



S4C

**Rhyngwladol
International**

Y Gronfa Cynnwys Masnachol
The Commercial Content Fund



FUND OVERVIEW



It is an exciting time

to be working in the creative sector in Wales. Great local stories, well told, are transcending geography and language to be enjoyed by global audiences. The door is open to take the best Welsh content out to the world.

The Commercial Content Fund has been created to fully realise new commercial opportunities for S4C content and producers.

The Commercial Content Fund will work with Wales-based companies and Welsh-language producers to develop and produce ambitious, commercially appealing content made in Wales and sold internationally and in new markets.

We will support distinctive Scripted and Unscripted content that has potential to make an impact in the market. We will also invest in commercially-appealing intellectual property - such as books, games, animation and content-based tech.

By supporting these projects, we can showcase Welsh culture and creativity to the world and contribute to the growth of skillset and commercial success of the Welsh-language sector.

DEVELOP POTENTIAL



Y SWŪN



WHAT IS THE COMMERCIAL CONTENT FUND?

The S4C Commercial Content Fund is a new investment fund that is being established by S4C Rhyngwladol Cyf (S4C International) - a commercial subsidiary of S4C, the Welsh public service broadcaster.

The Fund will make commercial investments in S4C content where funding is required beyond S4C's standard programme licence fees and where there is opportunity to generate a return on investment.

As well as generating financial returns for S4C, the Fund aims to support production companies in creating commercial opportunities, developing commercial skills and extending reach and recognition for S4C content.

WHY HAS THE FUND BEEN CREATED?

S4C International recognises that there are market opportunities for Welsh-language content and content-based intellectual property created in Wales.

This was seen with the recent sale of **Dal Y Mellt** to Netflix, and the global distribution of S4C/Channel 4 co-production **Y Golau/Light in the Hall** and **Gwledd/The Feast**. Global audiences have become accustomed to subtitles, largely as a result of streaming services and the success of non-English drama at the Oscars.

The Commercial Content Fund has been launched to work with producers to access these opportunities by developing, co-producing and financing content that has clear commercial appeal with reputational value an additional consideration.

By encouraging innovative deal-making and providing access to: finance; resources; expertise; global partners and strategic funding, we believe there can be mutual and long-term benefits to producers, S4C and the Welsh creative sector.





WHAT ARE THE REQUIREMENTS TO BE ELIGIBLE?

- Any S4C production with strong potential to generate a commercial return on investment, and where the creative scale and ambition means the cost is currently beyond S4C's standard licence fees.
- Any development intended for S4C/Welsh language audience that has potential for commercial success as well as a level of distinctiveness that will attract collaborative partners. The project should come via a production company or producer based in Wales that makes or intends to make Welsh language content.
- Productions can be any genre, however investment priorities will be aligned to S4C's commissioning priorities and to those genres most likely to deliver the financial and strategic aims of the fund.
- Priority will be given to projects that come with a clear commercialization plan and sales forecasts that demonstrate a commercial return, but we will work with companies to achieve this

COLLABORATIVE PROJECTS



SAM TÂN

TALENT GROWTH



WHAT ARE THE FUND'S STRATEGIC OBJECTIVES?

- To deliver financial return on investment.
- To act as a catalyst for growth in the creative economy of Wales by enabling new commercial opportunities to be realised and skills to be developed.
- To increase the impact, reach and recognition of S4C and S4C content.
- We are also interested in projects that will attract co-funding and co-production partners and creative projects that embrace innovation, scale or world exclusivity.

HOW MUCH FUNDING IS AVAILABLE?

£1 million per year across development, production and loans.

Each investment will be considered individually and awarded relative to the size of the commercial opportunity, as well as other non-financial goals such as creative impact or involvement of named talent on/offscreen.



WHAT KIND OF CONTENT WILL THE COMMERCIAL CONTENT FUND INVEST IN?

The Fund expects to see particular opportunity in scripted, premium unscripted, unscripted formats and pre-school children's content. We would expect our investment to contribute to the overall funding of a production and to enhance creative and commercial impact.

While the focus of the Fund will be investment in S4C commissions, the Fund will also consider investing in development projects that are principally being developed for S4C.

In addition, the Fund will also offer production cashflow loans for example to cashflow tax credits or Welsh Government grants. This will provide an alternative source of cashflow finance where the market currently underserves the need of S4C's producers.



SUPERATED



INVESTMENT VALUE

WHAT CAN THE FUND'S INVESTMENTS BE USED FOR?

Development (£1k to £50k per project)

- Investment in development materials: e.g. treatments; taster tapes; pilots; scripts.
- Investment in rights: e.g. book options.
- Investment in attracting on/off screen talent
- Investment in commercialisation of S4C content and brands or characters emanating from S4C content (e.g. events, marketing & promos).

Production (£50k -£300k per project. Production Investment not to exceed 15% of the total budget)

- Investment in costs of production that adds onscreen value.
- Investment in co-produced projects requiring multiple funders. These may involve non-Welsh or multi-lingual versions being produced with the involvement of other broadcasters.
- Investment that enables producers to secure 'match funding' investments.

Finance (£100k + per project)

- Cashflow loans against the UK TV or film tax credit, grants or equivalent funding.



WHAT INFORMATION WILL I NEED FOR THE APPLICATION?

(see application form for full requirements):

Development:

- S4C commissioning team and/or other funder 'expression of interest' (email is fine).
- Key contracts in place or under offer (e.g. rights agreements that demonstrate you have access).
- Development Budget.

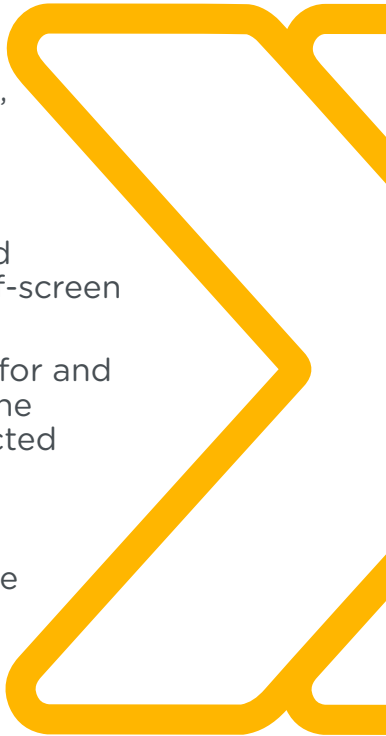
Production:

- Synopsis outlining the idea and the commercial opportunity.
- S4C Commissioning letter of intent (at standard tariff).
- Relevant contracts in place: other funders in the agreed funding plan; distributors; leading on and off screen talent attached.
- Where relevant: Script. Deck. Trailer or pilot; Cast/chemistry tape; Proof of intellectual property rights or underlying rights.
- S4C budget (& International co-pro budget, where relevant).

For Finance/Cash Flow Loans:

- Key contracts in place: funders in the agreed funding plan; distributors; leading on and off-screen talent.
- An accountant's letter confirming eligibility for and feasibility of securing the tax credit/grant; the timescale for receipt of funds and the expected value of the credit/grant.

Where deemed appropriate, a security will be required on investments, for example, insurance naming S4C International as a beneficiary.





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mercher**



WHAT ARE THE PRIORITY GENRES?

- Drama
- Specialist Factual
- Premium Documentary or distinctive series
- Distinctive Factual Entertainment Formats
- Childrens (under 6)
- Animation

For updates on current specific priorities, please contact Head of Fund claire.urquhart@s4c.cymru

WHAT IS THE BUSINESS MODEL OF THE COMMERCIAL CONTENT FUND?

The Commercial Content Fund will invest in S4C content that has demonstrable commercial opportunity.

Typically, the Commercial Content Fund will recoup its investment from distribution and commercial revenues and take a share in the ongoing net profits of the production. In some cases, a premium will be included on recoupment.

Future revenues are most likely to be generated from programme sales & distribution, but other commercial opportunities, e.g. licensing, would also be considered. Investment in development material will be recouped from the production budget on start of filming.

CONTENT GENERATION



HOW WILL THE COMMERCIAL CONTENT FUND FIT INTO S4C'S ORGANISATION STRUCTURE?

The Commercial Content Fund will operate within S4C Rhyngwladol Cyf (S4C International), which is a separate commercial company operating within the S4C group. It has clear financial and decision-making separation from S4C's public service activities. S4C International is overseen by S4C's CFO and reports regularly to the S4C Commercial Board.

The Fund will work collaboratively with colleagues across S4C, including forming a strong partnership with commissioning teams to identify need and opportunity for Fund investment.

AT WHAT STAGE WILL THE COMMERCIAL CONTENT FUND INVEST IN A PRODUCTION?

For investment in productions, the intention is that Fund investments are the final piece in production funding plans not the first. This will allow production companies to demonstrate commercial opportunity and routes to market through the attachment of other funding and distribution partners. It will also ensure effective use of the Fund's investments, triggering quick 'greenlights' and creating certainty over the use of investment funds.

The Fund may consider earlier investment in a production where it can see demonstrable and significant commercial opportunity, that would be enhanced by the Fund's early commitment.



PARTNERSHIPS



Y GOLAU



HOW WILL THE COMMERCIAL CONTENT FUND WORK WITH PRODUCTION COMPANIES?

While independent production companies are likely, through their ownership of rights, to be responsible for commercialising content, the Commercial Content Fund aims to be a collaborative partner that supports producers in delivering commercial success for S4C content.


The Fund will be available as a source of advice for production companies, recognising that some of S4C's suppliers have limited experience in or capacity for content commercialisation. The Fund will also draw on external advisors, e.g. with genre specific knowledge, both to provide scrutiny of investment proposals on behalf of the Fund and to provide expert insight and knowledge to the Fund and its production partners.

WHAT ARE THE BENEFITS OF COMMERCIAL CONTENT FUND INVESTMENTS?

The Commercial Content Fund provides producers with the opportunity to access a new funding source, with investment having the potential to add commercial and creative impact to productions.

The Fund is also dedicated to content commissioned by or developed for S4C, and is committed to supporting the global commercial opportunity for Welsh language content. Where producers do not already have an existing relationship, the Fund can help to find a suitable distributor and co-production partners.

CREATIVE POTENTIAL



HOW DOES MY COMPANY APPLY FOR COMMERCIAL CONTENT FUND INVESTMENT?

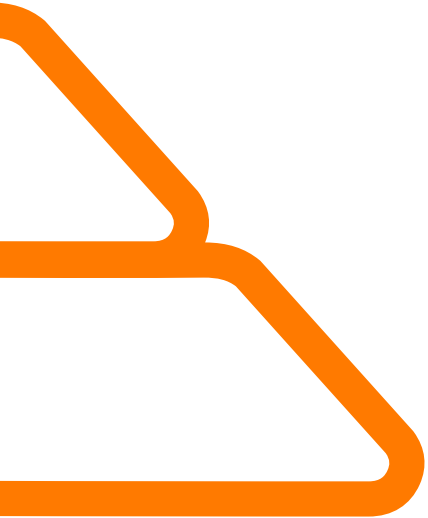
Please contact the Head of the Commercial Content Fund if you are considering applying for fund investment claire.urquhart@s4c.cymru

Alternatively you can fill in an Expression of Interest form, available on the S4C Production web page. We advise this before you make a formal application.

WHAT CRITERIA DOES THE COMMERCIAL CONTENT FUND CONSIDER IN MAKING INVESTMENTS?

The fund assesses the potential commercial return on its investment based on expected future revenues. As well as commercial return, the fund will also consider how investments deliver to its wider strategic priorities of delivering creative impact and developing skills and experience with the production sector in Wales.

There is a requirement that 75% of the production spend and/ or 75% of the production team are in Wales.





DAILY

WELL

