

## British film certification, Q1 2012

BFI Research and Statistics Unit

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A total of 43 British films received final certification in Q1 2012, just two fewer than in Q1 2011. The majority (41 of the 43) of the finally certified films in Q1 2012 were Cultural Test films (Table 1).

The total production budget for Q1 2012 final Cultural Test certifications was £144.8 million, compared with £253.3 million in the first quarter of 2011 and £363.5 million in Q1 2010. Note that these data are for final certifications, so include films produced over the previous one to three years.<sup>1</sup> Cultural Test films include high budget UK/USA films as well as low budget UK films, so the aggregate budget is influenced by the number and timing of inward investment UK/USA productions. In Q1 2012, UK spend for finally certified Cultural Test films was 88% of total budget, up from 73% in 2011. Significant titles receiving final certification in Q1 2012 included *The Best Exotic Marigold Hotel*, *The Iron Lady*, *Johnny English Reborn*, *War Horse* and *The Woman in Black*

**Table 1: Final Certifications, Q1 2007 to Q1 2012**

Type of certification		Q1 2007	Q1 2008	Q1 2009	Q1 2010	Q1 2011	Q1 2012
Cultural Test	Number	32	16	31	38	40	41
	UK spend £m	77.8	130.8	107.2	340.7	184.5	127.4
	Total budget £m	92.0	250.9	144.6	363.5	253.3	144.8
	UK spend as % of budget	84.6%	52.1%	74.1%	93.7%	72.8%	88.0%
Co-production	Number	31	1	1	6	5	2
	UK spend £m	75.7	*	*	23.2	21.0	*
	Total budget £m	222.2	*	*	50.1	35.3	*
	UK spend as % of total budget	34.1%	*	*	46.3%	59.6%	*
<b>All types</b>	<b>Number</b>	<b>63</b>	<b>17</b>	<b>32</b>	<b>44</b>	<b>45</b>	<b>43</b>
	<b>UK spend £m</b>	<b>153.5</b>	<b>*</b>	<b>*</b>	<b>363.9</b>	<b>205.5</b>	<b>*</b>
	<b>Total production budget £m</b>	<b>314.2</b>	<b>*</b>	<b>*</b>	<b>413.6</b>	<b>288.6</b>	<b>*</b>
	<b>UK spend as % of total budget</b>	<b>48.8%</b>	<b>*</b>	<b>*</b>	<b>88.0%</b>	<b>71.2%</b>	<b>*</b>

Source: BFI

'Total Budget' in the case of Cultural Test films is the sum of production activity in the UK and production activity outside the UK; in the case of Co-productions it is the sum of investments made by all participating countries in the film.

Q1 is the first calendar quarter of the year, ie 1 January to 31 March.

\* Fields marked with an asterisk have been suppressed to avoid disclosing budget data for individual titles.

<sup>1</sup> The latest production statistics are published separately in *Film Production in the UK – Q1 2012*.

Interim certifications give an indication of the future level of official UK film production. Table 2 shows the numbers, UK spend and production value of British films receiving interim certification in Q1 2007 to Q1 2012. The number of interim-certified Cultural Test films rose to 49 (41 in Q1 2011) while the number of interim-certified official Co-productions decreased by one from 6 to 5.

The expected UK spend of interim-certified Cultural Test was £197.2 million in Q1 2012 (compared with £63.1 million in Q1 2011), the highest UK spend in Q1 over the period included in the Table. The expected UK spend for interim certified Co-productions, at £28 million, was also the highest of the years shown in the Table, and was almost three times as high as the figure for Q1 2011. UK spend for all certifications was £225.2 million in Q1 2012, compared with £73.5 million in Q1 2011 and £168.5 million in Q1 2010. However, UK spend as a percentage of the budget (49.4%) was the lowest for all years shown in the Table.

Under the publication rules agreed between the Department for Culture, Media and Sport (DCMS) and the Certification Unit, titles of films being certified are not released until they receive their final certification.

**Table 2: Interim Certifications, Q1 2007 to Q1 2012**

Type of certification		Q1 2007	Q1 2008	Q1 2009	Q1 2010	Q1 2011	Q1 2012
Cultural Test	Number	16	28	26	31	41	49
	UK spend £m	140.8	100.0	33.8	158.2	63.1	197.2
	Total budget £m	251.8	153.8	38.0	189.1	75.4	410.0
	UK spend as % of budget	55.9%	65.0%	89.0%	83.6%	83.7%	48.1%
Co-production	Number	5	5	4	7	6	5
	UK spend £m	8.1	16.0	9.7	10.3	10.4	28.0
	Total budget £m	20.1	33.4	17.4	20.8	24.0	45.7
	UK spend as % of total budget	40.5%	47.9%	55.6%	49.7%	43.2%	61.3%
<b>All types</b>	<b>Number</b>	<b>21</b>	<b>33</b>	<b>30</b>	<b>38</b>	<b>47</b>	<b>54</b>
	<b>UK spend £m</b>	<b>148.9</b>	<b>116.1</b>	<b>43.5</b>	<b>168.5</b>	<b>73.5</b>	<b>225.2</b>
	<b>Total production budget £m</b>	<b>271.9</b>	<b>187.3</b>	<b>55.4</b>	<b>209.9</b>	<b>99.4</b>	<b>455.7</b>
	<b>UK spend as % of total budget</b>	<b>54.8%</b>	<b>62.0%</b>	<b>78.5%</b>	<b>80.3%</b>	<b>73.9%</b>	<b>49.4%</b>

Source: BFI

'Total Budget' in the case of Cultural Test films is the sum of production activity in the UK and production activity outside the UK; in the case of Co-productions it is the sum of investments made by all participating countries in the film.

## Budgets

Table 3 shows the median budget of interim Co-productions since 2003, and Table 4 shows the median budget of interim Cultural Test certifications since 2007. In Q1 2012 the median budget of Co-productions receiving interim certification was £5.2 million, the highest of the period, and £3 million higher than the figure for 2011. This shows a different pattern from recent years as from 2006 to 2011 there had been a downward trend in median budgets.

**Table 3: Median budgets of interim Co-production certifications**

Year	Median budget £m
2003	4.3
2004	4.2
2005	4.0
2006	5.1
2007	3.7
2008	4.7
2009	3.5
2010	3.7
2011	2.3
Q1 2012	5.2

Source: BFI

The 'median' is the middle value, i.e. half the productions have higher budgets than the median; the other half have lower budgets.

The median budgets of interim Cultural Test certifications are generally lower than those of Co-productions. The median budget in Q1 2012, at £0.9 million, was the same as for all 2011 interim Cultural Test certified films, but lower than median budgets for Cultural Test certifications for earlier years.

**Table 4: Median budgets of interim Cultural Test certifications**

Year	Median budget £m
2007	1.8
2008	1.5
2009	1.1
2010	1.0
2011	0.9
Q1 2012	0.9

Source: BFI

Interim Cultural Test certifications have only been issued since 2007, when the new film tax relief came into effect.

The 'median' is the middle value, i.e. half the productions have higher budgets than the median; the other half have lower budgets.

## Co-production agreements

In Q1 2012, one of the two final Co-production certifications was under the UK-Canada agreement and the other was under the UK-South Africa agreement.

Of the five interim Co-production certifications, three were under the European Convention, one was under the UK-Canada agreement and one under the UK-Israel agreement.

## **Technical notes:**

### **1. British film certification statistics collected and reported by the BFI**

The British film certification statistics in this report are based on data collected from the BFI's Certification Unit and the Department for Culture, Media and Sport (DCMS). The data reported are all British films certified in the reference period, not a sample.

The BFI Certification Unit assesses all British film certification applications on behalf of the DCMS and makes recommendations to the Secretary of State who signs off the certificates. The certificates are then issued by the BFI Certification Unit.

Figures shown in the tables are for British films certified during the reference periods shown. Certification may occur some time after both the production and theatrical release of the film.

Figures for Cultural Test film certification include certificates issued under the old production costs test, transitional Cultural Test (32 points) and the Cultural Test (31 points).

Interim certification (applicable to Cultural Test films from January 2007) is not a pre-requisite for receiving final certification under the Cultural Test. Some films receive their final certification without having received an interim certificate.

### **2. Definitions**

**Cultural Test films** are British films certified under the Cultural Test of Schedule 1 to the Films Act 1985. To qualify under this definition, films commencing principal photography on or after 1 January 2007 must pass a UK Cultural Test awarding points for UK elements in the story, setting and characters and for where and by whom the film was made.

On the basis of recommendations made by the BFI, the Secretary of State grants interim approval prior to the completion of the film to those films that meet the criteria and 'final certification' once the film has been completed and final documents submitted.

**Official UK Co-productions** are British films certified under one of the UK's official Co-production agreements or the European Convention on Cinematographic Co-production. 'Interim approval' is granted prior to the start of principal photography to films that meet the criteria and 'final certification' once the film has been completed and final documents submitted. Films made as official Co-productions are not required to pass the Cultural Test for British film.

For full details of the Cultural Test and other information on British film certification see <http://www.bfi.org.uk/about/qualifying>.

**UK spend** is the value of production activities in the UK for Cultural Test films and UK expenditure for Co-productions. The UK expenditure for Co-productions may include some expenditure on UK goods and services which takes place outside the UK.

**Total production value** is the sum of total budget for Cultural Test films and total investment for UK Co-productions.

**Total investment** (in relation to Co-productions) is the sum of each participating country's investment in the Co-production and approximates the production budget.

### **3. Revisions**

As the status and certification dates of individual films may change as a result of changing circumstances, the numbers published in this release are subject to revision. Each release in this series includes revisions of previous quarters, so the latest release should be referred to as the most accurate summation available of the certification numbers.

### **Pre-release Access**

This release has been prepared according to the Code of Practice for Official Statistics published by the UK Statistics Authority. Pre-release access has been granted to the following:

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