ANNUAL REPORT & ACCOUNTS 2016

Presented to Parliament pursuant to section 6 (2) of the Video Recordings Act 1984
The Video Standards Council was established in 1989 and fulfils two basic roles:

It is a standards body for the video and video games industries and has a Code of Practice designed to ensure that both industries show a duty of care in their dealings with customers and the public generally. It provides its retailer members with a staff training course handling age restricted videos, DVDs and video games.

It acts as an administrator of the Pan European Game Information (PEGI) system of age rating for video games. PEGI is used in over 30 European countries.

In 2012 it was designated as the UK regulator responsible for the age rating of video games supplied on physical media (using the PEGI system). In fulfilling this role, it uses the name Games Rating Authority (GRA).
The VSC has an immensely important role in the world of video games. I continue to be impressed by the high standards achieved by our staff and their ability to deliver such an efficient operation. Whilst the rating of games is a constant element of their work there remains the vital task of ensuring the retail side of the games industry is properly regulated. The VSC is constantly aware of the need to be seen as a place where help and advice is available to those using or purchasing video games as well as to those who make them. Our website is an essential point of reference and we acknowledge the need to keep it as up to date as possible and easy to use.

All successful organisations and businesses need to adapt to meet new demands in often fast moving environments. The VSC is no exception to this challenge and the last twelve months has seen it have to broaden its role well beyond the original remit. As both a provider of training to retailers on non-broadcast media and as the national video games regulator (Games Rating Authority) the VSC has had to respond to new demands to ensure that the games buying public in particular, are made sufficiently aware of what the ‘PEGI’ ratings are, and what they mean. The provision of additional games rating information has also expanded to include an online ‘eSafety’ module for educational establishments. Whilst this is currently at a trial stage many schools and colleges appear keen to access this excellent package.

The choice of video games available continues to develop with new technologies. The development of Virtual Reality (‘VR’) games is a good example of how the choice in the market is changing and considerable thought is given to the impact such games may have on the work of the VSC and the Games Rating Authority (‘GRA’) which is a trading name of the VSC and deals with the mandatory games rating process.

The International Age Rating Coalition (‘IARC’) provides a global age rating system for ‘apps’ and the VSC played a key role in working with our international counterparts in making the coalition such a success. There has been a real and genuine commitment in getting ‘IARC’ up and running but also in achieving joint agreement as to how the rating standards should be applied. As a lesson in global cooperation all the regulators involved should be commended for their commitment, diligence and persistence in ensuring that children and parents especially, now have a system with which to make informed choices when purchasing ‘apps’.

I should also like to thank Peter Darby who is retiring as Director General. He has been a most successful leader of the VSC/GRA and has done much to shape the organisation in the light of such rapid change in the world of video games. He has taken a real interest in the development of his entire team of talented and innovative staff and we all wish him well.

Congratulations to Ian Rice who is taking up the post of Director General and my thanks as ever goes to Iain Muspratt (Vice Chair) who continues to provide enormous support to all involved.

Tony Lake OBE QPM

Chair of the VSC
A YEAR OF NEW CHALLENGES

The year has seen the VSC/GRA involved in work far removed from its origins as a retail membership standards organisation and national video games regulator.

Over the past few years we have noted increasing societal concerns expressed in respect of the online world, especially in ensuring that children, in particular, do not become victims of online bullying and abuse. It should, however, be pointed out that these concerns have tended to focus on the popular social media sites rather than video games. Nevertheless, many video games allow the user to engage in multi-player online games where communication with strangers is the norm.

This clearly presents potential problems and the VSC is helping address these concerns by developing an information and training package for schools which gives guidance on how to navigate the online game world safely. We hope this resource will prove to be useful to students, teachers and parents alike.

This year also saw the completion of our online resource pack for schools. This has been designed in response to concerns from educators about children playing age inappropriate video games as well as the difficulty in finding accurate information about video game age ratings tailored for students. This is predominantly delivered through an online ‘eLearning’ facility and offers an interactive, engaging solution for the whole school. The resource has generated significant interest from educational establishments.

We have also seen the creation of VR (Virtual Reality) games where, for the first time, the player is totally immersed in a digitally generated universe that is both technologically remarkable and visually stunning. It is too early to say what impact, if any, this new technology will have on the user, but PEGI is already beginning to look at the long-term implications of this new technology.

We continue, of course, to carry on with our primary task of rating both video games and ‘apps’. In our role as the UK video games regulator, 2016 has proved to be yet another busy year for our games examining staff. We have rated 560 video game titles using the PEGI rating system and assessed 4891 ‘apps’ submitted to the self-regulatory IARC rating system (International Age Rating Coalition). There have been no instances in which we have had to intervene under the terms of the Video Recordings Act (VRA) by refusing a UK certificate.

We continue to be a member of the PEGI experts group to ensure that the criteria remain relevant and responsive to any inconsistencies identified by our examiners (see Appendix 2). This has allowed the VSC to oversee modifications to the criteria in line with our findings from the UK sensibilities study conducted in 2014 (detailed in our 2015 Report).

These criteria changes are discussed in more detail under the ‘PEGI Criteria Update’ section of this report.

We continue to support our retailer members and have updated the point-of-sale signage we provide to make it more eye-catching to consumers. This signage is designed to provide information to consumers in respect of age ratings of video and video games. It also helps provide assistance to retail staff by way of explanation when an age-related refusal of sale is made.
Our retailer members also continue to use our online staff training resource on a regular basis. By this means, we ensure that they continue to take the necessary measures to ensure that they are not only preventing the sale of age-restricted media to children, but also ensuring that they are taking responsibility in training and protecting their staff. We believe this plays a significant part in protecting children from directly accessing age inappropriate content. We intend that our other resources will eventually reach parents and persuade them to ensure there is no indirect access of such material.

In conjunction with the UKIE, the UK video games publishers’ association, the VSC has maintained its support for the family gaming website ‘AskAboutGames.com’ (AAG). This site provides consumer advice in respect of video games with much of the content (and financial support) being provided by the VSC. We strongly feel that this is an excellent resource for parents and that parental involvement in gaming is the best way to understand ratings and the games that children are playing.

Information is provided in bite-size, easy to digest forms such as the two-minute video game review clips which provide both the rating and what is present in the game in terms of violence, sex, drugs and so on. There are plans to further enhance this resource in the coming year.

In addition to this, the VSC continues to support the multi-agency ‘Parentport’ website hosted by Ofcom. This one-stop media complaint shop for the consumer has been in operation for five years and continues to provide another useful facility with which the public can engage directly with media regulators and have their concerns addressed regarding appropriateness of content.

IARC (International Age Rating Coalition) continues to go from strength to strength with 2016 seeing the inclusion of the Oculus virtual reality storefront, which offers digital products for both Oculus Rift on PC as well as Samsung Gear VR for mobile. This enables users to see the standardised, familiar PEGI ratings allowing consumers to make informed decisions before downloading a product. Oculus joins Google, Nintendo and Microsoft in using IARC for their developers to classify their products.

Involvement in the IARC project saw a great change in the work of the VSC in that all apps for mobile devices are being subjected to an age rating process not merely games apps. This has resulted in the familiar PEGI age rating labels appearing beside every app being made available for download on nearly all of the major app storefronts. This has led to the need for dedicated staff at the VSC to administer this process.

With the imminent arrival of VR games, questions are beginning to be asked as to whether this new technological development in games is likely to have an effect on the PEGI ratings criteria.

At present, VR games have not presented scenes or situations which have required the VSC to make changes or amendments to the current PEGI criteria, but it may be that at some point in the future this could be necessary.

In response, the PEGI experts panel are in the process of getting together to discuss this issue though their findings and recommendations are unlikely to be forthcoming much before next year.

In the meantime, the VSC will continue to keep a weather eye open on this new format which is likely to be increasingly popular with the consumer.
The VSC appeals panel has not had any appeals to consider. However, they did meet for an update session and were briefed on current trends generally in relation to the age rating of games and particularly on the current situation in respect of VR. The size and capabilities of the appeals panel has been enhanced to ensure that we will always have immediate access to sufficient panel members to listen to any appeal promptly.

The world of video gaming and of mobile apps is exciting and dynamic. The VSC looks forward to the challenges this presents in the forthcoming year.

Peter Darby

Former Director General
This year saw the release of many eagerly anticipated ‘blockbuster’ video games some of which were re-boots of the original or sequels to well-established franchises. These included titles such as DOOM, POKEMON GO, HITMAN, WATCH_DOGS 2, BATTLEFIELD 1 and a variety of virtual reality (VR) games which fully immerse the player inside a 3D world.

There is no denying that VR adds a layer of depth and experience hitherto unavailable in traditional 2D games. This year we have seen EVE: Valkyrie (PEGI 12) in which the player pilots a space fighter taking on waves of attacking alien craft, Eagle Flight (PEGI 7) in which you play as a virtual eagle soaring over Paris and its environs, and The Climb (PEGI 3) where, as a mountaineer, you find yourself hanging off vertiginous cliffs and mountain sides. Not recommended for those with a poor head for heights!

In 2016, the VSC rated nearly 500 titles, yet at no point did we come across any game that gave us concern in relation to UK sensitivities. As ever, the variety of games we received was broad, ranging from the ubiquitous ‘shooter’ to some quite mentally-challenging titles requiring the player to think quite hard and inventively in order to progress through the game.

The games detailed below are merely a sample, across the range of ratings, which we believe are a fair representation of the many games received in 2016. We do not, of course, endorse these as necessarily being the best.

ADR1FT (PEGI 12)

The first game in our list is a VR game which takes a simple if terrifying premise – what if you were cast adrift in space with no imminent prospect of rescue and with a limited amount of life support available to you?

ADR1FT (the figure ‘1’ in the title is deliberate) has the player waking up to find him or herself floating in space amongst the remnants of a destroyed space station. As the sole survivor, not only are you unable to get home, but your EVA suit is also critically damaged and leaking oxygen. Your task, here on in, is to locate any spare
oxygen tanks on what’s left of the space station and try to figure out how to get back home.

We gave this game a PEGI 12 rating ostensibly due to some mild offensive language – understandable given the protagonist’s circumstances! However, the examiner also noted that within this VR world, the sense of isolation and impending dread of what might happen if the oxygen runs out would probably be quite frightening for younger players.

**NIGHT IN THE WOODS (PEGI 12)**

This game, sourced through an online ‘crowdfunding’ process, really was very different from the normal run of games we receive. Although the visual style of the game looks quite cartoonish and even childish, the themes it deals with are anything but. One reviewer noted that the game deals with: *“mental illness, depression, the stagnancy of the middle and lower classes, and the slow death of small town America”* which seems quite at odds with what is normally expected of a video game.

The game’s creators state that the game is “narrative-focussed” rather than “gameplay first” and go on to describe the game as one which requires the player to: “…explore, converse, see and touch.”

The player takes on the role of ‘Mae’, an anthropomorphic cat who returns home to ‘Possum Springs’ after many years’ absence. She discovers that the town is socially and economically depressed after the closure of the local coal mines. Moving into her parents’ old home, she uncovers a dark secret which leads her into the local woods aided by a range of other anthropomorphic animals she meets during her time in Possum Springs.

Although the themes represented in the game are dark and mildly disturbing, this was not something that required the game to be rated any higher than PEGI 12. The PEGI 12 was sufficient to encompass the occasional use of bad language, scenes of smoking and drinking (although limited) and the dark, menacing undertone to the game.

**HORIZON ZERO DAWN (PEGI 16)**

In a lush, post-apocalyptic world where nature has reclaimed the ruins of a forgotten civilization, pockets of humanity live on in primitive hunter-gatherer tribes. Their dominion over the new wilderness has been usurped by the ‘Machines’ – fearsome mechanical creatures of unknown origin.

You play as Aloy, a young hunter on a quest to discover her destiny among the remnants of the ancient past. Shunned by her own tribe since birth, Aloy has
learned to harness her agility, cunning, and deadly aim to hunt the Machines, defend against rival tribes, and survive in the unforgiving wilds.

This is an action role-playing game set in a visually stunning future Earth. The violence in the game is not particularly graphic as Aloy’s main weapon is a bow. We awarded the PEGI 16 due to the cinematic cut scenes in particular, where the violence fell within the PEGI violence guidelines at 16. The guidelines note: “Depictions of realistic looking violence towards human-like or animal-like characters.” There is no arguing with the fact that the characters portrayed are anything other than human.

**BRUT@L (PEGI 16)**

This is a top down procedural game – essentially an up-dated ‘dungeon crawler’ – in which the player selects a character with specific abilities and then progresses through a series of levels before coming face to face with the ultimate bad guy. Visually, the game is somewhat minimalist in style (two-tone characters in black and white), but this doesn’t detract from the game play which is engrossing and challenging.

The player can choose from one of four characters: Amazon, Ranger, Mage or Warrior. The objective is to defeat all enemy characters on each dungeon level. This is achieved using various weapons (bladed and projectile) which are crafted by the player, but accessing weapons is only possible if the requisite characters have been obtained. Weapons can be enhanced with water and fire, which will engulf an enemy but does not result in graphic injury.
Combat can be a frenetic affair and successful hits to the body of a character are accompanied by a flash of light and an explosion of blood, regardless of whether the character killed is fantasy or human-like. The combination of human-like characters coupled with sustained depictions of death, ensured that the game was appropriately rated at PEGI 16.

BEYOND FLESH AND BLOOD (PEGI 18)

Beyond Flesh and Blood is a third-person shooter set 265 years in the future in a post-apocalyptic Manchester. Players control large ‘mechs’ (combat robots) and must defend their assigned territory from waves of attacks by human and fantasy characters. There are four different mechs in total, each with different weapons, movement style, and grade. During gameplay, the player respawns with a new mech if killed.

Mechs can kill a human character in several ways using rockets and large calibre firearms. When hit, a human character can be dismembered. If engaged in hand-to-hand melee combat a mech can hold a human character aloft by its head and squeeze it to the point where the head will explode. Alternatively, the mech can also use its mechanical claws to grasp and rip a character in half. All instances of such violence are accompanied by blood and gore. When human characters are set alight they will run around screaming, before falling to the ground where they continue to writhe and scream. Animals (wolf/dog) can be subjected to the same degree of violence as humans during a melee.

Because of the strong, bloody violence, the game was unsuited to anything other than a PEGI 18. One of the elements which will earn a game such a restrictive rating is any depiction of: “Gross violence, which includes torture, dismemberment, sadism and horrific depictions of death or injury towards human-like or animal-like characters.” In this respect, Beyond Flesh and Blood manages to strike three of the four criteria outlined above.

INSIDE (PEGI 18)

This game looks like a simple, 2D platformer, but is much more sophisticated and subtle than that. This is a game without any clear explanation as to what you are doing in the game, though the visuals and gameplay can be beautiful, mesmerising and occasionally terrifying at the same time.

Since the game is completely dialogue-free, you start out as a young boy who is running through dark and menacing woods and who appears to be being hunted by
an unknown enemy. Overcoming environmental obstacles and puzzles, whilst
avoiding being killed by the hunters, gives the game real depth and the player an
engrossing experience. So why did such a graphically simplistic game end up with
a PEGI 18 rating? The answer is down to the ways in which the youngster can
meet quite gruesome deaths which include being strangled, dismembered or being
impaled, with accompanying blood effects.

Although the game was very much borderline PEGI 16/18, our rating process
concluded that, taken as a whole, the violent elements within the game sat within
criteria 1 of the PEGI guidelines (see Appendix 2) where games depicting
dismemberment or horrific depictions of death or injury towards human-like
characters will result in a PEGI 18 rating.

**DOOM (PEGI 18)**

Given a twenty-first century makeover, “Doom” is the one of the more notable of all
first-person shooter (FPS) video games having originally made its appearance in
1993. It’s a simple, frenetic and very bloody action game in which you are a space
marine who blasts his way through increasingly stronger demonic foes. The player
simply collects more powerful weaponry as he advances and with which he can
blast enemies to a bloody pulp.

Given the preponderance of bloody gore, the PEGI 18 was given straightforwardly
enough because of the many instances of enemies being bloodily dismembered by
the marine’s arsenal of weapons.
THE AGE RATING PROCESS

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

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

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

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

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

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

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

Games with a provisional 3 or 7 PEGI classification are examined by the Netherlands Institute for the Classification of Audiovisual Media (NICAM) in Holland. Games with a provisional 12, 16 or 18 PEGI classification are examined by the VSC. There are arrangements between the VSC and NICAM to ensure that all video games submitted at 3 or 7 and which are eventually classified at 12 and above are examined by the VSC.
Under the Video Recordings Act 1984, video games on physical media (such as discs) that are unsuitable for younger children must be classified before they can be supplied in the UK. Thus, the 12, 16 or 18 classifications on these games are legally enforceable and selling or renting them to anyone not old enough is a criminal offence. Games suitable for younger children are exempt from any legal classification requirements and PEGI 3 or 7 classifications are advisory only.

THE CLASSIFICATION CRITERIA

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

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

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

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

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

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

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

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

EXAMINATION

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

The game is allocated to a VSC examiner. Examiners have to be adept at playing games and using the various games consoles, but they are essentially recruited for their analytical skills. They have to be able to understand the criteria used at each of the age levels and apply them to what they are seeing on the screen.
Before an examiner starts the examination, the following must be supplied:

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

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

Plus as much of the following as is available:

- Storyline & manual
- Any cheat codes, ‘God’ modes, walkthroughs and shortcuts.
- Saved games at the beginning of sequences resulting in a ‘yes’ answer in the assessment form.
- Easy access to sequences resulting in a ‘yes’ answer.
- Song lyrics and dialogue scripts.

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

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

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

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

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

**UK CERTIFICATES**

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

Has the game been properly classified under the PEGI system?

Does the game contravene UK law?

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

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

The process the VSC follows upon initially considering whether or not a game should
be ‘banned’ allows the game to be referred to an expert advisory panel. This panel
(members listed at page 18) will advise on all psychological, clinical, legal and
research factors. The designated persons (the VSC Chair and Vice-Chairs) will take
this advice into account when reaching a final decision on whether a UK certificate
should be issued or not. If they decide that a UK licence should not be issued, then
the game is effectively ‘banned’ from supply in the UK.

APPEALS

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

OUTREACH WORK

Whilst we are not formally obliged to do so, the VSC has over the past few years undertaken several initiatives to engage the public, students, other regulators and child protection agencies in their understanding of video game ratings.

Furthermore, we have also made use of our expertise in providing assistance and information to those most at risk online.

EDUCATION

During 2016, we have continued to make a number of presentations to schools and colleges across the country. Normally, the school I.T. teacher will invite us in to speak to students about the video game ratings process and the importance of adhering to the ratings. Not surprisingly, perhaps, the students frequently appear to know more about video game ratings and how they impact upon a game than adults. Though it may seem counter-intuitive, we believe that the children can often educate their parents, grandparents and other adults in what is appropriate for them to play.

In colleges with a video games course – game design, development, production – the students are clearly much older, but they are keen to understand the process since it is likely that they may find themselves directly involved with the game ratings process if they gain employment with a games developer.

The presentations are always well-received and the requests we receive increase year-on-year. This does present us with logistical problems given the size of our organisation, but we do make every effort to fit in requests.

This willingness to engage with students has helped to make the public much more aware of the VSC and its role in video game ratings. We remain convinced that this is a useful and vital part of our role.

MEMBERSHIP FOR SCHOOLS

Put together in response to concerns from teachers about children playing age inappropriate video games, we have also developed an online training package for students. The package consists of three courses; Key Stage 2, Key Stage 3 and 18+ which each contain video footage of games appropriate for the audience of the course.

The 18+ course is particularly useful for teachers who want to explain ratings to parents and can be shared by a school on its parents mailing list. In addition to a greater understanding of the ratings and content at each age we also believe teachers who undertake this programme will gain a better understanding of the link between video games and eSafety.

Lasting around 30 minutes each course provides content for a complete lesson as well as additional downloadable exercises. Courses show how
a game is rated, what content appears at each age and why they are rated by UK law. Online safety is included too in the form of tips on games console privacy settings and how to report concerns about other players online.

The 18+ course has also been of particular interest to colleges teaching media studies and game design as everything they could want to know about ratings is contained in one easy to use resource.

The entire package has been released and made available to schools in early 2017. It will include additional downloadable exercises and a quarterly magazine which looks at developments in video games such as virtual reality.

VIDEO GAME EXHIBITIONS

For the past few years, the VSC has had a presence at the EGX games exhibition which occurs every September in the UK. This event (attended by 76,000 people), is the largest in the country, and as it is open to the public it allows us to engage with them directly. Our stand is a joint venture between ourselves and the UKIE (United Kingdom Interactive Entertainment) which operates a website called ‘AskAboutGames.com’ – a useful tool where the public can ask questions about video games and ratings.

As in previous years our Games Examiners were on hand to chat with parents about any concerns they had about games. Again, this is a useful function and often proves illuminating both for the public and ourselves. It also, of course, furthers awareness of the PEGI ratings system amongst the UK public.

LINKS WITH OTHER AGENCIES

During the course of 2016, the VSC established a working relationship with the NSPCC in order to identify mutually beneficial areas we can collaborate on. In
particular, we agreed to investigate ways to issue joint eSafety messages around gaming which we plan to publish both on the VSC and NSPCC websites.

We were also pleased to be invited onto the UKCCIS (UK Council for Child Internet Safety) Technical Working Group. The overall aim of the Technical Working Group is to provide a focal point and centre of excellence within UKCCIS for technical issues as they relate to online child safety.

**PEGI CRITERIA UPDATE**

The PEGI rating criteria is reviewed on an annual basis by the PEGI experts group and representatives from the PEGI administrators; the VSC and the Netherlands Institute for Classification of Audio Visual Media (NICAM).

The PEGI Experts group is currently formed of the following professionals:

- **Jeffrey Goldstein** (chair) - Professor Emeritus of Psychology, University of Utrecht, Netherlands.
- **Spyros Pappas** - Legal expert in child protection, Greece.
- **Aphra Kerr** – Professor of Sociology, University of Maynooth, Ireland.
- **Emma Ham-Riche** - Mother’s Union, United Kingdom.
- **Jeroen Jansz** - Professor of Media and Communication, Erasmus University Rotterdam, Netherlands.
- **Anne Mette Thorhauge** - Professor of Media, Cognition and Communication, University of Copenhagen, Denmark.

In addition to the above there are two representatives from the games industry to offer views from a technical perspective. Recommendations for changes can be raised by both the experts group and the administrators.

The 2016 meeting saw several modifications to the PEGI criteria and highlighted certain areas for further assessment.

- The rating for strong gory violence to non-human characters was raised from PEGI 12 to PEGI 16.
- Mild violence in a pixelated or abstract setting was included at PEGI 3.
- Gender discrimination was added to the discrimination criteria at PEGI 18.

In response to the UK sensibilities study conducted in 2014:

- The rating for offensive language of a discriminatory nature was raised from PEGI 12 to PEGI 16.
- Sexualisation of children is being assessed further by the experts group to determine if this can be integrated into existing criteria or whether a separate criterion would be more suitable.

For the full PEGI questionnaire and criteria please see Appendix 2.
VSC BOARD, PANELS & SENIOR EXECUTIVES

VSC BOARD

Tony Lake OBE QPM (Chair)
Former Chief Constable of Lincolnshire Police.

Iain Muspratt (Vice-Chair)
Chartered Accountant. Past Chairman of the British Video Association and member of the British Screen Advisory Council.

Kim Bayley (Entertainment Retailers Association)
ERA is the trade association representing retailers of music, video, DVDs and video games.

Liz Bales (British Association for Screen Entertainment)
BASE is the trade body representing the interests of publishers and rights owners of video entertainment.

Dr Jo Twist (Association for UK Interactive Entertainment)
UKIE is the trade association representing the video games and interactive entertainment industries.

Mary MacLeod OBE
Independent family policy adviser and a leading voice on children and family welfare. A Trustee of the Internet Watch Foundation.

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

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

Paul Bennun
Senior communications strategist. A wide-ranging history of successfully implementing communications and marketing strategies, with substantial retail and video gaming experience.

Charles Webster
Over 40 years’ experience in marketing and product development in the home entertainment industry.

APPEALS PANEL

Baroness Kennedy of the Shaws QC (Chair)
Leading barrister and expert in human rights law, civil liberties and constitutional issues.
Prof. Barry Everitt  
Provost of the Gates Cambridge Trust and Director of Research, University of Cambridge. Professor of Behavioural Neuroscience and a former Master of Downing College.

Anthony Lilley OBE  
Member of the Content Board of Ofcom. Award winning media producer with experience in the commercial and public sectors.

Judge Kyrie James  
Chair, Member of the International Association of Women Judges; Associate - Rapporteur for the UK Rapporteur’s Working Party on Vulnerable Persons of the International Association of Refugee Law Judges; legal chair to Mayor's Office for Policing and Crime.

John Grieve CBE QPM  
Former New Scotland Yard detective. He teaches at Portsmouth and London Metropolitan universities.

EXPERT ADVISORY PANEL

Geoffrey Robertson QC  
Leading media lawyer and ‘distinguished jurist’ member of the United Nations Justice Council.

Prof. Tanya Byron  
Consultant clinical psychologist specialising in child and adolescent mental health.

Dr. Guy Cumberbatch  
Chartered psychologist and Director of The Communications Research Group in Birmingham.

SENIOR EXECUTIVES

Ian Rice (Director General)  
Joined the VSC in 2009. Previously Global Business Analyst for a multinational network company. During his time at the VSC Ian has been very involved in the development of the PEGI criteria and IARC rating process for apps.

Peter Darby (Director of Finance)  
Former senior police officer having served 34 years with the Metropolitan Police Service. Joined the VSC in 2003. Previously served as Director General.

Laurie Hall (Director of Business Affairs)  
Qualified solicitor with many years’ experience in the music, video and video games industries. Previously served as Director General.

Full profiles for all the above are available on the VSC website.
UK certificates issued by the VSC (for 12, 16 and 18 classifications) and total video games (unique titles) rated for the UK under PEGI for the year to 31st December 2016:

<table>
<thead>
<tr>
<th>Age classification</th>
<th>UK certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>201</td>
</tr>
<tr>
<td>16</td>
<td>151</td>
</tr>
<tr>
<td>18</td>
<td>146</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>498</strong></td>
</tr>
</tbody>
</table>

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

ALL PEGI TERRITORIES

Overall PEGI ratings by age for the calendar year 2016
These figures include online ratings

<table>
<thead>
<tr>
<th>Age classifications</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>366</td>
</tr>
<tr>
<td>7</td>
<td>396</td>
</tr>
<tr>
<td>12</td>
<td>476</td>
</tr>
<tr>
<td>16</td>
<td>295</td>
</tr>
<tr>
<td>18</td>
<td>186</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1719</strong></td>
</tr>
</tbody>
</table>

Complaints and enquiries made to PEGI public website for 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints related to rating delivered</td>
<td>75</td>
</tr>
<tr>
<td>Complaints concerning advertising</td>
<td>13</td>
</tr>
<tr>
<td>Requests for information on PEGI</td>
<td>466</td>
</tr>
<tr>
<td>Comments on PEGI System</td>
<td>33</td>
</tr>
<tr>
<td>Questions and comments on ratings</td>
<td>151</td>
</tr>
<tr>
<td>Complaints via pegionline.eu</td>
<td>139</td>
</tr>
<tr>
<td>Other</td>
<td>55</td>
</tr>
<tr>
<td>Technical difficulties</td>
<td>178</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1110</strong></td>
</tr>
</tbody>
</table>
THE VIDEO STANDARDS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
THE VIDEO STANDARDS COUNCIL

COMPANY INFORMATION

Directors
J A Lake
I D Muspratt
C Webster
The UK Interactive Entertainment Association
Entertainment Retailers Association
British Association for Screen Entertainment
C M Atkinson
M Macleod
H Marsh
P Bennun

Secretary
L Hall

Company number
02402805

Registered office
Suite 4A Salar House
61 Campfield Road
St Albans
Hertfordshire
AL1 5HT

Auditor
Newton & Garner Limited
Chartered Accountants
Building 2
30 Friern Park
North Finchley
London
N12 9DA
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors' report</td>
<td>1 - 2</td>
</tr>
<tr>
<td>Independent auditor's report</td>
<td>3 - 4</td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td>5</td>
</tr>
<tr>
<td>Balance sheet</td>
<td>6</td>
</tr>
<tr>
<td>Statement of changes in equity</td>
<td>7</td>
</tr>
<tr>
<td>Statement of cash flows</td>
<td>8</td>
</tr>
<tr>
<td>Notes to the financial statements</td>
<td>9 - 13</td>
</tr>
</tbody>
</table>
THE VIDEO STANDARDS COUNCIL

DIRECTORS’ REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities
The principal activity of the company during the year was the administering of the statutory rating system for video games within the United Kingdom and the voluntary rating system for video games for the remainder of Europe.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J A Lake
I D Muspratt
C Webster
The UK Interactive Entertainment Association
Entertainment Retailers Association
British Association for Screen Entertainment
C M Atkinson
M Macleod
H Marsh
P Bennun

Auditor
A resolution in accordance with Section 385, Companies Act 1985, for the re-appointment of Newton & Garner Limited as auditors of the company is to be proposed at the forthcoming annual general meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company’s auditor is aware of that information.
THE VIDEO STANDARDS COUNCIL

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board

L Hall
Secretary
2 May 2017
We have audited the financial statements of THE VIDEO STANDARDS COUNCIL for the year ended 31 December 2016 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the financial statements:
• give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its surplus for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors’ Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors’ Report.
Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Robert Knight, FCCA, ATII (Senior Statutory Auditor)
for and on behalf of Newton & Garner Limited
8 May 2017
Chartered Accountants
Statutory Auditor
Chartered Accountants
Building 2
30 Friern Park
North Finchley
London
N12 9DA
## THE VIDEO STANDARDS COUNCIL

### INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>638,334</td>
<td>618,622</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(612,791)</td>
<td>(593,689)</td>
</tr>
<tr>
<td><strong>Operating surplus</strong></td>
<td>25,543</td>
<td>24,933</td>
</tr>
<tr>
<td>Interest receivable and similar income</td>
<td>175</td>
<td>165</td>
</tr>
<tr>
<td><strong>Surplus before taxation</strong></td>
<td>25,718</td>
<td>25,098</td>
</tr>
<tr>
<td>Taxation</td>
<td>(5,652)</td>
<td>(5,837)</td>
</tr>
<tr>
<td><strong>Surplus for the financial year</strong></td>
<td>20,066</td>
<td>19,261</td>
</tr>
</tbody>
</table>
# THE VIDEO STANDARDS COUNCIL

## BALANCE SHEET

**AS AT 31 DECEMBER 2016**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>5</td>
<td>19,079</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>364,854</td>
<td>357,470</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>6</td>
<td>(24,929)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>359,004</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>359,006</td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td></td>
<td>359,006</td>
</tr>
</tbody>
</table>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 2 May 2017 and are signed on its behalf by:

**J A Lake**
**Director**

**I D Muspratt**
**Director**

Company Registration No. 02402805
## THE VIDEO STANDARDS COUNCIL

**STATEMENT OF CHANGES IN EQUITY**

*FOR THE YEAR ENDED 31 DECEMBER 2016*

<table>
<thead>
<tr>
<th>Income and expenditure account</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2015</td>
<td>319,679</td>
</tr>
<tr>
<td>Year ended 31 December 2015:</td>
<td></td>
</tr>
<tr>
<td>Profit and total comprehensive income for the year</td>
<td>19,261</td>
</tr>
<tr>
<td>Balance at 31 December 2015</td>
<td>338,940</td>
</tr>
<tr>
<td>Year ended 31 December 2016:</td>
<td></td>
</tr>
<tr>
<td>Profit and total comprehensive income for the year</td>
<td>20,066</td>
</tr>
<tr>
<td>Balance at 31 December 2016</td>
<td>359,006</td>
</tr>
</tbody>
</table>
## THE VIDEO STANDARDS COUNCIL

### STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>9</td>
<td>25,505</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(5,837)</td>
<td>(16,396)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>19,668</td>
<td>26,418</td>
</tr>
</tbody>
</table>

| **Investing activities** |       |       |
| Purchase of tangible fixed assets | (12,457)| (6,222)|
| Proceeds on disposal of subsidiaries | (2) | - |
| Interest received               | 175   | 165   |
| **Net cash used in investing activities** |       |       |
|                                   | (12,284)| (6,057)|

| **Net cash used in financing activities** |       |       |
|                                           | -     | -     |

| **Net increase in cash and cash equivalents** |       |       |
|                                              | 7,384 | 20,361|

| **Cash and cash equivalents at beginning of year** |       |       |
|                                                     | 357,470| 337,109|

| **Cash and cash equivalents at end of year** |       |       |
|                                             | 364,854| 357,470|
1 Accounting policies

Company information
THE VIDEO STANDARDS COUNCIL is a private company limited by guarantee incorporated in England and Wales. The registered office is Suite 4A Salar House, 61 Campfield Road, St Albans, Hertfordshire, AL1 5HT.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of THE VIDEO STANDARDS COUNCIL prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and expenditure
Income and expenses are included in the financial statements as they become receivable or due.

1.4 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided to write off the cost of tangible fixed assets in full, when acquired.

Fixtures, fittings & equipment 100%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.5 Fixed asset investments
Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.
1 Accounting policies (Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Cash and cash equivalents
Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments
The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company’s balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.
1 Accounting policies (Continued)

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in surplus or deficit in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the company’s contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

The tax expense represents the sum of the tax currently payable

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from net surplus as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.
2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2015 - 10).

3 Tangible fixed assets

<table>
<thead>
<tr>
<th>Plant and machinery etc</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2016</td>
<td>55,386</td>
</tr>
<tr>
<td>Additions</td>
<td>12,457</td>
</tr>
<tr>
<td><strong>At 31 December 2016</strong></td>
<td>67,843</td>
</tr>
<tr>
<td><strong>Depreciation and impairment</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2016</td>
<td>55,386</td>
</tr>
<tr>
<td>Depreciation charged in the year</td>
<td>12,457</td>
</tr>
<tr>
<td><strong>At 31 December 2016</strong></td>
<td>67,843</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2016</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2015</td>
<td>-</td>
</tr>
</tbody>
</table>

4 Fixed asset investments

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Investments</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>

Movements in fixed asset investments

<table>
<thead>
<tr>
<th>Shares in group undertakings</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost or valuation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2016</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>2</td>
</tr>
<tr>
<td><strong>At 31 December 2016</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2016</td>
<td>2</td>
</tr>
<tr>
<td>At 31 December 2015</td>
<td>-</td>
</tr>
</tbody>
</table>
5 Debtors

Amounts falling due within one year:

Other debtors                      £19,079  £16,270

6 Creditors: amounts falling due within one year

Corporation tax                    £5,652   £5,837
Other taxation and social security £12,307  £11,498
Other creditors                    £6,970   £17,465

                          £24,929  £34,800

7 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

8 Related party transactions

During the year the company paid £15,450 (2015 - £15,450) to IDM & Co, Chartered Accountants in respect of his services provided by I D Muspratt as a director of the company.

9 Cash generated from operations

Surplus for the year after tax      £20,066  £19,261

Adjustments for:
Taxation charged                   £5,652   £5,837
Investment income                  (175)    (165)
Depreciation and impairment of tangible fixed assets £12,457  £6,222

Movement in working capital:
(Increase)/decrease in debtors     (2,809)   4,381
(Decrease)/increase in creditors   (9,686)   7,278

Cash generated from operations     £25,505  £42,814
# THE VIDEO STANDARDS COUNCIL

## DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

*FOR THE YEAR ENDED 31 DECEMBER 2016*

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees receivable</td>
<td>638,334</td>
<td>618,622</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>(612,791)</td>
<td>(593,689)</td>
</tr>
<tr>
<td><strong>Operating surplus</strong></td>
<td>25,543</td>
<td>24,933</td>
</tr>
<tr>
<td><strong>Investment revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>175</td>
<td>165</td>
</tr>
<tr>
<td><strong>Surplus before taxation</strong></td>
<td>4.03%</td>
<td>4.06%</td>
</tr>
<tr>
<td></td>
<td>25,718</td>
<td>25,098</td>
</tr>
</tbody>
</table>
## SCHEDULE OF ADMINISTRATIVE EXPENSES

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<table>
<thead>
<tr>
<th>Administrative expenses</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>392,209</td>
<td>363,428</td>
</tr>
<tr>
<td>Staff training</td>
<td>6,375</td>
<td>6,474</td>
</tr>
<tr>
<td>Staff pension costs defined contribution</td>
<td>31,487</td>
<td>31,223</td>
</tr>
<tr>
<td>Directors' remuneration</td>
<td>44,920</td>
<td>43,625</td>
</tr>
<tr>
<td>Rents &amp; services</td>
<td>44,736</td>
<td>43,305</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>604</td>
<td>1,802</td>
</tr>
<tr>
<td>Insurance</td>
<td>5,965</td>
<td>5,747</td>
</tr>
<tr>
<td>Computer. repairs, maintenance &amp; upgrades</td>
<td>3,897</td>
<td>4,989</td>
</tr>
<tr>
<td>Motor running expenses</td>
<td>894</td>
<td>451</td>
</tr>
<tr>
<td>Travel, accommodation &amp; entertaining</td>
<td>11,012</td>
<td>13,054</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>-</td>
<td>2,666</td>
</tr>
<tr>
<td>Consultancy fees</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Audit &amp; accountancy</td>
<td>11,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Bank charges</td>
<td>629</td>
<td>655</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>2,494</td>
<td>2,677</td>
</tr>
<tr>
<td>Marketing</td>
<td>19,237</td>
<td>28,647</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,222</td>
<td>5,663</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>2,653</td>
<td>3,061</td>
</tr>
<tr>
<td>Depreciation on office equipment</td>
<td>12,457</td>
<td>6,222</td>
</tr>
</tbody>
</table>

**Total Administrative expenses**  
612,791 593,689
<table>
<thead>
<tr>
<th>Rating</th>
<th>No.</th>
<th>Question</th>
<th>Help text with in depth explanation of the question</th>
<th>Content descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>1</td>
<td>Depictions of gross violence, which includes torture, dismemberment, sadism and horrific depictions of death or injury towards human-like or animal-like characters</td>
<td>Gross violence will mean depictions of decapitation, dismemberment or physical torture and other horrific methods of bringing death, severe pain or injury to the recipient. This will usually be associated with large amounts of blood or gore. The emphasis is on the horrific nature of the violence. The violence will not be treated as gross violence if the recipients die or are injured in an unrealistic manner. If they instantly disappear in a puff of smoke or are killed/injured and then come back to life or appear uninjured this will not be treated as gross violence. The characters must look like humans or animals. If a character looks like a human it should be treated as human even if it is unrealistic (if something called a zombie or any other name looks like a human it should be treated as human).</td>
<td>Violence</td>
</tr>
<tr>
<td>18</td>
<td>2</td>
<td>Depictions of apparently motiveless killing or serious injury to multiple numbers of innocent human-like characters</td>
<td>This is where groups of human-like characters are killed or injured at random for no apparent reason and deals with themes such as the killing of pedestrians in the street, shoppers in a shopping arcade and children in a school. The characters must look like humans or animals. If a character looks like a human it should be treated as human even if it is unrealistic (if something called a zombie or any other name looks like a human it should be treated as human).</td>
<td>Violence</td>
</tr>
<tr>
<td>18</td>
<td>3</td>
<td>Depictions of violence towards vulnerable or defenceless human-like characters</td>
<td>The characters must look like humans. If a character looks like a human it should be treated as human even if it is unrealistic (if something called a zombie or any other name looks like a human it should be treated as human). Defenceless characters will include those that have no opportunity to avoid the violence (e.g. they are restrained or otherwise unable to escape or hide). Vulnerable characters will include in particular children and the elderly. It will not generally include characters who are a central part of the gameplay e.g. main characters who are likely to be able to escape. Violence at this level must be realistic, however violence of a minor nature as listed in Q23 will generally not be included but will be judged on its merits.</td>
<td>Violence</td>
</tr>
<tr>
<td></td>
<td>Depictions of sexual activity with visible genital organs</td>
<td>Depictions of sexual activity means all aspects of human sexual intercourse, masturbation and sexual foreplay where a male or female sexual organ is visible. The depiction of ‘breasts and bottoms’ or pubic hair only will not be treated as visible sexual organs.</td>
<td>Sex</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Depictions of sexual violence or threats (including rape)</td>
<td>This will mean acts of a sexual nature where they are inflicted against a non-consenting human-like characters, including rape or the infliction (including self-infliction) of pain on genital organs.</td>
<td>Violence</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Detailed descriptions of techniques that could be used in criminal offences</td>
<td>The descriptions have to show how the offences can be carried out. For example an instruction manual showing how to make a Molotov cocktail or bomb would be included under this question as would details of the implements needed to break into a car and how to use them.</td>
<td>Violence</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Glamorisation of the use of illegal drugs</td>
<td>The depictions will show that the user of the drugs is able to achieve success (win the game, get the girl, kill the enemy, commit the crime) after the use of illegal drugs. The drugs concerned should be real and be illegal (not fantasy or legal drugs).</td>
<td>Drugs</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Depictions of ethnic, religious, nationalistic, gender or other stereotypes that are likely to encourage hatred.</td>
<td>The emphasis here is on the words ‘likely to encourage hatred’. It should be noted that any such depictions are very likely to infringe national criminal laws and cannot be included in the game in any event. It is the responsibility of each game publisher to comply with national criminal laws and use of the PEGI system does not absolve the game publisher from such responsibility or provide any legal or other defence to infringement of national criminal laws.</td>
<td>Discrimination</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Sexual expletives, blasphemy or discriminatory language (only answer ‘yes’ to this question if a ‘yes’ answer has been given to any of questions 1-8)</td>
<td>A ‘yes’ answer to this question 9 will ensure that a language descriptor is used on packaging. If a ‘yes’ answer has not been given to any of questions 1 – 8 do not answer ‘yes’ to this question 9. The most common sexual expletives are fuck, cunt, motherfucker and cocksucker although this list is not exhaustive. Blasphemy means irreverent depictions or words concerning sacred matters or religious beliefs (not restricted to the Christian faith). It should be noted that blasphemy is likely to be illegal under national criminal laws and may not be included in the game in any event. Discriminatory language includes words or phrases that might cause offence in terms of race, gender, religion, sexual orientation, or disability.</td>
<td>Bad Language</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Moving images that encourage and/or teach the use of games of chance that are played/carried out as a traditional means of gambling (only answer ‘yes’ to this question if a ‘yes’ answer has been given to any of questions 1-8)</td>
<td>A ‘yes’ answer to this question 10 will ensure that a gambling descriptor is used on packaging. If a ‘yes’ answer has not been given to any of questions 1 – 8 do not answer ‘yes’ to this question 10. This refers to types of betting or gambling for money that is normally played/carried out in casinos, gambling halls, racetracks. This does not cover games where betting or gambling is simply part of the general storyline. The game must actually teach the player how to gamble or bet and/or encourage the player to want to gamble or bet for money in real life. For example this will include games that teach the player how to play card games that are usually played for money or how to play the odds in horse racing.</td>
<td>Gambling</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Depictions of realistic looking violence towards human-like or animal-like characters</td>
<td>This means violence where the character reacts as it would in real life. It is not necessary for there to be any blood or gore. The characters must look like humans or animals. If a character looks like a human it should be treated as human even if it is unrealistic (if something called a zombie or any other name looks like a human it should be treated as human). This does not include sporting action where the sporting action is depicted within the rules of the game or hunting or predation displayed between animal-like characters acting in their natural environment and behaviour.</td>
<td>Violence</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Sustained depictions of death or injury to human-like or animal-like characters (except arcade style or sporting action)</td>
<td>This means that all or the majority of the game-play relates to violence. The characters must look like humans or animals. If a character looks like a human it should be treated as human even if it is unrealistic (if something called a zombie or any other name looks like a human it should be treated as human). Arcade style action refers mostly to 2D effect depictions where the characters move left and right to attack each other. The sporting action must be depicted within the rules of the sport concerned.</td>
<td>Violence</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Depictions of arcade style or sporting action showing violence containing blood or gore</td>
<td>Arcade style action refers mostly to 2D effect depictions where the characters move left and right to attack each other. If there is no blood or gore then a ‘yes’ answer to question 24 is probably more appropriate.</td>
<td>Violence</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Depictions of sexual intercourse without visible genitals</td>
<td>This is self-explanatory although it must be fairly apparent what the characters are doing. ‘Breasts and bums’ do not count as genital organs and nor does the showing of pubic hair only.</td>
<td>Sex</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Example</td>
<td>Category</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Depictions of erotic or sexual nudity</td>
<td>This is where the depiction of nudity (including partial nudity) could result in sexual arousal or is shown as a prelude to human sexual activity. This can include still pictures particularly if they depict an erotic activity. This will not generally include straightforward pin-ups.</td>
<td>Sex</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Sexual expletives, blasphemy or discriminatory language</td>
<td>The most common sexual expletives are fuck, cunt, motherfucker and cocksucker although this list is not exhaustive. Blasphemy means irreverent depictions or words concerning sacred matters or religious beliefs (not restricted to the Christian faith). It should be noted that blasphemy is likely to be illegal under national criminal laws and may not be included in the game in any event. Discriminatory language includes words or phrases that might cause offence in terms of race, gender, religion, sexual orientation, or disability.</td>
<td>Bad Language</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Encouragement of the use of tobacco or alcohol</td>
<td>This means where the character gains advantage in the game by the use of tobacco or alcohol. It also includes prominent advertising encouraging the use of tobacco or alcohol products.</td>
<td>Drugs</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Depictions of the use of illegal drugs</td>
<td>This includes the use of illegal drugs in any circumstances.</td>
<td>Drugs</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Glamorisation of crime</td>
<td>This is where the depiction of criminal acts could encourage the games player to think that ‘crime pays’ or has no negative repercussions.</td>
<td>Violence</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Moving images that encourage and/or teach the use of games of chance that are played/carried out as a traditional means of gambling (only answer ‘yes’ to this question if a ‘yes’ answer has been given to any of questions 11-19)</td>
<td>A ‘yes’ answer to this question 20 will ensure that a gambling descriptor is used on packaging. If a ‘yes’ answer has not been given to any of questions 11 – 19, do not answer ‘yes’ to this question 20. This refers to types of betting or gambling for money that is normally played/carried out in casinos, gambling halls, racetracks. This does not cover games where betting or gambling is simply part of the general storyline. The game must actually teach the player how to gamble or bet and/or encourage the player to want to gamble or bet for money in real life. For example this will include games that teach the player how to play card games that are usually played for money or how to play the odds in horse racing.</td>
<td>Gambling</td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td>Description</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>21</strong></td>
<td>Depictions of realistic looking violence towards fantasy characters</td>
<td>A fantasy character is a character that does not exist in real life and does not take a human appearance and includes ghosts, gremlins, dragons and other mythical creatures. In determining whether the violence is realistic it is assumed that the fantasy character does actually exist and reacts as if it were a human-like character.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>22</strong></td>
<td>Depictions of non-realistic looking violence towards human-like or animal-like characters</td>
<td>The characters react in a way that is not representative of real life. Though you see characters being killed or injured, other factors must limit the realism of the reaction (e.g. the reactions are masked by bright flashes of light or by frenetic action, or a reaction that is overly disproportionate to the violent act). Blood effects are allowed as long as the reaction to the violence in general is predominantly non-realistic. If the reaction to the violence is minor, or set in a child-friendly setting, then questions 31 or 33 may be more appropriate. The characters must look like humans or animals. If a character looks like a human it should be treated as human even if it is unrealistic (if something called a zombie or any other name looks like a human it should be treated as human). If the characters are non-detailed, very pixelated or take up a small portion of the screen, then question 30 may be more appropriate.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>23</strong></td>
<td>Depictions of realistic looking violence of a minor nature on a human-like or animal-like character that does not result in any obvious injury or harm</td>
<td>This is where the violence to the human-like or animal-like character is realistic but very minor such as a slap or smack and the victim does not show any apparent harm or injury.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>24</strong></td>
<td>Depictions of arcade style or sporting action showing violence</td>
<td>Arcade style action refers mostly to 2D effect depictions where the characters move left and right to attack each other. This question relates to arcade style or sporting action where there is no blood or gore. The sporting action must be depicted within the rules of the sport.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>25</strong></td>
<td>Words or activities that amount to obvious sexual innuendo or explicit sexual descriptions or images or sexual posturing</td>
<td>This can refer to words or pictures that may be sexually explicit but do not amount to eroticism (a brief glimpse of a lady with bare breasts at a window or a brief glimpse of a naked couple (not showing genitalia) getting into bed). The sexual innuendo must be obviously relating to sexual intercourse/foreplay and can consist of words and/or activity. This would cover instances in which it is clear that sexual intercourse is taking place but the participants are out of view, under sheets etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Column 1</td>
<td>Column 2</td>
<td>Column 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Offensive language</td>
<td>Offensive language that falls short of sexual expletives. This will generally not include minor profanities unless used in an offensive manner. The test must be whether a parent would be comfortable with a child under 12 years old using the language they may learn from the game. If the answer is no, the word should receive a 12 rating.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Moving images that encourage and/or teach the use of games of chance that are played/carried out as a traditional means of gambling</td>
<td>This refers to types of betting or gambling for money that is normally played/carried out in casinos, gambling halls, racetracks. This does not cover games where betting or gambling is simply part of the general storyline. The game must actually teach the player how to gamble or bet and/or encourage the player to want to gamble or bet for money in real life. For example this will include games that teach the player how to play card games that are usually played for money or how to play the odds in horse racing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Pictures or sounds likely to be horrifying</td>
<td>This means horrific sounds or horror effects that may be shocking or cause revulsion in the viewer. This may include (but is not limited to) images of mutilated bodies, graphic injury details, terrified humans, intense feelings of strong threat or dread. If the setting is frightening or creepy, question 34 may be more appropriate.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Depictions of non-realistic violence towards fantasy characters</td>
<td>A fantasy character is a character that does not exist in real life and does not take a human appearance and includes ghosts, gremlins, dragons and other mythical creatures. The characters react in a way that would not be expected of human-like characters and although you know that the characters are being killed or injured you do not really see very much (e.g. the characters immediately disappear in a puff of smoke or are otherwise so small that you really cannot see what exactly is happening).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
<td>Example</td>
<td>Violent Content</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-----------------</td>
<td></td>
</tr>
</tbody>
</table>
| 30  | Depictions of non-detailed and non-realistic violence towards non-detailed human-like characters | This is where the depiction gives only a basic representation of a human, including pixelated characters. Non-detailed human-like characters generally take up a small portion of the screen. Features may include (but are not limited to):  
• No facial expression and/or detail  
• Simplistic animation and/or movement.  
• Non-detailed clothing and/or body parts etc. | Violence |
| 31  | Depictions of non-realistic violence of a minor nature towards a human-like or animal-like character | Characters must react to the violence in an unrealistic way, e.g. they flash or disappear when hit, but do not show any apparent reactions consistent with real life. The important aspect will be the minor nature of the violence. Therefore there cannot be any of the following:  
• Emphasis on the violence in depictions or audio, e.g. close-ups, slow motion  
• Depictions of pain or suffering | Violence |
| 32  | Depictions of implied violence to humans where the actual violence is not shown | This is where you do not actually see any violence to humans but it is obvious what is happening. It covers such matters as the bombing of a city where you know civilians are killed and injured, blowing up a tank or shooting down a plane where you know the crew are killed, smashing into cars or other vehicles where the driver/passenger must be injured. If the depictions are non-detailed, this question does not apply. It also includes depictions of violence against humans where you do not see any violent act, or the immediate reaction to this act, but you do see the cause and/or the result. | Violence |
| 33  | Depictions of non-realistic violence set in a child-friendly setting or context. | A child-friendly setting refers to the game’s theme, characters and visual tone. Such a setting is aimed at children and is often inspired by worlds originating from other popular media like comics, television and animated series (e.g. superhero genre, cartoons). There is a lack of reality in the violence and weapons used (e.g. whimsical plastic-cap pistols/blasters, exaggerated-sized pistols, swords, etc). Human-like characters will generally have non-realistic features, for example, body shape is not in proportion (e.g. enlarged head), exaggerated features (e.g. enlarged eyes), or cartoon-like appearance. The violence or combat is potentially high in intensity or frenetic but predominantly cartoonish and non-realistic (e.g. colourful light effects, explosions, flashes, puffs of smoke, or cartoonish sound effects). This means gore or injury detail is not allowed. | Violence |
If the game focuses solely on hand to hand combat (‘beat em up’ genre), question 22 may be more appropriate (e.g. Dragon Ball Z, Street Fighter, King of Fighters, etc).

| 34 | Pictures or sounds likely to be scary or frightening to young children | This is where you do not actually see or hear anything specifically violent but nevertheless because of the sounds or depictions the overall theme may be frightening to young children (haunting or aggressive music, entering a haunted house, background screams or rustling in the undergrowth). | Fear |

| 35 | Depictions of nudity in a non-sexual context | This is where the nudity (which includes partial nudity but no visible genitalia) has no direct or implied sexual meaning such as a lady breast feeding a baby, topless sunbathing or a nudist beach. | ---- |

| 36 | Depictions of very mild violence in a child-like, pixelated or abstract setting | Characters will only show a very mild reaction to the violence when hit. Examples include breaking apart amid colourful explosions, blinking/flashing or falling off screen. Characters will not display indications of pain or suffering or any other apparent reactions consistent with real life. If the violence is high in intensity or contains elements possibly disturbing to younger children, questions in the PEGI-7 category may be more appropriate. A childlike setting is more likely to appeal to younger children. Such a style may include (but is not limited to) a fantastical theme, bright colours, playful music, cheerful sounds and/or an overall cartoon-like atmosphere. A pixelated setting is one in which characters appear blocky, such as in an early arcade or retro game. An abstract setting is a simplistic environment, e.g. consisting only of silhouettes or geometrical shapes. | ---- |