08

Statistical Yearbook

UK FILM COUNCIL

The UK Film Council is the Government-backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. Our goal is to help make the UK a global hub for film in the digital age, with the world's most imaginative, diverse and vibrant film culture, underpinned by a flourishing, competitive film industry.

We invest Government grant-in-aid and Lottery money in developing new filmmakers, in funding new British films and in getting a wider choice of films to audiences throughout the UK. We also invest in skills training, promoting Britain as an international filmmaking location and in raising the profile of British films abroad.

We aim to deliver lasting benefits to the industry and the public through:

Creativity – encouraging the development of new talent, skills, and creative and technological innovation in UK film and assisting new and established filmmakers to produce successful and distinctive British films;

Enterprise – supporting the creation and growth of sustainable businesses in the film sector, providing access to finance and helping the UK film industry compete successfully in the domestic and global marketplace;

Imagination – promoting education and an appreciation and enjoyment of cinema by giving UK audiences access to the widest range of UK and international cinema, and by supporting film culture and heritage.

We want to ensure there are no barriers to accessing our printed materials. If you, or someone you know, would like a large print, Braille, disc or audiotape version of this report, please contact our Communications Department at the following address:

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Welcome to the 2008 UK Film Council Statistical Yearbook.

This yearbook, the sixth we have published, is a rich source of industry data and analysis on film in the UK.

This publication is one of the ways we deliver on our commitment to evidence-based film policy.

We hope you enjoy this yearbook and find it useful.

Contents

UK admissions and UK film share increase

The two best results for film in the UK in 2007 were the increase in cinema admissions (up by 4%) and the jump in the box office share of UK films to 29% from 19% last year. The two results are likely to be connected, as we generally observe a positive relationship between national market shares and overall audience size. The increase in admissions was especially pleasing in view of the multiplicity of alternative ways of viewing film, the shortening of windows and the continued pressure of copyright theft. It seems that, where the films on offer are of the best quality for whichever part of the market they appeal to, mainstream or specialised, people still wish to see them at the cinema, where the experience is the best. Furthermore, the exhibition sector is adopting new technologies such as digital projection and 3D, which should reinforce the popularity of the cinematic experience into the future.

How big is the audience for film in the UK?

While most media attention is paid to the cinema release of films, it is via television (Chapter 11) that people watch most of the films they see. In the UK in 2007, the total audience for film on television was 3.1 billion, 19 times larger than the cinema audience and three times larger than the estimated audience for film on DVD/video. The top film on television in 2007 was *Shrek 2* on BBC1 with 9.4 million viewers – one in six of the UK population. British films *The Queen* and *Harry Potter and the Prisoner of Azkaban* came second and third with 8.7 million and 8.4 million viewers respectively. British films attracted around one-fifth of the television film audience – 590 million viewing occasions in 2007, about 10 per person. Of those viewing occasions, roughly one-quarter were for recent UK films (released theatrically within the last eight years), suggesting that the Government's investment in UK film reaps a substantial dividend in terms of public enjoyment.

Who watches films in the UK?

The majority of the theatrical audience was young (nearly half under the age of 25), but the older audience (people aged 45 and over) has grown substantially over the last decade, accounting for 19% of cinema visits (31 million) in 2007 (Chapter 14). Growth in the older audience seems to have been driven both by the ageing of the population and by the wider choice of films on offer.

The television audience for film had a much older profile: only 16% under the age of 25 and 56% over the age of 45 (unchanged from 2006), reflecting the preference of the older age groups for home-based audio-visual entertainment.

The film audience was diverse. It was roughly 50/50 male and female, and minority ethnic groups were well represented. As to be expected, the audience for individual films varied widely, depending on the genre and type of film and the location of the cinema. Disabled people had proportionate access to retail DVD/video but were under-represented in cinema access and DVD/video rental.

A small, but growing, part of the audience enjoys foreign language films, of which there were 170 releases in 2007 in 33 languages, taking 3.5% of the box office. Hindi was the most common foreign language in terms of number of releases, followed by French, Tamil, German and Spanish. The top four foreign language films in 2007 were *Apocalypto* (Mayan), *The Lives of Others* (German), *La Vie en Rose* (French) and *Om Shanti Om* (Hindi).

Audiences continue to enjoy UK films

2007 saw the UK film share of the UK box office rebound to 29% (from 19% in 2006) with strong performances by Working Title films (*Mr Bean's Holiday, Hot Fuzz, Atonement* and *Elizabeth: The Golden Age*), collaborations with US studios (*Harry Potter and the Order of the Phoenix, The Golden Compass, The Bourne Ultimatum*) and independent UK films such as *St Trinian's, Notes on a Scandal* and *28 Weeks Later* (Chapter 2).

Two British films (*Casino Royale* and *Harry Potter and the Order of the Phoenix*) topped the UK DVD retail charts in 2007 and on television *The Queen* did particularly well (two appearances in the top 10 terrestrial TV films) along with three *Harry Potter* films, *Bridget Jones, Lara Croft, Love Actually* and *Die Another Day.*

The persistent appeal of the James Bond franchise, now into its 46th year, is a feature of the above results, likely to be reinforced in November 2008 with the global release of the 22nd Bond film, *Quantum of Solace*. British audiences clearly like archetypal British characters, whether they be adolescent wizards, romantically vexed singletons or emotionally bewildered secret agents.

Taking UK film to the world

UK films were again seen by huge audiences around the world. The UK film share of global cinema takings was 12%, or US$3.3 billion, equal to approximately 700 million admissions (Chapter 4). Harry Potter led the way with US$937 million for *The Order of the Phoenix. The Bourne Ultimatum* took images of Waterloo Station and The Guardian newspaper to the world, while *Mr Bean* cycled his way chaotically across France to the tune of US$226 million. Millions saw the fantasy Oxford of *The Golden Compass* while international fans of UK comedy saw two bumbling coppers (in *Hot Fuzz*) shoot their way through a previously peaceful West Country village.

The international reach of UK film was confirmed by the latest (2006) trade figures released by the Office for National Statistics, showing UK film exports of £913 million, contributing a trade surplus of £128 million to the UK's balance of payments (Chapter 18). Two-thirds of the export income came from royalties and one-third from the export of production services.

The reach of UK talent goes further than British films, as UK actors, directors and writers work on films produced in the USA and other countries (Chapter 5). Thirty of the top 200 films at the world box office in 2001–2007 were based on stories and characters created by British writers, including JK Rowling (the Harry Potter films), JRR Tolkien (*The Lord of the Rings*), CS Lewis (*The Chronicles of Narnia*) and Ian Fleming (*Casino Royale* and *Die Another Day*). British directors directed 20 of the top 200 films and British actors appeared in more than half of them. The director Ridley Scott appeared most frequently in these charts, with Orlando Bloom and Sir Ian McKellen the most watched actors.

The performance of British talent was recognised by numerous academy and festival awards – 173 in total over 2001–2007 (14% of the awards made) at the major international events: the Academy Awards, the BAFTA Film Awards, and the Berlin, Cannes, Sundance, Toronto and Venice film festivals. Most prominent in 2007 was Helen Mirren with her double Best Actress wins at the Academy and BAFTA Film Awards for her performance in *The Queen*. Talent involved in all types of film – features, shorts, documentary, animation – was recognised.

Film production – fourth best year on record

Assisted by the new UK film tax relief, UK film production was solid in 2007 with an aggregate UK spend of £747 million, making 2007 the fourth-highest production year on record (Chapter 15). The number and value of inward features was similar to the year before, while the number of domestic UK films (with budgets greater than £500,000) increased from 55 to 60. The only category to fall significantly was co-productions (from 52 in 2006 to 29 in 2007), probably reflecting the shift to calculating tax relief on UK spend rather than on the whole budget of the film. Co-productions usually have lower UK spend than inward and domestic productions.

Release rates and release opportunities

One less positive result was an apparent decline in the release rate of UK films after several years of improvement (Chapter 6). Only 44% of films certified as British in 2006 gained a theatrical release in the UK and Republic of Ireland (by 2 March 2008) compared with 54% of 2005 films. Schedule 1 films had a higher release rate than co-productions and their better performance extended to international releasing as well, where 64% of 2006 Schedule 1 films had a release in one of the 12 territories monitored by Nielsen EDI compared with 57% of co-productions.

The workforce diversity challenge

The film production workforce was concentrated in the 25–50 age brackets, with fewer workers under 25 or over 50 compared with the UK average (Chapter 19). There was also a marked gender difference: the majority of women in the industry were under 35, whereas two-thirds of the men were over 35. This statistic supports anecdotal evidence that many women drop out of the industry in their mid-thirties due to the long, unsocial hours of the production sector.

Disabled workers were under-represented in the industry (only 3% in 2006) and, most challenging of all, the 2006 Skillset production workforce survey shows that the minority ethnic group profile did not improve between 2002 and 2006. Only 5% of the film production workforce was from a minority ethnic background, compared to 7% in the UK workforce as a whole and 24% in the London workforce, the most appropriate comparator due to the London-centricity of film production.

Lack of diversity was apparent in writing and directing, for example, where only 13% of the writers and 7% of the directors of UK films in 2006 and 2007 were female. Research into the recruitment of writers for British films found that commissioning leans towards established writers, usually male, white, often over the age of 45 and frequently represented by the Writers Guild of America and American agents, even when they are British.

What's new in this Yearbook?

Regular readers will notice a number of changes this year, in particular:

- an extension to Chapter 5 to cover UK successes in academy and festival awards around the world;
- a new chapter (12) on the embryonic market for film on video-on-demand in the UK;
- a new chapter (16) looking at public investment in film in the UK;
- an extension to the chapter on the UK film economy (Chapter18) to include the latest Annual Business Inquiry data on the sector's turnover and value added.

Within the limits of data availability, the RSU is developing the Yearbook to meet the economic, cultural and public policy needs of UK film. Feedback is welcome and if you would like to discuss any issues, or make suggestions, please contact us.

Finally, a special thank you to all our data suppliers, who have allowed us to publish the statistical results arising from their surveying and tracking activities with suitable protections for the confidentiality of individual respondents and the commercial interests of the suppliers. This is a valuable service to the public and everyone connected with UK film.

David Steele,
Head of Research and Statistics

Edmond Ng,
Senior Research Executive

Sean Perkins,
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About the Research and Statistics Unit

The Research and Statistics Unit (RSU) provides research data and market intelligence to anyone with an interest in UK film and film in the UK. Research enquiries should be directed to the RSU (+44 (0)20 7861 7940, rsu@ukfilmcouncil.org.uk).

All other enquiries should be made to the UK Film Council Communications Department (+44 (0)20 7861 7861, press@ukfilmcouncil.org.uk).

Chapter 1: The box office

After two successive years of declining box office figures, it was good news to see an increase in admissions and box office receipts in 2007. Cinemagoers had a greater choice of films than ever – 516 films were released, a 58% increase over the decade.

Facts in focus

- UK cinema admissions reached 162 million, up 4% on 2006.
- Box office receipts were £821 million, up 8% on 2006.
- 516 films were released for a week or more in the UK and Republic of Ireland, an increase of 2% on 2006 and 58% more than in 1998.
- UK films, including co-productions, accounted for 21% of releases and 29% of the market by value, up 10% on last year.
- The top 100 films earned almost 91% of the gross box office, 2% more than in 2006.

1.1 Admissions

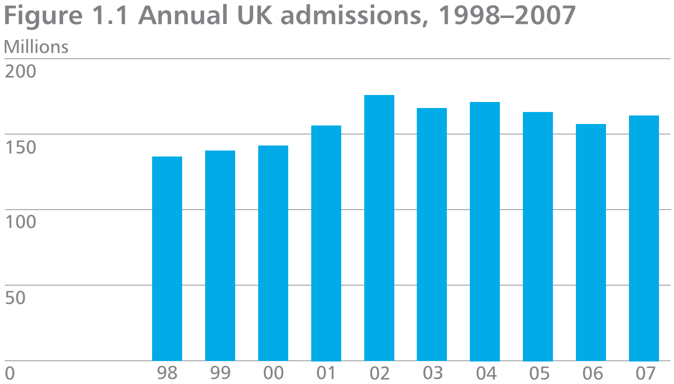
The 162.4 million cinema admissions recorded for the UK in 2007 were up 4% on 2006 following two years of declining ticket sales (Figure 1.1). Most other European territories recorded a year-on-year fall, including Germany – 8%, Spain – 8%, France – 6% and The Netherlands – 5%. Italy was the only western European territory to enjoy a ticket sales increase in excess of the UK's +8%. USA admissions were flat at 1.4 billion.

Table 1.1 UK annual admissions, 1998–2007

Year	Total admissions (millions)
1998	135.2
1999	139.1
2000	142.5
2001	155.9
2002	175.9
2003	167.3
2004	171.3
2005	164.7
2006	156.6
2007	162.4

Source: CAA, Nielsen EDI.

Figure 1.1 Annual UK admissions, 1998–2007



Source: CAA, Nielsen EDI.

The year started at the same level as 2006, then February and March admissions were boosted by UK comedy hits *Hot Fuzz* and *Mr Bean's Holiday*. April admissions were around 20% down on the same month in 2006 (when *Ice Age 2* opened) but recovered in May with the release of *Spider-Man 3* and *Pirates of the Caribbean: At World's End* and went on to record significant increases over the summer. The 21.8 million admissions recorded in July represented the biggest single month of cinema-going in Britain for almost 40 years – an average of 4.9 million tickets were sold per week thanks to a rapid succession of blockbuster releases such as *Harry Potter and the Order of the Phoenix, The Simpsons* and *Transformers*. Ticket sales dipped in the autumn – by as much as 38% in November (November 2006 was particularly strong with the release of *Casino Royale* and *Borat*) but December admissions were only slightly down on the 2006 equivalent.

Table 1.2 Monthly UK cinema admissions, 2006/07

Month	2006 (million)	2007 (million)	% +/– on 2006
January	14.0	14.0	–0.2
February	12.8	13.9	+8.2
March	9.9	11.2	+12.7
April	13.6	10.9	–19.8
May	13.2	15.7	+18.8
June	8.7	11.2	+28.4
July	16.3	21.8	+33.7
August	15.0	17.8	+18.4
September	8.5	9.6	+12.6
October	13.5	12.2	–10.1
November	15.5	9.6	–37.9
December	15.3	14.6	–5.0
Total	**156.6**	**162.4**	**+3.7**

Source: CAA, Nielsen EDI.

Table 1.3 Average weekly admissions, 2006/07

Month	2006 weekly average (million)	2007 weekly average (million)
January	3.2	3.2
February	3.2	3.5
March	2.2	2.5
April	3.2	2.6
May	3.0	3.6
June	2.0	2.6
July	3.7	4.9
August	3.4	4.0
September	2.0	2.2
October	3.1	2.7
November	3.6	2.2
December	3.5	3.3

Source: CAA, Nielsen EDI.

Table 1.4 shows how the 2007 admissions break down by ISBA TV region. The pattern remains largely unchanged on 2006, with a 1% fall in the London region balanced by small gains in most of the nations and regions of the UK.

Table 1.4 Cinema admissions by region, 2007

Region	Admissions (million)	Admissions %	% change on 2006
London	39.7	24.4	–1.0
Midlands	22.7	14.0	0
Lancashire	18.3	11.2	+0.1
Southern	15.0	9.3	+0.3
Yorkshire	13.3	8.2	–0.1
Central Scotland	11.8	7.3	+0.1
East of England	11.0	6.7	+0.1
Wales and West	10.7	6.6	+0.2
North East	6.1	3.8	0
Northern Ireland	5.3	3.2	0
South West	3.8	2.3	+0.2
Northern Scotland	3.5	2.1	0
Border	1.3	0.8	+0.1
Total	**162.4**	**100.0**	

Source: CAA, Nielsen EDI.

1.2 Box office earnings

According to the CAA/Nielsen EDI, the total UK box office for 2007 was £821 million, up 8% on 2006. This figure covers all box office earnings during the calendar year 2007 for all films exhibited in the UK. The trends in box office takings from 1998 are shown in Table 1.5 and indicate a 50% growth in the period.

Table 1.5 UK box office trends, 1998–2007

Year	Box office gross (£ million)	%+/–	Cumulative %
1998	547		
1999	563	2.9	2.9
2000	583	3.6	6.6
2001	645	10.6	17.9
2002	755	17.0	38.0
2003	742	–1.7	35.6
2004	770	3.8	40.8
2005	770	0.0	40.8
2006	762	–1.0	39.3
2007	821	7.7	50.0

Source: CAA, Nielsen EDI.

1.3 Film releases and box office revenues

516 films were released for a week or more in the UK and Republic of Ireland in 2007, an increase of 2% on 2006 and 22% on 2003. They generated £934 million in box office revenues – an increase of 10% on 2006. This figure differs from the £821 million in paragraph 1.2 because it includes revenues generated in 2008 by films released in 2007 and covers the Republic of Ireland as well as the UK.

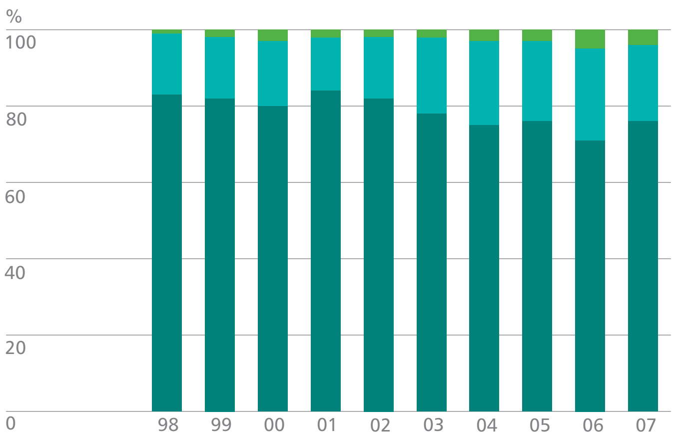
As can be seen in Table 1.6, the top 100 films took 91% of the box office. The remaining 416 films (81% of all releases) accounted for just 9% of gross revenues.

Table 1.6 Summary of results at the UK and Republic of Ireland box office, 2003–2007

	2003	2004	2005	2006	2007
Releases	423	451	467	505	516
Combined gross £ million	829.7	822.0	844.9	845.3	933.8
Top 20 films (percentage of box office)	53.5	49.4	54.7	48.1	51.2
Top 50 films (percentage of box office)	77.8	75.5	75.7	71.1	75.7
Top 100 films (percentage of box office)	92.3	92.6	91.5	88.6	91.0

Source: Nielsen EDI, RSU analysis.
Note: Table 1.6 and all subsequent analysis of the theatrical market includes all titles released in 2007. The combined gross reflects the territorial gross (that is including the Republic of Ireland), and includes those titles released in 2007, but also making money into 2008, up to and including 2 March 2008.

Figure 1.2 Market share of top 50, top 51–150 and rest of films, 1998–2007

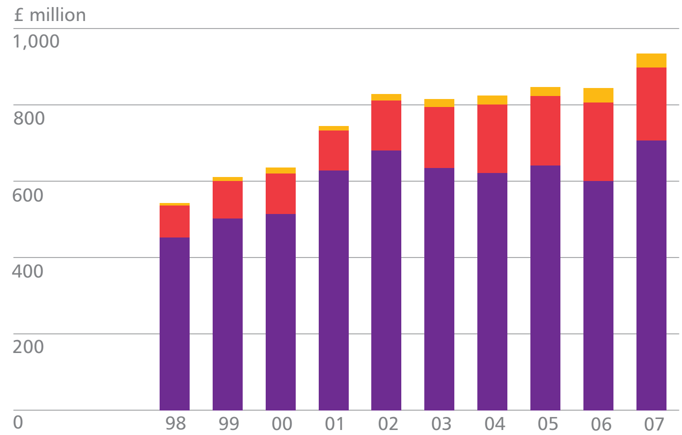


	98	99	00	01	02	03	04	05	06	07
% share of rest	1	2	3	1	2	2	3	3	5	4
% share of top 51–150	16	16	17	14	16	20	22	21	24	20
% share of top 50	83	82	81	84	82	78	75	76	71	76

Source: Nielsen EDI, RSU analysis.

Figure 1.2 demonstrates the fall in share of the top 50 films from 84% in 2001 down to 71% in 2006 before bouncing back in 2007 due to stronger performances from the major releases.

Figure 1.3 Gross box office of top 50, top 51–150 and rest of films, 1998–2007



	98	99	00	01	02	03	04	05	06	07
Gross box office of rest	6	11	16	11	16	21	23	25	38	37
Gross box office top 51–150	85	98	106	105	132	160	179	182	206	190
Gross box office of top 50	452	502	514	628	680	634	622	641	600	707

Source: Nielsen EDI, RSU analysis.

Figure 1.3 depicts the increase in box office revenue over the last decade, in particular the role played by the top 50 films in boosting overall box office revenue last year. Note that the combined revenue of those films outside the top 150 is now six times what it was in 1998.

The number of films released in the UK in 2007 by the number of sites at the widest point of release is outlined in Table 1.7. A total of 169 films were released on 100 sites or more (33%), while 171 films were released on fewer than 10 sites (33% of all films released). Six out of 10 films released in the UK went out on 49 prints or fewer.

Table 1.7 Number of releases and average box office gross by number of sites at widest point of release, 2007

Number of sites at widest point of release	Number	% releases	Average box office (£)
>500	9	1.7	32,332,000
400–499	35	6.8	9,418,000
300–399	44	8.5	4,279,000
200–299	41	7.9	1,324,000
100–199	40	7.8	631,000
50–99	43	8.3	422,000
10–49	133	25.8	179,000
<10	171	33.1	20,000
Total	**516**	**100.0**	**1,810,000**

Note: average box office rounded to nearest £1,000
Source: Nielsen EDI, RSU analysis.

1.4 Country of origin of film releases

As Table 1.8 indicates, of all films released last year, 41% (44% in 2006) were of USA origin (excluding UK co-productions), and these films accounted for 68% of the total box office earnings (down from 77% in 2006).

UK films, including co-productions, accounted for 21% of releases (the same as 2006) and 29% of the box office, out of which UK/USA collaborations earned over 17% of the box office despite representing only 6% of releases.

Films whose country of origin lies outside the UK and USA accounted for 38% of releases but only 3.9% of earnings. European films represented 15.5% of all releases and 1.8% of revenues. Films from India accounted for 1.6% of the box office from 12.2% of the releases and films from the rest of the world represented just 0.5% of the box office gross from 10.7% of releases.

Table 1.8 Country of origin of films released in the UK and Republic of Ireland, 2007

Country of origin	No. of releases in 2007	% of all releases	2007 box office (£ million)	2007 box office share (%)
USA solo	184	35.7	595.0	63.7
USA co-productions (other)	27	5.2	37.1	4.0
Sub-total	211	40.9	632.1	67.7
UK and UK co-productions	77	14.9	106.2	11.4
UK/USA	30	5.8	159.7	17.1
Sub-total	107	20.7	265.9	28.5
Europe	80	15.5	16.6	1.8
India	63	12.2	14.6	1.6
Rest of the World	55	10.7	4.6	0.5
Total	**516**	**100**	**933.8**	**100**

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 2 March 2008.

The changes in market share over time by country of origin of films are shown in Table 1.9. UK market share was the second highest since 2003 and the market share of European films was the highest recorded to date, double the share five years ago.

Table 1.9 Market share by country of origin, 2003–2007

	2003	2004	2005	2006	2007
USA	81.6	73.2	63.1	77.1	67.7
UK	15.7	23.4	33.0	19.1	28.5
Europe	0.9	0.6	1.6	1.2	1.8
India	1.0	1.1	1.5	1.8	1.6
Rest of the World	0.8	1.8	0.8	0.7	0.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 1.10 compares the number of UK films across several gross box office bands with the non-UK output in 2007. The UK is better represented in the £10–£29 million box office earnings band than the non-UK releases, thanks to the performance of films such as *The Golden Compass, Mr Bean's Holiday* and *Hot Fuzz*.

Table 1.10 UK and non-UK releases by box office gross band, 2007

	Non-UK releases		UK releases	
Box office gross (£ million)	Number	% releases	Number	% releases
>30	4	1.0	1	0.9
20–29.99	3	0.7	4	3.7
10–19.99	10	2.4	4	3.7
5–9.99	16	3.9	6	5.6
1–4.99	55	13.4	12	11.2
0.5–0.99	41	10.0	6	5.6
0.1–0.49	82	20.0	20	18.7
Less than 0.1	198	48.4	54	50.5
Total	**409**	**100.0**	**107**	**100.0**

Source: Nielsen EDI, RSU analysis.

The breadth of film release by country of origin is shown in Table 1.11. UK/USA collaborations were the most widely released (199 sites), followed by USA solo productions (190 sites). Indian films were typically released on 18 prints, with Rest of the World and European films on five and four prints respectively.

Table 1.11 Films on release in UK and Republic of Ireland by country of origin and median widest point of release, 2007

Country of origin	No. of releases in 2007	2007 box office (£ million)	Median widest point of release
USA solo	184	595.0	190
USA co-productions (other)	27	37.1	131
All USA	211	632.1	182
UK and UK co-productions	77	106.2	35
UK/USA	30	159.7	199
All UK	107	265.9	45
Europe	80	16.6	4
India	63	14.6	18
Rest of the world	55	4.6	5
Total	**516**	**933.8**	**30**

Source: Nielsen EDI, RSU analysis.

The average box office per site by country of origin is depicted in Table 1.12. UK inward investment films, made in collaboration with US studios, earned the most per site, followed by USA solo and UK solo and other UK co-productions.

Table 1.12 Films on release in UK and Republic of Ireland by country of origin and average box office gross per site, 2007

Country of origin	Average box office per site (£)	2007 box office (£ million)	Total sites at widest point of release
USA solo	16,371	595.0	36,343
USA co-productions (other)	9,132	37.1	4,058
All USA	15,644	632.1	40,401
UK and UK co-productions	13,524	106.2	8,040
UK/USA	27,831	159.7	5,646
All UK	19,426	265.9	13,686
Europe	9,376	16.6	1,775
India	9,959	14.6	1,464
Rest of the World	3,382	4.6	1,372

Source: Nielsen EDI, RSU analysis.

Transformers, courtesy of Paramount Home Entertainment.

- For more information about top films in 2007 see chapter 2 (page 15)
- For further details of film distribution in 2007 see chapter 8 (page 62)
- For information about weekend/weekday box office performance see chapter 8, section 8.3 (page 64)
- For a review of the exhibition sector in 2007 see chapter 9 (page 66)

Chapter 2: Top films in 2007

When Harry Potter went head-to-head with Pirates of the Caribbean, Shrek, The Simpsons and Spider-Man, Harry won hands down, proving the young wizard's enduring appeal in a crowded marketplace. After a disappointing showing for UK films in 2006, no fewer than seven UK films featured in the top 20 films in 2007. Several UK films also collected some prestigious awards.

Facts in focus

- Harry Potter and the Order of the Phoenix was the biggest film of the year, earning over £49 million.
- Seven UK films featured in the top 20 – Harry Potter and the Order of the Phoenix, The Golden Compass, The Bourne Ultimatum, Mr Bean's Holiday, Hot Fuzz, Stardust and St Trinian's.
- There were nine sequels in the top 20, up from six in 2006.
- The top 20 UK films grossed £244 million at the UK box office.
- UK films topped the weekend box office charts for 17 weeks in 2007.

2.1 The top 20 films

The fifth instalment of the Harry Potter franchise, *Harry Potter and the Order of the Phoenix*, was the biggest film of the year, grossing over £49 million. Most of the major 'tentpole' releases performed strongly, particularly in the summer, with 12 films earning more than £20 million, up from just six in 2006. Sequels and franchises accounted for nine of the top 20 films, up from six in 2006. Five of these were 'threequels', including *Pirates of the Caribbean: At World's End, Shrek the Third* and *Spider-Man 3*.

Seven UK titles featured in the top 20 – besides *Harry Potter* these were *The Golden Compass, The Bourne Ultimatum, Mr Bean's Holiday, Hot Fuzz, Stardust* and *St Trinian's*. This compares with just three UK titles in the previous year's top 20. The higher number of successful UK releases in 2007 reflects the boost in production in 2006, following the downturn of the previous year.

Table 2.1 Box office results for the top 20 films released in the UK and Republic of Ireland, 2007

	Title	Country of origin	Box office gross (£ million)	No of opening cinemas	Opening weekend gross (£ million)	Distributor
1	Harry Potter and the Order of the Phoenix	UK/USA	49.43	567	16.49	Warner Bros
2	Pirates of the Caribbean: At World's End	USA	40.65	552	13.41	Disney
3	Shrek the Third	USA	38.74	536	16.67	Paramount
4	The Simpsons	USA	38.66	499	13.63	20th Century Fox
5	Spider-Man 3	USA	33.55	522	11.83	Sony Pictures
6	The Golden Compass*	UK/USA	26.00	507	7.24	Entertainment
7	I Am Legend*	USA	25.52	440	11.01	Warner Bros
8	Ratatouille	USA	24.80	503	4.44	Disney
9	The Bourne Ultimatum	UK/USA	23.72	458	6.55	Universal
10	Transformers	USA	23.50	456	8.72	Paramount
11	Mr Bean's Holiday	UK	22.11	512	6.44	Universal
12	Hot Fuzz	UK	20.99	427	5.92	Universal
13	Enchanted	USA	16.78	471	2.55	Disney
14	Stardust	UK/USA	15.02	445	2.25	Paramount
15	300	USA	14.22	369	4.75	Warner Bros
16	Die Hard 4.0	USA	13.89	458	5.00	20th Century Fox
17	Ocean's Thirteen	USA	13.15	475	3.02	Warner Bros
18	Hairspray	USA	12.58	348	2.05	Entertainment
19	Fantastic Four: Rise of the Silver Surfer	USA	12.38	475	4.14	20th Century Fox
20	St Trinian's*	UK	12.04	125	0.99	Entertainment

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 2 March 2008.
Films with an asterisk (*) were still being exhibited on 2 March 2008.

2.2 The top 20 UK films

The top 20 UK films, shown in Table 2.2, had a combined gross of £244 million, which was 26% of the total UK box office, up from £151 million in 2006 (18% of gross box office). Unlike 2006, when there were no UK films in the £12 million – £30 million gross box office range, there were six such films in 2007 – a reflection of the increase in inward investment productions the previous year and the success of Working Title's *Mr Bean's Holiday* and *Hot Fuzz* and Ealing Studios' *St Trinian's*. The top 20 UK films also featured a wide range of genres including fantasy *(The Golden Compass, Stardust)*, action thriller *(The Bourne Ultimatum)*, comedy *(Mr Bean's Holiday, Hot Fuzz, St Trinian's)*, drama *(Atonement)*, biopic *(Miss Potter, Elizabeth: The Golden Age)*, science fiction *(Sunshine)* and horror *(28 Weeks Later, 1408)*.

Several of the top UK films were honoured with major awards in 2007/08. *Atonement* won the BAFTA award for Best Film and was nominated for seven Oscars®, winning in the Original Score category. It also won two Golden Globes including Best Motion Picture – Drama. Forest Whitaker was awarded the Oscar® for Best Performance by an Actor in a Leading Role for his portrayal of Idi Amin in *The Last King of Scotland. The Bourne Identity* won Oscars® for Editing, Sound and Sound Editing while *The Golden Compass* took the Academy Award for Best Visual Effects.

Table 2.2 Box office results for the top 20 UK films released in the UK and Republic of Ireland, 2007

	Title	Country of origin	Box office gross (£ million)	Distributor
1	Harry Potter and the Order of the Phoenix	UK/USA	49.43	Warner Bros
2	The Golden Compass*	UK/USA	26.07	Entertainment
3	The Bourne Ultimatum	UK/USA	23.72	Universal
4	Mr Bean's Holiday	UK	22.11	Universal
5	Hot Fuzz	UK	20.99	Universal
6	Stardust	UK/USA	15.02	Paramount
7	St Trinian's*	UK	12.24	Entertainment
8	Atonement*	UK	11.94	Universal
9	Run, Fat Boy, Run	UK/USA	11.02	Entertainment
10	Miss Potter	UK/USA	6.91	Momentum
11	Fred Claus	UK/USA	6.82	Warner Bros
12	Notes on a Scandal	UK	5.89	20th Century Fox
13	The Last King of Scotland	UK/Ger	5.68	20th Century Fox
14	28 Weeks Later	UK	5.35	20th Century Fox
15	Elizabeth: The Golden Age	UK	5.05	Universal
16	Becoming Jane	UK/USA	3.78	Disney
17	1408	UK/USA	3.28	Paramount
18	Sunshine	UK/USA	3.23	20th Century Fox
19	Hannibal Rising	UK/Fra/Ita/USA	2.68	Momentum
20	Amazing Grace	UK/USA	2.28	Momentum

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 2 March 2008.
Films with an asterisk (*) were still on release on 2 March 2008.

2.3 Best weekend performances of UK films

The performance of a film during its opening weekend is a major factor in deciding how long the film will remain on release, and most film marketing campaigns are geared towards maximising audience interest at the start of a film's theatrical life. A total of 29 films topped the UK weekend box office charts over the course of 2007 and seven of those were UK titles. These seven films spent a total of 17 weeks at number one (Table 2.3).

Table 2.3 UK films at number one in the weekend box office charts, 2007

Title	Week at top	Weekend gross (£ million)	Box office gross (£ million)	Distributor	No. of weeks at No. 1
Run, Fat Boy, Run	7 September 2007	2.0	11.0	Entertainment	4
Hot Fuzz	16 February 2007	5.9	21.0	Universal	3
The Bourne Ultimatum	17 August 2007	6.6	23.7	Universal	3
Mr Bean's Holiday	30 March 2007	6.4	22.1	Universal	2
Harry Potter and the Order of the Phoenix	13 July 2007	16.5	49.4	Warner Bros	2
The Golden Compass	7 December 2007	7.2	26.1	Entertainment	2
Fred Claus	30 November 2007	1.9	6.8	Warner Bros	1

Source: Nielsen EDI, RSU analysis.

- For more about top films since 1998 see chapter 3 (page 19)
- For more on UK talent and awards see chapter 5 (page 29)
- For further information about film distribution in 2007 see chapter 8 (page 62)
- For information about weekend/weekday box office performance see chapter 8, section 8.3 (page 64)
- For an overview of the exhibition sector in 2007 see chapter 9 (page 66)

Run, Fat Boy, Run courtesy of Entertainment Film Distributors.

Chapter 3: Top films 1998–2007

Four films from 2007 entered the decade's top 20, indicating what an exceptional year 2007 was. The UK's authors and characters were key to the industry's creativity. For the first time, we have analysed the success of independent UK films and can reveal the nation's favourites.

Facts in focus

- The top 20 best performing films of the decade included four films from 2007: Harry Potter and the Order of the Phoenix, Pirates of the Caribbean: At World's End, Shrek the Third and The Simpsons.
- Harry Potter and Lord of the Rings films made up eight of the top 13 films of the decade.
- Sequels and franchise films made up 18 of the top 20.
- Seven of the top 20 films were UK/USA collaborations.
- Eleven of the top 20 films were based on stories and characters created by UK writers.
- The top three independent UK films of the decade were Gosford Park, St Trinian's and Bend it Like Beckham.

3.1 Top films in the UK 1998–2007

Four films released in 2007 appear in the list of the top films over the last 10 years. The list, shown in Table 3.1, is dominated by franchise movies, including five *Harry Potter* titles, the *Lord of the Rings* trilogy, two from the *Pirates of the Caribbean* and *Shrek* series and the *Star Wars* prequels. In fact, only two of the top 20 are neither sequels nor franchise titles, namely *Titanic*, still the number one, and *Bridget Jones's Diary* at number 16. Seven of the top 20 films are UK/USA collaborations.

The importance of UK creative talent to the global film industry is underlined by the presence of no fewer than 11 films based on stories and characters created by UK writers.

Table 3.1 Top 20 films at the UK box office, 1998–2007

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Titanic	USA	69.03	20th Century Fox	1998
2	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
3	Lord of the Rings: The Fellowship of the Ring	USA/NZ	63.00	Entertainment	2001
4	Lord of the Rings: The Return of the King	USA/NZ	61.06	Entertainment	2003
5	Lord of the Rings: The Two Towers	USA/NZ	57.60	Entertainment	2002
6	Casino Royale	UK/USA/Czech	55.48	Sony Pictures	2006
7	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
8	Pirates of the Caribbean: Dead Man's Chest	USA	52.52	Buena Vista	2006
9	Star Wars Episode I: The Phantom Menace	USA	51.06	20th Century Fox	1999
10	Harry Potter and the Order of the Phoenix	UK/USA	49.43	Warner Bros	2007
11	Harry Potter and the Goblet of Fire	UK/USA	48.59	Warner Bros	2005
12	Shrek 2	USA	48.10	UIP	2004
13	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros	2004
14	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA/NZ	44.40	Buena Vista	2005
15	Toy Story 2	USA	44.31	Buena Vista	2000
16	Bridget Jones's Diary	UK/USA	42.01	UIP	2001
17	Pirates of the Caribbean: At World's End	USA	40.65	Disney	2007
18	Star Wars Episode III: Revenge of the Sith	USA	39.43	20th Century Fox	2005
19	Shrek the Third	USA	38.74	Paramount	2007
20	The Simpsons	USA	38.66	20th Century Fox	2007

Source: Nielsen EDI, RSU analysis.
Note: Figures have not been inflation adjusted.

3.2 Top UK films of the last decade

The list of the top 20 UK films is dominated by inward investment features, with British talent, infrastructure and locations supported by US studio investment (Table 3.2). All five *Harry Potter* films feature in the top 20, together with three films from the *James Bond* franchise. The strong performance of UK titles at the box office in 2007 is reflected in the appearance of five of last year's top films in the list.

Table 3.2 Top UK films at the UK box office, 1998–2007

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
2	Casino Royale	UK/USA/Cze	55.60	Sony Pictures	2006
3	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
4	Harry Potter and the Order of the Phoenix	UK/USA	49.43	Warner Bros	2007
5	Harry Potter and the Goblet of Fire	UK/USA	48.77	Warner Bros	2005
6	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros	2004
7	Bridget Jones's Diary	UK/USA	42.01	UIP	2001
8	Charlie and the Chocolate Factory	UK/USA	37.46	Warner Bros	2005
9	Love Actually	UK/USA	36.80	UIP	2003
10	Die Another Day	UK/USA	36.06	20th Century Fox	2002
11	Bridget Jones: The Edge of Reason	UK/USA	36.00	UIP	2004
12	Wallace & Gromit: The Curse of the Were-Rabbit	UK/USA	32.00	UIP	2005
13	Notting Hill	UK/USA	31.00	Universal	1999
14	The Da Vinci Code	UK/USA	30.51	Sony Pictures	2006
15	Chicken Run	UK/USA	29.51	Pathé	2000
16	The World is Not Enough	UK/USA	28.58	UIP	1999
17	The Golden Compass	UK/USA	26.05	Entertainment	2007
18	The Bourne Ultimatum	UK/USA	23.72	Universal	2007
19	Mr Bean's Holiday	UK	22.11	Universal	2007
20	Hot Fuzz	UK	20.99	Universal	2007

Source: Nielsen EDI, RSU analysis.

3.3 Top independent UK films of the last decade

Given the dominance of inward investment titles in the list of top 20 UK films at the box office, we have included an additional table this year (Table 3.3) which highlights the top-earning independent UK titles of the last decade (that is, made without major US studio involvement). The top independent British film of the last decade is *Gosford Park* (£12.3 million) followed by *St Trinian's* (£12.2 million) and *Bend it Like Beckham* (£11.6 million). All three received lottery funding from the UK Film Council.

Table 3.3 Top 10 independent UK films 1998–2007

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Gosford Park	UK/USA	12.26	Entertainment	2002
2	St Trinian's	UK	12.18	Entertainment	2007
3	Bend it Like Beckham	UK/Ger	11.55	Lions Gate	2002
4	Run, Fat Boy, Run	UK/USA	11.01	Entertainment	2007
5	Kevin & Perry Go Large	UK	10.46	Icon	2000
6	East is East	UK	10.37	Film Four	1999
7	The Queen	UK/Fra/Ita	9.42	Pathé	2006
8	Valiant	UK	8.52	Entertainment	2005
9	Little Voice	UK	8.50	Disney	1999
10	Miss Potter	UK/USA	6.91	Momentum	2007

Source: Nielsen EDI, RSU analysis.

3.4 Top foreign language films of the decade

Table 3.4 shows the 10 biggest foreign language films of the last decade. Top film is *Passion of the Christ* (£11.1 million), followed by *Crouching Tiger, Hidden Dragon* (£9.4 million). There are three Mandarin and three Spanish films in the top 20, but only one French language title.

Table 3.4 Top 10 foreign language films 1998–2007

	Film	Language	UK box office total (£ million)	UK distributor	Year of release
1	The Passion of the Christ	Aramaic/Latin/Hebrew	11.08	Icon	2004
2	Crouching Tiger, Hidden Dragon	Mandarin	9.37	Sony Pictures	2001
3	Amélie	French	5.01	Momentum	2001
4	Apocalypto	Maya	4.11	Icon	2007
5	Hero	Mandarin	3.82	Disney	2004
6	House of Flying Daggers	Mandarin	3.78	Pathé	2004
7	Life is Beautiful	Italian	3.08	Disney	1999
8	Volver	Spanish	2.88	Pathé	2006
9	The Motorcycle Diaries	Spanish	2.75	Pathé	2004
10	Pan's Labyrinth	Spanish	2.72	Optimum	2006

Source: Nielsen EDI, RSU analysis.

Apocalypto, courtesy of Icon.

For top films in 2007 see chapter 2 (page 15)
For more on UK talent see chapter 5 (page 29)

Chapter 4: UK films internationally

After last year's subdued results at the global box office, UK films staged a comeback, thanks largely to the magic of Harry Potter and the Order of the Phoenix. Worldwide this film grossed a staggering $937 million.

Facts in focus

- Worldwide the gross box office for films of all countries of origin increased by 5% on 2006 to $27 billion.
- UK share of the global theatrical market increased to 12% ($3.3 billion).
- The top 10 performing UK films worldwide grossed $2,472 million in 2007, up 26% on 2006.
- Harry Potter and the Order of the Phoenix was the biggest performing UK film at the worldwide box office.
- UK films represented 10% of releases at the North American box office, down from 12% in 2006, but 12% of the market, up from 9% in 2006, at a value of $1,101 million.
- In Europe the top British film was Harry Potter and the Order of the Phoenix with 38 million admissions, followed by Mr Bean's Holiday with 15 million.
- In Latin America, UK films earned 12% of the box office while in Australasia their market share rose to over 21%.

4.1 UK films worldwide

2007 was a good year for film worldwide, with gross box office takings of $27 billion, up 5% on 2006 (Table 4.1). UK-originated films had a 12.4% share of this global theatrical market in 2007, up from 8.5% in 2006. The increase can be attributed to the rise in inward investment production in the UK in 2006, resulting in more major UK/USA collaborations in the international market last year, as well as some successful domestic titles such as *Mr Bean's Holiday* and *Hot Fuzz*. As Table 4.1 shows, the UK's share has fluctuated quite widely in the last six years.

UK films were particularly successful in Australasia, with around a 22% market share.

Table 4.1 UK global market share 2002–2007

Year	UK film worldwide gross ($ billion)	Global theatrical market ($ billion)	UK share (%)
2002	1.8	19.8	9.1
2003	1.4	20.1	6.9
2004	2.9	24.9	11.5
2005	3.6	23.1	15.5
2006	2.2	25.5	8.5
2007	3.3	26.7	12.4

Source: MPA, UK Film Council.

According to *Variety*, the top 10 performing UK films worldwide grossed a total of $2,472 million in 2007 (Table 4.2). The top film was *Harry Potter and the Order of the Phoenix* with a worldwide gross of $937 million, just $25 million behind the biggest film of the year *Pirates of the Caribbean: At World's End*. Five other UK films broke the $100 million barrier at the worldwide box office: *The Bourne Ultimatum*, *The Golden Compass*, *Mr Bean's Holiday*, *Stardust* and *1408*.

Table 4.2 Top 10 UK films worldwide, 2007

	Title	Country of origin	Worldwide gross ($ million)
1	Harry Potter and the Order of the Phoenix	UK/USA	937
2	The Bourne Ultimatum	UK/USA	442
3	The Golden Compass	UK/USA	254
4	Mr Bean's Holiday	UK	226
5	Stardust	UK/USA	134
6	1408	UK/USA	122
7	Casino Royale	UK/USA/Cze	99
8	Fred Claus	UK/USA	96
9	Hot Fuzz	UK	81
10	Hannibal Rising	UK/Fra/Ita	81

Source: *Variety*.
Note: *Variety* lists the gross made in 2007 and includes films released in the previous year. Some films were still being exhibited in 2008.

4.2 UK films in North America

According to the Motion Picture Association 36% of the $27 billion gross box office made worldwide in 2007 came from North America, which indicates its importance in the international film market. Table 4.3 shows the country of origin of films released in the USA and Canada in 2007. The UK share of the gross box office increased from 9% in 2006 to 12% in 2007. The total revenue from these films stood at $1,101 million, up 30%.

Table 4.3 Country of origin of films in the USA and Canada, 2007

Country of origin	Number of releases	% of releases	Box office ($ million)	Box office share (%)
UK and UK co-productions (non-USA)	44	7.4	336	3.6
UK/USA	18	3.0	765	8.2
Sub-total	62	10.4	1,101	11.8
USA solo	352	58.9	7,696	82.2
USA co-productions (other)	33	5.5	396	4.2
Sub-total	385	64.4	8,093	86.4
Rest of world	151	25.3	169	1.8
Total	**598**	**100.0**	**9,363**	**100.0**

Source: Nielsen EDI, RSU analysis.

The UK's share of the North American theatrical market increased to 11.8% in 2007, from 9.2% in 2006 (Table 4.4). The figure is largely dependent on the relative success of the major collaborations between US studios and British creative talent, location and facilities.

Table 4.4 UK market share in North America, 2002–2007

Year	UK market share (%)
2002	7.2
2003	5.7
2004	11.0
2005	15.8
2006	9.2
2007	11.8

Source: Nielsen EDI, RSU analysis.

The top 10 UK films grossed a total of $938 million in North America, up 28% on 2006 (Table 4.5). *Harry Potter and the Order of the Phoenix* was the top performing UK film in 2007. The performance of *The Golden Compass* was something of an anomaly, with only $70 million of its worldwide gross of $254 million coming from North America (28%). *Stardust* and *Mr Bean's Holiday* were other British films which performed very well internationally, but less well in the North American theatrical market. North America represented 29% of *Stardust's* worldwide box office and only 15% of the global theatrical return for *Mr Bean's Holiday*.

Table 4.5 Top 20 UK films at the USA and Canada box office (including co-productions), 2007

	Title	Country of origin	Box office gross ($ million)	Distributor
1	Harry Potter and the Order of the Phoenix	UK/USA	292.0	Warner Bros
2	The Bourne Ultimatum	UK/USA	227.5	Universal
3	Fred Claus	UK/USA	72.0	Warner Bros
4	1408	UK/USA	72.0	MGM Studios
5	The Golden Compass	UK/USA	70.1	New Line
6	Sweeney Todd	UK/USA	52.9	Dreamworks/Paramount
7	Atonement	UK	50.7	Focus Features
8	Stardust	UK/USA	38.6	Paramount
9	Mr Bean's Holiday	UK	33.3	Universal
10	28 Weeks Later	UK	28.6	20th Century Fox
11	Hannibal Rising	UK/Fra/Ita/USA	27.7	MGM Studios
12	Hot Fuzz	UK	23.6	Focus Features
13	Amazing Grace	UK/USA	21.3	IDP Distribution
14	Becoming Jane	UK/USA	18.7	Miramax
15	Eastern Promises	UK/USA/Can	17.2	Focus Features
16	Elizabeth: The Golden Age	UK	16.4	Universal
17	La Vie En Rose	UK/Fra/Cze	10.2	Picturehouse
18	A Mighty Heart	UK/USA	9.2	Paramount Vantage
19	Death at a Funeral	UK/USA	8.6	MGM Studios
20	The Last Legion	UK/Ita/Fra	5.9	The Weinstein Co

Source: Nielsen EDI, RSU analysis.
Note: box office gross correct up to 4 March 2008.

4.3 UK films in Europe

The UK's market share in the major European territories is highlighted in Table 4.6. As in the USA and Canada, UK market shares increased in 2007. Almost 18% of German theatrical revenues were earned by UK films, with 15% in France and Spain.

Table 4.6 UK market share in selected European territories, 2007

Country	Box office for UK films (€ million)	UK share 2007 (%)
France	25.5m (admissions)	15.3
Germany	130.7	17.7
Italy	82.4	13.2
Spain	97.6	15.4

Source: Nielsen EDI, Cinetel, UK Film Council RSU analysis.

The top British film in Europe in 2007 was *Harry Potter and the Order of the Phoenix* with 38 million admissions, followed by *Mr Bean's Holiday* with 15 million (Table 4.7).

Table 4.7 Top 20 UK films in European countries, 2007

	Title	Country of origin	European admissions (million)
1	Harry Potter and the Order of the Phoenix	UK/USA	38.39
2	Mr Bean's Holiday	UK	15.25
3	The Golden Compass	UK/USA	14.32
4	The Bourne Ultimatum	UK/USA	12.81
5	La Vie En Rose	UK/Fra/Cze	7.23
6	Stardust	UK/USA	5.35
7	Hot Fuzz	UK	4.85
8	Hannibal Rising	UK/Fra/Ita/USA	3.31
9	Atonement	UK	3.06
10	Casino Royale	UK/USA/Cze	3.02
11	Elizabeth: The Golden Age	UK	2.69
12	1408	UK/USA	2.57
13	The Last King of Scotland	UK/Ger	2.25
14	Run, Fat Boy, Run	UK/USA	2.20
15	Notes on a Scandal	UK	2.05
16	Eastern Promises	UK/USA/Can	1.94
17	28 Weeks Later	UK	1.87
18	Miss Potter	UK/USA	1.64
19	Sunshine	UK	1.60
20	The Queen	UK/Fra/Ita	1.54

Source: European Audiovisual Observatory Lumière Database.

Data based on 84% of the European Audiovisual Observatory's EUR 36 sample up to and including 25 April 2008.

For more information on the UK and global market for filmed entertainment see chapter 13 (page 100)
For more information about the UK film economy see chapter 18 (page 146)

4.4 UK films in Latin America

UK films earned around 12% of the box office in the Latin American territories for which box office data are available. *Harry Potter and the Order of the Phoenix* was the most successful film, with *The Golden Compass*, *Mr Bean's Holiday* and *The Queen* also attracting substantial audiences.

Table 4.8 UK market share in selected Latin American countries

Country	Box office for UK films (US$ million)	UK share 2007 (%)
Argentina	12.5	11.9
Brazil	44.1	12.4
Chile	6.2	11.7
Mexico	78.0	12.8

Source: Nielsen EDI, UK Film Council RSU analysis.

4.5 UK films in Australasia

UK films performed well in Australia and New Zealand in 2007, with *Harry Potter and the Order of the Phoenix*, *Mr Bean's Holiday* and *Death at a Funeral* among the box office successes. British releases accounted for 21% of the market in Australia and 24% in New Zealand.

Table 4.9 UK market share in Australia and New Zealand

Country	Box office for UK films (US$ million)	UK share 2007 (%)
Australia	167.3	21.1
New Zealand	26.7	23.9

Source: Nielsen EDI, UK Film Council RSU analysis.

Harry Potter and the Order of the Phoenix, © Patalex IV Productions Limited.

Characters and stories created by UK authors continue to enthral film audiences around the world, while British film directors and actors have made a huge impact on films internationally. These talents play an important role in projecting the UK's national identity – and creative abilities – across the globe.

Facts in focus

- Of the top 200 global box office successes of 2001–2007, 30 films are based on stories and characters created by UK writers. Together they have earned in excess of $14 billion at the worldwide box office.
- Nine of the top 20 global box office successes of the last seven years are based on novels by British writers.
- More than half of the top 200 films released worldwide since 2001 have featured UK actors in lead or prominent supporting roles.
- British directors have directed 20 of the 200 biggest films of the last seven years with David Yates and Ridley Scott topping the league.
- British films and talent won 32 major film awards in 2007 alone. The 171 awards received from 2001–2007 represented 14% of the total.

5.1 UK story material

Worldwide box office performance is a good indicator of the international impact and exposure of UK culture and this analysis focuses on the top 200 grossing films released worldwide between 2001 and 2007. Of the top 200, 26 are British qualifying films, but UK-originated story material has played an even more significant role, providing the inspiration for 30 of the highest-grossing films of the last six years – a feat only bettered by US story material. The *Harry Potter* and *Lord of the Rings* films (based on novels by JK Rowling and JRR Tolkien respectively) together with *The Chronicles of Narnia: The Lion, the Witch and the Wardrobe*, written by CS Lewis, accounted for nine of the top 20 most-watched films across the globe since 2001.

The top 20 grossing films adapted from stories or characters created by UK writers are listed in table 5.1. Seventeen of the titles are adapted from novels and short stories written by UK authors, two are original screenplays and one is based on situations and characters from a best-selling computer game.

Table 5.1 Top 20 grossing films worldwide based on stories and characters created by UK writers 2001–2007

	Title	Country of origin	Gross box office ($ million)	US distributor	UK story material (writer)
1	The Lord of the Rings: The Return of the King	USA/NZ	1,119	New Line	Novel by JRR Tolkien
2	Harry Potter and the Philosopher's Stone	UK/USA	970	Warner Bros	Novel by JK Rowling
3	Harry Potter and the Order of the Phoenix	UK/USA	937	Warner Bros	Novel by JK Rowling
4	The Lord of the Rings: The Two Towers	USA/NZ	923	New Line	Novel by JRR Tolkien
5	Harry Potter and the Goblet of Fire	UK/USA	892	Warner Bros	Novel by JK Rowling
6	Harry Potter and the Chamber of Secrets	UK/USA	877	Warner Bros	Novel by JK Rowling
7	The Lord of the Rings: The Fellowship of the Ring	USA/NZ	868	New Line	Novel by JRR Tolkien
8	Harry Potter and the Prisoner of Azkaban	UK/USA	790	Warner Bros	Novel by JK Rowling
9	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA/NZ	749	Buena Vista	Novel by CS Lewis
10	The War of the Worlds	USA	596	Paramount	Novel by HG Wells
11	Casino Royale	UK/USA/Cze	589	Sony	Novel by Ian Fleming
12	Charlie and the Chocolate Factory	UK/USA	473	Warner Bros	Novel by Roald Dahl
13	Die Another Day	UK/USA	432	MGM/UA	Based on Ian Fleming novels
14	The Golden Compass	UK/USA	350	New Line	Novel by Philip Pullman
15	Bridget Jones: The Edge of Reason	UK/USA	261	Universal	Novel by Helen Fielding

Table 5.1 Top 20 grossing films worldwide based on stories and characters created by UK writers 2001–2007 continued

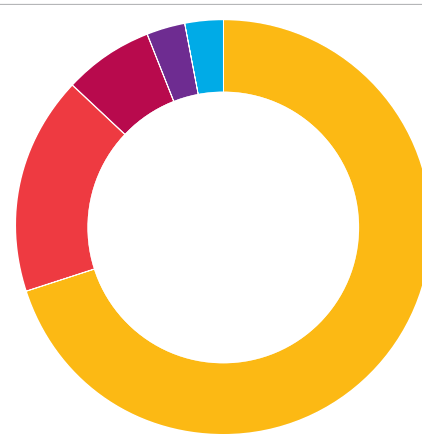
	Title	Country of origin	Gross box office ($ million)	US distributor	UK story material (writer)
16	Borat	USA	259	20th Century Fox	Original screenplay by Sacha Baron Cohen, Peter Baynham, Anthony Hines and Dan Mazer
17	Bridget Jones's Diary	UK/USA	254	Miramax	Novel by Helen Fielding
18	Lara Croft: Tomb Raider	UK/USA/Jap/Ger	251	Paramount	Computer game character created by Toby Gard
19	Love Actually	UK/USA	245	Universal	Original screenplay by Richard Curtis
20	A.I. Artificial Intelligence	USA	237	Warner Bros	Based on a short story by Brian Aldiss

Source: Variety, RSU analysis.

Of the 30 films from the top 200 based on UK stories and characters, the majority (70%) were based on novels written by JRR Tolkien, JK Rowling, CS Lewis, Ian Fleming, Roald Dahl, Helen Fielding, Philip Pullman, HG Wells, Brian Aldiss, Patrick O'Brian (*Master and Commander*) and Hugh Lofting (*Dr Dolittle*) (Figure 5.1). The international popularity of UK comedy writing was highlighted by the success of original screenplays for *Borat, Johnny English, Love Actually, Mr Bean's Holiday* and *Wallace & Gromit: The Curse of the Were-Rabbit*. Films based on British graphic novels, such as *Constantine* and *The League of Extraordinary Gentlemen* had a global impact, as did the computer game *Tomb Raider* in its two film spin-offs.

Figure 5.1 Origin of UK story material in the top 200 films at the international box office 2001–2007

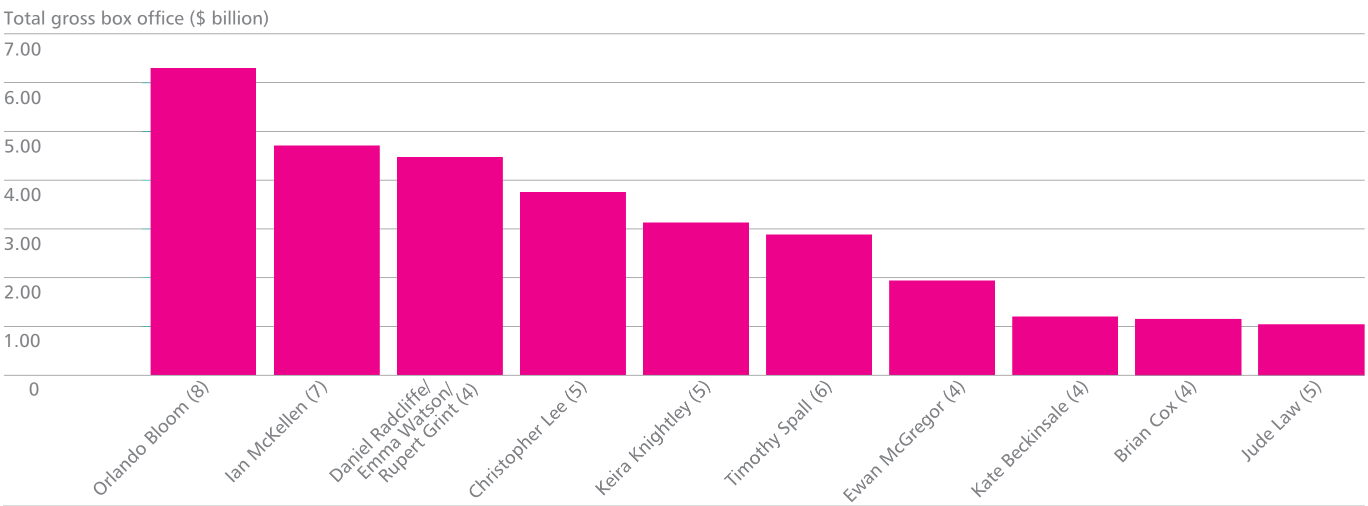
%	
Novel	70%
Original screenplay	17%
Comic book/graphic novel	7%
Computer game	3%
Re-make	3%



5.2 UK actors

More than half – 104 – of the top 200 films at the international box office since 2001 featured British acting talent in either lead/title roles (26) or in the supporting cast (78). Many of the top 20 global box office hits in Table 5.1 have featured ensemble casts and British actors have played prominent roles in most of these. This is reflected in Figure 5.2, which shows the top 10 British actors based on appearances in the 200 highest-grossing films released globally since 2001. In the roles of Legolas in *Lord of the Rings* and Will Turner in *Pirates of the Caribbean*, Orlando Bloom has featured in two of the biggest trilogies in cinema history. Furthermore, the lead role in *Kingdom of Heaven* and a supporting role in *Troy* mean that Bloom has starred in films which have grossed over $6 billion at the worldwide box office, equivalent to an audience of around 1.2 billion people. Another of the Lord of the Rings fellowship, Ian McKellen, has also appeared in the *X-Men* series as well as the *Da Vinci Code*. The cast of the *Harry Potter* series have now appeared in five films worth $4.5 billion at the global box office, and Keira Knightley has appeared in five of the top 200 films released since 2001 including the *Pirates of the Caribbean* trilogy, *Love Actually* and *King Arthur*.

Figure 5.2 Top 10 UK actors featured in the top 200 films at the worldwide box office 2001–2007 (number of appearance in brackets)



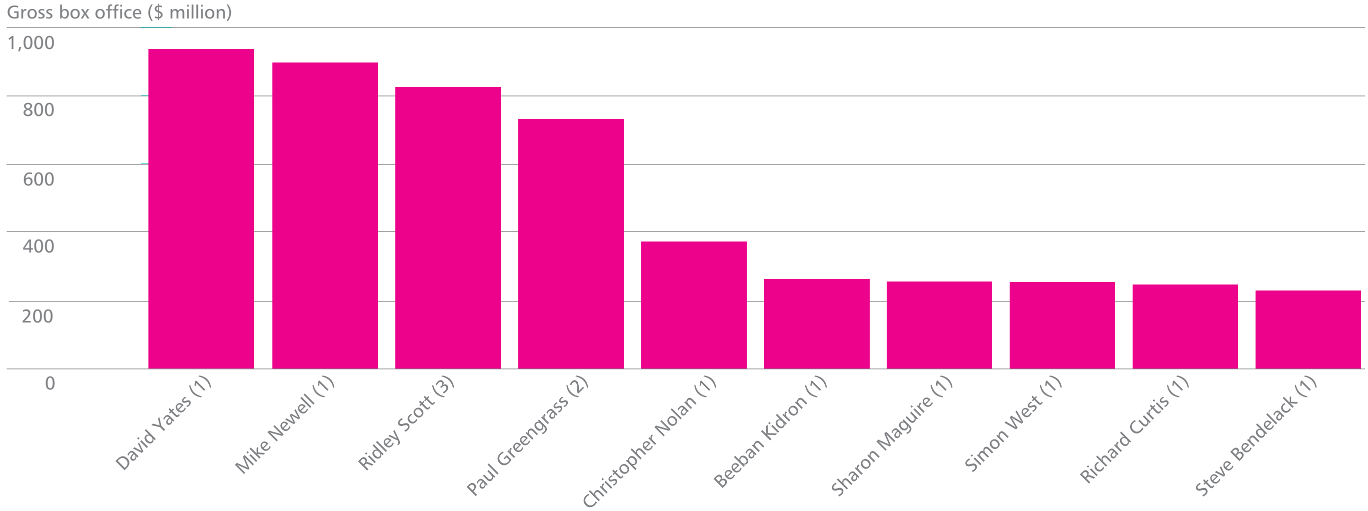
Total gross box office ($ billion)	6.30	4.71	4.48	3.76	3.13	2.88	1.94	1.20	1.14	1.03

Source: UK Film Council RSU.
Criteria: based on four or more appearances, either in lead/title role or supporting role.

5.3 UK directors

Of the 200 highest-grossing films at the worldwide box office, 20 have been directed by British directors. Figure 5.3 and Table 5.2 show the top directors and their films. Ridley Scott was the most prolific, with three films (*Kingdom of Heaven*, *Hannibal* and *American Gangster*) in the top 200, grossing over $825 million between them. David Yates directed *Harry Potter and the Order of the Phoenix*, which has earned $937 million to date, followed by Mike Newell who directed *Harry Potter and the Goblet of Fire*. The success of *The Bourne Supremacy* and *The Bourne Ultimatum* ensure that Paul Greengrass features twice in the top 200 list, with a combined gross of £731 million. Christopher Nolan has gone on to direct the latest instalments of *Batman* after building his reputation on films such as *Memento* and *Insomnia*. Two women feature in the top 200 list – Sharon Maguire and Beeban Kidron – for *Bridget Jones's Diary* and *Bridget Jones: The Edge of Reason* respectively.

Figure 5.3 Top 10 UK directors based on top 200 grossing films 2001–2007 (number of films in brackets)



Gross box office ($ million)	937	896	825	731	372	261	254	252	245	228

Table 5.2 UK directors at the global box office 2001–2007 and their films

Director	Film(s)	Total gross box office ($ million)
David Yates	Harry Potter and the Order of the Phoenix	937
Mike Newell	Harry Potter and the Goblet of Fire	896
Ridley Scott	American Gangster, Hannibal, Kingdom of Heaven	825
Paul Greengrass	The Bourne Supremacy, The Bourne Ultimatum	731
Christopher Nolan	Batman Begins	372
Beeban Kidron	Bridget Jones: The Edge of Reason	261
Sharon Maguire	Bridget Jones's Diary	254
Simon West	Lara Croft: Tomb Raider	251
Richard Curtis	Love Actually	245
Steve Bendelack	Mr Bean's Holiday	228
Peter Hewitt	Garfield	200
Steve Box and Nick Park	Wallace & Gromit: The Curse of the Were-Rabbit	186
Stephen Norrington	The League of Extraordinary Gentlemen	180
David Bowers, Sam Fell	Flushed Away	175
Tony Scott	Déjà Vu	181
Anthony Minghella	Cold Mountain	173
Paul WS Anderson	Alien vs. Predator	162

Source: UK Film Council RSU.

Table 5.4 UK award winners, 2007

Award ceremony/festival	Film	Award category/recipient
Academy Awards	The Queen	Best Performance by an Actress in a Leading Role/Helen Mirren
BAFTA Film Awards	The Queen	Best Film Best Actress in a Leading Role/Helen Mirren
	The Last King of Scotland	Alexander Korda Award for Best British Film Best Adapted Screenplay/Peter Morgan and Jeremy Brock
	United 93	David Lean Award for Direction/Paul Greengrass Best Editing/Clare Douglas, Christopher Rouse, Richard Pearson
	Children of Men	Best Production Design/Geoffrey Kirkland, Jim Clay, Jennifer Williams
	Guy 101	Best Short Animation/Ian W Gouldstone
	Do Not Erase	Best Short Film/Asitha Ameresekere
	Casino Royale	Best Sound/Chris Munro, Eddy Joseph, Mike Prestwood Smith, Martin Cantwell, Mark Taylor
	Red Road	Carl Foreman Award for the Most Promising Newcomer/Andrea Arnold Michael Balcon Award/Nick Daubeny
		Academy Fellowship/Anne V Coates
Berlin International Film Festival	Hallam Foe	Prize of the Guild of German Arthouse Cinemas/David Mackenzie Silver Berlin Bear/David Mackenzie
	Blindsight	Panorama Audience Award/Lucy Walker
	Notes on a Scandal	Teddy Audience Award/Richard Eyre
Cannes Film Festival	Control	Prix Regards Jeune/Anton Corbijn Golden Camera – Special Mention/Anton Corbijn Label Europa Cinemas/Anton Corbijn
	Withdrawal	NFB Online Short Film Competition/Mark Conn Chopard Trophy – Female Revelation/Archie Panjabi Chopard Trophy – Male Revelation/James McAvoy
Sundance Film Festival	In the Shadow of the Moon	Audience Award – World Cinema – Documentary/David Sington
Toronto International Film Festival	Eastern Promises	People's Choice Award
Venice Film Festival	It's a Free World…	EIUC Award/Ken Loach Golden Osella – Best Screenplay/Paul Laverty SIGNIS Award – Honourable Mention/Ken Loach
	Nightwatching	Mimmo Rotealla Foundation Award/Peter Greenaway Open Prize/Peter Greenaway
	Dog Altogether	Silver Lion – Best Short Film/Paddy Considine

Source: UK Film Council.

5.4 Awards for UK films 2001–2007

UK films and British talent in front of and behind the camera have enjoyed major award recognition since 2001. Table 5.3 illustrates the number of awards won by UK films and individuals at two major international award ceremonies (Academy Awards, BAFTA Film Awards) and the major international film festivals (Berlin, Cannes, Sundance, Toronto and Venice). In all, there were 173 award winners, representing 14% of the awards made.

Table 5.3 Awards for British films and talent 2001–2007

Year	Number of UK award winners*	UK share %
2001	25	14
2002	24	15
2003	22	13
2004	22	13
2005	23	14
2006	25	15
2007	32	15

*Awards include Academy Awards and BAFTA Film Awards, and Berlin, Cannes, Sundance, Toronto and Venice festivals.
Source: UK Film Council.

The 2001 Academy Awards were dominated by Ridley's Scott's *Gladiator*, and British talent was represented in several award categories including Best Costume Design, Best Sound and Best Visual Effects. *Billy Elliot* won three BAFTA awards including Best Actor for Jamie Bell and Best Supporting Actress for Julie Walters.

The major British award successes of 2002 included Jim Broadbent, who won the Academy Award for Best Supporting Actor for his portrayal of John Bayley in *Iris* and also the equivalent award at the BAFTA ceremony for the role of Harold Zidler in *Moulin Rouge*.

Control, courtesy of Momentum Pictures.

Julian Fellowes won the Academy Award for Best Original Screenplay for *Gosford Park* in the same year. *Bloody Sunday* won the Golden Bear at the Berlin International Film Festival and the Audience Award at Sundance, while *Morvern Callar* and *Sweet Sixteen* won awards at Cannes. *The Magdalene Sisters* won both the Golden Lion at Venice and the Discovery Award at Toronto.

In 2003, Catherine Zeta Jones's portrayal of Velma Kelly in the musical *Chicago* won the Academy and BAFTA awards for Best Supporting Actress. Michael Winterbottom's *In This World* won three awards at Berlin including the prestigious Golden Bear. The following year, Mike Leigh's *Vera Drake* won The Golden Lion at Venice and at the same festival Imelda Staunton won the Volpi Cup (Best Actress) for the title role.

Andrea Arnold's short film *Wasp* won the Best Short Film, Live Action Academy Award in 2005, as well as the International Short Filmmaking Award at the Sundance Film Festival. Andrea Arnold's debut feature, *Red Road*, won the Prix du Jury prize at the 2006 Cannes Film Festival, whilst another UK film Ken Loach's *The Wind that Shakes the Barley* won the coveted Palme d'Or at that year's film festival.

Rachel Weisz won the Best Supporting Actress Oscar® in 2006 for her role in *The Constant Gardener*, while Thandie Newton won the equivalent award at the BAFTAs for *Crash*. There was more Best Short Film, Live Action success at the Academy Awards, this time for *Six Shooter*, directed by Martin McDonagh. Steve Box and Nick Park won the award for Best Animated Feature Film of the Year for *Wallace & Gromit: The Curse of the Were-Rabbit*. *The Queen* picked up a trio of awards at the Venice Film Festival, including the FIPRESCI Prize, Best Screenplay for Peter Morgan and Best Actress for Helen Mirren.

This success carried on into 2007 when UK films and talent won 32 awards, 15% of the total. Helen Mirren won the Best Actress Oscar® and BAFTA's award for her role as *The Queen*. Anton Corbijn's *Control* won three prizes at the Cannes Film Festival and Ken Loach's *It's a Free World* also won three awards at Venice (Table 5.4).

- For more details on the film distribution sector in 2007 see chapter 8 (page 62)
- For more information about the exhibition sector in 2007 see chapter 9 (page 66)
- For more background on film production in 2007 see chapter 15 (page 119)

A film that is screened in the cinema has distinct advantages – its higher profile has an important influence on its performance in later release windows, such as retail and rental DVD and video-on-demand. Not all UK films get the chance to be shown in the cinema however, where competition for the available slots is fierce, both at home and internationally. This chapter looks at the release history of UK films in recent years.

Facts in focus

- Just under half (49%) of UK films certified between 2000 and 2006 were released in the UK and the Republic of Ireland by March 2008. They accounted for 72% of the total UK film budgets over this period.
- Schedule 1 ('British') films were more likely to be theatrically released in the UK and Ireland than UK co-productions and, from 2003, were nearly equally likely to be released internationally.
- Over 90% of UK studio films (those with US major studio involvement) certified between 2004 and 2006 were theatrically released in the UK or Ireland compared with only 40% for independent UK films.
- 65% of UK films certified between the years of 2000 and 2006 were theatrically released in at least one of 12 international territories.
- Almost 100% of UK studio films certified between 2004 and 2006 achieved an international theatrical release compared with just 66% for independent UK films.
- UK films were able to exploit 25% of the release opportunities in 12 international territories.

6.1 UK films released in the UK and the Republic of Ireland

In this chapter we examine the release history of UK films both locally and internationally over the years of certification from 2000 to 2006. We restrict our analysis to these years because historical data are limited and it may take a number of years before a certified film is theatrically released. As of 2 March 2008, the median elapsed time from certification (date of final approval by the UK competent authority, the Department for Culture Media and Sport) to a UK release was 155 days over this seven-year period. It should be noted that the two types of certification considered here are not pre-conditions to the UK release of a UK film. In fact, 71 (14%) of the 491 UK-released UK-certified films were released before receiving their certification.

In this chapter, a UK film is defined as one that:

- qualified as British under Schedule 1 of the Films Act 1985 (Schedule 1) or
- a co-production made under one of the UK's official international co-production treaties or the European Convention on Cinematographic Co-production (co-pro).

At the time of writing, the UK had six active bi-lateral co-production treaties with Australia, Canada, France, Jamaica, New Zealand and South Africa. New treaties are under negotiation with India, China and Morocco.

Here a film is considered to be theatrically released if it was recorded as such on the multi-territory Nielsen EDI box office database. This database covers 12 territories including the UK and the Republic of Ireland which are considered as one territory. Short films, re-releases, releases in film festivals and films with budgets of less than £100,000 have been excluded from this analysis.

It should be borne in mind that the number of effective theatrical release slots each year is tightly constrained (there being only 52 weekends per year) and films can also be released on DVD/video, shown on terrestrial or multi-channel television, or downloaded or streamed over different digital platforms.

Out of 1,011 UK films certified between 2000 and 2006, 491 (48.6%) had been theatrically released in the UK and the Republic of Ireland by 2 March 2008, as shown in Table 6.1. Films certified in 2006 had the lowest release rate (43.6%) while those certified in 2005 had the highest release rate of 54.1%, over this period.

Table 6.1 UK films released in the UK and Ireland, certification years 2000–2006

	2000	2001	2002	2003	2004	2005	2006	Total
No. films released	68	53	62	73	82	92	61	**491**
% released	53.5	46.1	48.1	45.9	48.0	54.1	43.6	**48.6**
No. films certified	127	115	129	159	171	170	140	**1,011**

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: In this and all other tables and figures in this chapter, 'Ireland' means Republic of Ireland. Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

From 2000 to 2006, films that had a theatrical release in the UK and Republic of Ireland accounted for 72% of the total budgets of UK films. Table 6.2 shows the gradual increase (except for 2003) in the proportion of the total budget spent on UK films that were released in the UK and the Republic of Ireland. The lower rate in 2006 is a reflection of the downturn in inward investment production in 2005, as demonstrated in Figure 15.2 (most of the 2006 Schedule 1 films being shot in 2005).

Table 6.2 Proportion of budget for UK films released in the UK and Ireland, certification years 2000–2006

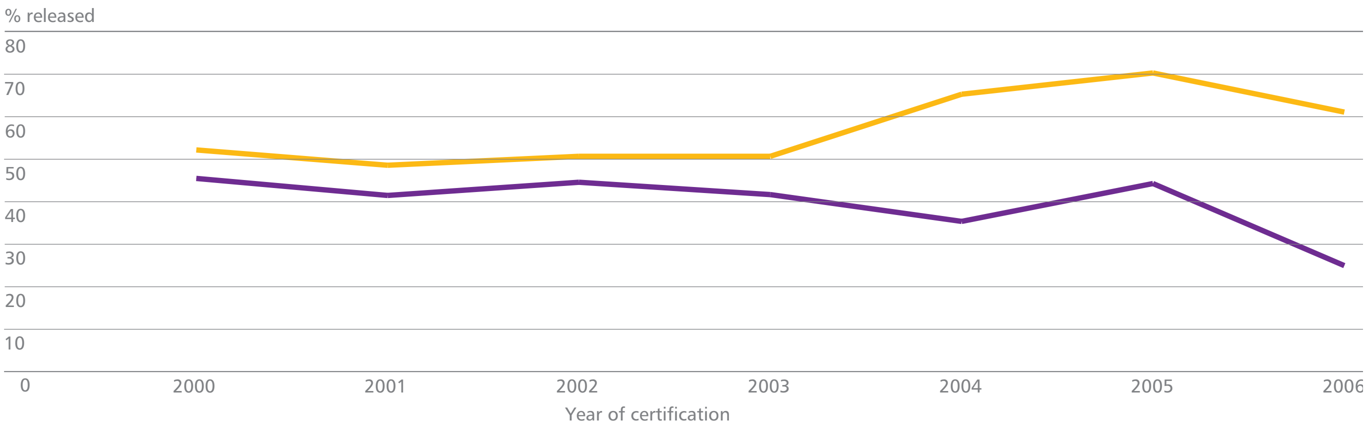
	2000	2001	2002	2003	2004	2005	2006	Total
Budget of released films £m	306	564	727	483	1,388	1,298	573	**5,338**
% of total budget	67.3	69.1	69.4	63.7	76.2	79.4	66.5	**72.2**
Total budget £m	454	816	1,047	758	1,822	1,634	861	**7,392**

Source: Nielsen EDI, DCMS, RSU analysis.
Note: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

6.1.1 UK films released in the UK and Ireland by types of certification: Schedule 1 and co-production

Schedule 1 films certified between 2000 and 2006 were more likely to be theatrically released in the UK and the Republic of Ireland than co-productions. Figure 6.1 shows that the co-production release rate declined while that of Schedule 1 films rose from 2003. This was despite UK-released co-productions having higher median budgets than Schedule 1 films over this period, as shown in Table 6.3 and Figure 6.2.

Figure 6.1 UK Schedule 1 and co-production films released in the UK and Ireland, certification years 2000–2006



	2000	2001	2002	2003	2004	2005	2006
Schedule 1	55.2	48.6	50.7	50.7	65.3	70.3	61.1
Co-production	45.5	41.5	44.6	41.7	35.4	44.3	25.0

Source: Nielsen EDI, DCMS, RSU analysis.
Note: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

In 2006, release rates for both co-productions and Schedule 1 films fell (Figure 6.1). While 2006 release rates may rise slightly as more films are released, based on past experience, they are unlikely to reach the 2005 level. A range of factors may be responsible for this fall (including the particular mix of 2006 films) but one influence could be the recent decline in UK film budgets. The median budget for both Schedule 1 films and co-productions fell by around £1 million from 2005 to 2006 (Table 6.3).

Table 6.3 Median budget of Schedule 1 and UK co-production films certified between 2000 and 2006

	2000	2001	2002	2003	2004	2005	2006	Total
Schedule 1 £m	2.9	2.9	2.8	1.8	3.2	3.6	2.1	**2.6**
Co-production £m	3.3	3.4	4.7	3.6	4.3	4.9	4.4	**4.3**
All UK certified films £m	3.0	3.1	3.7	3.0	3.7	4.3	3.2	**3.3**

Source: UK Film Council.

Figure 6.2 Median budget of UK Schedule 1 and co-production films released in the UK and Ireland, certification years 2000–2006

	2000	2001	2002	2003	2004	2005	2006
Schedule 1	3.22	3.55	4.21	2.38	4.25	4.63	2.46
Co-production	5.01	5.38	8.25	5.03	9.46	6.17	6.68

Source: Nielsen EDI, DCMS, RSU analysis.
Note: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.
Note: The drop in median budget in the certification year 2003 is likely to have been caused by the fall in the number of higher-budget inward investment co-productions in 2002 (see Figure 15.1). Films produced in 2002 would tend to have been certified in 2003.

There is a positive correlation between film budgets and release rates of UK-certified films over the seven-year period 2000–2006. The higher the budget, the more likely is a theatrical release (Table 6.4).

Table 6.4 Proportion of Schedule 1 and co-production films released in the UK and Ireland by budget range and type of certification, certification years 2000–2006

	Budget range				
Type of certification	<£1.5m	£1.5m to <£3m	£3m to <£7m	≥£7m	Overall
Schedule 1 (% released)	37.4	48.2	74.8	77.2	57.0
Co-production (% released)	31.1	25.6	32.5	59.9	39.1
All UK–certified films (% released)	36.1	36.4	52.9	66.5	48.6
No. of films certified	227	231	314	239	1,011

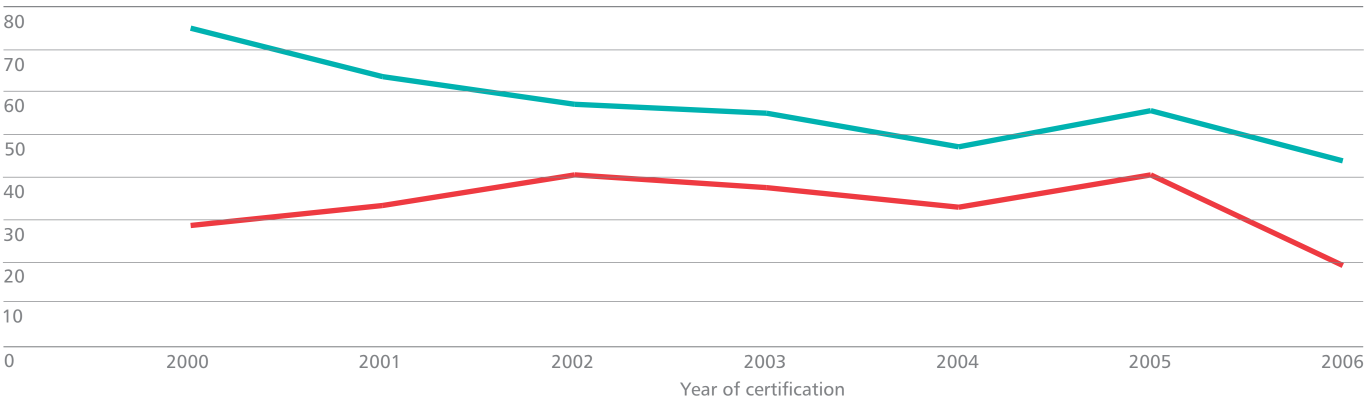
Source: UK Film Council.

6.1.2 UK films released in the UK and Ireland by UK majority and minority co-productions

The theatrical release rates of UK co-production films also varied by the UK share of the total investment in the films. Here we define a UK majority co-production as one where the UK has invested the highest proportion of funds among all the co-production partners; it is referred to as a UK minority co-production otherwise. Where the UK and other co-production partner(s) have invested equal highest proportions, the production is counted as a UK majority. This includes 50/50 UK co-productions. (Note: a different definition of 'over 50%' majority was used in the Yearbook 2006/07. The new definition adopted this year makes our presentation of the UK figures more in line with those of our European counterparts.)

Over the certification period from 2000 to 2006, there were 113 (23.7%) UK majority co-productions out of a total of 476 UK co-productions. Figure 6.3 shows that UK majority co-production films were more likely to be theatrically released in the UK and Republic of Ireland than UK minority co-productions throughout the seven-year period.

Figure 6.3 Release rate of UK majority and minority co-production films in the UK and Ireland, certification years 2000–2006



	2000	2001	2002	2003	2004	2005	2006
Majority	75.0	63.6	57.1	55.0	47.1	55.6	43.8
Minority	28.6	33.3	40.5	37.5	32.9	40.5	19.2

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Note a different definition of majority (over 50% of total investment) was used in the previous Yearbook.
Release rates up to 2 March 2008.

6.1.3 UK films released in the UK and Ireland by independent and studio films

UK studio films, that is certified UK films whose production involved a major US studio, were much more likely to receive a theatrical release in the UK and Republic of Ireland than those without. The six US major studios considered in this analysis are Warner Brothers, Universal, 20th Century Fox, Paramount, Disney and Sony/Columbia/MGM. For the purpose of this analysis, UK films produced by Working Title are also counted as UK studio films because of its ownership by Universal. We restrict this part of the analysis to the certification years of 2004 to 2006 only because information on US studio involvement is incomplete before that date.

Table 6.5 shows that, of the UK films certified between 2004 and 2006, 93% of UK studio films were theatrically released in the UK and Republic of Ireland while the release rate for UK independent films was just over 44%. Three UK studio films from 2004 and 2005 (*Ripley Under Ground, Chasing Liberty* and *A Sound of Thunder*) remained un-released in the UK or Ireland by 2 March 2008. The latter two (certified in 2004) were released in other major film territories including the USA; *Ripley Under Ground* has since been released in the Philippines.

Table 6.5 Percentage of UK independent and studio films released in the UK and Ireland, certification years 2004–2006

	2004	2005	2006	Total
Independent films (%)	42.4	50.0	40.2	**44.4**
Studio films (%)	90.0	93.8	100.0	**93.2**

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

A further breakdown of the figures for UK independent films reveals a similar pattern to UK films as a whole. Independent Schedule 1 films were much more likely to be theatrically released in the UK and Republic of Ireland than independent co-productions for the certification years 2004 to 2006, as shown in Table 6.6. The higher release rate of Schedule 1 films is therefore not explained by the fact that UK studio films tend to be Schedule 1 films but is a broader attribute of UK Schedule 1 films.

Table 6.6 Percentage of UK independent Schedule 1 and co-production films released in the UK and Ireland, certification years 2004–2006

	2004	2005	2006	Total
Schedule 1 (%)	59.0	66.0	57.6	**60.6**
Co-production (%)	31.1	41.6	22.7	**33.1**

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

6.2 UK films released internationally

In this section, we consider the theatrical releases of UK films in 12 international territories for which box office data are available from Nielsen EDI. The 12 Nielsen EDI territories are the USA and Canada (considered as one territory), Mexico, Argentina, Brazil, Chile, UK and the Republic of Ireland (one territory), Spain, Germany, Austria, France, Australia, and New Zealand. These 12 territories accounted for approximately 65% of the box office worldwide in 2007 (source: Screen Digest Cinema Intelligence box office worldwide).

Table 6.7 shows that over the years of certification from 2000 to 2006 the release rates of UK films in at least one of the 12 Nielsen EDI territories (including the UK and Republic of Ireland) fluctuated at about 65%.

Table 6.7 UK films released in any of 12 Nielsen EDI territories, certification years 2000–2006

	2000	2001	2002	2003	2004	2005	2006	Total
No. films released	77	64	81	104	117	130	85	**658**
% released	60.6	55.7	62.8	65.4	68.4	76.5	60.7	**65.2**
No. films certified	127	115	129	159	171	170	140	**1,011**

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

Over the same period, 85% of the total budgets of UK films were spent on films that were internationally released (in at least one of 12 Nielsen EDI territories). Table 6.8 shows that the proportions of budgets associated with internationally-released UK films hovered about the 85% level over the seven-year period. This table, together with Table 6.2, provides some reassurance that the great majority of UK film budgets (and the tax incentives associated with those budgets) are devoted to films that gain a theatrical release.

Table 6.8 Total budget (£ million) of UK films released in any of 12 Nielsen EDI territories, certification years 2000–2006

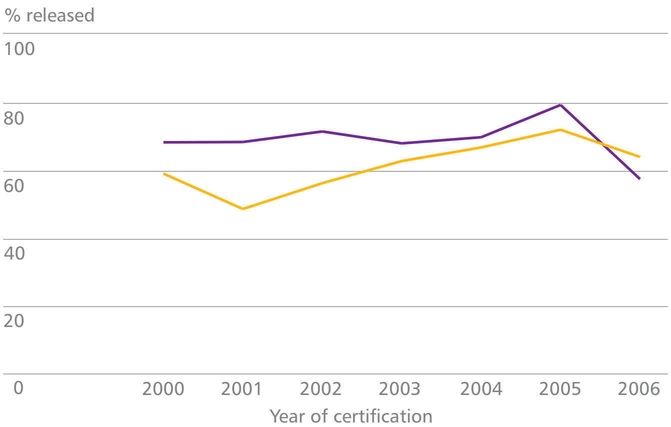
	2000	2001	2002	2003	2004	2005	2006	Total
Budget of released films £m	348	627	881	618	1,644	1,504	675	**6,296**
% total budget	76.5	76.8	84.1	81.5	90.2	92.1	78.3	**85.2**
Total budget £m	454	816	1,047	758	1,822	1,634	861	**7,392**

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

6.2.1 UK films released internationally by types of certification: Schedule 1 and co-production

Figure 6.4 shows that UK co-production films were more likely than Schedule 1 films to be theatrically released internationally (in at least one of the 12 Nielsen EDI territories) between the certification years 2000 and 2005, though the gap narrowed from 2003. In 2006 the international release rates of UK Schedule 1 and co-production films both fell and the trend reversed fractionally.

Figure 6.4 Release rate of UK Schedule 1 and co-production films in any of the 12 Nielsen territories, certification years 2000–2006

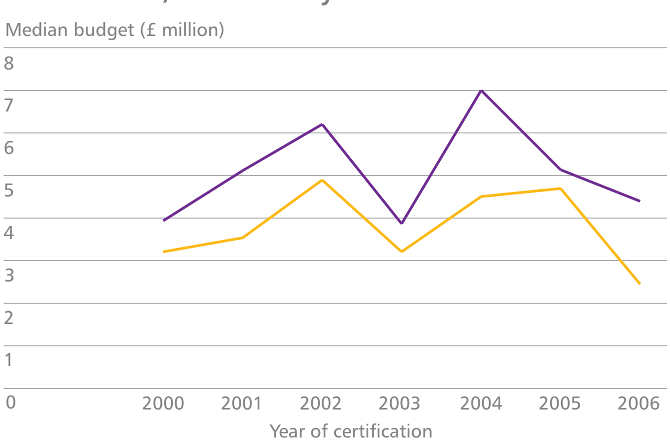


	2000	2001	2002	2003	2004	2005	2006
Schedule 1	59.0	48.6	56.2	62.7	66.7	71.9	63.9
Co-production	68.2	68.3	71.4	67.9	69.7	79.2	57.4

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

Figure 6.5 shows that the median budgets of internationally-released UK Schedule 1 and co-production films fell to the early 2000's level after a period of fluctuation from 2002 to 2004. The median budgets of UK co-productions remained higher than those of UK Schedule 1 films throughout this period, though with a smaller margin than in the case of films released in the UK and Republic of Ireland (Figure 6.2).

Figure 6.5 Median budget of UK Schedule 1 and co-production films released in any of 12 Neilsen EDI territories, certification years 2000–2006



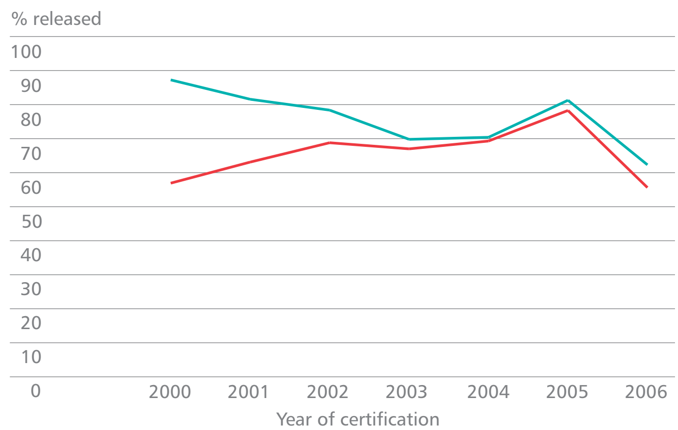
	2000	2001	2002	2003	2004	2005	2006
Schedule 1	3.22	3.55	4.91	3.22	4.52	4.71	2.46
Co-production	3.95	5.13	6.22	3.88	7.02	5.15	4.41

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

6.2.2 UK films released internationally by UK majority and minority co-productions

UK majority co-production films continued to be more likely to be theatrically released internationally than UK minority co-production films over the certification years 2000 to 2006 (see Figure 6.6), though the gap narrowed from 2003.

Figure 6.6 UK majority and minority co-production films released in any of 12 Nielsen EDI territories, certification years 2000–2006



	2000	2001	2002	2003	2004	2005	2006
UK majority	87.5	81.8	78.6	70.0	70.6	81.5	62.5
UK minority	57.1	63.3	69.0	67.2	69.5	78.5	55.8

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. A different definition of majority (over 50% of total investment) was used in Yearbook 2006/07. Release rates up to 2 March 2008.

6.2.3 UK films released internationally by independent and studio films

Two-thirds (66%) of UK independent films received international releases (in at least one of the 12 Nielsen EDI territories) compared with almost guaranteed (close to 100%) international releases of UK studio films (defined as UK films with US studio involvement) over the certification years 2004 to 2006, as shown in Table 6.9. One UK studio film certified in 2005 (*Ripley Under Ground*) remained un-released in any of the 12 Nielsen EDI territories by March 2008. According to The Internet Movie Database (IMDb), this film has since been released in one territory, the Philippines.

Table 6.9 Percentage of UK independent and studio films released in any of 12 Nielsen EDI territories, certification years 2004–2006

	2004	2005	2006	Total
Independent films (%)	64.2	74.7	58.3	**66.1**
Studio films (%)	100.0	93.8	100	**97.7**

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

6.3 Release opportunities analysis

One measure of how widely a film is released internationally is its success in exploiting its 'release opportunities'. Here release opportunities are defined as the number of films multiplied by the number of territories in which these films could be released. For example, if there were 100 films to be released in 12 territories, there would be 1,200 release opportunities. The following analysis examines the extent to which UK films were able to exploit these release opportunities for the certification years from 2000 to 2006.

Table 6.10 shows that UK films were able to exploit, on average, 25.5% of the release opportunities in the 12 Nielsen EDI territories for the 2000–2006 certification years.

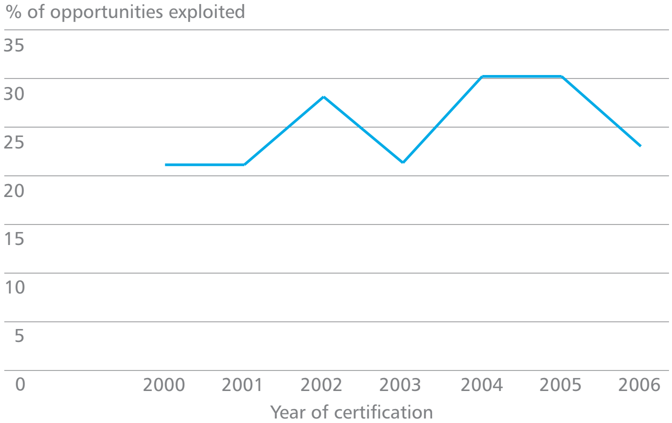
Table 6.10 Release opportunities of UK films, certification years 2000–2006

	2000	2001	2002	2003	2004	2005	2006	Total
% of opportunities exploited	21.2	21.2	28.2	21.4	30.3	30.3	23.1	**25.5**
Number of release opportunities	1,524	1,380	1,548	1,908	2,052	2,040	1,680	**12,132**
Number of films certified	127	115	129	159	171	170	140	**1,011**

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

Over this period there was a slight overall increase in the percentage of release opportunities exploited as shown in Figure 6.7 suggesting that the quality and/or marketing of UK films might have improved over the period.

Figure 6.7 Release opportunities of UK films, certification years 2000–2006



	2000	2001	2002	2003	2004	2005	2006
% of opportunities exploited	21.2	21.2	28.2	21.4	30.3	30.3	23.1

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rate up to 2 March 2008.

It would have been informative to compare our findings with those from other comparable-sized countries, but we have not seen similar results published elsewhere.

6.3.1 Release opportunities by types of certification: Schedule 1 and co-production

Figure 6.8 reveals that UK Schedule 1 films were more successful than UK co-production films at exploiting release opportunities in recent certification years. The rates were similar from 2000 to 2002.

Figure 6.8 Release opportunities of UK Schedule 1 and co-production films, certification years 2000–2006

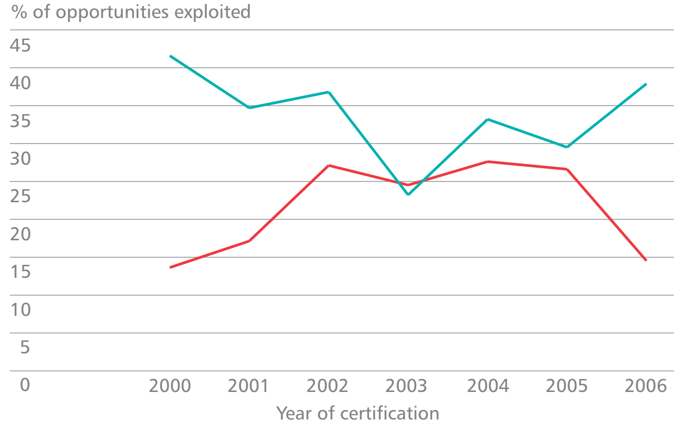
	2000	2001	2002	2003	2004	2005	2006
Schedule 1	20.6	20.7	27.2	18.2	32.4	35.0	25.9
Co-production	23.9	22.0	29.6	24.3	28.7	27.4	20.1

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

6.3.2 Release opportunities by UK majority and minority co-productions

Overall, UK majority co-productions were more successful at exploiting release opportunities than UK minority co-productions (as defined in section 6.1.2) over the certification years 2000 to 2006, as shown in Figure 6.9. This was except for 2003 when UK minority co-productions achieved a slightly higher proportion of release opportunities than UK majority co-productions.

Figure 6.9 Release opportunities of UK majority and minority co-production films, certification years 2000–2006



	2000	2001	2002	2003	2004	2005	2006
Majority	41.7	34.8	36.9	23.3	33.3	29.6	38.0
Minority	13.7	17.2	27.2	24.6	27.7	26.7	14.6

Source: Nielsen EDI, DCMS, RSU analysis.
Notes: Figures revised since Yearbook 2006/07 when a different definition of majority was used; see section 6.1.2 for details. Release rates up to 2 March 2008.

6.3.3 Release opportunities by independent and studio films

Table 6.11 shows that over the certification years 2004 and 2006 UK independent films only exploited 23% of the release opportunities compared with 82% by UK studio films (UK films whose production involved a US studio).

Table 6.11 Releases as a percentage of release opportunities for UK independent and studio films, certification years 2004–2006

	2004	2005	2006	Total
Independent films (%)	23.7	24.5	19.6	**22.7**
Studio films (%)	80.0	85.9	80.2	**82.2**

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

While the above figures for independent UK films seem low, it should be recalled that the number of effective theatrical release slots each year is tightly constrained (there being only 52 weekends per year) and films can also be released on DVD/video, shown on television or downloaded.

Independent Schedule 1 films were slightly more successful in exploiting the international release opportunities than independent UK co-productions in the years of certification 2005–2006, as shown in Table 6.12. This suggests that good domestic UK films can be more marketable internationally than films with a number of international partners.

Table 6.12 Releases as a percentage of release opportunities for UK independent Schedule 1 and co-production films, certification years 2004–2006

	2004	2005	2006	Total
Schedule 1 (%)	23.0	25.2	21.6	**23.1**
Co-production (%)	24.2	24.2	17.7	**22.5**

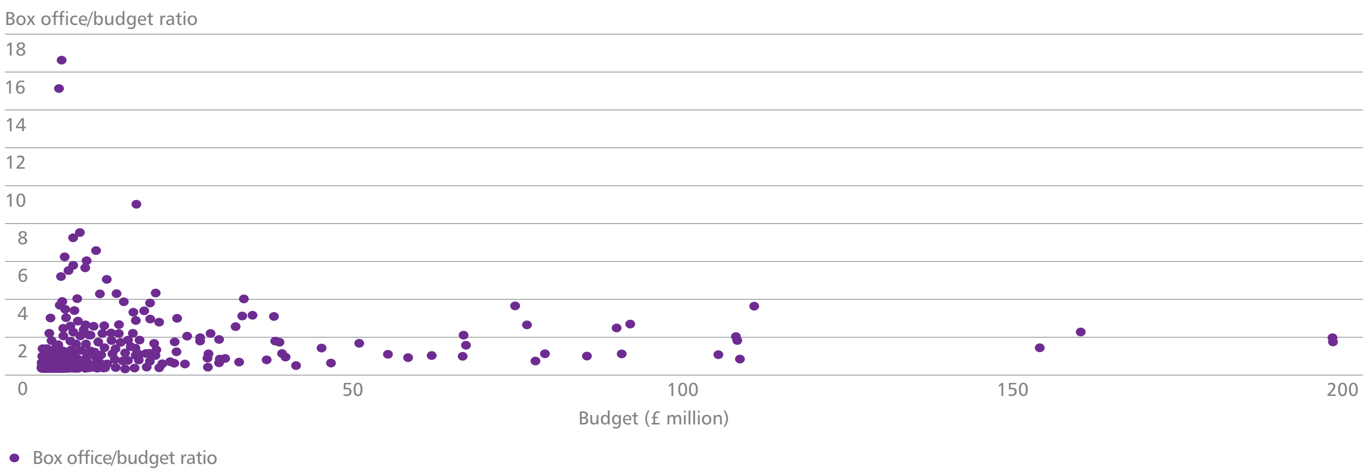
Source: Nielsen EDI, DCMS, UKFC International, RSU analysis
Notes: Figures revised since Yearbook 2006/07. Release rates up to 2 March 2008.

6.4 Financial success analysis

It is difficult to measure the overall profitability of UK films. However, a proxy measure such as the ratio of multi-territory box office to budget can be a useful indicator. Industry feedback suggests that if a low-to-medium-budget British film generates box office revenues greater than twice its budget in the 12 Nielsen territories, it is likely to be in profit by the time returns from ancillary revenues (video and TV) are added to its income stream and all costs deducted (including VAT, exhibition, distribution and retail margins, prints and advertising, etc). Below that level its likelihood of making a profit drops rapidly. Figure 6.10 shows the budget to box office ratio by budget of UK films certified between 2000 and 2006 that had gained a theatrical release by 2 March 2008.

Over this period only 53 (8.1%) out of the 658 certified UK films released internationally (in at least one of the 12 Nielsen EDI territories) achieved a ratio of multi-territory box office to budget of two or above. This suggests that only a small proportion of internationally-released UK feature films are likely to have made profits for the producers and investors in the film and underlines the highly risky nature of film investment.

Figure 6.10 Multi-territory box office/budget ratio by budget of UK films, certification years 2000–2006



Source: Nielsen EDI, DCMS, RSU analysis.
Note: Figures as at 2 March 2008.
The 12 Nielsen EDI territories are: USA and Canada (one territory), Mexico, Argentina, Brazil, Chile, UK and Ireland (one territory), Spain, Germany, Austria, France, Australia, and New Zealand.

- For cinema admissions and box office in 2007 see chapter 1 (page 8)
- For UK films on video see chapter 10 (page 79)
- For UK films on TV see chapter 11 (page 86)
- For US studio involvement in UK film production in 2007 see chapter 15 (page 119)

This is England, courtesy Optimum Releasing.

Chapter 7: Language, genre and classification

Audiences have more opportunities than ever to see films from around the world, with a variety of styles, genres and subjects. No fewer than 34 languages were represented on our screens in 2007. When it comes to a choice of genre, audiences still adore comedy on the big screen.

Facts in focus

- Films in 34 different languages (including English) were released in the UK in 2007.
- 170 foreign language films made up 33% of total releases, but shared just 3.5% of the UK box office.
- Foreign language films averaged 20 sites at their widest point of release, compared to 160 for English language films.
- Hindi was the most common foreign language in terms of the number of releases.
- Comedy, traditionally popular with a broad spectrum of audiences, accounted for 25% of releases and took 22% of the box office.
- Fantasy films took more money per site on average than other genres.
- The genre pattern of UK films was broadly similar to that of all films on release and is typically dependent on the slate of UK/USA inward features being released in the year.
- More films were released with '15' certificates from the British Board of Film Classification than any other category though '12A' films took the largest share of the box office.

7.1 Foreign language films

7.1.1 The languages of film

Films in 34 different languages (including English) were released in the UK and the Republic of Ireland in 2007, as Table 7.1 shows, compared with 30 in 2006. One of this year's titles was the re-release of the 1929 silent film, *Prapancha Pash (A Throw of Dice)*. This re-release, supported by the UK Film Council, was previewed on a giant screen with a live orchestra in Trafalgar Square.

Table 7.1 Languages of films released, 2007

Main language	Number of releases
Aboriginal	1
Arabic	4
Cantonese	2
Czech	1
Danish	2
Dutch	1
English	315
English with others*	30
Finnish	1
Flemish	1
French	34
German	7
Greek	1
Hebrew	2
Hindi	52
Hungarian	1
Indonesian	1
Italian	4
Japanese	2

Main language	Number of releases
Korean	3
Mandarin	5
Mayan	1
Norwegian	2
Polish	3
Portuguese	1
Punjabi	2
Romanian	1
Russian	2
Spanish	7
Swedish	2
Tamil	12
Telugu	2
Thai	2
Turkish	6
Urdu	2
Silent	*1*
Total	**516**

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
* 'English with others' includes films whose main language was English but with extensive use of other languages, such as *Babel*.

7.1.2 Foreign language releases

The 33 foreign languages were spread over 170 releases in the UK (32.9% of all releases, an increase of 29.7% since 2002), earning £32.3 million at the box office (Table 7.2). This represented 3.5% of the total UK gross box office for 2007, a fall from 4.6% in 2004 but the same as 2006.

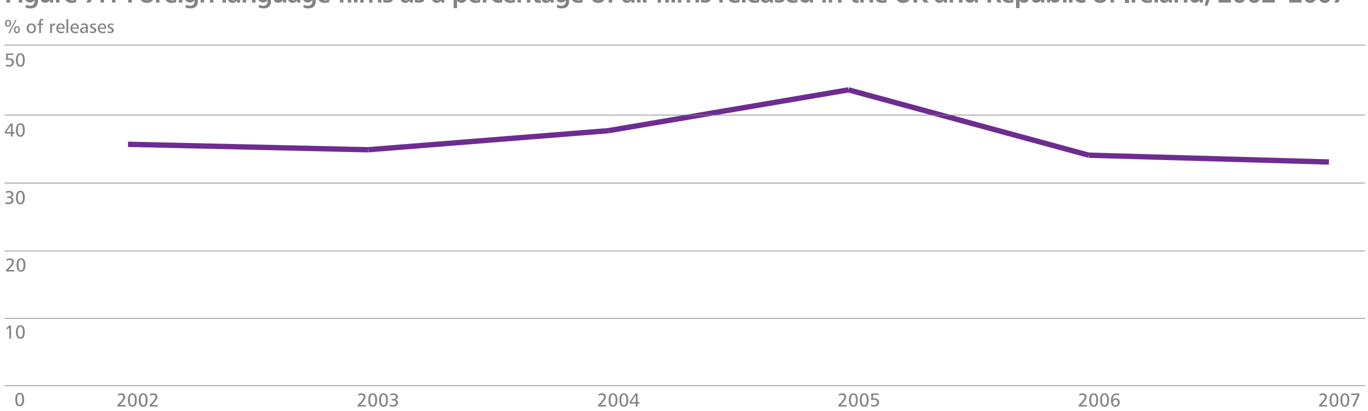
Table 7.2 Foreign language films at the UK and Republic of Ireland box office, 2002–2007

	Number	% of all releases	Box office (£ million)	% of total gross box office
2002	131	35.5	17.1	2.2
2003	147	34.7	20.4	2.5
2004	169	37.5	38.1	4.6
2005	203	43.5	26.9	3.2
2006	171	33.9	29.8	3.5
2007	170	32.9	32.3	3.5

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

Figure 7.1 shows that the percentage of foreign language films released in the UK and the Republic of Ireland dropped to a slightly lower level than in 2002 even though more foreign films were released this year than in 2002. This fall is explained by the increasing numbers of all films being released over the last few years. The total number of films released rose from 369 in 2002 to 516 in 2007, an increase of 39.8% compared with the 29.7% increase in foreign films released over the same time.

Figure 7.1 Foreign language films as a percentage of all films released in the UK and Republic of Ireland, 2002–2007



Hindi was once again the most common foreign language in terms of the number of releases (Table 7.3). Taken together, foreign language films played on average at only 20 sites at their widest point of release (against 17 in 2006) compared with an average of 160 for English language releases.

Table 7.3 Language of releases in the UK and Republic of Ireland, 2007

Main language	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Average sites at widest point of release
English and English with others*	345	66.9	901.4	96.5	160
Hindi	52	10.1	14.5	1.6	28
Other European	77	14.9	10.7	1.2	14
Other international	41	7.9	7.1	0.8	20
Silent	*1*	*0.2*	*<0.1*	*<0.1*	*2*
Total	**516**	**100.0**	**933.8**	**100.0**	**114**

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Notes: *'English with others' includes films whose main language was English but with extensive use of other languages, such as *Babel*.
Figures as at 2 March 2008. Figures may not sum to totals due to rounding.

Table 7.4 shows the top five foreign languages, with Hindi again in top position and French second.

Table 7.4 Top five foreign languages at the UK and Republic of Ireland box office, 2007

Main language	Number of releases	Gross box office (£ million)	Top performing title
Hindi	52	14.5	Om Shanti Om
French	34	5.3	La Vie en Rose
Mayan	1	4.1	Apocalypto
German	7	3.5	The Lives of Others
Mandarin	5	1.2	Curse of the Golden Flower

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

The top three performing European foreign languages were French, German and Dutch, as Table 7.5 shows. French-language releases included films from Algeria and Morocco as well as France and the one Portuguese-language film was of Brazilian origin.

Table 7.5 European foreign languages at the UK and Republic of Ireland box office, 2007

Main language	Number of releases	Gross box office (£ million)	Top performing title
French	34	5.3	La Vie en Rose
German	7	3.5	The Lives of Others
Dutch	1	0.6	Black Book
Italian	4	0.4	The Golden Door
Turkish	6	0.3	Climates
Russian	2	0.2	Day Watch
Spanish	7	0.2	The Night of the Sunflower
Swedish	2	0.1	The Seventh Seal (RE)
Romanian	1	<0.1	12:08 East of Bucharest
Finnish	1	<0.1	Lights in the Dusk
Hungarian	1	<0.1	Taxidermia
Norwegian	2	<0.1	The Bothersome Man
Polish	3	<0.1	The Saragossa Manuscript (RE)
Czech	1	<0.1	Lunacy
Danish	2	<0.1	Princess
Flemish	1	<0.1	Ex Drummer
Greek	1	<0.1	Extended Play
Portuguese	1	<0.1	Brasileirinho
Total	**77**	**10.7**	

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.
Note: RE = re-release.

7.1.3 Top foreign language films

While the top three foreign language films in 2007 were in Mayan, German and French, the top 20 as a whole was dominated by Hindi films, which accounted for 13 titles (Table 7.6). The top title, *Apocalypto*, earned as much at the box office (£4.1 million) as many successful UK, English-language films (see Table 2.2 on page 17).

Table 7.6 Top 20 foreign language films released in the UK and Republic of Ireland, 2007

	Title	Country of origin	Gross box office (£ million)	Distributor	Main language
1	Apocalypto	USA	4.1	Icon	Mayan
2	The Lives of Others	Germany	2.7	Lions Gate	German
3	La Vie en Rose	Fra/UK/Cze	1.6	Icon	French
4	Om Shanti Om	India	1.3	Eros	Hindi
5	Tell No One	Fra	1.2	Revolver	French
6	Curse of the Golden Flower	HK/Chi	1.2	Universal	Mandarin
7	Welcome	India	0.9	Studio 18	Hindi
8	Namaste, London	India	0.9	Eros	Hindi
9	Partner	India	0.8	Eros	Hindi
10	Salaam-E-Ishq	India	0.8	Eros	Hindi
11	Ta Ra Rum Pum	Ind/USA	0.8	Yash Raj	Hindi
12	Heyy Babyy	India	0.7	Eros	Hindi
13	Laaga Chunari Mein Daag	India	0.7	Yash Raj	Hindi
14	Bhool Bhulaiya	India	0.7	Eros	Hindi
15	The Counterfeiters	Austria/Ger	0.7	Metrodome	German
16	Jhoom Barabar Jhoom	Ind/Fra/UK	0.6	Yash Raj	Hindi
17	Black Book	Netherland/Ger/UK/Bel	0.6	Tartan	Dutch
18	Apne	India	0.6	Tip Top	Hindi
19	Guru (2007)	India	0.5	Adlabs	Hindi
20	Aaja Nachle	India	0.4	Yash Raj	Hindi

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

This year all except one (the US studio backed film, *Apocalypto*) of the non-Hindi foreign language films in the top 20 were supported by the UK Film Council. The six titles *(The Lives of Others, La Vie en Rose, Tell No One, Curse of the Golden Flower, The Counterfeiters* and *Black Book)* received funding to pay for additional prints and advertising, affording greater opportunity for people to see the films.

7.2 Genre

For statistical purposes, the Research and Statistics Unit allocated a primary genre to every film released in the UK in 2007. The list of genres is based on conventions commonly used within the industry and by published sources such as the British Board of Film Classification (BBFC) and the Internet Movie Database (IMDb). The full list of genres and classification of each title released in 2007 is available on our website (www.ukfilmcouncil.org.uk/genre).

7.2.1 Genres of all film releases

Table 7.7 indicates the relative popularity of different genres. Comedy was once again the top-grossing genre at the UK box office (earning £206.6 million), followed by action (£149 million) and animation (£139.1 million). Despite accounting for the second largest proportion of releases (23.1%), drama films shared only 5% of the box office gross.

Table 7.7 Films on release in the UK and Republic of Ireland by genre, 2007, ranked by gross box office

Genre	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Top performing title
Comedy	127	24.6	206.6	22.1	Mr Bean's Holiday
Action	50	9.7	149.0	16.0	Spider-Man 3
Animation	17	3.3	139.1	14.9	Shrek the Third
Fantasy	9	1.7	108.6	11.6	Harry Potter and the Order of the Phoenix
Thriller	28	5.4	67.6	7.2	The Bourne Ultimatum
Drama	119	23.1	46.4	5.0	Atonement
Adventure	12	2.3	44.6	4.8	Pirates of the Caribbean: At World's End
Biopic	19	3.7	32.3	3.5	The Pursuit Of Happyness
Sci-fi	6	1.2	29.6	3.2	I Am Legend
Horror	24	4.7	28.8	3.1	Saw 4
Crime	18	3.5	25.8	2.8	American Gangster
Musical	11	2.1	17.4	1.9	Hairspray
Family	3	0.6	16.7	1.8	Charlotte's Web
Romance	21	4.1	15.7	1.7	P.S. I Love You
Western	4	0.8	2.5	0.3	3:10 To Yuma
Documentary	39	7.6	1.6	0.2	Sicko
War	9	1.7	1.4	0.2	Black Book
Total	**516**	**100.0**	**933.8**	**100.0**	

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

Four of the top performing films by genre originated in the UK, demonstrating the wide variety of story types of successful British films *(Mr Bean's Holiday, Harry Potter and the Order of the Phoenix, The Bourne Ultimatum* and *Atonement)*.

The pattern of genres ranked by the average number of sites at the widest point of release (WPR) is shown in Table 7.8. Whereas in 2006 animation topped the list with an average WPR of 301, the top genre by WPR in 2007 was family with an average 402 sites across three films.

Table 7.8 Films on release in the UK and Republic of Ireland by genre, 2007, ranked by average widest point of release

Genre	Average number of sites at widest point of release	Number of releases	Gross box office (£ million)
Family	402	3	16.7
Animation	287	17	139.1
Fantasy	275	9	108.6
Thriller	217	28	67.6
Sci-fi	209	6	29.6
Action	168	50	149.0
Horror	165	24	28.8
Crime	136	18	25.8
Adventure	129	12	44.6
Comedy	121	127	206.6
Biopic	120	19	32.3
Musical	95	11	17.4
Western	92	4	2.5
Romance	62	21	15.7
War	54	9	1.4
Drama	44	119	46.4
Documentary	10	39	1.6

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

Table 7.9 demonstrates what the different genres generated in box office revenues per site, which gives a good indication of performance in the market while controlling for the size of release. Comedy, which took the largest slice of box office overall, is much lower placed when the average WPR is taken into account, indicating a long tail of less able performers.

Table 7.9 Films on release in the UK and Republic of Ireland by genre, 2007, ranked by average box office gross per site

Genre	Average box office per site	Gross box office (£ million)	Total sites
Fantasy	43,833	108.6	2,477
Adventure	28,836	44.6	1,547
Animation	28,545	139.1	4,873
Sci-fi	23,646	29.6	1,251
Action	17,786	149.0	8,377
Musical	16,579	17.4	1,047
Biopic	14,120	32.3	2,289
Family	13,852	16.7	1,206
Comedy	13,436	206.6	15,374
Romance	12,026	15.7	1,309
Thriller	11,136	67.6	6,073
Crime	10,552	25.8	2,449
Drama	8,877	46.4	5,230
Horror	7,266	28.8	3,970
Western	6,758	2.5	368
Documentary	3,950	1.6	401
War	2,896	1.4	486

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.
Total sites = number of releases multiplied by average number of sites at widest point of release.

7.2.2 Genres of UK film releases

Looking at the genre of UK films released in 2007 by gross box office we see similar rankings to that for all films released, although there are some notable differences. For example, fantasy blockbusters accounted for 34% of the total box office for UK films (three times higher than all fantasy films) and UK comedies performed better than comedies in general (Table 7.10). The exceptional performance of UK fantasy films in 2007 was largely due to the return of the latest outing of the UK/USA inward investment film franchise, *Harry Potter and the Order of the Phoenix*, which made up of 55% of total box office for UK fantasy films. Fantasy was also the top genre among all UK films released in 2005 when the previous part of the *Harry Potter* series, *Harry Potter and the Goblet of Fire*, was released.

The action genre nose-dived to the bottom end of the chart in the absence of any high-grossing UK action films this year. In 2006, the high budget UK/USA inward action feature, *Casino Royale* single-handedly sent the action genre to the top of the chart, accounting for 84% of its genre box office. However, the action genre is likely to make its comeback in 2008 with the scheduled release of the next Bond film, *Quantum of Solace*, in November 2008.

The strong performances of a number of UK comedies this year, led by the sequel to *Bean, Mr Bean's Holiday* (£22.1 million), together with *Hot Fuzz* (£21 million), *St Trinian's* (£12.3 million) and *Run, Fat Boy, Run* (£11 million), helped comedy take the second place (fourth place last year). Comedy seized a higher percentage of the UK films box office (29%) than all comedies (22%) (see Tables 7.7 and 7.10).

Table 7.10 UK films on release in the UK and Republic of Ireland by genre, 2007, ranked by gross box office

Genre	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Top performing title
Fantasy	5	4.7	90.6	34.1	Harry Potter and the Order of the Phoenix
Comedy	23	21.5	77.6	29.2	Mr. Bean's Holiday
Thriller	5	4.7	32.4	12.2	The Bourne Ultimatum
Drama	27	25.2	24.3	9.1	Atonement
Biopic	9	8.4	21.1	7.9	Miss Potter
Horror	6	5.6	9.8	3.7	28 Weeks Later
Crime	4	3.7	3.8	1.4	Eastern Promises
Sci-fi	1	0.9	3.2	1.2	Sunshine
Romance	4	3.7	0.9	0.3	Cheeni Cum
War	3	2.8	0.8	0.3	Black Book
Documentary	13	12.1	0.7	0.3	Joe Strummer: The Future is Unwritten
Action	4	3.7	0.6	0.2	The Last Legion
Musical	1	0.9	0.1	<0.1	The Magic Flute
Adventure	2	1.9	<0.1	<0.1	Back in Business
Total	**107**	**100.0**	**265.9**	**100.0**	

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

Biopics and documentaries formed a higher proportion of UK film releases than of all films released in the UK in 2007 (Figure 7.2). Action and animation were the genres that were significantly under-represented in the slate of UK films released in 2007.

7.3 Classification

All films in the UK must carry a certificate indicating their age suitability for exhibition in premises licensed for the purpose by local authorities. The British Board of Film Classification (BBFC) classifies the majority of films for theatrical release, although local authorities may grant their own classification if they decide to.

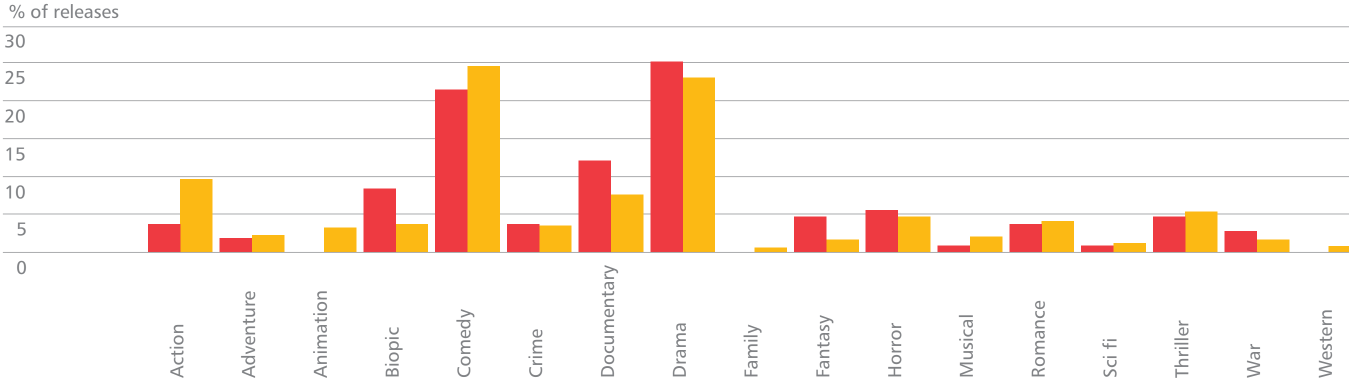
The symbols used by the BBFC, and their meanings, are given in Table 7.11.

Table 7.11 BBFC film classifications

U (Universal)	Suitable for all
PG (Parental Guidance)	General viewing, but some scenes may be unsuitable for young children
12A	No-one younger than 12 may see a '12A' film in a cinema unless accompanied by an adult
15	No-one younger than 15 may see a '15' film in a cinema
18	No-one younger than 18 may see an '18' film in a cinema

Source: BBFC website.

Figure 7.2 Proportion of releases by genre for UK films and all films, 2007



	Action	Adventure	Animation	Biopic	Comedy	Crime	Documentary	Drama	Family	Fantasy	Horror	Musical	Romance	Sci fi	Thriller	War	Western
% all releases	9.7	2.3	3.3	3.7	24.6	3.5	7.6	23.1	0.6	1.7	4.7	2.1	4.1	1.2	5.4	1.7	0.8
% UK releases	3.7	1.9	0.0	8.4	21.5	3.7	12.1	25.2	0.0	4.7	5.6	0.9	3.7	0.9	4.7	2.8	0.0

Table 7.12 Releases in UK and Republic of Ireland by film certificate, 2007

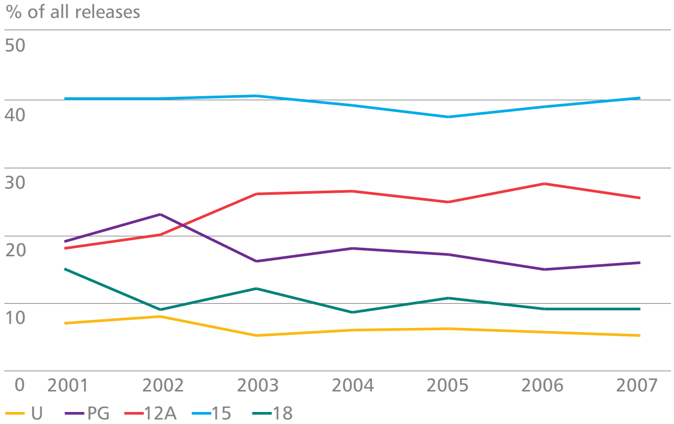
BBFC certificate	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Top performing title
U	27	5.2	110.3	11.8	Shrek the Third
PG	82	15.9	226.4	24.2	The Simpsons
12A	131	25.4	324.0	34.7	Harry Potter and the Order of the Phoenix
15	207	40.1	221.2	23.7	I am Legend
18	47	9.1	51.7	5.5	American Gangster
No certificate	22	4.3	0.2	<0.1	How About You

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 2 March 2008.
Note: 'No certificate' means no certificate issued for theatrical release. Some of these films have a certificate for video release.

Table 7.12 provides a picture of how 2007 releases were classified. It shows that, as in previous years, more '15' films were released than any other category (40.1% of all releases) although they accounted for a smaller proportion of the gross box office (23.7%). There was a slight fall in the proportion of '12A' certified films, down from 27.5% to 25.4%, and increases in both 'PG' and '15', up from 14.9% and 38.8% in 2006 to 15.9% and 40.1%.

There has been some gradual change in the proportions of films by certificate over the last six years, as shown in Figure 7.3. The proportion of the most common '15' certificate hovered around 40% while a slow decline in the 'PG' certificate was compensated by the gentle rise of the '12A' certificate.

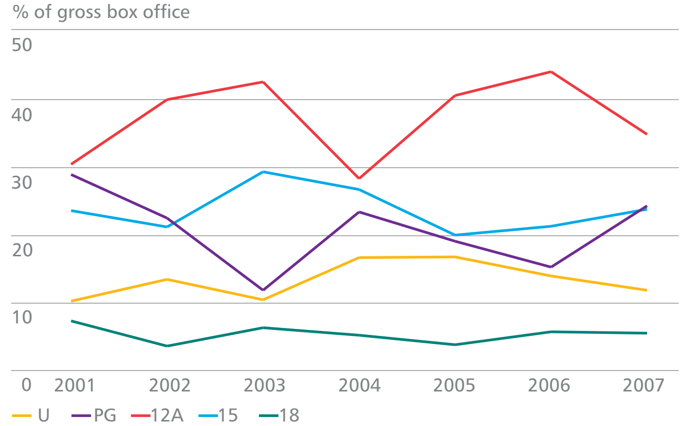
Figure 7.3 Proportion of releases in UK and Republic of Ireland by film certificate, 2001–2007



Source: Nielsen EDI, BBFC, RSU analysis.
Note: Category '12A' includes those films that were given the now obsolete '12' certificate before 2003. The '12' certificate was superseded by '12A' in August 2002.

The shares of box office by film certificate varied widely from year-to-year as demonstrated in Figure 7.4. However, the box office ranking of the certificates has remained fairly constant over time, the top earner being '12A', followed by '15', 'PG' and 'U'. The lowest earning certificate was consistently '18' over this period.

Figure 7.4 Proportion of gross box office releases in UK and Republic of Ireland by film certificate, 2001–2007



Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 2 March 2008.
Note: Category '12A' includes those films that were given the now obsolete '12' certificate. The '12' certificate was superseded by '12A' in August 2002.

Table 7.13 gives the top 10 'U' certified films in 2007. With seven out of 10 titles, the list is dominated by animated features (traditionally aimed at the youngest audiences for whom a 'U' certificate is preferable). None of the ten films came from the UK, compared with one last year.

Table 7.13 Top 10 'U' certified films, 2007

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Shrek the Third	USA	38.7	Paramount	Animation
2	Ratatouille	USA	24.8	Walt Disney	Animation
3	Charlotte's Web	USA	11.1	Paramount	Family
4	Alvin and the Chipmunks	USA	11.1	20th Century Fox	Comedy
5	Bee Movie	USA	9.3	Paramount	Animation
6	Arthur and the Invisibles	France	5.5	Momentum	Animation
7	Meet The Robinsons	USA	4.8	Walt Disney	Animation
8	Mr. Magorium's Wonder Emporium	USA	2.3	Icon	Comedy
9	The Reef	USA	1.4	Warner Bros	Animation
10	The Ugly Duckling and Me!	Fra/Ger/Ire/Den	0.3	Verve	Animation

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

The top 10 performing 'PG' certified films were a more varied group (Table 7.14). The table was topped by the successful animation, *The Simpsons*. The top 10 'PG' films were dominated by comedies and fantasy features.

Table 7.14 Top 10 'PG' certified films, 2007

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	The Simpsons	USA	38.7	20th Century Fox	Animation
2	The Golden Compass	UK/USA	26.1	Entertainment	Fantasy
3	Mr Bean's Holiday	UK	22.1	Universal	Comedy
4	Enchanted	USA	17.0	Walt Disney	Fantasy
5	Stardust	UK/USA	15.0	Paramount	Fantasy
6	Ocean's Thirteen	USA	13.2	Warner Bros	Comedy
7	Hairspray	USA	12.6	Entertainment	Musical
8	Fantastic Four: Rise of the Silver Surfer	USA/Ger	12.4	20th Century Fox	Action
9	Music and Lyrics	USA	9.1	Warner Bros	Comedy
10	Miss Potter	UK/USA	6.9	Momentum	Biopic

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

As shown by Table 7.15, the largest share of gross box office was earned by '12A' films (34.7%). Traditionally this is largely due to the success of popular family-oriented films which also managed to attract older audiences (Table 7.15). This year the top spot was taken by highest earning fantasy feature, *Harry Potter and the Order of the Phoenix*. Three of the top 10 '12A' films were from the UK.

Table 7.15 Top 10 '12A' certified films, 2007

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Harry Potter and the Order of the Phoenix	UK/USA	49.4	Warner Bros	Fantasy
2	Pirates of the Caribbean: At World's End	USA	40.6	Walt Disney	Adventure
3	Spider-Man 3	USA	33.6	Sony	Action
4	The Bourne Ultimatum	UK/USA	23.7	Universal Pictures	Thriller
5	Transformers	USA	23.5	Paramount	Action
6	St Trinian's	UK	12.3	Entertainment	Comedy
7	Run, Fat Boy, Run	UK/USA	11.0	Entertainment	Comedy
8	P.S. I Love You	USA	10.6	Momentum	Romance
9	Rush Hour 3	USA	10.4	Entertainment	Action
10	The Pursuit of Happyness	USA	9.6	Sony	Biopic

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

By definition, '15' certified films contain stronger material than the younger categories. Depending on the type of film they are likely to involve more adult-oriented themes, action, comedy and language. This is reflected in the top 10, shown in Table 7.16. The top 10 '15' films were topped by the science fiction film, *I am Legend*. This was followed by the UK comedy hit, *Hot Fuzz*. The rest of the list is made up of action, comedy, drama, and thriller.

Table 7.16 Top 10 '15' certified films, 2007

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	I Am Legend	USA	25.6	Warner Bros	Sci-fi
2	Hot Fuzz	UK	21.0	Universal	Comedy
3	300	USA	14.2	Warner Bros	Action
4	Die Hard 4.0	USA	13.9	20th Century Fox	Action
5	Atonement	UK	12.0	Universal	Drama
6	Knocked Up	USA	8.3	Universal	Comedy
7	Blood Diamond	USA	7.5	Warner Bros	Thriller
8	Superbad	USA	6.5	Sony	Comedy
9	Notes on a Scandal	UK	5.9	20th Century Fox	Drama
10	The Last King of Scotland	UK/Ger	5.7	20th Century Fox	Thriller

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

Because of the challenging nature of '18' certified films, which contain the strongest content, their audience appeal is generally much narrower than other categories. *The Departed* broke the £10 million barrier in this category in 2006. None of the 2007 films broke this barrier (Table 7.17). The top film in this category was *American Gangster*, followed by the *Saw* horror sequel, *Saw 4. Saw 2* was the top film in this category in 2005. Nearly half of the top 10 '18' films were horror titles, along with action films and a mix of crime features and a thriller. Unlike 2006 (when there was no UK title on this list) there were five UK titles among the top 10 '18' films in 2007.

Table 7.17 Top 10 '18' certified films, 2007

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	American Gangster	USA	9.7	Universal	Crime
2	Saw 4	USA	6.5	Lions Gate	Horror
3	28 Weeks Later	UK	5.4	20th Century Fox	Horror
4	Apocalypto	USA	4.1	Icon	Action
5	Smokin' Aces	USA/UK/Fra	3.2	Universal	Action
6	Hannibal Rising	UK/Cze/Fra/Ita	2.7	Momentum	Thriller
7	Eastern Promises	UK	2.1	Pathé	Crime
8	Halloween	USA	1.8	Paramount	Horror
9	Hostel 2	USA	1.8	Sony	Horror
10	Outlaw	UK	1.6	Pathé	Crime

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 2 March 2008.

The Simpsons Movie, courtesy of Twentieth Century Fox.

For cinema admissions and box office in 2007 see Chapter 1 (page 8)
For top foreign language films of the last decade see Chapter 3, Table 3.4 (page 23)
For details of local film societies that screen foreign language films in your area see www.bffs.org.uk
For further insight into what the UK Film Council does to support specialised films see http://www.ukfilmcouncil.org.uk/distributionandexhibition
For more details about genre classification see www.ukfilmcouncil.org.uk/genre

Chapter 8: Distribution

A small, stable group of big companies dominates film distribution in the UK. Collectively they spend millions of pounds to build an audience for their films.

Facts in focus

- The top ten distributors had a 95% share of the market in 2007, down 1% on 2006.
- Weekends (Friday to Sunday) accounted for 64% of the box office.
- Opening weekends represented 29% of the total box office.
- Estimated total advertising spend was £179.5 million, an increase of 5% on 2006.
- Approximately £48 million was spent on advertising British films.

8.1 Distributors in 2007

As shown in Table 8.1, the top 10 distributors had a 95% share of the market, down 1% from 2006. The remaining 63 distributors handled a total of 329 titles, 58% of the total, but gained only a 5.5% share of the box office. However, this was up from 3.6% in 2006. The leading distributor was Warner Bros, which released the year's biggest hit, *Harry Potter and the Order of the Phoenix*, as well as *I Am Legend, 300,* and *Ocean's Thirteen*. Paramount was in second place having distributed 31 titles over the course of the year, including *Shrek the Third, Transformers* and *Stardust*. 20th Century Fox was in third place thanks to *The Simpsons*, *Die Hard 4.0* and *Fantastic Four: Rise of the Silver Surfer.*

Table 8.1 Distributor share of box office, UK and Republic of Ireland, 2007

Distributor	Market share (%)	Films on release 2007	Box office gross (£ million)
Warner Bros	15.6	32	141.5
Paramount	14.7	31	133.7
20th Century Fox	13.9	27	126.3
Universal Pictures	13.9	24	126.3
Walt Disney Studios	10.7	23	97.3
Entertainment	9.5	25	86.7
Sony Pictures	8.2	28	74.4
Momentum	3.4	18	30.9
Icon	2.3	13	21.1
Lionsgate	2.3	22	20.9
Sub-total	94.5	243	859.1
Others (63 distributors)	5.5	329	49.6
Total	**100.0**	**572**	**908.7**

Source: Nielsen EDI.
Box office gross = cumulative box office total for all films handled by the distributor in the period 5 January 2007 to 3 January 2008.

Table 8.2 highlights the top 10 distributors of foreign language films at the UK box office. The list is dominated by companies which release Indian films, such as Eros and Yash Raj. Artificial Eye released the most foreign language titles – 16 – in 2007.

Table 8.2 Top 10 distributors of foreign language films in the UK and Republic of Ireland, 2007

Distributor	Films released in 2007	Average widest point of release	Box office gross (£ million)
Eros International	15	31	6.3
Yash Raj	5	34	3.0
Studio 18	5	25	1.6
Tip Top Entertainment	9	27	1.6
Artificial Eye	16	10	1.4
Metrodome	6	35	1.2
Optimum Releasing	7	18	1.0
Adlabs	8	21	0.9
Tartan	10	11	0.9

Source: Nielsen EDI, UK Film Council RSU analysis.
Note: The list includes distributors releasing more than two foreign language titles in the period 5 January 2007 to 3 January 2008.

8.2 Distributors 2003–2007

Table 8.3 shows the fluctuations in distributor market shares from year to year. The leading distributor of the year, Warner Bros, saw its market share almost double on 2006 thanks to *Harry Potter and the Order of the Phoenix*. The share of box office made by distributors outside the top 10 increased to 5.5% in 2007, the highest figure over the last five years.

Table 8.3 Distributor market share as percentage of box office gross, 2003–2007

Distributor	2003	2004	2005	2006	2007
Warner Bros	10.4	14.7	18.2	8.2	15.6
Paramount	–	–	–	–	14.7
20th Century Fox	8.8	10.7	14.3	20.9	13.9
Universal Pictures	–	–	–	–	13.9
Walt Disney	26.3	14.5	13.1	15.7	10.7
Entertainment	14.6	7.9	9.4	7.9	9.5
Sony Pictures	9.7	10.0	6.8	16.1	8.2
Momentum	1.3	2.2	1.9	2.3	3.4
Icon	0.7	2.3	0.2	0.8	2.3
Lionsgate	0.7	1.0	0.3	2.4	2.3
UIP*	22.5	29.8	29.1	18.9	–
Top 10 total**	97.1	96.1	97.3	96.4	94.5
Others	2.9	3.9	2.7	3.6	5.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Nielsen EDI.
*Until 2006 Paramount and Universal distributed jointly as UIP.
**Top 10 total refers to the top 10 distributors of that particular year. Table is ranked by top 10 distributors in 2007.

8.3 Weekend box office

In 2007, 64% of the box office was taken at weekends (Friday to Sunday), up from 60% in 2006, as Table 8.4 shows. This reflects the stronger performance of the blockbusters and their proportionately higher opening weekend box office gross figures.

Table 8.4 Box office percentage share by weekday/weekend, 2003–2007

	2003	2004	2005	2006	2007
Friday	16.0	15.3	18.0	16.5	16.4
Saturday	26.6	24.5	27.0	25.1	27.8
Sunday	18.7	19.9	19.0	18.7	19.3
Weekend	**61.3**	**59.7**	**64.0**	**60.3**	**63.5**
Monday	8.9	9.7	8.0	9.5	7.2
Tuesday	10.0	10.1	8.0	9.5	9.0
Wednesday	9.8	10.7	10.0	10.9	11.6
Thursday	10.0	9.8	10.0	9.7	8.7
Weekday	38.7	40.3	36.0	39.7	36.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Nielsen EDI.

The opening weekend box office as a share of total theatrical revenue increased to 28.5% in 2007 as shown in Table 8.5. Again, this is largely due to the performance of the major 'tentpole' releases (particularly films which went on to earn £30 million or more at the box office).

Table 8.5 Opening weekend as percentage of total box office, 2006–2007

Range of box office results	% of total in opening weekend 2006	% of total in opening weekend 2007
All films	**26.5**	**28.5**
More than £30 million	26.4	35.8
£20 million – £30 million	31.8	30.2
£10 million – £29.9 million	23.7	20.0
£5 million – £9.9million	23.3	25.4
£1 million – £4.9 million	28.6	28.1
£200,000 – £999,000	31.2	31.9
Less than £200,000	30.9	34.1

Source: Nielsen EDI, RSU analysis.
Opening weekends include preview figures. For films with a limited initial opening, the wider release figure is included in the analysis.

8.4 Release costs

The opening weekend of a film is recognised as being crucial to the lifetime of a film, both in cinemas and on subsequent release platforms. Distributors invest heavily in advertising in order to raise a film's profile across all media (outdoor posters, print media, TV, radio and increasingly online). As Table 8.6 shows the estimated total distributor advertising spend in 2007 was £179.5 million, up 4.8% from £171.3 million in 2006. Approximately £48 million was spent on advertising British films.

Table 8.6 Estimated advertising spend, 2007 (£ million)

TV	74.1
Outdoor	65.3
Press	27.0
Radio	8.4
Internet	4.7
Total	**179.5**

Source: Nielsen Media Research.

Where the data are available, we have estimated the total release costs for various release widths. By taking a typical print cost of £1,000 per print and adding the Nielsen Media Research advertising spend estimate plus 20% for other public relations campaigns, publicity and premiere costs, we can calculate an average release cost for each level of theatrical release (see Table 8.7).

Table 8.7 Estimated release cost by width of release, 2007

Sites at widest point of release	Average release cost (£ million)
>500	3.91
400–499	2.44
300–399	1.64
200–299	0.97
100–199	0.45
50–99	0.22
10–49	0.07
<10	0.01

Source: Nielsen Media Research, Nielsen EDI, RSU analysis.

Spider-Man 3, courtesy of Sony Pictures.

See also

- For further details about the UK box office in 2007 see chapter 1 (page 8)
- For more information about the top films at the UK box office in 2007 see chapter 2 (page 15)
- For an overview of employment in film distribution see chapter 19 (page 155)

Chapter 9: Exhibition

There is nothing to match the experience of seeing a film on the big screen, with a large audience. The performance of the commercial exhibition sector is therefore an important indicator of the vitality of film culture. Though the number of screens in the UK continues to increase, there is considerable variation in access to screens and admissions per person around the UK.

Facts in focus

- The UK had 3,514 screens, 74 more than 2006, in 727 cinemas.
- There were 5.8 screens per 100,000 of the population, the same as in 2006, but lower than most major film territories.
- The proportion of screens in multiplexes remained unchanged at 73%.
- Of the Government Office Regions, London had the highest number of screens overall (16% of the UK total), followed by the South East and North West.
- Only 7% of screens were dedicated to 'specialised' (that is non-mainstream) programming, with 0.3% showing South Asian films.
- The average ticket price was £5.05.
- The UK had the largest number of digital screens in Europe at 296 screens, double the number in 2006.

9.1 UK screens

The number of owned or programmed cinema screens (excluding those operated in venues such as schools and private screening rooms) continued to increase in 2007, rising 2.2% to 3,514. This was matched by an increase in the number of sites, from 697 to 727.

Table 9.1 shows that more sites opened than closed in 2007 and the number of traditional screens rose for the second time in a decade. A total of 33 sites (all traditionals) closed in 2007, an increase of 6% on the number of closures in 2006, with a loss of 69 screens. Fifty-seven sites opened (including nine multiplexes), adding 143 screens, including 75 multiplex screens.

Table 9.1 Site openings and closures, 2007

	Multiplex		Traditional	
	Sites	Screens	Sites	Screens
Opened	9	75	48	68
Closed	0	9	33	60
Net difference	+9	+66	+15	+8

Source: Dodona Research, RSU analysis.
Note: In addition to the 24 new sites (multiplex and traditional) shown in the table, another six IMAX sites had been added to the Dodona's cinema list, giving a total increase of 30 sites in 2007.

One simple way to gauge the level of cinema provision is to examine 'screen density', that is the number of screens available per 100,000 people. In 2007 this was 5.8 screens per 100,000 people in the UK, the same as 2006. This level of screen access falls short of the numbers in other major film territories: USA 12.9, Australia 9.5, Spain 9.4, France 8.8, Italy 7.0 and Germany 5.8 (source: Screen Digest).

Table 9.2 reveals the numbers of admissions per person in major film territories. The UK saw more admissions per person than Spain, Italy and Germany despite lower screen density, and for the first time since 2003, surpassed Spain.

Table 9.2 Admissions per person, 2003–2007

	USA	Australia	France	UK	Spain	Italy	Germany
2003	5.4	4.5	2.9	**2.8**	3.3	1.5	1.8
2004	5.2	4.5	3.2	**2.9**	3.4	1.7	1.9
2005	4.7	4.0	2.9	**2.7**	2.9	1.6	1.5
2006	4.8	4.1	3.1	**2.6**	2.7	1.6	1.7
2007	4.6	4.1	2.9	**2.7**	2.6	1.8	1.5

Source: Screen Digest.

9.2 Screen location

Historically cinemas have been a feature of the urban landscape and 2007 was no different with 97% of all screens in the UK in town or city centres, edge of centre, 'out of town' or suburban locations.

Table 9.3 shows suburban and rural cinemas tend to have fewer screens on average than their urban counterparts, although town and city centre sites are also relatively small. The number of suburban and rural screens both fell in 2007; in particular, the number of suburban screens fell by 25% to 30 in 2007.

Table 9.3 Screens by location, 2003–2007

Location	2003	2004	2005	2006	2007	% change 2006/2007	Average no. of screens per site
Town/city centre	1,470	1,502	1,495	1,555	1,616	+3.9	3.5
Out of town	1,234	1,243	1,250	1,262	1,284	+1.7	9.7
Edge of centre	464	465	479	478	486	+1.7	9.2
Suburban	33	33	38	40	30	–25.0	1.8
Rural	117	99	95	105	98	–6.7	1.4
Total	**3,318**	**3,342**	**3,357**	**3,440**	**3,514**	**+2.2**	**4.8**

Source: Dodona Research, RSU analysis.

As in the previous Yearbook we are able to present screen provision data based on two types of regional classification. The datasets are not directly comparable because of differences in the way the regions are defined; they do, however, shed light on different aspects of national and regional variations in screen provision.

The Cinema Advertising Association produces monthly admissions totals for each of the television advertising regions used by the Incorporated Society of British Advertisers (ISBA). Screen and admissions data for 2007 using these TV regions are presented in Table 9.4. Although London and the Midlands had the highest numbers of screens and sites, their 'screen densities' (number of screens per 100,000 people) are lower than those of Northern Ireland (8.9) and Central Scotland (6.8). On the other hand the North East had both lower numbers of sites and screens as well as the lowest screen density among all ISBA regions.

Table 9.4 Screens and admissions by ISBA TV region, 2007 (ranked by number of screens)

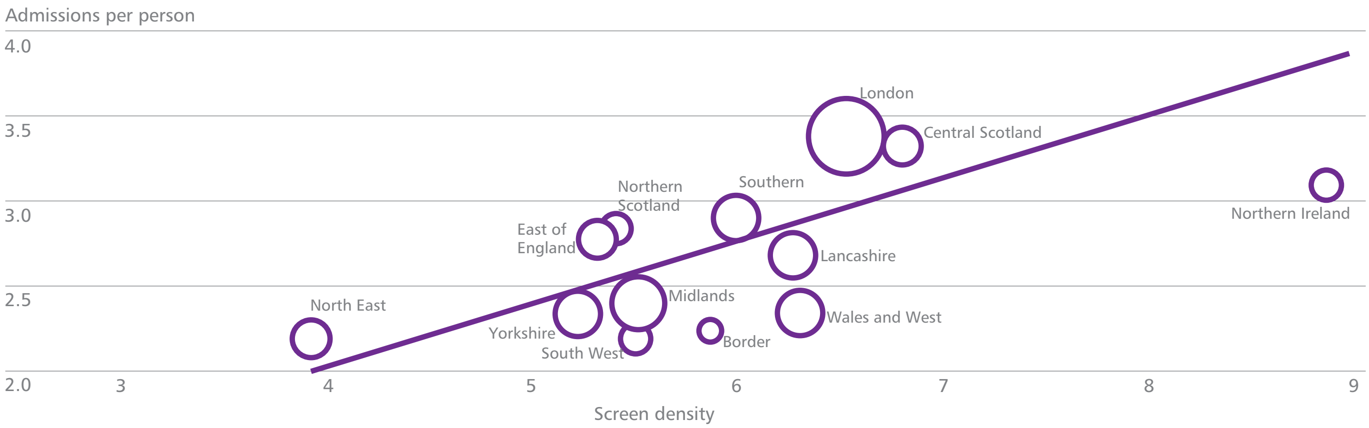
ISBA TV region	Screens	% of total screens	Sites	Population ('000)*	Screens per 100,000 people	Admissions	Admissions per screen	Admissions per person
London	764	21.7	157	11,726	6.5	39,663,567	51,916	3.4
Midlands	521	14.8	102	9,454	5.5	22,665,407	43,504	2.4
Lancashire	428	12.2	61	6,822	6.3	18,271,224	42,690	2.7
Southern	311	8.9	75	5,190	6.0	15,030,915	48,331	2.9
Yorkshire	292	8.3	51	5,615	5.2	13,319,308	45,614	2.4
Wales and West	289	8.2	78	4,590	6.3	10,742,664	37,172	2.3
Central Scotland	241	6.9	41	3,552	6.8	11,803,786	48,978	3.3
East of England	210	6.0	46	3,954	5.3	10,950,067	52,143	2.8
Northern Ireland	151	4.3	23	1,705	8.9	5,264,502	34,864	3.1
North East	110	3.1	26	2,808	3.9	6,117,960	55,618	2.2
South West	96	2.7	32	1,744	5.5	3,804,719	39,632	2.2
Northern Scotland	66	1.9	17	1,222	5.4	3,459,395	52,415	2.8
Border	35	1.0	18	597	5.9	1,333,502	38,100	2.2

Source: Dodona Research, Beacon Dodsworth, CAA, RSU analysis.
*Mid-year population estimates 2004/05 (the latest available). Crown copyright material is reproduced with the permission of the Controller Office of Public Sector Information (OPSI).

A regression analysis (weighted to each ISBA region's population) shows a positive and statistically-significant linear relationship between cinema admissions per person and screen density in 2007, as shown in Figure 9.1. That is, the higher the number of screens per person, the higher the admission level. However, this association should not be interpreted as a causal relationship as it would be hard to prove whether higher demand caused the higher supply of cinema screens or vice versa.

Figure 9.1 also shows that while some regions had above-average screen densities, their levels of admission remained low. For example, Wales and the West had a relatively high screen density of 6.3 (per 100,000 people) but its cinema admission rate was one of the lowest at 2.3 admissions per person. It is hard to pinpoint the reason behind this observation as the levels of cinema admissions across regions are subject to numerous influences, such as fluctuation in population sizes during tourist seasons, the age composition of the population, presence or absence of a film culture and varying competition from other forms of entertainment.

Figure 9.1 Cinema admissions per person by screen density across ISBA regions 2007



Source: Dodona Research, Beacon Dodsworth, CAA, RSU analysis.
*Mid-year population estimates 2004/05 (the latest available). Crown copyright material is reproduced with the permission of the Controller Office of Public Sector Information (OPSI).
Notes:
1. The line shown above is derived from a weighted linear regression. In general, the results of a weighted regression are more dependent on the data point estimates that are based on more observations. Here the results are more influenced by areas with larger population, for example, London and the Midlands.
2. The area of the circle is proportional to the ISBA region's population.
3. Screen density means number of screens per 100,000 people.

Table 9.5 gives screen information for each of the English Government Office Regions, plus Scotland, Northern Ireland and Wales, which correspond to the areas covered by the nine English Regional Screen Agencies, Scottish Screen, the Northern Ireland Film and Television Commission and the Film Agency for Wales.

Table 9.5 Screens and population in the nations and Government Office Regions, 2007 (ranked by number of screens)

Government Office Region	Screens	% of total screens	Sites	Population (in '000)*	Screens per 100,000	Average no. of screens per site
London	557	15.9	115	7,512	7.4	4.8
South East	482	13.7	112	8,238	5.9	4.3
North West	434	12.4	65	6,853	6.3	6.7
Scotland	319	9.1	66	5,117	6.2	4.8
West Midlands	309	8.8	52	5,367	5.8	5.9
South West	295	8.4	80	5,124	5.8	3.7
Yorkshire	255	7.3	45	5,142	5.0	5.7
East of England	229	6.5	50	5,607	4.1	4.6
Wales	179	5.1	53	2,966	6.0	3.4
East Midlands	178	5.1	38	4,364	4.1	4.7
Northern Ireland	151	4.3	23	1,742	8.7	6.6
North East	105	3.0	23	2,556	4.1	4.6
Others**	21	0.6	5	N/A	N/A	4.2
Total	**3,514**	**100.0**	**727**	**60,587**	**5.8**	**4.8**

Source: Dodona Research, ONS, RSU analysis.
*Mid-2006 Population Estimates, ONS.
**Others include the Channel Islands and the Isle of Man.
N/A = not available.

The pattern of regional and national variations in screen provision remains unchanged in 2007. It is still the case that areas of high population in urban areas, like London, the South East and the North West, had higher screen numbers. Northern Ireland had the highest number of screens per 100,000 people of the four nations (8.7), followed by Scotland (6.2), Wales (6.0) and England (5.6).

Table 9.5 also reveals that the North West and Northern Ireland had on average over six screens per site compared with the national average of 4.8. Wales, the South West and South East fell below the average, showing a tendency towards smaller cinemas and proportionately fewer multiplexes (see Table 9.7 below).

9.3 Multiplexes

The proportion of multiplex screens (defined by Dodona Research as those in purpose-built cinemas with five or more screens) remained the same as in 2006, as shown in Table 9.6. There has been a rise of 59% in the number of multiplex screens since 1999 compared with a 17% fall in the number of traditional and mixed-use screens (used for film screenings only part of the time). The UK has gained 954 multiplex screens since 1999 and lost 198 traditional or mixed-use screens. The proportion of multiplex screens increased from 59% in 1999 to 73% in 2007.

Table 9.6 Cinema screens by type, 1999–2007

Year	Multiplex	% Multiplex	Traditional and mixed use	Total
1999	1,624	58.9	1,134	2,758
2000	1,874	63.4	1,080	2,954
2001	2,115	66.8	1,049	3,164
2002	2,299	70.6	959	3,258
2003	2,362	71.2	956	3,318
2004	2,426	72.6	916	3,342
2005	2,453	73.1	904	3,357
2006	2,512	73.0	928	3,440
2007	2,578	73.4	936	3,514

Source: Dodona Research.

Table 9.7 provides a snapshot of variations in multiplex provision around the UK. The North West had the largest number of multiplex screens (373), 17 more than London and the highest proportion of multiplex screens (85.9%). By far the lowest concentration of multiplex screens was found in the South West (58%), which had a particularly high number of traditional and mixed-use screens (the third highest after London and the South East). Wales (69.3%) and the Channel Islands and Isle of Man (55.6%) also had proportionally fewer multiplex screens than the national average.

Table 9.7 Cinema screens by type and nation or Government Office Region, 2007

Government Office Region	Multiplex	% Multiplex	Traditional and mixed use	Total
North West	373	85.9	61	434
London	356	63.9	201	557
South East	346	71.8	136	482
West Midlands	241	78.0	68	309
Scotland	238	74.6	81	319
Yorkshire	211	82.7	44	255
South West	171	58.0	124	295
East of England	169	73.8	60	229
East Midlands	132	74.2	46	178
Wales	124	69.3	55	179
Northern Ireland	120	79.5	31	151
North East	87	82.9	18	105
Other*	10	55.6	11	21
Total	**2,578**	**73.4**	**936**	**3,514**

Source: Dodona Research, RSU analysis.
*Other includes the Channel Islands and the Isle of Man.

9.4 Programming

Dodona Research categorises screens according to whether they show mainly mainstream, specialised (that is non-mainstream, including 'art house') or South Asian films.

By far the majority of screens mainly show mainstream films. In 2007, 546 cinemas with 3,249 screens showed mainly mainstream films, compared with 177 (255 screens) showing specialised films and four cinemas (10 screens) dedicated mainly to South Asian films.

Table 9.8 shows figures from 2005 to 2007. The number of sites and screens showing mainstream and specialised films increased in 2007 while the number of sites and screens programming South Asian films fell.

Table 9.8 Sites and screens by programme, 2005–2007

	Sites			Screens		
Programme	2005	2006	2007	2005	2006	2007
South Asian	5	5	4	18	18	10
Specialised	132	157	177	206	231	255
Mainstream	522	535	546	3,133	3,191	3,249

Source: Dodona Research, RSU analysis.

The majority (69%) of specialised screens were found in single, independently-owned cinemas (that is, not part of a chain).

The pattern of programme type by location in 2007 is shown in Table 9.9. Screens showing mainly South Asian films were located in town or city centre and suburban areas, while those devoted to specialised film were mainly found in town or city centres. The overall pattern remained similar to last year except that the town and city centre proportion of screens showing South Asian films had nearly doubled from 44% in 2006 to 80%. This is due to the closure of the eight South Asian screens in the West Midlands. This fall in the number of such screens could be partly explained by the increasing availability of South Asian films on dedicated South Asian screens in multiplexes owned by major cinema operators.

Table 9.9 Proportion of screens by location and programme, 2007

Location	South Asian (%)	Specialised (%)	Mainstream (%)	Total (%)
Town/city centre	80.0	85.1	42.8	46.0
Out of town		2.7	39.3	36.5
Edge of centre		2.0	14.8	13.8
Rural		6.3	2.5	2.8
Suburban	20.0	3.9	0.6	0.9
Total	**100**	**100**	**100**	**100**

Source: Dodona Research, RSU analysis.

This geographical analysis is extended in Tables 9.10 and 9.11, which reveal the distribution of South Asian and specialised screens around the country. Table 9.10 confirms that screens showing mainly South Asian films were found in London and the Midlands, areas with large British Asian populations. Eighty per cent of all South Asian screens were found in London, with the remainder in the East Midlands.

Table 9.10 Geographical spread of South Asian screens, 2007

Government Office Region	South Asian screens	%
London	8	80
East Midlands	2	20
Other regions*	0	0
Total	**10**	**100**

Source: Dodona Research, RSU analysis.
*'Other' includes the Channel Islands and the Isle of Man.

Screens showing mainly specialised films were concentrated in London and the South East, which housed 43% of them in 2007 (Table 9.11). Scotland had 30 specialised screens and the South West 26, accounting for 11.8% and 10.2% of all such screens respectively. Wales (3.5%), the North East (2.4%) and Northern Ireland (1.2%) had the smallest number of specialised screens.

Table 9.11 Geographical spread of specialised screens, 2007

Government Office Region	Specialised screens	%
London	77	30.2
South East	33	12.9
Scotland	30	11.8
South West	26	10.2
East of England	19	7.5
West Midlands	19	7.5
Yorkshire	13	5.1
North West	11	4.3
East Midlands	9	3.5
Wales	9	3.5
North East	6	2.4
Northern Ireland	3	1.2
Total	**255**	**100.0**

Source: Dodona Research, RSU analysis.

9.5 Exhibitors

The number of exhibitors that owned or programmed 20 or more screens in the UK fell to 12 in 2007 (13 in 2005 and 2006), as shown in Table 9.12. The five largest exhibitors owned approximately 74% of all UK screens. The order of the list remained similar to last year except that Reel Cinemas (33 screens in 2006) had moved up one place above Movie House Cinemas (39 in 2006).

Table 9.12 Cinema screens by exhibitors with 20+ screens, 2007

Exhibitor	Sites	Screens	% of total screens
Odeon	107	825	23.5
Cineworld	72	741	21.1
Vue	60	581	16.5
National Amusements	18	237	6.7
Ward Anderson	24	199	5.7
Apollo	13	77	2.2
City Screen	18	51	1.5
Reel Cinemas	13	46	1.3
Movie House Cinemas	5	39	1.1
AMC	2	28	0.8
Hollywood Screen Entertainment	7	22	0.6
Merlin Cinemas	7	21	0.6
Others	381	647	18.4
Total	**727**	**3,514**	**100.0**

Source: Dodona Research.
Figures correct as at January 2008.
Notes: Odeon is owned by Terra Firma Capital Partners, a European private equity firm with headquarters in London and Frankfurt.
Cineworld comprises the former Cine-UK and UGC chains and is owned by The Blackstone Group, a multinational private equity company.
Vue, which acquired Warner Village cinemas in 2003, is owned by SBC International Cinemas (headquartered in the UK).
National Amusements is owned by the family of Sumner Redstone, chairman of US media giant Viacom.
Ward Anderson is headquartered in the Republic of Ireland where it operates the Cineplex, IMC and Omniplex chains.

9.6 Exhibitor revenues

Dodona Research reports that total exhibitor revenue in 2007 stood at £1,051 million, 7.2% higher than in 2006 (based on a revised figure for 2006). Net concession revenue stood at £263 million (a rise of 7% on the previous year based on a revised figure for 2006), while gross advertising revenue totalled £203 million.

Average ticket prices (calculated by dividing UK box office gross for the year (£821 million) by total UK admissions (162.4 million)) rose from £4.87 in 2006 to £5.05 in 2007, an increase of 4%.

9.7 Digital projection

9.7.1 Digital Screen Network (DSN)

By the end of 2007, all of the UK Film Council's planned 240 state of the art Digital Cinema Screens had been installed and were fully operational. The end of the final installations marked the beginning of the four-year contract with the cinemas for the delivery of specialised films. All of these are playing digital films, with such non-mainstream releases as *Control, This is England, Good Night and Good Luck* and the Oscar®-winning *The Lives of Others*, as well as classics like *Meet Me in St. Louis*, *The Wizard of Oz* and *Casablanca* making significant inroads with both critics and audiences. Summer 2007 saw the UK Film Council partnered with the BBC to bring classic British films back to the big screen across the digital screen network with 'The Summer of British Film'. In a world-first initiative, seven such classics as *The Dam Busters, Goldfinger, Withnail and I*, were screened in high definition digital for one night a week for seven weeks across 136 cinemas attracting an audience of 63,000.

9.7.2 Digital screens worldwide and in the UK

According to *Screen Digest*, at the end of 2007 there were 6,456 DCI-level (Digital Cinema Initiative; see Glossary page 168) digital screens worldwide. Table 9.13 shows the number of high-end digital (often referred to as 'D-Cinema' in the industry) screens in the world from 2005 to 2007. Worldwide, digital screens have increased more than seven-fold since 2005.

Table 9.13 Number of high-end digital screens in the world, 2005–2007

	2005		2006		2007	
Region	Screens	% of total	Screens	% of total	Screens	% of total
America	345	40.7	2,030	67.8	4,667	72.3
Asia-Pacific	272	32.1	430	14.4	919	14.2
Europe	229	27.0	532	17.8	864	13.4
of which UK	*38*	*4.5*	*148*	*4.9*	*296*	*4.6*
Africa and Middle East	2	0.2	4	0.1	6	0.1
Total	**848**	**100**	**2,996**	**100**	**6,456**	**100**

Source: Screen Digest.
Note: Figures prior to 2007 include a small number of digital screens using the earlier projectors (1.3K DLP Cinema projectors) that do not meet the DCI specifications. The minimum projector resolution for DCI is 2K. See Glossary for the term, DLP.

The sharp rise continued in 2007 and was fuelled mainly by the doubling of digital screens in the USA to 4,667 screens (2,030 in 2006). In Europe, the UK had the highest number of high-end digital screens, as shown in Table 9.14. The sharpest rise in Europe was Russia which saw a 15-fold increase from two high-end digital screens in 2006 to 30.

In Europe, only the UK and Germany had over 100 high-end digital screens. The top five countries owned 68% of all of the high-end digital screens in Europe. Of the 296 high-end digital screens in the UK, 47 (15.9%) of them were 3D digital screens. Some of the popular 3D screenings in the UK in 2007 included *Beowulf* and *Meet the Robinsons*. *Beowulf* was released in 3D and non-3D formats simultaneously. The breathtaking quality of the new generation digital 3D cinema technology may rekindle the cinema-going public's interest in 3D cinema in 2008.

Table 9.14 European countries with 20 or more high-end digital screens in 2007, ranked by number of screens

Country	Digital screens	% of total	% change from 2006
UK	296	34.3	+100.0
Germany	135	15.6	+28.6
Belgium	65	7.5	+91.2
France	50	5.8	+56.3
Italy	41	4.7	0
Austria	35	4.1	+66.7
Ireland	33	3.8	+26.9
Spain	31	3.6	+63.2
Russia	30	3.5	+1400.0
Netherlands	29	3.4	+7.4
Norway	25	2.9	+8.7
Portugal	24	2.8	+500.0
Rest of Europe	70	8.1	+40.0
Europe total	**864**	**100**	**+62.4**

Source: Screen Digest.
See note to Table 9.13.

The Asia-Pacific region had surpassed Europe in the number of high-end digital screens in 2007, as shown in Table 9.13. Table 9.15 shows that the top five countries owned over 95% of all digital screens in the region. In the Asia-Pacific region, China had the highest number of high-end digital screens and witnessed a rapid growth of 262% to 564 in 2007 (156 screens in 2006).

Table 9.15 Countries in Asia-Pacific region with 20 or more high-end digital screens in 2007, ranked by number of screens

Country	Digital screens	% of total	% change from 2006
China	564	61.4	+261.5
South Korea	173	18.8	+33.1
Japan	86	9.4	+21.1
Australia	27	2.9	+8.0
Singapore	27	2.9	0
Rest of Asia-Pacific	42	4.6	+100
Asia-Pacific total	**919**	**100**	**+113.7**

Source: Screen Digest.
See note to Table 9.13.

9.8 Community cinema in the UK

The screening of feature films in the UK is not limited to cinemas belonging to the major cinema operators (see Table 9.12). There is a thriving voluntary sector bringing a wide variety of programming, often specialised in nature, to local communities who would otherwise be underserved by the commercial operators. This sector is often referred to as community cinema. Members of local communities are often more involved in the programming of such cinemas than their counterparts served mainly by commercial operators. Screenings of films in this sector are in venues such as village halls, mixed-arts venues, independent cinemas and the like.

There was a knowledge gap in the contribution of community cinema until recently. In the Yearbook 2006/07 we presented the findings of a 2006 survey, *Cinema For All*, commissioned by the British Federation of Film Societies (BFFS). This survey looked at the size, composition and geographical distribution of the community cinema sector in the UK. Readers interested in the main findings of their survey are referred to Section 9.8.1 in our Yearbook 2006/07. The following section provides an update on the data on community cinema provision reported in that Yearbook.

9.8.1 Community cinema provision update, 2007

There were 854 community cinema providers operating in the UK as of March 2008. These providers include film societies, independent cinemas, mixed-use venues that screen films, and mobile and touring screen networks. Please be aware some of the independently-owned and run cinemas included in the community cinema database also appear in the tables presented elsewhere in this chapter, for example in Table 9.8. Readers should not assume that the 854 community cinema providers are additional to the 177 cinemas (or sites) showing specialised films described in Section 9.4 as there is likely to be some overlap in the two datasets from different sources.

Table 9.16 shows the number of community cinema providers by type. The majority were community film societies (38%) followed by mixed-use venues (for instance local authority-run theatre and arts centres) (27%) and independent cinemas (26%).

Table 9.16: Number of community cinema providers by type

Type	Number	%
Community film society*	328	38.4
Mixed-use venue	226	26.5
Independent cinema	225	26.3
Higher education film society	62	7.3
Miscellaneous	13	1.5
Total	**854**	**100.0**

Note:
'Community film society' includes two small-scale film festivals.
'Miscellaneous' includes mobile and touring screenings.
Source: BFFS.

Table 9.17 looks at the spread of the community cinema providers across the nations and regions. The majority (80%) of the community cinemas in the UK were in England, followed by Scotland (10%) and Wales (8%). The South East region had the largest number of community cinemas (158) while over half of the community cinemas were located in the South East, South West, London and Scotland.

Table 9.17: Number of community cinemas across UK nations and regions

Nation/region	Number	%
South East	158	18.5
South West	127	14.9
London	86	10.1
Scotland	84	9.8
East of England	77	9.0
North West	70	8.2
Wales	68	8.0
Yorkshire	54	6.3
East Midlands	41	4.8
West Midlands	37	4.3
North East	32	3.7
Northern Ireland	18	2.1
Channel Islands	2	0.2
Total	**854**	**100.0**

Source: BFFS.

Table 9.18 reveals that just under two-fifths of all community cinema providers in England were community film societies. Scotland had the highest number of community film societies as a proportion of all community cinema providers (42.9%), while Northern Ireland had the lowest (17.6%). Just under half of all providers in Wales were mixed-use venues (46.3%). Independent cinemas dominated Northern Ireland's community cinema provision (52.9% of the total).

Table 9.18: Proportion of community cinema providers by type across nations and regions

Type	England (%)	Scotland (%)	Wales (%)	Northern Ireland (%)
Community film society	39.2	42.9	29.9	17.6
Mixed-use venue	25.1	22.6	46.3	23.5
Independent cinema	26.0	26.2	22.4	52.9
Higher education film society	7.9	8.3	1.5	–
Miscellaneous	1.8	–	–	5.9
Total	**100.0**	**100.0**	**100.0**	**100.0**

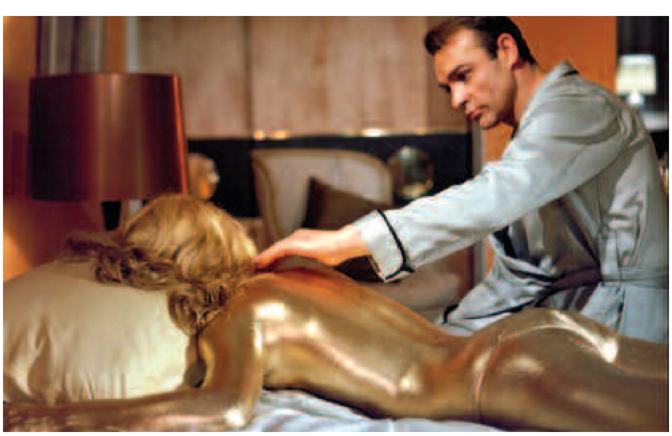
Source: BFFS.

Table 9.19 shows the spread of different types of community cinema provision across the English regions. It shows that the South West had the highest proportion of community film societies (67%) but the lowest proportion of independent cinemas (17%) and higher education film societies (2%). The West Midlands had the lowest proportion of community film societies (22%) but the highest proportion of mixed-use venues (43%). London had the highest proportion of independent cinemas (34%), which made up the largest section of community cinema providers in the capital. The lowest proportion of mixed-use venues was found in Yorkshire (15%). The North East had the largest proportion of higher education film societies (16%).

Table 9.19: Proportion of community cinemas by type across English regions

Region	Community film society	HE film society	Independent cinema	Mixed-use venue	Miscellaneous
East Midlands	34.1	9.8	29.3	26.8	–
East of England	31.2	11.7	22.1	33.8	1.3
London	26.7	14.0	33.7	18.6	7.0
North East	21.9	15.6	25.0	37.5	–
North West	37.1	4.3	32.9	24.3	1.4
South East	35.4	7.0	25.9	29.7	1.9
South West	66.9	1.6	16.5	15.0	–
West Midlands	21.6	8.1	24.3	43.2	2.7
Yorkshire	44.4	9.3	31.5	14.8	–

Source: BFFS.
Note: For ease of reporting, 'film festivals' and 'miscellaneous' categories have been omitted.



Goldfinger, courtesy of Park Circus Films.

See also

- For cinema admissions and box office in 2007 see Chapter 1 (page 8)
- For a look at cinema audiences see Chapter 14 (page 106)
- For employment in the exhibition sector see Chapter 19 (page 155)
- See www.ukfilmcouncil.org.uk/dsn for more about the UK Film Council's Digital Screen Network, including a list of such screens by region

Chapter 10: Film on video

Video is an important means of access to film and a multi-billion pound industry, with sales and rentals equivalent to almost six titles for every person in the population in 2007.

Facts in focus

- Ninety-eight million videos were rented in 2007 (down 15% on 2006), while 250 million were sold (up 9% on 2006).
- The total value of the rental and sales market in 2007 was £2.6 billion.
- Film accounts for 75% of the DVD sales market and 98% of the DVD rental market. UK films' share of the rental market was 18% and 19% of sell-through which was about the same as last year.
- The top over-the-counter rental title was The Departed while the top online title was Little Miss Sunshine. The most popular purchase on DVD was Casino Royale.
- Online DVD rental accounted for 30% of rental transactions in 2007, up from 24% in 2006.
- 1.1 million high-definition (HD) DVDs were sold in 2007, 75% of which were Blu-ray.
- 86% of households now own at least one DVD player.

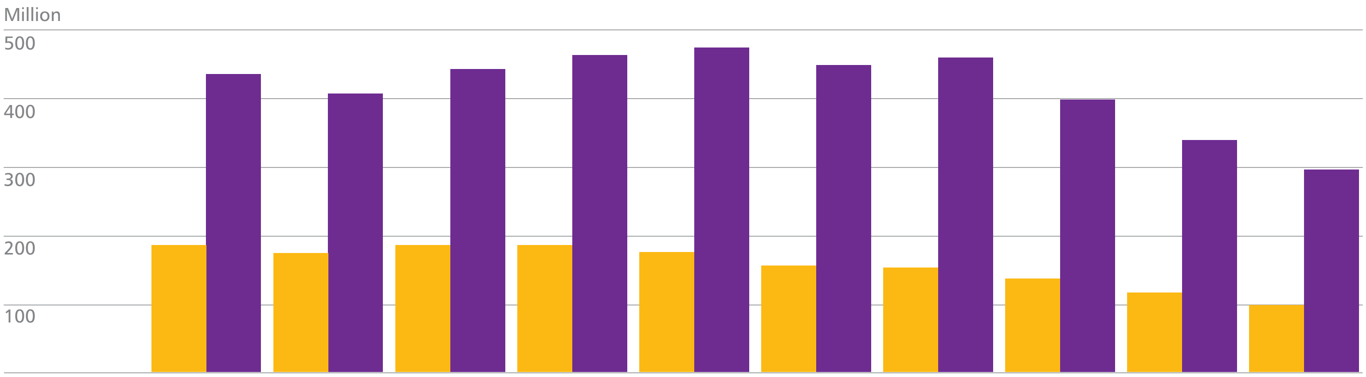
10.1 Film in the video rental market

The term 'video' is used in this chapter as the generic description of all video formats, including VHS, DVD, UMD (Universal Media Disc), high-definition DVD (HD-DVD) and Blu-ray. This follows the practice of the British Video Association (BVA).

Ninety-eight million videos were rented in 2007 (including over-the-counter and online rentals) with an average value of £3.03. Film represented 98% of all rental transactions and UK films represented 18% of the rental market (up from 17% in 2006). Renting DVDs online (for postal delivery) continues to grow as a proportion of overall rentals and accounted for 30% of all transactions in 2007. VHS accounted for only 0.3% of the total rental market by value.

Figure 10.1 shows that the number of transactions fell by 18 million from 2006, and the value of the rental market fell to £297 million from a peak of £476 million in 2002. This is due mainly to the rapid decline of the over-the-counter rental market in the wake of competition from multi-channel television, piracy and in particular, the lower cost of retail DVDs. For context, compare this with video sales, which increased in the same period (section 10.2 on page 83).

Figure 10.1 Rental video market, 1998–2007



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Transactions (million)	186	174	186	186	176	156	153	137	116	98
Value (£ million)	437	408	444	465	476	450	461	399	340	297

Source: BVA, MRIB.

The 10 most rented over-the-counter DVD titles of 2007 are shown in Table 10.1. *The Departed* took first place, with thrillers and comedies dominating the top 10. Interestingly, there are some notable differences between the over-the-counter rentals and the top online DVD titles of 2007 (Table 10.2). The top online title was *Little Miss Sunshine*, with *The Last King of Scotland* and *The Queen* also making the list, suggesting a broader range of genre preferences among online renters and reflecting a much larger catalogue and the promotional impact of awards success.

Table 10.1 Top 10 over-the-counter rental DVD titles, 2007

	Title	Country of origin	Distributor
1	The Departed	USA	Entertainment
2	Night at the Museum	USA	20th Century Fox
3	Click	USA	Sony Pictures
4	Casino Royale	UK/USA/Cze	Sony Pictures
5	Hot Fuzz	UK	Universal
6	The Devil Wears Prada	USA	20th Century Fox
7	Borat: Cultural Learnings...	USA	20th Century Fox
8	Déjà Vu	USA	Walt Disney Studios
9	Children of Men	UK/USA	Universal
10	The Pursuit of Happyness	USA	Sony Pictures

Source: MRIB, BVA.

Table 10.2 Top 10 online rental DVD titles, 2007

	Title	Country of origin	Distributor
1	Little Miss Sunshine	USA	20th Century Fox
2	Children of Men	UK/USA	Universal
3	Casino Royale	UK/USA/Cze	Sony Pictures
4	Déjà Vu	USA	Sony Pictures
5	The Devil Wears Prada	USA	20th Century Fox
6	The Last King of Scotland	UK/Ger	20th Century Fox
7	The Queen	UK/Fra/Ita	20th Century Fox
8	The Holiday	USA	Universal
9	Hot Fuzz	UK	Universal
10	The Pursuit of Happyness	USA	Sony Pictures

Source: MRIB, BVA.

The top UK-originated titles in the DVD rental video market are shown in Table 10.3. *Casino Royale* topped the league. A fairly wide range of film genres are represented, from the action thrillers of the main chart through to animation and biographical dramas.

Table 10.3 Top 10 UK-originated DVD rental titles, 2007

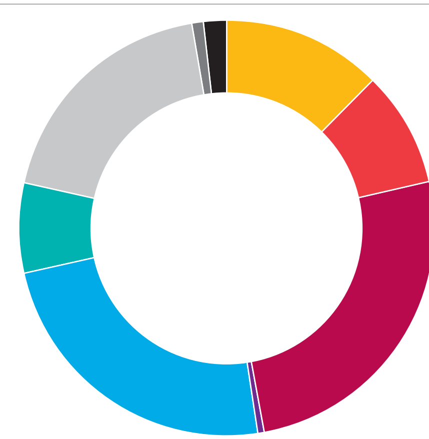
	Title	Country of origin	Distributor
1	Casino Royale	UK/USA/Cze	Sony Pictures
2	Hot Fuzz	UK	Universal
3	Children of Men	UK/USA	Universal
4	The Last King of Scotland	UK/Ger	20th Century Fox
5	The Queen	UK/Fra/Ita	20th Century Fox
6	Flushed Away	UK/USA	Paramount
7	Severance	UK	20th Century Fox
8	28 Weeks Later	UK	20th Century Fox
9	Miss Potter	UK/USA	Momentum
10	Hannibal Rising	UK/Fra/Ita/USA	Momentum

Source: MRIB, RSU analysis.

Figure 10.2 shows the genre split of all titles rented in 2007. The most popular genre was comedy which accounted for just over one in four rentals, closely followed by drama and thriller titles. Please note that these categories, as defined by MRIB, may differ from the genre categories assigned to the theatrical market by the RSU in chapter 7.

Figure 10.2 Video rental share by genre, 2007

	%
Action/adventure	12.4
Children's/family	9.0
Comedy	25.7
Documentary	0.5
Drama	23.9
Horror	7.0
Thriller	18.8
Sci-fi	0.9
TV	1.8

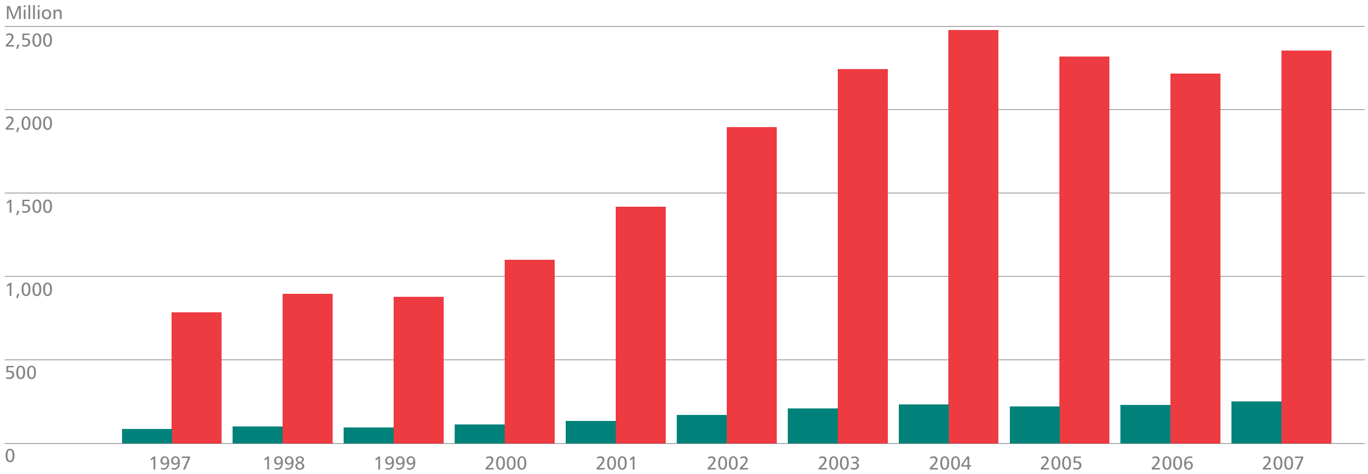


Source: MRIB Rental Monitor, BVA.

10.2 Film in the retail video market

In total, a record 250 million DVD, HD-DVD, Blu-ray DVD, UMD and VHS videos were sold in 2007, with a total market value of £2,353 million. DVDs accounted for the vast bulk of video sales (99%) with new digital formats such as Blu-ray (0.3%) beginning to emerge. Feature film represented approximately 75% of the retail video market (£1,765 million) and UK films accounted for around 19% of DVD film sales. Figure 10.3 demonstrates the rapid growth in the retail video sector, led by the high rate of increase in DVD sales from 2000 to 2004. Although the 2007 data indicate an increase in value on 2006, these are not directly comparable figures as the BVA changed its method of collecting value information in 2007. According to the BVA, video retail value increased only by 0.5% in 2007 using the method of calculation used in previous years.

Figure 10.3 Retail video sales, 1997–2007



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Volume (million)	87	100	96	114	135	169	208	234	222	229	250
Value (£ million)	784	896	878	1,100	1,417	1,895	2,244	2,478	2,317	2,215	2,353

Source: Official UK Charts Company, BVA.

Table 10.4 shows the top selling films on DVD in 2007. Many of the successful summer blockbusters of 2007 were released on DVD before Christmas and feature prominently, resulting in a chart similar to last year's theatrical top 10. However, the 2006 film *Casino Royale* took first place. Please note that this table includes theatrically-released films listed in the 'children's' genre category by the Official UK Charts Company.

Table 10.4: Top 10 DVD retail sales, 2007

	Title	Country of origin	Distributor
1	Casino Royale	UK/USA/Cze	Sony Pictures
2	Harry Potter and the Order of the Phoenix	UK/USA	Warner
3	Pirates of the Caribbean: At World's End	USA	Disney
4	The Simpsons Movie	USA	20th Century Fox
5	Shrek the Third	USA	Universal
6	Hot Fuzz	UK	Universal
7	Transformers	USA	20th Century Fox
8	The Bourne Ultimatum	UK/USA	Sony
9	Happy Feet	USA	Warner
10	Night at the Museum	USA	Buena Vista

Source: Official UK Charts Company, BVA.

Once again, comedy was the dominant genre of films sold on video in 2007, accounting for over 22% of the market as Figure 10.4 shows. Action/adventure was the next most popular with one-fifth of all sales, followed by drama with 18%.

Figure 10.4 Sales breakdown by film genre, 2007

	%
Comedy	22.3
Thriller	9.4
Children's/family	10.8
Horror	5.6
Sci-fi	6.8
Adult	0.3
War	2.2
Musical	3.3
Drama	18.3
Western	0.8
Action/Adventure	20.1

Source: Official UK Charts Company.

The top 10 UK performers on sell-through DVD in 2007 are highlighted in Table 10.5. The top British films of 2006 and 2007 – *Casino Royale* and *Harry Potter and the Order of the Phoenix* – take first and second place respectively, with *Hot Fuzz*, a huge success theatrically and in the rental market, in third place.

Table 10.5 Top 10 UK-originated DVD retail titles, 2007

	Title	Country of origin	Distributor
1	Casino Royale	UK/USA/Cze	Sony Pictures
2	Harry Potter and the Order of the Phoenix	UK/USA	Warner Bros
3	Hot Fuzz	UK	Universal Pictures
4	The Bourne Ultimatum	UK/USA	Universal Pictures
5	The Queen	UK/Fra/Ita	20th Century Fox
6	Flushed Away	UK/USA	Paramount
7	The Da Vinci Code	UK/USA	Sony Pictures
8	Mr Bean's Holiday	UK	Universal Pictures
9	The Last King of Scotland	UK/Ger	20th Century Fox
10	Miss Potter	UK/USA	Momentum

Source: Official UK Charts Company, RSU analysis.

10.3 Hardware

Figures from *Screen Digest* suggest that 86% of UK households have at least one stand-alone DVD player (that is, excluding computer or games consoles with DVD capability). Cumulative DVD hardware sales since launch have reached 49 million, the equivalent of almost two players for every household. In addition, consumers increasingly have access to high-definition DVD technology through dedicated players and games consoles in particular. The BVA estimates over 900,000 consoles with high-definition capability were sold in 2007, as well as 38,000 HD-DVD and Blu-ray stand-alone players.

See also

- For more information about top films at the UK box office see chapter 2 (page 15)
- For more information about the UK film market as a whole see chapter 14 (page 106)

Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan, courtesy of Twentieth Century Fox.

Chapter 11: Film on UK television

Television gives more access to film than ever, with well over a third of audiences now coming from multi-channel television. Almost 6,000 different films were screened on television as a whole in 2007, offering something for all tastes. Despite this, film is less popular than it was a decade ago.

Facts in focus

- There were 5,858 unique film titles on television in 2007, including 2,076 on terrestrial, 1,500 on the subscription movie channels and 3,307 on the free-to-air film channels.
- The 2,182 films (2,076 unique titles) on terrestrial channels represented an increase of 9% on 2006 and an average of six films per day. Of these 538 (25%) were UK films, and 63 (3%) were foreign language films.
- An average of 1.2 million people watched each film on peak time network television (down from 1.5 million in 2006), compared to median cinema audiences for the top 50 films of 2.1 million.
- The top film on terrestrial television was Shrek 2 on BBC1, with 9.4 million viewers – one in six of the UK population.
- Multi-channel television accounted for over 37% of the UK television audience in 2007, up from 33% in 2006.
- There were 3.1 billion viewings of feature film across all television formats (except Pay-Per-View) in 2007–over 19 times the number of cinema admissions.
- The value of film to broadcasters was approximately £994 million.
- The average viewer watched 56 films on television, down from 72 in 1997.

11.1 Programming

Table 11.1 shows the number of feature films broadcast on the five terrestrial network channels in 2007 and the total number of UK titles broadcast in that time. These are broken down into older titles (more than eight years old) and recent theatrical releases (released in the last eight years). Here, UK film includes all titles listed as UK-originated by the Broadcaster's Audience Research Board (BARB), plus UK co-productions given other nationalities (mostly USA) in the BARB data.

The number of films on terrestrial television increased by 9% in 2007 to 2,182, an average of six films a day. The proportion of recent UK films increased to 5.9% (129 films) from 5.2% in 2006.

Table 11.1 Feature films broadcast on network television 2007

Channel	Number of film slots	Number of UK film slots	UK film as % of total	Recent UK (ie released theatrically since 1999)	Recent UK as % of total film slots
BBC1	384	66	17.2	26	6.8
BBC2	447	180	40.3	34	7.6
ITV1	243	58	23.9	19	7.8
Channel 4	595	170	28.6	38	6.4
Five	513	64	12.5	12	2.3
Total	**2,182**	**538**	**24.7**	**129**	**5.9**

Source: Attentional, UK Film Council RSU analysis.

As Table 11.2 shows, 63 foreign language films were broadcast in 2007, 3% of the total, up from 41 in 2006 (2% of the total). The top foreign language film was *House of Flying Daggers*, with an audience of 1.7 million on Channel 4.

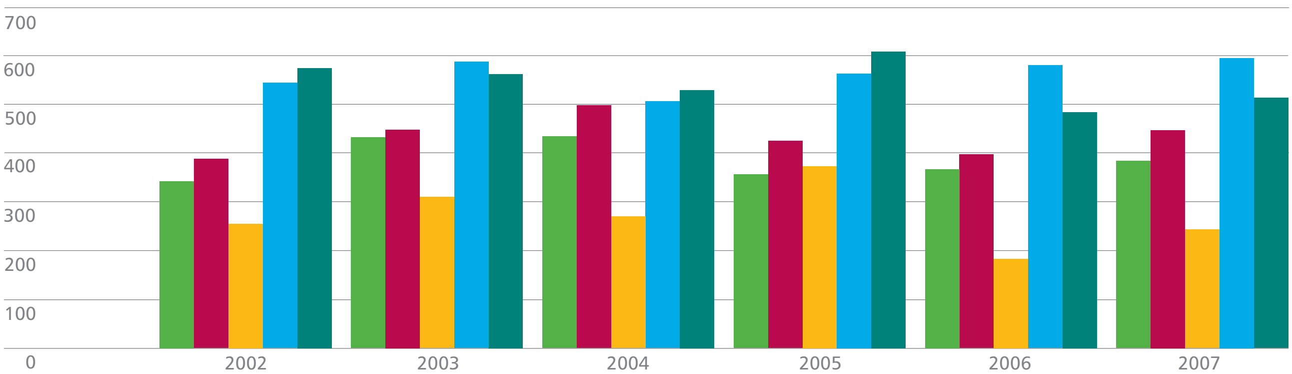
Table 11.2 Foreign language films broadcast on network television 2007

Channel	Number of foreign language films broadcast	% of channel's film output	Average audience (million)	Top rated foreign language film	Audience (million)
BBC1	5	1.3	0.5	Twin Warriors	0.6
BBC2	9	2.0	0.2	Joyeux Noel	0.8
ITV1	0	0.0	0.0		0.0
Channel 4	46	7.7	0.2	House of Flying Daggers	1.7
Five	3	0.6	0.5	Jackie Chan's Police Story 2	0.7
Total	**63**	**2.9**	**0.2**		

Source: UK Film Council RSU.

The number of slots for feature film on network television has fluctuated since 2002 as Figure 11.1 shows.

Figure 11.1 Number of feature films on network television, 2002–2007



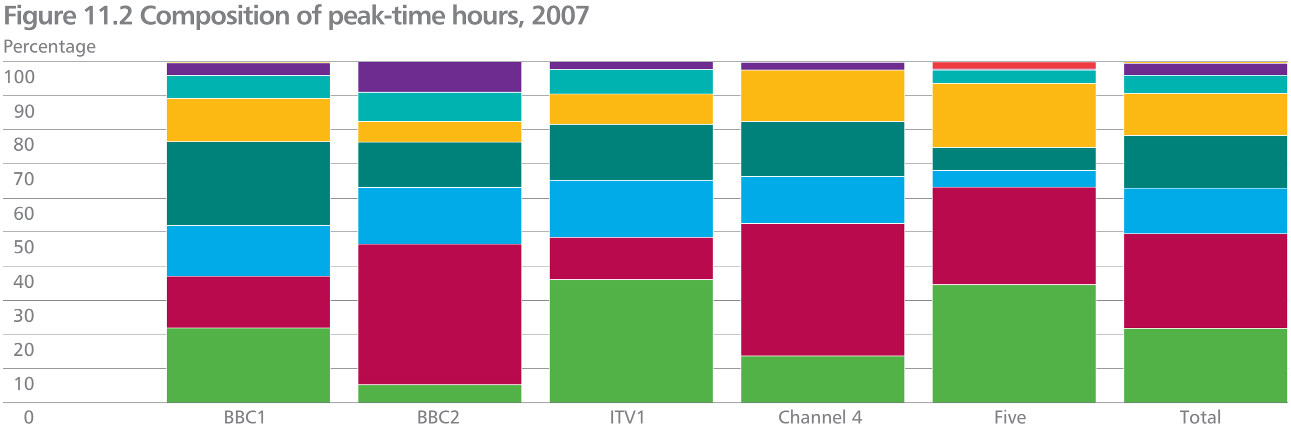
	2002	2003	2004	2005	2006	2007
BBC1	342	432	434	356	367	384
BBC2	388	448	498	425	397	447
ITV1	255	310	270	373	183	243
Channel 4	544	587	506	563	580	595
Five	574	562	529	608	484	513
Total	2,103	2,339	2,237	2,325	2,011	2,182

Source: Attentional, UK Film Council RSU.

11.2 Peak time

The proportion of peak-time hours (18:00 to 23:59 hours) given over to films varied widely across the terrestrial channels. Film represented 13% of programming on BBC1, 6% on BBC2, 9% on ITV1, 15% on Channel 4 and 19% on Five (Figure 11.2).

Figure 11.2 Composition of peak-time hours, 2007

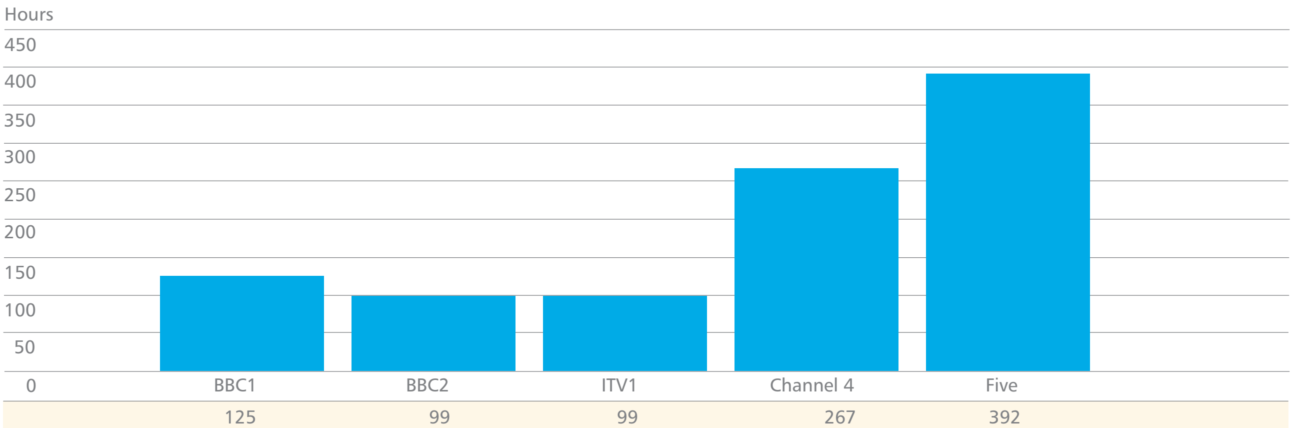


	BBC1	BBC2	ITV1	Channel 4	Five	Total
Film (made for TV)	0.3	0.0	0.0	0.1	2.1	0.5
Other	3.7	9.0	2.3	2.3	0.3	3.6
Sport	6.7	8.6	7.2	0.0	3.9	5.3
Film (cinema)	**12.7**	**6.0**	**8.9**	**15.1**	**18.8**	**12.3**
News/current affairs	24.6	13.3	16.4	16.1	6.7	15.4
Entertainment	14.8	16.6	16.7	13.8	4.9	13.4
Factual	15.2	41.2	12.4	38.8	28.6	27.7
Drama	21.9	5.3	36.1	13.7	34.6	21.8

Source: Attentional.

The total number of broadcast hours for film per channel in peak time is shown in Figure 11.3. Channel Five transmitted 392 hours of film at peak times over 2007, whereas BBC2 and ITV1 showed 99 hours.

Figure 11.3 Hours of film peak-time, 2007

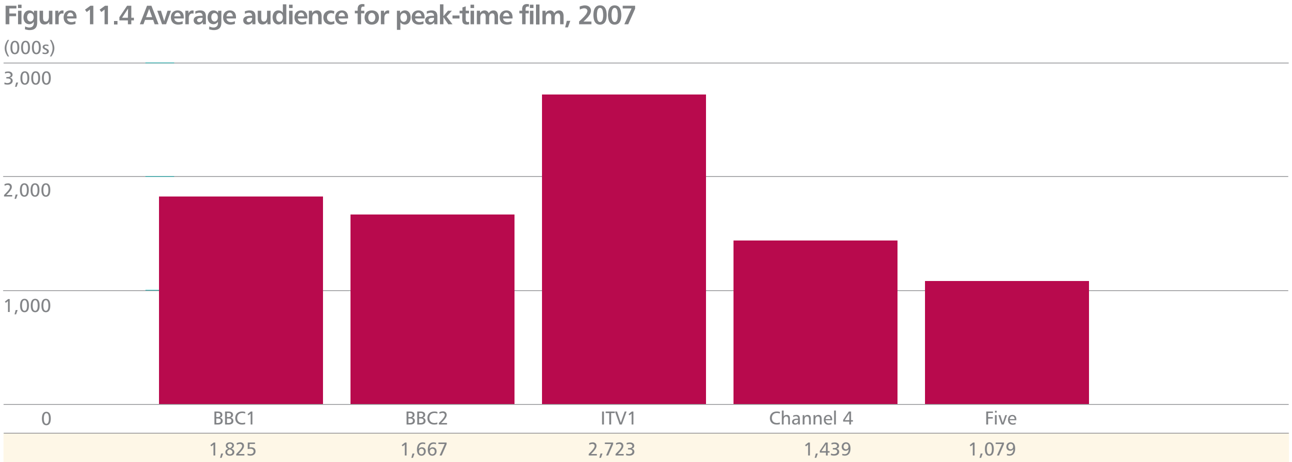


Source: Attentional, BARB.

11.3. Audiences for film on network television

The average audience for a film shown on peak-time network television was 1.8 million on BBC1, 1.7 million on BBC2, 2.7 million on ITV1, 1.4 million on Channel 4 and 1.1 million on Five (Figure 11.4). Across all channels, the average audience was 1.2 million. This compares with the median cinema admissions for top 50 films of approximately 2.1 million.

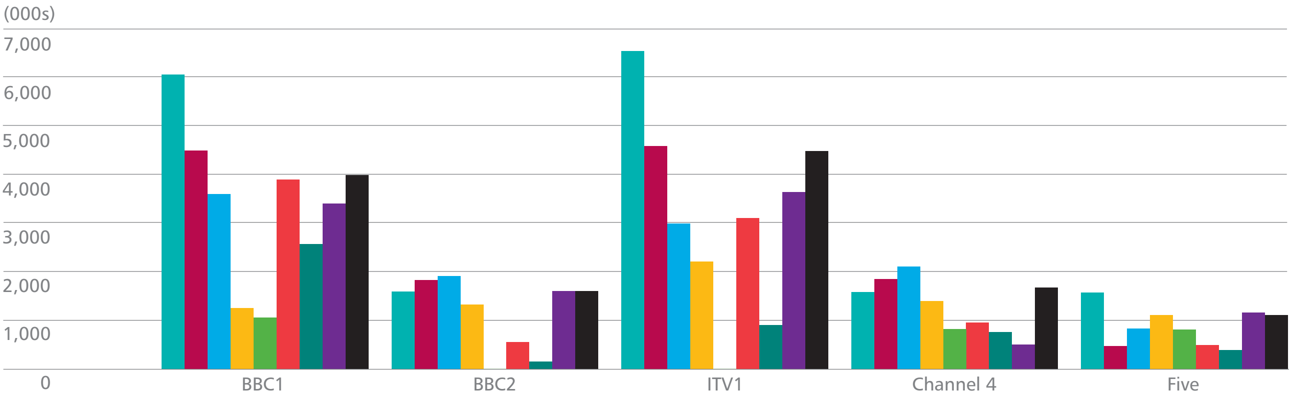
Figure 11.4 Average audience for peak-time film, 2007



Source: Attentional, BARB.

Of the main programme categories, film accounts for the second lowest average peak-time audience on BBC1 but performs relatively well on Channel 4 and Five, as shown in Figure 11.5.

Figure 11.5 Average peak-time audience, 2007



	BBC1	BBC2	ITV1	Channel 4	Five
Drama	6,041	1,586	6,522	1,579	1,561
Entertainment	4,487	1,823	4,572	1,846	466
Factual	3,588	1,906	2,982	2,102	830
Film (cinema)	1,250	1,324	2,201	1,388	1,099
Film (made for TV)	1,053	n/a	n/a	820	807
News/current affairs	3,887	959	3,098	947	485
Other	2,566	912	899	759	382
Sport	3,392	1,595	3,627	497	1,155
All genres	3,978	1,598	4,473	1,669	1,103

Source: Attentional, BARB.

11.4 Top films on network television

The most popular film on terrestrial television was *Shrek 2*, with 9.4 million viewers tuning in to its Christmas Day premiere on BBC1 (Table 11.3). In theatrical terms, this is equivalent to a box office gross of £47 million (actual gross was £48 million).

Table 11.3 Top 10 films on network television, 2007

	Title	Channel	Country of origin	Year of theatrical release	Audience (million)
1	Shrek 2	BBC1	USA	2004	9.4
2	The Queen	ITV1	UK/Fra/Ita	2006	8.7
3	Harry Potter and the Prisoner of Azkaban	ITV1	UK/USA	2004	8.4
4	Finding Nemo	BBC1	USA	2003	7.3
5	Ice Age	ITV1	USA	2002	6.6
6	Pirates of the Caribbean: The Curse of the Black Pearl	BBC1	USA	2003	6.5
7	Shrek	BBC1	USA	2001	6.4
8	Meet the Fockers	BBC1	USA	2004	6.0
9	Elf	Channel 4	USA	2003	5.4
10	Ocean's Eleven	ITV1	USA	2001	5.3

Source: Attentional, BARB.

The top 10 UK films of 2007, (Table 11.4), included the premieres of five recent British films: *The Queen, Harry Potter and the Prisoner of Azkaban, Bridget Jones: The Edge of Reason, Lara Croft Tomb Raider: The Cradle of Life* and *Troy.*

Table 11.4 Top 10 UK-originated films on network television, 2007

	Title	Channel	Country of origin	Year of theatrical release	Audience (million)
1	The Queen	ITV1	UK/Fra/Ita	2006	8.7
2	Harry Potter and the Prisoner of Azkaban	ITV1	UK/USA	2004	8.4
3	Bridget Jones: The Edge Of Reason	ITV1	UK/USA	2004	5.0
4	Harry Potter and the Chamber of Secrets	ITV1	UK/USA	2002	4.9
5	Lara Croft Tomb Raider: The Cradle of Life	BBC1	UK/USA	2003	4.8
6	Love Actually	ITV1	UK/USA	2003	4.7
7	Die Another Day	ITV1	UK/USA	2002	4.5
8	The Queen*	ITV1	UK/Fra/Ita	2006	3.9
9	Troy	ITV1	UK/USA/Mal	2004	3.7
10	Harry Potter and the Philosopher's Stone	ITV1	UK/USA	2001	3.6

Source: Attentional, BARB.
*Note: The Queen was broadcast twice on ITV1 in 2007 – its premiere on 2 September followed by a repeat showing on 27 December.

11.5 Films on multi-channel television

Table 11.5 shows the audience share for freeview/satellite/cable multi-channel television has continued to grow in the last few years. Multi-channel television accounted for 37% of the UK television audience in 2007, up from 33% in 2006.

Table 11.5 Television percentage audience shares 1998–2007

Year	BBC1	BBC2	ITV1	Channel 4	Five	Multi-channel TV
1999	28.4	10.8	31.2	10.3	5.4	14.0
2000	27.2	10.8	29.3	10.5	5.7	16.6
2001	26.9	11.1	26.7	10.0	5.8	19.6
2002	26.2	11.4	24.1	10.0	6.3	22.1
2003	25.6	11.0	23.7	9.4	6.5	23.6
2004	24.7	10.0	22.8	9.7	6.6	26.2
2005	23.3	9.4	21.5	9.6	6.4	29.8
2006	22.8	8.8	19.6	9.8	5.7	33.3
2007	22.0	8.5	19.2	8.6	5.1	36.5

Source: BARB.

Table 11.6 lists the number of films shown, average audience, top film and audience for a selection on the top subscription movie channels and other digital channels which broadcast feature films. The various Sky movie channels broadcast a total of 1,426 films across 33,978 slots.

Table 11.6 Feature film on selected digital channels, 2007

Channel	Number of film transmissions	Average film audience	Top film	Audience
BBC3 and BBC4	195	256,690	Shrek	1,432,300
Bravo	212	40,887	The Firm	141,900
Disney channels	749	31,033	Spy Kids	306,000
E4	131	189,850	Notting Hill	579,600
Film 4	2,346	115,070	Independence Day	1,034,400
Five Life/Five US	114	152,350	Out of Reach	638,300
Hallmark	143	13,527	King Solomon's Mines	108,500
Hollywood TV	1,092	1,348	Massacre in Rome	72,100
ITV2–4	823	233,260	The Bourne Supremacy	1,827,300
More 4	380	64,286	Gladiator	492,300
Movies 4 Men	5,315	4,441	Keoma	60,800
Sci Fi	942	45,000	Terminator 2: Judgement Day	275,500
Sky 1-3/Sky Arts	246	69,206	Independence Day	519,800
Sky Movie channels	33,978	13,700	Hot Fuzz	854,600
True Movies	448	6,079	Firestorm	46,600
Turner Classic Movies	4,820	10,959	Dirty Harry	174,600
UKTV Gold	121	178,990	Terminator 3: Rise of the Machines	601,500
Zone Horror/Zone Thriller	2,089	8,151	Hellraiser	76,900

Source: Attentional, BARB, UK Film Council RSU.

The top film on subscription movie channels in 2007 was *Madagascar*, which attracted a total audience of 4.2 million viewers from 106 transmissions on the Sky Movie channels (Table 11.7). The top film on free-to-air multi-channel was *The Bourne Identity* on ITV2 with a total audience of five million from eight transmissions (Table 11.8).

Table 11.7 Top 10 feature films on pay-TV film channels, 2007

	Title	Channel	Country of origin	Year of theatrical release	Total audience*
1	Madagascar	Sky Movies	USA	2005	4,249,800
2	Cheaper by the Dozen 2	Sky Movies	USA	2005	4,190,400
3	Harry Potter and the Goblet of Fire	Sky Movies	UK/USA	2004	3,923,900
4	Chronicles of Narnia: The Lion, the Witch and the Wardrobe	Sky Movies	USA	2005	3,904,100
5	Big Momma's House 2	Sky Movies	USA	2005	3,412,100
6	Pirates of the Caribbean: Dead Man's Chest	Sky Movies	USA	2004	3,298,400
7	Fantastic Four	Sky Movies	USA	2005	3,150,900
8	Ice Age: The Meltdown	Sky Movies	USA	2005	2,802,400
9	Nanny McPhee	Sky Movies	UK/USA	2004	2,794,600
10	The Da Vinci Code	Sky Movies	UK/USA	2005	2,768,800

Source: Attentional, BARB.
*Audience figures refer to total audience for all transmissions of that film across all subscription movie channels in 2007.

Table 11.8 Top 10 feature films on free-to-air digital multi-channel television, 2007

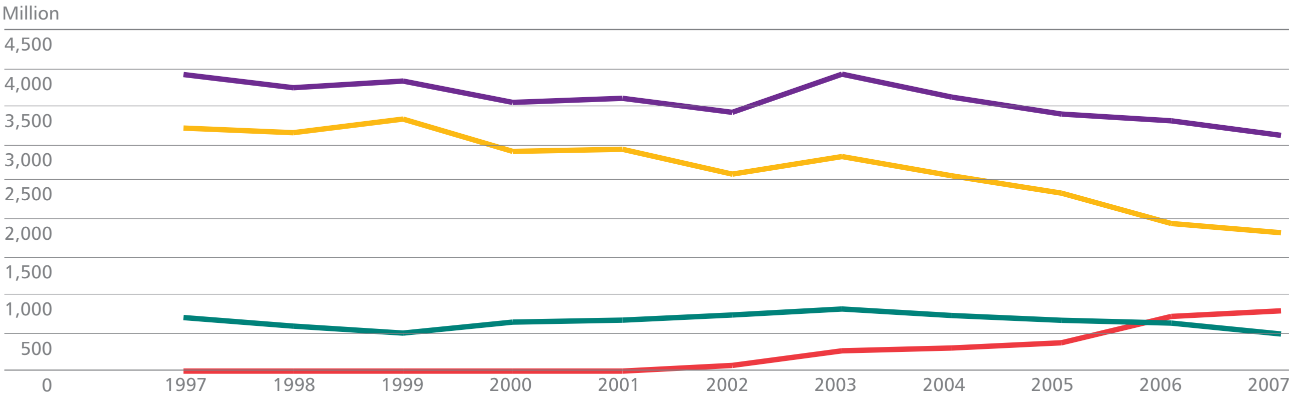
	Title	Channel	Country of origin	Year of theatrical release	Total audience
1	The Bourne Identity	ITV2	USA	2002	5,028,000
2	The Bourne Supremacy	ITV2	USA	1994	4,766,100
3	Shaun of the Dead	ITV2	UK	1995	4,566,200
4	Independence Day	Film 4/E4/Sky One	USA	2002	4,254,600
5	Bridget Jones: The Edge of Reason	ITV2	UK/USA	2001	4,218,300
6	The Mummy Returns	ITV2	UK/USA	2002	4,109,000
7	Jurassic Park	ITV2/Sci-Fi	USA	2001	4,085,700
8	Pretty Woman	ITV2	USA	2001	4,057,700
9	Terminator 3: Rise of the Machines	UKTV Gold	USA	1988	3,776,200
10	2 Fast 2 Furious	Film 4	USA	2003	3,526,700

Source: Attentional, BARB.

11.6 The audience for film on television 1997–2007

In order to compare the audiences for film on television with the total number of admissions to UK cinemas, we have calculated the sum of the average audience for film broadcast on UK television since 1997 (see Figure 11.6). In 1997 there were almost 4 billion viewings of film on TV, compared with cinema ticket sales of 139 million. However, the audience for film on television has been in decline since then, despite the massive upsurge in the availability of titles since the introduction of digital television. In 2007 there were 3.1 billion television viewings compared with 162 million cinema ticket sales. In 1997, the average person watched 72 films a year on terrestrial and multi-channel television, but by 2007, even with the massive growth in choice via digital, the number of films viewed per person per year fell to 56. The one growth area has been film viewing on non-subscription digital channels, but despite the launch of Film 4 on Freeview in 2006, the rate of increase has slowed down.

Figure 11.6 Total audience for feature film on television (except PPV), 1997–2007



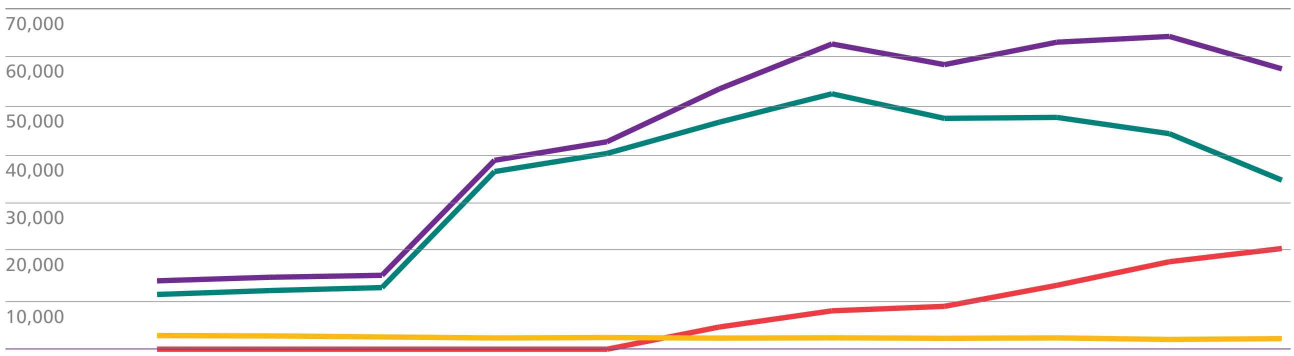
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Terrestrial	3,209	3,148	3,328	2,901	2,929	2,601	2,833	2,579	2,350	1,949	1,827
Subscription movie channels	707	594	502	647	673	741	820	734	671	634	490
Digital multi-channel	0	0	0	0	0	75	268	305	374	722	796
Total	3,916	3,742	3,830	3,548	3,602	3,417	3,921	3,618	3,394	3,305	3,113

Source: UK Film Council RSU, Attentional, BARB.

Figure 11.7 shows the total number of films shown on television since 1997. The steep rise in film showings to 2003 has since flattened but the 57,685 total in 2007 is more than four times greater than the 1997 figure of 14,070 films. The subscription film channels and digital multi-channel TV have driven this increase. In terms of unique film titles, there were 2,076 films broadcast on terrestrial, 1,500 titles on the subscription movie channels and 3,307 on free-to-air digital channels. Overall, 5,858 individual film titles were shown across all TV channels in 2007.

Unfortunately, the lack of comprehensive title-by-title audience data available to us for Pay-Per-View movie services such as Sky Box Office means we cannot include these data in the following charts.

Figure 11.7 The total number of film transmissions on all television (except PPV), 1997–2007



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Terrestrial	2,807	2,737	2,525	2,318	2,405	2,275	2,355	2,234	2,325	2,011	2,182
Subscription movie channels	11,263	12,067	12,684	36,547	40,277	46,720	52,552	47,499	47,698	44,346	34,782
Free-to-air multi-channel	0	0	0	0	0	4,573	7,900	8,821	13,144	17,998	20,721
Total	14,070	14,804	15,209	38,865	42,682	53,568	62,807	58,554	63,168	64,355	57,685

Source: UK Film Council RSU, Attentional.

11.7 The value of feature film to broadcasters

Based on a model developed by Attentional, we have estimated the value of feature film to UK broadcasters to be approximately £994 million in 2007. This figure is derived from the annual revenue per channel, that is net advertising revenue for the commercial channels, subscription revenues for the pay TV channels and proportion of licence fee applied to programming on the BBC channels, multiplied by the percentage of broadcast hours for feature film.

For cinema admissions see Chapter 1 (page 9)
For an overview of the film market as a whole see Chapter 13 (page 100)

The Queen, courtesy of Pathé Distribution.

Video on Demand brings new opportunities to watch film at home, via the television, computer or portable devices. The market is in its infancy and there are no official statistics, but there is evidence that this is already a multi-million pound business that is set to grow.

Facts in focus

- The total Video on Demand (VoD) and near-Video on Demand (nVoD) film market was estimated to be worth £146 million in 2007.
- 11 million households were able to access television-based VoD and nVoD in 2007 with an estimated spend of £145 million.
- Over 13 million UK households had a broadband connection in 2007, but internet-based VoD earned a modest £700,000.
- The future growth of the VoD market will depend on many technical and pricing factors but its greatest threat is film theft.

12.1 Current size of the UK market

The Video on Demand (VoD) market is still very small and estimates of its actual size vary. Unlike the theatrical and video markets, there are no official statistics, but recent reports from *Screen Digest* and NPA Conseil/European Audiovisual Observatory have attempted to quantify this emerging market.

The VoD market in the UK can be divided into television-based services and internet-based services. While cable TV and IPTV (Internet protocol TV) operators are able to offer a true-VoD service (in other words a system which streams content in real time from a server to the viewer), the leading satellite broadcaster, BSkyB is only able to offer a near-Video on Demand service, where multiple channels are used to show the same film at staggered times. Over 11 million UK households were able to access films in this way, and the total TV-based nVoD and VoD market was worth around £145 million in 2007.

According to Ofcom, over 13 million UK households (53% of the total) had a broadband connection in 2007, with the potential to view films online. However, the online VoD market remained small with estimated revenues of around £700,000.

Screen Digest estimated that the combined value of the TV-based VoD and nVoD and internet-based market was therefore worth £146 million in 2007, roughly 3% of the total UK filmed entertainment market.

12.2 VoD services in the UK

VoD services in the UK employ four basic types of economic model:

- download to own onto computer or portable device, or in some cases burn to DVD (DTO)
- VoD rental (one-off rental, also known as download to rent)
- subscription VoD (SVoD) – unlimited access to content for a fixed monthly sum
- free/advert-supported VoD.

The leading VoD providers in the UK are described in Table 12.1. Sky and Virgin Media are the market leaders in TV-based nVoD and VoD with over 11 million subscribers between them. The UK is the dominant subscription satellite market in Europe, with over 8 million subscribers in 2007, more than twice the number of cable households. Sky satellite subscribers are able to access nVoD films which can then be stored on personal video recorders (PVRs) through the Sky Anytime service. This then becomes a service with qualities similar to true-VoD. Virgin Media cable subscribers are able to access a true-VoD service.

Telecommunications companies in a number of countries are introducing Internet Protocol Television (IPTV) which delivers television services over a broadband internet connection. BT Vision offers major studio films as part of its true-VoD IPTV offering. Homechoice launched a true-VoD IPTV-based service in the UK as early as 2000, and this is now part of the Tiscali TV service.

The UK is currently the only country in Europe to offer VoD on digital terrestrial television (DTT). This is via Top Up TV Anytime with a limited number of titles available via a PVR. There are currently more than 9 million free-DTT households in the UK which could potentially access this service providing they had a compatible PVR.

As noted above, the growth of broadband has presented a major new distribution channel for films. Lovefilm is the leading internet-based VoD service, with over a 90% share of the online market in 2007, according to *Screen Digest*.

In terms of release windows, the true-VoD TV-based offering and download to rent are generally in line with the nVoD window, that is, films are usually available six to seven months after theatrical release. Download to own shares the same window as DVD retail (four months after theatrical release). However, there may be differences on a title-by-title basis.

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Table 12.1 Leading VoD services in the UK, 2007

Service provider	Network	Catalogue	Prices	Content providers	Economic model	Audience/potential audience million
BSkyB	Satellite/internet	400 films	£3.95 per film; £15 per month for SVoD Premium Sky Movies	All major US studios	nVoD, VoD	8.1m satellite subscribers and 700,000 broadband subscribers
BT Vision	IPTV	Major studio films	£1.99–£2.99 per film	All majors except Fox	Rental VoD, SVoD	4m broadband subscribers in UK
Lovefilm	Internet	2,500 films	Rental VoD £2.99–£3.49; DTO £9.99–£19.99	Three major studios plus independent distributors	Rental VoD, DTO, ad-supported short films	13m UK homes with broadband
Tiscali TV	IPTV	Over 1,000 films	From £1.99 per rental	All major studios	Rental VoD, SVoD	1.1m Tiscali subscribers + 75,000 Homechoice subscribers
Top-Up TV	DTT	30 films per month; 7 rotated weekly	£5.00 per month	Universal	SVoD	9.1m households with Freeview but requires additional PVR
Virgin Media	Cable	500 films	£2.50–£3.50 for new releases; 50p–£2.00 for library titles	All major studios except Fox. Independent distributors including Pathé and Icon	Rental VoD	3.4m subscribers

Source: NPA Conseil/European Audiovisual Observatory, Screen Digest, company websites, UK Film Council RSU.

12.3 Future prospects for the VoD market

Clearly, the online VoD market will grow, but will remain a small component of the overall UK film market for some years. The main area of online growth is likely to be around platforms which serve films directly to the television set and portable devices, such as those marketed by Apple (iPod/iTunes/Apple TV), Microsoft (Xbox 360) and Sony (Playstation3/PSP).

Apart from online, the UK has a strong take-up of digital cable, satellite and DTT services as described above. Given user familiarity and ease of access via existing pay television services, and the preference for watching films on television, this area is likely to represent an important area of growth in the VoD market.

According to *Screen Digest* and NPA Conseil/EAO, there are several factors affecting the size of the UK VoD market:

- broadband speeds
- price of content
- licensing issues affecting the size of catalogues
- the emergence of technology which will enable online films to be played on TV (such as X-Box 360, Apple set-top box)
- available devices such as portable players.

One sobering thought for the industry is that unofficial digital VoD was vastly greater than the official market in 2007. As reported in Chapter 13, research undertaken by the industry's piracy research group suggested there were 127 million digitally-pirated titles in 2007, which were estimated to have cannibalised the official market to a value of £53 million. As the official download market was only £0.7 million in 2007, it seems that virtually 100% of the potential internet-based VoD market was lost to piracy or to film theft in 2007. This underlines the need to resolve the various issues (such as technology and licensing) holding up the development of the legal offer and to progress towards an appropriate regime for protecting intellectual property.

For more information on film on video see chapter 10 (page 79)
For more information on film on television see chapter 11 (page 86)
For an overview of the film market as a whole see chapter 13 (page 100)

The Last King of Scotland, courtesy of Twentieth Century Fox.

Chapter 13: The UK film market as a whole

While it is usually the cinematic release of a film that establishes its reputation, over half the revenues of the industry in the UK come from DVD/video retail and rental. Sales to television also generate significant income. This chapter looks at the UK film market as a whole over the period 1998 to 2007.

Facts in focus

- The total filmed entertainment market in the UK in 2007 is estimated to have been £4.0 billion.
- In 2007, sell-through DVD/video was the largest single revenue source for film in the UK market, accounting for 44% of total revenues.
- In 2007 the UK had the third-largest filmed entertainment market in the world after the USA and Japan.
- Film revenues in the UK declined from 2004 to 2006 but were stable in 2007.
- The decline in film revenues from 2004 to 2006 was influenced by competition from new media, film theft and to some extent by the quality of the film offering.
- Film theft was estimated to have reduced the legal UK film market by £404 million in 2007.

13.1 The UK filmed entertainment market as a whole

Table 13.1 shows the complete UK filmed entertainment market in 2006 and 2007. In both years, sell-through DVD/video was the largest single revenue source, accounting for 44% of total revenues in 2007. Theatrical revenues increased by 7.7% to £821 million, while rental revenues shrank from £340 million to £297 million. DVD/video retail revenues were higher than the previous year, though most of the difference was a result of a new method of measuring video retail values. Gross television revenues were also large, at £994 million, though much of this accrued to the television industry rather than to the suppliers of film.

For UK films the distribution of revenues is estimated to be slightly different from films overall, with a smaller share of revenues attributable to television and DVD/video and a larger share to theatrical. This reflects the comparatively larger number of overseas film titles shown on UK television and the averaging effect of the DVD/video market (the top DVD/video titles were theatrically released in both 2006 and 2007 and the UK had a lower share of the theatrical market in 2006).

Table 13.1 The UK filmed entertainment market, 2006 and 2007

Window	Total gross value 2006 (£ million)	Attributable to UK films 2006 (£ million)	Total gross value 2007 (£ million)	Attributable to UK films 2007 (£ million)
Theatrical	762	145	821	234
DVD/video rental	340	58	297	53
Sell-through DVD/video	1,595	296	1,765	335
Pay TV	642	86	516	81
Terrestrial TV	277	56	254	63
'Free' multi-channel TV	147	32	224	44
nVoD and VoD	102	16	146	23
Total UK	**3,865**	**689**	**4,023**	**833**

Source: Nielsen EDI, MRIB, BVA, Official Charts Company, Attentional, Screen Digest, RSU Analysis.
Notes:
'Theatrical' is the total gross UK theatrical revenues (including VAT) for all films released in the UK in 2006 and 2007, box office up 4 March 2007 for the 2006 films and up to 2 March 2008 for 2007 films. See Chapter 1.

'DVD/video rental' is the total revenue from UK DVD/video rental transactions in the calendar years 2006 and 2007. See Chapter 10.

'Sell-through DVD/video' is the total revenue from UK DVD/video retail transactions in the calendar years 2006 and 2007. See Chapter 10. In 2007, the British Video Association introduced a more accurate method of estimating video retail values, based on value information at the point of transaction.

The TV values are retail-equivalent values calculated from the dataset of films shown on UK television generated for the UKFC by Attentional. Values are estimated by multiplying the film share of the total channel time by the total revenue applicable to that channel (licence fee, subscription or advertising revenue). TV values cover terrestrial, subscription and free multi-channel. See Chapter 11. An estimate for pay-per-view is included in nVOD.

Video on Demand and Near-Video on Demand revenues are derived from Screen Digest estimates of the combined size of the TV and internet-based markets. UK share is based on an estimate derived from knowledge of UK film share in the Pay TV and video markets.

The above values are gross values and include exhibitor and distributor margins, VAT, prints and advertising costs, DVD/video retail margins, broadcaster and multi-channel TV operator margins in addition to net returns to the film production sector and film investors.

The revenues shown here are revenues earned by film in the UK market, whether UK or foreign films. The table does not include export revenues for the UK film industry. See Chapter 18 for UK film export revenues.

13.2 The UK market in the global context

Table 13.2 places the UK's filmed entertainment market in a global context. In 2007, the UK had the third-largest filmed entertainment market in the world, after the USA and Japan. The USA accounted for 41% of the world market. The next biggest individual territories after the UK were Canada, France, Germany, Italy and Australia.

The world filmed entertainment market is still dominated by the largest developed economies. Although the Indian market is vast in terms of admissions and both India and China have huge populations and are growing fast economically, their filmed entertainment markets still count in US dollar terms below Australia (population 21 million) and Italy (population 59 million).

Table 13.2 Filmed entertainment revenues by country/region, US$ million, 2007

Country/region	Revenue in US$ million	Percentage of total
USA	35,517	41.3
Japan	7,839	9.1
UK	6,447	7.5
Canada	5,908	6.9
Other Western Europe	5,604	6.5
France	3,823	4.5
Germany	3,220	3.7
Other Asia Pacific	2,793	3.3
Latin America	2,303	2.7
Italy	2,107	2.5
Australia	2,110	2.5
India	1,929	2.2
South Korea	1,769	2.1
Central and Eastern Europe	1,782	2.1
Spain	1,689	2.0
China	641	0.7
Middle East and Africa	423	0.5
Total	**85,904**	**100.0**

Source: PricewaterhouseCoopers, *Global Entertainment and Media Outlook 2008–2012,* June 2008.
Note: In Table 13.2 'filmed entertainment revenue' includes box office receipts, home DVD/video (rental and retail) and online rental and streaming revenues. It does not include TV revenues. The PwC estimate for online rental and streaming for Europe, Middle East and Africa is included in 'Other Western Europe' and for Asia Pacific is included in 'Other Asia Pacific'.

The situation is forecast to change significantly by 2012. According to PricewaterhouseCoopers, India will by then be the seventh largest individual territory, almost equal in size to France and ahead of Germany, South Korea, Australia, Italy and Spain. The USA is forecast to remain the largest single film territory (by a factor of four). Central and Eastern Europe shows substantial absolute and relative growth.

Table 13.3 Filmed entertainment revenues by country/region, US$ million, forecast for 2012

Country/region	Revenue in US$ million (2012)	Percentage of total[1] (2012)
USA	44,528	40.0
Japan	10,341	9.3
UK	7,893	7.1
Canada	7,499	6.7
Other Western Europe	6,578	5.9
France	4,442	4.0
India	4,278	3.8
Germany	4,079	3.7
Other Asia Pacific	3,490	3.1
Latin America	3,182	2.9
Central and Eastern Europe	3,113	2.8
South Korea	2,632	2.4
Australia	2,708	2.4
Italy	2,586	2.3
Spain	1,746	1.6
China	1,531	1.4
Middle East and Africa	575	0.5
Total	**111,199**	**100.0**

Source: PricewaterhouseCoopers, *Global Entertainment and Media Outlook 2008–2012*, June 2008.

'Filmed entertainment revenue' includes box office receipts, home DVD/video (rental and retail) and online rental and streaming revenues. It does not include TV revenues.

Online rental and streaming estimates for Europe and Asia Pacific have been allocated to individual countries in proportion to their share of the cinema and home video markets.

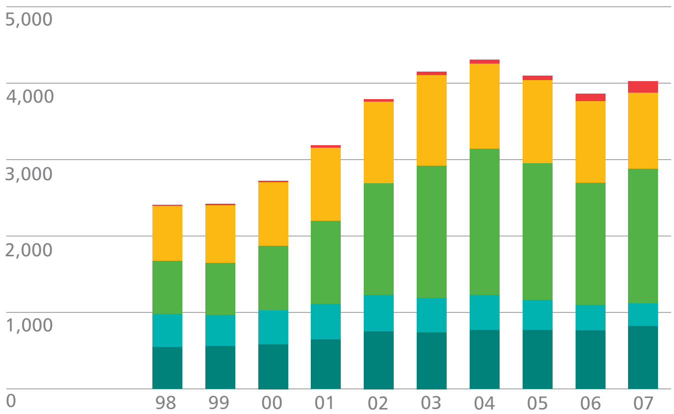
Forecasts are in nominal US dollars at the average 2007 exchange rate and therefore do not estimate the impact of any changes in exchange rates between now and 2012.

13.3 The evolution of UK film revenues 1998–2007

The evolution of UK film revenues from 1998 to 2007 is shown in Figure 13.1. After strong growth in the early 2000s, aggregate film revenues fell in 2004–2006. The chart shows a resumption of growth in 2007, but this was largely the result of a more accurate way of calculating video retail revenue. According to the British Video Association, video retail revenues were only 0.5% higher in 2007 than in 2006 on the old method of calculation. Theatrical (+7.7%) and VoD were the only sectors to grow significantly in 2007, but VoD was a small part of the total (3.6%).

Figure 13.1 Gross film revenues, all windows, 1998–2007

£ million



	98	99	00	01	02	03	04	05	06	07
Theatrical	547	563	583	645	755	742	770	770	762	821
Rental film	437	408	444	465	476	450	461	399	340	297
Retail film	690	676	847	1,091	1,459	1,728	1,908	1,784	1,595	1,765
Film on TV	726	755	826	954	1,066	1,182	1,119	1,089	1,066	994
VoD	10	20	25	34	38	47	50	57	102	146

Source: Nielsen EDI, MRIB, BVA, Official Charts Company, DGA, Screen Digest, RSU Analysis.

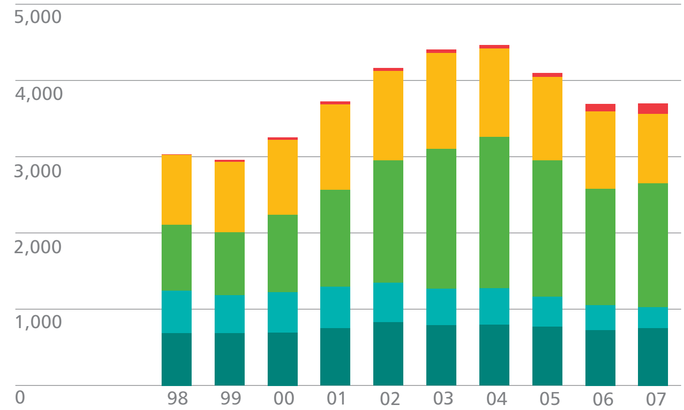
'Film on TV' covers terrestrial, subscription and free multi-channel. Pay-per-view is included within the VOD total.

'VOD' includes Near Video on Demand (nVOD) and true Video on Demand

The revenues shown in Figure 13.1 are the actual figures. If we adjust the revenues for inflation using the recreational and cultural services price index (Figure 13.2), the decline in revenues from 2004 to 2006 is more marked. Real revenues in 2006 were 17% below the level of 2004. Real revenues were stable in 2007, but would have registered a fall had the old method of calculating video retail revenues been used.

Figure 13.2 Gross inflation-adjusted film revenues, all windows, 1998–2007, expressed in 2005 pounds

£ million



	98	99	00	01	02	03	04	05	06	07
Theatrical	688.9	687.4	695.7	752.6	828.8	788.5	798.8	770.0	728.5	754.6
Rental film	550.4	498.2	529.8	542.6	522.5	478.2	478.2	399.0	325.0	273.0
Retail film	868.9	825.5	1,010.7	1,273.2	1,601.7	1,836.2	1,979.3	1,784.1	1,524.9	1,622.0
Film on TV	914.4	921.9	985.7	1,113.2	1,170.1	1,256.1	1,160.8	1,089.0	1,019.1	913.6
VoD	12.6	24.4	29.8	39.7	41.7	49.9	51.9	57.0	97.5	134.2

Source: Nielsen EDI, MRIB, BVA, Official Charts Company, DGA, ONS, Screen Digest, RSU Analysis.

Actual revenues deflated by the UK recreational and cultural services price index, using the year to December 2005 as the base.

'Film on TV' covers terrestrial, subscription and free multi-channel. Pay-per-view is included in the VOD total.

'VoD' includes Near Video on Demand (nVoD) and true Video on Demand.

Previous research by the UK Film Council has identified piracy and competition from new media entertainments as two factors influencing the revenue decline in 2004–2006 (see 2006/07 Statistical Yearbook, Chapter 13). Macro-economic factors were ruled out because the UK economy was stable during the period in question, though the macro-economy may influence the film market in 2008–2010 if there is a significant slow-down in the aftermath of the 2007/08 credit crisis.

There is evidence that the quality of films offered plays a part in the explanation. 2007 was a good year for quality big-budget films and the summer season was particularly successful, whereas a number of films aspiring to a big box office in 2005 and 2006 did not perform as well as hoped.

13.4 The impact of film theft

With the development of digital technology, including cheap methods of burning DVDs, downloads and improved memory devices, the film industry has become increasingly concerned about the impact of film theft on legal sales of film over the last decade.

The industry's enforcement body, the Federation Against Copyright Theft (FACT), has adopted strategies to combat wide-scale commercial piracy utilising the new technology. The UK Film Council is a member of FACT and has participated with industry partners in the British Video Association piracy research group. This group contracted IPSOS to conduct an annual survey of film and TV piracy, the latest wave of which was carried out in November 2007. The research was based on a sample survey of the UK population, asking a series of questions relating to pirate consumption in general and the impact on particular high-profile titles released in 2007.

The aggregate loss to the industry of film theft was estimated to be £404 million in 2007, similar to the estimate for 2006 (£388 million). This is the estimated impact on legal sales of the acquisition and viewing of illegal material. The breakdown is shown in Table 13.4.

Table 13.4 The impact of film theft on legal sales of film, 2007

Mode of release	Loss to industry (£ million)
Theatrical	88
DVD rental	55
DVD retail	200
Pay per view	8
Official downloads	53
Total loss to film industry	**404**
Loss to TV	82
Total loss to film and TV	**486**

Source: IPSOS

Losses to industry are estimated realistically. Respondents are asked whether they would have consumed a film legally had they not acquired a pirate copy and their responses are downweighted by an empirically-derived probability to avoid over-claim.

The results relate to the year 2007 and use a methodology designed to assess not only the impact of people directly engaged in acquiring illegal copies of films but also the impact on legal sales of borrowing or viewing pirated material.

These numbers are significant in relation to the legal markets. The estimated loss to the box office of £88 million is equivalent to 10.7% of the legal market in the UK, while the estimated loss to DVD retail of £200 million is equivalent to 11% of the legal market.

The estimate for official download losses (£53 million) is at first sight curious as the official download market is still in the very early stages of development in the UK. Screen Digest estimates there were only 158,000 transactional downloads and streams in the UK in 2007 with revenues of only £0.7 million. However, the IPSOS official download cannibalisation estimate is arrived at by the same method as for the other windows. The survey results suggest that 16% of the population aged 15+ engaged in some form of digital piracy in 2007. With an average copy rate of around 13 titles per year each, this suggests a total of 127 million digitally pirated titles in 2007. These would only need to cannibalise 3.8 million official downloads at a unit rate of £14 to arrive at the £53 million estimate. The implication of this finding is that almost 100% of the potential download market was lost to film theft in 2007.

Table 13.5 shows the origin of film industry losses due to film theft. The largest loss came from 'secondary piracy' – the borrowing or viewing of material pirated by others (£209 million). Digital piracy was second at £108 million, while physical piracy came third at £87 million.

Table 13.5 Origin of losses due to film theft

Loss due to…	Estimated losses to film industry (£ million)
Physical theft	87
Digital theft	108
Secondary theft	209
Total losses to film industry	**404**

Source: IPSOS

'Physical piracy' means counterfeit and home-copied DVDs for sale.

'Digital piracy' means downloads, streaming, memory devices, email and burning.

Other findings were:

- the criminal gain from counterfeit and home-copied DVDs was estimated to be £200 million in 2007 (£169 million in 2006)
- overall participation in film theft was slightly higher at 32% of the population aged 15+ (29% in 2006), attributable to the newly-measured methods of accessing pirate copies via memory card, email and streaming
- on a like-for-like basis, the total number of pirate copies jumped by 30% to 226 million
- memory devices, emailed copies and streaming emerged as significant new avenues for accessing illegal material in 2007 (75 million copies, additional to the 226 million above)
- the two main reasons given for not downloading were "don't know how to do it" (27%) (33% in 2006) and "quality not as good" (20%) (9% in 2006). The proportion who thought it "too much effort" fell from 30% in 2006 to 11% in 2007, consistent with a picture of increasing computer and internet literacy
- downloaders were 64% male and over-represented in the 15–34 age group, the middle social group (C1–C2) and among people with children
- buyers of counterfeit DVDs were more evenly balanced between male and female, over-represented in the 15–34 age group and among people with children and under-represented in the AB social group.

A full copy of the 2007 survey results is available from the UK Film Council Research and Statistics Unit.

The Lives of Others, courtesy of Lions Gate Home Entertainment UK Ltd.

See also
For information on the export revenues of the UK film industry, see chapter 18 (page 146)

Going to the cinema remains a highly popular activity, particularly for younger age groups, despite the rapidly increasing competition from home-based entertainment. This chapter takes a detailed look at cinema audiences by age, gender and film preferences and compares them with audiences for other media. It also reports the results from an online survey of the year-on-year rise of illicit film downloading from the Internet.

Facts in focus

- In 2007, 60% of the UK population said they went to the cinema at least once a year.
- Musicals, biopics and comedies with women in leading roles appealed most to the female audience.
- The cinema audience for the top 20 films in 2007 was predominantly young, with the 7–34 age group (40% of the population) making up 66% of the audience.
- The younger age groups preferred comedy, animation and fantasy films while biopic and drama appealed more to the over 35s.
- Minority ethnic groups were equally or over-represented in the film audience, except for retail DVD/video where they were under-represented.
- Disabled people were under-represented in the film audience, except for retail DVD/video.
- In a 2007 online survey, 14% of the cinema-going population reported they had downloaded a film for free from the Internet (12% in 2006).

14.1 Cinema audience by gender

Six out of 10 of us went to the cinema at least once in 2007, roughly the same as last year. As the survey methodology changed in 2006, this proportion is not directly comparable with figures published in previous Statistical Yearbooks earlier than the 2006/07 edition. Almost one person in five, 18%, went to the cinema once a month or more, as shown in Table 14.1.

Table 14.1 Frequency of cinema visits by gender, 2007

	Male %	Female %	Overall %
Go to the cinema at least once per year (proportion of population 7+)	61	62	62
Go to the cinema at least once a month (proportion of population 7+)	20	16	18

Source: CAVIAR Film Monitor quarterly reports.

The overall UK cinema audience in 2007 had a slight male bias for the top 20 films and slight female bias for the top 17 UK films, as Table 14.2 shows.

Table 14.2 Cinema audience by gender, 2007

	Male %	Female %
Top 20 films (proportion of audience)	52	48
Top UK films (proportion of audience)*	48	52
Total survey population 7+	49	51

Source: CAVIAR Film Monitor quarterly reports.
* Audience data were only available for 17 of the top 20 UK films in 2007.
Notes:
1. 'Audience' in this table and throughout this chapter refers to film-going occasions. That is, if a person went to the cinema to see 10 films in 2007, this person would have contributed 10 film-going occasions to the audience figures above, unless otherwise stated. Repeat visits to the same films are not recorded in CAVIAR Film Monitor.
2. CAVIAR Film Monitor included 120 film titles (mostly high grossing) of the 516 theatrical releases in 2007. These 120 film titles accounted for 83% of the gross box office of the UK and Republic of Ireland of the year.

14.2 Film preferences by gender

Although the overall cinema audience in 2007 was split almost evenly between men and women, some films attracted substantially more of one gender than the other as Table 14.3 shows. Men preferred action-led films, including action (*300, Transformers, Die Hard 4.0, Spider-Man 3* and *Fantastic Four: Rise of the Silver Surfer*), science fiction (*I Am Legend*) as well as animation (*The Simpsons*). Musical (*Hairspray*), biopic (*Miss Potter*), fantasy (*Enchanted*) and comedy (*St. Trinian's*) films with women in the leading roles figured highly in the list of films with large female audience shares, along with romantic drama (*Atonement*) and animation (*Shrek the Third*). It is notable that three of the films with the highest female audience shares were British (Table 14.3).

Table 14.3 3 Top films by audience gender split, UK box office, 2007
Top 20 films and top UK films

Greater female audience share	Male %	Female %
Hairspray	22	78
Miss Potter (UK)	22	78
Enchanted	29	71
St Trinian's (UK)	34	66
Atonement (UK)	37	63
Shrek the Third	43	57

Greater male audience share	Male %	Female %
300	72	28
Transformers	69	31
Die Hard 4.0	67	33
Spider-Man 3	61	39
Fantastic Four: Rise of the Silver Surfer	60	40
I Am Legend	58	42
The Simpsons	56	44

Greater difference not statistically significant	Male %	Female %
Amazing Grace (UK)	34	66
Elizabeth: The Golden Age (UK)	36	64
Becoming Jane (UK)	37	63
Notes on a Scandal (UK)	39	61
Stardust (UK)	44	56
Ratatouille	46	54
Harry Potter and the Order of the Phoenix (UK)	48	52
Ocean's Thirteen	50	50
Run, Fat Boy, Run (UK)	51	49
Mr. Bean's Holiday (UK)	51	49
The Golden Compass (UK)	52	48
Pirates of the Caribbean: At World's End	53	47
The Last King of Scotland (UK)	54	46
The Bourne Ultimatum (UK)	54	46
Hot Fuzz (UK)	58	42
Sunshine (UK)	60	40
28 Weeks Later (UK)	63	37

Source: CAVIAR Film Monitor quarterly reports.
Notes:
1. Because the CAVIAR Film Monitor uses a sample survey to represent the UK population, a test for statistical significance has been applied to determine which titles can be described as having a greater male or female audience share. The smaller the audience for a particular film, the larger the male/female difference needed to be statistically significant. This is why some films with an apparently large male majority audience are listed under 'gender difference not statistically significant'. A significance level, α, of 0.01 is used in this chapter throughout.
2. Audience demographic data were only available for 17 of the top 20 UK films in 2007.

14.3 Cinema audience by age

Teenagers and young adults were the most frequent cinema-goers in 2007 as Table 14.4 shows, a pattern common to previous years.

Table 14.4 Frequency of cinema visits by age group, 2007

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %	Overall %
Go to the cinema at least once per year (proportion of population 7+)	86	82	71	70	61	34	62
Go to the cinema at least once a month (proportion of population 7+)	28	42	23	16	10	5	18

Source: CAVIAR Film Monitor quarterly reports.

In 2007, the 40% of the population in the 7–34 age group provided 66% of the top 20 film audience and 57% of the top UK film audience (Table 14.5).

Table 14.5 Cinema audience by age group, 2007

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %
Top 20 films (proportion of audience)	21	28	17	18	10	7
Top UK films (proportion of audience)	18	24	15	17	13	13
Total survey population aged 7+	11	14	15	17	14	29

Source: CAVIAR Film Monitor quarterly reports.
See notes to Table 14.2.

Table 14.6 shows the breakdown of the cinema audience by age and gender. The younger (aged under 35) audience had a male skew whereas the older audience had a female skew.

Table 14.6 Cinema audience by gender and age group, 2007

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %	Overall %
Male	10	15	10	9	4	3	51
Female	9	13	7	9	6	5	49
Overall	**19**	**29**	**17**	**18**	**10**	**9**	**100**

Source: CAVIAR Film Monitor quarterly reports.
Notes:
1. Some figures do not add up to marginal totals due to rounding.
2. CAVIAR Film Monitor included 120 film titles (mostly high grossing) of the 516 theatrical releases in 2007. These 120 film titles accounted for 83% of the gross box office of the UK and Republic of Ireland of the year.

14.4 Film preferences by age

It was a good year for comedy, action-led and animation films. These three genres together captured 53% of the total gross box office of the year (see Table 7.7). Comedy, animated features and fantasy films appealed to the 7–14 audience (Table 14.7). Action-led and comedy films appealed to the 15–24 age group (Table 14.8). Science fiction, horror, thriller and action-led films appealed to the 25–34 audience (Table 14.9). Animated features appealed to the 35–44 audience (Table 14.10), many of whom would be parents taking their children to see them. Biopic and fantasy films based on UK story material as well as adventure appealed to the 45–54 age group (Table 14.11). Biopic, drama films and thrillers featuring British characters appealed to the over-55 age groups (Table 14.12). It is worth noting that *Miss Potter* had strong appeal to both of the older age groups. All of the films that appealed strongly to the over-55 group were UK films.

Table 14.7 Films with an above-average audience in 7–14 age group, 2007
Top 20 films and top UK films

Title	Age group % of the film's total audience
Mr Bean's Holiday (UK)	37.8
St Trinian's (UK)	33.9
The Simpsons	31.3
Enchanted	30.1
Ratatouille	29.0
The Golden Compass (UK)	28.3
Shrek the Third	27.4
Hairspray	27.3
Run, Fat Boy, Run (UK)	26.1
Stardust (UK)	25.8
Harry Potter and the Order of the Phoenix (UK)	23.6
7–14 age group in top 20 audience (%)	20.7
7–14 age group in top UK audience (%)	18.3
7–14 age group in top 20 and top UK audience (%)	19.2
7–14 age group in total survey population (%)	11.1

Source: CAVIAR Film Monitor quarterly reports.
Note: Only those films that had a statistically significantly higher than average audience in the above age group are reported in this table.

Table 14.8 Films with an above-average audience in 15–24 age group, 2007
Top 20 films and top UK films

Title	Age group % of the film's total audience
300	52.4
Hot Fuzz (UK)	52.2
I Am Legend	44.4
28 Weeks Later (UK)	42.2
Die Hard 4.0	39.2
Run, Fat Boy, Run (UK)	38.0
Transformers	32.6
Spider-Man 3	32.4
15–24 age group in top 20 audience (%)	27.6
15–24 age group in top UK audience (%)	23.7
15–24 age group in top 20 and top UK audience (%)	27.1
15–24 age group in total survey population (%)	13.8

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.9 Films with an above-average audience in 25–34 age group, 2007
Top 20 films and top UK films

Title	Age group % of the film's total audience
Sunshine (UK)	33.7
28 Weeks Later (UK)	27.7
The Bourne Ultimatum (UK)	25.0
I Am Legend	24.6
Transformers	22.3
25–34 age group in top 20 audience (%)	16.8
25–34 age group in top UK audience (%)	15.0
25–34 age group in top 20 and top UK audience (%)	16.5
25–34 age group in total survey population (%)	14.7

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.10 Films with an above-average audience in 35–44 age group, 2007
Top 20 films and top UK films

Title	Age group % of the film's total audience
Ratatouille	25.9
Die Hard 4.0	24.3
35–44 age group in top 20 audience (%)	18.0
35–44 age group in top UK audience (%)	16.8
35–44 age group in top 20 and top UK audience (%)	17.6
35–44 age group in total survey population (%)	16.7

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.11 Films with an above-average audience in 45–54 age group, 2007
Top 20 films and top UK films

Title	Age group % of the film's total audience
Miss Potter (UK)	22.4
Pirates of the Caribbean: At World's End	14.9
Harry Potter and the Order of the Phoenix (UK)	14.5
45–54 age group in top 20 audience (%)	10.4
45–54 age group in top UK audience (%)	12.8
45–54 age group in top 20 and top UK audience (%)	10.8
45–54 age group in total survey population (%)	14.3

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.12 Films with an above-average audience in 55+ age group, 2007
Top 20 films and top UK films

Title	Age group % of the film's total audience
Miss Potter (UK)	45.4
Notes on a Scandal (UK)	42.6
Becoming Jane (UK)	40.5
Amazing Grace (UK)	39.4
Atonement (UK)	39.2
The Last King of Scotland (UK)	35.4
55+ age group in top 20 audience (%)	6.6
55+ age group in top UK audience (%)	13.4
55+ age group in top 20 and top UK audience (%)	8.8
55+ age group in total survey population (%)	29.4

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

14.5 Cinema audience by social group

The cinema audience for both the top 20 films and top UK films had a higher incidence of people in professional and higher-skilled manual occupations than in the population as a whole (Tables 14.13 and 14.14).

Table 14.13 Frequency of cinema visits by social group, 2007

	AB %	C1 %	C2 %	DE %	Overall %
Go to the cinema at least once per year (proportion of population 7+)	73	68	58	45	62
Go to the cinema at least once a month (proportion of population 7+)	22	21	16	12	18

Source: CAVIAR Film Monitor quarterly reports.

Table 14.14 Cinema audience by social group, 2007

	AB	C1	C2	DE
Top 20 films (proportion of audience)	30	33	19	17
Top UK films (proportion of audience)	35	33	17	15
Total survey population 7+	25	29	21	25

Source: CAVIAR Film Monitor quarterly reports.
Note: AB: Professional, business and white collar, C1: Higher-skilled manual, C2: Lower-skilled manual, DE: 'Semi-' and 'Unskilled' manual.

14.6 Film preferences by social group

Five films had a particularly high appeal to the AB audience (compared with six last year): *Becoming Jane, Miss Potter, Notes on a Scandal, Atonement* and *The Golden Compass*, all five of them being certified UK films (Table 14.15). *Ocean's Thirteen* had a particularly high appeal to the C1 audience (Table 14.16). *Transformers* and *Shrek the Third* appealed to the C2 audience (Table 14.17). *Fantastic Four: Rise of the Silver Surfer* and *Mr. Bean's Holiday* appealed to the DE audience (Table 14.18).

Table 14.15 Films with above-average AB audience share, 2007
Top 20 films and top UK films

Title	AB group % of film's total audience
Becoming Jane (UK)	60.3
Miss Potter (UK)	52.0
Notes on a Scandal (UK)	50.3
Atonement (UK)	44.1
The Golden Compass (UK)	37.3
AB share of top 20 audience (%)	30.4
AB share of top UK audience (%)	35.3
AB share of top 20 and top UK audience (%)	31.6
AB in total survey population (%)	24.7

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.16 Films with above-average C1 audience share, 2007
Top 20 films and top UK films

Title	C1 group % of film's total audience
Ocean's Thirteen	40.6
C1 share of top 20 audience (%)	33.5
C1 share of top UK audience (%)	33.1
C1 share of top 20 and top UK audience (%)	33.2
C1 in total survey population (%)	29.1

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.17 Films with above-average C2 audience share, 2007
Top 20 films and top UK films

Title	C2 group % of film's total audience
Transformers	23.6
Shrek the Third	22.4
C2 share of top 20 audience (%)	19.3
C2 share of top UK audience (%)	17.1
C2 share of top 20 and top UK audience (%)	18.7
C2 in total survey population (%)	20.9

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.18 Films with above-average DE audience share, 2007
Top 20 films and top UK films

Title	DE group % of film's total audience
Fantastic Four: Rise of the Silver Surfer	23.7
Mr. Bean's Holiday (UK)	21.8
DE share of top 20 audience (%)	16.8
DE share of top UK audience (%)	14.5
DE share of top 20 and top UK audience (%)	16.4
DE in total survey population (%)	25.3

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

14.7 Film audiences by ethnicity

Once again, minority ethnic groups were over-represented among buyers of cinema tickets, rental films and pay-per-view (PPV). In previous years, minority ethnic groups were under-represented among buyers of DVDs/videos, but this year, for the first time, were represented almost proportionately (Table 14.19). This may reflect greater accessibility due to lower prices.

Table 14.19 Ethnicity of audiences aged 12+ for cinema, rental and retail DVD/video, PPV, 2007

	Black, Asian, Chinese, mixed and other %	White %
Population aged 12+	8.7	91.3
Buyers of cinema, rental, retail and PPV film	9.3	90.7
DVD/video renters	14.8	85.2
DVD/video buyers	8.3	91.7
Cinema-goers	13.9	86.1
PPV buyers	14.8	85.2

Source: TNS.

For reference, the size of each of these markets as measured in the TNS survey is shown in Table 14.20.

Table 14.20 Size of cinema, rental, retail and PPV markets for 12+ age groups, 2007

	Number of persons/buyers (millions)	Market volume (millions of purchases)
Population aged 12+	48.2	n/a
Total buyers: cinema, rental, retail and PPV film	35.8	518.7
DVD/video renters	10.4	109.5
Cinema-goers	23.9	169.6
PPV	2.6	9.7
DVD/video buyers	24.6	230.0

Source: TNS.

As in 2006 there was a common core of films that were popular across the main ethnic groups, but certain titles had stronger appeal to particular groups, as illustrated in Table 14.21, which shows the top 10 films for the black, white and Indian and Pakistani ethnic groups. The popular animation, *Shrek the Third*, was the favourite film for the black and Indian and Pakistani groups and second favourite for the white group.

Ratatouille appears in the white population's top 10 but in neither of the other top 10's. *300* appears in black people's top 10 but did not get into the top 10 lists of the other groups. *Ocean's Thirteen* appears in the Indian and Pakistani group but did not make it into the top 10 lists in the other groups. *Harry Potter and the Order of the Phoenix* was at the top for white and Indian and Pakistani audiences but did not appear in the black audience's top 10.

Table 14.21 Top films by ethnicity of audience, 2007

Rank	White	Black	Indian and Pakistani
1	Harry Potter and the Order of the Phoenix	Shrek the Third	Shrek the Third
2	Shrek the Third	Spider-Man 3	Harry Potter and the Order of the Phoenix
3	Pirates of the Caribbean: At World's End	Fantastic Four: The Rise of the Silver Surfer	Pirates of the Caribbean: At World's End
4	The Simpsons	Rush Hour 3	Mr Bean's Holiday
5	Ratatouille	Pirates of the Caribbean: At World's End	Spider-Man 3
6	The Bourne Ultimatum	The Simpsons	The Simpsons
7	Spider-Man 3	Die Hard 4.0	Rush Hour 3
8	Hot Fuzz	300	Die Hard 4.0
9	Mr. Bean's Holiday	Hot Fuzz	Ocean's Thirteen
10	Transformers	Transformers	The Bourne Ultimatum

Source: FAME.
Notes: 'Black' means the sum of black Caribbean, black African and 'black other' groups. 'Indian and Pakistani' is the sum of Indian and Pakistani. Other ethnic groups have not been shown separately due to small sample sizes.

14.8 Film audiences by disability

As in the previous four years, disabled people were under-represented overall among those who paid to watch films. Retail DVD/video was the only market segment in which disabled purchasers matched their overall population percentage (see Table 14.22).

Table 14.22 Disabled audiences aged 12+ for cinema, rental and retail DVD/video, PPV, 2007

	Disabled %	Not disabled %
Population aged 12+	14.9	85.0
Buyers of cinema, rental, retail and PPV film	13.2	86.8
DVD/video renters	6.0	94.1
Cinema-goers	6.0	93.9
PPV buyers	2.5	97.5
DVD/video buyers	15.3	84.6

Source: TNS.

14.9 Film preferences by region

The regional distribution of the audiences for most top 20 and top UK films was close to that of the top 20 audience as a whole. Eight titles had unusually high audience shares in particular regions: *Sunshine, Notes on a Scandal, The Last King of Scotland* and *Spider-Man 3* in London (Table 14.23), *I Am Legend* in the Midlands (Table 14.24), *Hairspray* in the North West (Table 14.25), *Pirates of the Caribbean: At World's End* in Tyne Tees/Yorkshire (Table 14.26) and *The Last King of Scotland* and *Ratatouille* in Scotland (Table 14.27). Interestingly, *The Last King of Scotland* had an above-average audience share in both London and Scotland.

A number of the titles that had particular high regional appeal were made by the UK Film Council-supported DNA franchise – *Sunshine, Notes on a Scandal* and *The Last King of Scotland*.

Table 14.23 Films with above-average London audience share, 2007 Top 20 films and top UK films

Title	London % of film's total audience
Sunshine (UK)	34.6
Notes on a Scandal (UK)	32.4
The Last King of Scotland (UK)	30.2
Spider-Man 3	26.7
London share of top 20 audience	20.1
London share of top UK audience	20.9
London share of top 20 and top UK audience	20.6
London percentage in total survey population	19.8

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.24 Films with above-average Midlands audience share, 2007 Top 20 films and top UK films

Title	Midlands % of film's total audience
I Am Legend	21.8
Midlands share of top 20 audience	15.9
Midlands share of top UK audience	15.3
Midlands share of top 20 and top UK audience	15.6
Midlands percentage in total survey population	16.0

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.25 Films with above-average North West audience share, 2007 Top 20 films and top UK films

Title	North West % of film's total audience
Hairspray	17.3
North West share of top 20 audience	11.2
North West share of top UK audience	10.8
North West share of top 20 and top UK audience	11.0
North West percentage in total survey population	10.4

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.26 Films with above-average Tyne Tees/ Yorkshire audience share, 2007 Top 20 films and top UK films

Title	Tyne Tees /Yorkshire % of film's total audience
Pirates of the Caribbean: At World's End	18.8
TT/Yorkshire share of top 20 audience	15.8
TT/Yorkshire share of top UK audience	15.0
TT/Yorkshire share of top 20 and top UK audience	15.8
TT/Yorkshire percentage in total survey population	17.3

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

Table 14.27 Films with above-average Scotland audience share, 2007 Top 20 films and top UK films

Title	Scotland % of film's total audience
The Last King of Scotland (UK)	18.1
Ratatouille	12.8
Scotland share of top 20 audience	8.9
Scotland share of top UK audience	8.7
Scotland share of top 20 and top UK audience	9.0
Scotland percentage in total survey population	8.8

Source: CAVIAR Film Monitor quarterly reports.
Note: See footnote of Table 14.7.

14.10 Film download and digital film theft by age

In 2007, the Cinema Advertising Association (CAA) continued to commission an annual online survey of people who had been to the cinema in the six months prior to the survey. Known as FAME (Film Audience Measurement and Evaluation), the survey included questions about film downloads from the Internet and film theft. Table 14.28 shows that overall 14% (12% in 2006) of the respondents reported downloading at least one film for free from the Internet in 2007. It is worth noting that the digital theft figure of 16% reported in Chapter 13 is the proportion of all people aged 15 or above who had engaged in some form of digital theft. This includes illicit downloading, streaming, copying (on memory card or emailing) as well as burning. These two figures are not directly comparable because the FAME survey was confined to recent cinema-goers with Internet access (on average a youthful cohort interested in film) and the IPSOS survey was representative of the population as a whole.

In the FAME survey, the 15–24 age group was the most active in film downloading (Table 14.28). Those who reported downloading films from the Internet were asked a follow-up question on whether they had seen any newly-released film outside the cinema; 45% reported that they had done so (51% in 2006) and 5% declined to answer this question. Again, the 15–24 age group reported the highest rate of having watched a newly-released film outside the cinema. At the time of the survey (December 2007) the number of websites allowing legal film downloading remained low so it is likely that most of these reported film downloads were illicit.

Table 14.28 Film downloads and film theft by age group of cinema-going population, 2007

Age	7–14 %	15–24 %	25–34 %	35–44 %	45–54 %	55+ %	Overall %
Ever downloaded a film for free from the Internet	6	30	18	13	10	9	14
Ever watched a newly-released film anywhere but the cinema (of those who had downloaded film free from the Internet)	53	55	47	45	27	19	45

Source: FAME (CAA).

14.11 Comparative profiles of cinema audiences and audiences for film on television

Table 14.29 compares the audience profiles for film at the cinema and film on television. Although the gender split is roughly equal in each case, there is a dramatic difference in the age and social group profiles of the two audiences. The film on television audience is much older (39% over the age of 55) and skewed towards the DE social group and away from the AB group. The cinema audience is relatively youthful (65% under the age of 35) and skewed towards the AB and C1 social groups.

Table 14.29 Demographic shares of cinema audience and audience for film on television, 2007

	Cinema audience share %	Share of audience for film on television %
Male	51	49
Female	49	51
Age 7–14 (cinema) and 4–15 (TV)	19	8
15–24 (cinema) and 16–24 (TV)	29	8
25–34	17	12
35–44	18	16
45–54	10	17
55+	9	39
AB	30	16
C1	34	23
C2	19	20
DE	17	41

Source: Attentional, Caviar Film Monitor quarterly reports, RSU analysis.
Note: TV audience are total viewing occasions and include those of the five terrestrial TV channels only.

Given the 3.1 billion size of the audience for film on television (Chapter 11), Table 14.29 demonstrates how film reaches all ages and social groups through its successive release windows.

14.12 Cinema-goers audience frequency by age – cinema, DVD and TV

Table 14.30 shows the frequency with which cinema-goers visited the cinema as compared with watching television, watching DVDs and buying DVDs. The results shown here are based on the FAME (Film Audience Measurement and Evaluation) 2007 online survey whose respondents had all been to the cinema in the six months prior to the survey. Watching television was the most prevalent activity across the whole age range, with the most frequent viewers skewed towards the 35+ group. The frequency of DVD-watching overall was substantially higher than cinema visiting, but with a similarly youthful age skew. Frequent DVD-watching was particularly common in the 7–14 and 15–24 age groups whereas frequent DVD-buying was also common in the latter age group.

Table 14.30 Frequency by age of cinema-goers watching and buying DVDs, going to the cinema and watching television, 2007

Age	7–14 %	15–24 %	25–34 %	35–44 %	45–54 %	55+ %
Watch DVD once a month or more	93	78	85	82	80	63
Watch DVD once a week or more	64	43	40	40	33	20
Bought DVD once a month or more	36	44	39	41	37	18
Bought DVD once a week or more	1	5	4	4	4	1
Go to cinema once a month or more	37	54	41	36	38	33
Go to cinema once a week or more	2	7	5	3	2	2
Watch TV 2 hours or more on a weekday	79	67	75	84	86	92
Watch TV 5 hours or more on a weekday	5	13	12	13	16	21
Watch TV 2 hours or more at the weekend	94	80	87	93	96	96
Watch TV 5 hours or more at the weekend	35	30	32	38	34	35

Source: FAME (CAA).

14.13 Total size of film audience in the UK

Table 14.31 shows the total size of the film audience in the UK in 2007 was estimated to be 4.3 billion, calculated from all the sources available to us.

Over 70% of the total film audience in the UK in 2007 was the audience for film on television. This was followed by DVD/video (23%) and cinema at 4%. Film-watching via pay-per-view or other VoD formats represented a small fraction of the total audience in the year. The figures do not include watching film via illicit means.

Table 14.31 Estimated total audience for film in the UK – all modes, 2007

Mode	Audience size (millions)	% of total film audience
Cinema	162	4
DVD/video	1,000	23
VoD (including pay-per-view)	50	1
Film on television	3,113	72
Total	**4,325**	**100**

Sources: CAA, Nielsen EDI, FAME, TNS, Screen Digest, Attentional, RSU analysis.
Notes:
1. 'DVD/video' includes occasions watching previously-purchased feature film DVD/videos as well as current purchases. The DVD/video estimate is derived from FAME survey information on the DVD-watching habits of cinema-goers (600 million) with an additional factor for the population not covered by FAME.
2. 'Film on television' includes terrestrial, subscription and free-to-air multi-channel.

Taking the total film-viewing figure of 4.3 billion occasions and dividing it by an estimated viewing population (excluding those who resided in households without a television set and the very young), we estimate an average of 78 film-viewing occasions per person in 2007.

Notes on a Scandal, courtesy of Twentieth Century Fox.

See also
- For more information about top films at the box office in 2007 see chapter 2 (page 15)
- For further details about films on DVD see chapter 10 (page 79)
- For further information about film on television see chapter 11 (page 86)
- For more information about film exhibition regionally see chapter 9 (page 66)
- For the impact of film piracy on the UK film industry see chapter 13 (page 100)

Chapter 15: Film production

The UK film industry is an independent creator of feature films, a co-production partner and a provider of services to the international film industry. 2007 was the fourth highest production year on record. This chapter looks at trends since 1992.

Facts in focus

- UK production activity was £747 million, making 2007 the fourth highest production year on record.
- The UK spend associated with inward features was £532 million, down from £581 million in 2006.
- UK domestic features increased to 60 from 55 in 2006 but co-productions fell to 29 from 52 in 2006.
- The median budget for UK domestic features rose, but only to £1.9 million, which was less than the median budget levels of 2003–2005.
- Ten big-budget films accounted for 56% of the total UK production spend in 2007.
- The proportion of UK spend in film budgets varied widely, from over 90% to less than 30%, depending on the degree to which the film was shot in the UK.
- US studio activity increased again in 2007 with the studios accounting for 14 out of 28 inward features and 76% of the UK spend associated with inward features.

15.1 The value of UK production in 2007

UK production activity fell slightly in 2007 to £747 million, from £845 million in 2006, making 2007 the fourth highest year over the period recorded. The continued high level of activity reflected the bedding in of the new UK film production tax incentive, particularly for inward investment and domestic British productions.

There were 28 inward investment productions in 2007, with a UK production value of £531.6 million (see Table 15.1 for definitions). Some of the big-budget films contributing to this figure were *Sweeney Todd, Harry Potter and the Half Blood Prince, The Dark Knight (Batman)* and *The Chronicles of Narnia: Prince Caspian.*

There were 60 domestic features in 2007 (up from 55 in 2006) with a UK production value of £141 million. Larger-budget films contributing to this total included *Hippie Hippie Shake, How to Lose Friends and Alienate People, Brideshead Revisited* and *The Edge of Love*.

UK co-productions (other than inward) fell from 52 to 29, with their UK spend falling from £108 million to £74 million. UK co-productions in 2007 included *The Duchess, The Secret of Moonacre, The Garden of Eden* and *50 Dead Men Walking.*

Table 15.1 Feature film production activity, 2006 and 2007

	Number of productions 2006	Value (£ million) 2006	Number of productions 2007	Value (£ million) 2007
Inward feature films (single country)	25	513.7	28	531.6
Inward feature films (co-productions)	2	66.8	–	–
Total inward investment	27	580.5	28	531.6
Domestic UK feature films	55	156.5	60	141.3
UK co-productions (other than inward)	52	108.3	29	74.0
Total	**134**	**845.3**	**117**	**746.9**

Source: UK Film Council.
Notes:
Numbers have been revised on the basis of new information received since the publication of the UK Film Council's January 2008 media release and the 2006/07 Yearbook.
Inward investment total for 2007 includes three films that involved VFX only in the UK.
Inward feature films (single country) include one non-USA film in 2006 and two non-USA films in 2007.

Definitions
1. An inward feature is defined as a feature film which is substantially financed and controlled from outside the UK and where the production is attracted to the UK because of script requirements, the UK's infrastructure or UK tax incentives.
2. An inward feature co-production is an official co-production that originates from outside the co-production treaty countries (usually from the USA) and which is attracted to the UK because of script requirements, the UK's infrastructure or UK tax incentives.
3. A domestic (indigenous) UK feature is a feature made by a UK production company that is shot wholly or partly in the UK.
4. A UK co-production is a co-production (other than an inward co-production) involving the UK and other country partners usually under the terms of a bilateral co-production agreement or the European Convention on Cinematographic Co-production.

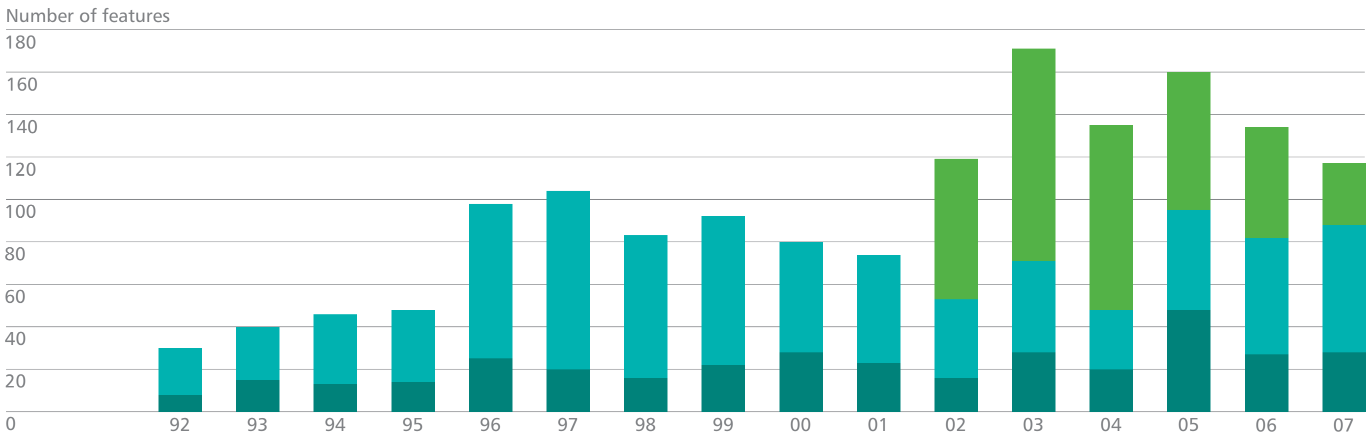
Measurement
5. The above numbers include only the UK spend associated with productions shot or post-produced in whole or part in the UK.
6. Spend is allocated to the year in which principal photography started.

Exclusions
7. Spending on films with budgets under £500,000 is not included.

15.2 Inward, domestic and UK co-production features 1992–2007

Figure 15.1 and Table 15.2 put the 2007 figures in a longer time perspective. The decline in domestic features between 1997 and 2004 occurred alongside a substantial growth in co-production activity, suggesting it was easier at that time to make films as official co-productions than as stand-alone UK productions. In 2005–2007 this trend was reversed, reflecting a tightening in co-production certification requirements followed by the introduction of the new UK film production tax relief based on UK spend rather than the whole production budget of the film. The number of inward features in 2007 was almost exactly the same as in 2006. Overall production numbers continued at the higher level achieved after the introduction of tax relief and Lottery support for film in the mid-1990s.

Figure 15.1 Number of inward, domestic, UK co-production and total features, 1992–2007



	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07
Inward	8	15	13	14	25	20	16	22	28	23	16	28	20	48	27	28
Domestic	22	25	33	34	73	84	67	70	52	51	37	43	28	47	55	60
UK co-production											66	100	87	65	52	29
Total	30	40	46	48	98	104	83	92	80	74	119	171	135	160	134	117

Source: UK Film Council.
Notes:
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003–2006 updated since publication of the 2006/07 Yearbook.
Inward investment includes a spike in the number of non-USA (mainly Indian) inward investment films in 2005.

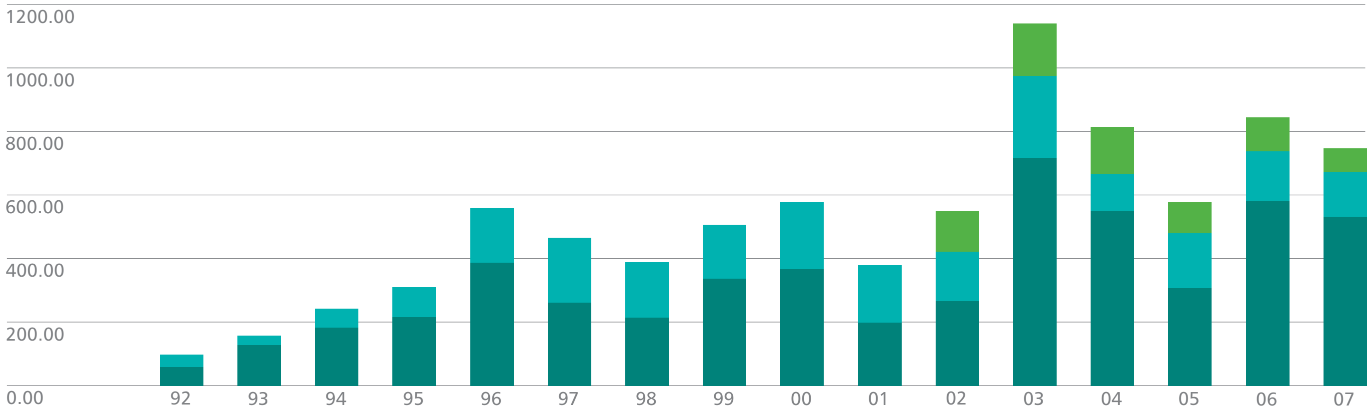
Table 15.2 Number of inward, domestic, UK co-production and total features, 1992–2007

	Inward	Domestic	UK co-production	Total
1992	8	22		30
1993	15	25		40
1994	13	33		46
1995	14	34		48
1996	25	73		98
1997	20	84		104
1998	16	67		83
1999	22	70		92
2000	28	52		80
2001	23	51		74
2002	16	37	66	119
2003	28	43	100	171
2004	20	28	87	135
2005	48	47	65	160
2006	27	55	52	134
2007	28	60	29	117

Source: UK Film Council.
Notes:
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003–2006 updated since publication of the 2006/07 Yearbook.

The value of UK production in 2007 remained close to the level achieved in 2006, with 2007 the fourth highest year over the period recorded (Figure 15.2 and Table 15.3). In 2007, 71% of the UK spend was accounted for by inward investment productions. Since 1997, the fluctuation in production value has principally been driven by inward features, showing the importance of inward investment to the UK film economy. The combined value of domestic features and co-productions remained roughly the same over 2004–2006, but dipped by 19% in 2007, mainly as a result of a 32% fall in UK co-production value.

Figure 15.2 Value of UK spend of inward, domestic, UK co-production and total features, 1992–2007



	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07
Inward	58.50	127.74	182.65	216.45	387.10	261.90	214.20	336.37	366.57	198.50	265.86	716.96	548.49	306.45	580.23	531.64
Domestic	39.98	30.34	59.51	94.00	172.20	202.89	174.96	170.31	211.70	180.12	156.36	258.33	118.54	173.32	156.50	141.34
UK co-production											128.23	164.94	146.78	97.27	108.30	73.95
Total	98.48	158.08	242.16	310.45	559.30	464.79	389.16	506.68	578.27	378.62	550.45	1140.23	813.81	577.04	845.33	746.93

Source: UK Film Council.
Notes:
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003–2006 updated since publication of the 2006/07 Yearbook.

Table 15.3 Value of UK spend of inward, domestic, UK co-production and total features, 1992–2007

	Inward £ million	Domestic £ million	UK co-production £ million	Total £ million
1992	58.50	39.98		98.48
1993	127.74	30.34		158.08
1994	182.65	59.51		242.16
1995	216.45	94.00		310.45
1996	387.10	172.20		559.30
1997	261.90	202.89		464.79
1998	214.20	174.96		389.16
1999	336.37	170.31		506.68
2000	366.57	211.70		578.27
2001	198.50	180.12		378.62
2002	265.86	156.36	128.23	550.45
2003	716.96	258.33	164.94	1140.23
2004	548.49	118.54	146.78	813.81
2005	306.45	173.32	97.27	577.04
2006	580.53	156.50	108.30	845.33
2007	531.64	141.34	73.95	746.93

Source: UK Film Council.
Notes:
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003–2006 updated since publication of the 2006/07 Yearbook.

15.3 Budget trends

The median budget of domestic UK features recovered slightly in 2007 to £1.9 million (from £1.5 million in 2006), though Table 15.4 suggests there has been downward pressure on UK domestic and co-production budgets in recent years. The median budget for inward investment films also fell significantly in 2007, reversing a trend of recent years. This reflected not a decline in big-budget inward investment films but an increase in the number of lower budget (£3 million-£8 million) USA inward investment films.

Table 15.4 Median feature film budgets, 2003–2007

Production category	Median budget (£ million) 2003	2004	2005	2006	2007
Inward features (single country)	13.1	16.5	16.0*	19.8	13.4
Inward features (co-productions)	47.0	38.1	25.4	51.9	–
Domestic UK productions	2.9	2.7	2.1	1.5	1.9
Co-productions (other than inward)	3.6	4.4	4.2	3.7	3.3

Source: UK Film Council.
Median budget is the middle value (ie there are equal numbers of films above and below the median). The median in this case is a better measure of central tendency than the average as it avoids the upward skew of a small number of high budget productions.
Data for 2003–2006 updated since publication of the 2006/07 Yearbook.

*The inward features (single country) median budget for 2005 is USA only. There were also 24 inward features (India) in 2005 with a median budget of £1.2 million. For other years the numbers of inward features (non-USA) were too small to be tabulated separately (the data would be disclosive).

15.4 Size distribution of budgets

The budget size distribution for the three categories of films made in 2007 is shown in Tables 15.5 to 15.7. Ten features with budgets of over £30 million accounted for 81.6% of the aggregate budget for inward features (single country). Twelve out of 28 inward investment features had budgets of less than £10 million.

Table 15.5 Size distribution of budgets, inward features (single country), 2007

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	10	700.0	81.6
£10–£30 million	6	100.2	11.7
Under £10 million	12	57.5	6.7
Total	**28**	**857.7**	**100.0**

Source: UK Film Council.

As in 2004–2006, there were no domestic UK features in 2007 with budgets over £30 million. Most domestic UK features had budgets under £5 million, though the 13 films in the £5 million–£30 million budget range accounted for 55% of the combined budget.

Table 15.6 Size distribution of budgets, domestic UK features, 2007

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	0	0.0	0.0
£10–£30 million	2	25.9	14.9
£5–£10 million	11	69.3	39.9
£2–£5 million	17	46.5	26.8
£0.5–£2 million	30	32.0	18.4
Total	**60**	**173.7**	**100.0**

Source: UK Film Council.

There were no UK co-productions in the £30 million+ range (Table 15.7). Around half of UK co-productions were in the budget range £2 million–£10 million (14 out of 29), but the five co-productions in the £10 million–£30 million range accounted for half the combined budget.

Table 15.7 Size distribution of budgets, UK co-productions (other than inward), 2007

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	0	0.0	0.0
£10–£30 million	5	77.3	49.3
£5–10 million	7	46.3	29.5
£2–5 million	7	21.1	13.4
£0.5–2 million	10	12.3	7.8
Total	**29**	**157.0**	**100.0**

Source: UK Film Council.

15.5 Big-budget productions 2003–2007

The importance to UK spend of a small number of big-budget productions – most of which are inward investment films – is demonstrated in Table 15.8. In 2007, the 10 films with budgets of £30 million or more accounted for 55.8% of total UK production spend.

Table 15.8 Big-budget films' contribution to UK spend, 2003–2007

	2003	2004	2005	2006	2007
Number of films with budgets > £30 million	15	8	7	11	10
Value of associated UK spend (£ million)	672.2	432.4	151.6	501.5	416.7
Total UK spend (£ million)	1140.2	813.8	577.0	845.3	746.9
Big-budget film share of UK spend	59.0%	53.1%	26.3%	59.3%	55.8%

Source: UK Film Council.
Data for 2003–2006 updated since publication of 2006/07 Yearbook.

15.6 UK share of expenditure

Table 15.9 shows the UK expenditure shares for inward investment films, domestic UK productions and co-productions (other than inward). Domestic productions had the highest UK expenditure share (81.4%), followed by inward investment films at 62%. Co-productions (other than inward) had the lowest UK expenditure share of 47.1%. However this was significantly up on previous years, reflecting a sharp fall in the number of low-UK-spend co-productions following the shift to allowing tax relief on UK spend rather than on the full budget.

Table 15.9 UK expenditure shares, 2007

Inward investment films (%)	62.0
Domestic productions (%)	81.4
Co-productions (other than inward) (%)	47.1

Source: UK Film Council.

15.7 UK domestic productions by territory of shoot

Table 15.10 analyses UK domestic productions in 2007 according to whether they were wholly or partially shot in the UK, or wholly shot abroad. The majority (43 out of 60) were shot exclusively in the UK, while 17 films were shot wholly or partly abroad. For the seven UK films that were shot wholly abroad, 65.6% of their budget was spent outside the UK.

Table 15.10 UK domestic productions, territory of shoot analysis, 2007

Shooting in…	Number of films	Budget (£ million)	Non-UK spend (£ million)	Non-UK spend as % of total budget
UK only	43	£117.8	£11.8	10.0%
UK and other	10	£36.1	£7.6	21.0%
Other only	7	£19.8	£13.0	65.6%
Total UK domestic films	**60**	**£173.7**	**£32.4**	**18.6%**

Source: UK Film Council.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

Table 15.11 shows the territories of shoot of UK domestic films. Because some films were shot in two or three territories, the total number of shoots is greater than the total number of films. The most frequent shoot territories after the UK were South Africa, USA and India, with three shoots each. The territories in Table 15.11 are in Europe, the Middle East, North Africa, Eastern Europe, North America, Asia and the Arctic, reflecting the wide range of stories being told by UK film makers.

Table 15.11 UK domestic productions by territory of shoot, 2007

Territory of shoot	Number of shoots
UK	53
South Africa	3
USA	3
India	3
France	2
Italy	2
Gibraltar	1
Greenland	1
Hungary	1
Jordan	1
Morocco	1
Spain	1
Total shoots	**72**

Source: UK Film Council

15.8 UK co-productions by territory of shoot

In contrast to UK domestic productions, UK co-productions were usually shot partly or wholly abroad, as Table 15.12 shows. Only five out of 29 films, with a total budget of £33.4 million, were shot wholly in the UK. Non-UK spend accounted for 52.9% of the aggregate budget of UK co-productions in 2007.

Table 15.12 UK co-productions, territory of shoot analysis, 2007

Shooting in…	Number of films	Budget (£ million)	Non-UK spend (£ million)	Non-UK spend as % of total budget
UK only	5	£33.4	£7.0	21.0%
UK and other	11	£54.3	£28.0	51.6%
Other only	13	£69.4	£48.1	69.3%
Total UK co-productions	29	£157.0	£83.1	52.9%

Source: UK Film Council.

Table 15.13 shows the shoot locations for UK co-productions in 2007. The most frequent locations were in the UK (16 productions), Western Europe (13) and the Americas (8). The remaining co-productions were shot in numerous locations, stretching from Morocco to New Zealand.

Table 15.13 UK co-productions by territory or region of shoot, 2007

Country	Number of shoots
UK	16
Western Europe (other)	4
USA	3
Spain	3
Eastern Europe	3
South America and Caribbean	3
Sweden	2
Morocco	2
Ireland	2
France	2
Canada	2
Southern hemisphere	2
Middle East	2
Thailand	1
Total shoots	**47**

Source: UK Film Council.
Note:
Half the co-productions were shot in more than one territory, hence the total in Table 15.13 is greater than the number of UK co-productions in 2007.

15.9 Production company activity levels

UK film production in 2007 was, as usual, dispersed over a large number of production companies, as shown in Table 15.14. The UK Film Council recorded 245 production companies associated with films shot in the UK or co-productions involving the UK in 2007. Of these, 225 companies were associated with a single feature. These were a mixture of distinct production companies and special purpose vehicles (that is, companies set up to make a single film). The most prolific production company (BBC Films) was associated with five features, followed by five companies with three films each and 14 companies with two films each.

Table 15.14 Film production company activity, 2007

Number of features per company	Number of companies
5	1
3	5
2	14
1	225
Total	**245**

Source: UK Film Council.
Notes:
Includes all types of films involving the UK. Data updated since March 2008 Research and Statistics Bulletin.
The five companies associated with three films each were Film & Music Entertainment Ltd, Heyday Films, Future Films, Potboiler Productions and Universal Pictures.
Films frequently have several production companies associated with them (including special purpose vehicle subsidiaries of parent companies), so the sum of (number of features) x (number of companies) is substantially greater than the total number of features involving the UK in 2007.

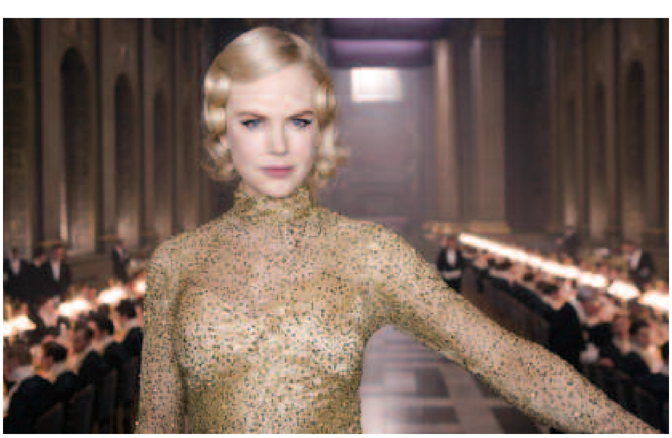
15.10 US studios' involvement in inward features

US studios' UK activity increased again in 2007. This reflected the bedding in of the new UK film production tax relief, which applies to inward investment films providing the films are culturally British and a minimum of 25% of the budget is spent in the UK. The US studios accounted for 14 out of 28 inward features in 2007 and £405.5 million (76.3%) out of £531.6 million UK spend associated with inward features (Table 15.15).

Table 15.15 US studios' involvement in inward features, 2007

Studio	Number of inward features in 2007
Warner Bros	5
Universal	3
Walt Disney	2
Paramount	2
Miramax	1
Columbia	1
Total films	**14**

Source: UK Film Council.
In addition to the films tabulated above, Universal funded two domestic UK features via its output deal with Working Title.



His Dark Materials: The Golden Compass, courtesy of Entertainment Film Distributors.

See also
- Information about film companies is given in Chapter 17 (page 137)
- For details about employment in the film production sector see Chapter 19 (page 155)
- For more information about the UK film economy see Chapter 18 (page 146)
- For information on film production in the UK prior to 1992, see the annual handbooks published by the British Film Institute or the BFI's website – www.bfi.org.uk

The UK Government has recognised the cultural importance of film and the challenges of the film market for many decades and supported the UK film sector in various ways. More recently, EU funding has been made available. This chapter shows the current pattern of funding for UK film, the different uses to which this funding is put and the organisations charged with spending the money.

Facts in focus

- Total measured public investment in film in the financial year 2006/07 was £277 million.
- The principal sources of public funding for UK film in 2006/07 were the film production tax relief, National Lottery and grant-in-aid from central government, particularly via the Department for Culture, Media and Sport.
- The European Union provided £8.8 million in 2006.
- The UK Film Council was the film organisation responsible for the largest gross spend (£67 million).
- The largest film organisation in net spending terms was the British Film Institute (23.7% of the total), followed by the UK Film Council (22.9%), BBC Films and Film4 (both 6.5%).
- Film production took 66% of the total spend, but exhibition and distribution, training and skills, and archives and heritage also received substantial allocations.
- Over the two-year period 2006–2008, the National and Regional Screen Agencies made 17 production awards of £250,000 plus, while the UK Film Council made 30 such awards.

16.1 Public investment in film in the UK by source

Public investment in film in the UK comes from a number of UK government, public sector and European sources, including:

- the Department for Culture Media and Sport;
- other central government departments;
- the governments of Scotland, Northern Ireland and Wales;
- the National Lottery;
- Her Majesty's Revenue and Customs (HMRC);
- BBC Films;
- Film4;
- the European Union.

Public investment in film identified in Table 16.1 is estimated to have been £277 million in the financial year 2006/07. The total is likely to have been higher still, as the estimate does not include some local authority, research, higher or further education and project match funding, as indicated in the notes to Table 16.1.

The largest single source of public investment was the UK film production tax relief, estimated to have provided £145 million in 2007, 52.4% of the total. The second largest source was the National Lottery (£46.3 million, 16.7% of the total) and the third largest was the DCMS grant-in-aid to the UK Film Council and National Film and Television School (£28.3 million, 10.2% of the total). BBC Films and Film4 both invested £10 million, the Regional Development Agencies £8.8 million and the European Union £8.8 million.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

Table 16.1 Public investment in film in the UK by source, 2006/07

Source	Amount £ million	% of total	Notes
National Lottery Distribution Fund (DCMS) – Film (1)	46.3	16.7%	National Lottery allocations to the UK Film Council, Scottish Screen and Northern Ireland Film and Television Commission, plus film awards from the Arts Council of Wales
DCMS grant-in-aid to the UK Film Council and NFTS	28.3	10.2%	Awards to the UK Film Council (of which £16 million was awarded to the BFI) and National Film and Television School
BBC Films	10.0	3.6%	BBC Films' production investment only – excludes acquisitions made by other BBC departments
Film4	10.0	3.6%	Film4 (Channel 4's film production company) investment in film development and production
Regional Development Agencies (England)	8.8	3.2%	Contributions to the budgets of the English Regional Screen Agencies
Northern Ireland Executive	5.8	2.1%	Includes spend from all Northern Ireland Government agencies into strategic bodies/projects
EU MEDIA Programme (2)	4.6	1.7%	European Union MEDIA Programme
Other European Union	4.2	1.5%	Mainly European Regional Development Fund and European Social Fund
Welsh Assembly Government	3.4	1.2%	Includes spend from all Welsh Government agencies into strategic film bodies/projects
Scottish Government	3.3	1.2%	Includes spend from all Scottish Government agencies into strategic bodies/projects
Higher Education Funding Council (3)	2.3	0.8%	HEFC investment in Screen Academies and a small number of projects by strategic agencies
Other public sector	2.0	0.7%	Not separately identified
Foreign and Commonwealth Office	1.4	0.5%	Funding for UK-originated British Council activity. Excludes partnership funding of 'in country' events (outside the UK)
Heritage Lottery Fund	0.6	0.2%	For archives and historical film
Arts Councils (4)	0.4	0.2%	Awards from national Arts Councils to film agencies. Information on Arts Council awards to individual moving image artists is not available

Table 16.1 Public investment in film in the UK by source, 2006/07 (continued)

Source	Amount £ million	% of total	Notes
Department for Education and Skills (5)	0.3	0.1%	DfES investment in the Mediabox scheme. Match funding in individual Mediabox projects (and other First Light projects) is not collated
Local authority support to agencies	0.2	0.1%	Comprises investment by local authorities in National and Regional Screen Agency activities
Local authority direct spend	n/a	n/a	Data on local government investments in cinemas, youth activity, film offices etc. are not collated
Other education and research	n/a	n/a	Figures not collated for investment in university courses not part of the Screen Academy network, further education film courses and film-related research awards from research councils
Total public sector selective investment	131.9	47.6%	National Lottery and grant-in-aid from all sources as above
UK film production tax relief (HMRC)	145.0	52.4%	Estimated by applying the tax relief formulae to UK-qualifying films in 2007
Total public sector selective and automatic investment	276.9	100.0%	Sum of all the above

Source: UK Film Council, Chris Chandler (Northern Alliance).

Notes:

1. The National Lottery sum shown in this table is the amount drawn down in the 2006/07 year and is therefore different from the annual allocation shown in Table 16.2.
2. Investment for the MEDIA Programme is for the 2006 calendar year.
3. Includes the Higher Education Funding Councils for England, Scotland and Wales, and investment from the Joint Information Systems Committee (JISC) which is HEFCE-funded.
4. Arts Council England, Arts Council of Wales, Arts Council Northern Ireland, Scottish Arts Council.
5. The Department for Education and Skills was restructured in 2007 as the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills.
6. Some of the funding shown above (eg Nations, European Regional Development Fund, Regional Development Agencies) is required to be targeted to particular geographical areas.

16.2 Lottery and grant-in-aid, 2003/04 to 2006/07

Table 16.2 updates the House of Commons Culture, Media and Sport Committee 2003 report on the British film industry (pages 67–68) and shows the breakdown of Lottery funding and grant-in-aid to the UK Film Council, Scotland, Northern Ireland and Wales and the National Film and Television School from 2003/04 to 2006/07.

Table 16.2 Lottery funding and grant-in-aid to nations/agencies, 2003/04 to 2006/07

Nation/agency		2003/04 £000s	2004/05 £000s	2005/06 £000s	2006/07 £000s
UK Film Council	Lottery	28,378	29,870	30,315	26,302
	GIA	20,557	24,910	25,666	25,253
Scotland	Lottery	2,564	2,781	2,893	2,537
	GIA	2,685	2,875	2,925	2,975
Northern Ireland	Lottery	401	883	1,439	1,126
	GIA	513	662	647	1,472
Wales	Lottery	627	928	1,419	810
	GIA	307	315	315	164
National Film and Television School	GIA	2,800	2,800	2,900	2,900
UK Total	**Lottery**	**31,970**	**34,462**	**36,066**	**30,775**
	GIA	**26,862**	**31,562**	**32,453**	**32,764**

Source: UK Film Council, Chris Chandler (Northern Alliance).
Lottery includes operator-related Lottery income and associated investment income.
UK Film Council grant-in-aid figure sourced from UK Film Council Annual Reports.
The figure for National Lottery comprises the allocations by government for the year in question and excludes Lottery money transferred from reserves and carry-overs. The figure for 2006/07 is therefore lower than that given in Table 16.1.

16.3 Film spend by organisation

Table 16.3 shows a breakdown of film spending by public organisation. ‘Gross spend’ is the total expenditure for which the agency is responsible and includes grants and spend delegated to other film organisations (for example the UK Film Council grants to the British Film Institute, Skillset and Regional Screen Agencies) and spending funded by market income. ‘Net spend’ is gross spend minus the grants made to other film organisations in the table, so removes double counting of expenditure in the ‘gross spend’ column. ‘Net spend’ gives a better approximation of the direct activity of the named organisation by excluding spending delegated to other public organisations. Most of the organisations listed make grants to the private sector (for instance for film funding, distribution support and training) so there is another level of delegated activity not shown in this table.

Table 16.3 UK film spend by organisation, 2006/07

Agency	Gross spend £ million	Grants and spend delegated to other public film organisations £ million	Net spend £ million	% of total net spend
British Film Institute	36.4		36.4	23.7
UK Film Council	67.2	31.9	35.3	22.9
BBC Films	10.0		10.0	6.5
Film4	10.0		10.0	6.5
Skillset	8.7	0.3	8.4	5.5
Northern Ireland Screen	7.5		7.5	4.9
Scottish Screen	6.4		6.4	4.2
Welsh agencies	4.6		4.6	3.0
EU MEDIA Programme	4.5	0.04	4.5	2.9
Film London	4.3	0.1	4.1	2.7
Screen Yorkshire	3.9		3.9	2.5
Northwest Vision and Media	3.2		3.2	2.1
EM Media	3.0		3.0	1.9
National Film and Television School	2.9		2.9	1.9
South West Screen	2.8		2.8	1.8
Higher Education Funding Council	2.3	0.02	2.3	1.5
First Light	1.9		1.9	1.3
Screen West Midlands	1.6		1.6	1.1
Northern Film and Media	1.5		1.5	1.0
British Council	1.4		1.4	0.9
Screen South	1.0		1.0	0.6
Screen East	0.9		0.9	0.6
Heritage Lottery Fund	0.6	0.4	0.2	0.1
Total agency spend	**186.7**	**32.8**	**153.9**	**100.0**

Source: UK Film Council, Chris Chandler (Northern Alliance).
Grants and spend delegated to other film organisations means funding to other organisations listed in this table.
Welsh agencies means Film Agency for Wales, Welsh Creative IP Fund (part of Finance Wales), Welsh Film Archive (part of the National Library of Wales) and Wales Screen Commission (part of the Creative Industries Hub).

The UK Film Council was the film organisation responsible for the largest gross spend (£67 million), followed by the British Film Institute (£36.4 million), BBC Films and Film4 (£10 million each).

Ranked by net spend, the British Film Institute was the largest of the UK's film organisations (23.7% of total net spend) followed by the UK Film Council (22.9%), BBC Films and Film4 (both 6.5%), Skillset (5.5%), Northern Ireland Screen (4.9%), Scottish Screen (4.2%) and the Welsh agencies (3.0%). The combined net spending of the English Regional Screen Agencies came to 14.3% of the UK's total net film organisation spend. Other significant organisations were the EU MEDIA programme (2.9% of net spend), the National Film and Television School (1.9%), First Light (1.3%) and the British Council (0.9%). Higher Education Funding Council spend (1.5%) represents investment in the network of screen academies and, as has been noted in Table 16.1, does not include all investment in higher education film activity.

16.4 Activities supported by public investment in film

The various activities supported by public investment in film in the UK in 2006/07 are shown in Table 16.4. Film production took the largest share, accounting for £196.2 million (65.6% of the total). Distribution and exhibition came second with £30.6 million (10.2%), followed by training and skills (6.3%), overheads (3.9%), education, young people and lifelong learning (3.9%) and film archives and heritage (3.3%).

Table 16.4 Activities supported by public investment in film, 2006/07

Activity	Amount £ million	% of total	Notes
Production	196.2	65.6	Non-tax break spend was £51.2 million
Distribution and exhibition	30.6	10.2	
Training and skills	18.8	6.3	Skills Investment Fund, national and regional screen agency training investment, skills academies
Administration/overheads	11.7	3.9	
Education, young people and lifelong learning	11.5	3.9	
Film archives and heritage	9.9	3.3	BFI Archive, archive N/RSA budgets, HLF investments
Development	9.7	3.2	Script development
Export and inward investment promotion	7.1	2.4	UK Film Council International; British Council, locations services in nations and regions
Business support	3.4	1.1	N/RSA investment: primary beneficiaries are independent production companies
Total public film expenditure	**298.9**	**100.0**	

Source: UK Film Council, Chris Chandler (Northern Alliance).
N/RSA = National/Regional Screen Agency.
HLF = Heritage Lottery Fund.
Total expenditure (£299 million) was greater than total public investment (£277 million) as expenditure was supplemented by earned/self-generated income, grants from trusts and foundations and transfers from reserves.

16.5 Large film production awards by agency, 2006/07 and 2007/08

Major production awards (greater than £250,000) given by agencies to individual film projects in 2006/07 and 2007/08 are shown in Table 16.5. In relation to the median British domestic film budget of £1.9 million (see Chapter 15) and the median co-production budget of £3.3 million, awards of this size can provide substantial assistance to UK films of distinctive national and regional character.

Table 16.5 Large film production awards (£250,000+) by national/regional agency, 2006/07 and 2007/08

Agency	Project	Year	£ amount
EM Media	Magicians	2006/07	250,000
	Control	2006/07	250,000
	And When Did You Last See Your Father	2006/07	250,000
	Summer	2007/08	250,000
	Bronson	2007/08	250,000
	Unmade Beds	2007/08	200,000
Northern Ireland Screen	City of Ember	2006/07	600,000
	Desperados	2007/08	588,000
Scottish Screen	Breathe	2006/07	375,000
	Old Dogs	2006/07	300,000
Screen Yorkshire	The Cottage	2006/07	250,000
	Brideshead Revisited	2006/07	250,000
	Liberty	2007/08	350,000
Screen West Midlands	Clubbed	2007/08	250,000
	Faintheart	2007/08	330,000
Welsh Agencies	Nightwatching*	2006/07	340.000
	Flick**	2006/07	637,500

Source: UK Film Council, DCMS, Chris Chandler (Northern Alliance), N/RSA reports.
*From Creative IP Fund.
**From Creative IP Fund and Lottery

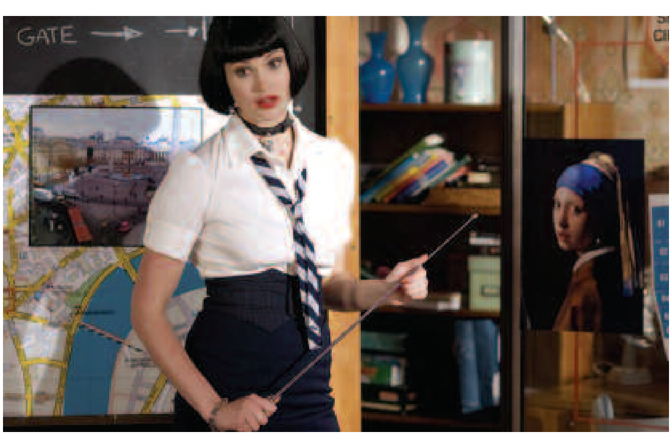
Large film production awards by the UK Film Council were too numerous to list here, but Table 16.6 gives a breakdown by size of award for the years 2006/07 and 2007/08. For a list of the individual project titles see www.ukfilmcouncil.org.uk/awards.

Table 16.6 Large UK Film Council film production awards (£250,000+) by size of award, 2006/07 and 2007/08

Size of award	Number of awards	Total value £ million
£1 million+	7	8.9
£500k–£1 million	11	6.9
£250k–£500k	12	4.5
Total large awards	**30**	**20.3**

Source: UK Film Council.

The biggest awards (£1 million+) were Premiere Fund awards to larger budget films such as *How to Lose Friends and Alienate People, Brideshead Revisited* and *St Trinian's*. The remaining size categories involved both the Premiere and New Cinema fund (eg *Mrs Ratcliffe's Revolution, Adulthood* and *The Cottage*), and in one case (*28 Weeks Later*) the DNA Franchise.



St Trinian's, courtesy of Entertainment Film Distributors.

See also

- For more information on film production in the UK see Chapter 15 (page 119)
- See Chapter 18 for more information on the UK film economy (page 146)

Chapter 17: Film industry companies

If the health of the industry can be measured in terms of production company numbers, then film in the UK is booming, with more than a decade of growth. Many production companies are small in size but there has also been expansion in the bigger companies. The most successful film companies, however, tend to undertake a range of activities or to dominate sectors such as distribution and exhibition.

Facts in focus

- The number of film production companies grew by almost 6% in the last year and by 277% between 1996 and 2007.
- The number of small production companies grew the most, but the largest turnover size group also grew.
- US majors, video distributors and exhibitors were prominent in the top 14 UK film companies in 2005 (the most recent year for which comparable data are available).
- The top seven UK film production companies had a turnover of €179 million in 2006.
- BBC Films, with 20 titles, topped the list of UK production companies, measured by activity levels over the three years 2005 to 2007.

17.1 Number of companies in the film and video industries

The number of companies involved in the film and video industries has grown rapidly in the last 12 years, particularly in the production sector where the number of companies has grown by 277%, compared with the UK average of 21.2% (Table 17.1). Some of the growth may be accounted for by the practice of setting up 'special purpose vehicles' (SPVs) to produce a single film. However the growth in the number of companies (4,830) is much greater than the number of commercial British films made over the same period (approximately 1,300). It is not known how many of the companies are involved only in video production.

Table 17.1 Number of companies registered for VAT by industry group

Year	Film and video production	Film and video distribution	Film exhibition	UK all industries
1996	1,745	355	155	1,380,695
1997	2,460	360	160	1,547,175
1998	3,065	370	160	1,573,935
1999	3,460	380	165	1,595,705
2000	3,900	425	165	1,616,835
2001	4,185	485	190	1,623,025
2002	4,605	515	195	1,619,195
2003	5,065	530	205	1,623,715
2004	5,275	455	200	1,611,535
2005	5,785	445	200	1,631,540
2006	6,210	415	200	1,646,280
2007	6,575	400	200	1,673,835
Growth 1996–2007 (%)	276.8	12.7	29.0	21.2

Source: Office for National Statistics.

17.2 Changing size distribution of film companies

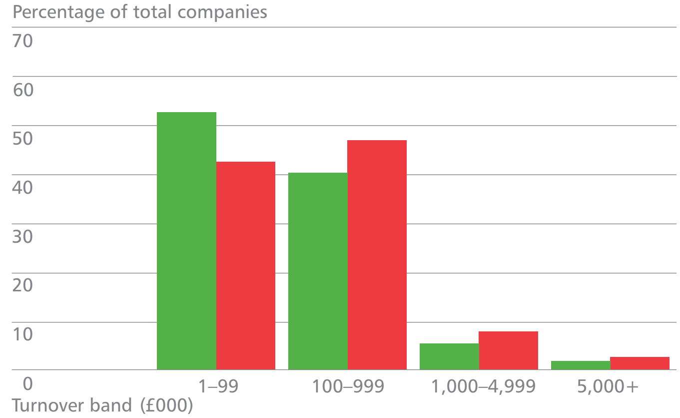
The growth in the number of film and video production companies has been particularly concentrated in the smaller turnover size bands, the opposite of the UK all-industries trend. The proportion of film and video production companies in the £1,000–£99,000 turnover band increased from 41% to 60% of the total (Figure 17.1), compared with a reduction from 53% to 43% for the same turnover band for UK all industries (Figure 17.2). Interestingly, there was also a significant increase in the number of *large* film and video production companies. In 2007 there were 180 film and video production companies with a turnover of £5 million or more, compared with only 45 in 1996.

Figure 17.1 The changing size distribution of VAT-registered film and video production companies, 1996–2007

	1–99	100–999	1,000–4,999	5,000+
1996	40.7	45.3	11.5	2.6
2007	60.2	30	7.1	2.7

Source: Office for National Statistics, RSU analysis.

Figure 17.2 The changing size distribution of UK VAT-registered companies (all industries), 1996–2007

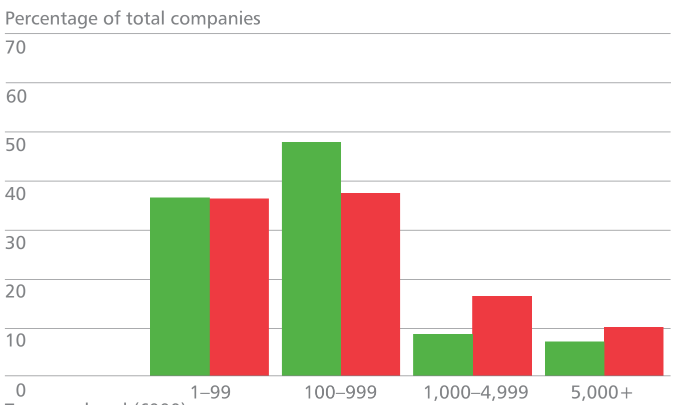


	1–99	100–999	1,000–4,999	5,000+
1996	52.8	40.3	5.3	1.7
2007	42.6	47	7.8	2.5

Source: Office for National Statistics, RSU analysis.

For the film distribution and exhibition sectors (Figures 17.3 and 17.4) the growth has been in the larger turnover size brackets, above £1 million per year.

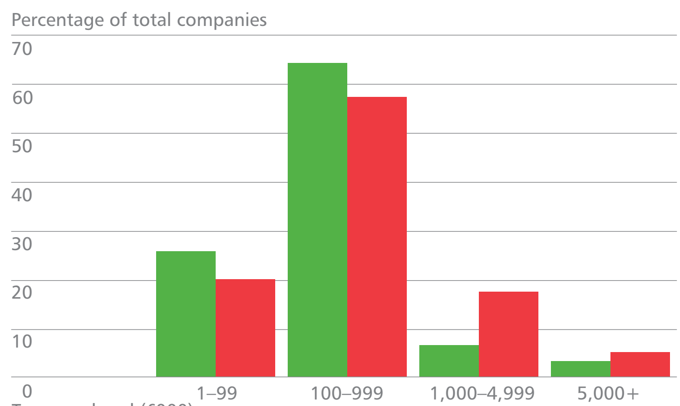
Figure 17.3 The changing size distribution of VAT-registered film and video distribution companies, 1996–2007



	1–99	100–999	1,000–4,999	5,000+
1996	36.6	47.9	8.5	7
2007	36.3	37.5	16.3	10

Source: Office for National Statistics, RSU analysis.

Figure 17.4 The changing size distribution of VAT-registered film exhibition companies, 1996–2007



	1–99	100–999	1,000–4,999	5,000+
1996	25.8	64.5	6.5	3.2
2007	20	57.5	17.5	5

Source: Office for National Statistics, RSU analysis.

17.3 Leading film companies in the UK and Europe

Table 17.2 shows the top 14 film companies in the UK in 2005 as identified by the European Audiovisual Observatory. Several features stand out: the prominence of the US majors, the importance of undertaking multiple activities (production, distribution, rights, video) and the relatively high position of companies specialising in video and exhibition. There is only one UK distributor on the list (Entertainment), but, in contrast with previous years, in 2005 one UK production company (Future Film Group) made it onto the EAO's list.

Table 17.2 Top 14 film companies in the UK, 2005

Rank	Company	Activities	Operating revenues €000
1	Walt Disney International	DISFILM, DIST, RIGHTS, VID	*1,427,652
2	Warner Bros Entertainment UK	DISFILM, PRODFILM	999,554
3	Odeon and UCI Cinemas Group	EXH	*714,426
4	Cineworld Group	EXH	*415,109
5	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	414,864
6	20th Century-Fox Home Entertainment	VID	321,922
7	VUE Entertainment Holdings (UK)	EXH	*319,325
8	2 Entertain	VID	280,647
9	The Entertainment Group of Companies	DISFILM, VID	188,374
10	Sony Pictures Home Entertainment	VID	171,132
11	Paramount Home Entertainment (UK)	VID	165,052
12	Future Film Group	PRODFILM, DISFILM	148,402
13	Columbia Pictures Corporation	PRODFILM, DISFILM, VID	123,044
14	National Amusements (UK)	EXH	*104,812

Source: European Audiovisual Observatory, 2007 Yearbook.
*indicates 2006 revenues.
Definitions: DISFILM = film distribution; DISTV = television distribution, RIGHTS = trade in television rights; VID = video; EXH = exhibition; PRODFILM = film production.

Across Europe, the US majors were prominent. They were joined by four French companies (Pathé, Canal+, Europalaces and UGC), indicating the continued corporate strength of the French film industry, three British-based exhibitors (Odeon, Cineworld and VUE) and two large German production companies (Bavaria and Constantin) (Table 17.3).

Table 17.3 Top 20 film companies in Europe, 2006

Rank	Company	Activities	Country	Operating revenues €000
1	Walt Disney International	DISFILM, DIST, RIGHTS, VID	GB	1,427,652
2	Warner Bros Entertainment UK	DISFILM	GB	*999,554
3	Odeon and UCI Cinemas Group	EXH	GB	714,426
4	United International Pictures	DISFILM	NL	623,007
5	Embassy Eagle Holdings	PRODFILM, DISFILM	NL	*492,234
6	Groupe Pathé	EXH, DISFILM, VID, RIGHTS, PRODFILM, TV	FR	639,000
7	Studiocanal	PROD, DISFILM, RIGHTS, VID	FR	**455,589
8	Warner Bros Entertainment	DISFILM	DE	**434,784
9	Cineworld Group	EXH	GB	415,109
10	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	GB	*414,864
11	Warner Bros Entertainment France	DISFILM	FR	*413,852
12	Europalaces	EXH	FR	413,700
13	RAI Cinema	PRODFILM, RIGHTS	IT	369,575
14	UGC	EXH, DISFILM, VID, RIGHTS, PRODFILM, TV	FR	358,944
15	Egmont Nordisk Film	DISFILM, VID	SE	352,000
16	20th Century-Fox Home Entertainment	VID	GB	*321,922
17	VUE Entertainment Holdings (UK)	EXH	GB	319,325
18	Bavaria Film	PRODFILM, PRODTV	DE	292,836
19	2 Entertain	VID	GB	*280,647
20	Constantin Film	PRODFILM, DISFILM, RIGHTS	DE	270,206

Source: European Audiovisual Observatory, 2007 Yearbook.
*indicates 2005 revenues.
**indicates 2004 revenues.
Definitions: DISFILM = film distribution; DISTV = television distribution, RIGHTS = trade in television rights; VID = video; EXH = exhibition; PRODFILM = film production; PRODTV = television production, TV = television.

17.4 Leading film production companies in the UK and Europe

Looking at film production only, we see that six out of the top 20 European production companies in 2006 were French (including three of the top four), five were British and four German as Table 17.4 shows. Three of the UK companies were special purpose vehicles. Two long-standing UK production companies made the list – Aardman Holdings (makers of *Wallace and Gromit* and *Flushed Away*) and the entrepreneurial film investment company Ingenious Films (*Garfield: A Tail of Two Kitties, Scoop, Children of Men*). As in 2005, the list was topped by Constantin Film AG of Germany, makers of *Perfume* and *Downfall*.

Table 17.4 Top 20 film production companies in Europe, 2006

Rank	Company	Nationality	Operating revenues €000
1	Constantin Film AG	DE	270,206
2	EuropaCorp	FR	166,763
3	Pathé Renn Production	FR	145,292
4	Gaumont	FR	131,100
5	Nordisk Film Valby	DK	109,809
6	Filmauro	IT	*96,824
7	Films Christian Fechner	FR	*83,803
8	AB Svensk Filmindustri	SE	81,720
9	Nordisk Film	NO	79,563
10	Runteam Ltd	GB	*71,812
11	Mostly Harmless Productions	GB	*63,586
12	MFF (Sound of Thunder)	GB	*57,361
13	Mediastream Vierte Film	DE	*53,095
14	Ingenious Films	GB	47,015
15	International Media (fund)	DE	45,200
16	Aardman Holdings	GB	37,188
17	Cattleya	IT	35,556
18	RP Productions	FR	*35,140
19	Senator Entertainment	DE	34,765
20	ARP	FR	33,507

Source: European Audiovisual Observatory, 2007 Yearbook.
*indicates 2005 revenues.

As Table 17.5 indicates, the UK picture is blurred by the frequent use of special purpose vehicles (SPVs). Only seven non-SPV UK film companies appear in the European Audiovisual Observatory's list of the top 100 European film production companies in 2006.

Table 17.5 Top seven UK film production companies, 2006
Not including special purpose vehicles

Rank	Company	Operating revenues €000
1	Ingenious Films	47,015
2	Aardman Holdings	37,188
3	Samuelson Alex	32,485
4	Lunar Films	*19,385
5	Pathé Productions	18,096
6	Working Title Films	*12,752
7	Future Films	**12,064
Total		**178,985**

Source: European Audiovisual Observatory, 2007 Yearbook.
*indicates 2005 revenues.
**indicates 2004 revenues.
Notes:
(1) There were 23 British special purpose or financing vehicles in the EAO's list of the top 100 European film production companies.
(2) EON Productions Ltd (makers of the Bond films), DNA Films (*Love Actually, The Last King of Scotland, Notes on a Scandal*) and Heyday Films (Harry Potter) are candidates for the list of top UK film production companies, but EAO did not have sufficient information to rank them.

While partly an artefact of the use of special purpose vehicles, the shortness of the above list underlines the corporately-dispersed nature of the UK film production industry.

Another way of looking at the UK's leading production companies is to measure activity levels over a period of time. Drawing on the UK Film Council's production database and public information, Table 17.6 presents the top 20 companies involved in the production of UK films over the three-year period 2005 to 2007. BBC Films came top of this list, with 20 films, including *The Other Boleyn Girl, Eastern Promises* and *Death Defying Acts*. Future Films (16 titles), Film 4 (12 titles) and Castel Films (11 titles) came next. Clubdeal, Castel Films and Aquarius specialised in co-productions. Film 4, Vertigo, Carnaby, DNA and Warp X were involved exclusively in UK domestic films, Zephyr specialised mainly in inward co-productions, while BBC Films and Ecosse were involved in a mix of all categories of production.

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Table 17.6 also illustrates the range of budgets for UK films. At the low end, Warp X was involved with five films with an estimated combined budget of £4 million. At the upper end, Heyday Films, working with Warner Bros (UK) on the Harry Potter films, was involved in four productions with an estimated combined budget of £300 million.

Table 17.6 Top 20 production companies involved in UK production between 2005 and 2007

Production company	Number of films produced 2005 to 2007	Estimated combined budget £ million	Principal titles
BBC Films	20	140	The Other Boleyn Girl, Eastern Promises, The Duchess, Death Defying Acts
Future Films (UK)	16	100	Max & Co, Manolete, The Heart of the Earth, The White Knight
Film 4	12	30	Slumdog Millionaire, Incendiary, Franklyn, Venus
Castel Films (Co-productions) Srl	11	70	Flight of Fury, Second in Command, Razor aka Razor's Edge, The Hard Corps
Clubdeal (UK)	10	70	Flight of Fury, Second in Command, Razor aka Razor's Edge, The Hard Corps
Future Films Group (Holdings)	10	60	Max & Co, Flawless, Transsiberian, The Oxford Murders
Working Title Films	9	140	Elizabeth: The Golden Age, Mr Bean's Holiday, Definitely, Maybe, Atonement
Film & Music Entertainment UK	9	20	Bathory, Anastetzsi, Röllin sydän, The Border Post
Vertigo Films	8	10	Outlaw, Waz, The Heavy, Dirty Sanchez: The Movie
Universal Pictures	6	160	The Good Shepherd, The Children of Men
Zephyr Films (UK)	6	100	Hannibal Rising, The Last Legion
Carnaby Feature Films UK	5	4	Bridge of Lies, The Rise of the Footsoldier
Warp X Films UK	5	4	Donkey Punch, Hush
Heyday Films UK	4	300	Harry Potter and the Order of the Phoenix, Harry Potter and the Half Blood Prince
Walden Media (USA)	4	200	The Chronicles of Narnia: Prince Caspian, City of Ember
DNA Films UK	4	50	Sunshine, 28 Weeks Later
Ecosse Films UK	4	30	The Waterhorse, Becoming Jane
BIM Distribuzione Srl (Italy)	4	30	The Duchess, The Queen

Table 17.6 Top 20 production companies involved in UK production between 2005 and 2007 continued

Production company	Number of films produced 2005 to 2007	Estimated combined budget £ million	Principal titles
Potboiler Productions UK	4	30	Blindness, Happy-Go-Lucky
Aquarius Films (UK)	4	20	Once You Are Born, You Can No Longer Hide, Lezioni di volo

Source: UK Film Council.
Notes:
Future Films Group (Holdings) Ltd and Future Films Ltd are related companies, based in London.
'Estimated combined budget' is the sum total of the estimated budgets of all the films associated with the named company. It is not a measure of that company's contribution to the budget. Most films had a number of production companies associated with them and the funding came from a variety of sources including equity investment, distributor minimum guarantees and television pre-sales.

28 Weeks Later, courtesy of Twentieth Century Fox.

- For film production company activity levels in 2007 see chapter 15 (page 119)
- For US studio involvement in UK film production in 2007 see chapter 15 (page 119)
- For leading film distributors in the UK in 2007 see chapter 8 (page 62)
- For leading film exhibitors in the UK in 2007 see chapter 9 (page 66)
- For numbers and size distribution of film workplaces in 2006 see chapter 19 (page 155)

The film industry is a large and profitable business in the UK, making a substantial contribution to Gross Domestic Product (GDP), the balance of payments, other industries such as tourism and the international promotion of the UK. Both its exports and its GDP contribution have shown substantial increases over the last decade.

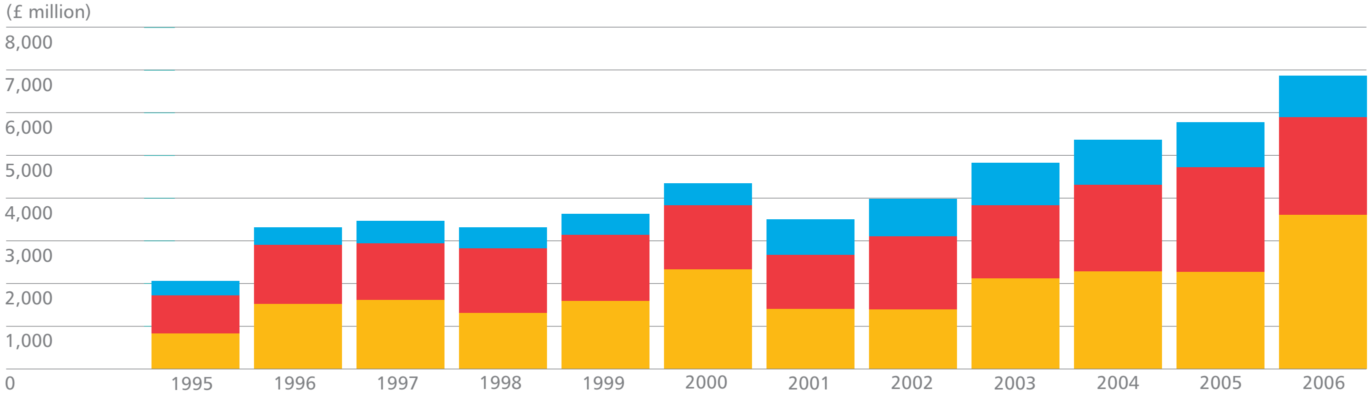
Facts in focus

- In 2006, the UK film industry had a total turnover of nearly £7 billion.
- Its contribution to UK GDP was £3.2 billion, 0.26% of the total.
- The fastest growing sub-sector was film and video production, but distribution and exhibition also grew substantially.
- The core UK film industry (film production plus distribution and exhibition of UK films) contributed £1.5 billion directly to GDP and £4.3 billion including all indirect effects.
- The industry exported £913 million worth of services in 2006, made up of £582 million in royalties and £330 million in film production services.
- Exports in 2006 were 44% higher than in 2003.
- The UK film trade surplus in 2006 was £128 million.

18.1 Film industry turnover, 1995–2006

Figure 18.1 shows the total turnover of the UK's film sectors for the period 1995 to 2006. Each of the three sectors has shown strong growth over this period, with the total industry turnover increasing from £2 billion to nearly £7 billion.

Figure 18.1 Total turnover of UK film industry by sector, 1995–2006



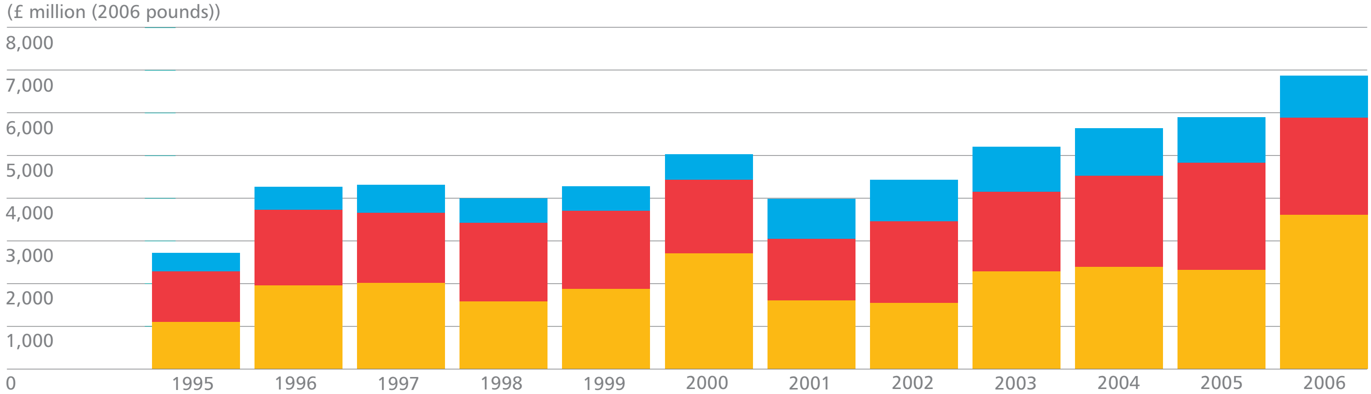
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film and video production	829	1,514	1,612	1,306	1,589	2,334	1,402	1,389	2,119	2,281	2,275	3,609
Film and video distribution	895	1,385	1,328	1,521	1,555	1,494	1,271	1,721	1,718	2,030	2,450	2,284
Film exhibition	329	420	527	485	485	519	828	871	987	1,065	1,053	980

Source: ONS Annual Business Inquiry.
'Total turnover' is expressed in current values, ie not adjusted for inflation.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

Figure 18.2 shows the total industry turnover expressed in real terms, that is with the effects of inflation removed. The real increase has been large: 228% for film and video production, 93% for film and video distribution and 125% for film exhibition. Overall, the industry more than doubled in size in real terms over this period.

Figure 18.2 Inflation-adjusted turnover of UK film industry by sector, 1995–2006



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film and video production	1,099.3	1,948.4	2,006.9	1,579.7	1,874.6	2,699.1	1,598.5	1,546.7	2,287.9	2,393.5	2,323.1	3,609.0
Film and video distribution	1,186.8	1,782.4	1,653.3	1,839.8	1,834.5	1,727.7	1,449.2	1,916.4	1,855.0	2,130.1	2,501.8	2,284.0
Film exhibition	436.3	540.5	656.1	586.7	572.2	600.2	944.1	969.9	1,065.7	1,117.5	1,075.2	980.0

Source: ONS Annual Business Inquiry, HM Treasury.
The deflator used to calculate real values is the UK whole economy deflator.
Values expressed in constant 2006 pounds sterling.

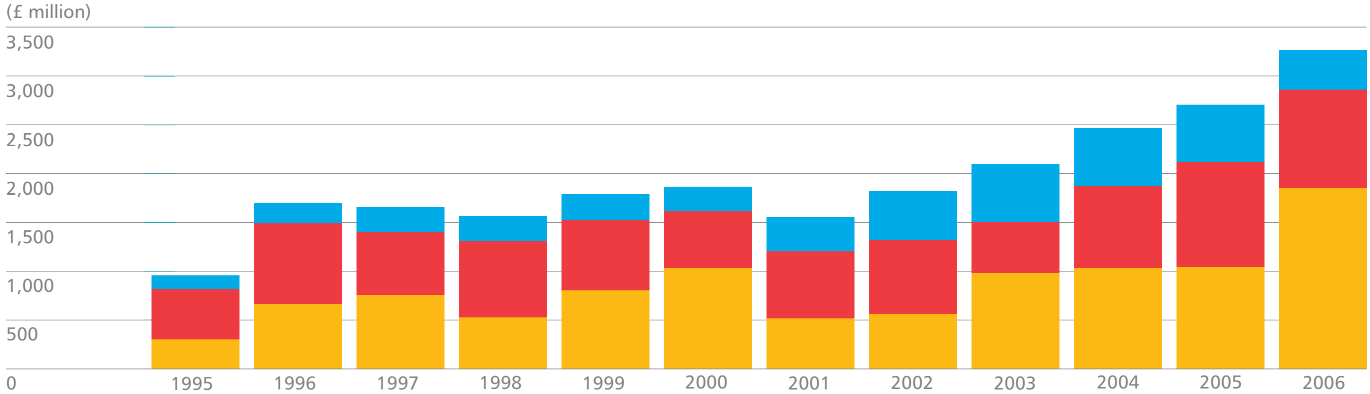
18.2 Film industry contribution to GDP, 1995–2006

The contribution an industry makes to UK Gross Domestic Product is measured by its gross value added (GVA). Value added is industry turnover minus the cost of inputs bought from other industries. The main components of value added are wages and salaries, interest and company profits. Value added is therefore a measure of the industry's ability to generate income for its workers, company owners and investors.

The industry's total value added increased from £956 million in 1995 to £3.2 billion in 2006 (Figure 18.3), 0.26% of the UK's total GDP. All three sub-sectors showed substantial growth, with the production sector showing the biggest gains.

In 2006, production accounted for 57% of value added, distribution 31% and exhibition 13%.

Figure 18.3 UK film industry gross value added 1995–2006

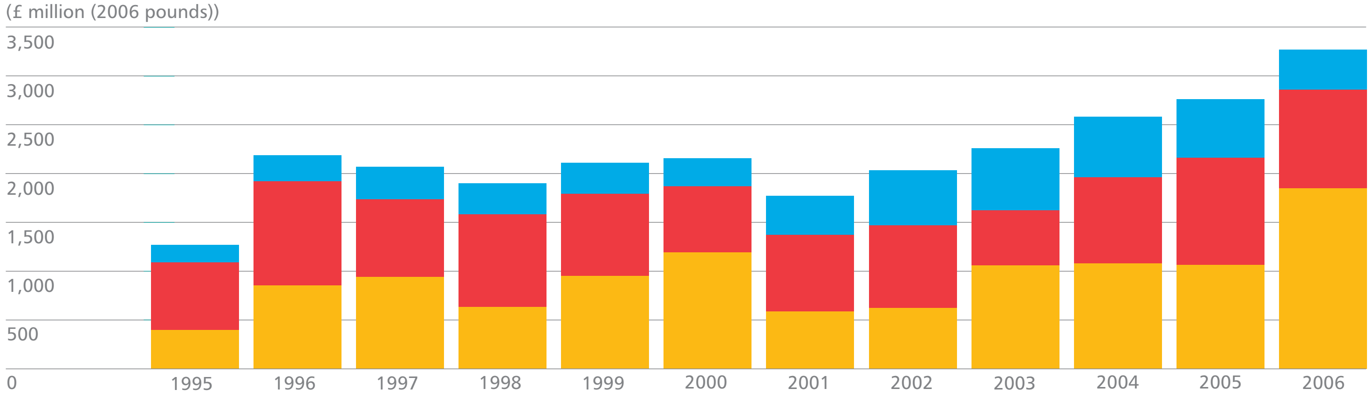


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film and video production	299	663	758	525	805	1,032	514	562	983	1,032	1,044	1,851
Film and video distribution	522	829	638	784	716	582	689	760	520	841	1,072	1,010
Film exhibition	135	208	264	260	266	250	354	504	592	592	591	409

Source: ONS Annual Business Inquiry.
'Gross value added' is expressed in actual values, ie not adjusted for inflation.

Figure 18.4 shows the industry's value added expressed in real terms, that is with the effects of inflation removed. There was a sharp increase in real industry GVA in 1995–1996, followed by a plateau from 1996 to 2001. Real GVA then began to increase strongly again. By 2006, production sector real value added was 55% higher than in the year 2000, distribution was up 50% and exhibition 42%. Total real GVA was £3.2 billion in 2006.

Figure 18.4 UK film industry real gross value added 1995–2006



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film and video production	396.5	853.2	943.7	635.0	949.7	1,193.4	586.0	625.8	1,061.4	1,082.9	1,066.1	1,851.0
Fillm and video distribution	692.2	1,066.9	794.3	948.3	844.7	673.0	785.6	846.3	561.5	882.5	1,094.6	1,010.0
Film exhibition	179.0	267.7	328.7	314.5	313.8	289.1	403.6	561.2	639.2	621.2	603.5	409.0

Source: ONS Annual Business Inquiry, HM Treasury.
The deflator used to calculate real values is the UK whole economy deflator.
Values expressed in constant 2006 pounds sterling.

18.3 Economic impact of the film industry

During 2007 the UK Film Council and Pinewood Shepperton plc commissioned a report from Oxford Economics into the economic impact of the UK film industry. This report examined not only the direct impact but indirect contributions, such as those to supplier industries, tourism, culture, merchandising, trade and the promotion of the UK internationally.

The study focused in particular on the 'core UK film industry' – defined as film production in the UK plus the distribution and exhibition of UK films – and found that the core UK film industry contributed £1.5 billion directly to UK GDP each year, with a direct contribution to the Exchequer of £436 million. This GDP contribution rose to £4.3 billion when all indirect effects were taken into account, as shown in Table 18.1.

Table 18.1 Summary of the economic contribution of the core UK film industry

Channel of impact	Total contribution to UK GDP in 2006 £ million	Total contribution to Exchequer revenues in 2006 £ million	Employment impact in 2006
Direct	1,510	436	33,500
Multiplier effects	1,625	420	33,500
British film box office effect	53	8	500
Tourism	900	200	20,000
Promotion/trade	20	5	700
Merchandising	235	105	6,500
Total	**4,343**	**1,174**	**94,700**

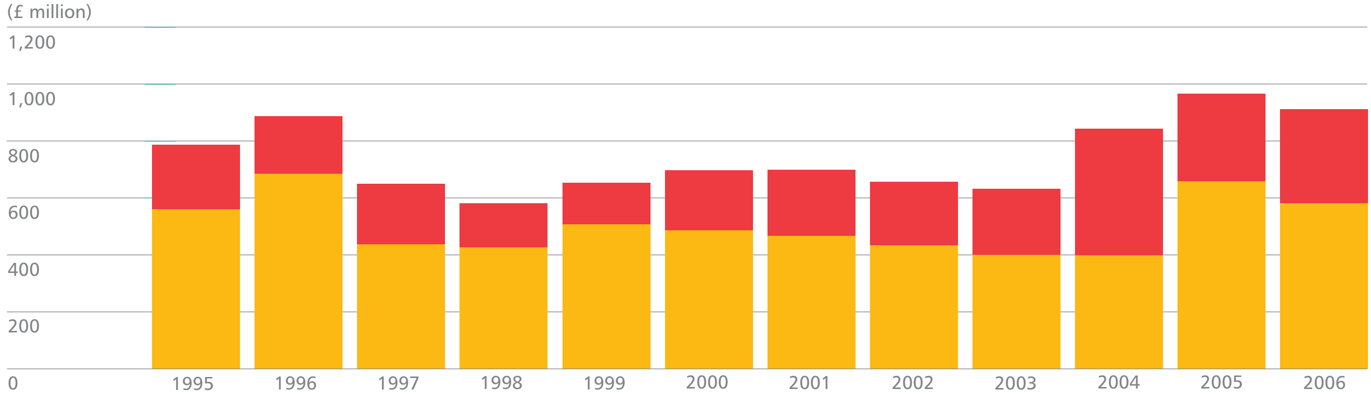
Source: Oxford Economics.
'British film box office effect' is the amount that the total UK box office is raised by the presence of UK films. It is different from and less than the UK film box office share.

A copy of the report can be found on the UK Film Council's website – www.ukfilmcouncil.org.uk/media/pdf/5/8/FilmCouncilreport190707.pdf

18.4 UK film exports, 1995–2006

The UK film industry exported £913 million worth of services in 2006 (the latest year for which data are available), £582 million of which came from royalties and £330 million from film production services. Compared with 2005, exports of production services increased slightly while earnings from royalties decreased. Changes of this size should not be regarded as significant as they may result from sampling variation. Film exports in 2006 were 44% higher than in 2003 as can be seen in Figure 18.5.

Figure 18.5 Exports of the UK film industry 1995–2006



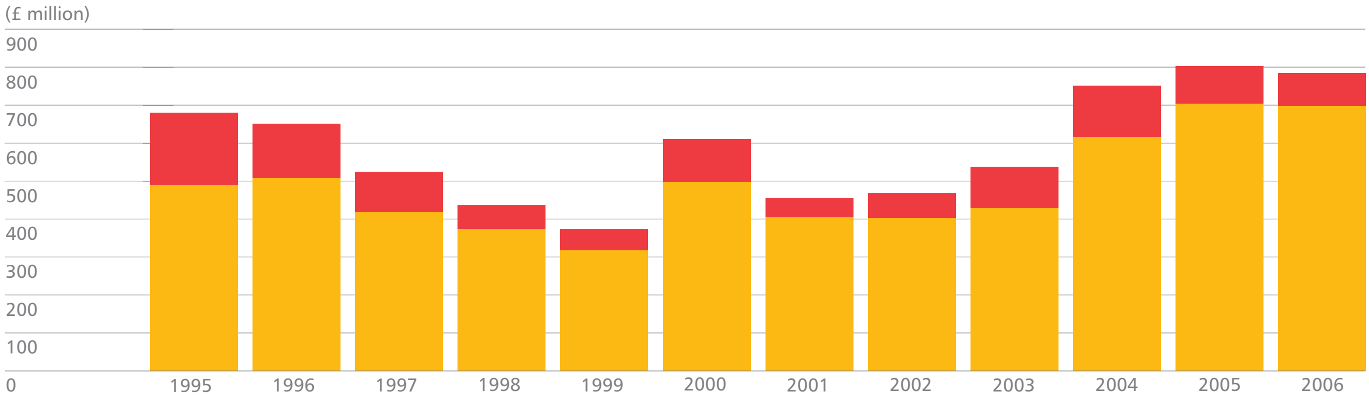
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Royalties	560	686	438	427	508	487	468	434	400	399	660	582
Production services	227	202	212	154	145	210	232	222	233	444	307	330
Total Exports	787	888	650	581	653	697	700	656	633	843	967	912

Source: Office for National Statistics (ONS).
Data for 2007 will be available in Nov/Dec 2008.
The export data are derived from the ONS Film and Television Survey (2006) which is a sample survey with a high response rate (88%) of companies in the Inter Departmental Business Register in the Standard Industrial Classification codes relating to film and television. The above chart shows the result for film companies only.

18.5 UK film imports, 1995–2006

The pattern of UK film imports (Figure 18.6) is different to that of exports. The great majority of film imports are royalties, reflecting the limited amount of offshore production services used by the UK and the need to pay royalties for foreign films (particularly USA films) shown in the UK. Film imports in 2006 were about the same as in 2005.

Figure 18.6 UK film imports 1995–2006



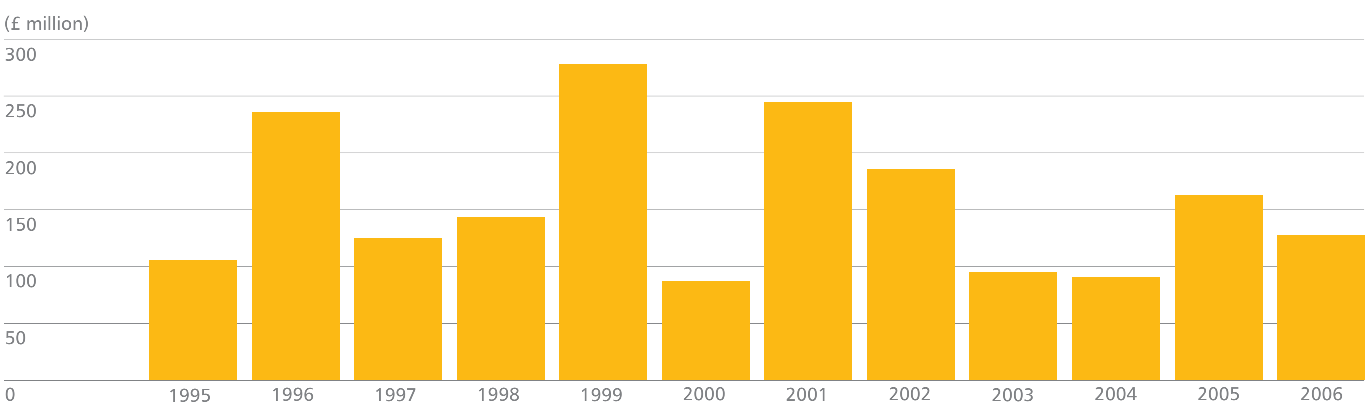
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Royalties	489	507	419	374	317	497	405	403	430	616	704	698
Imports of production services	192	145	106	63	58	113	50	67	108	136	100	86

Source: ONS.

18.6 The UK film trade balance, 1995–2006

The film industry has made a continuous positive contribution to the UK balance of payments since 1995, with a trade surplus (positive balance of exports over imports) in 2006 of £128 million, as Figure 18.7 shows. This is significant at a time when the UK's physical trade is showing a large deficit and helps explain the Government's support for creative industries such as film.

Figure 18.7 Trade surplus of UK film industry 1995–2006



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Balance	106	236	125	144	278	87	245	186	95	91	163	128

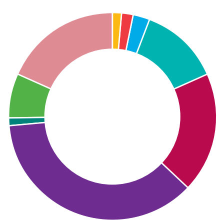
Source: ONS.
Note: 'Trade surplus' equals exports minus imports. Where a company (eg the UK subsidiary of a USA major) receives income from another country on behalf of its parent company and subsequently passes it on to its parent company, this is recorded both as a receipt and as a payment, leaving the measure of the trade surplus unaffected.

18.7 UK film export markets

Compared with 2005, there was a dramatic apparent change in the geographical pattern of UK film exports, with the USA share dropping from 61% to 36%, smaller than the combined European share of UK film exports (38% in 2006) (Figure 18.8). The largest growth areas were 'other Europe' (increased from 2% to 19% of the total) and Asia (increased from 2.5% to 7%). Care must be taken in interpreting these figures. For example, 16% of the UK's film exports (£147 million) were reported to have gone to the Channel Islands, but this result is more likely to be due to sampling variation than actual trade flows.

Figure 18.8 Destination of UK Film exports as percentage of the total, 2006

	%
France	1.4%
Germany	1.8%
Italy	2.6%
Other EU	12.5%
Other Europe	18.7%
USA	36.5%
Other America	1.2%
Asia	6.9%
Africa, Australia and Oceania	18.3%



18.8 UK film exports compared with the global market for filmed entertainment

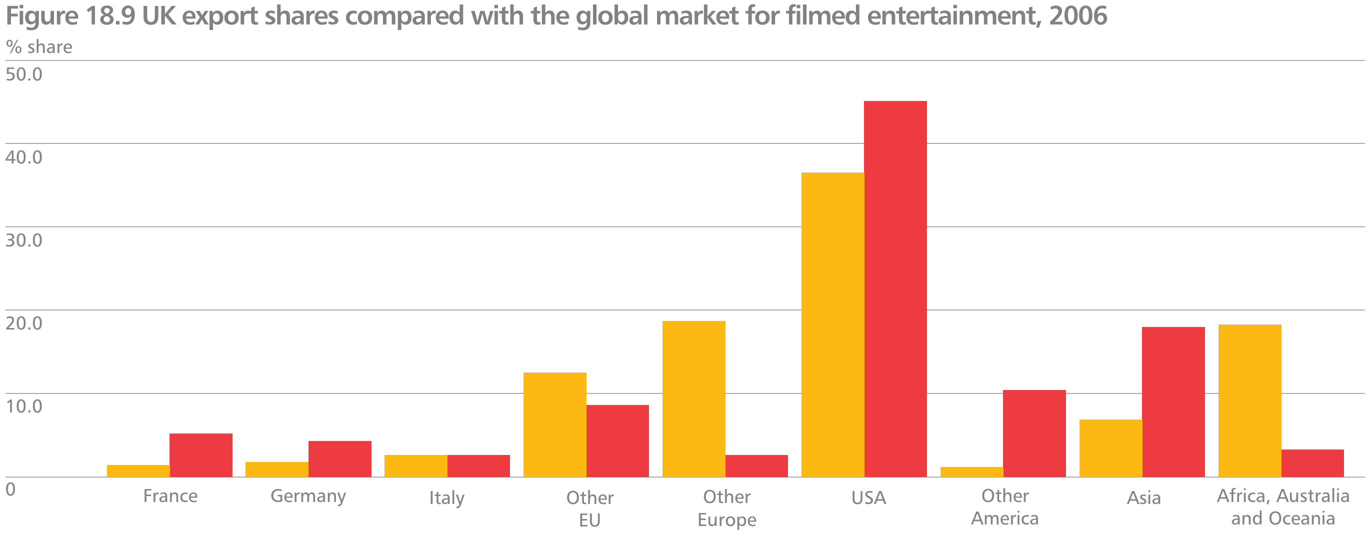
A useful comparison can be made between UK film export shares and the geographical distribution of the global market for filmed entertainment (Figure 18.9). The differences that stand out are:

- the higher proportion of UK exports to 'Africa, Australia and Oceania' (18.3%) (likely to be principally Australia and New Zealand) compared with those countries' share of the global market for filmed entertainment (3.3%)
- the lower proportion of UK exports to Asia (6.9%) compared with the Asian countries' share of the global market (18.0%)
- the lower proportion of UK exports to 'other America' (1.2%) compared to those countries' share of the global filmed entertainment market (10.4%).

The figure for exports to Asia was an improvement on 2005 but still suggests that UK film exports to that part of the world may be underdeveloped.

As suggested in paragraph 18.7 the divergences for the USA and 'other Europe' in Figure 18.9 are likely to reflect sampling variation rather than differences in the real economy.

Figure 18.9 UK export shares compared with the global market for filmed entertainment, 2006



	France	Germany	Italy	Other EU	Other Europe	USA	Other America	Asia	Africa, Australia and Oceania
UK film exports %	1.4	1.8	2.6	12.5	18.7	36.5	1.2	6.9	18.3
Global market %	5.2	4.3	2.6	8.6	2.6	45.1	10.4	18.0	3.3

Source: UK exports: ONS. Global market: PricewaterhouseCoopers.
'Total global market for filmed entertainment' does not include the UK, to keep the figures comparable with the UK's export figures.

18.9 The geographical distribution of the UK's film trade surplus

The geographical distribution of the UK's film trade surplus was different from the export pattern, as shown in Table 18.2. In 2006, the UK's film trade with the USA was in deficit. The main contributors to the overall film trade surplus were 'other Europe', 'other EU', Asia and 'Africa, Australia and Oceania'. This reflects the stronger performance of UK films around the world than of foreign films (other than from the USA) in the UK market.

Table 18.2 International transactions of the UK film industry by geographical area, 2006

	£ millions			Percentages		
	Exports	Imports	Balance	Exports	Imports	Balance
France	13	14	–1	1.4	1.8	–0.8
Germany	16	16	–	1.8	2.0	–
Italy	24	35	–11	2.6	4.5	-8.6
Other EU	114	89	25	12.5	11.4	19.5
Other Europe	171	11	160	18.7	1.4	125.0
USA	333	549	–216	36.5	70.0	–168.8
Other America	11	16	–5	1.2	2.0	–3.9
Asia	63	46	17	6.9	5.9	13.3
Africa, Australia and Oceania	167	8	159	18.3	1.0	124.2
World total	**913**	**784**	**128**	**100.0**	**100.0**	**100.0**

Miss Potter, courtesy of Momentum Pictures.

- For more information on the UK and global film market see chapter 13 (page 100)
- For more information on the performance of UK films internationally see chapter 4 (page 24)
- For more information on inward investment in film production in the UK see chapter 15 (page 119)
- See chapter 16 (page 128) for details of public investment in film

Significant numbers of skilled people work in the film and video industries but the volatility of the sector is reflected in employment trends. 2006/07 saw a decline in employment in production and distribution but a higher female share of the production workforce and a smaller gender earnings gap.

Facts in focus

- 38,634 people worked in the film and video industry in 2006/07, of whom around 22,597 worked in film and video production. This was a decrease on 2006.
- The film and video industry workforce was 21% higher in 2006 than in 1994, compared with a 17% increase in the overall workforce.
- Production and distribution were concentrated in London and the South East.
- Most businesses were small scale. For example, 59% of employees in film and video production were in workplaces with 10 or fewer people.
- 43% of people in film and video production were freelance.
- Women made up two-fifths of the film production workforce in 2006 compared with only a third in 2002.
- Women's income from feature film work was lower than men on average but the gap seems to have narrowed since 2002.
- People from minority ethnic groups are under-represented in the film production workforce – only 5%, the same as in 2002.
- Women made up only 12% of the screenwriters of UK films released in the UK in 2007 and 6% of the directors.

19.1 The workforce

According to the Labour Force Survey conducted by the Office for National Statistics (ONS), a total of 38,634 people worked in the film and video production, and distribution and film exhibition sectors in the year 2007 (October 2006 to September 2007). Figures include both full-time and part-time workers. Table 19.1 shows the breakdown.

Table 19.1 Film and video industry workforce, 2007

Sector	SIC	Number in employment
Film and video production	9211	22,597
Film and video distribution	9212	4,521
Film exhibition	9213	11,516
Total		**38,634**

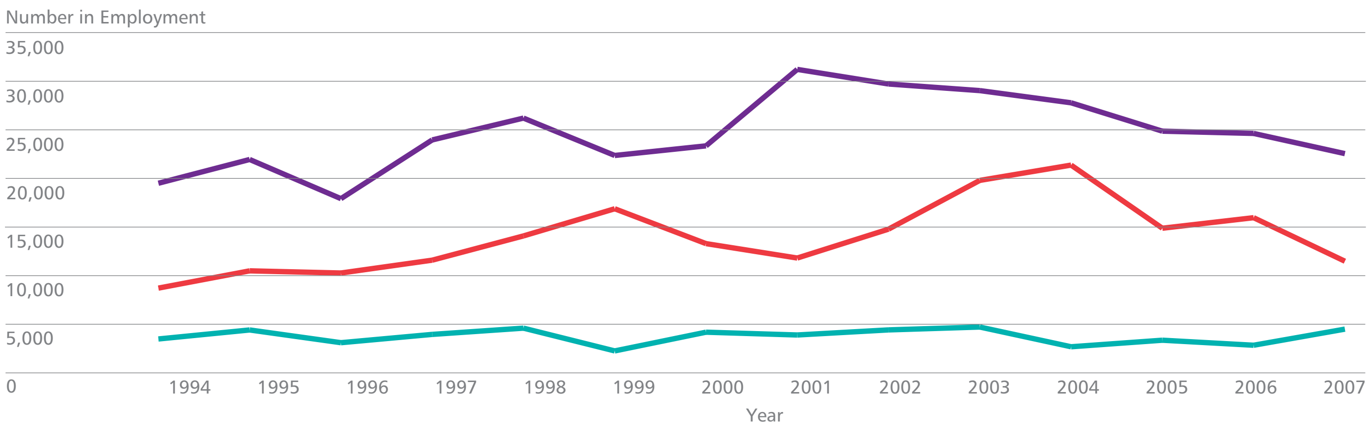
Source: Labour Force Survey, ONS.
Notes:
1. SIC = Standard Industrial Classification
2. Numbers in employment are averages of the four calendar quarters, Oct-Dec 2006, Jan-Mar, Apr-Jun and Jul-Sep 2007.
3. People in employment include people aged 16 or over who did paid work (as an employee or self-employed), those who had a job that they were temporarily away from, those on government-supported training and employment programmes, and those doing unpaid family work.
4. ONS does not separate video production and distribution from film production and distribution.

The 2007 figure was lower than 2006, reflecting lower reported employment figures in the film and video production and exhibition sectors. Overall, the film and video industry workforce was 21% larger in 2007 than in 1994, against an increase in the overall UK workforce of 17% over the same period. Figure 19.1 shows the growth of the three film-related sectors.

Employment in the film production sector has continued to shrink since the peak of 2001, despite the fact that UK production spend (see Figure 15.2) has been higher on average since 2003 than it was in 2001 and 2002. Distribution is fairly constant, while the upward trend in exhibition (to 2004) has ceased and been replaced by a downward one.

Most people working in the film distribution and exhibition sectors were employees, but the film production sector had a higher proportion of freelance workers. In 2007, 45% of those engaged in film and video production (SIC 9211), a total of 9,869 people, were self-employed (Table 19.2 and Figure 19.2).

Figure 19.1 Size of film and video workforce 1994–2007



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Film and video production	19,545	21,993	17,959	24,006	26,255	22,407	23,396	31,271	29,768	29,087	27,831	24,909	24,677	22,597
Film and video distribution	3,507	4,435	3,124	3,978	4,622	2,277	4,205	3,918	4,441	4,737	2,705	3,379	2,862	4,521
Film exhibition	8,746	10,524	10,301	11,623	14,121	16,917	13,328	11,844	14,819	19,839	21,415	14,913	15,998	11,516

Source: Labour Force Survey, ONS.
Notes:
1. The employment figures from 1994 to 1997 were averages of four 'seasonal quarters' (winter, spring, summer and autumn), formerly known as 'autumn years'. From 1998, the figures are averages of the four 'calendar quarters' (Oct-Dec, Jan-Mar, Apr-Jun and Jul-Sep), referred to as 'year to September', instead. In 2006, Eurostat required that all countries in the EU have a Labour Force Survey based on calendar quarters.
2. Data from 1998 onwards has been revised since Yearbook 2006/07.

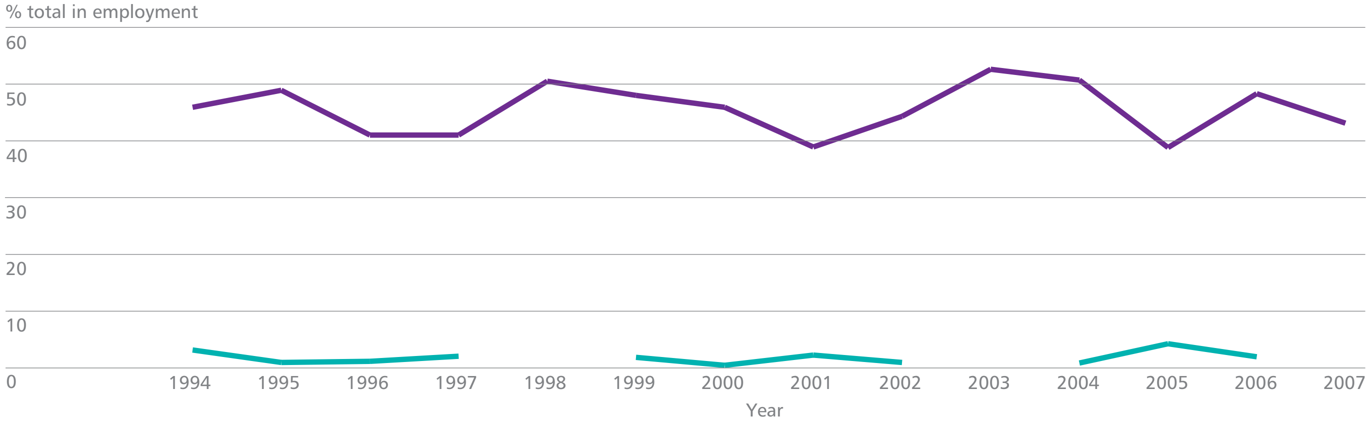
Table 19.2 Film and video production workforce (SIC 9211), 1994–2007

	Total in employment	Self-employed	Self- employed as % of total	Unpaid family worker	Unpaid family worker as % of total
1994	19,545	8,988	46.0	635	3.2
1995	21,993	10,779	49.0	218	1.0
1996	17,959	7,387	41.1	215	1.2
1997	24,006	9,855	41.1	494	2.1
1998	26,255	13,276	50.6	–	–
1999	22,407	10,776	48.1	422	1.9
2000	23,396	10,764	46.0	107	0.5
2001	31,271	12,201	39.0	705	2.3
2002	29,768	13,209	44.4	305	1.0
2003	29,087	15,330	52.7	–	–
2004	27,831	14,137	50.8	251	0.9
2005	24,909	9,693	38.9	1,076	4.3
2006	24,677	11,949	48.4	502	2.0
2007	22,597	9,752	43.2	–	–

Source: Labour Force Survey, ONS.
Notes:
1. 1994 to 1997 were autumn years; from 1998 onwards the year means the year ending September. See footnote to Figure 19.1 for explanation.
2. An 'unpaid family worker' is defined as a person who is doing unpaid work for a business that they own or that a relative owns.
3. Data from 1998 onwards had been revised since Yearbook 2006/07.

The proportion of self-employed workers has fluctuated in the 40–50% band since 1994. In comparison, the self-employed percentage of the total UK workforce is around 13%.

Figure 19.2 Self-employed and unpaid family workers as proportions of total workforce, film and video production (SCI 9211), 1994–2007



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Self-employed as % of total	46.0	49.0	41.1	41.1	50.6	48.1	46.0	39.0	44.4	52.7	50.8	38.9	48.4	43.2
Unpaid family worker as % of total	3.2	1.0	1.2	2.1	–	1.9	0.5	2.3	1.0	–	0.9	4.3	2.0	–

Source: Labour Force Survey, ONS.
Notes:
1. 1994 to 1997 were autumn years; from 1998 onwards the year means the year ending September. See footnote to Figure 19.1 for explanation.
2. Data from 1998 onwards have been revised since Yearbook 2006/07.
3. Data for unpaid family workers were unavailable for 1998, 2003 and 2007 due to sampling, but likely to be small.

19.2 The film production workforce survey

Skillset and the UK Film Council have built on the first survey of people in film production carried out in 2004 with a further survey of the sector. Conducted during 2006, the research identifies trends in employment and skills development within the production sector of the industry. Some of the preliminary findings were presented in the Yearbook last year. This year we report some of the final results of the demographics, work patterns and incomes, and compare them with those from the first survey whose reference year was 2002. The full report will be available in summer 2008.

Two-fifths of the survey respondents were women, with the female percentage varying widely by occupation group, from 85% in make-up and hairdressing to 3% in construction, as Table 19.3 shows. There appears to be some variation in the gender profiles between the two surveys. There were more female assistant directors (39%) but fewer women working in the editing, post-production and visual effects occupations (26%) in 2006. Five per cent of the respondents in the sound/electrical occupations were women compared to zero in 2002.

Table 19.3 Occupational group by gender, film production workforce, 2002 and 2006

Occupational group	Respondents 2002 Male %	Respondents 2002 Female %	Respondents 2006 Male %	Respondents 2006 Female %
Production/script development	34	66	36	64
Assistant directors	74	26	61	39
Art/set decorating/props	68	32	55	45
Camera	91	9	85	15
Sound/electrical	100	–	95	5
Costume	30	70	20	80
Make-up/hairdressing	12	88	15	85
Editing/post-production/visual effects	58	42	74	26
Construction	95	5	97	3
Locations	76	24	78	23
Others	70	30	65	35
All occupations	67	33	60	40

Source: Skillset.
Note: The percentages for male and female in some occupational groups do not add up to 100% due to rounding.

The challenge of reflecting the UK's ethnic diversity in the film production industry is evident in Tables 19.4 and 19.5. The ethnic profile of the respondents in 2006 was identical to that in the previous survey. Overall only 5% of the film workforce was from minority groups, below the national all-sectors average of 7% and well below the London workforce average of 24%, which is a relevant comparator for the film industry in view of its concentration in London.

Table 19.4 Ethnicity of UK film production workforce, 2002 and 2006

Ethnic group	Respondents 2002 %	Respondents 2006 %	All UK workforce (LFS, 2004) %
White	95	95	93
Mixed	2	2	1
Asian or Asian British	1	1	3
Black or black British	1	1	2
Chinese	–	–	–
Other	1	1	1

Source: Skillset; ONS Labour Force Survey (LFS), quarterly supplement 2004.

Table 19.5 Ethnicity of London film production workforce, 2002 and 2006

Ethnic group	London respondents 2002 %	London respondents 2006 %	All London workforce (LFS, 2004) %
White	94	93	76
Mixed	3	2	1
Asian or Asian British	1	1	11
Black or black British	1	1	8
Chinese	–	1	1
Other	1	1	3

Source: Skillset; ONS Labour Force Survey (LFS), quarterly supplement 2004.

The disabled proportion of the film production workforce increased slightly from 2% to 3%, as shown in Table 19.6.

Table 19.6 Disability, film production workforce, 2002 and 2006

Workers who consider themselves to have a disability	Respondents 2002 %	Respondents 2006 %	All UK workforce (LFS, 2005) %
Yes	2	3	5
No	98	97	95

Source: Skillset; ONS Labour Force Survey, quarterly supplement 2005.

The age profile of the respondents in 2006 was somewhat more youthful than in the previous survey. The film production workforce was predominantly young, with 84% aged 49 or under as Table 19.7 shows. The female age profile was significantly younger than the male, with 90% of women being under the age of 49.

More of the respondents in 2006 were between 16 and 24 years (8% compared with 3% in 2002). People in film production appeared younger than in the wider workforce, with more than a third falling into the 25 to 34 year age band in comparison with a fifth of the UK workforce as a whole. The increase in the female percentage in the 16–24 and 25–34 age groups is consistent with the slight growth overall in the female percentage of the workforce, suggesting increased entry of younger women into film production.

Table 19.7 Age distribution of film production workforce, 2002 and 2006

Age group	Male %	Female %	Respondents 2002 All %	Male %	Female %	Respondents 2006 All %	All UK workforce (LFS, Nov06 -Jan 07) All %
16–24	3	4	3	7	9	8	14
25–34	26	41	31	27	45	34	21
35–49	46	42	45	46	37	42	38
50+	25	13	21	21	10	16	26
All ages	100	100	100	100	100	100	100

Source: Skillset; ONS Labour Force Survey (LFS), quarterly supplement March 2007.

As Table 19.8 shows, slightly fewer respondents were married or living as a couple in 2006 than in 2002 (57% compared with 61%). In addition more were single (38% compared with 32%).

Table 19.8 Marital status of film production workforce, 2002 and 2006

Marital status	Respondents 2002 %	Respondents 2006 %
Married or living as couple	61	57
Single and never married	32	38
Divorced or separated	7	5
Widowed	–	–

Source: Skillset.

Just over a quarter (27%) of respondents reported living with at least one dependant child under 16 years, which was a slight drop in comparison with the third in 2002 (Table 19.9). As in 2002 however, the proportion of male respondents living with dependant children was considerably greater than the proportion of female respondents (40% compared with 14%).

Table 19.9 Family status of film production workforce, 2002 and 2006

	Male %	Female %	Respondents 2002 All %	Male %	Female %	Respondents 2006 All %
Living with dependant child(ren) under 16	39	21	33	40	14	27

Source: Skillset.

All respondents were asked to indicate the total gross income they had received from feature film work during the 12 months preceding the survey. Table 19.10 shows that, in 2006, almost one in 10 (8%) had earned £75,000 or more and about the same percentage (9%) had received between £50,000 and £74,999. By far the most common range of income from feature film work reported, however, was under £20,000 and this was the experience of almost half (47%) the respondents. In 2002 as many as one in 10 respondents (10%) reported that they had not received any income from feature film work, and this improved to just 2% of the 2006 respondents.

Table 19.10 Distribution of gross income from feature film work, 2002 and 2006

	Male %	Female %	Respondents 2002 All %	Male %	Female %	Respondents 2006 All %
No income from feature film work in past year	8	14	10	2	2	2
£1–£19,999	31	45	36	45	51	47
£20,000–£29,999	15	11	14	13	14	13
£30,000–£39,999	15	10	13	12	14	13
£40,000–£49,999	11	8	9	9	5	7
£50,000–£74,999	11	10	11	11	7	9
£75,000 or more	9	3	7	9	7	8
	100	100	100	100	100	100

Source: Skillset.

Slightly more male than female respondents fell into higher income brackets with a fifth (20%) of male respondents earning £50,000 or more in comparison with 14% of the women. On the whole however, gender differences in feature film incomes appear to have reduced since the 2004 survey, with women becoming relatively more numerous in the £20,000–£39,999 and £75,000+ bands. The proportion of very low-paid men (under £20,000) increased between 2002 and 2006.

Table 19.11 shows the distribution of weekly rates paid for feature film work. As in 2002 women tended to report lower weekly rates than men. For example a third of the female respondents in 2006 received under £800 per week in comparison with a fifth (22%) of male respondents, while a fifth (21%) received the higher rate of £1,400 per week or more in comparison with a third (33%) of male respondents.

Table 19.11 Weekly rates for feature film work, 2002 and 2006

Weekly rate	Male %	Female %	Respondents 2002 All %	Male %	Female %	Respondents 2006 All %
Less than £400 per week	4	7	5	10	12	11
£400–£599 per week	4	6	5	6	10	8
£600–£799 per week	6	15	9	6	10	8
£800–£999 per week	16	13	15	16	15	16
£1,000–£1,199 per week	15	15	15	17	16	17
£1,200–£1,399 per week	11	14	12	13	15	14
£1,400–£1,599 per week	14	11	13	11	7	9
£1,600–£1,799 per week	6	4	5	5	4	5
£1,800 or more per week	24	14	21	17	10	14

Source: Skillset.
Notes:
1. The high weekly rates paid to most people in the industry reflect, among other things, the long working hours involved in film production. A working week typically consists of six days, with an average day of 11 hours or more.
2. Figures in this table are only applicable to those who reported their weekly rates.

More results from the feature film production workforce survey will be available in the full report of the survey due to be published in summer 2008 (see www.skillset.org).

19.3 Gender of writers and directors of UK films

Since 2005, the UK Film Council has been studying the under-representation of women among screenwriters of UK films; see two reports at http://www.ukfilmcouncil.org.uk/publications: *Scoping Study into the Lack of Women Screenwriters in the UK (IES, 2006)* and *Writing British Films – who writes British films* and *how they are recruited* (Susan Rogers, Royal Holloway and UK Film Council, 2007). The combined conclusion of these reports is that female under-representation is an aspect of a commissioning process that leads towards the recruitment of writers who:

– are already known to the commissioning producers and/or

– are members of the Writers Guild of America and/or

– have American agents (even if they are British).

At the time these reports were commissioned, evidence suggested that around 10% of UK films had a female director and around 15% of UK films had a female writer. Table 19.12 shows the female proportion of writers associated with UK films released in the UK in 2006 and 2007. Of the 153 identified writers of UK films in 2006, 23 (15%) were women. Of the 169 writers in 2007, 20 (11.8%) were women.

Table 19.12 Gender of writers of UK films released in the UK in 2006 and 2007

Year	2006	2007
Number of UK titles released in the UK	107	108
Number of writers associated with these titles	153	169
Number of male writers	130	149
Number of female writers	23	20
% female	15.0%	11.8%

Source: UK Film Council.

Table 19.13 gives an updated gender breakdown of directors of UK films. Of the 116 identified directors of UK films in 2006, 10 were female (8.6%). Of the 117 directors in 2007, seven were female (6.0%). The seven female directors in 2007 were Sandhya Suri *(I is for India),* Martha Fiennes *(Chromophobia),* Katja von Garnier *(Blood and Chocolate),* Agnieszka Holland *(Copying Beethoven),* Susanne Bier *(After the Wedding),* Sarah Gavron *(Brick Lane)* and Bille Eltringham *(Mrs Ratcliffe's Revolution).*

Table 19.13 Gender of directors of UK films released in the UK in 2006 and 2007

Year	2006	2007
Number of UK titles released in the UK	107	108
Number of directors associated with these titles	116	117
Number of male directors	106	110
Number of female directors	10	7
% female	8.6%	6.0%

Source: UK Film Council.

One of the tendencies discovered in the UK Film Council/Royal Holloway report was for screenwriters to develop their careers first in television then cross over to film. 77% of the film screenwriters surveyed had previously written for television series. That being the case, one way of increasing the number of female film screen writers would be to recruit from the pool of female television writers. However, our initial research shows that the ratio of female writers and directors in television is not much higher than in film.

For example, of the top 42 television dramas in 2007, 11 (26%) had a female writer and only 5 (12%) had a female director.

This suggests that efforts to promote the recruitment of female screenwriters and directors need to be part of a broader initiative across the audio-visual sector.

19.4 The workplace location

The film production and distribution sectors are concentrated in London and the South East, as shown in Table 19.14. In contrast, the London and South East share of the exhibition sector workforce is closer to the UK average.

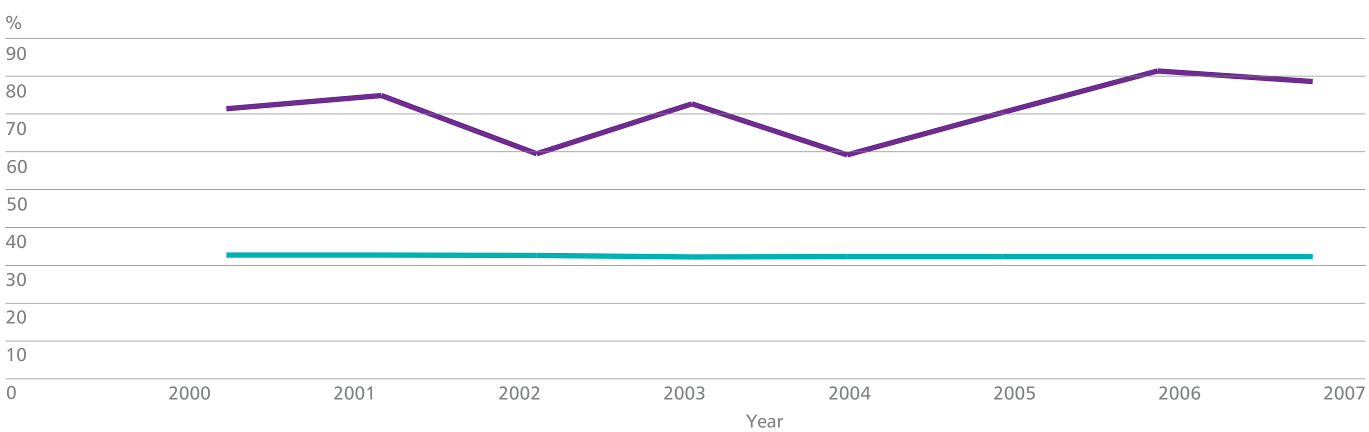
Table 19.14 London and South East employment as percentage of total, 2007

Sector	SIC	Total UK employment	London and South East employment	London and South East as % of UK total
UK all industries	All	29,052,285	9,411,043	32
Film and video production	9211	22,597	17,793	79
Film and video distribution	9212	4,521	3,864	85
Film exhibition	9213	11,516	3,261	28

Source: Labour Force Survey, ONS. The South East region wraps around London to include the major studios to the west of London.
Note: Totals shown in this table are averages of the four calendar quarters from October 2006 to September 2007.

The London and South East share of the film and video production workforce (SIC 9211) was 79% in the year to September 2007, slightly higher than its long-term average, which may have been due to statistical error arising from the small sample size of the Labour Force Survey at industry sub-sector level. Figure 19.3 suggests that the share of the film and video production workforce in London and the South East is close to the level prevailing in the early 2000s.

Figure 19.3 London and South East percentage share of total workforce, 2000–2007



	2000	2001	2002	2003	2004	2005	2006	2007
Film and video production	71.5	75.0	59.6	72.8	59.3	70.5	81.5	78.7
UK all industries	32.8	32.8	32.7	32.3	32.4	32.4	32.4	32.4

Source: Labour Force Survey, ONS.
Notes:
1. Year means the year to September of the year. See footnote to Figure 19.1 for explanation.
2. Revised data series unavailable before 2000.

The peaks and troughs in the London and South East share of the film and video production workforce appear to coincide with the peaks and troughs in film production in the UK (see Figure 15.2). This suggests the variability in UK film production is reflected more in London and the South East than in other nations and regions in the UK.

19.5 The scale of the workplace

Each year, the Office for National Statistics conducts a survey of businesses, called the Annual Business Inquiry (ABI), which provides information on the number of employees in each workplace, by industrial sector. The latest available data are for 2006 and those relating to the film industry are shown in Tables 19.15 to 19.17. Nomis (the official labour market statistics online database) provides ABI data for England, Wales and Scotland only. Figures for Northern Ireland are reported separately by the Department of Enterprise, Trade and Investment (DETI) and are shown in Table 19.18. The different characteristics of the three sectors stand out clearly in these tables.

The film and video production sector had a very high number of small workplaces (97.2% in the 1–10 band), accounting for a majority of the sector's total workforce (59%), as Table 19.15 shows. At the other end of the scale, there was a small number of large workplaces. The 30 workplaces with 50 or more employees accounted for 4,229 employees, an average of 141 each.

Table 19.15 Film and video production (SIC 9211) workplace size distribution (employees) for England, Wales and Scotland, 2006

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% total employees
1–10	7,349	97.2	11,385	59.0
11–49	183	2.4	3,675	19.1
50+	30	0.4	4,229	21.9
Total	**7,562**	**100.0**	**19,289**	**100.0**

Source: Annual Business Inquiry, ONS.

The distribution sector was not as concentrated in small workplaces as the production sector, with three-quarters of employees working in workplaces with 11 or more employees (Table 19.16).

Table 19.16 Film and video distribution (SIC 9212) workplace size distribution (employees) for England, Wales and Scotland, 2006

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% total employees
1–10	416	89.3	976	24.0
11+	50	10.7	3,099	76.0
Total	**466**	**100.0**	**4,075**	**100.0**

Source: Annual Business Inquiry, ONS.

Workplace numbers for bands above 11 employees cannot be published for confidentiality reasons (too few workplaces in the bands). 59% of distribution employees worked in workplaces of 50 employees or more. There was a small number of workplaces in the 200-plus employee size range.

Table 19.17 shows that the exhibition sector had a concentration that was the reverse of the production sector with 52% of employees in workplaces of 50 or more and only 4% in workplaces in the 1–10 employee band.

Table 19.17 Film exhibition (SIC 9213) workplace size distribution (employees) for England, Wales and Scotland, 2006

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% total employees
1–10	208	36.6	646	4.1
11–49	238	41.9	7,036	44.3
50+	122	21.5	8,205	51.6
Total	**568**	**100.0**	**15,887**	**100.0**

Source: Annual Business Inquiry, ONS.

Due to the 'disclosive' nature of workplace statistics reported for Northern Ireland (too few units in certain size bands), the three SIC categories have been combined under the SIC code of 921, as shown in Table 19.18. The latest available data are from the 2005 Census of Employment for Northern Ireland. Over half (57%) of the workplaces had less than 10 employees while 88% of the employees were in workplaces of 11 or more employees.

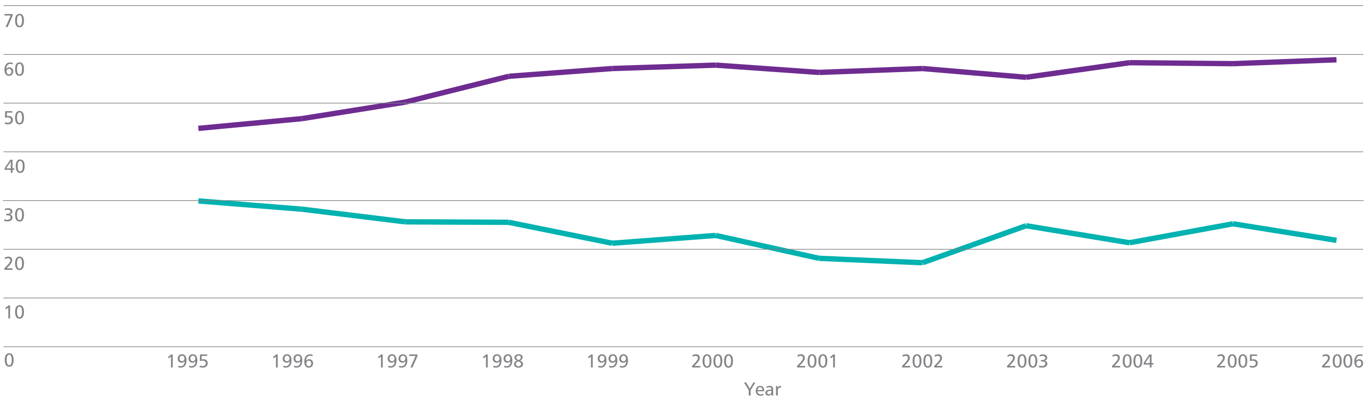
Table 19.18 Film and video industry (SIC 921) workplace size distribution (employees) for Northern Ireland, 2005

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% total employees
1-10	35	57.4	93	12.3
11+	26	42.6	664	87.7
Total	**61**	**100.0**	**757**	**100.0**

Source: Northern Ireland Census of Employment, Department of Enterprise, Trade and Investment (DETI).

The declining trend in the proportion of employment in workplaces with 50 or more employees in the film and video production sector (SIC 9211) in the early part of the last decade has been reversed in recent years. In contrast, the rapid growth in the proportion of employment in workplaces with 1–10 employees from 1995 has slowed and reached a level of just below 60% of the sector as a whole in 2006 (Figure 19.4).

Figure 19.4 Film and video production sector (SIC 9211) employees by workplace size band, percentage of total, 1995–2006

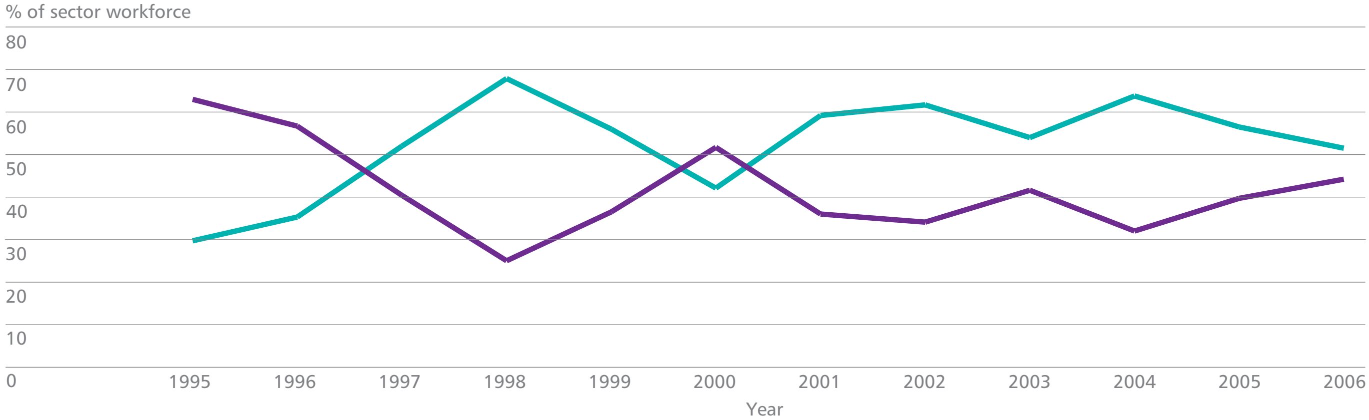


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1–10 employees	44.9	46.9	50.3	55.6	57.2	57.9	56.4	57.2	55.4	58.4	58.2	59.0
50+ employees	30.0	28.3	25.7	25.6	21.3	22.9	18.2	17.3	24.9	21.4	25.3	21.9

Source: Annual Business Inquiry, ONS.

In the exhibition sector the proportion of employees in the 50-plus category has experienced a dip from its gradual rise over the last decade, while the proportion in the 11–49 category has seen a revival since 2004, as shown in Figure 19.5. This reflects a growth in the number of medium-sized units.

Figure 19.5 Film exhibition sector (SIC 9213): employees by workplace size band, percentage of total, 1995–2006



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
11–49 employees	63.1	56.8	40.5	25.1	36.6	51.8	36.1	34.2	41.7	32.1	39.8	44.3
50+ employees	29.8	35.4	52.1	68.0	56.1	42.2	59.3	61.8	54.1	63.9	56.6	51.6

Source: Annual Business Inquiry, ONS.
Note:
These figures cover England, Wales and Scotland only.

La Vie en Rose, courtesy of Icon Film Distribution.

- For more information on film distribution, see chapter 8 (page 62)
- For details of the exhibition sector, see chapter 9 (page 66)
- For more background on film production, see chapter 15 (page 119)

Glossary

Asian programming

Films originating from South Asia, for example Bollywood, and generally, though not exclusively, aimed at a South Asian audience and in a South Asian language

BAFTA

British Academy of Film and Television Arts

BARB

Broadcasters' Audience Research Board Ltd. The company that compiles audience figures for UK television (www.barb.co.uk)

BBFC

British Board of Film Classification. Independent body responsible for classifying films and video (see Film certificate) (www.bbfc.org.uk)

Blu-Ray disc

An optical disc format that can store up to 50 Gb of data, almost six times the capacity of a dual layer DVD. It uses a short wavelength blue-violet laser to read and write information to disc

Box office

Total value of ticket sales for a film screened commercially at cinemas

Box office gross

Box office takings before deduction of Value Added Tax (VAT)

BVA

British Video Association. The trade body representing the interests of publishers and rights owners of pre-recorded home entertainment on video (www.bva.org.uk)

CAA

Cinema Advertising Association. The trade association of cinema advertising contractors operating in the UK and Republic of Ireland

Concession revenue

Revenue from sales of food, drink and merchandise at cinemas

Co-production

A film made by companies from more than one country, often under the terms of a bilateral co-production treaty or the European Convention on Cinematographic Co-Production

Country of origin

The nationality of a film. In the case of co-productions, this may include more than one country

DCMS

Department for Culture, Media and Sport. The central government department that sponsors the UK Film Council

Digital Cinema Initiatives

Digital Cinema Initiatives, LLC (DCI) was created in March 2002 and is a joint venture of Disney, Fox, Paramount, Sony Pictures Entertainment, Universal and Warner Bros Studios. Its primary purpose is to establish and document voluntary specifications for an open architecture for digital cinema that ensures a uniform and high level of technical performance, reliability and quality control (www.dcimovies.com)

DLP Cinema

The trademark of Texas Instruments' digital projection system. 'DLP' stands for 'digital light processing'

Digital projection

The projection of a film onto a cinema screen using a digital master and a digital projector, that is using electronic signals to direct light onto the screen rather than passing light through a celluloid strip

Digital terrestrial television

Multi-channel television delivered free to the consumer by means of a signal decoder between the aerial and the television set

Distributor

A person or company that acquires the right to exploit the commercial and creative values of a film in the theatrical, video and TV market. Also conducts the promotional and marketing activities necessary to win audiences for the film

Download

See 'Film download'

Download to Own (DTO)

The purchase of permanent film downloads for storage on hard drive, and in some cases to burn an additional copy to DVD

DVD

Digital versatile disc

Exhibitor

A cinema operator that rents a film from a distributor to show to a cinema audience

Feature film

A film made for cinema release, as opposed to a film made for television, and usually of at least 80 minutes duration

Film certificate

Classification given to a film by the British Board of Film Classification. Indicates the film's suitability for audiences according to their age

Film download

A digital version of a film transferred (either officially or unofficially) from the internet to a personal computer. In future, downloads may go directly to television sets via game consoles, internet protocol television or dedicated set-top boxes

Film rental

The sum of money paid to the distributor by the exhibitor in return for the right to show a particular film. Usually calculated as a percentage of net box office

Franchise

A film series such as *Harry Potter and the Philosopher's Stone* and its sequels

Gross Domestic Product (GDP)

A measure of a country's income and output. GDP is defined as the total market value of all final goods and services produced within the country in a given period of time. GDP is also the sum of the value added at each stage of the production process. 'Gross' refers to the fact that GDP includes capital investment but does not subtract depreciation

Genre

A style or category of film defined on the basis of common story and cinematic conventions (for example action, crime, romantic comedy, drama etc)

Government Office Regions

Classification of English regions used to establish the boundaries of the Regional Development Agencies and the Regional Screen Agencies

HD-DVD

High-definition digital versatile disc. A high-density optical disc format designed for the storage of data and high-definition video. Abandoned in February 2008 after Blu-Ray prevailed in the competition to become the next generation DVD format

Inward features

A term used by the UK Film Council to denote a film which is substantially financed and controlled from outside the UK and which is attracted to the UK by script requirements (eg locations) and/or the UK's film-making infrastructure and/or UK tax relief

ISBA TV Regions

System for classifying regions developed by the Incorporated Society of British Advertisers for use by the advertising industry

Mainstream programming

Category of films aimed at the general audience

Megaplex site

Defined by Dodona Research as a purpose-built cinema with 20 or more screens

Multi-channel television

Digital television programming carried by satellite, cable or freeview delivery systems, in this case excluding the five main network channels (BBC1, BBC2, ITV1, C4 and Five)

Multiplex site

Dodona Research defines a multiplex as a purpose-built cinema with five or more screens

Near-Video on Demand (nVoD)

A system which allows television viewers to purchase individual films to view. The film is shown at the same time to everyone ordering it, as opposed to true-video on demand, which allows the viewers to see the film at any time. Films can be purchased via an on-screen guide, automated telephone or customer services line. Also referred to as pay-per-view

Net box office

Box office takings after deduction of VAT

Online rental

Selecting and renting DVDs via a website for postal delivery

ONS

Office for National Statistics

Out of town cinema

Cinema located on the outskirts of a town, typically in a large shopping development

Pay-per-view

See Near-Video on Demand

Pay-TV

A satellite or cable television system in which viewers pay a subscription to access television content

Personal Video Recorder (PVR)

A digital set-top box with hard drive capable of storing large amounts of audio-visual content

Standard Industrial Classification (SIC)

A numbering system used by the Office for National Statistics to identify different industries in the UK's official statistics

Sites

Individual cinema premises

Socio-economic group

Section of the population defined by employment status

Specialised programming

Generally, non-mainstream films. This category includes foreign-language and sub-titled films, art-house productions and films aimed at niche audiences

Terrestrial television

The five main free-to-air channels: BBC1, BBC2, ITV1, Channel 4 and Five

Traditional cinema

A cinema generally with fewer than five screens and that shows more mainstream product. Often an older building located in city centres or suburbs

'UK and Republic of Ireland'

The distribution territory comprising the UK and Republic of Ireland. Where this publication indicates a film has been released 'in the UK and Republic of Ireland' it refers to the distribution territory and not necessarily to an actual release in both countries

UMD

Universal media disc. An optical disc medium developed by Sony for use on the PlayStation Portable

VHS

Video home system. Standard format for cassette tapes containing recorded films and other audio-visual content

Video on Demand (VoD)

A system that allows users to select and watch films on television at the time they want over an interactive network. The user can buy or rent films and download them before viewing starts or stream content to be viewed in real time

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Attentional
British Board of Film Classification (BBFC)
British Federation of Film Societies (BFFS)
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British Video Association (BVA)
Broadcasters' Audience Research Board Ltd (BARB)
Cinema Advertising Association (CAA)
Department for Culture Media and Sport (DCMS)
Dodona Research
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MRIB
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Nielsen Media Research
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