

StoryFutures – Small Medium Enterprise (SME) Company Agreement Principles and Summary of Terms to be included in final Collaborative R&D agreement

Companies (SMEs) selected will participate in a 4-stage process

1. **StoryLab:** A development process running Sept-Oct 2021 involving an open innovation event to build R&D collaborations with a research expert as well as taking part in a national, profile-raising call, to develop diverse talent.
2. **Production:** The collaborative R&D production of the prototype by the winning SME: Nov-May 21-22
3. **Showcase:** From June 22-Jan 23, the SMEs will be provided with a series of opportunities to showcase and test the prototype with audiences across the country, supported by StoryFutures R&D to gain rich audience insight into the immersive properties and commercial potential of the prototype.
4. **Post-showcase:** From Feb 2023, the SME will have the right to commercially develop the prototype for further distribution and funding.

Across all 4 phases the company agrees to abide by the our reporting requirements.

Phase 1 Key terms and principles:

- The SME confirms it will participate in the StoryLab innovation event, which will be attended by other SME companies signing the same contract. The SME must send 1-2 members of staff to take part. The event may be held on site or remotely subject to national health guidelines
- SME companies participating in StoryLab will be required to sign Non-Disclosure Agreements as part of the StoryLab Participation Agreements to enable an Open Innovation framework.
- By taking part the company warrants that it can deliver a prototype project by 1st May 2022
- Development covers the following activities:
 - 2-day attendance at StoryLab event;
 - Appropriate time developing ideas with selected academic partners to produce a short pitch deck of 2 x ideas;
 - Review and interview of a shortlist of diverse creatives to join your project team

- Neither StoryFutures nor its Partners will acquire any rights in the Participant's IP by virtue of the Participant's involvement in phase 1.
- Up to 10 VR project partnerships between SMEs and academics participating in the StoryLab will be awarded a Collaborative R&D commission to work with StoryFutures and its partners – the decision of who to award the R&D contract to is by the judging panel and is final. For the sake of clarity, there is no right of appeal.
- Reasonable, pre-approved 2nd class, travel expenses will be reimbursed by StoryFutures for participation in the StoryLab event.

Phase 2: The principles of 'winning SME' contracts are as follows:

- £50,000 production budget for an R&D collaborative project. This funding model is an R&D collaborative programme and therefore is deemed to be outside the scope of VAT. VAT should not be charged on invoices and any expenditure met by the production budget will not be VAT recoverable (ie the VAT element of 3rd party costs cannot be reclaimed by the SME). No overhead, production fee or margin can be charged against this R&D collaboration agreement.
- £15,000 for hiring new staff from the pool of emerging creative talent the StoryFutures will co-ordinate through its Festival2022 project.
- The winning SME will retain IP ownership of the prototype developed, granting both StoryFutures and FestivalUK*2022 licences to use the prototype for the purposes of the partnership.
- The BBC and BFI will provide a non-commercial licence to use their wholly owned film, television and radio archive for the purposes of the R&D collaboration.
- StoryFutures will provide archive research resource to help identify and clear relevant archive.
- For the sake of clarity any 3rd party archive clearance costs must be met from the production budget.
- StoryFutures will provide producer and exec producer support for the winning SMEs.
- During this phase the SME will be invited to deliver short workshops on VR production to the StoryFutures cohort of diverse creatives and/or students
- StoryFutures research IP must be recognised in appropriate credits of the production, e.g. producer or research credits,
- StoryFutures will supply researcher time to support the SME in their development of story concept, business model and audience testing, including a bespoke report on audience insights.

- A detailed milestone agreement will be made at the point of awarding the collaborative R&D commission. Payment will be released against these milestones.
- SMEs must be able to document appropriate insurance, including employer's insurance, public and product liability.

Phase 3: Showcase opportunity

- All SMEs' VR prototypes will be reviewed throughout phase 2 as to their suitability for showcase as part of the wider StoryFutures Festival*UK project. All costs of showcasing will be borne by StoryFutures. Any project not selected for showcase at the Festival will be provided appropriate alternative opportunities.
- Showcase phase will include detailed audience research conducted by StoryFutures, with a report delivered to the SME on audience insight and business model opportunity.
- Any prototype selected as part of the FestivalUK*2022 shall remain available for such showcasing as part of the FestivalUK*2022 programme until 31st Jan 2023.

Phase 4: Post-Showcase

- Unless explicitly negotiated during the course of Phase 3, StoryFutures seeks no revenue share of the prototype investment or its future development. Our fundamental measure of success is your growth as a business.
- Commercial use of BBC and BFI archive will need to be negotiated with the appropriate rights holder before any release outside of the scope Phase 3.
- StoryFutures shall acquire a licence to continue to showcase and view the prototype for its R&D and educational purposes.