Film in the UK: A Briefing Paper

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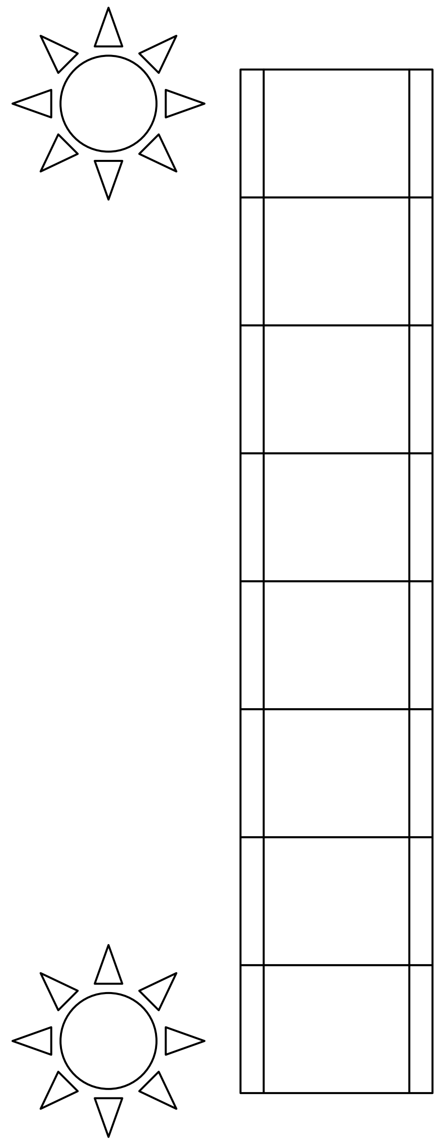

UK Film Council
Research and Statistics Unit
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Executive summary

This paper is intended as a regularly updatable summary of the key facts about the UK film sector for people involved in public policy work. It complements the UK Film Council Statistical Yearbook, http://www.ukfilmcouncil.org.uk/yearbook. For additional information see the research section on the UK Film Council web site http://www.ukfilmcouncil.org.uk/research or contact the UK Film Council Research and Statistics Unit at rsu@ukfilmcouncil.org.uk.

The UK film economy

- There are a number of different ways to measure the contribution of the film industry to UK GDP. On the narrowest measure (the direct contribution to GDP by film exhibition, distribution and production) the ONS estimate for 2007 was £2.5 billion (0.2% of UK GDP). On the broadest measure, including inputs to film from supplier industries, the contribution in 2006 was estimated to be £5.3 billion, or 0.46% of UK GDP. (See page 12 for further discussion of these measures).

- The principal strength of the UK film industry is the depth of its production sector and skills base. The industry is well established in a number of key clusters (mainly in London and the South East, especially Soho in central London, but also in urban centres around the country) and has world-class people working in all areas of production and technical skills. On the talent side, the UK has a significant number of star actors and internationally-renowned directors and producers.

Employment

- The UK film industry (comprising production, distribution and exhibition) employed around 35,400 people in 2008.

- The film workforce has shown grown since 1996, increasing by 13% compared with an increase in the overall UK workforce of 14%.

Exports

- In 2007 the film industry earned £1,050 million in export income from film rights and film production services, and achieved a trade surplus with the rest of the world of £232 million.

- Over the period 2003-07, the US was the largest market for UK film exports, taking 51% of exports, followed by Europe with 31%.

UK filmed entertainment market

- In 2008 the UK had the third largest filmed entertainment market in the world, after the USA and Japan, valued at US$6.5 billion (“filmed entertainment” here includes box office receipts, home DVD and VHS rental and retail, and online download revenues).

- Sell-through DVD and VHS (i.e. available through retail sale) was the largest single revenue source for film in the UK market, accounting for 39% of total film revenues in 2008.

- The UK film market has been on a plateau in recent years with theatrical revenues peaking in real terms in 2002, DVD/video revenues peaking in 2004 and TV revenues in 2003.

- There are a number of possible reasons for the plateau in film revenues, including:

    - Reduced prices for DVDs combined with saturation of the DVD back catalogue market;
    - Stronger competition from other industries (e.g. new media) for consumer time and money;
    - Piracy, which accounted for around £404 million in lost revenues in 2007 (the loss to theatrical box office was equivalent to around 11% of the annual total, while the loss to retail DVD sales stood at 11%).

- In nominal terms, UK film revenues grew in 2008 by around 2%, suggesting that film is a recession-resistant industry. This accords with evidence from previous recessions since 1970.

Film production in the UK

- In 2008, the UK was the eleventh largest producer of films in the world in terms of the number of films made, and fifth when looking at production spend (behind the USA, Japan, France and Germany).

- In 2008, 111 films (with budgets of £500k+) were produced in whole or part in the UK with a combined UK production spend of over £578 million.

- Inward investment features, mainly involving US studios, accounted for 58% of the total production spend.

- Sixty six UK domestic films and twenty UK co-productions were made in 2008. The median budget for a domestic UK production was £1.7 million in 2008, compared to £17.2 million for single country inward features.

- Over 21,000 people were employed in film and video production in 2008, making it the largest sector by employment in the industry.

- Film production in the UK is centred on London with clusters of production companies, visual effects and post-production houses and film financiers in Soho and other parts the West End and studios in the outer suburbs to the west and north.

- Outside London there are centres of film production in Central Scotland, Cardiff, Manchester, Liverpool, Bristol and Nottingham, and all regions host location shoots to a greater or lesser extent (e.g. *Harry Potter* at Alnwick Castle in Northumberland).

Theatrical distribution in the UK

- The distribution sector is responsible for the reproduction and delivery to cinemas of thousands of film prints and in 2008 spent £172 million on advertising the 527 films released that year.

- The sector employed 2,751 people in 2008, mostly based in London and the South East.

- There were 164 million cinema admissions in the UK in 2008, generating £850 million in gross box office receipts, making the UK the sixth largest theatrical market in the world based on admissions and the fifth largest by box office (after the USA, India, Japan and France).

- A total of 92 distribution companies released at least one film theatrically in the UK in 2008. The top ten distributors, led by UK-based subsidiaries of US studios, had a 95% share of the theatrical market in 2008.

- The largest UK-owned distributor, Entertainment, had 7.9% of the market, with a box office gross of nearly £76 million.

The UK exhibition sector

- Exhibition is a multimillion-pound business in the UK, with exhibitor revenues totalling £1,084 million in 2008, including income from concessions (e.g. drink and confectionary sales) of around £273 million and advertising revenue of £195 million.

- Private equity firms own the two largest exhibition chains: Terra Firma (Odeon) and The Blackstone Group (Cineworld), which between them operated 1,592 screens in 2008, 44% of the UK total.

- The commercial exhibition sector is a significant employer, with over 11,550 people in 2008, an increase of 11% since 1996.

- The UK had 3,610 screens in total in 2008, in 726 cinemas, equivalent to almost 6 screens per 100,000 people. This screen density is lower than in countries like the US (12.7), Australia (9.4), Spain (9.1), France (8.8) and Italy (7.1).

- The majority of screens (74%) were found in multiplex cinemas (purpose built venues with five or more screens). These tend to programme mainstream films and as a consequence only 7% of UK screens were dedicated to showing more specialised films.

- City Screen is the largest chain of cinemas to regularly programme specialised films, through its Picturehouse cinemas. In 2008 it operated 51 screens around the UK.

- London had the highest number of screens overall (15% of the UK total), followed by the South East and the North West.

- At the regional level, cinema admissions are not evenly spread across the UK. High-density population areas like London, the Midlands and Lancashire accounted for half of all UK admissions in 2008.

- The UK topped the list of European countries with high-end digital screens in 2008, with 310 active screens (one in five of the European total).

- In the non-theatrical sector there were 381 community film societies active in 2008, and a further 72 societies operating in higher education institutions. In addition, 199 local authority-run mixed arts venues screened films in 2008.

DVD, television and VoD

- Revenues from TV and DVD/VHS are significantly higher than theatrical income. In 2008, revenues for films on TV (of just over £1 billion) were greater than theatrical revenues (£850 million), and revenues from film DVD/VHS (£1.7 billion) were twice the size of theatrical earnings.

- Home viewing on video is now almost entirely in DVD format, which accounts for 98% of retail sales. VHS is now all but obsolete and the new generation of high definition DVDs (Blu-ray) are becoming more readily available (accounting for 1.5% of retail sales in 2008).

- Around 86% of UK households own a DVD player, up from 25% in 2001.

- The film DVD rental market was worth £219 million in 2008. The retail film DVD market saw sales totalling £1.5 billion in 2008, and UK films accounted for around 24% of sales.

- *Screen Digest* estimates that the combined value of the TV-based VoD and nVoD and internet-based market was worth £120 million in 2008, roughly 3% of the total UK filmed entertainment market.

The cultural impact of film

- The cultural impact of film in the UK is extremely significant. From its invention at the end of the nineteenth century, cinema has grown to become the most sophisticated medium of visual story telling of the present age.

- Cinema going is also one of the most popular forms of cultural activity in Britain. In 2008, 60% of the population said they went to the cinema at least once a year, and 18% went once a month or more.

- By engaging with universal human themes, stories told on film help us to understand and reflect on our experiences and our individual and collective decisions. They also introduce us to images, sounds and experiences we might not otherwise engage with.

- Film gives us a window on the world, immersing audiences in other cultures and other national and community experiences.

- Of the top 200 grossing films released worldwide between 2001 and 2008, 27 were British qualifying films, but UK-originated story material has played an even more significant role, providing the inspiration for 31 of the highest-grossing films of the last seven years – a feat only bettered by US story material.

- More than half - 108 - of the top 200 films at the international box office since 2001 featured British acting talent in either lead/title roles (29) or in the supporting cast (79).

- Of the 200 highest-grossing films at the worldwide box office between 2001 and 2008, 20 have been directed by British directors.

- There is econometric evidence to suggest that local audiences place a premium on indigenous productions, reflecting their cultural value. A film shown in the UK can expect its box office revenue to be 30% higher if it is indigenous, all other things being equal. Thus, the existence of UK films has boosted the average box office revenues of cinemas by more than £38 million a year over the last decade.

Government support for film

- Recognising the importance of the cultural role of film and the economic constraints facing the UK film industry the UK government has long intervened in support of the industry. The first significant legislation was the Cinematographic Films Act 1927.

- Early support took three forms from 1948 to 1979: a 30% UK quota for material handled by distributors and exhibitors, the ‘Eady levy’ on box office revenue and support through the National Film Finance Corporation. These forms were dismantled between 1979 and 1985.

- From 1985 other support mechanisms were developed: the establishment of British Screen Finance in 1985, the British Film Commission in 1991, the re-introduction of film tax relief in 1992 and the allocation of lottery funds to film production from 1995.

- The UK Film Council was established as the lead body for film in 2000, and a new film tax relief, based on a cultural test, was launched in January 2007.

- The role of the UK Film Council is to provide strategic leadership to UK film, to advise the DCMS on issues relating to UK film and to distribute Lottery money in support of UK film.

- Lottery and grant-in-aid money in support of film is also distributed by the national screen agencies in Scotland, Northern Ireland and Wales.

- The new film tax relief applies to films which spend at least 25% of their budget in the UK and which pass a British Cultural Test administered by the Film Certification Unit of the UK Film Council on behalf of the DCMS. The incentive is worth up to 20% of production costs for films with budgets up to £20m and up to 16% of production costs for films with budgets of £20m and over.

- Since 1933 the UK Government has also supported the British Film Institute (BFI) which supports film and television culturally and educationally in the UK. BFI activity includes the national film archive, the national film library and BFI Southbank (aka the National Film Theatre). Since 2000, management of the grant in aid to the BFI has been delegated to the UK Film Council.

- Public investment in film is estimated to have been £261 million in 2007/08. The total is likely to have been higher still, as the estimate does not include information on some local authority, research, higher or further education and project match funding.

- The largest single source of public investment was the UK film production tax incentive, estimated to have provided £105 million in 2008, 40% of the total.

- The second largest source was the National Lottery (£50.8 million, 19% of the total) and the third largest was the DCMS grant-in-aid to the UK Film Council and National Film and Television School (£29.1 million, 11% of the total). BBC Films invested £12.5 million, Film4 £10 million, the National and Regional Development Agencies £14.6 million and Europe £17.1 million.

- The biggest supported activity was production, accounting for £159.2 million (56% of the total). Distribution and exhibition came second with £35.2 million (12.4%), followed by training and skills (7.5%), education, young people and lifelong learning (6.5%), overheads (6.3%) and film archives and heritage (4.3%).

Recent UK film successes

UK film achieves a high degree of success in both artistic and commercial terms around the world. Recent successes include:

- British film *Mamma Mia!*, based on the hit ABBA musical, topped the UK box office in 2008 to become the highest grossing film of all time at the UK box office, earning over £69 million.

- *The Dark Knight*, an inward investment feature shot partly in the UK, became the highest grossing film of the year at the worldwide box office in 2008.

- British talent and productions won a slew of Academy Awards in recent years. Daniel Day Lewis won the Best Actor Oscar for his role in *There Will be Blood* in 2008, and Tilda Swinton picked up the award for Best Actress in a Supporting Role in *Michael Clayton*.

- 2008 also saw a number of craft awards going to British films or British talent: costume design (*Elizabeth: The Golden Age*), make-up (*La Vie en Rose*), film editing and sound editing (*The Bourne Ultimatum*), music (*Atonement*) and visual effects (*The Golden Compass*).

- Other awards achieved by British film or British talent during 2008 include the BAFTA for Best Film (*Atonement*), Best Actress at the Berlin International Film Festival (Sally Hawkins, *Happy-go-Lucky*), and the Golden Camera Winner at the Cannes Film Festival (Steve McQueen, *Hunger*).

- 2009 saw the Oscar for Best Film go to UK film *Slumdog Millionaire*, and awards also went to the film's British director (Danny Boyle, Best Achievement in Directing), screenwriter (Simon Beaufoy), cinematographer (Anthony Dod Mantle), sound department (Ian Tapp, Richard Pryke and Resul Pookutty) and editor (Chris Dickens). In the same year, Kate Winslet was awarded the Oscar for Best Performance by an Actress in a Leading Role (*The Reader*), and Michael O'Connor won the award for Best Costume Design (*The Duchess*).

- The UK feature documentary *Man on Wire* won the Academy Award for Best Documentary Feature in 2009.

Overview

UK film is both an industry that contributes significantly to the economy and a vital cultural activity for the people of the UK, enhancing to our enjoyment, appreciation and understanding of the world and our place in it.

At its best, UK film unites these two facets of culture and commerce, attracting sizeable audiences to experience stories told in light and sound that are compelling, entertaining and that resonate with personal and universal significance. Indeed, there is econometric evidence to suggest that UK film audiences place a premium on indigenous films, boosting the overall film market.[1]

On the production side, the UK is a regular partner in US studio films, and in co-productions with other countries, as well as producing our own domestic features. However, despite a very sizeable filmed entertainment market in the UK, independently produced UK films face significant challenges, particularly in the theatrical market. This is in large part a result of the dominance of the highly developed and successful US studio distribution business, a defining feature of all but a few international theatrical markets.

The challenges facing UK films are common to other film industries outside of Hollywood, although our shared language with the US is a complicating factor. It can work advantageously by making the two countries obvious production partners. On the other hand, it can be a disadvantage in the home market where English-language US studio pictures with significant marketing muscle often have a competitive edge over smaller, home grown films.

Although the above holds generally true, there is no straightforward, over-arching narrative that can capture the complex and fluctuating fortunes of the UK film industry. Though their commercial and cultural interests intersect, the individual sectors that make up the industry (production, distribution and exhibition) may fare differently over any given period.

This makes it difficult to draw simple conclusions about the strength and vitality of the industry as a whole. With this in mind, what follows is an introduction to film in the UK that charts its main features as illustrated in the official data record. The paper also casts an eye over the contribution of film to UK culture and looks at the public support for film, which is the most significant response to the challenges facing the industry as described above.

[1] Source: Oxford Economics, *Economic Contribution of the UK Film Industry*, July 2007.

The format is as follows:

Section 1 provides an overview of the UK film economy, while section 2 considers the main cultural contribution of film. Section 3 looks at the history of public support for film in light of these two elements.

In closing, section 4 adds to the picture of the UK film economy with a selection of individual sector profiles, and the appendices contain directories of public film bodies, trade associations and representative bodies, UK film studios and leading UK production companies

1. The UK film economy

There are a number of ways of measuring the contribution of film to UK GDP. On the broadest measure (including film inputs from supplier industries) film-related activities contributed £5.3 billion in 2006, or 0.46% of UK GDP.[2] Table 1.1 shows how different sectors contributed to this total:

Table 1.1: UK film gross value added, 2006

Sector	**Gross value added, £m**
Film production sector	1,325
Film distribution sector	1,293
Film exhibition sector	839
Film corporations sub total	*3,457*
Non-film corporations	1,848
Total	**5,305**

Source: Cambridge Econometrics
Notes: Gross value added is the production measure of GDP.

Of the above total, it is estimated that the "core UK film industry" – the part of the industry comprising film production in the UK and the distribution and exhibition of UK films – contributed over £4.3 billion to UK GDP, taking into account multiplier impacts, and over £1.1 billion to the Exchequer (gross of tax relief and other fiscal support) in 2006.[3]

The contribution of film to UK GDP – how it is measured…

The UK Film Council publishes three measures of film's contribution to GDP:

1. All film activity in the UK whether of UK or overseas origin including the contribution of supplier firms outside the narrowly-defined film industry.

This was estimated to be £5.3 billion (in 2006), 0.46% of GDP, presented in Table 1.1 above.

2. The GDP contribution of the "core UK film industry", defined as film production in the UK (of both UK and overseas-initiated films) and the distribution and exhibition activities associated with UK films.

This was estimated to be £4.3 billion (in 2006). It includes the flow-on effects to non-film companies. (Oxford Economics, *The Economic Impact of the UK Film Industry*, 2007).

3. The GDP contribution of those companies identified as film companies in the industry statistics of the Office for National Statistics.

This was estimated to be £2.5 billion in 2007, 0.2% of GDP (UK Film Council *2009 Statistical Yearbook*, page 166.) This figure includes activity in the UK associated with both UK and non-UK films, but excludes the "multiplier" or flow-on effects of film activity to non-film companies.

[2] Source: Cambridge Econometrics, *The Contribution of the UK Film Industry to UK GDP*, June 2007.
[3] Source: Oxford Economics, *The Economic Impact of the UK Film Industry*, July 2007.

1.1 Employment

The UK film industry employed around 35,416 people in 2008.[4] The film workforce has grown since 1996, increasing by 13% compared with an increase in the overall UK workforce of 14%.

The film production and distribution sectors are concentrated in London and the South East, as shown in Table 1.2. In contrast, the London and South East share of the exhibition sector workforce is closer to the UK average.

Table 1.2 London and South East employment as percentage of total, 2008

Sector	SIC	Total UK employment	London and South East employment	London & SE as % of UK total
UK all industries	All	29,384,765	8,189,906	28%
Film and video production	9211	21,113	16,620	79%
Film and video distribution	9212	2,751	1,584	58%
Film exhibition	9213	11,551	2,595	23%

Source: Labour Force Survey, ONS, UK Film Council *2009 Statistical Yearbook* Table 21.12. The South East region wraps around London to include the major studios to the west of London. Figures shown in this table are averages of the four calendar quarters from October 2007 to September 2008.

1.2 Exports

The UK film industry is a substantial exporter. In 2007, the most recent year for which data are available, the film industry earned £1,050 million in export income from film rights and film production services, and achieved a trade surplus with the rest of the world of around £232 million.[5]

High-end production services are directly exported when overseas (particularly American) film productions use UK studios, locations and services such as visual effects and post-production. In 2007 the value of exported production services stood at £403 million. The remaining exports comprised £646 million in royalties.

An important part of the film value chain lies in international markets, particularly in the USA and Europe, extending from theatrical release to DVD/video and television distribution. Over the period 2003-07, the US was the largest market for UK film exports, taking 51% of exports, followed by Europe with 31%.

To facilitate the export of UK films there are a number of active sales agents (represented by a trade body called Film Export UK) and UK filmmakers attend international festivals to gain critical support for their films and sell overseas distribution rights directly.

[4] Source: Labour Force Survey, ONS. This figure includes some people employed in video production and distribution. UK Film Council *2009 Statistical Yearbook*, p173.
[5] Source: ONS. UK Film Council *2009 Statistical Yearbook*, pp168-169.

1.3 The UK filmed entertainment market

In 2008 the UK had the third largest filmed entertainment market in the world, after the USA and Japan, valued at around $6.5 billion.[6] The total world market was worth around $83.9 billion, and the USA accounted for 41% of the total ($34.8 billion).

Sell through DVD and VHS (i.e. available through retail sale) was the largest single revenue source for film in the UK market, accounting for 39% of total revenues in 2008. Table 1.3 gives the full breakdown of revenues in 2007 and 2008:

Table 1.3 The UK filmed entertainment market, 2007 and 2008

Window	Total gross value £m 2007	Attributable to UK film 2007 £m	Total gross value £m 2008	Attributable to UK film 2008 £m
Theatrical	821	234	850	261
DVD/video rental	296	53	219	53
Sell-through DVD/video	1,440	273	1,454	349
Pay TV	516	81	521	76
Terrestrial TV	254	63	257	60
'Free' multi-channel TV	224	44	289	57
nVoD and VoD	92	14	120	29
Total UK	**3,644**	**762**	**3,710**	**885**

Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, Attentional, Screen Digest, UK Film Council *2009 Statistical Yearbook*, p109.
Notes: 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 the export revenues of the UK film industry.

The evolution of UK film revenues from 1998 to 2008 is shown in Figure 1.1, which shows that:

- Theatrical revenues grew significantly in the late 1990s, but then only slightly from 2002 to 2008. While cinema admissions peaked in 2002, the film market overall peaked in 2004.

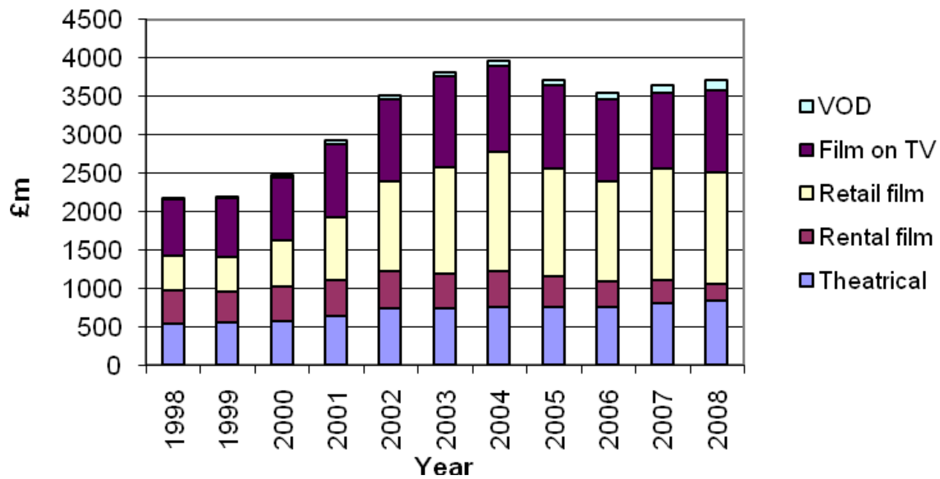
- DVD/video rental revenues grew slightly until 2002 but have slumped significantly since then.

- Revenue growth over the period was driven substantially by sell-through DVD/video, with the main contributor being the DVD boom from 2000 onwards. However, since 2004 retail DVD/video revenues have also slipped, albeit with slight increases in 2007 and 2008.

[6] Source: PricewaterhouseCoopers, *Global Entertainment and Media Outlook 2009-2013*, 2009. 'Filmed entertainment' includes box office receipts, home DVD and VHS rental and retail, and online and streaming revenues. It does not include TV revenues. UK Film Council *2009 Statistical Yearbook*, p110.

▪ Film on television revenues grew until 2003, fell slightly from 2004 to 2007 then grew again in 2008, largely as a result of increased film viewing on multi-channel TV.[7]

Figure 1.1 Gross film revenues, all windows, 1998 – 2008.



Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, Attentional, Screen Digest, ONS, UK Film Council *2009 Statistical Yearbook*, p112.

There are a number of possible reasons for the decline in film revenues since 2004, including:

▪ Reduced prices for DVDs combined with saturation of the DVD back catalogue market;

▪ Stronger competition from other industries(e.g. new media) for consumer time and money;

▪ Piracy, which accounted for around £404 million in lost revenues in 2007 (the loss to theatrical box office is equivalent to around 11% of the annual total, while the loss to retail DVD sales stood at 11%).[8]

[7] The value of revenues from film on TV is estimated as a share of total subscription and licence fee revenue pro rata to film's share of television time. The revenues shown include television company margins.
[8] This is the estimated impact on legal sales of the acquisition and viewing of pirated material. Source: IPSOS, UK Film Council *2008 Statistical Yearbook*, p104.

1.4 Production

In 2008, the UK was the eleventh largest producer of films in the world in terms of the number of films made, and fifth when looking at production spend (Tables 1.4 and 1.5).

Table 1.4: Top 11 most prolific feature film producing countries, 2008

	Country	Films produced
1	India	1,325
2	USA	520
3	Japan	418
4	China	406
5	France	240
6	Russia	220
7	Spain	173
8	Italy	154
9	Germany	125
10	South Korea	113
11	**UK**	**111**

Source: Screen Digest

Table 1.5: Top 10 feature film producing countries by production spend, 2008

	Country	Production spend ($ million)
1	USA	13,535
2	Japan	2,401
3	France	2,195
4	Germany	1,486
5	**UK**	**1,072**
6	Spain	685
7	China	540
8	Italy	487
9	Belgium	327
10	South Korea	310

Source: Screen Digest

In 2008, 111 feature films (with budgets of £500k+) were produced in whole or part in the UK with a combined UK production spend of over £578 million ($1,072 million).

Productions can involve either a single country of origin, or they may be co-productions involving more than one country and made under the terms of a bilateral co-production agreement or the European Co-production Convention. They may be significantly financed and controlled from outside the UK and attracted to the UK because of its infrastructure, locations or tax relief, in which case they are classified as ‘inward investment features’. Otherwise they are considered to be a ‘domestic feature’, made by a UK production company and shot wholly or in part in the UK.

Table 1.6 describes feature production in the UK in 2007 and 2008 using these categories:

Table 1.6 Feature film production in the UK, 2007 and 2008

	Number of Productions 2007	Value £million 2007	Number of productions 2008	Value £million 2008
Inward feature films	30	523	25	338
Domestic UK feature films	68	158	66	192
UK co-productions	28	72	20	48
Total production investment	**134**	**753**	**111**	**578**

Source: UK Film Council *2009 Statistical Yearbook*, Table 17.1, p135
Values (£ million) are for UK spend only, not complete budget.
Numbers have been revised on the basis of new information received since the publication of the 2008 Statistical Yearbook.
Inward investment includes three films in 2007 (£5.9 million) and nine films in 2008 (£17.7 million) that involved only VFX work in the UK.
Inward investment feature films include three non-USA films in 2007 and two non-USA films in 2008.

The median budget size for a domestic UK production stood at £1.7 million in 2008, compared to £17.2 million for single country inward features.

A small number of big budget productions account for a large share of UK production spend. In 2008, the six features with budgets over £30 million accounted for 81% of total UK production spend.

Over 21,000 people were employed in film and video production in 2008, making it the largest sector by employment in the industry.[9] Over two-fifths (43%) of those employed in production were freelance. Women made up two-fifths of the production workforce, and minority ethnic groups were under-represented, accounting for only around 5% of the workforce[10] (compared with 7% across all sectors, and 24% in the London workforce[11]).

See section 4.1 for a profile of the leading UK production companies and film financiers→

[9] Source: Labour Force Survey, ONS, UK Film Council *2009 Statistical Yearbook*, p173.
[10] Source: Skillset, *Film Production Workforce Survey* 2008, UK Film Council *2009 Statistical Yearbook*, pp176-177.
[11] Source: Labour Force Survey, ONS, UK Film Council *2009 Statistical Yearbook*, p176.

1.5 Distribution

The distribution sector is responsible for the reproduction and delivery to cinemas of thousands of film prints and in 2008 spent £172 million on advertising the 527 films released that year. The sector employed over 2,751 people in 2008, mostly based in London and the South East.[12]

There were 164 million cinema admissions in 2008, generating around £850 million in gross box office receipts, making the UK the sixth largest theatrical market in the world based on admissions and the fifth largest by box office (Tables 1.7 and 1.8).

Table 1.7: Top 10 countries by cinema admissions, 2008

	Country	Admissions (000s)
1	India	3,264,693
2	USA	1,248,203
3	China	209,812
4	France	188,820
5	Mexico	182,400
6	**UK**	**164,238**
7	Japan	160,491
8	South Korea	150,830
9	Germany	129,400
10	Russia	118,500

Source: Screen Digest

Table 1.8: Top 10 countries by box office, 2008

	Country	Box office gross ($million)
1	USA	8,987.1
2	Japan	1,884.5
3	India	1,856.2
4	France	1,677.9
5	**UK**	**1,584.5**
6	Germany	1,170.3
7	Spain	912.0
8	South Korea	896.8
9	Italy	874.3
10	Canada	863.0

Source: Screen Digest

Looking at the ‘all time’ best performing films at the UK box office, the top ten all involved US studios. The highest placed UK film, *Mamma Mia!* was made and distributed in the UK by Universal (see Table 1.9).

[12] Source: Labour Force Survey, ONS, UK Film Council *2009 Statistical Yearbook*, p180.

Table 1.9 'All time' top 10 films at the UK box office (to 2008)

	Film	Country of origin	UK box office total (£million)	UK distributor	Year of release
1	Mamma Mia!	UK/USA	69.17	Universal	2008
2	Titanic	USA	69.03	20th Century Fox	1998
3	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
4	Lord of the Rings: The Fellowship of the Ring	USA/NZ	63.00	Entertainment	2001
5	Lord of the Rings: The Return of the King	USA/NZ	61.06	Entertainment	2003
6	Lord of the Rings: The Two Towers	USA/NZ	57.60	Entertainment	2002
7	Casino Royale	UK/USA/Czech	55.48	Sony Pictures	2006
8	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
9	Pirates of the Caribbean: Dead Man's Chest	USA	52.52	Buena Vista	2006
10	The Full Monty	UK/USA	52.32	20th Century Fox	1997

Source: Nielsen EDI, UK Film Council *2009 Statistical Yearbook*, p17.
Based on box office data for 1989-2008 (not inflation adjusted). The table is titled 'all-time' because, with price inflation, it is unlikely that any films before 1989 will have earned more in nominal terms.

Table 1.10 gives the 'all time' top ten performing independent UK titles (that is, made without major US studio involvement) up to the end of 2008. The top independent British film was *Four Weddings and a Funeral* (£27.76 million) followed by *Trainspotting* (£12.43 million) and *St Trinian's* (£12.18 million). Since this table was compiled, *Slumdog Millionaire* (Film Four/Celador) has taken £31.7 million at the UK box office and is now the top performing independent UK title.

Table 1.10 'All time' top 10 independent UK films (to 2008)

	Film	Country of origin	UK box office total (£million)	UK distributor	Year of release
1	Four Weddings and a Funeral	UK	27.76	Carlton	1994
2	Trainspotting	UK	12.43	Polygram	1996
3	St Trinian's	UK	12.28	Entertainment	2007
4	Gosford Park	UK/USA*	12.26	Entertainment	2002
5	Bend it Like Beckham	UK/Ger	11.55	Lions Gate	2002
6	Run, Fat Boy, Run	UK/USA*	11.02	Entertainment	2007
7	Kevin & Perry Go Large	UK	10.46	Icon	2000
8	East is East	UK	10.37	Film Four	1999
9	The Queen	UK/Fra/Ita	9.42	Pathé	2006
10	Valiant	UK	8.52	Entertainment	2005

Source: Nielsen EDI, UK Film Council *2009 Statistical Yearbook*, p20.
Based on box office data for 1989-2008 (not inflation adjusted). The table is titled 'all time' because, with price inflation, it is unlikely that any films before 1989 will have earned more in nominal terms.
* *Gosford Park* and *Run, Fat Boy, Run* were made with independent (non-studio) US support.

See section 4.3 for a profile of the leading UK distribution companies→

1.6 Exhibition

Exhibition is a multimillion-pound business in the UK, with exhibitor revenues totalling £1,084 million in 2008, including income from concessions (e.g. drink and confectionary sales) of around £273 million and advertising revenue of £195 million.[13]

Furthermore, the commercial exhibition sector is a significant employer, with around 11,551 people in 2008, an increase of 11% since 1996.[14]

In terms of infrastructure, the UK had 3,610 screens in total in 2008, in 726 cinemas, equivalent to 6 screens per 100,000 people.[15] This screen density is lower than in countries like the US (12.7), Australia (9.4), Spain (9.1), France (8.8) and Italy (7.1).[16]

The majority of screens (74%) were found in multiplex cinemas (purpose built venues with five or more screens). These tend to programme mainstream films and as a consequence only 7% of UK screens were dedicated to showing more specialised films.[17]

The commercial exhibition sector has a presence across the UK although urban areas are much better served by cinema screens.

London had the highest number of screens overall (15% of the UK total), followed by the South East and the North West.

The national and regional spread of screens is shown in Table 1.11, which shows that Northern Ireland had the highest number of screens per 100,000 population in the UK and the East Midlands, East of England, and North East had the lowest:

[13] Source: Dodona Research.
[14] Source: Labour Force Survey, ONS, UK Film Council *2009 Statistical Yearbook*, p173.
[15] Source: Dodona Research, UK Film Council *2009 Statistical Yearbook, pp74-75*
[16] Source: Screen Digest.
[17] Source: Dodona Research, UK Film Council *2009 Statistical Yearbook, p80.*

Table 1.11 Screens and population in the nations and Government Office Regions, 2008 (ranked by screens per 100,000 people)

Government Office Region	Screens	% of total screens	Sites	Population (in '000) mid-year 2007	Screens per 100,000 people	Average no. of screens per site
Northern Ireland	166	4.6	24	1,759	9.4	6.9
London	554	15.3	110	7,557	7.3	5.0
North West	436	12.1	64	6,864	6.4	6.8
South East	516	14.3	122	8,309	6.2	4.2
Wales	185	5.1	48	2,980	6.2	3.9
Scotland	314	8.7	61	5,144	6.1	5.1
South West	312	8.6	82	5,178	6.0	3.8
West Midlands	308	8.5	52	5,382	5.7	5.9
Yorkshire	252	7.0	44	5,177	4.9	5.7
East Midlands	206	5.7	43	4,400	4.7	4.8
East of England	234	6.5	49	5,661	4.1	4.8
North East	106	2.9	22	2,565	4.1	4.8
Others*	21	0.6	5	N/A	N/A	4.2
Total	**3,610**	**100.0**	**726**	**60,975**	**5.9**	**5.0**

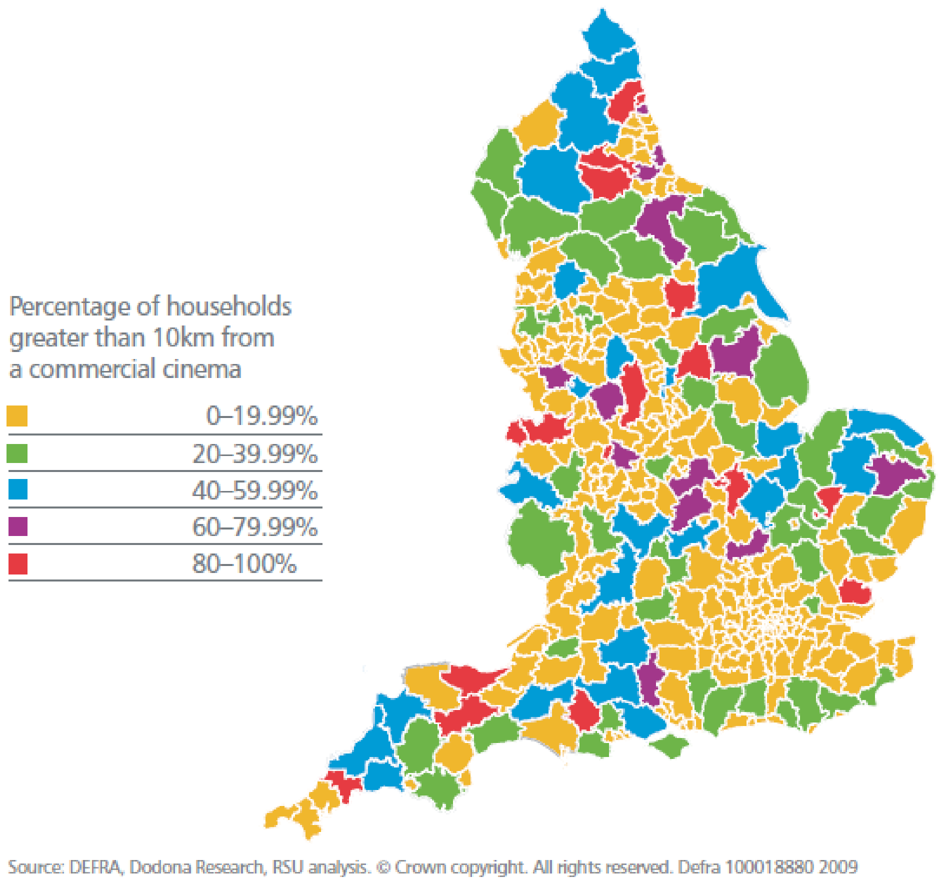
Source: Dodona Research, ONS, UK Film Council *2009 Statistical Yearbook*, p78.
* Mid-2007 Population Estimates, ONS
** Others include the Channel Islands and the Isle of Man.

The varying levels of access to cinemas in England are further highlighted by Figure 1.2 showing cinema provision by local authority districts.

The districts in red can be considered ‘cinema deprived’ as they are areas where over 80% of the households within them were more than 10 kilometres from the closest commercial cinema. Some of the most deprived districts included Restormel (95% of 23,252 households) in the South West, Castle Morpeth (91% of 15,558 households) in the North East and Maldon (95% of 16,913 households) in the East of England.

The potential unmet demand for cinemas in these areas is partly fulfilled by community cinemas and film societies (the ‘non-theatrical sector’- see below).

Figure 1.2 Cinema 'deprivation' by local authority districts in England, 2008



Source: DEFRA, Dodona Research, UK Film Council *2009 Statistical Yearbook*, p79.

At the regional level, cinema admissions are not evenly spread across the UK. High-density population areas like London, the Midlands and Lancashire accounted for half of all UK admissions in 2008 (Table 1.12):

Table 1.12: Cinema admissions by region, 2008

Region	Admissions (million)	%
London	39.8	24.2
Midlands	23.2	14.1
Lancashire	18.3	11.2
Southern	15.3	9.3
Yorkshire	13.6	8.3
Central Scotland	12.0	7.3
East of England	10.9	6.6
Wales and West	10.8	6.6
North East	6.2	3.8
Northern Ireland	5.4	3.3
South West	3.9	2.4
Northern Scotland	3.4	2.1
Border	1.3	0.8
Total	**164.2**	**100.0**

Source: CAA, Nielsen EDI, UK Film Council *2009 Statistical Yearbook*, p76.

In addition to commercial exhibitors there is a large non-theatrical sector in the UK, with screenings taking place in venues as diverse as village halls, mixed arts venues and independent cinemas. While they can be run on the same commercial terms as regular cinemas, community cinemas often operate on a non-commercial basis.

To give an indication of the size of the non-theatrical sector, there were 381 community film societies active in 2008, and a further 72 societies operating in higher education institutions. In addition, 199 local authority-run mixed arts venues screened films in 2008.[18]

See section 4.4 for a profile of the leading UK exhibition companies→

See section 5.1 for details about UK digital exhibition and 3D→

[18] Source: British Federation of Film Societies.

1.7 Film on DVD and television

In addition to their theatrical release, films are distributed through DVD/VHS, television and digital video on demand (VoD) platforms, providing essential content and revenue streams for these sectors.

In fact, revenues from TV and DVD/VHS are significantly higher than theatrical income. In 2008, revenues for films on TV (of just over £1 billion) were greater than theatrical revenues (£850 million), and revenues from film on DVD/VHS (£1.7 billion) were twice the size of theatrical earnings.[19]

Home viewing on video is now almost entirely in DVD format, which accounts for 98% of retail sales. VHS is now all but obsolete and the new generation of high definition DVDs (Blu-ray) are becoming more readily available (accounting for 1.5% of retail sales in 2008).[20]

DVD revenues remain a significant part of the film economy, despite a slowdown in the market. Around 86% of UK households own a DVD player, up from 25% in 2001.[21] The film DVD rental market was worth £219 million in 2008. The retail film DVD market saw sales totalling £1.5 billion in 2008, and UK films accounted for around 24% of sales.[22]

See section 5.2 for details about UK Video on Demand (VoD) services→

[19] Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, Attentional, UK Film Council *2009 Statistical Yearbook*, p112.
[20] Source: MRIB, BVA, UK Film Council *2009 Statistical Yearbook,* p89.
[21] Source: BVA
[22] Source: Official UK Charts Company, BVA, UK Film Council *2009 Statistical Yearbook*, p 109.

1.8 Characteristics of the UK film industry

The principal strength of the UK industry is the depth of its production sector and skills base. The industry is well established in a number of key clusters (mainly in London and the South East, especially Soho in central London, but also in urban centres around the country)[23] and has world-class people working in all areas of production and technical skills. On the talent side, the UK has a significant number of star actors and internationally-renowned directors and producers.

Recent British winners of Academy Awards have included:

Michael Caine (Best Actor in a Supporting Role: *Cider House Rules*, 1999)
Sam Mendes (Best Directing: *American Beauty*, 1999)
Kevin MacDonald and **John Battsek** (Best Documentary Feature: *One Day in September*, 1999)
Janty Yates (Best Costume Design: *Gladiator*, 2000)
Julian Fellowes (Best Original Screenplay: *Gosford Park*, 2001)
Catherine Zeta Jones (Best Actress in a Supporting Role: *Chicago*, 2002)
Martin Walsh (Best Achievement in Film Editing: *Chicago*, 2002)
Andrea Arnold (Best Live Action Short Film: *Wasp*, 2003)
Alan Lee (Best Art Direction: *Lord of the Rings - The Return of the King*, 2003)
Rachel Weisz (Best Actress in a Supporting Role, *The Constant Gardener*, 2005)
Nick Park and **Steve Box** (Best Animated Feature Film: *Wallace & Gromit in the Curse of the Were-Rabbit*, 2005)
Helen Mirren (Best Actress, *The Queen*, 2006)
Daniel Day Lewis (Best Actor, *There Will be Blood,* 2007)
Tilda Swinton (Best Actress in a Supporting Role, *Michael Clayton*, 2007)
Alexandra Byrne (Costume design, *Elizabeth: The Golden Age*, 2007)
Suzie Templeton and Hugh Welchman (Short film (animated), Peter and the Wolf, 2007)
Jan Archibald and Didier Lavergne (Make-up, *La Vie En Rose*, 2007)
Danny Boyle (Best Director, *Slumdog Millionaire*, 2008)
Simon Beaufoy (Best Original Screenplay, *Slumdog Millionaire*, 2008)
Anthony Dod Mantle (Best Cinematography, *Slumdog Millionaire*, 2008)
Ian Tapp, Richard Pryke and Resul Pookutty (Best Sound, *Slumdog Millionaire*, 2008)
Chris Dickens (Best Editing, *Slumdog Millionaire*, 2008)

The industry has large fixed facilities (film studios) with state-of-the-art equipment and a large service sector providing all the ancillary and specialist services necessary for the production of top-quality films.

See Appendix 3 for details of film studios around the UK→

The exploitation of digital technology is well advanced, with visual effects, animation and post-production houses on or close to the leading edge.[24]

See section 4.2 for a profile of the post-production sector→

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[23] Pratt, Dr A C, *Technological and Organisational Change in the European Audiovisual Industries*, European Audiovisual Observatory & London School of Economics, 1998, pp 19-29. Nachum, Lilach and David Keeble, *Foreign and Indigenous Firms in the Media Cluster of Central London*, ESRC Centre for Business Research, University of Cambridge, Working Paper 154, March 2000.
[24] UK Film Council, DTI & Salix Management Consultants Ltd, *Post-production in the UK*, November 2003.

Behind the scenes, there is a sophisticated film finance sector (mobilising hedge funds, Enterprise Investment Schemes and other financial instruments) and a pool of people with specialist skills in the business management and legal dimensions of the film economy. This is cited as one of the main reasons for the industry cluster in London as a global financial centre.[25]

Prominent UK-based financiers active in film include:

Aquarius
Aramid (hedge funds)
CinemaNX (Isle of Man)
Footprint Film fund
Future Films
HS films (Hammer/Spitfire)
Ingenious Films
Limelight (EIS)
Prescience
Quickfire (EIS)

Prominent UK-based law firms active in film include:

A & L Goodbody
Addleshaw Goddard
Bird & Bird
Cains
Davenport Lyons
Denton Hall Wilde & Sapte
DLA
Harbottle And Lewis
Harrison Curtis
Howard Kennedy
Lee & Thompson
Matthew Ormsby Prentice
Olswang
Philip Lee
Reed Smith
Sheridans
Simkins
Simons Muirhead & Burton
SJ Berwin
Swan Turton
Wiggin & Co

On the exhibition side, the multiplex revolution has brought about a huge growth in screen numbers since the mid-1980s, with the UK now having over 3,600 screens. Admissions have grown substantially over the last decade, from 98 million in 1992 to 164 million in 2008, demonstrating the broad cultural participation that cinema has achieved. In addition, there are cinemas across the UK showing films that appeal to specialised audiences, including the BFI Southbank on London's South Bank, Manchester's Cornerhouse cinema, the Watershed in Bristol, Chapter cinema in Cardiff, Sheffield's Showroom cinema, the Edinburgh Filmhouse and the Queen's Film Theatre in Belfast.

UK film heritage is looked after and made accessible by, amongst others, the British Film Institute through the BFI Archive and related education programmes, information services and publications including *Sight and Sound*. Every year a number of films of

[25] Source: Pratt, Dr A C, *Global commodity chains and clusters: a case study of the film industry in London*, 2007.

cultural significance to the UK achieve mainstream popularity and are shown in multiplexes around the UK. A significant proportion of UK films are available on video/DVD and older (and some recent) UK films are shown on television, where they often achieve audiences running into the millions.

The principal weakness of the UK film industry is that its home market is dominated by films originated overseas, specifically films made by the US majors. In 2008, 65.2% of the UK box office went to films made exclusively by the USA. US/UK co-productions shared 27.5%, while UK films and UK co-productions not involving the USA took 3.2% of the box office.[26]

The UK does not have integrated international distribution companies comparable to the US majors, nor does it have a sufficient flow of internationally competitive films to challenge for a major share of the world market. The UK industry largely consists of small companies involved in film production, distribution and related services. (In 2007, BBC Films, Film4 and the UK Film Council agreed new deal terms for film financing, which treat the net value of the UK tax credit as the UK producer's equity share in the film. This measure is intended to improve the long-term sustainability of production businesses).

Other weaknesses identified in *A Bigger Picture*, the report of the 1997 Film Policy Review, were underinvestment in the development stage of film projects and a haphazard and under-funded training system. Both of these have been addressed by strategies developed by the UK Film Council, in particular by the UK Film Council Development Fund and the skills strategy developed jointly with Skillset, the Sector Skills Council for the creative media industries, *A Bigger Future, the UK Film Skills Strategy*, involving an annual investment of £10 million.

The UK's weakness in distribution is even more apparent when one considers the post-WWII evolution of the US film industry. Up to the late 1940s, the US film industry was vertically integrated, with studios exercising control over all stages of the film value chain from pre-production to exhibition and, through the use of long-term employment contracts, appropriating the rents earned by their star actors.

This system began to break down in the late forties under the impact of several factors: legal (the Paramount anti-trust decision preventing studio control of cinemas); fiscal (high rates of personal income tax during WWII prompted stars to set up their own companies); and market (the arrival of television).[27] The studios' response was to concentrate on distribution, as this gave them the greatest control over film revenues and over the product through having the financial power to determine which films got made.

On the production side, companies proliferated as the 'flexible specialisation' mode of production came into being. Many of the functions previously carried out within the

[26] Source: UK Film Council, *2009 Statistical Yearbook*, p10.
[27] Caves, Richard E, *Creative Industries*, Harvard University Press, 2000, pp92-95.

studios were contracted out. For example, between 1966 and 1981, the number of US film production companies increased from 563 to 1473, editing companies from four to 113, recording/sound companies from 20 to 187.[28]

The UK film industry is organised along ‘flexible specialisation’ lines in that it consists of numerous small companies carrying out the many specialised tasks once performed within major studios. In 2007, for example, 97.1% of all film and video production workplaces in the UK had ten or fewer employees and 57.7% of all employees worked in workplaces in that size band. Most of the rest worked in workplaces with 50 or fewer employees.[29] The flexible specialisation model also manifests itself in the high proportion of freelance labour. In 2008, 46% of all workers engaged in the film and video production sector were freelance.[30]

However, the twin part of the flexible specialisation model – international scale distributors – is lacking in the UK. At the present time there is one large national distributor (Entertainment) and several smaller ones, but these operate either solely in the UK market or in a small number of territories. The principal distributor role for the UK industry is played by the US distributors. This takes several forms, from long term production-distribution arrangements (like Working Title’s relationship with Universal and DNA’s with Fox), to single project deals involving a financial advance from the distributor, to after-the-fact deals where the US distributor picks up a film once it is made. However good the deal may be in the individual circumstances, it is not the same as a UK based company controlling the international distribution of its own product.

UK film makers also use sales agents and a variety of national distributors in different markets, each of whom gets their cut, reducing the revenue stream coming back to the UK film production company and, where overseas agents and distributors are involved, to the UK economy.

With the arrival of digital distribution it is possible that new forms of distribution company and distribution process may develop (for example, multi-territory video on demand), offering new opportunities for those involved in the UK industry. However, under any distribution model, large advertising budgets may confer an advantage and this favours international companies with critical mass. It remains to be seen how UK distribution will fare in the digital era.

[28] Caves (2000), p97.
[29] UK Film Council, *2009 Statistical Yearbook*, p182.
[30] UK Film Council, *2009 Statistical Yearbook*, p175.

2. The cultural role of film in the UK

> *'[By] 'illuminating' the sometimes very different lives and experiences of others, particularly the young, cinema helps to create that vital 'context of understanding' within which change that sometimes looks impossible can begin to look possible'*
> **Lord Puttnam, CBE (Keynote speech, Copenhagen ThinkTank, 2006)**

The cultural impact of film in the UK is extremely significant. From its invention at the end of the nineteenth century, cinema has grown to become the most sophisticated medium of visual culture of the present age.

Cinema going is also one of the most popular forms of cultural activity in Britain. In 2008, 60% of the population said they went to the cinema at least once a year, and 18% went once a month or more.[31]

Technically, film provides the best experience of the moving image and the feature film has emerged as the classic form for telling complete audio-visual stories, comparable to the novel in literature. While cinema has always sought and found mass audiences, it has also been a key site for experimentation in subject matter, narrative style, language and visual imagery, a place for breaking cultural boundaries and challenging the mainstream.

By engaging with universal human themes, stories told on film help us to understand and reflect on our experiences and our individual and collective decisions. They also introduce us to images, sounds and experiences we wouldn't otherwise meet. As the late Anthony Minghella (film director and Chairman of the British Film Institute) told the House of Commons Culture, Media and Sport Committee in 2003:

> "Fiction becomes this sort of cultural bank balance that we can draw from. We can momentarily be a young woman, an old woman, a black person, an Asian person, a Chinese person, and look at the world and argue a position that is not our own for a while – inhabit a position that is not our own."[32]

The breadth of themes and settings featured in UK film is demonstrated by a recent study of the cultural impact of UK film commissioned by the UK Film Council.[33] Based on analysis of a database of 4,644 titles (all known UK films for the period 1946–2006), the study challenges the received wisdom about the cultural make-up of British cinema. UK film has often been accused of being preoccupied with the past of country-house heritage or World War II, but analysis shows that between 60-70% of films have contemporary settings, while only 5-6% have dealt with World War II. Equally, British

[31] Source: CAA, UK Film Council *2009 Statistical Yearbook*, p115.
[32] House of Commons Culture Media and Sport Committee, *The British Film Industry*, 2003, Vol 1, p11.
[33] *Stories We Tell Ourselves: The Cultural Impact of UK Film 1946–20*06. A study for the UK Film Council by Narval Media / Birkbeck College / Media Consulting Group

films have often been accused of excessive dependence on literary adaptation, but these have in fact declined since the 1960s.

The UK's long and rich cinematic tradition encompasses many different typically British genres, from the social realist to drama, action hero and slapstick comedy. This tradition has produced many iconic characters, stars, scenes and images that are now inseparable from the concept of 'being British'. From *Henry V* and *James Bond* to *Harry Potter* and *Bridget Jones* the characters depicted in British films have helped shape our national self-image.

Literary adaptations and biopics (*An Ideal Husband*, *Iris, Pride and Prejudice*) take our literary heritage to new audiences, while contemporary comedies such as *Bend It Like Beckham*, *The Full Monty* or *East is East* tackle the issue of adaptation to gender, ethnic and industrial change. Films in other genres have recently explored themes such as the UK's colonial past (*The Last King of Scotland*) and recent political history (*Hunger*), contemporary and historical struggles of the monarchy (*The Queen* and *Elizabeth: The Golden Age*), and cross-generational relationships (*The Mother*, *Notes on a Scandal* and *Venus*).

Just as each country needs its own literature, so each country needs its own film culture, and as the above description affirms, film has been a key arena in British cultural life, projecting and debating British values and identities at national and regional levels.

In the 1960s the English regions inspired a number of commercially successful, culturally significant British New Wave films, which challenged the previously accepted regional stereotypes and had a lasting impact on UK society. And in the mid-1990s, Scottish cinema achieved a new wave of cultural impact through a spate of successful films: *Shallow Grave*, *Trainspotting*, and big budget Hollywood productions like *Braveheart*.

Since the 1980s, a rising number of films by black and Asian British people have achieved improved cultural visibility. *My Beautiful Laundrette* was one of the first successful UK films to associate ethnicity with youth culture, and from the mid-1980s onwards, films depicting Britain's ethnic mix became increasingly part of the cultural mainstay (e.g. *Bend it Like Beckham*, *East is East*, *Bullet Boy*, *Kidulthood*).

There is econometric evidence to suggest that local audiences place a premium on indigenous productions, reflecting their cultural value. A film shown in the UK can expect its box office revenue to be 30% higher if it is indigenous, all other things being equal. Thus, the existence of UK films has boosted the average box office revenues of cinemas by more than £50 million a year over the last decade.[34]

Beyond the UK's borders, worldwide box office performance is a good indicator of the international impact and exposure of UK culture. Of the top 200 grossing films released

[34] Source: Oxford Economics, *The Economic Contribution of the UK Film Industry* (2007).

worldwide between 2001 and 2008, 27 were British qualifying films, but UK-originated story material played an even more significant role, providing the inspiration for 31 of the highest-grossing films of the last seven 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*, originated by CS Lewis, accounted for nine of the top 20 top grossing films across the globe since 2001.

On the world stage, the artistic and cultural quality of UK films is consistently recognised at international film festivals and the UK is home to many internationally acclaimed creative talents in the fields of writing, directing, acting and producing.

More than half - 108 - of the top 200 films at the international box office since 2001 featured British acting talent in either lead/title roles (29) or in the supporting cast (79). 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 that 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 six films worth over $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*.

Of the 200 highest-grossing films at the worldwide box office between 2001 and 2008, 20 have been directed by British directors. Christopher Nolan has had the most commercial success in recent years thanks to *Batman Begins* and *The Dark Knight* (which earned $1,370 million globally). The two British directors of the decade's top British franchise follow in second and third place - David Yates directed *Harry Potter and the Order of the Phoenix*, which has earned $937 million to date (and *Harry Potter and the Half Blood Prince*, released in July 2009), followed by Mike Newell who directed *Harry Potter and the Goblet of Fire*. Ridley Scott was the most prolific, with three films (*Kingdom of Heaven, Hannibal* and *American Gangster*) in the top 200, grossing over $826 million between them. 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. Three 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 and also this year Phyllida Lloyd, who made the transition from West End stage to film with her debut feature, *Mamma Mia!*

The cultural role of film extends into the realm of social communication, where it plays an important part in the formation of personal and vocational relationships. People like to converse about films. One's choice of films and reaction to them telegraphs one's interests and attitudes. Such exchanges may lead to “mutually beneficial swaps of innumerable sorts – narrowly economic deals, or broader social links of obligation and reciprocal favour.” [35] Furthermore, this social function is linked to the way that word of mouth determines the success of particular films: “… watching the most popular films equips one with a stock of conversational resources likely to prove valuable with a randomly drawn partner. This value is independent of [enjoyment].”[36]

This communicative role of film has recently extended to internet-based social networking, for example sites such Facebook, YouTube and Twitter, which have begun to play a major role in spreading word of mouth (both positive and negative) and exchanging views about the content of films.

See* Stories We Tell Ourselves: The Cultural Impact of UK Film 1946–2006. A study for the UK Film Council *by Narval Media / Birkbeck College / Media Consulting Group (http://www.ukfilmcouncil.org.uk) for more details about the cultural impact of UK film.

[35] Richard E. Caves, *Creative Industries*, Harvard University Press (2000), pp 180-182 cites a number of sociological studies that elucidate this point. It is a characteristic film shares with other cultural goods such as literature, music and television.
[36] Caves (2000), p181.

3. Public support for film in the UK

Recognising the importance of the cultural role of film and the economic constraints facing the UK film industry the UK government has intervened in the industry, one way or another, since the passage of the Cinematographic Films Act 1927.[37]

3.1 The history of public support for film

In the last fifty years there have been four broad periods, including an unsuccessful free market experiment in the 1980s:[38]

3.1.1 1948 to 1979

During this period Government support for the industry took three forms. First, there was a 30% UK quota for material handled by distributors and exhibitors in the UK. Second, was a levy on box office revenue (the 'Eady levy' named after Sir Wilfred Eady who recommended its introduction in 1950), which was directed into UK film production via the British Film Fund Agency. Third, was financial support through the National Film Finance Corporation (NFFC) from 1948.

3.1.2 1979 to 1985

This period saw the dismantling of the forms of support of the early post-war period. The UK quota was reduced from 30% to 15% in 1982, then abolished in 1983. After the White Paper *Film Policy* (1984), the Eady Levy was abolished by the 1985 Films Act. The NFFC was renamed British Screen Finance Ltd and privatised.

The view of the government of the day was that film should be subject to the same free market forces that other industries were (theoretically) subject to. This view was given some credence by the high profile success of the Goldcrest company[39] in the early 1980s. Goldcrest was backed by a substantial UK public company and succeeded in igniting City interest in the film industry. Unfortunately it became financially over-extended in the late 1980s and collapsed, killing off the City interest it had engendered. Around the same time, other private sector companies the government expected to support British Screen Finance, such as Thorn EMI, pulled out of the sector.

One positive development during the 1980s was Channel 4's investment in film. Between 1982 and 1994, Channel 4 invested a total of £90m in 264 films, saving the industry from almost complete implosion. ITV joined in for a while, until a change in the tax treatment of the ITV levy caused it to pull out of film making in 1988. British Satellite Broadcasting also began to invest in films, but stopped after it became part of BSkyB, in 1991.

[37] Pratten, Stephen and Simon Deakin, *Competitiveness policy and economic organisation: the case of the British film industry*, *Screen* 41:2, Summer 2000, p222.
[38] John Hill, *British Film Policy*, Chapter 6 of *Film Policy*, (ed) Albert Moran, Routledge, 1996.
[39] The company that produced *Gandhi*, *Chariots of Fire* and several other high profile films.

An important background factor in the mid-1980s was the nadir of public demand for cinema. This was before the multiplex revolution that was to stimulate audience growth the following decade. In 1984 there were only 54 million admissions, compared with 123 million in 1994 and 164 million in 2008.[40]

The failure of the free market experiment confirmed the existence of market failures affecting UK film and set the ground for the resumption of Government support for the film industry in the 1990s.

<u>3.1.3 1990 to 2003</u>
In 1989, only 30 UK films were made and the industry was in dire straits. Margaret Thatcher recognised that something had to be done and convened a seminar of industry leaders at Downing Street in June 1990. Thatcher, by this time, was motivated by a vision of Britain as the centre of European film making in the post-1992 European market.[41] Three things came out of the changed political atmosphere of the early 1990s: government funding for the establishment of the British Film Commission (1991), the introduction of tax relief via section 42 of the Finance (No.2) Act 1992 and the decision to allocate lottery money to film production, from 1995.

In 1996, the Secretary of State for National Heritage established an Advisory Committee on Film Finance under the Chairmanship of Sir Peter Middleton, and this Committee recommended the introduction of a 100% first year write-off for the costs of film production. This was implemented by section 48 of the Finance (No.2) Act 1997 for films costing up to £15 million. Critical to the Middleton Report's recommendation was its analysis of failure in the capital market in relation to film, i.e. the lack of adequate commercial structures for spreading risk and attracting private investment into film production.[42]

Then, in 1997, the incoming Labour Government appointed a committee, under the leadership of Stewart Till and the Rt Hon Tom Clarke CBE MP, to review film policy. The committee's report, *A Bigger Picture* (1998) led to the establishment of the UK Film Council as the lead body for film, and made the UK Film Council the channel for most forms of Government support for film[43] (British Film Institute, National Lottery, British Screen Finance, the British Film Commission and funding for the English regions.)

The Middleton committee had recommended the establishment of a distribution-led investment vehicle in the UK and the Film Policy Review Group pursued this idea in the form of 'film franchises': £95 million of lottery money (distributed independently by the national Arts Councils) was allocated to three companies or company groups (DNA, the Film Consortium and Pathé) for the production of slates totalling 47 films.

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[40] *BFI Film and Television Handbook 1996*, p34; UK Film Council *2009 Statistical Yearbook*, p7.
[41] Hill, p110.
[42] *Report of the Advisory Committee on Film Finance*, July 1996, pp12-15.
[43] Additional direct Government funding goes to the National Film and Television School, Scottish Screen, the Northern Ireland Screen and the Film Agency for Wales.

Alongside the improved level of Government support for film came an improvement in the underlying market conditions. Cinema audiences recovered from 98 million admissions in 1992 to 176 million in 2002. The video market for film continued to develop, becoming ever more important for film profitability. In the early 2000s DVD became the fastest growing electronic product of all time. In the mid-1990s, commercial success returned in the form of the UK-Dutch company Polygram[44], an international production and distribution company, which took many British talents, including Working Title, to the world stage.

Between 1992 and 2002, the annual number of films produced in the UK increased from thirty to 119, and the value of production increased from £98 million to nearly £550 million.

3.1.4 2003 to present

In 2004 the Government signalled its disquiet over what it saw as an abuse of tax relief by excluding so called 'tax partnership' funding for British films, causing a short-term downturn in domestic production. The Government also launched a thorough review of film tax relief, and in 2006 the Chancellor of the Exchequer announced the introduction of a new film tax credit to replace Sections 42 and 48 of the Finance (No. 2) Act (see section 3.3 for details).

See Appendix 1 for details of the main public bodies for film→

3.2 International Co-Production Agreements

The UK Government has also supported UK film by negotiating international co-production agreements. The UK currently has agreements in place with Australia, Canada, France, India, Jamaica, New Zealand and South Africa.[45]

The most active bilateral agreements in recent years have been with Canada, Australia and France. The UK has also ratified the European Convention on Cinematographic Co-production (1994), which enables European co-productions in addition to those under the bilateral agreements.[46]

To qualify as official co-productions, films must genuinely involve people and resources from each of the participating countries and each participant must contribute a minimum percentage of the production budget, as specified in each agreement.

3.3 Film tax relief

To qualify for the new (2007) tax relief, films must either pass the Cultural Test or qualify as an official co-production. The Cultural Test is comprised of four parts (Cultural

[44] Three of Polygram's 100+ films were *Four Weddings and a Funeral*, *Trainspotting* and *Bean*.

[45] See http://www.culture.gov.uk/what_we_do/creative_industries/4112.aspx for more information on the UK's bilateral co-production treaties.

[46] DCMS, *Co-production Agreements*, www.culture.gov.uk, UK Film Council *2009 Statistical Yearbook*, p131.

content, Cultural contribution, Cultural hubs and Cultural practitioners) and films must score 16 or more points out of a possible 31.

Furthermore, qualifying films

- must be intended for theatrical release;
- must reach a minimum UK spend requirement of 25% (UK qualifying production expenditure is defined as expenditure incurred on filming activities which take place within the UK, irrespective of the nationality of the persons carrying out the activity).

Tax relief is available on qualifying UK production expenditure up to a maximum of 80% of total qualifying costs. There is no cap on the amount that can be claimed.

For films that cost up to £20 million, the Film Production Company (FPC) can claim an enhanced deduction of 100% with a payable cash element of 25% of UK qualifying film production expenditure.

For films that cost over £20 million, the FPC can claim an enhanced deduction of 80% with a payable cash element of 20% of UK qualifying film production expenditure.

3.4 Cultural support for film

Additional public sector support for film has been provided by the British Council, many local authorities and the four national Arts Councils (the latter lottery funding stream for film production now redirected to the UK Film Council and the national screen agencies). The major channel of government support for film culture has been the British Film Institute, established in 1933. The BFI, under the terms of its Royal Charter, encourages the development of the art of film in the UK, ensures that UK audiences have access to the full range of British and international cinema, enables UK citizens to learn about film through the BFI Library, publications and learning resources, and preserves the moving image heritage through the BFI Archive.

See Appendix 1 for profiles of the main public bodies supporting film culture→

3.5 Financial summary of UK government support to film

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 and the European Union.

Public investment in film identified in Table 3.1 is estimated to have been £261 million in 2007/08. The total is likely to have been higher still, as the estimate does not include information on some local authority, research council, higher or further education and project match funding, as indicated in the notes to Table 3.1.

The largest single source of public investment was the UK film tax relief, estimated to have provided £105 million in 2008, 40% of the total. The second largest source was the National Lottery (£50.8 million, 19% of the total) and the third largest was the DCMS grant-in-aid to the UK Film Council and National Film and Television School (£29.1 million, 11% of the total). The National and Regional Development Agencies provided £14.6 million, BBC Films £12.5 million, Film4 £10.2 million and the European Union MEDIA Programme £11.5 million.

Table 3.1 Public funding for film in the UK by source 2007/08

Source	Amount £ million	% of total	Notes
National Lottery Distribution Fund (DCMS) – Film	50.8	19.5%	National Lottery allocations to the UK Film Council, Scottish Screen and Northern Ireland Screen, plus Heritage Lottery Fund (1)
DCMS grant-in-aid to the UK Film Council and NFTS	29.1	11.2%	Awards to the UK Film Council (of which £16.1 million was awarded to the BFI) and National Film and Television School
National and Regional Development Agencies	14.6	5.6%	Contributions to the National and Regional Screen Agencies
BBC Films	12.5	4.8%	BBC Films' production investment and contributions by the BBC to NFTS and N/RSA projects – excludes acquisitions etc made by other BBC departments
EU MEDIA Programme	11.5	4.4%	European Union MEDIA Programme (2)
Film4	10.2	3.9%	Film4 (Channel 4's film production company) investment in film development and production plus Channel 4 investment in NFTS and N/RSA projects
Other European Union	5.6	2.1 %	European Regional Development Fund and European Social Fund
Northern Ireland Executive	4.6	1.8%	Includes spend from all Northern Ireland government agencies into strategic bodies/projects
Department for Children Schools and Families	4.5	1.7%	DCSF investment in the Mediabox scheme. Match funding in individual Mediabox projects (and other First Light projects) is not collated
Welsh Assembly Government	3.3	1.3%	Includes spend from all Welsh government agencies into strategic film bodies/projects
Scottish Government	3.3	1.3%	Includes spend from all Scottish government agencies into strategic bodies/projects
Department for Innovation Universities and Skills	1.8	0.7%	Awards to Screen Academies, Skillset and N/RSAs
Higher Education Funding Council	1.3	0.5%	HEFC investment in Screen Academies and a small number of

			projects by strategic agencies (3)
Ofcom	0.9	0.3%	Contribution to BFI national archive for television
Foreign and Commonwealth Office	0.9	0.3%	Funding for UK-originated British Council activity. Excludes partnership funding of 'in country' events (outside the UK)
Arts Councils	0.7	0.3%	Awards from national Arts Councils to film agencies (4)
Local Government	0.3	0.1%	Comprises investment by local authorities in N/RSA activities
Dept for Business Enterprise & Regulatory Reform	0.03	0.0%	Award to Film London for film export support
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	**155.9**	**59.8%**	**National Lottery and grant-in-aid from all sources as above**
UK film production tax relief (HMRC)	105.0	40.2%	Estimated cost of the new film tax relief in 2007/08 (5)
Total public sector selective and automatic investment	**260.9**	**100.0%**	**Sum of all the above**

Source: Northern Alliance, UK Film Council *2009 Statistical Yearbook*, pp148-149.

Abbreviations

BFI – British Film Institute
DCMS – Department for Culture, Media and Sport
HMRC – Her Majesty's Revenue and Customs
NFTS - National Film and Television School
N/RSA – National and Regional Screen Agencies

Notes

1 The National Lottery funding figure is for financial year 2007/08.
2 Investment for the MEDIA Programme is for awards made from 1 April 2007 to 31 March 2008.
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. Comprises awards to BFI, Screen Academies and other strategic agencies. Does not include payments from educational funding councils to other film courses (film studies etc) in higher or further education.
4 Arts Council England, Arts Council of Wales, Arts Council Northern Ireland, Scottish Arts Council. Does not include Arts Council direct investments in artists' film and video.
5 HM Treasury, *Tax ready reckoner and tax reliefs*, November 2008, pp14 and 20. There was a residual fiscal cost in 2007/08 for the discontinued s.42 and s.48 tax reliefs which is not shown in Table 3.1 as it relates to previous policy and production years.

Table 3.2 provides another perspective on public support for film, by classifying investment in terms of the activities supported. The biggest supported activity was production, accounting for £159.2 million (56% of the total). Distribution and exhibition came second with £35.2 million (12.4%), followed by training and skills (7.5%), education, young people and lifelong learning (6.5%), overheads (6.3%) and film archives and heritage (4.3%).

Table 3.2 Activities supported by public spend on film, 2007/08

Activity	Amount £ million	% of total	Notes
Production	159.2	56.0%	Non-tax break spend is £54.2 million
Distribution and exhibition	35.2	12.4%	
Training and skills	21.4	7.5%	Skills Investment Fund, N/RSA training investment, Skills Academies
Education, young people and lifelong learning	18.4	6.5%	
Administration/Overheads	17.9	6.3%	
Film archives and heritage	12.1	4.3%	National Film and Television Archive, N/RSA archive budgets, HLF investments
Script development	7.7	2.7%	
Export and inward investment promotion	6.7	2.4%	UK Film Council International; British Council, locations services in nations and regions
Business Support	5.6	2.0%	N/RSA investment: primary beneficiaries are independent production companies
Total public film expenditure	**284.2**	**100.0%**	

Source: UK Film Council *2009 Statistical Yearbook*, p151.
N/RSA = National/Regional Screen Agency
HLF = Heritage Lottery Fund
2007/08 total expenditure (£284 million) was greater than total public funding (£261 million, Table 3.1) as expenditure was supplemented by earned/self-generated income, grants from trusts and foundations and transfers from reserves.

4. Sector guides

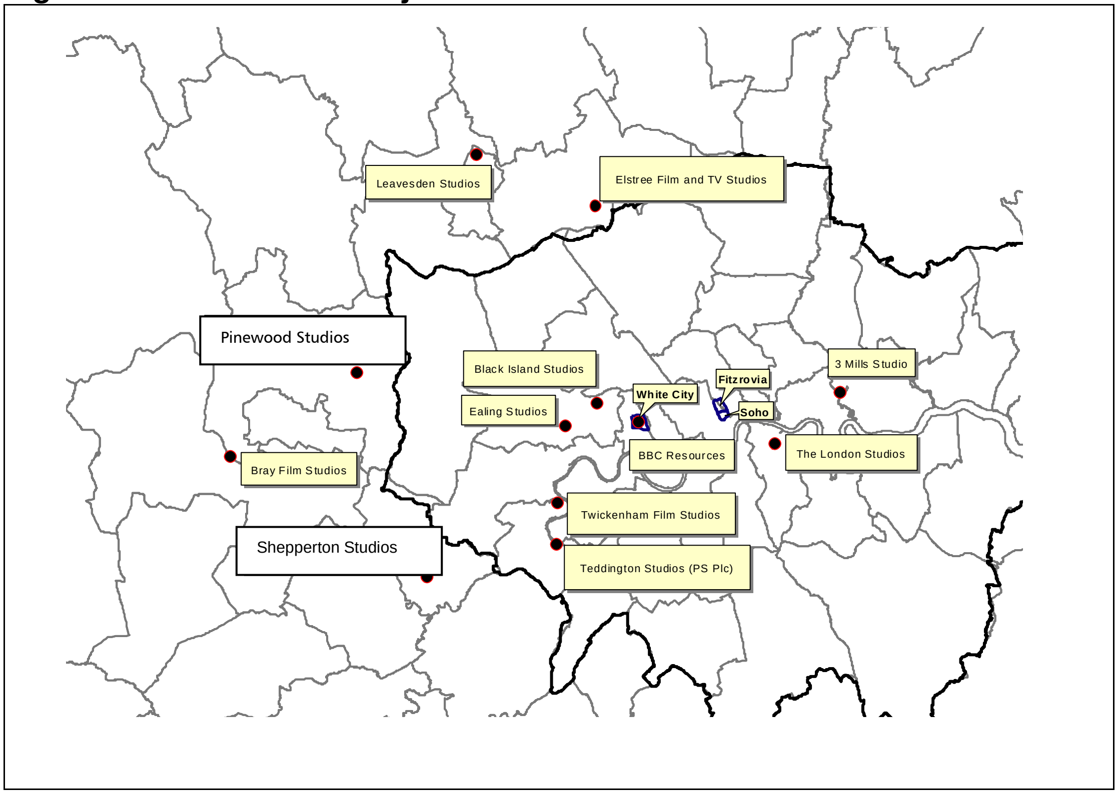
4.1 Production

Film production is commonly understood to involve four stages: development, pre-production, principal photography and post-production.

Development
During this initial stage a story idea is developed into a screenplay. This may involve securing rights to underlying story material if the script is based on existing intellectual property (like a book or play). Once written, a film's producer(s) will pitch the script (or an outline called a treatment) to financiers in order to secure funding. With finance in place the project can move into pre-production.
Pre-production
Pre-production begins with the establishment of a production office to plan and organise the shoot. This involves: • Budgeting the production • Location scouting • Hiring cast & crew and beginning rehearsals
Principal photography
The physical elements of production are shot during principal photography, according to a schedule drawn up in pre-production. Principal photography can take place on location or using sets constructed on sound stages or studio backlots.
Post-production and visual effects
Post-production is where the film is assembled by an editor, a soundtrack is laid down (comprising a film score, dialogue, sound effects and background sounds) and digital effects are added to create a final negative from which to strike high quality release prints.

Film production in the UK is centred on London and the South East. There are clusters of production companies, visual effects and post-production houses and film financiers in Soho and other parts the West End. To the north (Leavesden) and west of London (Ealing, Pinewood and Shepperton) are film studios that attract overseas and local productions. London is also popular for location shoots.

Figure 4.1: Location of major Film studios in London



Source: Pratt, Dr A C: *Global Commodity Chains and Clusters: a case study of the film industry in London*, 2007.

Outside London there are centres of film production in Central Scotland, Cardiff, Manchester and Liverpool, Bristol and Nottingham, and all regions host location shoots to a greater or lesser extent (e.g. *Harry Potter* at Alnwick Castle in Northumberland).

See Appendix 3 for details of film studios around the UK→

Table 4.1 gives an estimate of national and regional breakdown of film production turnover. It shows that activity levels by turnover were highest in London, the South East and the North West and lowest in Northern Ireland, Wales and the North East. Between them, London and the South East accounted for four fifths of the total film turnover from sales.

Table 4.1: National/regional distribution of film production turnover, 2002

Nation/region	Turnover from sales (£000s)	%
London	622,979	70.0
South East	85,522	9.6
North West	47,549	5.3
Scotland	24,331	2.7
West Midlands	21,915	2.5
South West	21,220	2.4
East of England	17,321	1.9
Yorkshire & the Humber	14,146	1.6
East Midlands	11,418	1.3
Northern Ireland	8,921	1.0
Wales	7,401	0.8
North East	7,169	0.8
Total	**889,891**	**100.0**

Source: Cambridge Econometrics, *Economic Impact of the UK Screen Industries*, 2005.

In terms of production spend, the leading UK-based production companies include:

Aardman Animation (e.g. *Wallace & Gromit in the Curse of the Were Rabbit*, *Flushed Away*)
DNA Films (e.g. *Notes on a Scandal*, *Sunshine*)
EON Productions (e.g. *Die Another Day*, *Casino Royale, Quantum of Solace*)
Fragile Films (e.g. *St Trinian's, Dorian Gray*)
Heyday Films (e.g. the Harry Potter franchise)
Intermedia (e.g. *Alexander*, *Basic Instinct 2*)
Number 9 Films (e.g. *And When Did You Last See Your Father?, How to Lose Friends and Alienate People*)
Pathé (e.g. *Bride and Prejudice*, *The Queen*)
Potboiler Productions (e.g. *Blindness, Happy-Go-Lucky*)
Revolution Films (e.g. *Red Riding trilogy, A Mighty Heart*)
Ruby Films (e.g. *The Other Boleyn Girl, Brick Lane*)
Samuelson Productions (e.g. *Stormbreaker*)
Skyline Films (e.g. *Lesbian Vampire Killers, Rocknrolla, The Bank Job*)
Working Title (e.g. *The Boat that Rocked, Atonement*, *Shaun of the Dead, Hot Fuzz, Mr Bean's Holiday*)
Zephyr (e.g. *Hannibal Rising*, *Death Defying Acts*)

With the exception of Aardman Animation, which is based in Bristol, all these leading production companies are located in and around London.

A number of UK companies have been active in co-productions, though at lower UK spend levels, including:

Aquarius Films (*Beast in the Heart*, *Once You Are Born You Can No Longer Hide*, *Ghost Son* and *The Perfect Man*)

Aria Films (*Battle Of Treasure Island*, *Monster of Treasure Island*, *Moby Dick: The Legend Returns*, *The Treasure Island Kids* and *The Mystery of Treasure Island*)
Clubdeal (*Shadows of the Past*, *Harvester*, *Truth, Truth, Lie*, *Second in Command*, *Razor's Edge* and *Incubus*)
Film & Music Entertainment (*Bathory, Quest for a Heart*)
Future Film Group (*The White Knight The Kovak Box*, *Comme T'y Es Belle*, *Checkmate*, and *Sleeper*)
Ipso Facto Films (*Dot Com*, *Miss Montigny*, *Irina P*, *School for Seduction*, *Bye Bye Blackbird* and *Spin the Bottle*)
Lunar (*Klimt* and *Boy Eats Girl*), Studio 8 (*Country of my Skull*, *The Keeper*, *Avalanche*, *Fire* and *Belly of the Beast*)
UK Film Services (*Joy Division*, *Wake of Death*, *House of Nine*, *Killer on the Loose*, *Monica Made in America* and *Pinatas*).

UK broadcasters also invest in film production, notably BBC Films (e.g. *Brideshead Revisited*, *The Duchess*, *Red Road*, *Bullet Boy, The Other Boleyn Girl, Revolutionary Road*) and Film4 (e.g. *Slumdog Millionaire*, *Burn After Reading*, *Dead Man's Shoes, Donkey Punch*).

Other principal financiers of UK films (excluding US studios) include financial houses (Aquarius, Aramid, CinemaNX, Ingenious Films, Prescience, Limelight, Future Films) and independent distributors (Entertainment, Icon, Lionsgate, Momentum, Optimum and Pathé).

See Appendix 4 for detailed profiles of prominent UK-based production companies and film financiers→

The major US studios are actively involved in producing films in the UK, often in partnership with UK-based companies (e.g. Warner Bros. and Heyday Films produce the Harry Potter franchise). Table 4.2 gives examples of recent studio backed UK productions:

Table 4.2: US studio-backed films

Studio	Example film(s)	UK producing partner
Disney	*Valiant* *King Arthur*	Ealing Studios Green Hill Productions
New Line	*The New World*	First Foot Films
Paramount	*Alfie* *Stardust*	Paramount British Pics Ltd. Marv Films
Sony/MGM/Columbia	*Quantum of Solace* *De Lovely* *Resident Evil Apocalypse*	Eon Productions Potboiler Productions Constantine Films (UK)
Twentieth Century Fox	*Tristan and Isolde* *Sunshine*	Scott Free Productions DNA Films
Universal	*Atonement* *Hot Fuzz* *Mr Bean's Holiday*	Working Title Working Title Working Title

Warner Bros.	*Phantom of the Opera* *10,000 BC* *The Dark Knight*	Really Useful Legendary Pictures (UK) Syncopy

Source: UK Film Council

4.2 Post-production and visual effects

Salix Management Consultants conducted a survey of UK post-production in 2003, on behalf of the UK Film Council. They found that nearly 1,000 specialised companies carry out post-production work across the UK's audiovisual industries. Work in the sector is split across three main areas – commercials (36.4%), film (29.3%) and broadcast (18.9%) – with the balance made up by corporate, music video, titles and idents.[47]

In 2003 there were 79 companies in the sector with 100 employees or more, and companies tend to cluster around centres of production: 90% of all activity by spend is in or around London.[48] Soho has a very high concentration of post-production houses, particularly those specialising in digital effects. This cluster has been enabled by Sohonet, a high capacity broadband link developed in 1995 to allow the transport of data files between post-production houses and US studios.[49]

A more recent assessment of the sector was prepared by Oxford Economic Forecasting in 2005 for UK Post (now the UK Screen Association). It reported that:[50]

- the UK film post-production industry is one of the three largest in the world, along with the USA and New Zealand, with sales of £370 million in 2004. It accounted for 14% of the overall UK post-production sector and 16% of the UK film industry;
- the sector quadrupled its turnover and employment between 1997 and 2004;
- spending on film post-production accounted for around a quarter of all film production spend, up from 13% in 2001 and still rising;
- the sector directly employed around 4,400 full time equivalents, including self-employed workers, in 2004;
- the workforce is highly skilled, with 66% educated to degree level, compared with 16% of the UK working-age population as a whole;
- including multiplier effects, the film post-production industry contributed £300 million to UK GDP, supported a total of 8,800 jobs and contributed around £80 million to the Exchequer;
- the sector invests heavily in research and development and is estimated to have invested £100 million in fixed capital assets in the period 2000-2004.

[47] Source: Salix Management Consultants and UK Film Council, *Post-Production in the UK*, 2003.
[48] Source: Salix Management Consultants and UK Film Council, *Post-Production in the UK*, 2003.
[49] Source: Pratt, Dr A C, *Global commodity chains and clusters: a case study of the film industry in London*, 2007.
[50] Source: Oxford Economic Forecasting and UK Post, as reported in *UK Film Council Statistical Yearbook 2005/06*.

Data from a study by Cambridge Econometrics of the economic multiplier effects of the UK film industry illustrates the concentration of post-production activity in and around London in terms of turnover from sales (Table 4.3). But even outside London and the South East, turnover from sales totalled nearly £32 million in other parts of the country:

Table 4.3: Film post-production activity: turnover from sales, 2002

Nation/region	Turnover from sales (£000s)	%
London	106,562	69.8
South East	15,024	9.8
North West	5,631	3.7
South West	4,875	3.2
Yorkshire & the Humber	4,015	2.6
West Midlands	3,652	2.4
East of England	3,198	2.1
North East	2,998	2.0
East Midlands	2,190	1.4
Northern Ireland	1,784	1.2
Scotland	1,521	1.0
Wales	1,115	0.7
Total	**152,564**	**100.0**

Source: Cambridge Econometrics

4.3 Distribution

A total of 92 distribution companies released at least one film theatrically in the UK in 2008. The top ten distributors, led by UK-based subsidiaries of US studios, had a 95% share of the theatrical market in 2008 (Table 4.4).

Table 4.4: Distributor market shares in 2008

Distributor	Market share (%)	Films on release 2008	Box office gross (£ million)
Universal Pictures	18.6	31	177.7
Paramount	17.0	26	162.4
Sony Pictures	12.5	22	119.4
Warner Bros	11.0	21	105.2
Walt Disney Studios	10.0	19	95.3
20th Century Fox	9.4	26	90.2
Entertainment	7.9	22	75.9
Momentum	3.5	23	33.2
Lions Gate	2.5	21	23.9
Pathé	2.1	19	19.8
Sub-total	*94.5*	*230*	*903.0*
Others (82 distributors)	5.5	368	53.7
Total	**100.0**	**598**	**956.7**

Source: Nielsen EDI, UK Film Council *2009 Statistical Yearbook*, p69.
Box office gross = cumulative box office total for all films handled by the distributor in the period 4 January 2008 to 1 January 2009.

The largest UK-owned distributor, Entertainment, had 7.9% of the market, with a box office gross of nearly £76 million.

Table 4.5 highlights the top ten distributors of foreign language films at the UK box office. The list is dominated by companies that release Indian films, such as Eros and Yash Raj. Artificial Eye released the most foreign language titles: 18 in 2008.

Table 4.5 Top 10 distributors of foreign language films in the UK and Republic of Ireland, 2008

Distributor	Films released in 2008	Average widest point of release	Box office gross (£ million)
Yash Raj	6	44	3.5
Optimum Releasing	7	33	3.0
Eros International	17	26	2.4
UTV Communications	6	29	2.4
Artificial Eye	18	10	2.2
Studio 18	3	48	2.1
Pathé	5	15	1.4
Lions Gate	2	18	1.2
Adlabs	6	29	1.1
Momentum	5	28	1.1

Source: Nielsen EDI, UK Film Council *2009 Statistical Yearbook*, p70.
Note: The list includes distributors releasing two or more foreign language titles in the period 4 January 2008 to 1 January 2009

4.4 Exhibition

The exhibition sector is dominated by a small number of companies that accounted for over four fifths of UK box office gross in 2008.

Private equity firms own the two largest exhibition chains: Terra Firma (Odeon) and The Blackstone Group (Cineworld), which between them operated 1,592 screens in 2008, 44% of the UK total (Table 4.6).

Table 4.6 Cinema screens by exhibitors with 20+ screens, 2008

Exhibitor	Sites	Screens	% of total screens
Odeon	107	834	23.1
Cineworld	74	758	21.0
Vue	63	608	16.8
National Amusements	21	274	7.6
Ward Anderson	24	206	5.7
Apollo	13	77	2.1
City Screen	18	51	1.4
Reel Cinemas	13	48	1.3
Movie House Cinemas	5	39	1.1
AMC	2	28	0.8
Merlin Cinemas	9	26	0.7
Others	375	657	18.2
Total	**726**	**3610**	**100.0**

Source: Dodona Research, UK Film Council *2009 Statistical Yearbook*, p82.
Figures correct as at March 2009
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.

City Screen is the largest chain of cinemas to regularly programme specialised films, through its Picturehouse cinemas. In 2008 it operated 51 screens around the UK.

Table 4.7 presents a summary of the main cinema revenues in the period 2005 to 2008. Overall cinema revenues increased by 11% over the period, as a result of stable admissions, rising ticket prices and increases in concession and advertising revenues.

Table 4.7: Cinema Revenues 2005-2008

	2005	2006	2007	2008
Screens	3,357	3,440	3,514	3,610
Average ticket price (£)	4.68	4.87	5.05	5.18
Gross box office (£m)	771	762	820	850
Net concession revenue (£m)	252	247	263	273
Cinema advertising revenues (£m)	188	188	203	195
Cinema revenue (£m)	979	980	1,051	1,084
% change	-0.2	0.2	7.2	3.2
Admissions per person	2.7	2.6	2.6	2.6
Admissions per screen	49,059	45,523	46,223	45,491

Source: Dodona Research
‘Concession revenue’ is revenue from the sale of food and drink in the cinema building.

5. The future, now

The development of digital technology for making, distributing and exhibiting films offers a range of new opportunities for the film business. While the pace of change has not always matched that anticipated by the most enthusiastic early adopters of these technologies, the industry is now well into the long period of transition towards a fully digital future. This section looks at how some of these changes are manifesting themselves at the present time.

5.1 Digital exhibition and 3D

The recent development of digital screens and digital 3D technology has enhanced the range of content possible on screen, including live events via streaming, and may bring new audiences to the cinemas.

By the end of 2008, the UK Film Council's Digital Screen Network (DSN), comprising 239 digitally-equipped screens, had been installed. The end of the final installations marked the beginning of the four-year contract with the cinemas for the delivery of specialised films. The DSN accounted for 77% of all high-end digital screens in the UK at the end of 2008.[51]

According to *Screen Digest*, at the end of 2008 there were 8,797 DCI–level (Digital Cinema Initiative) digital screens worldwide, 36% up on 6,455 screens in 2007. The rise in digital screens in the world continued in 2008. It was fuelled by the continuing growth of digital screens in the Americas (46% of the total increase of 2,342 digital screens in 2008) and similar levels of increase in Europe (29% of the total increase) and the Asia-Pacific region (24% of the total increase). The growth in the Americas was mainly due to the increase of 883 screens in the USA to 5,515 in 2008 (4,632 in 2007).

In Europe, five countries, lead by the UK, had more than 100 digital screens in 2008. The top five countries (UK, France, Germany, Austria and Belgium) had 62% (68% in 2007) of all of the high-end digital screens in Europe.

Of the 310 high-end digital screens in the UK in 2008, 69 (22%) of them were 3D capable digital screens. This represents a six-fold increase in the proportion of 3D digital screens since 2006. Some of the popular 3D screenings in the UK in 2008 included *Journey to the Center to the Earth*, *Fly Me to the Moon* and *U2 3D*.

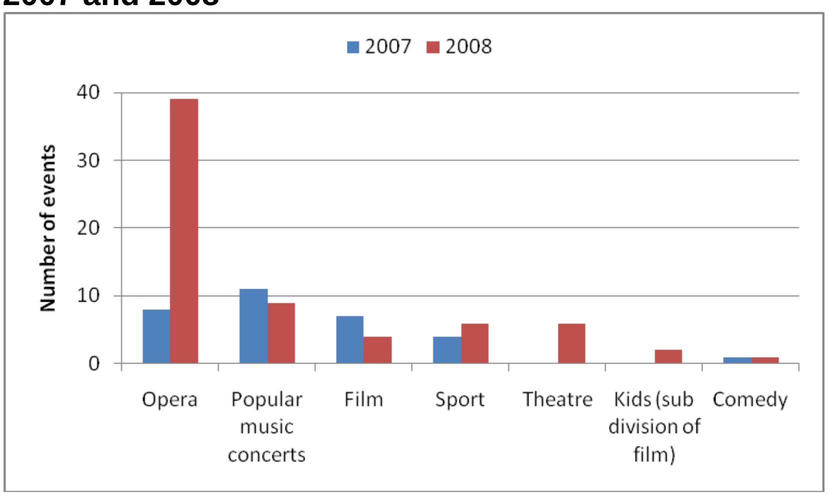
The growth in 3D digital screens coincided with an increase in the availability of 3D content internationally. According to *Screen Digest*, the number of digital 3D features (films produced in stereoscopic 3D format) scheduled for released internationally rose from two and three in 2006 and 2007, to seven in 2008. There is a strong line-up, especially animations, of 3D releases for 2009, including *Ice Age 3, Final Destination 4, Up* and *Avatar*.

[51] Source: UK Film Council *2009 Statistical Yearbook*, p83

Alternative content (AC) or non-feature film programming is becoming a regular feature in some UK cinemas equipped with digital screens. The availability of a digital screen base has allowed a wider range of content on the big screen and potentially improved the use of auditorium capacity during typically quiet periods, for example, special screenings of children's television programme for parents with babies in the morning.

The number of alternative content events screened in UK cinemas more than doubled in 2008 to 67, up from 31 in 2007, according to *Screen Digest*. Such events ranged from live or recorded operas and pop music concerts to film screenings with a live 'question and answer' session or a live 'virtual' premiere, such as the opening of the documentary film, *The Age of Stupid*, in the UK and Ireland. Ticket prices for the different types of event varied but live events tended to be at a premium. Opera was reported to be the most commonly-screened event in 2008 followed by popular music concerts. The number of operas screened in the cinema increased almost five-fold to 39 in 2008 (eight in 2007), as Figure 5.1 shows. The National Theatre announced that it will be broadcasting four plays on cinema screens across the world through a new initiative, NT Live. The first play was Phèdre, starring Oscar-winning actress Helen Mirren, which was seen by more than 30,000 people worldwide.

Figure 5.1 Alternative content events screened in UK cinemas by type of event, 2007 and 2008



Source: Screen Digest, UK Film Council *2009 Statistical Yearbook*, p86.
Notes: Figures include live and recorded events. 'Film' includes film screenings followed by a live 'question and answer' session. 'Kids' includes cartoons or short features that would normally be released on television or DVD.

5.2 Video on Demand

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/The 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, and VoD services in the UK employ four basic types of economic model:

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

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 (nVOD), where multiple channels are used to show the same film at staggered times. Over 12 million UK households were able to access films via television, and the total television-based nVoD and VoD market was worth around £114 million in 2008.[52]

According to Ofcom, over 16 million UK households (61% of the total) had a broadband connection in 2008, with the potential to view films online. Despite this level of broadband penetration, the online VoD market remained small with estimated revenues of around £6.2 million. However, this has grown from £700,000 in 2007 thanks largely to the introduction of films on iTunes mid-way through 2008 and also on Xbox Live Marketplace. Services for portable devices and consoles are leading the way.

Screen Digest estimates that the combined value of the TV-based VoD and nVoD and internet-based market was worth £120 million in 2008, roughly 3% of the total UK filmed entertainment market.

The number of VoD film services in the UK has grown rapidly over the last year. By March 2009, 17 VoD film services could be identified compared with only six in mid-2007. Five of these services offered more than 1,000 film titles, compared to two in 2007.

The main area of <u>online</u> growth in 2008 was 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).

[52] Source: UK Film Council *2009 Statistical Yearbook*, p105.

Appendix 1: Public film bodies

British Council
10 Spring Gardens
London SW1A 2BN
Tel +44 (0)20 7389 3051
www.britfilms.com
www.britishcouncil.org
Head of Film: Satwant Gill

The official UK agency for international cultural relations. Its Film Department assists the international promotion of new British films (features and shorts), principally through festivals and showcases.

British Film Institute
21 Stephen Street
London W1T 1LN
Tel: 020 7255 1444
www.bfi.org.uk
Director: Amanda Nevill

The British Film Institute (BFI) receives £16.5 million per year from the UK Film Council and plays a key role in achieving the UK Film Council's goals and fostering public appreciation of film through improved access to cinema, film heritage and educational provision. The British Film Institute promotes understanding and appreciation of Britain's rich film and television heritage and culture. Established in 1933, the BFI runs a range of activities and services for the film education sector and the National Film and Television Archive, the biggest archive of film and television material in the world.

First Light Movies
Studio 28, Fazeley Studios,
191 Fazeley Street,
Birmingham,
B5 5SE
Tel: 0121 224 7511
www.firstlightmovies.com
Acting Chief Executive: Leigh Thomas

First Light Movies funds and inspires the making of short films by young people aged five and eighteen to write, act, shoot and produce films. The UK Film Council awards £1.1million of Lottery money every year to enable First Light Movies to work with filmmakers and organisations to give young people first hand experience of filmmaking - an example of this is Film Street, a website for six to nine-year-olds, designed to unlock imaginations, introduce the joys of film and encourage expression through filmmaking: www.filmstreet.co.uk

National Film Trustee Company (NFTC)
Fourth Floor
66-68 Margaret Street
London W1W 8SR
Tel +44 (0)20 7580 6799
Managing Director: Louisa Bewley

The NFTC is the UK's foremost film revenue collection and monitoring agency. It is owned by the UK Film Council and provides an independent and ongoing revenue collection service for financiers, producers and third parties.

Skillset
Focus Point
21 Caledonian Road
London
N1 9GB
Tel: 020 7713 9800
www.skillset.org
Chief Executive: Dinah Caine

Skillset is the Sector Skills Council (SSC) for Creative Media, which comprises TV, film, radio, interactive media, animation, computer games, facilities, photo imaging and publishing. Skillset is also the UK Film Council's partner on skills development and training in film. In 2003 Skillset and the UK Film Council launched the first ever comprehensive training strategy "A Bigger Future" for the British film industry. A package of measures is being rolled out backed by an investment of around £50 million over the next five years which as a whole aim to build a bigger and better future for the film industry in the UK.

UK Film Council
10 Little Portland Street
London
W1W 7JG
Tel: 020 7861 7861
www.ukfilmcouncil.org.uk
Chief Executive: John Woodward

The UK Film Council is the lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. The UKFC invests Government grant-in-aid and National Lottery money in film development and production; training; international development and export promotion; distribution and exhibition; and education. Its aim is to deliver lasting benefits to the industry and the public alike 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.

UK MEDIA Desk
10 Little Portland Street
LONDON
W1W 7JG
Tel: 020 7861 7511
www.mediadesk.co.uk
Director: Agnieszka Moody

The UK MEDIA Desk is hosted by the UK Film Council and is the information office for the MEDIA Programme and offers support and advice for UK applicants. The MEDIA Programme offers a wide variety of funding for film and television, covering areas from training through development and distribution to markets, events and festivals.

Regional Screen Agencies

EM Media
35-37 St Mary's Gate
Nottingham NG1 1PU
Tel: 0115 934 9090
www.em-media.org.uk
Chief Executive Officer: Debbie Williams
Chair: Lisa Opie

Film London
Suite 6.10
The Tea Building
56 Shoreditch High St
London, E1 6JJ
Tel: 020 7613 7676
www.filmlondon.org.uk
Chief Executive Officer: Adrian Wootton
Chair: Sandy Lieberson

Northern Film and Media
Studio3
The Kiln
Hoult's Yard Estae
Newcastle upon Tyne
NE6 1AB
Tel: 0191 269 9200
www.northernmedia.org
Chief Executive: Tom Harvey
Chair: Sir Les Elton

North West Vision
c/o BBC Manchester
Oxford Road
Manchester M60 1SJ
Tel: 0870 609 4481
www.northwestvision.co.uk
Chief Executive: Alice Morrison
Chair: Steve Morrison

Screen South
The Wedge
75-81 Tontine Street
Folkestone
Kent
CT20 1JR
Tel: 01303 259777
www.screensouth.org
Joint Interim Chief Executive: Chris Chandler and Sarah Dance
Chair: Graham Benson

Screen West Midlands
9 Regent Place
Birmingham B1 3NJ
Tel: 121 265 7120
www.screenwm.co.uk
Chief Executive: Suzie Norton
Chair: Dr Samir Shah OBE

Screen East
2 Millennium Plain,
Norwich, NR1 3JG
Tel: +44 (0)1603 776 920
www.screeneast.co.uk
Chief Executive Officer: Laurie Hayward
Chair: Malcolm Cockren

South West Screen
St Bartholomews Court
Lewins Mead
Bristol BS1 5BT
Tel: 0117 952 9977
www.swscreen.co.uk
Chief Executive: Caroline Norbury
Chair: Roger Laughton CBE

Screen Yorkshire
Studio 22
46 The Calls
Leeds LS2 7EY
Tel: 0113 294 4410
www.screenyorkshire.co.uk
Chief Executive: Sally Joynson
Chair: Steve Abbott

National Screen Agencies

Film Agency for Wales
Suite 7
33-35 West Bute Street
Cardiff
CF10 5LH
Tel: 029 2046 7480
Website: www.filmagencywales.com
Chief Executive: Pauline Burt
Chairman: Peter Edwards

Northern Ireland Screen
Alfred House
21 Alfred Street
Belfast BT2 8ED
Northern Ireland
Tel: 02890 232444
Website:
www.northernirelandscreen.co.uk
Chief Executive: Richard Williams
Chair: Rick Hill

Scottish Screen
2nd Floor,
249 West George Street,
Glasgow, G2 4QE
Tel: 0141 302 1700
www.scottishscreen.com
Chief Executive: Ken Hay
Chair: Dr Richard Holloway

Office holders as at July 2009

Appendix 2: Trade associations & representative bodies

AIM (All Industry Marketing)
47 Dean Street
London W1D 5BE
Tel: +44 (0) 20 7478 4370
www.aimcinema.com
Managing Director: Grace Carley

AIM is the dynamic focal point for UK generic cinema audience development. As the in-house agency for the industry coalition, AIM is tasked with the development of strategic communications to grow and diversify the audience for cinema.

AMPS (Association of Motion Picture Sound)
28 Knox Street
London W1H 1FS
Tel: +44 (0)20 7723 6727
www.amps.net
Chair: Peter Hodges

An organisation of Film and Television Sound Technicians based in the UK with a membership of 360+.

ASPEC (Association of Studio and Production Equipment Companies)
17 Ember Farm Way
East Molesey
Surrey KT8 0BH
www.aspec-uk.com

Consists of a number of leading Film, Television and Broadcasting facilities companies, and exists to provide a collective voice within the industry.

BAFTA (British Academy of Film and TV Arts)
195 Piccadilly
London
W1J 9LN
Tel: +44 (0)20 7734 0022
www.bafta.org
Chief Executive: Amanda Berry

The Academy supports, develops and promotes the art forms of the moving image, by identifying and rewarding excellence, inspiring practitioners and benefiting the public.

BECTU (Broadcasting Entertainment Cinematograph and Theatre Union)
373-377 Clapham Road
London
SW9 9BT
Tel: +44 (0)20 7346 0900
www.bectu.org.uk
General Secretary: Gerry Morrissey

BECTU is the independent union for those working in broadcasting, film, theatre, entertainment, leisure, interactive media and allied areas.

BKSTS (British Kinematograph Sound and Television Society)
Pinewood Studios
Iver Heath
Bucks SL0 0NH
Tel: 01753 656656
www.bksts.com
Honourary Treasurer and Secretary: Phil Rutter

Aims to encourage, sustain, educate, train and represent all those who are involved creatively or technologically in the business of providing moving images and associated crafts in any form and through any media.

British Academy of Songwriters, Composers and Authors
26 Berners Street
London W1T 3LR
Tel: 020 7636 2929
www.basca.org.uk
CEO: Patrick Rackow

Represents composers and songwriters, regularly talking to UK and EU politicians, civil servants and government agencies, engaging with other areas of the music industry and campaigning to protect the value of copyright and to create a better environment in which music writers can flourish.

British Federation of Film Societies
Unit 315
The Workstation
15 Paternoster Row
Sheffield S1 2BX
Tel: 0114 221 0314
www.bffs.org.uk/
Chairman: Donna Anton

Established in 1946, the BFFS is the national organisation for the development, support and representation of film societies and community cinema throughout the UK.

British Film Designers Guild
Flat G 344
Finchley Road
London NW3 7AJ
Tel: +44 (0)20 7794 0017
www.filmdesigners.co.uk

The British Film Designers Guild has members in every grade of the art department, from draughtspersons to costume designers, set decorators to production designers, and was formed with the aim of raising the standards and the profile of the art department and protecting the interest of its members.

British Society of Cinematographers
PO BOX 2587
Gerrards Cross,
SL9 7WZ
Tel: +44 (0)1753 888052
www.bscine.com
Membership: Frances Russell

BSAC (British Screen Advisory Council)
13 Manette Street
London W1D 4AW
Tel: +44 (0) 20 7287 1111
www.bsac.uk.com
Director: Fiona Clarke-Hackston

The British Screen Advisory Council (BSAC) is a force for unity that uniquely brings together many of the most influential people in the audiovisual industry today. It is an independent industry funded body, originally established by Harold Wilson's government in 1975.

BVA (British Video Association)
167 Great Portland Street
London
W1W 5PE
Tel: 020 7436 0041
www.bva.org.uk/
Director General: Lavinia Carey

The BVA was established in 1980 to represent the interests of publishers and rights owners of pre-recorded video home entertainment.

Cinema Exhibitors Association
22 Golden Square
London
W1R 3PA
Tel: 020 7734 9551
www.cinemauk.org.uk/
CEO: Phil Clapp

The CEA represents the interests of 90% of UK cinema operators by number and market share. The CEA membership includes single screen/owner managed sites as well as the largest circuit and multiplex operators. The CEA membership includes UK or European owned circuits, or those parts of global operating groups, together with subsidised and non-commercial operations.

Directors' Guild of Great Britain
4 Windmill Street
London W1T 2HZ
Tel: 0207 580 9132
www.dggb.co.uk
Chair: Ivor Benjamin

The Directors Guild Trust and the Directors Guild of Great Britain work together to promote and support directing across all media: film, television, theatre, radio, opera, commercials, music videos, corporate film, multimedia and new technology.

Directors UK
20-22 Bedford Row
London
WC1R 4EB
Tel: 020 7269 0677
Chief Executive: Suzan Dormer

Directors UK, formerly DPRS, was launched in June 2008 as the single voice for film and television directors in the UK. The organisation is both a collecting society for the distribution of secondary rights payments to directors, and the campaigning body seeking to protect and enhance the creative, economic and contractual rights of directors in the UK.

Equity
Guild House
Upper St Martins Lane
London
WC2H 9EG
Tel: 020 7379 6000
www.equity.org.uk
General Secretary: Christine Payne

Formed in 1930, Equity is the only Trade Union to represent artists from across the entire spectrum of arts and entertainment. Membership includes actors, singers, dancers, choreographers, stage managers, theatre directors and designers, variety and circus artists, television and radio presenters, walk-on and supporting artists, stunt performers and directors and theatre fight directors.

Film Distributors' Association
22 Golden Square
London
W1R 3PA
Tel: 020 7437 4383
www.launchingfilms.com
Director: Mark Batey

The FDA is the trade body for theatrical film distributors in the UK, established in 1915.

Film Export UK
10A James Street
London
WC2E 8BT
Tel: 0800 756 5616
www.filmexportuk.com
Chief Executive: Charlie Bloye

Trade body representing the interests of companies with international film sales operations in the UK, established in 2007.

Guild of British Camera Technicians
GBCT
c/o Panavision
Metropolitan Centre
Bristol Road
Greenford
Middlesex UB6 8GD
www.gbct.org
Chairman: Trevor Coop

Represents nearly five hundred of the finest freelance camera crew technicians in the Film and TV industry, from DoP's (Director of Photography) to Gaffers through to Script Supervisors.

Guild of Location Managers
c/o Film London
Suite 6.10
The Tea Building
56 Shoreditch High Street
London E1 6JJ
www.golm.org.uk
Chairman: Mick Ratman

The Guild of Location Managers is a UK-based voluntary organisation of professional Location Managers working within the film, television, advertising and event industries.

Musicians' Union
33 Palfrey Place
London
SW8 1PE
Tel: 020 7840 5504
www.musiciansunion.org.uk

The Musicians' Union represents over thirty thousand musicians working in all sectors of the music business.

New Producers Alliance
7.03 Tea Building
56 Shoreditch High Street
London
E1 6JJ
Tel: 020 7613 0440
www.npa.org.uk
CEO: Dave Pope

Established in 1993, the NPA is a national membership organisation and registered charity dedicated to providing essential training and networking opportunities for filmmakers.

PACT (Producers Alliance for Cinema and Television)
3rd Floor
Fitzrovia House
53-157 Cleveland St
London W1T 6QW
Tel: 020 7380 8230
www.pact.co.uk
Chief Executive: John McVay

Pact is the UK trade association that represents and promotes the commercial interests of independent feature film, television, animation and interactive media companies.

Production Managers' Association
Ealing Studios
Ealing Green
London W5 5EP
Tel: 020 8758 8699
www.pma.org.uk
Chair: Ian Tootle

The PMA is a professional body of Film, Television, Corporate and Multi-Media Production Managers.

Production Guild of Great Britain
N & P Complex
Pinewood Studios
Iver Heath
Buckinghamshire SL0 0NH
Tel: +44 (0) 1753 651767
www.productionguild.com
Chief Executive: David Martin

UK Screen Association
47 Beak Street
London
W1F 9SE
Tel: (0)20 7734 6060
www.ukscreenassociation.co.uk
Chief Executive: Gaynor Davenport

UK Screen Association (formerly UK Post) is the trade body that represents and promotes the commercial interests of UK companies providing services to the screen industries, including visual effects, visual and audio special effects, physical effects, animation, picture and sound editing services, computer generated images, interactive media, equipment hire, outside broadcast and studios.

Women in Film and Television
4th Floor
Unit 2, Wedgwood Mews
12-13 Greek Street
London
W1D 4BB
Tel: 020 7240 4875
www.wftv.org.uk
Chief Executive: Kate Kinninmont

WFTV exists to protect and enhance the status, interests and diversity of women working at all levels in both film, television and digital media industries.

Writers’ Guild of Great Britain
15 Britannia Street
London
WC1X 9JN
Tel: 020 7833 0777
www.writersguild.org.uk
General Secretary: Bernie Corbett

The Writers’ Guild of Great Britain is the trade union representing writers in TV, radio, theatre, books, poetry, film and video games.

Appendix 3: UK studios

Large

Pinewood Studios (part of the Pinewood Studios Group)
Iver Heath, Buckinghamshire
Tel: +44 (0)1753 656 364
www.pinewoodgroup.com
Company principals: Michael Grade (Chairman), Ivan Dunleavy (CEO).

Pinewood Studios Group is Europe's leading film studios. The world-renowned facilities are used for major national and international film production, filmed television, studio television recording, the filming of commercials and post production sound services.

Recent productions include: *The Dark Knight*, *Batman Begins*, *Charlie and the Chocolate Factory*, *Kingdom of Heaven*, *The Da Vinci Code*, *Bourne Ultimatum* (2006) and *Casino Royale* (2006).

Shepperton Studios (part of the Pinewood Studios Group)
Shepperton, Middlesex
Tel: +44 (0)1932 592 006
www.pinewoodgroup.com

Set in the grounds of Littleton Park Manor, a 17th century manor house in Surrey, Shepperton Studios or Sound City as it was formerly known began production in 1931.

Recent productions include: *Atonement* (2006), *Black Book* (Zwartboek) (2006), *Hannibal Rising* (2006), and *His Dark Materials: The Golden Compass* (2006).

Leavesden Studios
Leavesden, Hertfordshire
Tel: +44 (0)1923 685060

Leavesden Studios has attracted major film productions from all around the world, including *GoldenEye*, *Mortal Kombat Annihilation*, *Star Wars Episode I*, *Sleepy Hollow* and currently the Harry Potter series.

Medium

3 Mills Studios
London
Tel: +44 (0)20 7363 3336
Email: info@3mills.com
www.3mills.com

Bray Film Studios
Windsor, Berkshire
Tel: +44 (0) 1628 622 111
www.brayfilmstudios.com

Ealing Studios
London
Tel: +44 (0)20 8567 6655
www.ealingstudios.co.uk

Elstree Film & Television Studios
Borehamwood, Hertfordshire
Tel: +44 (0)20 8953 1600

Teddington Studios (part of the Pinewood Studios Group)
Teddington, Middlesex
Tel: +44 (0)20 8977 3252
www.pinewoodgroup.com

Twickenham Studios
Twickenham, Middlesex
Tel: +44 (0)20 8607 8703
Email:
enquiries@twickenhamstudios.com
www.twickenhamstudios.com

Web Studios
Greater Manchester
Tel: +44 (0)1204 570370
www.webfilmstudios.co.uk

<u>Smaller studios, by region</u>

<u>East of England</u>
Action Underwater Studios
Archers Fields
Burnt Mills Estate
Basildon
Essex
SS13 1DL
Tel: 01268 270171
www.actionunderwaterstudios.co.uk

Anglia Studios
Norwich, Norfolk
Tel: +44 (0)1603 615151
www.angliastudios.com

BBC Studios
Borehamwood, Hertfordshire
Tel: +44 (0)20 8576 7666
www.bbcresources.com/studios

Millennium Studio
Borehamwood, Hertfordshire
Tel: +44 (0)20 8236 1400
www.millenniumstudios.co.uk

Park Street Studios
St Albans, Hertfordshire
Tel: +44 (0)1727 873096

<u>London</u>
BBC Resources
London
Tel: +44 (0)20 8576 7666
www.bbcresources.com

The London Studios
London
Tel: +44 (0)20 7737 8888
www.londonstudios.co.uk

<u>North</u>

MPH Accessible Media Ltd
Gateshead, Tyne and Wear
Tel: +44 (0)191 438 6063
www.mph-uk.com

<u>North West</u>
3Sixty Media
Manchester
Tel: +44 (0)161 839 0360
www.3sixtymedia.com

Lee Lighting
Kearsley, Bolton
Tel: +44 (0)1204 794000
www.lee.co.uk

PHA Model & Casting Management
Manchester
Tel: +44 (0)161 273 4444
www.pha-agency.co.uk

South Manchester Studios Ltd
Heaton Mersey
Tel: +44 (0)161 432 9000
www.southmanchesterstudios.co.uk

Sumners
Manchester
Tel: +44 (0)161 228 0330
www.sumners.co.uk

WFA Media & Cultural Centre
Manchester
Tel: +44 (0)161 848 9782
www.wfamedia.co.uk

Keylink Studios
Kirkby, Knowsley
Tel: +44 (0)151 549 2499
www.keylinkstudios.org.uk

Liverpool Film Studios
Kirkdale, Liverpool
Tel: +44 (0)151 482 5643
www.liverpoolfilmstudios.co.uk

Toxteth TV
Liverpool
Tel: +44 (0)151 709 6014
www.toxteth.tv

Weston Point Studios
Runcorn, Cheshire
Tel: +44 (0)1928 512469
www.wpsltd.co.uk

ADI UK
Preston, Lancashire
Tel: +44 (0)1772 708385
www.theadigroup.com

<u>South West</u>
Central Studios
Bristol
Tel: +44 (0)117 955 4777
www.central.studios.co.uk

Cheltenham Film Studios
Cheltenham, Gloucestershire
Tel: +44 (0)1242 542 700
www.cheltstudio.com

Imagist Studios
Avonmouth, Bristol
Tel: +44 (0)117 938 2000
www.imagiststudios.com

South West Film Studios UK
St Agnes, Cornwall
Tel: +44 (0)1872 554 131
www.southwestfilmstudios.com

<u>Yorkshire</u>
North Light Film Studios
Armitage Bridge
Huddersfield
Tel:+44 (0)1484 340000
www.northlightfilmstudios.com

Litestructures Studios
Wakefield, West Yorkshire
Tel: +44 (0)1977 659 800
www.litestructures.co.uk

CBF Media
Leeds
Tel: +44 (0)113 242 5460
www.cbf-uk.com

ITV Yorkshire
Leeds
Tel: +44 (0)113 243 8283
www.yorkshiretv.com

Magna
Rotherham
Tel: +44 (0)1709 723 118
www.visitmagna.co.uk

<u>Scotland</u>
AVC Media Productions Ltd
Altens, Aberdeen
Tel: +44 (0)1224 248007
www.avcmedia.com

BBC Scotland
Glasgow
Tel: +44 (0)141 338 2004/2343
www.bbc.co.uk/scotland/resources

Crail Airfield Promotions
Crail, Fife
Tel: +44 (0)1333 451839
www.crailairfield.co.uk

Edinburgh Film Studios
Midlothian
Tel: +44 (0)1968 672131
www.edinburghfilmstudios.co.uk

Freakworks
Edinburgh
Tel: +44 (0)131 555 3456
www.freak-works.com

SMG Television Resources
Glasgow
Tel: +44 (0)141 300 3444

Studio Alba
Stornoway, Isle of Lewis
Tel: +44 (0)1851 701125/701200
www.studioalba.com

University of Glasgow Media Services
Glasgow
Tel: +44 (0)141 330 6322/5678

<u>Wales</u>

Studio 1
Cardiff
Tel: +44 (0)29 2059 0104
www.studio1tv.co.uk

Enfys
Cardiff
Tel: +44 (0)29 2049 9988
www.enfys.tv

Boomerang
Cardiff
Tel: +44 (0)29 2055 0550
www.boomerang.co.uk

BBC Wales
Cardiff
Tel: +44 (0)29 20 323309
www.bbc.co.uk/wales

Appendix 4:
Some major UK production companies and film financiers

Companies with a US studio deal

Aardman Features 1410 Aztec West Almondsbury Bristol BS32 4RT http://www.aardman.com/ **Company principal(s)** Peter Lord and David Sproxton (founders), Stephen Moore (COO of Aardman and head of Aardman Features).	In 2007 Aardman signed a three-year, exclusive first-look deal with Sony Pictures Entertainment (SPE) for all features in development. David Sproxton CBE sits on the Board of the NFTS and is a former member of the UK Film Council Board. Recent feature films include: Flushed Away (2006) Wallace & Gromit in the Curse of the Were-Rabbit (2005)

DNA Films 1st floor 15 Greek Street London W1D 4DP http://www.dnafilms.com **Company principal(s)** Andrew MacDonald and Allon Reich	DNA Films was one of the original lottery-funded production franchises. It has an exclusive picture deal with Fox Searchlight, the specialty label of 20th Century Fox. Recent films include: Last King of Scotland (2007) Sunshine (2007) 28 Weeks Later (2007) Notes on a Scandal (2006) 28 Days Later (2002)

EON Productions Eon House 138 Piccadilly London W1J 7NR **Company principal(s):** Barbara Broccoli and Michael G. Wilson	EON Productions is a film production company known for producing the James Bond film series. The company is based in London's Piccadilly and also operates from Pinewood Studios. It is a subsidiary of Danjaq LLC, the holding company responsible for the copyright and trademarks to the Bond characters and elements on screen. EON has a studio deal with Sony. Barbara Broccoli is Chair of First Light Movies and she sits on the UK Film Council Board. Recent films include: Quantum of Solace (2008) Casino Royale (2006) Die Another Day (2002)

Heyday Films 5 Denmark Street London WC2H 8LP **Company principal(s):** David Heyman	Heyday Films has a studio deal with Warner Bros. Recent films include: Harry Potter and the Half Blood Prince (2009) Harry Potter and the Order of the Phoenix (2007) Harry Potter and the Goblet of Fire (2005) Harry Potter and the Prisoner of Azkaban (2004) Harry Potter and the Chamber of Secrets (2002) Harry Potter and the Philosophers Stone (2001)

MARV Films 12 Cleveland Row London SW1A 1DH **Company principal(s)** Matthew Vaughn and Kris Thykier	Born out of SKA Films, MARV Films is collaboration between Matthew Vaughn and Kris Thykier. In 2007 MARV signed a three-year first-look deal with Sony through its International Motion Picture Production initiative. Recent films include: Stardust (2007) Layer Cake (2004)

Ruby Films 26 Lloyd Baker Street London WC1X 9AW http://www.rubyfilms.co.uk **Company principal(s)** Alison Owen (Managing Director)	Ruby Films has a development deal with Film4 and Miramax. Alison Owen sits on the BAFTA Film Committee, and was a UK Film Council Board member. Recent films include: The Other Boleyn Girl (2008) Brick Lane (2007)

Working Title Oxford House 76 Oxford Street London W1D 1BS http://www.workingtitlefilms.com **Company principal(s)** Tim Bevan and Eric Fellner	Working Title is owned by Universal Studios, and has a smaller budget genre arm called WT2. Eric Fellner CBE is a bfi Governor. Tim Bevan CBE is on the Board of the National Film and Television School and Chair of the UK Film Council (from August 2009) Recent films include: The Boat That Rocked (2009) Burn After Reading (2008) Frost/Nixon (2008) Mr. Bean's Holiday (2007) Hot Fuzz (2007) United 93 (2006) Nanny McPhee (2005)

Independent film financiers

Aquarius Films 9 Wimpole Street London W1G 9SR http://www.aquariusfilms.net/ **Company principal(s)** Terence Potter (Chief Executive)	Aquarius Films is a film financier and production company. Aquarius raises capital through The Aquarius Film Fund, to finance films that qualify for UK tax incentives. As Executive Producers, Aquarius arranges film financing through Aquarius Films International, a multi-national group of co-producers and financiers. Aquarius also acts as the UK Co-Producer for international film projects. Aquarius was a founding member of the UK-based Screen Financiers Association. Recent films include: The Frequency of Claire (2008) Flying Lessons (2007) Once You Are Born You Can No Longer Hide (2005)

Aramid Capital Partners LLP 76 Dean Street London W1D 3SQ http://www.aramidcapital.com/film/ **Company principal** Simon Fawcett	Aramid Capital Partners is a UK incorporated partnership that sources and refers investment opportunities to The Aramid Entertainment Fund. The Fund is an Open Ended Investment Company (OEIC) incorporated in the Cayman Islands. The Fund provides short and medium term liquidity, on a low to medium risk level, to producers and distributors of film, television and other media and entertainment content by way of loans, secured against a variety of assets. Aramid Capital Partners has three members: Future Capital Partners Screen Capital International Stonehenge Capital Company LLC Recent films include: The Edge of Love (2008) W. (2008)

CinemaNX Hamilton House Peel Road Douglas Isle of Man http://www.cinemanx.com/ **Company principal** Steve Christian (Chairman)	CinemaNX is a film financing and production venture appointed by Isle of Man Film to manage the Media Development Fund to provide film and television producers with production expertise and experience of international film financing. Recent films include: Me and Orson Welles (2008) A Bunch of Amateurs (2008)

Ingenious Media Investments (previously Ingenious Films) 15 Golden Square London W1F 9JG http://www.ingeniousmedia.co.uk/ **Company principal(s)** Patrick McKenna, Chief Executive	Part of the Ingenious Media group, an independent and integrated group of companies advising and investing in media. The company offers: Equity and gap finance for film & television; Sale and leaseback finance; Executive producing services including script analysis, production support, cost monitoring and distribution advice. The company is also one of the partners (with Film4 and Vertigo Films) in Protagonist Pictures, a new sales agency. Recent films include: Happy-Go-Lucky (2008) Brick Lane (2007) Far North (2007) Stardust (2007) X-Men: The Last Stand (2006)

Limelight Film Finance 41-44 Great Queen Street London WC2B 5AD http://www.limelightfilm.com/ **Company principal(s)** Michael Henry, David Parfitt and Christopher Figg	The Limelight Fund is the only venture capital trust investing in films listed on the London Stock Exchange. It provides the following types of finance: *Film Tax Credit* Limelight will advance up to 100% of a film's anticipated tax credit. *Sales Agency Finance* Limelight will provide additional finance for British films by way of sales agency advances and distribution expenses. *Discounting of Pre-Sales* Limelight will lend against contracted pre-sales of British films. *Development Finance* Limelight will make available development finance of up to 5% of a film's anticipated tax credit to finance the development of the producer's next film project. Recent films include: Adulthood (2008) Freakdog (2008) A Bunch of Amateurs (2008)

Prescience Film Fund Canon House, 27 London End Beaconsfield HP9 2HN http://www.presciencefilmfinance.co.uk/ **Company principal(s)** Tim Smith and Paul Brett	Prescience is an integrated media company focusing on film production, marketing and distribution. It provides a mixture of production, media and film services to a number of companies and partnerships. Recent films include: The Edge of Love (2008) How About You (2007) The Ferryman (2007) Tideland (2005) A Cock and Bull Story (2005)

Broadcasters

BBC Films BBC Television Centre Wood Lane London W12 7RJ http://www.bbc.co.uk/bbcfilms/ **Company principal(s)** Jane Wright (Commercial Affairs and General Manager)	BBC Films is the feature filmmaking arm of the BBC, and it also produces TV dramas. It announced an increase in its annual production budget to £12m in May 2008. Following David Thompson's departure the department restructured and the BBC Film Board was created, comprising Christine Langan, Jamie Laurenson, Joe Oppenheimer and Jane Wright. David Thompson's new venture, Origin Pictures, has a three-year first-look deal with BBC Fiction and a first-look development deal with FremantleMedia Enterprises. 'Working in partnership with major international and UK distributors, including The Weinstein Company, Miramax, Fox, Buena Vista, Pathé, Momentum, UIP and Sony, BBC Films aims to make strong British films with range and ambition.' (from the web site) Recent films include: The Duchess (2008) Brideshead Revisited (2008) The Other Boleyn Girl (2008) Eastern Promises (2007)

Film4 Productions 124 Horseferry Road London SW1P 2TX **Company principal(s):** Tessa Ross (Controller, Film and Drama)	Film4 Productions is the feature filmmaking arm of Channel 4 Television, with an annual budget of £10 million. Film4 is one of the partners (with Vertigo Films and Ingenious) in Protagonist Pictures, a new sales agency. Film4 is also one of the backers of Warp X, along with the UK Film Council, Screen Yorkshire, EM Media and Optimum Releasing. Recent films include: Slumdog Millionaire (2008) Far North (2008) Incendiary (2008) Venus (2006)

Production with sales/distribution

Carnaby Films New London House 172 Drury Lane London WC2B 5QR http://www.carnabyfilms.com/ **Company principal(s)** Micheal Loveday (Managing Director)	‘Carnaby was launched in January 2001 with the specific purpose of financing and producing British feature films. The aim is to encourage investment in the burgeoning UK film industry by means of public offerings of shares under the Government's Enterprise Investment Scheme (EIS).’ (from the web site). The Carnaby group includes a sales and distribution company (Carnaby International) and a music/new media venture (Carnaby Media). Recent films include: The Rise of the Footsoldier (2007) Dolphins (2007) Are you Ready for Love? (2006)

Material Entertainment Third Floor 101-102 Jermyn Street London SW1Y 6EE **Company principal(s):** Robert Jones	Material was formed in 2005 as a joint venture between Entertainment Film Distributors and New Line. Recent films include: The Property (2008) Run Fat Boy Run (2007)

Pathé Kent House 14-17 Market Place London W1W 8AR http://www.pathe.co.uk	Pathé has integrated production, sales (Pathé International) and distribution (Pathé Distribution) operations. Recent films include: The Queen (2006) Mrs Henderson Presents (2005) Bride & Prejudice (2004)

Recorded Picture Company 24 Hanway Street London W1T 1UH **Company principal(s):** Peter Watson (Managing Director), Jeremy Thomas (Founder and Chair)	Established in 1971 by producer Jeremy Thomas. Sister company to HanWay Films, an international sales, distribution and marketing company. The Recorded Picture Company is a partner in Visible Films (with Samuelson Films and Ecosse Films), an Enterprise Investment Scheme (EIS) to take advantage of the UK tax credit. Peter Watson is a Governor of the British Film Institute. Jeremy Thomas sits on the Board of Film London. Recent films include: Franklyn (2008) Mister Lonely (2007) Young Adam (2003)

Vertigo Films The Big Room Studios 77 Fortess Road London NW5 1AG http://www.vertigofilms.com/ **Company principal(s)** Allan Niblo and James Richardson	Vertigo Films is a UK film and media production and distribution company, founded in 2002 by producers Allan Niblo, James Richardson, Rupert Preston (formerly of Metrodome) and Nick Love. The company is also one of the partners (with Film4 and Ingenious) in Protagonist Pictures, a new sales agency. "Our productions are commercial multiplex films, some are genre," Preston told Screen Daily. "For acquisitions, we're working on much more reviews-driven indie films. So there are two different kinds of films" (March 2008). Recent films include: Faintheart (2008) Waz (2007) Outlaw (2007)

Stand alone production companies

Archer Street Studio 5 10-11 Archer Street London W1D 7A2 **Company principal(s)** Anand Tucker	Recent films include: Incendiary (2008) And When Did You Last See Your Father? (2007)

Clubdeal Shacklewell Studios 18 Shackelwell Lane London E8 2E2 http://www.clubdealfilms.com/ **Company principal(s)** Pierre Spengler	‘Clubdeal’s policy since its foundation is to produce feature films in the English language primarily for theatrical distribution in the international market place’ (from the web site). Pierre Spengler, one of the producers of the original Superman franchise, established Clubdeal, which has a 12-picture slate drawn from titles in the catalogue of French graphic novel publisher Humanoides Associes. Recent films include: Flight of Fury (2007) Second in Command (2006) Pumpkinhead Ashes to Ashes (2006)

Film & Music Entertainment 142 Charing Cross Road London WC2H 0LB http://www.fame.uk.com/ **Company principal(s):** Mike Downey and Sam Taylor	Film and Music Entertainment Ltd was formed in January 2000 with the aim of financing and producing feature films. It is mainly involved in co-productions, and has a deal with Finland’s MRP Matila Rohr Productions for three feature films over the next two years. Recent films include: Bathory (2008) Anastezi (aka The Great Silence) (2007) The Border Post (2006)

Fragile Films 97-99 Dean Street London W1D3TE **Company principal(s):** Barnaby Thompson	Film production company co-founded by Uri Fruchtmann and Barnaby Thompson in 1997. Recent films include: Dorian Gray (2009) From Time to Time (2009) Easy Virtue (2008) St. Trinian's (2007)

Intermedia 9-13 Grosvenor Street London W1K 4QA http://www.intermediafilm.co.uk **Company principal(s)** Gavin James (Managing Director, UK Operations)	Part of IM Internationalmedia AG, the Munich based parent company of the Internationalmedia group, a global, independent film company with additional offices in London and Los Angeles. Recent films include: One Missed Call (2008) Magicians (2007) Basic Instinct 2 (2006) Alexander (2004) Terminator 3: Rise of the Machines (2003)

Ipso Facto Films 11 Denmark St London WC2H 8LS and 1 Pink Lane Newcastle upon Tyne NE1 5DW http://www.ipsofactofilms.com/ **Company principal(s)** Christine Alderson (CEO)	'Ipso Facto Films develops, produces, co-produces and finances films with international potential. Founded in 1993 by Christine Alderson, Ipso Facto Films has produced and/or co-produced over 10 feature films and over 50 short films and documentaries.' (from the web site). In 2008 Christine Alderson launched Moxie Makers with sales company Moviehouse Entertainment and UK distributor Soda Pictures to work on a slate of nine micro-budget feature films (up to £500,000) over the next three years. Recent films include: Mad, Bad and Sad (2008) Irina Palm (2007) Dot Com (2007)

Matador Pictures Matador Pictures 159 Wardour Street London W1F 8WH http://www.matadorpictures.com/ **Company principal(s)** Nigel Thomas - Producer	An independent feature film production and financing company established over ten years ago. Recent films include: Wild Target (2009) Outpost (2008) Ae Fond Kiss (2004)

Number 9 Films Linton House 1st Floor 24 Wells St London W1T 3PH **Company principal(s)** Stephen Woolley and Elizabeth Karlsen	Number 9 Films was established in 2002 by award-winning producing partners Stephen Woolley and Elizabeth Karlsen. Recent films include: How to Lose Friends & Alienate People (2008) Sounds Like Teen Spirit (2008) And When Did You Last See Your Father? (2007) Stoned (2005) Breakfast on Pluto (2005)

Qwerty Films 42-44 Beak Street London W1F 9RH **Company principal(s):** Michael Kuhn, Malcolm Ritchie and Jill Tandy	Qwerty Films is a feature film development and production business and media consultancy based in London. Micheal Kuhn is a trustee of the Independent Cinema Office and Chair of the National Film and Television School. Qwerty Films runs the Inside Pictures training scheme with funding from Skillset. Recent films include: The Duchess (2008) Severance (2006) Alien Autopsy (2006)

Samuelson Films 13 Manette Street London W1D 4AW http://www.samuelsonproductions.com **Company principal(s)** Marc Samuelson and Peter Samuelson	As well as its own production slate, Samuelson Films is a partner in Visible Films (along with the Recorded Picture Company and Ecosse Films), an Enterprise Investment Scheme (EIS) to take advantage of the UK tax credit. Marc Samuelson is Deputy Chair of the British Screen Advisory Council, and a former member of the UK Film Council Board. Recent films include: Stormbreaker (2006)

Warp Films and Warp X The Workstation Paternoster Row Sheffield South Yorkshire S1 2BX http://www.warpfilms.com/ http://www.warpx.co.uk/ **Company principal(s)** Mark Herbert and Robin Gutch	Warp Films is a UK short and feature film production company allied to Warp Records and Warp X. Warp X is digital film studio based in Sheffield, with offices in Nottingham and London. It administers the Low Budget Feature Film Scheme set up by UK Film Council's New Cinema Fund and Film4. Recent films include: Warp Films: Grow Your Own (2007) Exhibit A (2007) This is England (2006) Warp X: Donkey Punch (2008) Hush (2008) Dogging: A Love Story (2008)

Zephyr Films 33 Percy Street London W1T 2DF http://www.zephyrfilms.co.uk **Company principal(s):** Chris Curling and Phil Robertson	‘Founded in 1990 by Chris Curling, Zephyr Films is run by Chris and fellow producer Phil Robertson. We are an independent London based production company specialising in raising finance and providing production services in the UK and the rest of Europe on films intended for the international market place.’ (from the web site). Recent films include: The Last Station (2008) Death Defying Acts (2007) Hannibal Rising (2006)

Independent film & TV production companies

Celador Films 39 Long Acre London WC2E 9LG http://www.celadorfilms.com/ **Company principal(s)** Paul Smith, Chair	Once part of the Celador group (with Celador Productions and Celador International), Celador Films now operates as a separate entity. Celador Films has a production deal with Cloud Nine Productions and distributor Pathe. Recent films include: Slumdog Millionaire (2008) Separate Lies (2005) The Descent (2005) Dirty Pretty Things (2002)

Company Pictures Suffolk House 1/8 Whitfield Place London W1T 5JU http://www.companypictures.co.uk **Company principal(s)** George Faber	Company Pictures is part of the ALL3MEDIA Group, a group of production companies from across the UK, Germany, The Netherlands and the USA. The group also includes an international distribution company, 'ALL3MEDIA International'. Company Pictures is one of UK's largest independent film and television drama production companies. Award winning TV drama output includes Shameless and Skins. Recent films include: Mischief Night (2006)

Darlow Smithson Highgate Studios 53-79 Highgate Road London NW5 1TL http://www.darlowsmithson.com/ **Company principal(s)** John Smithson, Executive Chairman and Chief Creative Director Iain Pelling, Managing Director	Darlow Smithson produces annually more than 100 hours of high-end documentaries and docu-dramas, and moved into feature production with Touching the Void. Recent films include: Deep Water (2006) Touching the Void (2003)

Ecosse Films Brigade House 8 Parsons Green London SW6 4TN http://www.ecossefilms.com/ **Company principal(s)** Douglas Rae (founder and Executive Producer) and Robert Bernstein (Company Director and Executive Producer)	Ecosse specialises in high quality drama for film and TV, producing a mix of inward investment and domestic features as well as co-productions. Ecosse Films is a partner in Visible Films (with Samuelson Films and the Recorded Picture Company), an Enterprise Investment Scheme (EIS) to take advantage of the UK tax credit. Douglas Rae sits on the BAFTA Film Committee. Recent films include: Brideshead Revisited (2008) The Water Horse (2007) Becoming Jane (2007) Wilderness (2006)

Kudos Pictures 12-14 Amwell Street London EC1R 1UQ http://www.kudosproductions.co.uk/film_productions.html **Company principal(s)** Paul Webster, Stephen Garrett and Jane Featherstone.	Kudos was founded by Paul Webster, former head of FilmFour, and Stephen Garrett. It is part of the Shine Group, whose CEO and Chair is Elisabeth Murdoch, a member of the UK Film Council Board. Recent films include: Miss Pettigrew Lives for a Day (2008) Eastern Promises (2007)

Left Bank Pictures 33 Foley Street London W1W 7TL **Company principal(s)** Andy Harries, Chief Executive	Left Bank Pictures is an independent television and film production company founded in July 2007 by Andy Harries, Marigo Kehoe and Francis Hopkinson. It produces the detective serial Wallander for BBC1 and the company's first feature, The Damned United, is due for release in 2009. Recent films include: The Damned United (2009)

Tiger Aspect Productions 5 Soho Square London W1D 3QA http://www.tigeraspect.co.uk/ **Company principal(s)** Andrew Zein, Managing Director	Tiger Aspect is part of the US-based IMG Entertainment group. It is behind some of the most popular British comedy series (Mr.Bean, Lenny Henry in Pieces, Harry Enfield and Chums, Murphy's Law, Rescue Me, The Vicar of Dibley and Fat Friends). The company produces films through Tiger Aspect Pictures. Andrew Zein is a former Chair of Pact. Recent films include: Mr. Bean's Holiday (2007) The League of Gentlemen's Apocalypse (2005)

Independent production companies with facilities

Framestore Features 19-23 Wells Street London W1T 3PQ **Company principal(s):** Steve Norris, Managing Director	Framestore Features is the in-house fully serviced film production arm of Framestore CFC, Europe's largest visual effects house. It invests in movies as a partner Executive Producer, and aims to provide support, both creatively and technically to filmmakers whose budget might not necessarily lend itself to include state-of-the-art visual effects. Framestore Features is also involved in the production of five genre movies with Generator Entertainment, a new Northern Irish outfit set up by Mark Huffam and Simon Bosenquet. Steve Norris is the former British Film Commissioner Recent films include: Heartless (2009) Freakdog (2008) Me and Orson Welles (2008)

Future Films 76 Dean Street London W1D 3SQ **Company principal(s):** Stephen Margolis, Chief Executive Simon Horsman, CEO Future Films USA	Future Films was formed in 2000 and now provides a full range of services from pre-financing to post-production. Future Films USA ("FFUSA") was established at the end of 2006 to offer services to the US production community. FFUSA offers debt and mezzanine financing to producers looking to make their films in the US. It merged its post-production operation (Future Post) with London-based company Pepper in 2007. Recent films include: Transsiberian (2008) Heart of the Earth (2007) Max & Co. (2007) Flawless (2007) The Queen (2006)

Production companies with talent attached

Potboiler Productions 9 Greek Street London W1D 4DQ http://www.potboiler.co.uk/ **Company principal(s):** Gail Egan	Potboiler Productions was established by Gail Egan and the late Simon Channing Williams, producing partners for Mike Leigh films through Thin Man Films, enabling them to work with other filmmakers. Gail Egan is a member of the UK Film Council Board. Recent films include: Blindness (2008) Happy-Go-Lucky (2008) Flood (2007) Shrooms (2006)

Revolution Films 9A Dallington Street London EC1V OBQ http://www.revolution-films.com **Company principal(s)** Michael Winterbottom and Andrew Eaton	Andrew Eaton is a Member of the BAFTA Council and Skillset's Communications Committee. He was formerly Deputy Chair of the UK Film Council. Recent films include: Genova (2008) Murder in Samarkand (2008) A Mighty Heart (2007) The Road to Guantanamo (2006) A Cock and Bull Story (2005)

Sixteen Films 2nd Floor 187 Wardour Street London W1F 8ZB http://www.sixteenfilms.co.uk/ **Company principal(s)** Ken Loach, Rebecca O'Brien and Paul Laverty.	Sixteen Films was formed by director Ken Loach and producer Rebecca O'Brien after Parallax Pictures dissolved in 2002. Rebecca O'Brien is a UK Film Council Board member, and she sits on the Board of South West Screen. Recent films include: Summer (2008) The Wind That Shakes the Barley (2006) It's a Free World (2007)

Thin Man Films 9 Greek Street London W1D 4DQ http://www.thinmanfilms.co.uk/ **Company principal(s)** Mike Leigh	Thin Man Films was set up by Mike Leigh and Simon Channing Williams in 1988. It makes exclusively Mike Leigh films and has no development department. Recent films include: Happy-Go-Lucky (2008) Vera Drake (2004) All or Nothing (2002)

[end]