BSAC ANNUAL REPORT 2012

BSAC

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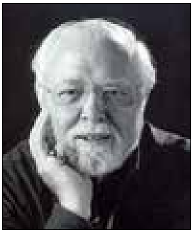
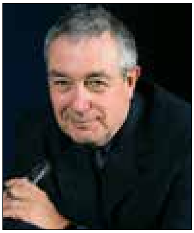
LORD ATTENBOROUGH
HONORARY PRESIDENT

BSAC is a unique organisation committed to serving the widest range of audiovisual interests. It provides an independent platform for discussion and facilitates the exchange of ideas and information, frequently acting as a vital link between policy-makers and practitioners. BSAC's membership comprises business leaders and industry specialists from many sectors in film, television, games and the new screen industries. This breadth of membership allows the Council to gather the widest possible views on issues that affect the audiovisual sector.



Lord Attenborough

CHAIRMAN'S INTRODUCTION



Adam Singer

This November marks 30 years since the passing of the Bill that allowed cable and the birth of multi-channel television in the UK. Back then, there were 21 million TV homes, now risen to 27 million, and we are watching more. The major players then are still here. The top 20 shows of 1983 came from BBC1 and ITV, the same as now; and the PSB broadcasters, BBC, ITV, C4 and C5, still have the most audience. You could argue that, in spite of all the noise, not much has changed.

20 years ago there were 3 million satellite and cable TV homes and now, with DTV, there are 26 million. 10 years ago, the non-broadcast channels had a 24% share of the audience; now it's over 46% and all of the major commercial PSBs have lost share to the new channels. The broadcasters have adapted adroitly to these inevitable changes, a prime example being their creation of more channels to trawl for fragmented audience.

However, where ITV once had a 48% annual share of audience, it now has 15%, but ITV is still the easiest place to buy the most attention, with three times more viewers than its nearest competitor and, as a single revenue stream business, is a FTSE 100 company worth £4.5 billion.

Yet, we have seen a slow shift of power from the broadcasters to the advertisers, putting pressure on rates and on the advertising model. This is demonstrated in that ITV is no longer the most valuable broadcaster, as the City now values the multi-revenue stream Sky at £13.5 billion.

Two more symptoms of how the sector has changed: 30 years ago, in the depths of 4 channel winter, the PSB broadcasters were run by 'true programme' men, Alasdair Milne, Dennis Forman and Jeremy Issacs. It would have been inconceivable then that these three PSB services would now be run – as they are at the time of writing – by marketing men. Nothing is wrong with that, it just illustrates how the skills needed for now are different. The other example is how Channel 5 has adapted, where once it was a single revenue stream, stand alone broadcaster with several shareholders, it is now but one revenue stream in Northern and Shell's multi-media pantheon.

This is not the television industry of ten years ago. All of this change was brought about by one thing, the falling price of bandwidth or, if you prefer, the falling cost of signal distribution, or the falling barriers to entry, it's all the same.

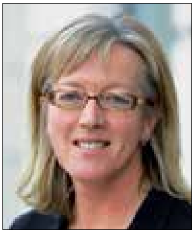
We are now on the cusp of another era of falling costs, in the distribution of television over the internet, the costs of on-demand signal storage in the home or in the cloud, and the costs of data acquisition. All of these falling costs will have an impact. One can debate how much and the overall effect, but all businesses are based on a cost model and, as these change, so does the business. Thus, the well salted CEO of a TV major must be saying to themselves: ‘OK, we survived losing audience share in the multi-channel revolution, but how much more audience share can our model afford to lose, another 5%? 10%? 25 %? And if not, how do we change the model?’

A brilliant example of this attitude was demonstrated by David Abraham, CEO of Channel Four, at the recent BSAC Hypothetical: Disrupterthon. He explained how C4 is leading the way in exploiting the falling costs of data acquisition and is determined to have the most knowledge about its audience; levels of detail not thought possible 10 years ago, and, in this detail, Channel 4 can charge a premium, and redress the balance of power with its advertising customers.

This event was BSAC at its best, a congenial colloquium where fear inducing issues could be discussed, and where new ideas and models could be explored and hope gleaned. BSAC has been doing this all through the last 30 years, for all its diverse Members in television and film.

Fiona Clarke–Hackston’s ability to put together events and regular meetings where the navigation of the sector can be discussed is remarkable, and this year she plans to continue with sessions, especially in areas like data where, contrary to popular opinion, it’s not about ‘big data,’ it’s about harnessing tiny granular bits of data. It is events like these and the Council meetings, the viewing platforms from which to survey our industry, which underpin BSAC’s value.

STATEMENT BY THE CHIEF EXECUTIVE


Fiona Clarke-Hackston

In 2013, BSAC will be addressing a number of overarching issues affecting the creative industries as a whole, including how the changing economics of the media sector will affect its future success. BSAC will launch a new events series – the BSAC Hypotheticals – where a proposal concerning the future of the industry is put forward for debate amongst senior executives and policymakers. The purpose of these will be to provoke debate rather than to reach conclusions. The theme of the first Hypothetical will be What Happens in a Post Broadcasting Age? This stream of work has been developed by 'The Bathwater Club', a ginger group established in 2012, which was set up to consider issues arising from the dramatic and unparalleled change that the audiovisual sector is currently experiencing. No subject is off-limits and the debates within the Club have been wide-ranging and have stimulated new understanding.

BSAC will continue to inform Government thinking on areas such as the upcoming Communications White Paper, as well as commenting on draft legislation for the introduction of tax reliefs for animation, high end TV and video games. 2013 promises to be a busy year for copyright issues. BSAC will participate in the Copyright Licensing Steering Group and work on the proposals contained in the Government's 'Modernising Copyright' document published at the end of 2012.

We have an extremely varied events programme this year. As well as the first BSAC Hypothetical in February, the tenth annual Film Conference will be held in March. Netflix will provide a keynote and, in a day which will explore the blurring of the boundaries between film and other content, we also expect panels on content on demand, how to build an audience and nurturing franchises. The BSAC Interview Series will resume with Tony Wang, General Manager UK, Twitter, as our next guest interviewee.

BSAC will also continue to address an extremely wide range of business and public policy issues at Council Meetings, including new routes to accessing finance, such as crowdfunding; the health of the digital out-of-home advertising sector; the BBC's future media strategy; and data ownership and use.

WHAT IS BSAC?

The British Screen Advisory Council (BSAC) is an independent, industry-funded body. It serves as a unique forum for identifying new business trends and provides advice to Government, policy makers and the audiovisual industries. We bring together the widest range of UK interests, knowledge and contacts in the sector to provide an independent platform for the regular exchange of ideas and information.

BSAC works closely with industry leaders and policy makers to provide an informed lead on emerging business trends. BSAC helps the audiovisual sector, wherever possible, to speak with a single and authoritative voice. Over the years we have worked closely with: The Treasury; Her Majesty's Revenue and Customs (HMRC); The Department for Culture, Media and Sport (DCMS); Department for Business, Innovation & Skills (BIS); UK Intellectual Property Office (IPO); Office of Fair Trading; Competition Commission; The European Commission, including the Directorates for Employment, Social Affairs and Inclusion, DG Education and Culture, DG Connect, DG Internal Market and Services, DG Trade and DG Competition; World Trade Organisation (WTO); and World Intellectual Property Organisation (WIPO).

Council Meetings provide Members with a regular opportunity to exchange information and ideas on commercial, policy and technological developments across the audiovisual sector. We invite speakers, drawn from our membership and the sector, to update Members on rapidly changing industry trends.

Working Groups address specific business and public policy issues and tap into Members' considerable expertise and knowledge. Most of BSAC's responses to Government consultations are produced by Working Groups.

BSAC also commissions and generates original research and reports to underpin policy and consultation documents. These provide a vital link between policy-makers and the industry.

BSAC holds regular events, including an annual Film Conference, an early evening Interview Series and seminars on current issues for Members.

BSAC Members are invited to join on the basis of their personal qualities, experience and expertise within the audiovisual sector. Our Members include senior executives from television, video games, new media companies and telecommunications; international film producers and distributors; cinema exhibitors; video distributors; technical experts; business people with media interests; media lawyers; communications consultants; TV producers; trade unionists; and the heads of training and trade organisations.

Associate Membership enables businesses with a particular interest in the sector, such as legal firms and accountancy practices, to become involved in BSAC's work. Associate Members are an important first port of call outside the Council's full membership for obtaining views on audiovisual issues, sitting on Working Groups and contributing to the Council's work.

BSAC is an independent body whose core funding is provided by its Members. Additional research is funded by Associate Members. Specific projects and events are also funded by separate sponsorship.

MISSION STATEMENT

The main aim of the Council is to enhance the prosperity, effectiveness and reputation of the UK audiovisual industries by:

- providing a unique forum for senior executives and specialists from diverse sectors to exchange ideas and information

- operating as an industry body, independent of Government and individual corporate interests

- placing priority on the collection and presentation of facts and views held by different sectors of the industry to inform business and public policy issues

- making effective use of the broadest possible spectrum of knowledge and experience to convey informed independent and authoritative advice to the UK and European Governments

- exploring and assessing the impact of technological and commercial developments on the audiovisual industries.

ISSUES ADDRESSED BY BSAC IN 2012

This section provides some highlights of BSAC's policy work and Council Meeting's in 2012 (listed in alphabetical order).

Broadcaster's Audience Research Board (BARB)

In May, Andy Bagnall, Director of Business Development, ITV, and a BARB Director, spoke to Members about consumer behaviour and how recent developments were changing the way in which this was monitored.

Mr Bagnall explained that BARB consisted of six underwriters: ITV, Channel 4, FIVE, Sky, BBC and IPA; in addition ISBA were observers. It had 160 subscribers, of which 60 were broadcasters. BARB cost £24m a year to run, and this cost allocation was approximately 50/50 between subscribers and underwriters. BARB recorded the viewing habits of panel members and audience data, encompassing programming viewed on the same day as live, and on catch-up services; this was compiled overnight and reported daily. BARB offered more comprehensive data than that compiled in other countries but faced a significant challenge from VoD, and from viewing over devices other than the TV. Whilst viewing on internet linked VoD devices could often be measured by return path data, this was not recorded in a consistent format, for instance if a user only watched a few seconds of a VoD programme then they would be recorded as having viewed the programme. However, analysis of current evidence on viewing habits showed that the number of live TV viewers was increasing, and take-up of VoD appeared to be insignificant. BARB was responding to changing technology by extending its reporting of viewing of content after broadcast beyond 7 to 28 days in order to record take-up of time-shifted viewing and VoD. BARB was also extending its monitoring systems to computers to allow viewing of content over the internet to be measured. They were also working on creating a standardised method of recording and analysing return path data. However, one area that they were currently struggling to incorporate into their systems was the tablet computer sector, in part due to Apple's dominance of this section of the market.

British Video Association

In October, Charlie McAuley, Chair, British Video Association (BVA), and a BSAC Member spoke, as part of a regular item enabling Members to provide a personal view of issues of importance, on the challenges faced by Members of the BVA.

Mr McAuley said that the pace of change in content distribution was likely to be greater in the next 5 years than that which had been seen in the last 20 years. The packaged media industry was at a mature stage in its life cycle, but it was still a material business. He hoped that the arrival of UltraViolet and cloud-based services would enable the audiovisual sector to retain its appeal, quality, originality and value. Copyright remained the fundamental way in which the audiovisual sector was able to monetise content and generate profit to sustain continued investment. Collective efforts by industry to stiffen the Government's resolve in protecting the UK's world-renowned knowledge and creative economy were extremely important, especially as new digital services continued to evolve.

Mr McAuley concluded by saying that emerging digital business models needed to be consumer friendly and to enhance the quality of the entertainment experience. Industry was keen to move forward, however, some consumers had concerns over the transparency of service costs, and over making an investment in hardware that would become obsolete. It was important to have a balanced approach when managing digital migration, and to ensure that the consumer was at the centre of companies' thinking.

Cinema Communication

In May, Stephen Bristow and John Graydon, RSM Tenon, spoke to Members about the consultation on the draft Communication from the European Commission on state aid for films and other audiovisual works.

Mr Graydon highlighted the areas of concern in the Commission's proposals for the new Communication; the limiting of territorial obligations on production expenditure; and the limiting of the use of state aid to attract inward investment for major productions, which if implemented would have a significant and negative impact across the audiovisual sector. He explained that the draft Communication proposed that Member States should only be able to require up to 100% of the aid awarded to the production of an audiovisual work be spent in the territory offering the aid. Currently, Member States had the option of requiring that up to 80% of a production budget be spent in their territory in order for a production to access an aid scheme. The definition of 'qualifying spend' for film tax relief was currently 'goods or services used or consumed in the UK', so the Commission did not consider that the UK film tax relief imposed territorial obligations. However, the proposal would affect other European countries. There was also a perception that certain jurisdictions were engaged in a subsidy race to the detriment of each other. Consequently, the proposal was to limit the amount of aid on larger budget films in accordance with a regressive table. If such a proposal was implemented, it would effect the global competitiveness of Member States in attracting inward investment productions.

Mr Bristow said that there was unanimous opposition across the European industry to the proposals on territorial obligations and aid intensity. The BFI and British Film Commission were providing a coordinated response to the consultation and were keen that other organisations also came out against the proposals.

In June, BSAC responded to the consultation. The key points of the response were:

- any changes to the state aid rules must not create disincentives to Member States to invest in audiovisual production, whilst retaining sufficient flexiblity enough to take account of future developments in technology and business models. This was of particular importance given that the Commission did not intend to review the new Communication in the ways that it had previously done

- no evidence of a 'subsidy race' between Member States had been published. Before any action was taken to limit state aid available for inward investment productions, irrefutable evidence of harm must be shown, particularly as Europe was competeing on a global basis

- changes to territoriality rules to limit obligations to 100% of aid provided would not affect the UK directly, however, they would significantly damage the European production sector as a whole.

Cinema Exhibition

In January, two members of the Council, Phil Clapp, Chief Executive, Cinema Exhibitors Association (CEA), and Tim Richards, CEO, Vue, spoke about opportunities and challenges for the future of cinema exhibition as cinemas became 100% digital.

Mr Clapp said that although the process of digitising cinema screens across the UK was almost complete, the sector was only just beginning to understand what additional flexibility and potential this new technology could offer. All Odeon cinemas in the UK were fully digitised and Vue would have become 100% digital by July 2012. IHS Screen Digest estimated that, once the entire global cinema sector was digitalised, the sector stood to make savings from print and distribution costs of around 75%. He hoped that these savings would go into production, and into a general improvement of the cinema experience. The flexibility of digital enabled a greater responsiveness to audience demand and also offered the potential for greater freedom in programming alternative content, an area where experimentation was ongoing.

Mr Clapp outlined the challenges to digital exhibition. Security concerns were problematic and a range of processes, both technical and logistical, were being developed to tackle these. Another issue was that the legal costs and process behind Virtual Print Fee (VPF) deals made it particularly inhibitive for smaller exhibitors to digitise. In order to support them with this, the CEA had established the Digital Funding Partnership in order to agree a VPF deal on behalf of smaller operators, and rollout was now underway.

Mr Clapp expected that the true benefits of digitisation would start to become apparent by the beginning of 2013, for example, the ability to have a different kind of dialogue with customers through social networking, and in allowing local audiences to have a greater role in determining the menu of films playing.

Mr Richards said that this was a new era for exhibition. Predictions for the success of alternative programming had been too optimistic, however the full benefits of alternative programming would not be evident until cinema exhibition was fully digitised. When this happened cinemas would be able to screen a far greater range of films, increasing the opportunity for Independent British films to be screened.

Communications Review

In June, Kate McGavin, Head of Media, DCMS, and Holly Creek, Communications Review Team, DCMS, spoke to Members about the process of consultation that would be used to inform the draft Communications Bill.

Ms McGavin explained that, following responses to the Secretary of State's Open Letter to industry, DCMS now intended to introduce a gradual process of deregulation, which would allow greater consideration of the implications for the industry's regulatory and legislative regime than a single 'big bang' piece of legislation would. In order to meet the deadline of the final session of Parliament, the planned Green Paper would be replaced with a series of seminars, for which discussion papers had been published, in order to inform a White Paper. The Government's aim was to turn the UK into the technology hub of Europe. Issues to be addressed by the Communications Act were: infrastructure, including the auctioning and management of 4G spectrum; investment in content production, and examination of the levers available to Government to support this; the IP framework, which would be examined after the autumn; and content regulation, where the recommendations of the Leveson inquiry would be relevant.

Ms Creek explained that DCMS would hold four seminars before the summer recess on the topics of:

- consumer perspective, which would examine how consumers' needs and concerns could be addressed through regulation, as well as assessing future threats and opportunities

- competition in content markets, which would examine the extent to which the current regime provided clarity and certainty, was appropriate to requirements and how best to test the consequences of any potential changes

- maximising the value of spectrum, which would examine regulatory changes for spectrum and the impact of future developments in this area

- driving investment and growth in the UK's TV content industries, which would examine the impact of the 2012 Budget's tax incentives, the levers available to Government, and the effectiveness of the current legislative and regulatory regimes.

After the recess, there would be further seminars to examine radio and plurality.

In September, BSAC provided a response to the Communications Review consultation. This response was a result of a Working Group that had met over the summer under the chairmanship of Adam Singer. The document made the following key points:

- the UK's audiovisual industries continued to outperform competitors, making a significant contribution to economic and cultural value. In order to protect our competitive edge going forward, Government should begin a process of strategic thinking concerning the complex and rapidly evolving issues facing industry in the future

- DCMS should strengthen its sector expertise and understanding in order to deliver an overall policy framework, including the Communications Bill. It should draw on expertise from regulators and other non-departmental public bodies, for example, via secondment

- investment in content production should be incentivised through tax reliefs to build domestic production and attract inward investment, facilitating access to finance and the collection of more accurate data on industry

- a robust and balanced IP regime should be delivered, based on improved economic evidence and analysis now and in the future

- creative sector businesses should continue to engage with further and higher education to ensure that graduate skills and employability meet the needs of industry

- a duty to promote media literacy should be placed within the Department for Education, and this duty should be properly resourced and evaluated

- Ofcom should have regard for the wider international context in undertaking competition oversight duties, and should actively seek opportunities for deregulation in markets with effective competition

- Government should consider ways to encourage emergent systems for labelling content online.

Copyright

BSAC remained active on copyright and intellectual property issues in 2012, including responding to Government consultations, meeting IPO officials and holding meetings with Richard Hooper on the Digital Copyright Exchange feasibility study in January and June (see events section). Following the Hooper report, BSAC worked with other stakeholders in membership of the Copyright Hub Launch Group and was appointed to the Copyright Hub Steering Group, which will meet in early 2013.

Mark Devereux

Copyright Consultation

In 2012, BSAC set up a Working Group to respond to the Government Copyright Consultation concerning the implementation of the recommendations of the Hargreaves Review. The Working Group was chaired by Mark Devereux, Deputy Chairman, BSAC.

The paper made the following key points:

- BSAC welcomed the proposals to facilitate use of 'orphan works' material, where rights' owners were unknown or untraceable, and referenced our paper of July 2011, 'Orphan Works and Orphan Rights', which provided a three-part solution to the issue that was very similar to the proposals in the consultation

- BSAC supported the concept of extended collective licensing (ECL) so long as it was voluntary. This was likely to be of very limited relevance to the use of audiovisual material, where there was little collective licensing, but it may be more relevant for underlying content

- BSAC fully supported in principle the policy of codes of conduct for collecting societies. This would be a positive development for small businesses, which in the past had encountered problems in dealing with collecting societies over gaining appropriate licensing for new uses. There was also a need to ensure better access to the databases of rights information held by collecting societies, in particular to facilitate the required search for right owners under an orphan rights scheme

- BSAC Members supported a fair balance between rights and exceptions and were supportive of an exception to ensure that the UK's audiovisual heritage could be properly preserved without infringing copyright. However, there were difficulties with introducing a private copying exception as this could remove the value of an authorised digital copy and reduce the choices that could be offered to consumers. The industry was already innovating in this area by enabling consumers to manage access to their content from multiple locations and on a variety of devices. A parody exception would not have a big impact on economic growth, and would not be damaging to creators if introduced with appropriate safeguards.

Creative Europe

In March, BSAC responded to the DCMS consultation on the European Commission's proposal for a Creative Europe programme. The key points of the response were:

- BSAC welcomed the proposal to safeguard the MEDIA programme within a new Creative Europe framework. However, the implementation and operation of the Creative Europe programme should take care to not conflate too closely sectors with profoundly different business models, and a one size fits all proposition was unlikely to work. The autonomy of the MEDIA programme within the new Creative Europe framework should be safe guarded, including a retention of expertise and a separate budget

- there was not sufficient detail in the proposal for the new financial facility to accurately assess the benefits that it could provide. For example, more information was needed on how the facility would operate, how funds would be distributed and how beneficiaries would be selected. Further in-depth consultation, especially with investors, was needed before the implementation of the financial facility.

Creative Sector Tax Reliefs

In September, BSAC responded to the Treasury consultation on the design of the proposed Creative Sector Tax Reliefs for animation, high end TV and video games. This response was produced by a Working Group chaired by Michael Ridley, Partner, Media & Technology, DLA Piper. Mr Ridley summarised the response at the September Council Meeting for Members.

Michael Ridley

The response made the following key points:

- the Film Tax Relief (FTR) was the correct model for the proposed tax reliefs for animation, high end TV and video games

- definitions used in relation to the eligibility of content to claim the relief should be future-proofed, for example, taking a wider definition of the term 'broadcast' to include distribution through on-demand services. For video games, definitions used in relation to eligibility to claim relief should not be limited to particular business models, for example, stipulating that early stage costs in games development should only become eligible for relief once a game was 'formally commissioned by a publisher' would exclude the growing number of games that were self-published

- in order to ensure that pornographic content did not receive relief, BSAC recommended the use of a self-certification system for animation productions and video games in relation to content that would receive an R18 rating, rather than a compulsory rating system for all applicants, due to the administrative and cost burden

- BSAC supported measures to ensure that relief was available to mixed content programmes, but recommended that the threshold be set at a minimum of 51% of production costs to be spent on animation rather than the proposed threshold of 75%. This would ensure that more content that was mostly animated, but which also contained live action, could be attracted to be produced in the UK

- the key consideration in ensuring that the high end TV relief would be effective was where the qualifying threshold was set in relation to the definition of eligible costs, such as whether or not the production fee and residual and profit payments were included in the calculation of costs to reach the minimum spend threshold

- BSAC recommended that a minimum threshold for development costs for video games of at least £50,000 would be useful. The exact level of the threshold should be contingent on a market impact assessment demonstrating how many games would qualify for relief

- in order to ensure that the skills base was sufficient to cope with the expected increase in games development, animation and high end TV production incentivised by the tax reliefs, BSAC supported the introduction of a voluntary levy for animation, high end TV and video games, which could be modelled on the Skills Investment Fund for film.

In October, BSAC responded to the DCMS consultation on Cultural Tests for the Creative Sector Tax Reliefs. The main points of the response were:

- basing the Cultural Tests for animation, high end TV and video games on the Test currently used for film was the correct approach. BSAC welcomed the inclusion of criteria awarding points for the European nature of works as this created a level playing field for the UK in relation to Cultural Tests employed by other European countries

- following the consultation, DCMS should undertake a process of modelling the proposed Cultural Tests to gain a clearer picture of the number and type of productions that would qualify. Industry should also work with DCMS to ensure that the correct terminology was used in the Tests, particularly in relation to the cultural practitioners section for video games

- the BFI should be responsible for administering the certification process for the new reliefs. However, given the increased workload, there was a need for the BFI to hire individuals with sector-specific expertise in order to undertake certification for each of the reliefs. Given the limited funds with which the BFI was tasked to carry out its range of functions, Government should make additional resources available for new personnel.

Crowd Funding

In October, BSAC Member Dr Jo Twist, CEO, UK Interactive Entertainment (UKIE), spoke to Members about the issue of crowd funding.

Dr Twist explained that UKIE had published a report in February on how to facilitate crowd funding in the UK which had identified some of the legislative issues that needed to be tackled. In general, crowd funding platforms currently operated one of four different business models: donation-based, rewards-based, crowd funded lending and equity crowd funding. Equity crowd funding was the most interesting area for growth and involved a return on investment if the business or idea did well. By the end of 2012, it was predicted that there would be more than 530 different crowd funding platforms in existence, which was 60% more than last year. The most famous was Kickstarter, which was based in the US, and which offered both tangible and intangible benefits to those who made donations to projects. So far in 2012, Kickstarter had raised $50m for games, $42m for film, $40m for design, $25m for music and $16m for technology. Crowd funding was opening up a new economic opportunity, not only for small independent and established studios, but also for platform operators, to market test ideas.

Dr Twist said the current FSA regulations were not set up to deal with a digital economy and therefore acted as an impediment to the establishment of crowd funding platforms in the UK. The UKIE report recommended that the regulatory regime be changed to become more 'light touch'; that there should be no requirement to issue shares to investors in terms of the equity model; that there should be no limit on what could be raised per project; but that there should be a limit per person per project to protect consumers. It also recommended the establishment of consumer protection and best practice guidelines. UKIE had held roundtables to gather stakeholders together and to examine the best policy options that would facilitate growth in crowd funding within Europe.

Enterprise Investment Schemes

BSAC continued to actively engage with Government and stakeholders on the redesigned Enterprise Investment Schemes (EIS) in 2012. We wrote twice to HMRC on draft guidelines for 'advance assurance' and 'disqualifying arrangements' for EIS, as we were concerned that the new proposed guidelines would be prejudicial to industries with a predominance of small and micro businesses that undertake significant sub-contracting and produce products with long life cycles, such as creative content businesses. BSAC also met with HMRC officials to outline our concerns.

Entertainment and Media Outlook

In November, BSAC Associate Member Phil Stokes, Senior Partner, Entertainment and Media, PricewaterhouseCoopers, provided Members with a report on the outlook for the entertainment and media sector to 2016.

Mr Stokes explained that the entertainment and media industry was undergoing three structural shifts: from print to digital; from fixed to mobile driven consumption; and from West to East and North to South, due to the generation of significant GDP growth by the BRIC territories. The global entertainment and media industry was currently worth $1.6 trillion, and was predicted to grow to $2.1 trillion by 2016. There had been massive growth in smartphones globally since 2009/2010, as a result of their convenience and functionality, as well as a large spike in mobile internet subscriptions. Digital spending was driving global growth in entertainment and media. Globally, the compound annual growth rate (CAGR) for digital over the period 2011-16 averaged 11.9% for digital and 2.8% for non-digital. PwC forecast 5.7% CAGR for the industry between 2011 and 2016, with the growth rate for the UK being 3.1%. Entertainment and media growth was returning after the recession years, however end-user spending was lower. For example, TV advertising had bounced back, but even by 2016, revenue would not recover to its 2007 levels. Consumer spending did not decline as dramatically as advertiser spending during the recession, with a dip of 0.5% globally, but its recovery had been much slower. Entertainment and media growth varied significantly by region, with the highest growth in emerging economies. The BRIC countries were growing at 11.8% per annum on average, with the 'next 8' emerging markets, including Pakistan, Indonesia and countries in the Middle East, averaging 12.1% growth.

Internet advertising was a powerful driver and the fastest growing segment of the market, with a global CAGR of 15.9%. Globally, digital advertising would increase from 19% of all advertising spending, to 29%. Television would remain stable with a 35% market share, and market share for print newspapers would decrease from 18% to 14%. The future was positive for television both in its linear form and in its ability to attract advertising in online and mobile. However, newspapers were struggling to attract advertising in an online world. It was likely that overall internet advertising in the UK would be worth over £5bn this year, with paid-for search making up a market share of 59%, display 23% and classified 17%. Display advertising was worth £590m, almost half of which was still traditional banner advertising. Online video, which competed directly with TV advertising, represented 12% of display advertising, or £70m. In terms of consumer spending, video games and TV subscriptions would continue to be the fastest growing area of consumer spending both globally and in the UK. However, whilst newspapers and consumer and educational books would experience very modest growth globally, they would decline in the UK.

Film Policy

BFI Future Plan

In 2012, BSAC set up a Working Group to respond to the consultation on the BFI Future Plan. The Working Group was chaired by Jane Wright, and produced a report that made the following key points:

Jane Wright

- BSAC welcomed the publication of the BFI Future Plan and its three strategic priorities: education and audience choice; development, production and skills; and screen heritage. We recommended that the BFI should balance its longstanding cultural remit with its new industrial remit, and work on the understanding that the cultural value of film was inseparable from industrial policy objectives

- BSAC welcomed the increased investment in production and development and recommended that the BFI develop its industrial policy objectives in partnership with the commercial sector over the coming months. These should focus on how funds could be deployed to strengthen UK film businesses in the global commercial context in which they operated

- in order for the BFI to successfully implement a film policy that facilitated the increased success of British films and film businesses, it would need to build its capacity for successful commercial risk-taking and for undertaking focused partnerships to build a critical mass of investment and maintain world class skills. There was a need for an ongoing conversation with industry to help the BFI achieve this

- the BFI should provide further clarification in relation to objectives relating to the film education offer and industrial objectives concerning skills, training and audience building, which were unclear in some aspects of the Plan

- BSAC welcomed the fact that the BFI was separately undertaking to produce key performance indicators relating to the proposals in the Future Plan, which would be extremely useful in accurately measuring the success of the BFI's strategy over time

- BSAC also welcomed the proposed increased investment in film heritage, with emphasis placed on interpreting and facilitating access to screen heritage across multiple platforms, as well as on the care and preservation of the UK collections.

In June, Jane Wright spoke to Members about the BSAC response to the BFI Future Plan. BSAC Deputy Chairman Marc Samuelson, Producer, Samuelson Productions; Ben Gibson, Director, London Film School (LFS); and BSAC Member Stephen Garrett, Chairman, Shine Pictures, provided their views on film policy going forward.

Ms Wright explained that the Working Group had welcomed the BFI consultation document as it demonstrated an ambition to implement significant changes. The Group had welcomed the focus on three strategic pillars, as they felt that spreading funding too thinly would reduce its impact. The Working Group welcomed and encouraged the BFI's engagement with the commercial sector in the development of their industrial policies and initiatives, and called for measurements of performance to be made available, so as to enable a better judgement of the BFI's policies. BSAC intended to respond in greater depth on industrial policy and on skills strategy at a later date as there was not time to cover these areas in detail within the deadline for the consultation.

Mr Samuelson welcomed the Future Plan and the BFI's engagement with industry. He looked forward to more detail in relation to the BFI's strategy for training and education in the next iteration of the document as it was currently unclear where the boundaries were in this respect. He also expressed concern that investment in a branded British Film initiative might not be successful. He welcomed Lord Smith's recommendation that recouped Lottery funding be made available for reinvestment in filmmaking by the producer, which he felt should be adopted by the BFI.

Mr Gibson welcomed the BFI's strategic priorities, but was concerned that a division of education and skills into separate sections of the Plan risked policies in these areas appearing disjointed. For example, there was a danger that they might not be able to effectively engage with organisations, such as the LFS, which already worked across these fields. The LFS and the NFTS were two of the three Creative Skillset post-graduate vocational skills providers for the sector in the UK, and were each in need of £10m of urgent capital investment for their infrastructure in order to remain globally competitive. There was currently a shortage of up-to-date facilities, technological investment and places, especially subsidised places, which had had a consequent detrimental effect upon diversity within the industry. He argued that the BFI should consider an internal restructure, including the establishing of representative panels on the distribution of Lottery funding and the education and skills agendas, in order to deliver on its new responsibilities.

Mr Garrett expressed concern that the BFI Future Plan attempted to be too inclusive in its aims, which acted as an impediment to the addressing of issues in depth. He feared that funds might be spread too thinly, and emphasised the importance of not replicating existing activities, but in instead further developing investment in training centres that already existed as centres of excellence.

Following the closure of the consultation and the Council debate, BSAC wrote a letter to Amanda Nevill, Director, BFI, with further thoughts on the BFI Future Plan particularly relating to measures to strengthen UK film businesses through use of production funds, and on the skills strategy.

The letter made the following recommendations:

- that the BFI adopt Lord Smith's 'joint venture' proposal. Specifically, BSAC supported a measure to invest Lottery funding as 50% of a distributors' minimum guarantee, representing an investment on behalf of the producer, in return for the distributor allowing a gross post-P&A share of revenues to be held in trust by the BFI for reinvestment in filmmaking by the producer

- BSAC welcomed the BFI's intention to strengthen the producer equity position, and to continue to support the producer equity corridor. We also welcomed the intention to consider the 'lock box' proposal, where recouped funds would be held in trust for reinvestment in filmmaking by the producer, and stressed that such an initiative should not prohibit producers from access to further Lottery funding as well

- in relation to skills, the BFI should partner with established providers with a proven track record in training and nurturing talent such as industry-accredited providers of higher and post-graduate courses, including the Creative Skillset Film Academies as well as apprenticeships, to deliver an integrated approach and to avoid duplicating existing structures

- that the BFI could have a role, with Creative Skillset, in advocating the case for a cross-sectoral approach to skills provision to Government, as well as assisting Creative Skillset in assessing the skills and training needs of the sector.

In October, Amanda Nevill, Director, BFI, and Ben Roberts, Director, BFI Film Fund, spoke to Members following the publication of the final BFI strategy plan 'Film Forever'.

Ms Nevill explained that Film Forever, the BFI's Future Plan, had been published as a result of the public conversation about film over 18 months that began with Lord Chris Smith's Film Policy Review. The consultation process had been extremely valuable in sharpening the BFI's thinking and it had taken on board feedback from the consultation in Film Forever, for example, in enhancing its focus on business development. As a result, the BFI was increasing money invested into grass roots business development through additional funding to Creative England, with which to seed fund business growth across the English regions outside London. The BFI had also decided to increase funding for skills with a one-off capital fund of £5m for film schools across the UK. Respondents to the consultation had placed emphasis on the need for measurable objectives, and Ms Nevill had convened a group of advisers to work with the BFI in identifying key performance indicators. Cross-cutting themes of the Plan included: a focus on the delivery of long term initiatives, such as future generations of audiences and filmmakers; ensuring that film policy applied UK wide across the nations and regions; and ensuring that funds were spent pragmatically in order to take best advantage of the opportunity to be a catalyst for change. In becoming a distributor of Lottery funding, the BFI would continue to listen to industry and learn from feedback, but would never let funding decisions be inappropriately inflected by this.

Mr Roberts explained that the Film Fund had been split into several streams and that the BFI was currently considering how these would be allocated and would function. For example, there would be a stream of funding for 'sleeper' hits that received unexpected attention but where the distributor did not have sufficient resources to fully capitalise on this success.

Film Policy Review

In January, Lord Chris Smith, Chair of the Film Policy Review Panel, and Hugh Muckian, Senior Policy Adviser, DCMS, spoke to Members about the report of the Panel 'A Future for British Film – It begins with the audience'.

Lord Smith said that the five most important recommendations made by the report were: for greater investment in British films by broadcasters, especially Sky and ITV; for producers to receive recouped Lottery funds for reinvestment in future production; for the establishment of joint venture partnerships between producers and distributors; for investment in skills and talent; and for the introduction of a unified film education offer, so that all children would learn about film. He noted that the report made a large number of other important recommendations, including the need to tackle piracy, which was a problem across the audiovisual sector. The overriding objective of the report was to facilitate the building of audiences for independent British film.

Mr Muckian said that the BFI faced a considerable challenge in delivering on the recommendations of the report and that it would require support from both industry and Government, but that there was an opportunity to build an appreciation for, and greater access to, a greater range of films. An analogy could be drawn between film and the food industry where, over recent years, consumers had become much more interested in better quality food and a wider variety of choice, and the players that had embraced and driven this change had reaped the benefits.

The Future of TV

In April, Paul Lee, Director, Technology, Media & Telecommunications, Deloitte Research, spoke to Members about the extent to which technology was disrupting the TV sector.

Mr Lee said that the arrival of new technology such as the PVR, which allowed consumers to skip advertisements, Google TV, which brought web search to the TV screen, and the competition from social media for consumers' time, had commonly led to predictions of the death of linear TV. However, such predictions had, so far, proved false.

There was evidence to suggest that TV advertising revenue was not directly affected by the growth in online advertising, rather press advertising revenue was suffering adverse effects, and that TV ad revenue had actually remained constant in recent years. Although it was assumed that use of social networks encroached on the time people spent watching TV, the time spent on social networks was actually minimal in comparison: aggregate UK consumption of TV was about 6.4 billion hours, which was about 35 times more than the aggregate time spent on Facebook, Twitter and LinkedIn put together. Similarly, predictions that PVRs would lead to the prevalence of advertisement skipping were unfounded. In fact, the number of adverts watched was increasing, and Deloitte had found that, when using a PVR, about 25% of 16-24 year olds would always or frequently pause or re-wind during commercial breaks to view particularly innovative or enjoyable advertisements. There was also evidence to suggest that PVRs encouraged people to increase the amount of television viewing time.

Mr Lee concluded by saying that the main area where technology had a significant impact on TV was in addressing the needs of the consumer. For example, PVRs allowed consumers to watch more TV at a time that suited them. He predicted that the next big trend to hit TV sets would be the arrival of high resolution HD, which was likely to reinforce, rather than undermine, the broadcast model.

Games Market

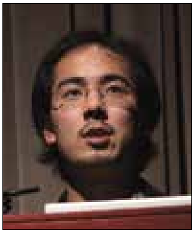
In November, Ben Keen, Chief Analyst, IHS Screen Digest, presented an update on the games market in 2012, which had been commissioned by BSAC. A BSAC Business Briefing paper was issued separately to accompany this presentation.

Mr Keen explained that the Europe 2012 forecast spend on games was €11.3bn, making it the second biggest entertainment media sector after pay TV subscriptions. Spend on mobile and digital games was growing significantly, driven by micro transactions and cheap and easy distribution. These factors had also driven growth in MMO games and PC social network games, which had enjoyed respective compound annual growth rates over the period 2008-2011 of 16% and 213% respectively, with mobile games and apps having grown by 23%. Competition for dedicated games devices had escalated since the beginning of the last generation of devices in 2004/2005 as consoles adopted non-dedicated content and business models, and non-dedicated devices, such as iPad and Kindle, built gaming credentials. It was expected that there would be a significant loss in value for the next generation of console packaged games, with even bigger losses expected for handheld gaming devices. In Europe, over 50% of games spend would come from non-dedicated hardware in 2013.

Mr Keen explained that the breaking down of publishing and distribution barriers had driven new market entrants. However, open distribution, cheap development, and ‘free’ content posed clear challenges. These included the fact that the app market was extremely competitive: with over 190,000 iOS publishers and 35,000 new iOS games apps launching in 2012, business planning had become harder as the risk increased, scaling businesses was difficult, and operating costs were rising.

Gaming Apps

In April, Adrian Hon, CEO & Founder, Six to Start, spoke to Members about his company, which had created a successful game app, 'Zombies Run!' Launched in early 2012, this was a running game for iPhone and had become the top grossing health and fitness app worldwide.


Adrian Hon

Mr Hon explained that Zombies Run! provided a story, narrated through headphones, in which the user was chased by zombies whilst they went jogging. Their position was tracked by GPS, meaning that their progression in the game was linked to the speed and distance that they ran. The 30 part story had been written by Naomi Alderman and had used British actors for the audio. The game had been made on a very small budget, and instead of using developers to process the content, they had set up a web based system so that the writers and script editors could do everything themselves. The project had been funded through Kickstarter, a crowdsourcing website, where members of the public could pledge small amounts in order to fund projects that they thought looked interesting. Those who pledged were offered rewards, for example, for a $10 pledge one might receive a copy of the finished product, and for a larger pledge the donor might have a character named after them. Six to Start had created a promotional video for the game, and had raised $72,627 from 3,500 backers in a month. They had supplemented this with money from other work that the company was doing in order to make the game. This method of raising finance enabled the company to retain more creative control than, for example, approaching a commissioner at a public funding body would have.

The game had made several times more money than the original value of pledges from Kickstarter and was unusual in that most iPhone games that made money were sold at a much lower price point. Zombies Run! cost $8 and was the most expensive iPhone game in the top 200 paid apps. 70% of sales were to the US, and only 7-8% were in the UK. However, whilst the game was making money, it was not generating jobs, as Six to Start had only five full-time employees and did not need more.

National Film & Television School

In April, as part of a regular item that enables Members to provide a personal view on issues of importance, Nik Powell, Director, National Film & Television School (NFTS), spoke to Members about the challenges that the School faced.

Mr Powell said that there was an urgent need for capital investment in the infrastructure of the UK's film schools. The NFTS and the London Film School (LFS) were established providers of post-graduate courses geared to industry demand and with a proven track record of success. Such providers were crucial to train world class talent and highly skilled technicians to maintain the global competitiveness of the UK industry. However, both Schools' ageing infrastructures limited their ability to expand their capacity and keep pace with technological change. There was also a need for the BBC to continue to fund skills, and the NFTS, as an established provider in this area. Finally, the fact that there was no proper provision for loans for post-graduate students was troubling as this lack of funds would inhibit those wanting to study core subjects at post-graduate level and limit the UK's ability to effectively compete with other territories.

Next Gen Campaign

In April, Theo Blackwell, Campaign Manager, UKIE, spoke to Members about the progress of discussions with Government on the campaign to reform teaching of ICT and make computer science part of the national curriculum.

Mr Blackwell explained that the Next Gen Campaign was a result of the recommendations of the Livingstone-Hope Review on the skills needs of the video games and VFX sectors. There was a demonstrable gap in the UK skills and talent pipeline for computer programmers. The current education system did not train enough computer programmers, and the current school teaching methodologies for technology and ICT were outmoded. The Next Gen Skills Campaign was set up and backed by UKIE with a coalition of industry partners, including BSAC. As a result of these activities, Government had now accepted that ICT teaching needed to be reformed and computer science pursued as a proper discipline, and the Campaign had consequently refocused its aim towards helping Government implement these changes. A consultation had been launched and issues that had been raised included:

- ICT was not seen as a high status subject, and any government intervention in the field would have to ensure that the prestige of the subject was enhanced amongst schools to encourage further take up

- the Department for Education needed to set out a route map of how to introduce reformed ICT and computer science in schools over the next two years

- investment in a new generation of teachers was needed

- in order to create a new generation of computer programmers, work needed to begin at primary school instead of at GCSE level

- foundational principles behind reformed ICT and computer science had to be established by government, industry and professional bodies, so that students and parents could assess the rigour of the courses offered.

Mr Blackwell said that some countries had struggled to define what an ICT course was and what a computer science course was. He argued that the UK should be focusing on the foundational principles behind computer science rather than on specific technology, and that the Government needed to show leadership in the development of the new curriculum.

Nominet

In November, Lesley Cowley, CEO, Nominet, spoke to Members about the work of her organisation and challenges for the future.

Ms Cowley explained that Nominet was responsible for the administration of the .uk domain as well as the running of the infrastructure behind domain names. In recent years, Nominet had scaled considerably to ensure the .uk domain worked consistently. The organisation also dealt with disputes around .uk domains, and endeavoured to resolve these through mediation. Nominet was a not-for-profit organisation with a public purpose of considering end-users and registrants when making decisions.

Nominet faced three challenges: growth, which had led to significant industry change; how to continue to deliver on its public purpose; and political scrutiny of internet governance. In the UK, the internet now accounted for more than 8.3% of GDP, which was bigger than sectors such as construction and agriculture, and was predicted to further grow to more than 12% in 2016. This raised challenges in terms of scaling the infrastructure, and also in terms of the growth of cyber-crime, which was costing the UK over £27bn per annum. Growth also gave rise to industry change: in 2013, new generic top-level domains would be introduced. There had been over 1,900 applications for new top level domains and there would be a process of assessment of these in the coming year. This brought opportunities as well as threats. Nominet would be running a registry for .cymru and five other new top level domains, however greater consumer choice made it more difficult to maintain the .uk market presence. Nominet had to decide how to respond to these changes and also how to deliver on their responsibilities to the UK public.

In terms of delivering on Nominet's public purpose, the organisation operated on a stakeholder model, as opposed to .com, which operated a commercial shareholder model. Nominet devoted a stream of work around consumer and business education, which included a number of issues that consumers faced online, such as how to use Twitter without falling foul of defamation legislation or how to deal with copyright issues. In delivering on their public purpose Nominet engaged with the UK Government on law enforcement issues. Nominet were also interested in how to make .uk more secure. They had recently published for consultation some proposals about an enhanced validation process for the upcoming .uk registry entry, so as to increase consumer trust in this domain. Nominet also ran the Nominet Trust, which was a charitable foundation with profits directed towards facilitating economic growth and social change through the internet.

In terms of political scrutiny, Nominet worked across the relevant Government departments at national level and consulted businesses, end users and academics. There was an ongoing national debate over how the internet should be regulated. In the UK, there was a generally accepted principle that the industry would respond more quickly to issues internally than if the legislative process was used. The same model applied globally at present, and Ms Cowley and others were involved in global discussions on the domain name part of the industry. In recent years there had been increasing UN and intergovernmental interest in different models for internet regulation, particularly from the Internet Governance Forum. The International Telecommunications Union (ITU) was also taking a growing interest. A summit would be held shortly where the ITU and its supporters would propose a framework for intergovernmental oversight of the internet.

Ofcom

In November, David Mahoney, Director of Content Policy, Ofcom, spoke to Members about the challenges that the organisation faced, as part of a regular item that enabled Members to provide a personal view on issues of importance.

Mr Mahoney explained that the pace of change witnessed in relation to media was not borne out by data on consumer behaviour: linear TV consumption was extremely stable, and was predicted to remain so over the coming years. The current metrics focused on quantitative data in terms of the number of hours of content consumed. In the future there might be a need for more sophisticated data sets in order to measure consumer behaviour. Governments and regulators also relied on data in order to make important policy decisions, for example, the changing economics of newspaper publishing was something that would need to be addressed. Mr Mahoney noted that the internet had raised difficulties with regards to jurisdiction, which was fundamental to the regulation of media. It would be necessary to consider carefully how regulators could best operate in the future to deal with this issue.

Olympics

In September, Tim Plyming, Project Executive, Digital, & Editor, Live Sites, BBC; Peter Bury, Director of Spectrum Policy, Ofcom; and Mike Kelt, CEO, Artem; spoke to Members about the delivery of the Olympic Games.

Mr Plyming explained that London 2012 was the first time that it had been possible to provide comprehensive coverage of minority sports, as there had not previously been the platform availability to do this. The BBC had delivered on its commitment to provide 3,000 hours of content on up to 24 events live at any one time, over the full 16 days of the competition period, and across a range of platforms. 90% of the population had watched at least 15 minutes of content, and the number of people accessing coverage beyond the network channels had surpassed expectations. The BBC had provided 24 channels under the description of 'red button' services across platforms, and 42% of the UK population had accessed that content. During the Olympics there had been a peak of 8 million unique users to the BBC Sport website on a daily basis, as well as approximately 2 million additional users worldwide. During the Games, 1.5% of all UK internet traffic had been to BBC coverage. The legacy for future events in terms of product design and technical build, which had been undertaken by the BBC, was considerable. There had been a page on the BBC website for every athlete, which in total amounted to 10,000 pages; these used metadata and included video, audio and statistics. The BBC had also experimented with ultra-high definition, working with the Japanese broadcaster NHK and the Olympic Broadcasting Service, to film the Olympic Games in ultra-high definition for the first time, a level of detail which could recreate exactly the physical experience of being in a seat at the stadium.

Mr Bury explained that the Government had committed Ofcom to deliver the spectrum needed for the Olympic Games free of charge. The Olympics had increasingly utilised wireless spectrum in order to deliver greater flexibility, mobility and creativity, and one of the challenges that Ofcom had faced had been that London was already one of the densest radio environments in the world. An extra 14,000 technical assignments had to be fitted into a radio spectrum that was already full, plus an additional 13,000 that were not directly related to the Olympics. It had been critical for the successful delivery of the Games that these wireless links worked flawlessly. The mobile network had worked very well, considering the immense capacity pressure that had been placed on it: the level of demand for mobile service, particularly for video over mobile, had been very high.

Mr Kelt said that Artem had supplied some of the special effects and props for the Olympics Opening and Closing Ceremonies, along with a number of other suppliers. Artem had become involved in the tender process in October 2011, but had not been permitted to start work until February, due to contractual obligations and the release of funds. Danny Boyle had been emphatic that he had wanted the audience in the stadium to have a good experience, rather than the Ceremonies being designed purely for the viewers at home. This had been achieved. Artem's special effects included smoke from giant chimneys, pyrotechnics around the molten metal, wind to flutter flags and even rain in the stadium over the flown house, which they also built. Other scenic props included the child catcher carriage, giant puppets such as Voldemort, the trampoline and telescopic beds for the jumping children, a giant babies head and the Octobus, where an octopus emerged from a period bus for the Closing Ceremony. The undertaking had been extremely complex in terms of logistics, security and various sustainability issues.

PACT

In June, John McVay, CEO, PACT, spoke about the challenges PACT faced in policy terms, as part of a regular item that enables Members to provide a personal view on issues of importance.

Mr McVay said that he was concerned that intellectual property rights were perceived as a hindrance to economic development, particularly in the Hargreaves Review and the subsequent Hooper report. In particular, he expressed concern that Government legislation, such as the introduction of compulsory pricing mechanisms, would remove value from the industry, reduce the ability of producers to recoup their investments and act as a disincentive to investment.

Another issue of concern was the broader perception of the creative industries. Mr McVay noted that, despite being worth 8% of GDP, and despite British independent producers being responsible for creating a strong global format industry, Government did not regard the sector as being a meaningful player, or recognise that it generated high level jobs, drove technology and created numerous opportunities for other sectors when considering exports or industrial policy. A coherent policy approach would benefit both the industry and the wider economy, for example, the broadcasting and production sectors should be invited to play a greater role in trade missions in order to capitalise on opportunities abroad.

Mr McVay was worried that independence, or increased devolution, for Scotland would cause a number of difficult legal and regulatory issues for the broadcasting industry in general and for PACT members in particular. This would adversely affect investment, and also the collection and allocation of the television licence fee.

Mr McVay was concerned that there was a failure of provision of an effective system of training and development to fulfill the requirements of the industry. He argued that greater emphasis should be placed on improving levels of diversity within, and on ensuring that there was a sufficient supply of entrants with the right quality skills to meet the needs of, the industry.

Raspberry Pi

In May, Eben Upton, Founder, Raspberry Pi, spoke to Members about this device, which is used to teach computer programming.

Mr Upton said that the widespread adoption of the BBC Acorn and ZX Spectrum in the 80s and early 90s had allowed technologically minded children to develop basic computer programming skills. However, the rise in games consoles, which use pre-packed software on a closed platform, had contributed to a decline in the development of these skills, and consequently in the calibre of computer science applicants to universities. Many computer science courses had been forced to redesign towards focussing on teaching introductory level skills. This situation had now passed through into industry and companies were recruiting experienced programmers in preference to new graduates.

Mr Upton explained that Raspberry Pi was an affordable, $25-35, computer, with powerful media and graphics capabilities, which was both programmable and came bundled with the tools that an average user could use to write their own programmes. The product had been released in February. Raspberry Pi was an IP licensing organisation, where board design and trademarks were licensed for production and distribution. 50,000 units had been shipped to date worldwide, and the product had benefited from the publicity around the Livingstone-Hope Report and Government review of ICT education. A significant drive to encourage uptake amongst children would be launched in due course, which would offer prizes for programming challenges and would also include the creation of an App store, to allow children to distribute and monetise any programmes or games that they created. Products such as Raspberry Pi would have transformational effects in the long term as children developed computer programming skills and passed through the education system into industry. However, in the medium term, the decline in such skills could adversely affect the competitiveness of the UK's creative and technology industries.

Support for the Creative Economy

In October 2012, BSAC responded to the Culture, Media & Sport Select Committee call for evidence on their inquiry into support for the creative economy. The response took the form of a letter highlighting BSAC's previous recommendations in areas such as access to finance, the IP regime and skills.

TV Consumption Trends in the Multi-Screen Era

In October, Ben Keen, Chief Analyst, IHS Screen Digest, presented a BSAC Business Briefing on TV consumption trends in the multi-screen era.

Mr Keen said that linear TV viewing had remained remarkably resilient, having increased by 8% since 2004. Non-linear viewing was becoming an increasing part of total viewing, but was still relatively small. In DVR homes in the UK, only 15% of viewing was time-shifted. The industry had entered a multi-screen era, and connected devices would be mass market in the US and the big 5 European markets by 2015. The biggest growth would be in connected TVs. There would also be considerable growth in Blu-Ray disc players and stand-alone set top boxes, such as Apple TV and Roku, an American stand-alone internet TV box that had now launched in the UK and Europe.

A shift was occurring in terms of consumer behaviour for the viewing of catch-up delivered content, such as that provided by BBC iPlayer or ITVPlayer, in that viewers were switching to accessing this through tablets or other mobile devices instead of from their PC's. Currently pay TV catch up services were in support of the core subscription business model, but some experimentation with unbundling multi-screen from the core offer was already occurring. Competition in the online video sector was intensifying. While subscriptions had often struggled online, moves by major international players such as Netflix and LOVEFiLM had started to change this. Sky had launched Now TV, its own stand-alone proposition. On Netflix, consumers were moving from viewing movies towards a much higher consumption of TV shows. In 2007, 53% of views were of TV content, and in 2011, that figure had risen to 73%. It was clear that multi-screen developments were driving up total TV viewing.

VoD Trends

In January, Ben Keen, Chief Analyst, IHS Screen Digest, presented an update on Video-on-Demand (VoD) trends, which had been commissioned by BSAC, and Simon Calver, Chief Executive, LOVEFiLM, and Jacob Ahlin, Head of Film, BT Vision, gave their perspectives on the VoD market. A BSAC Business Briefing paper was issued separately to accompany the presentation.

Mr Keen explained that as well as closed-pipe distribution of VoD to a set top box, VoD was distributed via the internet through different channels and devices, and increasingly the difference between the two was blurring. For example, Sky's multi-screen strategy included delivering content through Sky Go to multiple devices over the open internet, as well as an on-demand service to the traditional set top box and TV. The market for VoD was worth close to £500m. Pay TV VoD revenue was £191m, and online revenue was £260m (including revenues generated from advertising). Players in the market included: free-to-air broadcasters, with primarily catch-up on-demand services; pay TV companies, offering both closed and open network services; retailers, such as Blinkbox and HMV; YouTube; LOVEFiLM and Netflix with subscription streaming propositions; and the US studios.

Currently, 8% of total viewing was non-linear, the biggest proportion of which was DVR time shifting, and over half of UK households now had access to an on-demand pay TV platform. In terms of revenue, the pay TV segment was not growing dramatically, but would be expected to reach about £245m by the end of 2015. The UK was one of the largest pay TV on-demand markets globally, worth 6% of the total market, while the US was worth 50%. The vast majority of VoD viewing consumption did not have a direct payment associated with it, nor was it part of an existing subscription service. 96% of consumption of pay TV on-demand was constituted by TV programming. Movies made up a relatively small proportion of consumption, just over £100m in 2011. The online movie market was worth just over £50m in revenue terms. TV was worth over £200m, 60% of which was delivered by advertising supported free-to-view catch-up services. Rental type transactions for movies online were driving more of the value with retail flattening off somewhat. In terms of the overall consumption of video viewing online, user-generated content still made up the vast majority of viewing. IHS Screen Digest expected overall revenues for online TV content to double by 2015. In any part of the market, having a coherent device ecosystem was what secured strong business in this space.

Mr Calver argued that the development of the VoD market presented a huge opportunity for UK audiovisual. There would be more experimentation between different business models (subscription, transactional, ad-funded) than had historically been the case, with the broadcasters likely dominating ad-funded VoD. The studios would have to recognise that their maintenance of high prices for long periods of time was increasing the appeal of pirated content, and that the best way to combat piracy's foothold in the market was through competitive pricing. Providing an easy to use experience for the consumer was also important. Providing a VoD service across different devices was difficult and expensive as there was no standard format, and games consoles would be important in this space due to backwards compatibility. Changes in the market, resulting in increased competition for content rights, represented an opportunity for independents going forward. There would be more competition across different windows, with LOVEFiLM focussing on the emergence of a second pay window. It may be that broadcasters would not be able to come in as early as they had done historically. There would also be an increasing blurring of windows, for example, LOVEFiLM had offered an online premium film that had sparked enough interest to trigger it returning to theatrical distribution. He argued for the importance of experimentation to create demand and awareness for content.

Mr Ahlin said that convergence meant that companies were no longer defined by their method of delivery. For example, LOVEFiLM, which would once have been categorised as an internet VoD service, was now available through televisions. Windows were becoming increasingly complicated. BT Vision had launched second pay windows two years ago, running parallel with LOVEFiLM in some instances. Netflix had carved out what they termed a third pay window. A lot of people were concerned about cannibalisation. He expressed interest over the consumer appetite for new business models, such as UltraViolet, as only 15% of customers redeemed digital copies of triple plays, and the proposition did not include iTunes which had a 70% market share. Competing ecosystems and windows experimentation, where there was no longer a 'one stop shop' to access a complete offering on movies, would cause fragmentation. With multiple services increasingly bidding for exclusivity consumers would need to take out multiple subscriptions in order to access a comprehensive range of content. The industry needed a more holistic approach across the different platforms.

YouView

In September, Richard Halton, CEO, YouView, spoke to Members about the launch of the service and demonstrated the technology.

Richard Halton

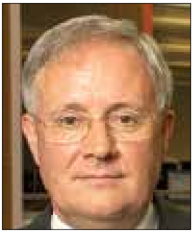
Mr Halton explained that YouView was a platform to provide entertainment and television products. It had seven shareholders and a technology platform developed with partners in the USA, South Korea, China, France and North Yorkshire. YouView consisted of a set top box with two HD tuners and a PVR with a 500GB hard drive, allowing it to decode Freeview in HD and record up to 300 hours in standard definition, or 150 hours in HD. The service functioned as a very high quality integrated Freeview and PVR, and when connected to broadband, would integrate with, and allow recording of, VoD services as offered by the broadcasters. It would also provide recommendations for similar content to that previously viewed. YouView utilised a uniform menu and allowed integrated access of content through an easily navigable EPG. It was also able to collect and transmit viewing habits back to the broadcaster. VoD programming could be viewed during broadcasts, eliminating the problem of missing the start of a programme. However, although YouView viewing was accessed through an integrated and broadcaster non-specific search menu, all control over the actual VoD material would remain in the hands of the broadcaster. YouView could also aggregate content by genre or by popularity. In total there were currently 15,000 shows that were accessible through YouView, which increased to 18,000 if the box was connected to a BT or TalkTalk line as they included access to their film libraries with their subscription. This would increase further shortly as Now TV was due to be added to the platform, which would offer additional access to paid content on a subscription basis.

Mr Halton said that ISP's recognised the potential of YouView and the ability to synergise television with their infrastructure. Dido Harding, CEO, TalkTalk, had announced that free YouView boxes would be sent to subscribers to the TalkTalk upper tier, which cost £14 per month. There was also scope for independent producers to take their content directly to market. Feedback from customers and reviews of YouView had been overwhelming positive, for example, citing the seamless integration between PVR and VoD services. The box would automatically upgrade its software regularly, and improvements and additional functionality would continue to be made going forwards.

BSAC Breakfast with Sir Michael Lyons

On 8 February, Sir Michael Lyons spoke to guests at a private meeting about his time as Chair of the BBC Trust.

The event was sponsored by Deloitte.



Michael Lyons

BSAC Meeting with Richard Hooper

In 2012, BSAC held two meetings with Richard Hooper to discuss his work on the Digital Copyright Exchange feasibility study. On 13 January, Richard spoke about the first phase of his work exploring issues affecting rights licensing, and on 6 June, he spoke about the second phase of his work on seeking appropriate industry-led solutions to rights licensing issues.

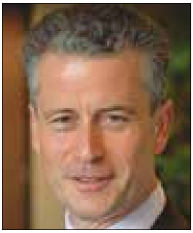
Both meetings were chaired by Stephen Edwards, Reed Smith.

Richard Hooper

BSAC Meeting with Robert Madelin

On 21 March, Robert Madelin, Director General, DG Information Society & Media, European Commission, spoke to Members at a private meeting about the Commission's work programme going forward.

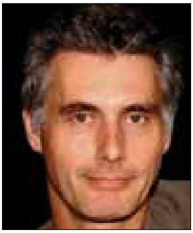
The meeting was chaired by John Enser, Partner, Olswang.



Robert Madelin

BSAC Film Conference

BSAC held its ninth annual Film Conference on 22 March. The Conference was chaired by Stephen Garrett, Chairman, Kudos Film and Television and Executive Chairman, Shine Pictures, and a BSAC Member. The presentations and panel discussions throughout the day focussed on the embracing of change across the value chain including in exhibition, online delivery and the pay TV market, as well as the future of storytelling.



Stephen Garrett

Highlights included Rob Arthur, Managing Director, Apollo Cinemas; Philip Knatchbull, CEO, Curzon Artificial Eye; and Fabien Riggall, Founder and Creative Director, Future Cinema, who discussed the reinvention of the theatrical experience and growing the brand in a session chaired by Peter Buckingham; Efe Cakarel, Founder and CEO, MUBI, a new online cinema community, in conversation with Bertrand Moullier; as well as Richard Cooper, IHS Screen Digest, on the latest industry trends.

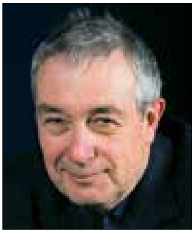
There were two panel sessions: a panel discussion considering embracing change, chaired by Marc Samuelson, Deputy Chairman, BSAC (panellists were Josh Berger, Warner Bros.; Michael Comish, Blinkbox; Mark Herbert, Warp Films; Peter Naish, Exclusive Media Group; and Ben Roberts, Protagonist Pictures); and a panel on the future of storytelling chaired by Stephen Garrett, conference chair (panellists were Anna Higgs, Channel 4; Michelle Kass, Michelle Kass Associates; Jason Kingsley, Rebellion; and Tony Wood, Lime Pictures).

The event was made possible by generous sponsorship from Time Warner.

A detailed summary is available on the BSAC website at www.bsac.uk.com

Data: The New Black Gold?

On 2 February, BSAC and Intellect jointly hosted a seminar on the use and ownership of data chaired by Adam Singer, BSAC Chairman.



Adam Singer

Derek Wyatt, BSAC Member, chaired a panel discussion on citizen concerns and whether the legal framework was fit for purpose (panellists were Dr Rob Reid, Which?; Nick Graham, SNR Denton; Steve Taylor, entrepreneur; and Donna Whitehead, Microsoft). Adam Singer chaired the discussion on how businesses are adapting to the new environment (panellists were Theo Bertram, Google; David Boyle, Zeebox; and Louisa Wong, Aegis Media, AMNET).

The event was sponsored by SNR Denton.

A detailed summary is available on the BSAC website at www.bsac.uk.com

Get Creative: Making the most of the global opportunities for the UK's creative and digital sectors

On 17 May, BSAC and Oliver & Ohlbaum Associates jointly hosted a conference to assess how well the UK was placed to benefit from the globalisation of the creative and digital sectors, and what could be done to improve its prospects by the industry, Government or other regulators.

Ajay Chowdhury

Mark Oliver, Oliver & Ohlbaum, provided in-depth factual presentations to support the discussions starting with an introductory presentation, 'The Challenge to the UK', outlining the UK's current position in the global creative and digital media sectors, as well as short presentations to support each panel discussion.

The morning sessions were chaired by Ajay Chowdhury, CEO, ComQi and a BSAC Member, starting with a panel discussion on do we have the brands, virtual networks and infrastructure (panellists were Nick Blunden, Economist Group; Bill Bush, Premier League; Graham Hales, Interbrand; Frank Mather, DG Connect, European Commission; and Kip Meek, Communication Chambers) and a panel discussion on whether the UK has the skills, research infrastructure and finance necessary for success (panellists were Dave Coplin, Microsoft; Anne Glover, Amadeus; John Hahn, Providence Equity LLP; Rob Lewis, rara.com; and Professor Paul Moore, University of Ulster).

The afternoon was chaired by Adam Singer, BSAC Chairman, starting with presentations from Baron Birt, of Liverpool in the County of Merseyside; David Elstein, Open Democracy; and Dr Damian Tambini, LSE, setting out what they thought that the UK Government should focus on in terms of direct intervention or establishing fair rules, and a panel discussion on the most important areas requiring action by Government (panellists were Andrew Barron, Virgin Media; Sarah Hunter, Google; Robert Levine, Author *Free Ride;* Andrew Miller, Guardian Media; and Mark Wood, Future). Jon Gisby and Mark Selby brought the conference to a close, reflecting on what they had learnt over the day.

A detailed summary is available on the BSAC website at www.bsac.uk.com

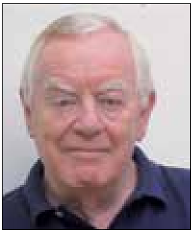
OFFICERS AND STAFF

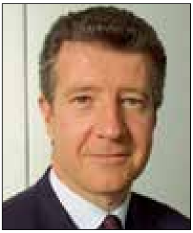
Honorary President
Lord Attenborough of Richmond-upon-Thames

Chairman
Adam Singer

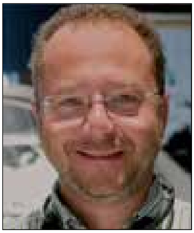
Honorary Deputy Chairman
Michael Flint

Deputy Chairmen


Michael Deeley


Mark Devereux


John Howkins


Marc Samuelson

Working Group Chairs

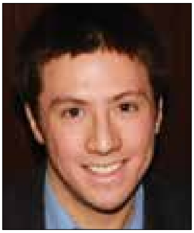
BFI Future Plan	*Jane Wright*
Board of Directors	*Adam Singer*
Communications Review	*Adam Singer*
Copyright Consultation	*Mark Devereux*
Creative Sector Tax Breaks	*Michael Ridley*

Chief Executive
Fiona Clarke-Hackston

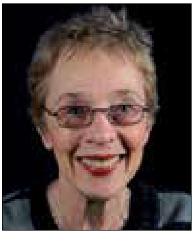
Policy & Communications Manager


Sarah Stevens

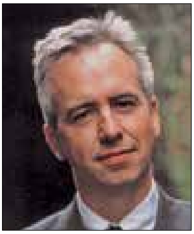
Administrator


George Kestner

Consultants

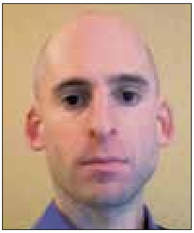


Helen Baehr

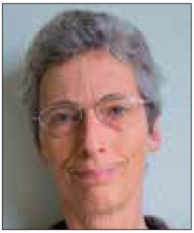


Ben Keen

Bertrand Moullier



Jonathan Simon



Judith Sullivan

Accountant

Doug Abbott MA FCA

Council Administration and Membership

How BSAC Operates

BSAC normally holds eight Council meetings a year and requires a quorum of fifteen Members. Agendas for the meetings are varied according to issues facing the industry, and comprise business and public policy issues. Members unable to attend a specific Council meeting may nominate a substitute who must be approved by the Chief Executive. However, Members are still required personally to attend a minimum of three Council meetings a year.

Much of BSAC's work is handled by Working Groups set up on an ad hoc basis to deal with issues. BSAC also has a valuable network of co-opted Members, particularly Associate Members, who are invited to serve on Working Groups where a particular field of expertise not represented on the Council is needed. Reports from Working Groups are given to Council regularly and on such occasions the full Council's endorsement is sought. Wherever possible the Council seeks support from all Members on policy issues. On rare occasions where proposals are not fully supported the Council seeks to illustrate, where possible, the degree of support and, in general terms, who supported, and who the dissenters are, with their reasons.

BSAC also undertakes work of a 'blue skies' nature, enabling a variety of viewpoints and opinions to flourish. Such work is either developed by working groups or in Chatham House style meetings. Reports of this work are generally available only to Members, except for occasions when the membership supports wider dissemination.

In addition to the Chairman, the Council is served by four Deputy Chairmen.

The Board

The Board meets according to need and comprises the Chairman, four Deputy Chairs and the Chief Executive. A quorum of two of members of the Board is required. It provides appropriate financial oversight and deals with membership issues. It also acts as a forum within which the Chief Executive can seek views on the Council's strategy and work programme.

BSAC's Links with Government and Regulators

BSAC maintains strong links with Government. Civil servants and policymakers from the key departments with responsibilities for the audiovisual industries, such as DCMS and BIS, are regularly invited to participate in Council meetings and events. John

Whittingdale MP, the Chairman of the Culture, Media and Sport Select Committee, and David Mahoney, Director of Content Policy, Ofcom, also attend as Observers. BSAC also invites representatives from the Treasury, other Government departments and regulators, and the European Commission to attend meetings where appropriate. BSAC holds frequent meetings with EU officials and MEPs. BSAC is non-party political.

Associate Membership

Associate Membership provides an effective mechanism whereby companies and institutions can formalise a relationship with BSAC through attending events, receiving minutes, reports and other information. Unlike Membership, Associate Membership is available on a corporate not individual basis. Many representatives of Associate Member companies assist BSAC's work by serving on Working Groups or undertaking research on a pro-bono basis. The Council is appreciative of this support.

COUNCIL MEMBERS

Members

Membership information given below relates to December 2012.

Honorary President

Lord Attenborough of Richmond upon Thames

Chairman

Adam Singer	*Consultant, Cordelia Consultancy*

Honorary Deputy Chairman

Michael Flint

Deputy Chairmen

Michael Deeley	*Producer*
Mark Devereux	*Senior Partner, Olswang*
John Howkins	*Director, ITR & Co.*
Marc Samuelson	*Director, Samuelson Productions*

Members

Jacob Ahlin	*Head of Film, BT Vision*
Chris Auty	*National Film & Television School*
Jolyon Barker	*Partner, Deloitte & Touche*
Mark Batey	*Chief Executive, Film Distributors' Association*
Josh Berger CBE	*President & Managing Director, Warner Bros. Entertainment UK, Ireland & Spain*
Magnus Brooke	*Director, Regulatory Affairs, ITV*
Jim Buckle	*Managing Director, LOVEFiLM*
Anne Bulford OBE	*Group Finance Director, Channel 4*
William Bush	*Director of Communications and Public Policy, Premier League*
Dinah Caine OBE	*Chief Executive, Creative Skillset*
Lavinia Carey OBE	*Director General, British Video Association*
Ajay Chowdhury	*Chief Executive Officer, ComQi*
Larry Chrisfield	*Independent Tax Consultant*
Phil Clapp	*Chief Executive, Cinema Exhibitors' Association*
Michael Comish	*Chief Executive Officer, Blinkbox*
Luke Crawley	*Assistant General Secretary, BECTU*
Arvind David	*Chief Executive Officer, Slingshot*
Jonathan Davis	*Consultant*

Ivan Dunleavy	*Chief Executive, Pinewood Shepperton*
David Elstein	*Independent*
Claire Evans	*Head of Operations and Business Affairs, BBC Fiction*
Lady Falkender	*Life Peer and Company Director*
Ray Gallagher	*Independent*
Stephen Garrett	*Chairman, Kudos Film and Television and Executive Chairman, Shine Pictures*
Rupert Gavin	*Chief Executive Officer, Odeon & UCI Cinemas*
Jon Gisby	*Independent*
Andrew Hall	*Senior Vice President and Head of Legal and Business Affairs, Universal Pictures and Entertainment*
Andrew Harrison	*Chief Executive Officer, RadioCentre*
Fred Hasson	*Chairman, GamesCapital*
James Heath	*Controller of Policy, BBC*
Sarah Hunter	*Head of UK Public Policy, Google*
Sophie Jones	*Head of Public Affairs, Channel 4*
Mike Kelt	*Managing Director & SFX Supervisor, Artem Visual Effect*
Jason Kingsley	*Chief Executive Officer, Rebellion*
Philip Knatchbull	*Chief Executive Officer, Curzon Artificial Eye*
Jane Lighting	*Independent*
Anthony Lilley OBE	*Managing Director, Magic Lantern Productions*
Sarah Mackey	*Chief Executive, UK Screen Association*
Gavin Mann	*Partner, Media & Entertainment, Accenture*
Charlie McAuley	*Vice President & Manager Director, Paramount Home Entertainment UK & Ireland*
Cameron McCracken	*Managing Director, Pathé UK*
John McVay	*Chief Executive, PACT*
Kip Meek	*Independent*
Adam Minns	*Director, COBA*
Roger Morris	*Managing Director, Elstree Studios*
Amanda Nevill	*Director, British Film Institute*
John Newbigin	*Chair, Creative England*
Kevin Newport	*Senior Vice President Broadcast Services Digital Content Delivery, Technicolor*
Rebecca O'Brien	*Producer, Sixteen Films*
Jonathan Olsberg	*Chairman, Olsberg-SPI*
Julia Palau	*Producer, Tusk Productions*
Caroline Parkinson	*Director of Creative Development, Creative Scotland*

Simon Perry CBE	*President, Ateliers du Cinéma Européen*
Matthew Postgate	*Controller, Research and Development, BBC*
Nik Powell	*Director, National Film & Television School*
Tim Richards	*Chief Executive Officer, Vue Entertainment*
Matthew Rogerson	*Senior Public Affairs Manager, Virgin Media*
Mark Selby	*Independent*
Martin Stott	*Head of Regulatory Affairs, Five*
Nick Toon	*VP UK Public Policy, Time Warner*
Jo Twist	*CEO, UKIE*
David Wheeldon	*Director of Public Affairs, BSkyB*
Adrian Wootton	*Chief Executive Officer, Film London*
Jane Wright	*Independent*
Derek Wyatt	*Independent*

Permanent Observers

David Mahoney	*Director of Content Policy, Ofcom*
John Whittingdale OBE MP	*Chair, Culture, Media & Sport Select Committee*

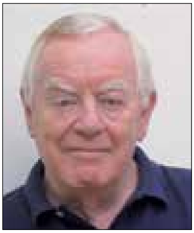
ASSOCIATE MEMBERSHIP

Associate Membership applies on a corporate not individual basis. Associate Membership information given below relates to December 2012.

BBFC	*David Austin, Senior Policy Advisor*
Centrespur Corporate Services	*Timothy Nicholas, Chief Executive Officer*
DLA Piper	*Michael Ridley, Partner*
Ingenious Media	*Martin Smith, Adviser to the Chief Executive*
KPMG	*David Elms, Partner, Corporate Finance*
Mavens of London	*Daniel Singer, Director of Strategy*
Michael Simkins	*Nigel Bennett, Partner*
PricewaterhouseCoopers	*Phil Stokes, Entertainment and Media Leader*
Reed Smith	*Stephen Edwards, Head of Media and Entertainment Group*
Royal Bank of Scotland	*John Dixon, Head of Media*
Sopher & Co.	*Martyn Atkinson, Senior Manager*
SNR Denton	*Ingrid Silver, Partner, Technology, Media & Telecoms*
The Moving Picture Company	*Mark Benson, CEO*

HONORARY TREASURER'S REPORT

The Council's funds are provided by companies, organisations and individuals within the industry. BSAC operates a subscription scheme directly related to membership of the Council. Invitations to membership are made to selected individuals rather than the organisations they represent. Members without an organisation behind them also pay a modest subscription.


Michael Deeley

BSAC would like to thank the following, which have provided support in 2012 either through subscription membership, Associate Membership, sponsorship or sponsorship in kind such as use of premises or materials.

Accenture
Ateliers du Cinéma Européen (ACE)
Artem Visual Effects
BlinkBox
British Board of Film Classification (BBFC)
British Broadcasting Corporation (BBC)
British Film Institute (BFI)
British Telecom (BT)
British Video Association (BVA)
Broadcasting Entertainment Cinematograph and Theatre Union (BECTU)
BSkyB
Centrespur Corporate Services
Channel 4
Channel 5 Broadcasting (Five)
Cinema Exhibitors Association (CEA)
ComQi Holdings
Creative England
Creative Scotland
Curzon Artificial Eye
Deloitte & Touche
DLA Piper
Elstree Studios
Film Distributors Association (FDA)
Film London
Google
Ingenious Media
ITV
KPMG
LOVEFiLM
Magic Lantern Productions
Mavens of London
Michael Simkins
NBC Universal International
Odeon & UCI Cinemas
Ofcom
Oliver & Ohlbaum Associates (O&O)
Olsberg-SPI
Olswang
Pathé Pictures
Pinewood Shepperton
Premier League
PricewaterhouseCoopers
Producers Alliance for Cinema & Television (PACT)
RadioCentre
Rebellion
Reed Smith
Royal Bank of Scotland (RBS)
Samuelson Productions
Shine Pictures

Skillset
SNR Denton
Sopher & Co.
Technicolor Network Services
The Moving Picture Company
Time Warner
Tusk
UK Interactive Entertainment (UKIE)
Virgin Media
Vue Entertainment
Warner Bros. Entertainment UK

In 1997 BSAC established a sister company, BSAC Events Ltd, through which all events are run. BSAC is a non-profit making organisation and operates with limited resources. BSAC endeavours to keep costs for all events as low as possible through sponsorship.

DOCUMENTS PUBLISHED IN 2012

BSAC produces a range of papers over the year. The following are available for general use:

1. 'BSAC Business Briefing: Video-on-Demand Market Status Update' – January 2012

2. 'Data: The New Black Gold?' Summary of seminar on use and ownership of data – February 2012

3. 'Aide Memoire on Data Protection Issues' Prepared for BSAC by SNR Denton – February 2012

4. 'DCMS Consultation on the European Commission's proposal for a Creative Europe programme' Response from BSAC – March 2012

5. BSAC Annual Report 2011 – March 2012

6. 'Government Consultation on Copyright' Response from BSAC – March 2012

7. 'BSAC Business Briefing: UK Movie Market Update' – March 2012

8. BSAC Film Conference Report – April 2012

9. 'Communication from the Commission on State Aid for Films and other Audiovisual Works' Response from BSAC – June 2012

10. 'BFI Future Plan: New Horizons for UK Film' Response from BSAC – June 2012

11. Letter to Amanda Nevill with further thoughts on the BFI Future Plan – June 2012

12. Letter to HMRC on draft guidance for Enterprise Investment Schemes – July 2012

13. Letter to HMRC on revised draft guidance for Enterprise Investment Schemes – August 2012

14. Report of 'Get Creative' Conference – August 2012

15. 'Consultation on Creative Sector Tax Reliefs' Response from BSAC – September 2012

16. 'DCMS Communications Review' Response from BSAC – September 2012

17. 'The Role of the Intellectual Property Office' Comments from BSAC – September 2012

18. 'BSAC Business Briefing: TV Consumption Trends in the Multi-Screen Era' – October 2012

19. 'Creative Sector Tax Reliefs: Cultural Tests for Animation, High End TV & Video Games' Response from BSAC – October 2012

20. Letter to the Culture, Media & Sport Select Committee in response to the call for evidence on Support for the Creative Economy – October 2012

21. 'BSAC Business Briefing: Games Consumption Trends' – November 2012

Issued: March 2013
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