalling £2,830.

Year 2000 compliance

The Board has completed a comprehensive Year 2000 compliance programme and to date no significant problems have arisen.

Auditors

A resolution to re-appoint Messrs. W.H. Payne & Co. as auditors of the company will be submitted to the annual general meeting.

By Order of the Council

Robin Duval
Secretary

3 Soho Square,
London, W1V 6HD.

21st February 2000

Auditors' Report

To the Members of The British Board of Film Classification

We have audited the accounts on pages 47 to 56 which have been prepared under the historical cost convention and the accounting policies set out on page 50.

Respective responsibilities of the members of the Council and auditors

As described on page 44, the members of Council are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the members of Council in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

W.H. Payne & Co.
Chartered Accountants
and Registered Auditor,
Sandringham House,
199 Southwark Bridge Road,
London, SE1 0HA.

21st February 2000

The British Board of Film Classification
Profit and loss account for the year ended 31st December 1999

	Note	1999	1998
Turnover	(2)	3,091,597	2,995,126
Operating costs		(2,831,400)	(2,803,455)
Operating profit		260,197	191,671
Interest receivable and similar income	(3)	69,075	71,255
Interest payable and similar charges	(4)	(30,000)	(26,400)
Profit on ordinary activities before taxation	(6)	299,272	236,526
Tax on profit on ordinary activities	(7)	(44,384)	(74,641)
Retained profit for year		254,888	161,885
Retained profit at beginning of year		1,036,305	874,420
Retained profit at end of year		£1,291,193	£1,036,305

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The accompanying notes are an integral part of this profit and loss account.

The British Board of Film Classification

Balance sheet 31st December 1999

	Note	1999	1998
Fixed assets			
Tangible assets	(8)	<u>519,589</u>	<u>512,240</u>
Current assets			
Debtors	(9)	364,735	451,119
Investments	(10)	1,051,389	821,544
Cash at bank and in hand		<u>576,524</u>	<u>584,360</u>
		1,992,648	1,857,023
Creditors: amounts falling due within one year	(11)	<u>(580,141)</u>	<u>(535,408)</u>
Net current assets		<u>1,412,507</u>	<u>1,321,615</u>
Total assets less current liabilities		1,932,096	1,833,855
Provisions for liabilities and charges	(12)	<u>(617,652)</u>	<u>(774,299)</u>
Net assets		<u><u>£1,314,444</u></u>	<u><u>£1,059,556</u></u>
Capital and reserves			
Capital reserve	(13)	23,251	23,251
Profit and loss account		<u>1,291,193</u>	<u>1,036,305</u>
Accumulated funds	(14)	<u><u>£1,314,444</u></u>	<u><u>£1,059,556</u></u>

Approved by the Council of Management on 21st February 2000.

J.B. Smith - Chairman

J.R. Millard - Hon. Treasurer

The accompanying notes are an integral part of this balance sheet.

The British Board of Film Classification

Cash flow statement for the year ended 31st December 1999

	1999	1998
Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	260,197	191,671
Depreciation charges	179,991	376,844
(Profit) on sale of tangible fixed assets	(8,557)	-
Loss/(profit) on sale of current asset investments	7,111	(14,354)
(Decrease) in provisions for liabilities and charges	(186,647)	(67,294)
Decrease/(increase) in debtors	87,483	(89,329)
Increase in creditors	45,695	27,663
	<u>£385,273</u>	<u>£425,201</u>
Net cash inflow from operating activities		
Cash flow statement	1999	1998
Net cash inflow from operating activities	385,273	425,201
Return on investments and servicing of finance (note 15a)	67,976	71,555
Taxation	(45,345)	(41,066)
Capital expenditure (note 15b)	(178,784)	(198,854)
	<u>229,120</u>	<u>256,836</u>
Management of liquid resources (note 15c)	(236,956)	(88,749)
	<u>£(7,836)</u>	<u>£168,087</u>
(Decrease)/increase in cash		
Reconciliation of net cash flow to movement in liquid funds (note 15d)	1999	1998
(Decrease)/increase in cash in the year	(7,836)	168,087
Increase in current asset investments	229,845	103,103
	<u>222,009</u>	<u>271,190</u>
Change in net liquid funds		
Net liquid funds at beginning of year	1,405,904	1,134,714
	<u>£1,627,913</u>	<u>£1,405,904</u>
Net liquid funds at end of year		

The accompanying notes are an integral part of this cash flow statement.

The British Board of Film Classification

Notes to the accounts for the year ended 31st December 1999

1 Accounting policies

The principal accounting policies, which have been consistently applied are:

a Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b Tangible fixed assets

Fixed assets are stated at original 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:

Movable furniture, equipment and motor vehicles	25 per cent per annum
Computer equipment	33.33 per cent per annum

Expenditure on leasehold property and immovable furniture and equipment is written off as incurred.

The company has followed the recommendation of Financial Reporting Standard 12 by capitalising as deferred expenditure the anticipated dilapidation costs of its leasehold property. The deferred expenditure is amortised on a straight line basis over the duration of the lease.

c Current asset investments

Current asset investments are stated at the lower of cost and net realisable value.

d Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes.

e Turnover

Turnover comprises the value of sales (excluding VAT) of services supplied in the normal course of business.

f Leased assets

Rentals applicable to operating leases are recognised in the profit and loss account as incurred.

g Pensions

The company operates a defined contribution pension scheme to provide retirement benefits for its staff. The amount charged to profit and loss account in respect of pension costs is the contributions payable and provided in the year.

2 Turnover

The turnover and operating profit are attributable to the principal activity of the company.

The British Board of Film Classification

Notes to the accounts (continued) for the year ended 31st December 1999

3 Interest receivable and similar income	1999	1998
Bank deposit interest	31,237	33,232
Income from current asset investments	37,387	36,018
Other income	451	2,005
	<hr/>	<hr/>
	£69,075	£71,255
	<hr/> <hr/>	<hr/> <hr/>
4 Interest payable and similar charges	1999	1998
Financing element of the provision for short leasehold deferred expenditure (see note 12)	£30,000	£26,400
	<hr/> <hr/>	<hr/> <hr/>
5 Employees	1999	1998
Average monthly number of people employed by the company during the year:-		
Management	10	8
Administration	13	13
Examination	15	13
Technical	5	5
Registration	5	5
Programming	3	3
Accommodation	2	2
Casual	1	3
	<hr/>	<hr/>
	54	52
	<hr/> <hr/>	<hr/> <hr/>
Costs in respect of these employees:		
Salaries	1,476,017	1,390,194
Social security costs	150,566	129,967
Pensions	105,782	142,952
Life assurances	6,639	7,550
	<hr/>	<hr/>
	£1,739,004	£1,670,663
	<hr/> <hr/>	<hr/> <hr/>
Council of Management remuneration:		
A member of the Council received the following remuneration:		
Emoluments	£-	£2,500
	<hr/> <hr/>	<hr/> <hr/>

The British Board of Film Classification

Notes to the accounts (continued) for the year ended 31st December 1999

6 Profit on ordinary activities before taxation	1999	1998
Profit on ordinary activities before taxation is arrived at, after charging:-	£	£
Depreciation and amounts written off:		
tangible fixed assets	179,991	376,844
Leasehold property dilapidations provision	-	(69,120)
Auditors' remuneration	18,250	16,500
Rental of equipment	3,981	4,261
Rental of premises	185,000	185,000
Exceptional items:		
Pension provision [note 16c(ii)]	-	46,925
	<u> </u>	<u> </u>

7 Tax on profit on ordinary activities	1999	1998
The charge for the year comprises:-		
Corporation tax @ 20per cent (1998 - 21per cent)	44,384	73,015
Adjustment to current taxation in respect of prior years	-	(470)
Income tax attributable to investment income	-	2,096
	<u> </u>	<u> </u>
	£44,384	£74,641
	<u> </u>	<u> </u>

8 Tangible fixed assets	Short Leasehold property deferred expenditure	Short Leasehold property	Furniture and equipment	Motor car	Total
Cost					
At beginning of year	480,000	427,125	2,556,489	20,533	3,484,147
Additions	-	8,885	178,706	-	187,591
Disposals	-	-	(138,154)	(20,533)	(158,687)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	480,000	436,010	2,597,041	-	3,513,051
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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Notes to the accounts (continued) for the year ended 31st December 1999

8 Tangible fixed assets – (continued)

Depreciation

At beginning of year	109,714	427,125	2,414,536	20,532	2,971,907
Charge for the year	27,429	8,885	143,677	-	179,991
Disposals	-	-	(137,904)	(20,532)	(158,436)
	<u>137,143</u>	<u>436,010</u>	<u>2,420,309</u>	<u>-</u>	<u>2,993,462</u>

Net book value

At end of year	<u>£342,857</u>	<u>£-</u>	<u>£176,732</u>	<u>£-</u>	<u>£519,589</u>
At beginning of year	<u>£370,286</u>	<u>£-</u>	<u>£141,953</u>	<u>£1</u>	<u>£512,240</u>

9 Debtors

	1999	1998
Trade debtors	259,620	340,214
Others	28,160	21,954
Prepayments and accrued income	76,955	88,951
	<u>£364,735</u>	<u>£451,119</u>

10 Current asset investments

	1999	1998
UK government securities	276,282	274,716
Other UK Listed investments	775,107	546,828
	<u>£1,051,389</u>	<u>£821,544</u>
Market value of listed investments	<u>£1,421,895</u>	<u>£986,543</u>
Tax liability if listed investments were sold at market value	<u>£73,000</u>	<u>£38,000</u>

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Notes to the accounts (continued) for the year ended 31st December 1999

11 Creditors: amounts falling due within one year	1999	1998
Trade creditors	100,184	47,412
Corporation tax	71,509	72,471
Other taxation and social security costs	122,450	152,010
Other creditors	198,050	231,148
Accruals and deferred income	87,948	32,367
	<u>£580,141</u>	<u>£535,408</u>

12 Provisions for liabilities and charges

	1999 property dilapidations	Leasehold Pension scheme	Total
At beginning of year	540,000	234,299	774,299
Charged to profit and loss account	30,000	-	30,000
Transferred to Trustees of the Pension Scheme	-	(186,647)	(186,647)
At end of year	<u>£570,000</u>	<u>£47,652</u>	<u>£617,652</u>

Leasehold property deferred expenditure provision represents the full estimated cost of dilapidations required under the terms of the lease for the company's business premises and recognised in accordance with the requirement of Financial Reporting Standard 12. The deferred expenditure is amortised on a straight line basis over the duration of the lease. In addition an annual charge is recognised to reflect the financing element of the deferred expenditure provision.

1998	Leasehold property dilapidations	Pension scheme	Legal fees	Total
At beginning of year	102,720	187,374	45,099	335,193
Released to profit and loss account	(69,120)	-	(45,099)	(114,219)
Deferred expenditure capitalised	480,000	-	-	480,000
Charged to profit and loss account	26,400	46,925	-	73,325
At end of year	<u>£540,000</u>	<u>£234,299</u>	<u>£-</u>	<u>£774,299</u>

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Notes to the accounts (continued) for the year ended 31st December 1999

13 Capital reserve	1999	1998
At beginning and end of year	<u><u>£23,251</u></u>	<u><u>£23,251</u></u>
<p>The capital reserve represents surpluses realised on sales of fixed assets prior to 1984.</p>		
14 Reconciliation of movements on accumulated funds	1999	1998
Profit for the financial year after taxation	254,888	161,885
Accumulated funds at beginning of year	<u>1,059,556</u>	<u>897,671</u>
Accumulated funds at end of year	<u><u>£1,314,444</u></u>	<u><u>£1,059,556</u></u>
15 Cash flow statement	1999	1998
a Return on investments and servicing of finance		
Interest received	30,138	33,532
Income from current asset investments	37,387	36,018
Other income	<u>451</u>	<u>2,005</u>
	<u><u>£67,976</u></u>	<u><u>£71,555</u></u>
b Capital expenditure		
Payments to acquire tangible fixed assets	(187,591)	(198,854)
Receipts from sale of tangible fixed assets	<u>8,807</u>	<u>-</u>
	<u><u>£(178,784)</u></u>	<u><u>£(198,854)</u></u>
c Management of liquid resources		
Purchase of current asset investments	(472,874)	(487,150)
Sale of current asset investments	<u>235,918</u>	<u>398,401</u>
	<u><u>£(236,956)</u></u>	<u><u>£(88,749)</u></u>

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Notes to the accounts (continued) for the year ended 31st December 1999

15. Cash flow statement - (continued)

d Analysis of change in net funds	At beginning of year	Cash flows	Other non-cash changes	At end of year
Cash at bank and in hand	584,360	(7,836)	-	576,524
Current asset investments	821,544	236,956	(7,111)	1,051,389
	<u>£1,405,904</u>	<u>£229,120</u>	<u>£(7,111)</u>	<u>£1,627,913</u>

16. Guarantees and other financial commitments

a Capital commitments 1999 1998

At the year end, capital commitments were:

Contracted for but not provided in the accounts	<u>£19,154</u>	<u>£-</u>
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b Operating lease commitments

The minimum annual rental on property held under an operating lease was as follows:-

Lease which expires:	1999	1998
After 5 years	<u>£185,000</u>	<u>£185,000</u>

c Pension arrangements

- i The company operates a defined contribution scheme to provide retirement benefits for staff.
- ii On 1st December 1991, the company changed the scheme managers and entered into guarantees under which any employee retiring before 30th November 2001 could not be worse off by reason of the change. Included in provision for liabilities and charges is £47,652 to cover any potential shortfall suffered by these employees.
- iii The total pension cost charge for the year was £105,782 including outstanding contributions of £Nil (1998 - £96,027 including outstanding contributions £1,856).