

Chartered Institute of
Management Accountants

CIMA



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Company background

You are a Financial Manager employed by Menteen Studios ('Menteen'), a company that makes feature films.

Menteen was founded in Beeland by Monty Ment, a famous theatre impresario, in 1936. The company quickly grew to dominate the European film industry. Menteen acquired other major studios as well as growing organically.

Menteen Studios is now the largest film making company in Europe. It produces and distributes films globally and owns a large library of film content.

Menteen is listed on the Beeland stock exchange. Beeland has adopted International Financial Reporting Standards (IFRS) and its currency is the B dollar (B\$).

The filmmaking process

1. Development

Major studios such as Menteen invest considerable time and money in the identification of potential ideas for films. The two main considerations are the potential audience for a film and the potential cost of producing it. There are also secondary considerations, such as the potential merits of the film as a piece of art and the possibility of recognition in terms of prizes such as the Academy Awards (otherwise known as the Oscars).

The artistic qualities of a film may have a bearing on its commercial possibilities. For example, some successful actors can be unwilling to act in a film unless they believe that it will be an interesting and challenging role. Some films are unlikely to attract an audience unless they feature suitably famous actors in the leading roles.

Film studios often invest heavily in intellectual property in order to create the scope for future film projects. For example, studios will often buy the film rights to popular books, plays and even video games. Those rights are generally options that give the studio the right, but not the obligation, to make the film within the period covered by the agreement. The owner of the copyright will receive a further payment, specified in the agreement, in the event that the film is actually made.

It can be difficult to predict the commercial success of a film. Costs can be difficult to budget, particularly when the film requires a lot of special effects or the transportation of a large film crew to a remote site, where they need to be supported and accommodated. Audience demand can be unpredictable. Some major films fail to attract audiences while others, produced on a small budget with unknown actors, are massive hits.

Major studios, including Menteen, use the 'comparables' approach to select projects for filming. They look at the costs and revenues for similar films that have already been released in order to determine the likelihood of success. A good example of this is the (possibly apocryphal) story that the film 'Alien' was pitched to a studio as 'Jaws in space'.

The responsibility for development lies with the producer. Senior studio executives will typically look at proposals from a number of producers before making a final decision as to which films will proceed to pre-production. Menteen's executive directors make the final decision as to whether a proposal is to proceed to pre-production.

2. Pre-production

During pre-production the producer hires the director, the cinematographer, the unit production manager, the designer and key cast members. The producer will also select locations for filming and finalise key documents, such as the final script, the production schedule and the budget.

More junior members of cast and crew tend to be recruited as and when required, perhaps using an agency during the production phase.

Menteen's executive directors conduct a final review of the budget, along with the other key elements of the project, before production starts.

3. Production

The production phase is when the film is actually shot. The producer will take care to ensure that the project stays within budget and on schedule. Timing is important, partly because delays almost inevitably involve additional costs and partly because cinemas and other potential exhibitors will have included the film in their own schedules.

4. Post-production

Post-production involves editing the raw footage and adding music and other elements. For example, many scenes will have been filmed more than once and a final decision has to be taken as to which version to use. There may also be decisions to make about whether to use every scene in full because a very long film may put off filmgoers.

The soundtrack is mixed and added to the film at this stage. Dialogue, sound effects and music are all recorded as a number of different tracks. This assists in balancing the audio correctly, with different tracks being added at a suitable volume and properly synchronised to the images. If necessary tracks can be replaced, most notably when a dialogue track is replaced with an alternative version in a different language.

5. Marketing and distribution

Aspects of marketing and distribution may run in parallel with production, post-production and even pre-production. Press coverage and publicity is managed in such a way as to create interest in the film and, hopefully, attract a larger audience once it is ready for distribution. Once the film is ready for launch there may be television and newspaper advertising. Other forms of publicity include having the film's stars appear on television talk shows to increase awareness.

The film may be launched at different times in different territories. This makes it possible to concentrate publicity efforts in a particular country in order to maximise the impact of the launch, before repeating the process at a later date in a different place. For example, films are often released in the US before they can be seen in Europe.

Films are generally aimed at the cinema, with the expectation that they will generate a healthy profit from box office receipts. Thereafter the films will be made available to premium satellite and cable television broadcasters before being released for sale on DVD. Low budget films, or films that attract very poor reviews from critics, are often released straight to DVD without ever being shown in cinemas.

Successful films are exploited through merchandising. Products are launched in order to capitalise on the publicity surrounding the film. For example, films aimed at children may be accompanied by a range of toys. Adults may be able to buy clothing and other items that are branded with the film's name or images. The studios will generally own the rights to all images and so can charge a royalty for their use.

6. Exhibition

This is the final stage, in which the film is actually shown in cinemas.

Key roles in filmmaking

The film industry has a complex network of professional guilds that protect the interests of those who work in the industry. In many respects, they are very similar to trade unions. For example, the Producers Guild of Beeland (PGB) lobbies for the interests of producers and requires the studios to employ its members as producers in their film projects. If a studio employed a non-member then it would face a possible boycott by all other members of the PGB and other projects could be disrupted. Similar bodies exist to protect other professions, including the Beeland Screen Actors Guild (BSAG) and the Beeland Screenwriters Guild (BSG).

These guilds have very specific rules concerning the accreditation of producers, directors, screenwriters and other professionals. They require the studios to show the names of those responsible for the production of the film in the credits appearing at the end of the film.

It is becoming increasingly common for those holding key production roles to be paid a share of the profits in lieu of part of their fee. Fees paid to actors, producers and other professionals are generally significant, partly because of the efforts of the various professional bodies. Given that the studio cannot be certain that the film will be a commercial success, the payment of a profit share restricts the downside in the event that the film's revenues are disappointing.

Producer

The producer controls the film throughout the whole process, from development to final distribution and has a very wide business and artistic remit. Once the project goes into production the producer will often delegate the film making to the other professionals.

The producer may be an employee of the studio, expected to sift through ideas and proposals to identify viable projects. Independent producers can also come to studios with specific ideas that they hope will be put into production.

Successful producers, whether employed or independent, may command substantial fees because they have a track record of delivering profitable films.

The PGB states that in order to earn producer credits, the producer must play a key role in each of the six stages of film production described above.

Director

The director is the person who actually makes the film, in the sense of visualising the story that the film will tell and providing the necessary direction to the various professionals responsible for acting and filming the action.

Directors are often famous celebrities in their own right and can command very large rewards from the studios.

Screenwriter

The screenwriter takes either an original idea or an existing novel or play and turns it into a working script for a film. That may, for example, involve enhancing the dialogue or providing other forms of guidance to the director and actors.

Screenwriting is an art in itself and the original author of a work that is being adapted for film may not possess the necessary skills to convert a book or other text into a workable script. The original author may, however, have the right to be consulted and to review the script before filming commences in case the author believes that the changes made by the screenwriter are unacceptable.

Actors

Many actors are global celebrities, whose names and faces are familiar to many. The actors who reach those heights are capable of earning very large fees and many actors have become wealthy because of their success in the film industry.

Leading actors are ranked according to their box office appeal. Many filmgoers are more interested in watching their favourite stars' performances than in the film's story. Producers may approach specific actors during the development phase of a project because they know that the studio's senior management will be more inclined to fund a film that has a star with significant box office appeal.

At the other end of the scale, many actors perform in supporting roles. Some have a few lines of dialogue while others may simply be extras who are employed to make crowd scenes more realistic. Acting may not be their full-time job, but they are motivated by a love of film-making, or by the belief that they may break through to bigger and better-paid roles.

There are agencies that supply studios with actors for relatively unimportant roles. For example, a studio may require 50 young people to act as students in a film set in a college.

Actors may have to audition for more prominent roles, perhaps involving a close-up shot and some dialogue.

Actors are represented by agents, who negotiate contracts in return for a percentage of their clients' earnings.

Composer

The musical score is often a major element of the enjoyment of a film. For example, the excitement of a car chase may be heightened by the music played in the background. It is often easier to have original music written for the film's soundtrack than to find existing pieces that blend in. Some composers specialise in film scores and they can command substantial fees.

Special effects

Special effects can take many forms, but essentially they involve creating an image or sound that would be either impossible or too costly to film live. For example, science fiction films often depend on special effects to portray space travel. Special effects can be less prominent, but just as vital, in other ways: a historical drama, for example, may require special effects to create the sights and sounds associated with a particular period.

Special effects can also be used in less obvious ways. For example, a crowd scene that would have required thousands of extras may be created using computer-generated imagery (CGI) in which the 'people' seen in the background of a shot are actually animations. For example, the following special effects have been budgeted for films that Mentee is about to put into production:

Film	CGI budget (B\$ million)	Comments
Dinosaur Crash 3	80	<p>The third and final film in a series. The first two films were praised for their realistic special effects.</p> <p>Dinosaur Crash 3 will feature several new species, all of which will require new models because they will move differently and will have different skin markings from the dinosaurs for which we already have models.</p> <p>This film is heavily dependent on CGI because almost every shot will have at least one CGI dinosaur.</p> <p>We plan to have one scene that will show a vast herd of dinosaurs grazing in a wooded area.</p>
Liner Rescue	35	<p>Liner Rescue is a sequel to Sea Rescue. It will show the rescue of passengers and crew from a luxury liner that is foundering in a huge storm.</p> <p>We will use a real liner to film some of the shots at sea, but will require CGI to show the ship in distress mid-ocean at the height of the storm.</p>
Poverty Row	15	<p>Poverty Row is set in Capital City in the early 1900s. There will be an opening scene in which the camera will appear to float through a deprived area, with crowded streets and apartment blocks in which the occupants are visible through the windows. The entire scene will be created using CGI because it would be impossibly expensive to create using backdrops and live actors.</p>
Space Disaster	30	<p>Space Disaster will be a science fiction tale of aliens whose spacecraft collide. The exterior shots of the craft in flight will be generated using CGI.</p>

Editor

The editor assembles the various shots that will be shown in the final film and puts them together in the correct sequence. The editor works closely with the director to tell the film's story to the best effect. For example, a scene might have been filmed from several different angles. The editor might cut backwards and forwards between different shots in order to create a dramatic effect or may simply choose one camera angle for the sake of simplicity.

The editor also has to consider the film's running time. It is common to exclude entire scenes that have been filmed on the basis that they are not vital to the story line and there is a risk that the audience will become bored if the film is too long.

The editor may also be asked to create different versions of the film to suit the local regulations and cultures in different potential markets. For example, some countries may have a low tolerance for nudity or violence and the editor may create a censored version accordingly.

Marketing a film

Films can generate revenues for studios for many years, if revenues from DVD and broadcasting royalties and licensing fees for merchandising are taken into account. However, box office ticket sales are the most visible measure of a film's commercial success. In other words, a film's merits are generally related to the number of cinema tickets sold.

Film marketing can involve a complex mix of elements, which can account for more than half of the film's production costs. It is common for as much as 90% of this amount to be committed before the film is shown in cinemas. While it is difficult to recoup these costs if the film is doing badly, studios sometimes capitalise on successful releases by increasing their advertising spend.

Film studios are turning to social media as a cost-effective means of promoting films. They attempt to stimulate interest in the film by posting comments and questions on sites and encouraging potential ticket buyers to pass on comments and messages so that they become viral and spread without any further intervention.

Finally, licensing is a major source of revenue and can also be a significant basis for developing awareness. As an example, fast food chains often pay significant amounts of money for the right to show images and film names on their packaging and also to manufacture inexpensive toys and games that can be given away as promotional gifts. Such arrangements usually involve large posters in the restaurants and they may also be featured in the restaurant's advertising, thereby creating further publicity for the film at no cost to the studio.

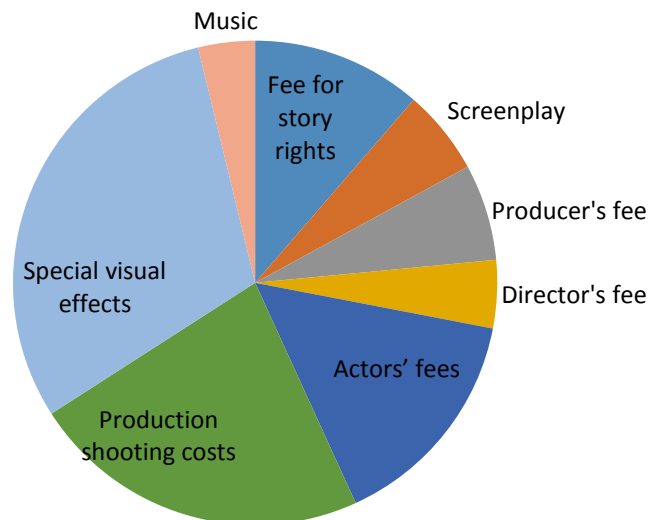
Typical cost breakdown for a major box office movie

The film industry splits the cost of making a film between production and marketing costs.

As an example, the production costs of producing Menteen's recent film 'One Weekend in Moscow' were as follows:

	B\$ million
Payment for story rights	30
Screenplay	15
Producer's fee	17
Director's fee	12
Actors' fees	40
Production and post-production costs	60
Special visual effects	80
Music	10
Total	264

'One Weekend in Moscow' - production costs

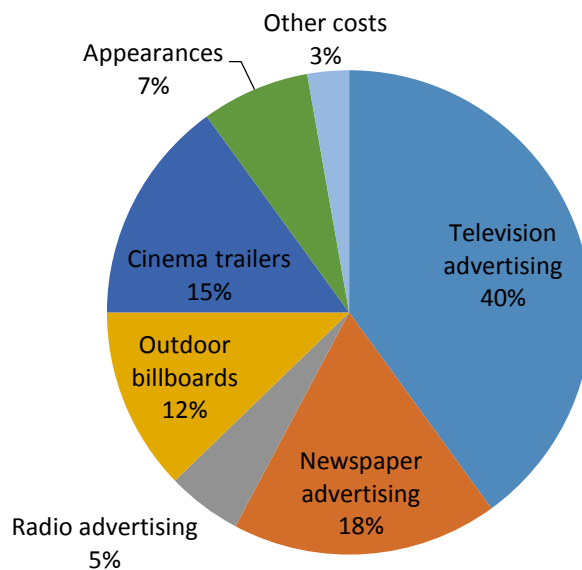


The actors' fees included B\$22m paid to the lead actor and B\$8m paid to his co-star.

A further B\$180m was spent on marketing the film:

	B\$ million
Television advertising	72
Newspaper advertising	32
Radio advertising	9
Outdoor billboards	22
Cinema trailers	27
Appearances	13
Other costs	5
	180

'One Weekend in Moscow' - marketing



The cost of appearances comprised the total cost of arranging for the film's stars to attend premieres in several of the countries in which the film was shown. While there, the stars were interviewed by print journalists and appeared on television in order to publicise the film.

'One Weekend in Moscow' generated B\$505m of box office revenues in Beeland and total box office revenues of B\$1,337m.

Distribution

In common with most large studios, Menteen has its own distribution company. Menteen Distribution is a wholly-owned subsidiary that acts as an intermediary between the film studio and the cinema chains that show its films.

The distribution company's role commences with securing interest from the cinemas, usually by arranging industry screenings so that cinema chains' buyers can gauge likely audience interest for themselves.

Most films are screened for between four and eight weeks, depending on how popular they are expected to be when the contract is being negotiated. Contracts usually offer scope for the initial period to be extended in the event that the film is more popular than expected.

The distribution company is responsible for negotiating a profit share with the cinema. Normally, an agreed sum is set aside for the cinema running costs and any ticket revenues over that amount is shared between the cinema and the distribution company in an agreed proportion. The distribution company normally has the right to audit ticket sales to ensure that the cinemas are not understating profits.

The distribution company is responsible for the logistics of ensuring that the cinemas have sufficient prints of the film to enable them to keep up with the agreed schedule of showings, although films are increasingly being distributed electronically, with many cinemas being equipped with digital projectors that can project digital copies and studios are pushing cinema owners to install this technology because of the significant costs associated with printing and distributing film.

The distribution company will also monitor cinema showings to ensure that the cinemas are offering the agreed numbers of seats and viewing times and handles the process of seeking a rating from the regulator in each country in which the film will be shown. For example, the UK and US are both large markets for films and their ratings are as follows:

UK	US	
U	G	Considered suitable for all viewers.
PG	PG	Parents should consider whether some content may be unsuitable for young children.
12A	PG-13	Parents should exercise caution because the film may be unsuitable for pre-teenage viewers.
15	R	In the UK only those aged 15 or over will be admitted. In the US those below the age of 18 may be admitted if accompanied by a parent or adult guardian.
18	NC-17	Only those aged 18 or over may be admitted.

These ratings can have a significant impact on revenues because they have the potential to limit audiences. For example, US box office revenues are generally 12% lower if the regulator applies an R rating instead of a PG-13. It is not uncommon for studios to edit films at this stage in order to remove scenes that are causing the regulator concern. For example, violent scenes may be edited to make them less graphic in the hope that the regulator may respond by reducing the rating.

The rating system is further complicated by the fact that each country has its own regulators and they can have different thresholds for applying higher ratings. So a film that is rated PG in the UK may be rated PG-13 in the US. That sometimes means that there are different versions of some films in different countries.

Menteen's films are made in English. In common with other major studios, it releases foreign language versions so that it can extend the potential audience. The two main ways to do this are by dubbing and subtitling. Dubbing involves translating the script into another language and having actors who are native speakers record their lines in an audio studio. The film's soundtrack is then remixed with the original English dialogue removed and replaced. Dubbing tends to be restricted to large markets for any given film. Subtitling leaves the original English dialogue unchanged but adds a written translation of what is being said across the bottom of the screen. Audience members have to read the translation while they watch the action.

Dubbing is expensive because of the need to hire good actors who can match the performances of the film's cast. It is a time-consuming process to record the audio to match the film. Cost considerations mean that dubbing tends to be restricted to large markets for any given film. Most of Menteen's films are dubbed into German, Italian, French and Spanish.

Subtitling leaves the original English dialogue unchanged but adds a written translation of what is being said across the bottom of the screen. Audience members have to read the translation while they watch the action. Menteen generally produces subtitled versions in 8 to 12 languages.



Distribution can take other forms. For example, studios often license their films to airlines, which use them as inflight entertainment on long-haul flights. Passengers have individual touchscreens that are either built into the back of the seat in front of them or unfold from

the arm rests of their seats. These screens are wired to a computer which permits passengers to select from a library of dozens of films, as well as television and audio programmes. The airlines pay a licence fee to show a mixture of new films and older classics. Sometimes passengers have the opportunity to watch films before they are released for cinema exhibition.

Studios continue to make money from films after they have reached the end of their cinema runs:

- Satellite and cable television companies pay to broadcast movies on their networks, either as part of their subscribers' viewing package or on a pay-per-view basis.
- Studios release films on DVDs for home viewing.
- Finally, films are broadcast on national television channels. Again the studio receives a fee for the licence to broadcast.

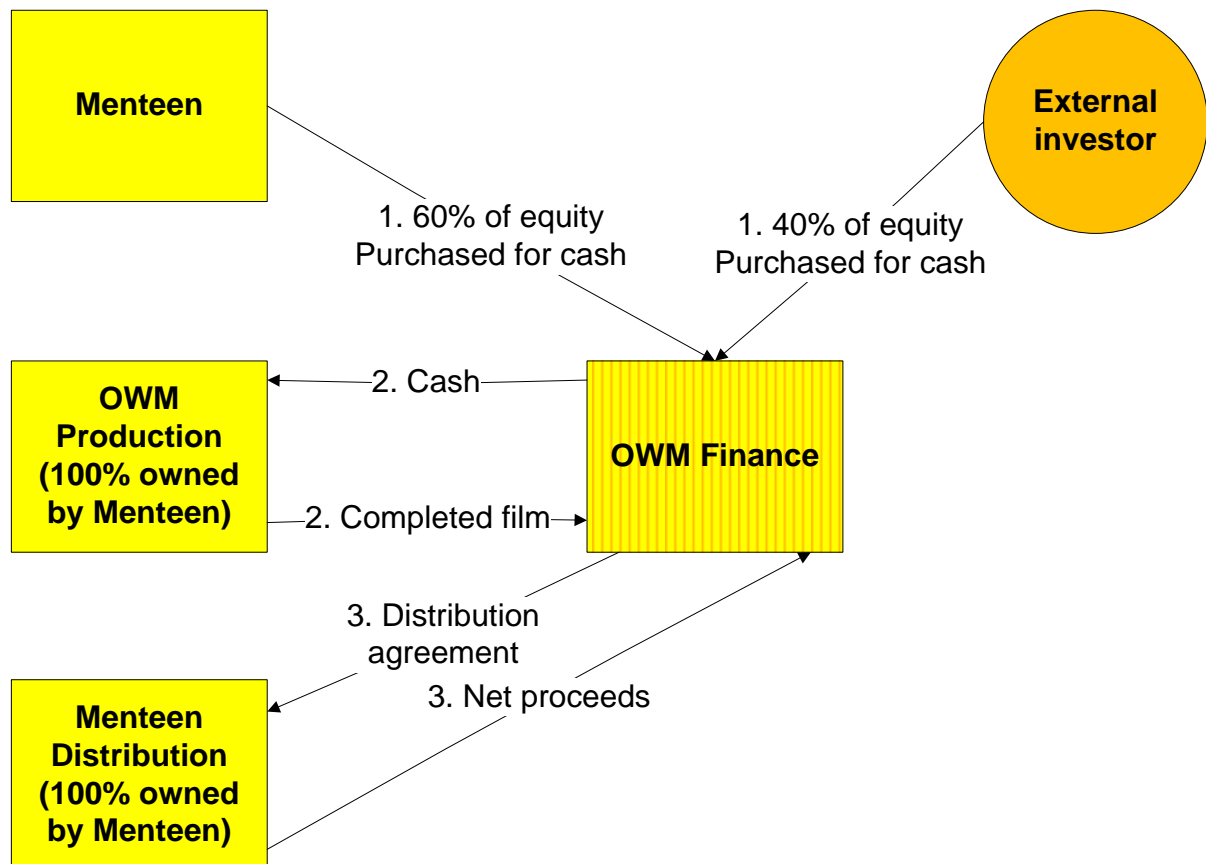
There are various physical and technological safeguards in place to enable the studios to control the distribution of films in different countries:

- The copies of films for cinema projection are carefully controlled and accounted for at all times. Digital films are often distributed on encrypted disk packs that are also carefully accounted for.
- Satellite and cable television broadcasts are generally restricted to a specific country through encryption of the broadcast signal. If a viewer from another country could access the signal it would be unintelligible because the decryption codes are country-specific.
- DVDs have regional codes, which mean that a DVD for viewing in, say, the US will not play on a DVD player or computer drive that is locked to play, say, European disks.
- National television broadcasts are generally too low-powered to be received far beyond their intended national borders.

Film financing

Studios often seek external finance in order to fund the significant costs associated with making a film. That is often achieved through the creation of companies that are established for a specific project.

For example, the production of 'One Weekend in Moscow' (OWM) was organised as follows:



Menteen created two companies to organise this project: OWM Finance and OWM Production.

OWM Finance was a funding vehicle. Menteen paid cash for 60% of the company's equity and an outside investor paid cash for the remaining 40%.

Menteen also established OWM Production as a wholly owned subsidiary. OWM Finance paid OWM Production the cost price of creating the film, ownership of which remained with OWM Finance.

Once the film was completed, Menteen Distribution handled the distribution and remitted the net proceeds to OWM Finance. Those proceeds were used to pay dividends to Menteen and the external investor.

Menteen's Board of Directors

Executive Directors



Stephen Callaghan

Stephen has served on our board since 1994 and has been Chief Executive Officer (CEO) since 2013. Stephen is a financial specialist who previously worked for a major hedge fund.



Isabel Anderson

Isabel has been Finance Director since 2014. She is a professionally qualified accountant. Her previous experience included several years working within the television industry.



Anton Chan

Anton has been Director of Distribution since 2009. He joined Menteen from a major competitor.



Ella Lavizani

Ella is a qualified lawyer who has been a director of Menteen since 2007.



Eugene Banerjee

Eugene has joined the board this year. Eugene has enjoyed a highly successful career in the film industry and is a well-known and respected script writer.

Non-Executive Directors



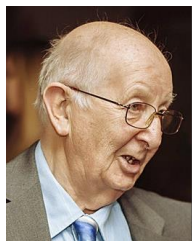
Alexi Ukachi

Alexi has been Mentee's chairman since 2009. He is well known in the industry for his innovative work with computer generated imaging.



Nimrod Hernando

Nimrod has been a non-executive director since 2014. He also runs a charitable arts foundation.



Leonard Marshall

Leonard joined Mentee's board this year as a non-executive director following his retirement from partnership in a leading law firm.



Howell Carson

Howell has been a Non-Executive Director since 2012. He had a successful career as a film director and joined Mentee's board after retiring from film making.

Extracts from Menteen's annual report

Consolidated statement of profit or loss

For the year ended 31 December

	2016	2015
	B\$ million	B\$ million
Revenues	2,611	2,804
Expenses		
Direct operating expenses	(1,417)	(1,477)
Distribution and marketing	(644)	(689)
Administration	(236)	(241)
Depreciation and amortisation	(8)	(8)
Total expenses	(2,305)	(2,415)
Operating profit	306	389
Finance costs	(40)	(48)
Profit before tax	266	341
Tax	(34)	(36)
Profit for year	232	305

Consolidated statement of financial position

As at 31 December

	2016	2015
	B\$ million	B\$ million
<u>Non-current assets</u>		
Investment in films	1,429	1,276
Property, plant and equipment	28	23
Goodwill	330	330
	<u>1,787</u>	<u>1,629</u>
 <u>Current assets</u>		
Receivables	874	867
Bank	98	94
	<u>972</u>	<u>961</u>
 Total assets	<u><u>2,759</u></u>	<u><u>2,590</u></u>
 Equity shares	800	800
Retained earnings	400	297
	<u>1,200</u>	<u>1,097</u>
 Loans	350	340
Payables	311	306
Film obligations and production loans	620	584
Deferred revenue	278	263
	<u>1,559</u>	<u>1,493</u>
	<u><u>2,759</u></u>	<u><u>2,590</u></u>

Risk analysis

Foreign exchange risk

Menteen carries out business in various countries, resulting in exposure to movements in foreign currency exchange rates when translating into the B\$. We use forward contracts to hedge this risk.

Interest rate risk

Menteen's interest expense is exposed to movements in interest rates. We do not hedge this risk.

Business risk

There is a risk that with the closure of cinemas due to the popularity of downloading films, people are waiting for DVDs or downloads to become available, films will lose money at the box offices.

Financial risk

It is becoming harder to get external funding to make new films, it may result in us being unable to make so many films every year.

Overrunning is a major risk as most films are behind schedule. The costs are considerable when films overrun.

Market risk

Shares move in reaction to Box Office figures, if our box office takings fall so does our share price.

SWOT analysis

The following analysis has been prepared by a leading management consultancy on behalf of Menteen's board.

	Favourable	Unfavourable
	Strengths	Weaknesses
Internal	<p>Strong, well recognised brand.</p> <p>High level of professional and artistic expertise.</p> <p>Ownership of valuable film library appealing to a variety of demographics.</p> <p>Good relationship with key professionals such as writers and directors.</p> <p>Good relationship with leading actors.</p> <p>Good distribution network.</p>	<p>Difficulty in selecting which films are made.</p> <p>Limited internal funding for new major films.</p> <p>Significant numbers of films in progress overrun, which is very costly.</p> <p>Difficulty in tracking costs, this is common to all film companies.</p>
	Opportunities	Threats
External	<p>Growing markets for cinema attendance.</p> <p>Growing markets for alternative methods of product delivery such as downloads.</p> <p>Major growth potential in overseas markets.</p>	<p>Illegal film piracy and illegal downloading.</p> <p>Unpredictable audience numbers.</p> <p>Improvements in home cinema technology.</p> <p>Difficulty in predicting success of new films means high risk of expensive commercial failures.</p> <p>Limited backers available for major new films.</p> <p>High marketing spend by competitors.</p> <p>Audiences migrating to lower cost options such watching films online.</p>

Press coverage

Business Recorder

10 January 2017 | No. 381

B\$1.90

Beeland Cinema Attendances Continue to Rise

Randall McNeil, Reporter

Going to the cinema was the main form of entertainment in Beeland in the 1930s and 1940s. There were few other forms of entertainment, no internet and no television. Few people had cars, but many could walk to a local cinema.

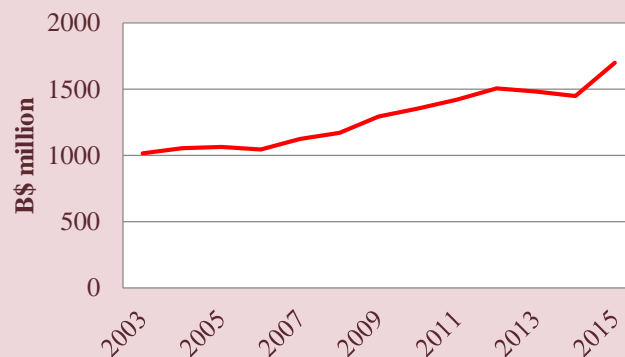
As people began to have televisions in their homes during the 1960s, cinema attendance started to fall sharply. They could watch films or other programmes at home, without the cost of a cinema ticket. Growth in car ownership made more entertainment choices available.

Then in the 1970s, the growth the video rental saw cinema attendance fall further, to a low point in the 1980s. Renting a film on video was much cheaper than visiting the cinema. It appeared at this point that the film rental sector would thrive and traditional cinemas all but die out.

Unexpectedly, the opposite has happened, cinema attendances have recovered, and the video rental market fallen as people can now download films from the internet. Although visiting the cinema costs more than downloading a film to watch at home, an evening at the cinema is cheaper than many other forms of entertainment, such as live theatre or concerts. Visiting the cinema can provide a welcome break from emails and other interruptions and improvements in technology, such as 3D screens, mean that the visual impact of a film can be much greater in a cinema than at home.

The overall movie market has also increased, with DVD sales and online film downloads increasing more rapidly than cinema attendance.

Beeland cinema revenues



HI THERE! – THE SHOWBIZ MAGAZINE – DECEMBER 2016

The star business - who's rising high and who's plummeting back to earth?

Here at Hi There! magazine we take our celebrities seriously. And once a year we do our famous roundup of who's in and who's out in the multi-billion-dollar business of making movies. So you can read below about our top 10 bankable stars, and if you want to look at the top 100, just go to our website. Before we show you who's hot and who's not, let's start by looking at how our jury of industry insiders decided on this year's results.

Firstly, we looked at **box office results**, both here in Beeland and internationally. We looked at the average box office takings of all the actor's work over the last 5 years, and applied a penalty percentage if they hadn't appeared in anything for the last year. We only counted starring or major roles.

Public opinion. We showed members of the film-going public photos of actors. If the actor wasn't identified correctly, a penalty percentage was applied. If they were recognised, we asked if the public liked them or not.

Social media. We looked at number of mentions of each star every day on Twitter over the last 6 months.

Expert views. We averaged the ratings given by professional film critics to the actor's work over the last 5 years and asked a secret jury of insiders whether or not they would hire this actor. We gave a lot of weight to that – the right actor in a starring role can just about guarantee box office success. The wrong one can see a film sink like a stone. And we called up our friends at celebrity magazines and websites to ask how interested, on a scale of 1 to 10, their readers are in our stars.

And finally – **awards**. Oscars, National Film Awards, BAFTAs...

After all that hard work, here you are – the 10 most bankable stars to watch out for in 2017:

Holding onto the number 10 spot from last year is **Justin Fletcher**. A likeable man, reliable lead in many family dramas and comedies. Christmas wouldn't be Christmas without one of his cheesy feel-good films. Always plays a cheerful bumbling accident-prone family man, but industry insiders tell us that in reality he's sharp as a tack and building up an impressive multi-million-dollar property empire on the back of his box office successes.

Not even in the top 50 last year but in at number 9 is **Harsh Jab**. Harsh

has made an impressive switch from rap music to films, not only starring in two blockbusters this year but also writing, producing and directing. Having some cool friends to co-star with him didn't hurt either, but he shows signs of being a serious new talent and is definitely one to watch.

Number 8, **Stan Kowalski**. Definitely moving in the wrong direction, he was our last year's number 2 star. No box office failures this year although 'Autumn Blues' was a little disappointing. But his fall from grace has been caused by a massive drop in his likeability factor, after those revelations about his many relationships with co-stars, makeup artists, hair stylists, drivers... his wife Julie was one of the best-loved pop princesses of all time, so this was bound to affect how we look at him. But they do say there's no such thing as bad publicity, maybe he'll bounce back next year.

At number 7 is old wrinkle-face himself, **Gino DeLuca**. Despite being well into his sixties, Gino can still sell an impressive number of cinema tickets just by bringing his unique mix of charm and menace to a film. One of the few actors who has successfully switched from serious theatre to cinema, we hear that he insists on having his artistic viewpoint considered by the director, but is always a perfect gentleman.

Missy Cochrane is our highest-placed lady at number 6 and the only female to make it to the top 10. It appears that female stars still don't have quite the box office impact of their male colleagues. Missy had a massive success this year with 'Under London Bridge', winning an Oscar, impressing the creative team behind the film, and rising a well-deserved three places up our rankings.

Number 5, **Ken Scott**, star of the massively successful 'Moonstorm' series of fantasy horror films. Rumour has it that he intends to quit this year after finishing 'Moonstorm 10 – Beyond the Forest' and try his luck behind the camera instead of in front of it with a directorial debut. Since he has fallen two places this year this maybe a good call – the 'Moonstorm' franchise has been monstrously good, but perhaps lost its innovation and freshness over the last film or two.

Showing it can be done away from the big screen, rising two places to number 4 is **Ming Fletcher**, improving his rankings despite only appearing in TV programmes for the last 18 months, with no cinema output at all. As budgets for big TV projects rise, will others start to join him, or is his success a unique product of his massive acting talent, impressively toned body and handsome face? Once again our reader's choice for 'star they'd like to meet in a bar'.

At number 3 is **Daryl Foggarty**, who doesn't just make films, he stars in his own chat show, writes scripts, presents awards, and sings with his own band just for fun. Reportedly not popular with co-stars and film crews, but famous for his impressively professional attitude and

phenomenal work rate. Apparently hasn't had a holiday for three years. Don't burn yourself out Daryl...

Number 2 is everyone's mum's favourite, **Lee Carlisle**. Lee made the tricky transition from child performer to serious adult actor with remarkable ease, showing real talent whilst retaining some of the cheeky charm that first got him noticed in the business. Aged only 23, his rise to number 2 on our chart is a great achievement, and Lee has the potential for a stellar career, maybe making that top spot in a few years' time if he manages to keep his notorious partying from interfering with his work. Rumours that he was frequently late and less than sober on set during the filming of 'The Town House' are causing industry insiders concern.

And finally, no surprise about the number 1 for the third year running, star of the most successful spy films ever made, **Tony Adams**. With the most recognisable face in films, and a thoroughly professional reputation, we can't see Tony being knocked off the top spot any time soon. And the best news is, he has agreed to an interview in next month's edition of Hi There! and to let us take exclusive photos of him and his lovely family on board his new yacht. Something for us all to look forward to.

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'Runaway' is a runaway success

'Runaway', Justin Fletcher's latest film, opened in cinemas this week to an enthusiastic response. The first weekend's box office takings came to more than B\$8m.

A spokesperson for Menteen Studios, who produced the film, commented that they were very surprised because comedy films such as 'Runaway' rarely attract such a huge initial interest.

Most of the major cinema operators have already extended their runs for this film and there are rumours that a sequel, 'Runaway 2', is under discussion.

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