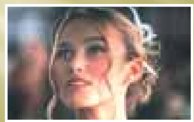
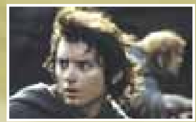
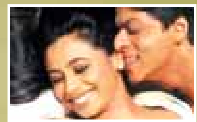
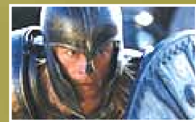
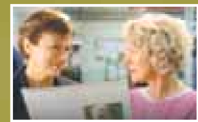
UK Film Council Statistical Yearbook | Annual Review 2003/04

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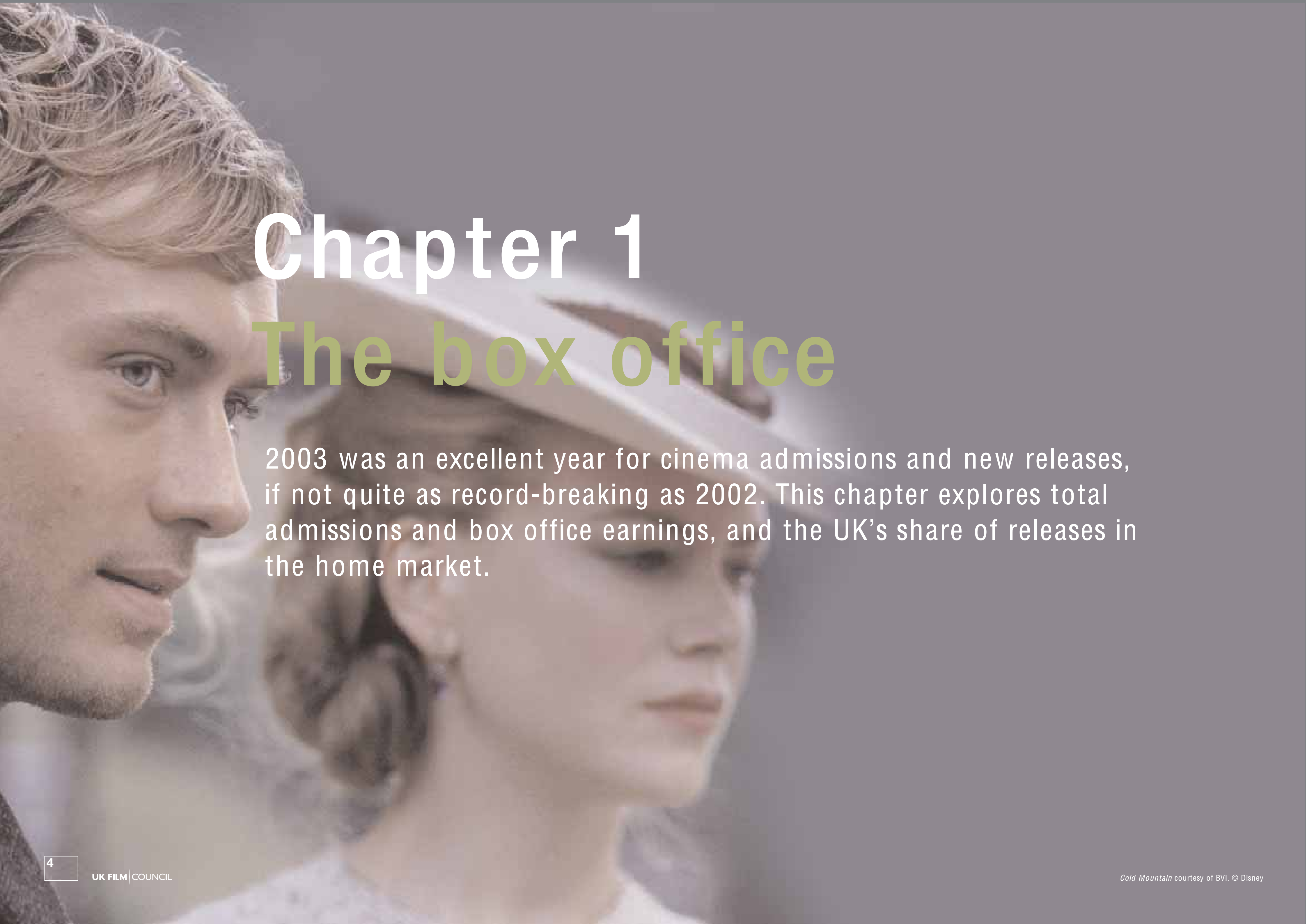
The Box office



Chapter 1
The box office

2003 was an excellent year for cinema admissions and new releases, if not quite as record-breaking as 2002. This chapter explores total admissions and box office earnings, and the UK's share of releases in the home market.

Cold Mountain courtesy of BVI. © Disney

Facts in focus

- 2003 saw the second highest cinema admissions for 30 years, at 167 million.
- The small decline in admissions (-5%) compared with 2002 was mirrored elsewhere in the world.
- Total box office receipts were £742 million, a slight decrease on 2002.
- 423 films (on release for a week or more) were released in the UK and Republic of Ireland, an increase of 15% on 2002.
- UK films, including co-productions, accounted for 18% of film releases in the UK and Republic of Ireland and 16% of box office earnings.

1.1 Admissions

The 167.3 million cinema admissions recorded in 2003 were the second highest admissions figure for 30 years, after 2002. Although they were down 5% on 2002, this still marks a 35% increase in ten years.

The UK was not alone in seeing admission numbers fall in 2003. The Motion Picture Association (MPA) reports worldwide admissions dropping from 9.1 billion in 2002 to 8.6 billion in 2003. In Europe, where the UK has the second largest admissions figure after France at 174.2 million, the European Audiovisual Observatory estimates that admissions were down 5% across the 15 countries then making up the EU. The fall was greatest in Germany, which saw admissions drop from 163.9 million in 2002 to 149 million in 2003 (-9.1%). The other two large film markets in Europe, Spain (136.5 million) and Italy (109.3 million), saw falls of 3% and 1.9% respectively. The Republic of Ireland bucked the downward trend with an increase of 0.6% to 17.4 million admissions in 2003.

Even the USA was not immune to declining admissions; according to the MPA 2003 saw a 4% decline to 1.57 billion.

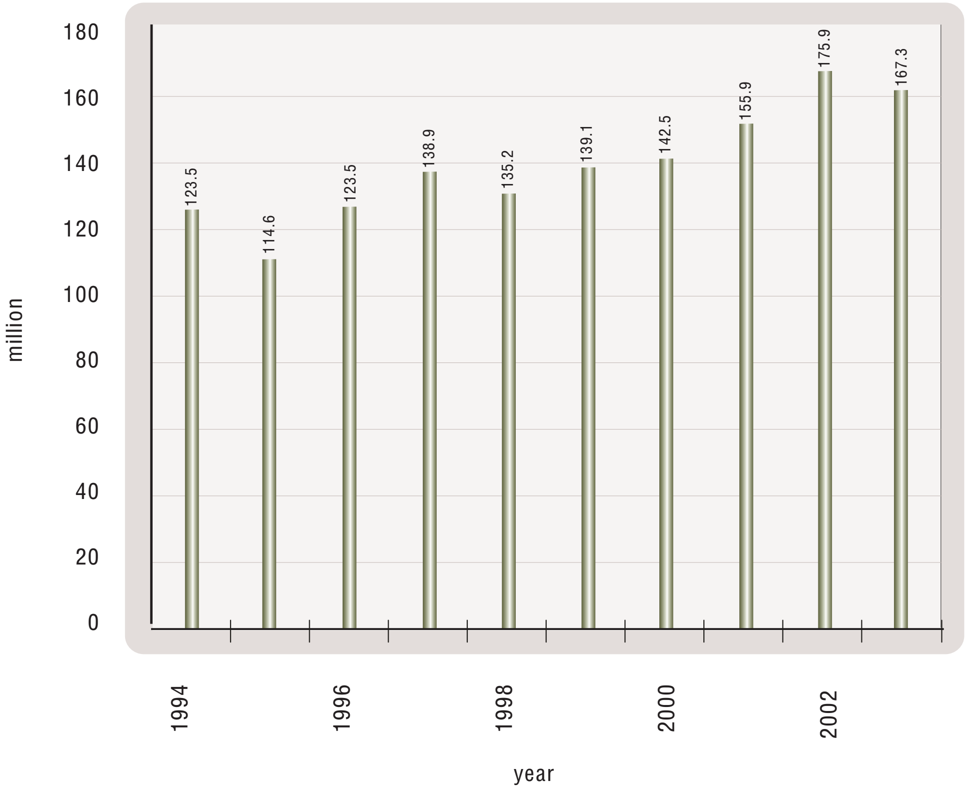
Table 1.1 UK Annual admissions 1994 – 2003

Year	Total admissions (millions)
1994	123.5
1995	114.6
1996	123.5
1997	138.9
1998	135.2
1999	139.1
2000	142.5
2001	155.9
2002	175.9
2003	167.3

Source: CAA, Nielsen EDI

Figure 1.1 illustrates the upward trend in admissions over the last ten years, with 2002 an exceptionally strong year.

Figure 1.1 Annual admissions 1994 - 2003



Source: CAA, Nielsen EDI

Table 1.2 shows the UK admissions total broken down by month. Four months (January, September, October and December) recorded higher monthly admissions than any of the same months since 2000. However, April and July 2003 saw the lowest monthly admissions since 2000. The particularly warm summer, coupled with underperforming blockbusters, may have contributed to the lower summer admissions. The year finished strongly with *Lord of the Rings: The Return of the King*, *Love Actually* and *Elf* contributing to the high December figure.

Table 1.2 Monthly UK cinema admissions 2003

Month	Admissions (millions)
January	16.2
February	15.0
March	10.4
April	12.4
May	13.8
June	9.4
July	12.4
August	17.1
September	10.7
October	17.3
November	13.7
December	18.8
Total	**167.3**

Source: CAA, Nielsen EDI

Love Actually courtesy of Universal

Table 1.3 shows how the 2003 admissions break down by ISBA TV region. The areas with the highest concentration of population - London, the Midlands and Lancashire - accounted for half of all UK admissions in 2003. Scotland saw 10% of all UK admissions, compared with 6.4% in Wales and West.

Table 1.3 Cinema admissions by region 2003

Region	Admissions (millions)	%
London	43.8	26.2
Midlands	22.9	13.7
Lancashire	18.1	10.8
Southern	15.4	9.2
Yorkshire	13.6	8.1
Central Scotland	11.5	6.9
Wales and West	10.8	6.4
East of England	10.8	6.4
North East	6.2	3.7
Northern Ireland	5.4	3.2
South West	3.6	2.2
Northern Scotland	3.4	2.1
Border	1.6	1.0
Total	**167.3**	**100.0**

Source: CAA, Nieslen EDI

1.2 Box office earnings

The total UK box office for 2003 was £742 million, slightly down on 2002 (by almost 2%), but an increase of 136% over the decade. This figure covers all box office earnings during the calendar year 2003 for all films exhibited in that year.

Table 1.4: UK box office trends 1994 – 2003

Year	Box office gross (£m)	% +/-	Cumulative % +/-
1993	315	-	-
1994	356	13.0	13.0
1995	356	0.0	13.0
1996	411	15.4	30.5
1997	489	19.0	55.2
1998	547	11.8	73.7
1999	563	3.0	78.7
2000	583	3.5	85.1
2001	645	10.6	104.8
2002	755	17.0	139.7
2003	742	-1.7	135.6

Source: CAA, Nieslen EDI

1.3 Film releases and box office revenues

423 films (on release for a week or more) were released in the UK and Republic of Ireland in 2003, an increase of 15% on 2002. They generated £830 million in box office revenues, an increase of 2.5% in the same period.

As can be seen in Table 1.5, box office polarity has decreased from 2002, and the share of the top 20 films is at its lowest for five years, falling to almost 54%. 323 films (ie 76% of all releases) accounted for just 7.7% of the box office.

Table 1.5 Summary of results at the UK and Republic of Ireland box office 1999 – 2003

	1999	2000	2001	2002	2003
Releases	391	383	352	369	423
Combined gross £m	610.5	635.8	744.1	809.4	829.7
Top 20 (%)	60.0	54.3	59.3	60.3	53.5
Top 50 (%)	82.2	80.8	84.1	82.3	77.8
Top 100 (%)	94.5	93.7	95.6	94.4	92.3

Source: Nielsen EDI

Note: Table 1.5, and all subsequent analysis on the theatrical market, includes all titles released in 2003. We have included *Chicago* in this year's analysis because it opened on one screen only on 27 December 2002 and did not feature in last year's analysis. The combined gross reflects the territorial gross (ie including the Republic of Ireland), and covers those titles released in 2003, but also making money into 2004, up to and including 22 March 2004.

1.4 Country of origin of film releases

We apply the Department for Culture, Media and Sport (DCMS) definition of a UK film under the Films Act (1985) for our analysis. To qualify under Schedule 1 of the Act, a film must meet certain criteria in relation to the proportion of a film's budget spent in the UK and the proportion of labour costs paid to qualifying individuals. A film may also qualify if it satisfies the terms of one of the UK's co-production treaties. The DCMS website contains a full list of qualifying criteria (www.culture.gov.uk/creative/index.html).

As Table 1.6 indicates, US films dominated the UK theatrical market in 2003 in terms of box office share. Of all films released last year, 44% were of US origin (excluding UK co-productions), and these films accounted for over 81% of the total box office earnings.

UK films, including co-productions, accounted for almost 18% of releases and 16% of the box office. UK/USA collaborations earned over 13% of the box office despite representing only 3.8% of releases.

Films whose country of origin lies outside the UK and USA accounted for over 38% of releases but only 2.7% of earnings. Indian films alone represented 13% of all releases and 1% of revenues.


The Lord of the Rings: Return of the King courtesy of Entertainment

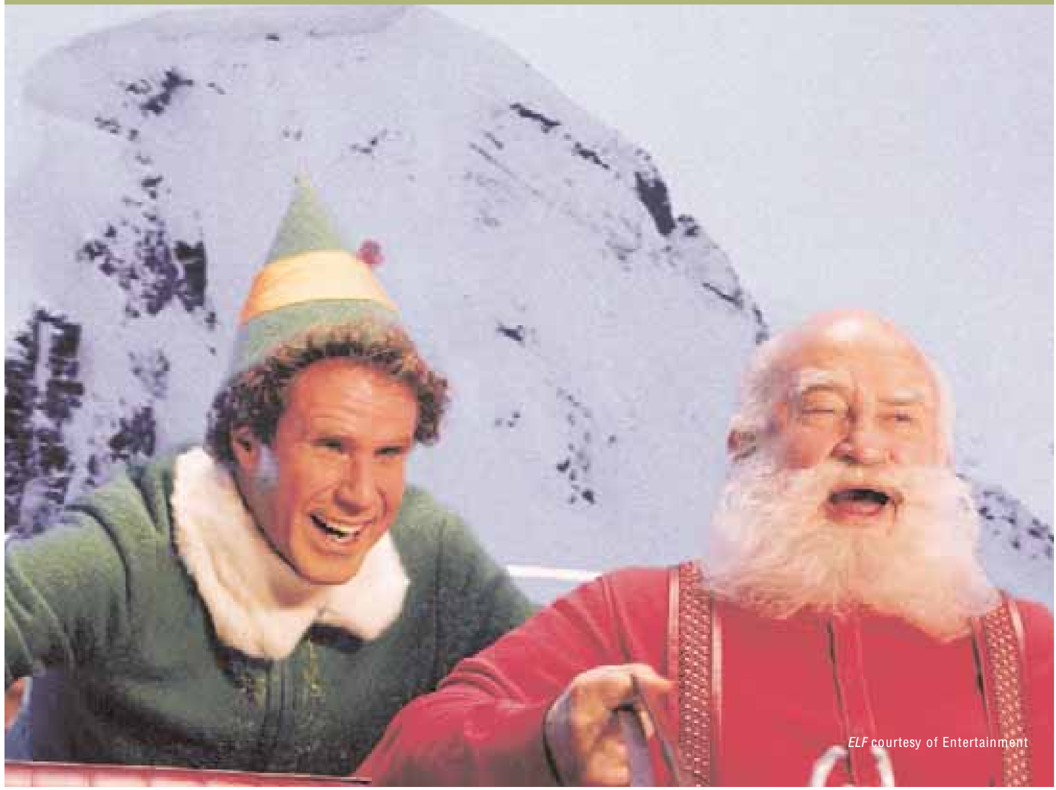
Table 1.6 Country of origin of films released in the UK and Republic of Ireland, 2003

Country of origin	No. of releases in 2003	% of all releases	2003 box office (£m)	2003 box office share (%)
USA solo	133	31.4	512.31	61.7
USA co-productions (other)	53	12.5	164.74	19.9
Sub total	186	44.0	677.04	81.6
UK and UK co-productions	59	13.9	20.55	2.5
USA/UK	16	3.8	109.56	13.2
Sub total	75	17.7	130.11	15.7
Europe	66	15.6	7.85	0.9
India	56	13.2	8.13	1.0
Rest of the world	40	9.5	6.58	0.8
Total	**423**	**100**	**829.71**	**100**

Source: Nielsen EDI, RSU analysis
Box office gross = cumulative total up to 22 March 2004

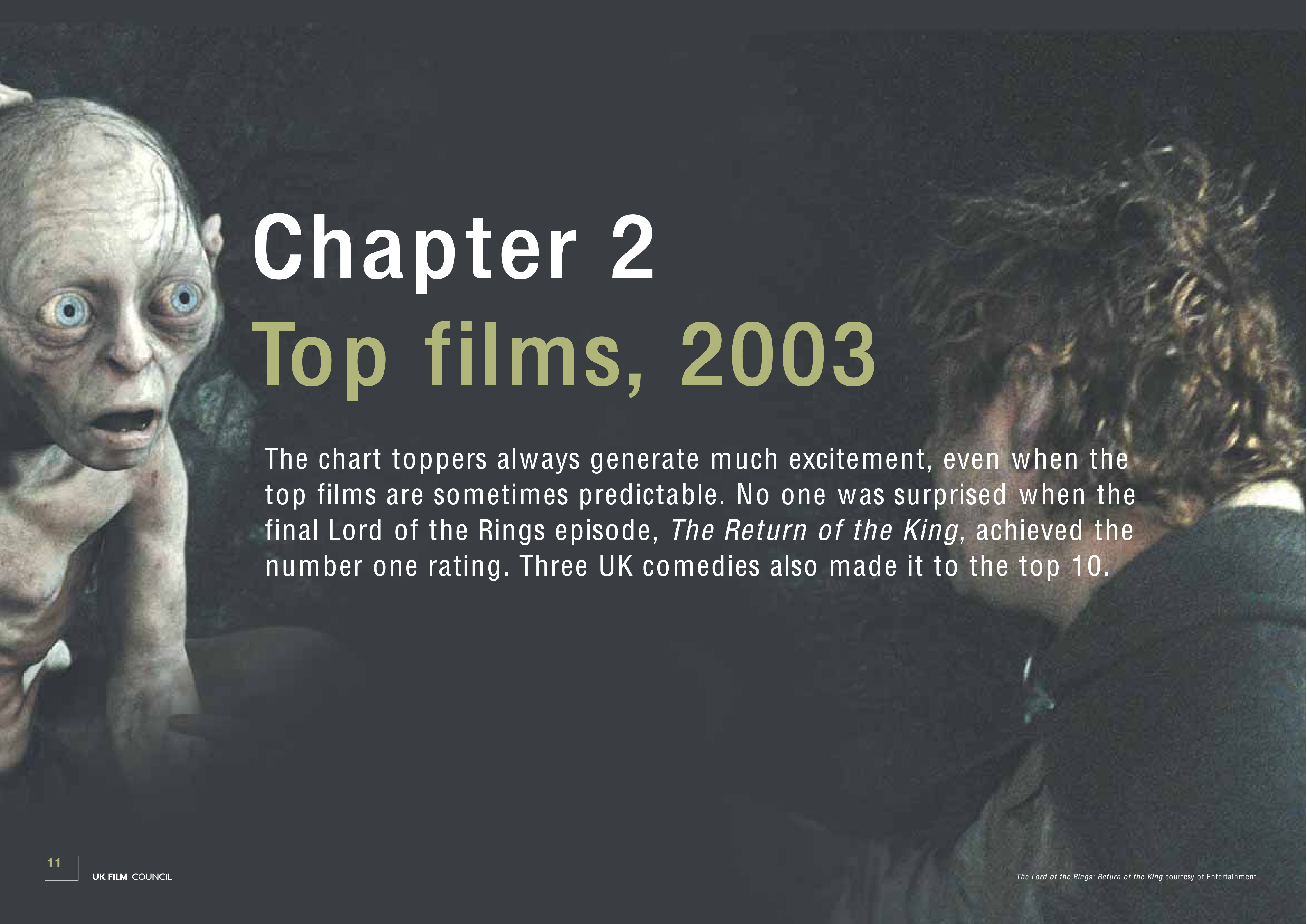
See also

- For more information about top films in 2003 see chapter 2
- For further details about film distribution in 2003 see chapter 5
- For a review of the exhibition sector in 2003 see chapter 6



ELF courtesy of Entertainment

Top films, 2003



Chapter 2
Top films, 2003

The chart toppers always generate much excitement, even when the top films are sometimes predictable. No one was surprised when the final Lord of the Rings episode, *The Return of the King*, achieved the number one rating. Three UK comedies also made it to the top 10.

The Lord of the Rings: Return of the King courtesy of Entertainment

Facts in focus

- **Lord of the Rings: The Return of the King was the biggest film of the year, earning over £60 million.**
- **Three UK comedies – Love Actually, Calendar Girls and Johnny English – made it to the top ten.**
- **The USA was involved in every production in the top 20 films at the UK box office, partnering the UK on three films.**
- **The top 20 UK films grossed £122.7 million at the UK box office, almost 15% of the total, a decrease on last year's figure.**

Chicago courtesy of BVI

2.1 The top 20 films

The final instalment of the Lord of the Rings trilogy, The Return of the King, was the highest grossing film of the year. Major UK successes included three comedies in the top 10 – *Love Actually*, *Calendar Girls* and *Johnny English*. Sequels and franchises accounted for seven of the top 20 films, down from eight in 2002.

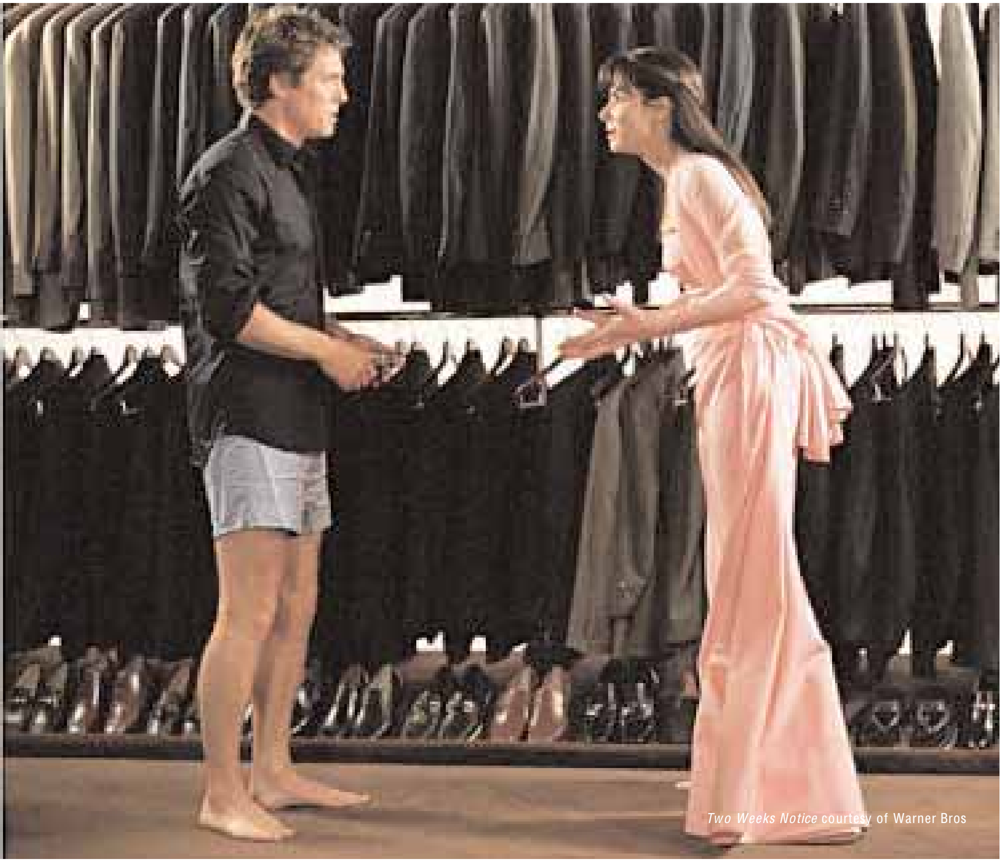
Table 2.1 Box office results for the top 20 films released in the UK and Republic of Ireland, 2003

	Title	Country of origin	Box office gross (£m)	Number of opening cinemas	Opening weekend gross (£m)	Distributor
1	The Lord of the Rings: Return of the King	USA/NZ	60.67	494	15.02	Entertainment
2	Finding Nemo	USA	37.36	2	0.15	Buena Vista
3	Love Actually	UK/USA	36.45	477	6.66	UIP
4	The Matrix Reloaded	USA	33.42	481	12.17	Warner Bros
5	The Pirates of the Caribbean	USA	28.17	452	3.77	Buena Vista
6	Bruce Almighty	USA	23.64	446	7.26	Buena Vista
7	X-Men 2	USA	20.66	449	7.04	20th Century Fox
8	Calendar Girls	UK/USA	20.43	1	0.07	Buena Vista
9	Johnny English	UK/USA	19.65	445	3.44	UIP
10	Terminator 3: Rise of the Machines	USA/Ger	18.91	478	6.08	Columbia TriStar
11	The Matrix Revolutions	USA	17.99	467	8.71	Warner Bros
12	American Pie: The Wedding	USA	17.09	426	4.15	UIP
13	Chicago	USA/Can	16.42	1	0.11	Buena Vista
14	Elf	USA	16.34	392	4.54	Entertainment
15	Catch Me If You Can	USA	15.04	459	3.72	UIP
16	Two Weeks Notice	USA	13.65	414	2.64	Warner Bros
17	8 Mile	USA/Ger	13.25	423	4.44	UIP
18	Charlie's Angels: Full Throttle	USA	12.36	473	3.27	Columbia TriStar
19	Kill Bill - Volume 1	USA	11.62	1	0.16	Buena Vista
20	Gangs of New York	USA	10.56	385	2.62	Entertainment

Source: Nielsen EDI, RSU analysis. Box office gross = cumulative total up to 22 March 2004 Films with an asterisk (*) were still being exhibited on 22 March 2004

2.2 The top 20 UK films

The top three UK films were comedies, followed by two big budget co-productions, *Cold Mountain* and *Tomb Raider 2*. Co-productions were once again prominent, particularly collaborations with the USA. Eight of the top UK films were distributed by Buena Vista International and UIP. Pathé launched four of the top 20 UK films. The top 20 UK films had a combined gross of £122.7 million, which was 14.8% of the total UK box office, down from £184.6 million in 2002 (22.8% of gross box office).



Two Weeks Notice courtesy of Warner Bros

Table 2.2 Box office results for the top 20 UK films released in the UK and Republic of Ireland, 2003

	Title	Country of origin	Box office gross (£m)	Distributor
1	Love Actually	UK/USA	36.45	UIP
2	Calendar Girls	UK/USA	20.43	Buena Vista
3	Johnny English	UK/USA	19.65	UIP
4	Cold Mountain*	UK/USA/Rom/Ita	9.12	Buena Vista
5	Tomb Raider 2	UK/USA/Jap/Ger	5.30	UIP
6	The Hours	UK/USA	4.70	Buena Vista
7	Underworld	UK/USA/Ger/Hun	4.39	Entertainment
8	Veronica Guerin	UK/USA/Ire	3.30	Buena Vista
9	The Pianist	UK/Fra/Ger/Neth/Pol	2.97	Pathé
10	S Club Seeing Double	UK	2.32	Columbia TriStar
11	Touching the Void*	UK	2.22	Pathé
12	Intermission	UK/Ire	2.14	Buena Vista
13	In America	UK/Ire	1.90	20th Century Fox
14	Evelyn	UK/Ire	1.45	Pathé
15	Nicholas Nickleby	UK/USA	1.24	20th Century Fox
16	Buffalo Soldiers	UK/Ger	1.10	Pathé
17	Bright Young Things	UK	1.09	Icon
18	I Capture the Castle	UK	1.04	Momentum
19	Ripley's Game	UK/Ita	1.01	Entertainment
20	Blackball	UK	0.89	Icon
Total			**122.71**	

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 22 March 2004 Films with an asterisk (*) were still being exhibited on 22 March 2004

2.3 Best weekend performances of UK films

Films usually open at the weekend, when people are more likely to go to the cinema, in order to maximise their impact at the box office. The performance of a film during its opening weekend is a factor in deciding how long the film will remain on release. Opening weekend data are therefore important in negotiations between distributors and exhibitors. Table 2.3 shows the UK films that topped the weekend box office charts (of all films) during 2003. Three films achieved this distinction, with a combined total of nine weeks at number one.

Table 2.3 UK films at number one in the weekend box office charts, 2003

Week at top	Title	Weekend gross (£m)	Box office gross (£m)	Distributor	No. of weeks at no.1
11/4/03	Johnny English	3.44	19.65	UIP	3
12/9/03	Calendar Girls	1.76	20.43	Buena Vista	1
26/9/03	Calendar Girls	1.76	20.43	Buena Vista	1
21/11/03	Love Actually	6.66	36.45	UIP	4

Source: Nielsen EDI
Note: Calendar Girls topped the charts on two separate occasions, hence its inclusion twice in the table

See also

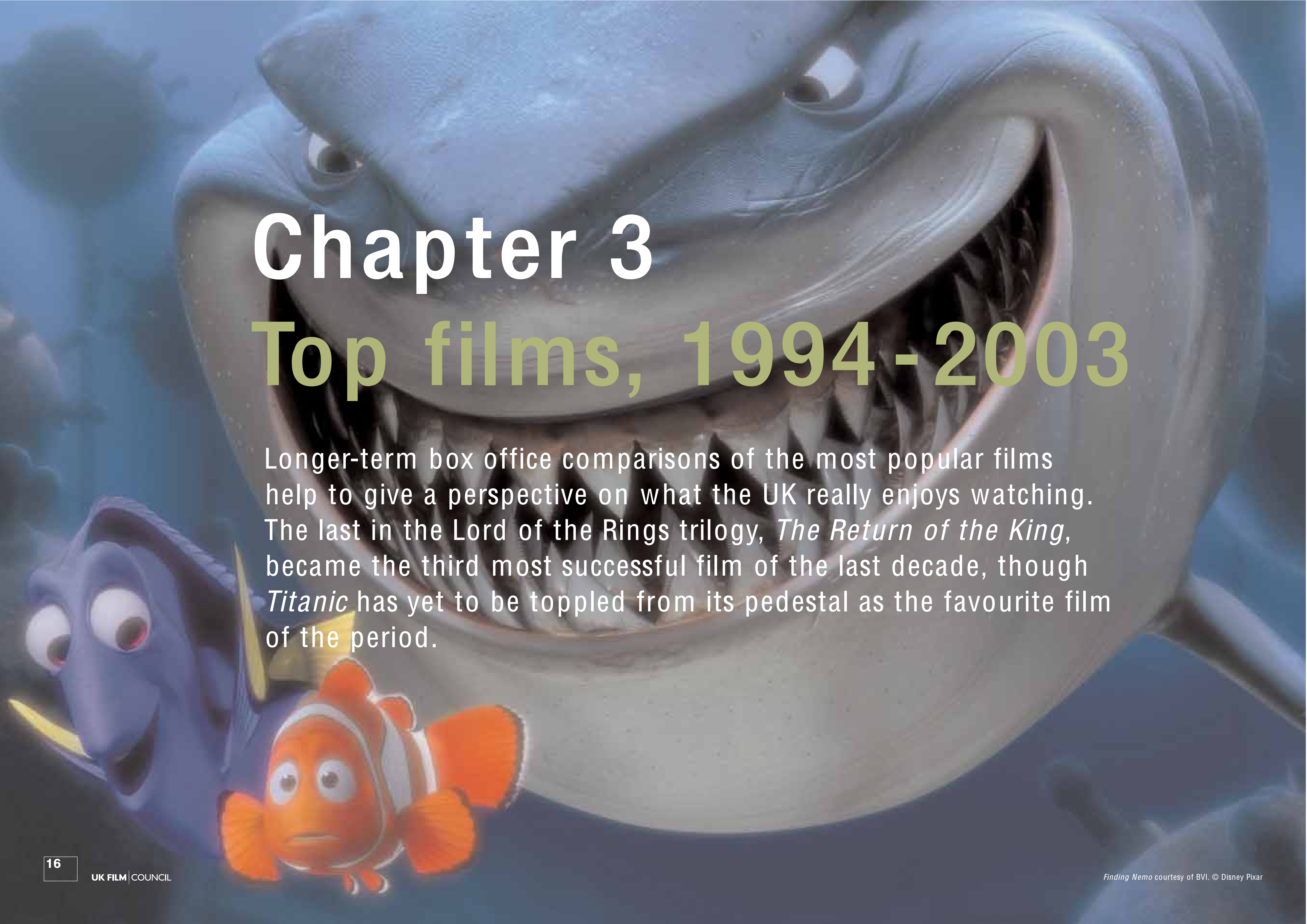
- For more about top films since 1994 see chapter 3
- For further information about film distribution in 2003 see chapter 5
- For an overview of the exhibition sector in 2003 see chapter 6
- For information about how the UK Film Council supports UK film production see http://www.ukfilmcouncil.org.uk/funding/

Veronica Guerin courtesy of BVI

Top films, 1994 - 2003

Chapter 3
Top films, 1994-2003

Longer-term box office comparisons of the most popular films help to give a perspective on what the UK really enjoys watching. The last in the Lord of the Rings trilogy, *The Return of the King*, became the third most successful film of the last decade, though *Titanic* has yet to be toppled from its pedestal as the favourite film of the period.



Finding Nemo courtesy of BVI. © Disney Pixar

Facts in focus

- **Four films from 2003 entered the list of top 20 films at the UK box office between 1994 and 2003.**
- **Seven of the top 20 films were UK/USA collaborations.**

3.1 Top films in the UK, 1994 – 2003

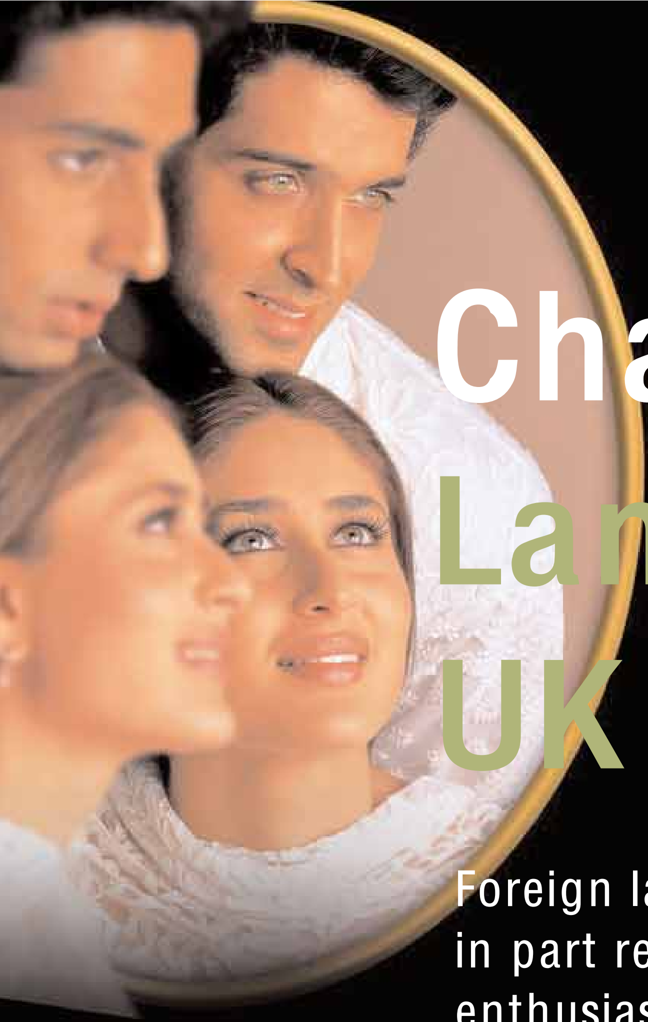
Four films released in 2003 appear in the list of the top films over the last ten years. The final instalment in the Lord of the Rings trilogy, *The Return of the King*, is the third biggest earner at the UK box office over the last decade. Animated comedy *Finding Nemo*, British romantic comedy *Love Actually*, and the second instalment in The Matrix trilogy are the other new entrants in the top 20. There are seven *UK/USA* collaborations in the top 20, including two Harry Potter films, a Bond film and three romantic comedies from Working Title (*Bridget Jones' s Diary, Love Actually* and *Notting Hill*).

Table 3.1 Top 20 films at the UK box office, 1994 – 2003

	Film	Country of origin	UK box office total (£m)	UK distributor	Year of release
1	Titanic	USA	69.03	20th Century Fox	1998
2	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
3	Lord of the Rings: The Fellowship of the Ring	USA/NZ	63.00	Entertainment	2001
4	Lord of the Rings: The Return of the King*	USA/NZ	60.67	Entertainment	2003
5	Lord of the Rings: The Two Towers	USA/NZ	57.60	Entertainment	2002
6	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
7	The Full Monty	UK/USA	52.23	20th Century Fox	1997
8	Star Wars Episode I: The Phantom Menace	USA	51.06	20th Century Fox	1999
9	Toy Story 2	USA	44.31	Buena Vista	2000
10	Bridget Jones's Diary	UK/USA	42.01	UIP	2001
11	Monsters, Inc.	USA	37.91	Buena Vista	2002
12	Star Wars Episode II: Attack of the Clones	USA	37.55	20th Century Fox	2002
13	Finding Nemo	USA	37.36	Buena Vista	2003
14	Independence Day	USA	37.13	20th Century Fox	1996
15	Love Actually	UK/USA	36.45	UIP	2003
16	Die Another Day	UK/USA	36.06	20th Century Fox	2002
17	Men In Black	USA	35.82	Columbia TriStar	1997
18	The Matrix Reloaded	USA	33.42	Warner Bros	2003
19	Gladiator	USA	31.20	UIP	2000
20	Notting Hill	UK/USA	31.00	UIP	1999

Source: Nielsen EDI, RSU analysis Note: Figures have not been inflation adjusted. Films with an asterisk (*) were still on release at 22 March 2004 so box office gross may grow.

Language, genre and UK story material



Chapter 4

Language, genre and UK story material

Foreign language films occupy a significant niche in the UK market, in part reflecting the UK's varied cultural make-up, and an enthusiasm for international cinema in all its diversity. As far as genre is concerned, comedy is king for UK audiences. What is also striking is the predominance of UK writers or UK settings as an inspiration to successful filmmakers from around the world.

Mein Prem Ki Diwani Hoon courtesy of Yash Raj Films

Facts in focus

- 147 foreign language films were released, 35% of total releases (down from 36% in 2002).
- Although foreign language films accounted for over one third of all releases in 2003, they shared only 2.5% of the total UK box office gross.
- Hindi was the dominant foreign language in terms of both releases and market share.
- Comedy was the most popular genre, with 30% of the gross box office from 25% of releases.
- UK story material featured in 13 of the top 50 films at the UK box office in 2003.

4.1 Foreign language films

In 2003, 147 foreign language films were released in the UK and Republic of Ireland (34.7% of releases), earning £20.4 million at the box office. This represents 2.5% of the total UK gross box office for 2003.

Table 4.1 Foreign language films at the UK box office 2002 and 2003

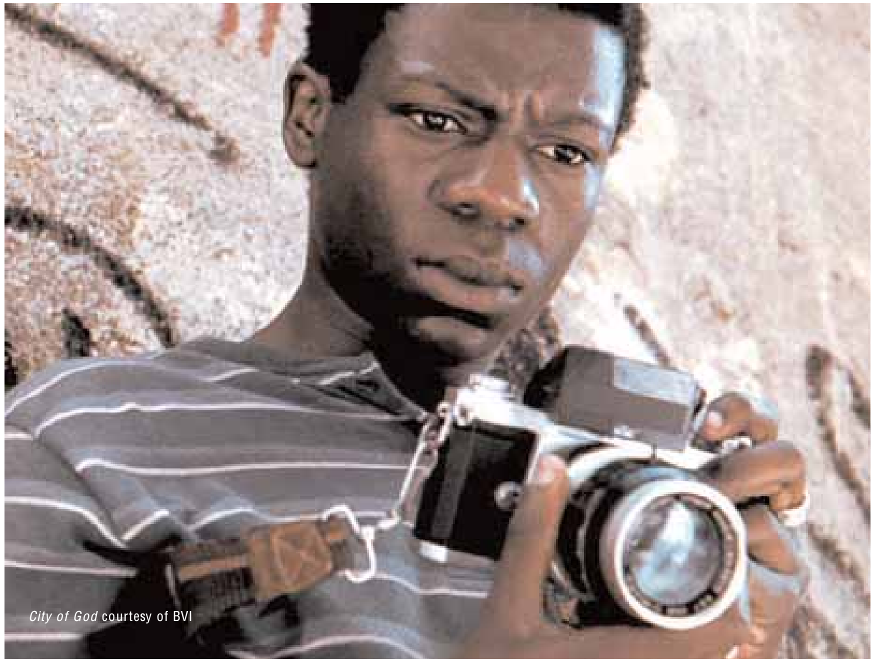
Year	Number	% of all releases	Gross box office (£m)	% of total gross box office
2002	131	36.0	17.1	2.2
2003	147	34.7	20.4	2.5

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 22 March 2004

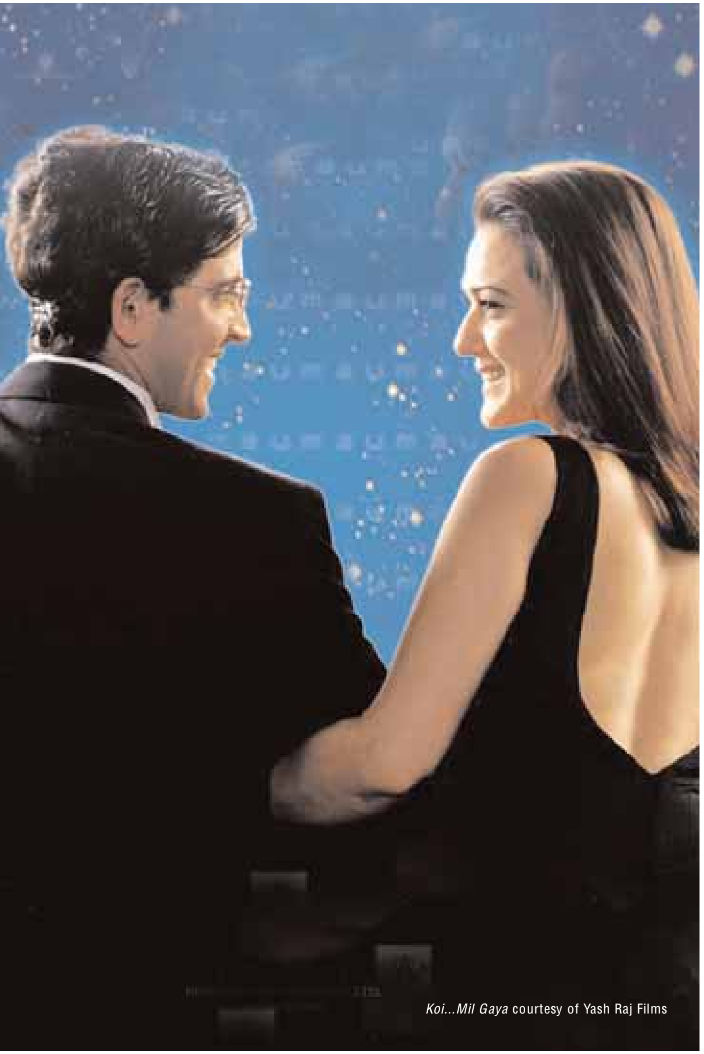
Table 4.2 Language 2003

Main language	No. films released	% releases	Gross box office (£m)	% of total gross box office
English	276	65.2	809.2	97.5
Hindi	52	12.3	8.1	1.0
European	61	14.4	9.6	1.2
Other International	34	8.0	2.7	0.3
Total	**423**	**100.0**	**829.7**	**100.0**

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 22 March 2004. Figures may not sum to totals due to rounding.



City of God courtesy of BVI



Koi...Mil Gaya courtesy of Yash Raj Films

Hindi was the dominant foreign language in terms of the number of releases and box office share (see Table 4.3), a position it also held in 2002.

Table 4.3 Top five foreign languages at the UK box office 2003

Main language	No. of releases	Gross box office total (£m)	Top performing title
Hindi	52	8.1	Kal Ho Naa Ho
French	25	2.8	Belleville Rendezvous
German	7	2.4	Goodbye, Lenin!
Portuguese	2	2.4	City of God (Brazil)
Japanese	10	1.3	Spirited Away

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 22 March 2004

Table 4.4 European foreign languages at the UK box office 2003

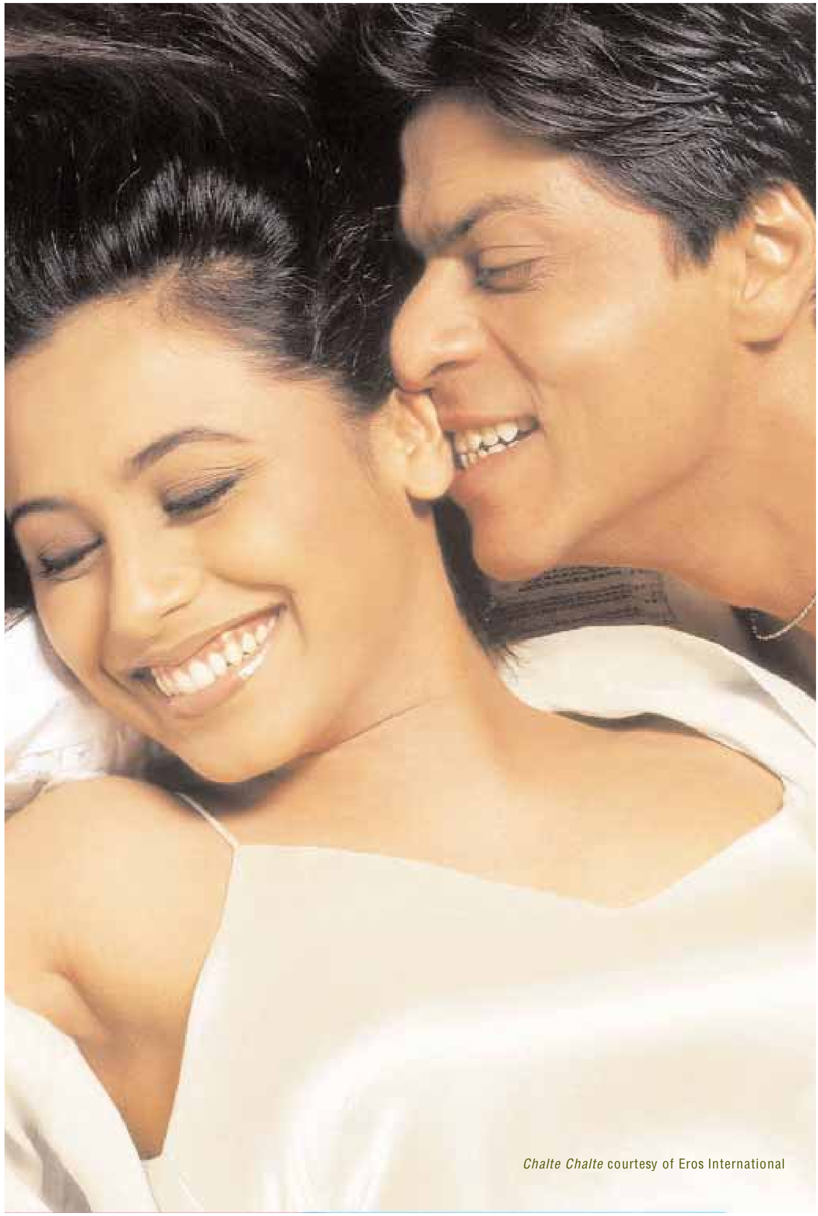
Main language	No. of releases	Gross box office total (£m)	Top performing title
French	25	2.8	Belleville Rendezvous
German	7	2.4	Goodbye, Lenin!
Portuguese	2	2.4	City of God (Brazil)
Spanish	12	0.8	Intacto
Italian	5	0.7	Respiro
Finnish	2	0.2	A Man Without a Past
Danish	4	0.1	Open Hearts
Icelandic	1	0.1	Noi Albinoi
Norwegian	2	0.06	Elling
Swedish	1	0.04	Persona (re-release)

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 22 March 2004

Table 4.5 Top 20 foreign language films released in the UK and Republic of Ireland in 2003

	Title	Country of origin	Gross box office (£m)	Distributor	Language
1	City of God	Bra	2.4	Buena Vista	Portuguese
2	Kal Ho Naa Ho	Ind	1.7	Yash Raj Films	Hindi
3	Good Bye, Lenin!	Ger	1.2	UGC Films	German
4	Spirited Away	Jap/USA	0.9	Optimum Rel.	Japanese
5	The Little Polar Bear	Ger	0.8	Warner Bros.	German
6	Chalte Chalte	Ind	0.8	Eros	Hindi
7	Baghban	Ind/UK	0.7	Eros	Hindi
8	Belleville Rendezvous	Fra/Bel/Can	0.7	Metro Tartan	French
9	Etre Et Avoir	Fra	0.7	Metro Tartan	French
10	Koi...Mil Gaya	Ind	0.6	Yash Raj Films	Hindi
11	Main Prem Ki Diwani Hoon	Ind	0.5	Yash Raj Films	Hindi
12	Russian Ark	Rus/Ger	0.5	Aritificial Eye	Russian
13	Dil Ka Rishtaa	Ind	0.4	Venus Films	Hindi
14	L'Homme du Train	Fra/UK/Ger	0.4	Pathé	French
15	Respiro	Ita/Fra	0.4	Metro Tartan	Italian/English
16	The Leopard	Ita/Fra	0.3	*bfi*	Italian/English
17	Andaaz	Ind	0.3	Tip Top	Hindi
18	Armaan	Ind	0.3	Eros	Hindi
19	Intacto	Spa	0.3	Momentum	Spanish/English
20	Kuch Naa Kaho	Ind	0.3	Eros	Hindi
	Total		**14.2**		

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 22 March 2004



Chalte Chalte courtesy of Eros International

Five films in the top 20 were supported by the UK Film Council. *Goodbye, Lenin!*, *Spirited Away*, *Belleville Rendezvous* and *Respiro* received funding to pay for additional prints and advertising, affording greater opportunity for people to see the films, while *L'Homme du Train* was part financed by the UK Film Council Premiere Fund.

4.2 Genre

The UK Film Council has allocated up to five genres to every film released in the UK in 2003. The list of genres is based on conventions commonly used by published sources including the Internet Movie Database and the British Board of Film Classification (BBFC) website. The final list was decided following consultation with the UK Film Council Production Funds and other industry representatives.

Table 4.6 provides an indication of the relative popularity of different types of film based on the primary genre allocated to each title released in 2003. Each film is counted only once so that any additional genres allocated to a title have been disregarded for the purposes of simplified reporting. The list of genres and classification of each title released in 2003 is available on our website (www.ukfilmcouncil.org.uk/statistics/genre/titles).

Table 4.6 shows that once again comedy was the top grossing genre at the UK box office. At just over a quarter of all releases, comedy titles shared 30.5% of the gross box office in 2003.

Table 4.6 Films on release in the UK and Republic of Ireland by genre, 2003

Genre	Number of releases	% Releases	Gross box office (£m)	% Box office
Comedy (including romantic comedy)	107	25.3	252.7	30.5
Action	46	10.9	139.0	16.8
Drama	134	31.7	82.6	10.0
Animated	14	3.3	74.6	9.0
Adventure	9	2.1	69.2	8.3
Fantasy	5	1.2	60.8	7.3
Sci fi	7	1.7	59.3	7.1
Horror	22	5.2	39.8	4.8
Musical	2	0.5	16.9	2.0
Crime	23	5.4	13.8	1.7
Thriller	14	3.3	13.0	1.6
Documentary	21	5.0	5.6	0.7
Romance	16	3.8	1.7	0.2
Biopic	1	0.2	0.6	0.1
War	2	0.5	0.03	0.0

Source: Nielsen EDI, RSU analysis

Russian Ark courtesy of Artificial Eye

Although drama accounted for the largest number of releases (134, or 31.7% of all releases) the genre achieved only 10% of the total gross box office. Drama is not a helpful category as titles within it do not necessarily share common themes and genre conventions, unlike, for example, action or horror. The lack of a cohesive genre identity for dramas may make it harder to market these titles, thereby reducing their likelihood of success at the box office.

4.3 UK story material

The UK has a long and rich literary heritage, and filmmakers have frequently drawn upon British writing talent as the basis for film scripts. Even films written and produced outside the UK may feature predominantly British characters and/or settings, particularly in historical contexts (for example, *Robin Hood Prince of Thieves*). These stories not only help to shape a sense of national identity, they also define British cultural heritage for international audiences.

UK story material (defined here as scripts based on the work of a UK writer or involving predominantly British characters and/or settings) featured in 13 of the top 50 films in 2003 as Table 4.7 indicates. Five films, The Lord of the Rings: *The Return of the King*, *Love Actually*, *The Pirates of the Caribbean*, *Calendar Girls* and *Johnny English*, all appeared in the top ten and grossed £165.4 million at the box office.

Table 4.7 UK story material in the top 50 films at the UK box office 2003

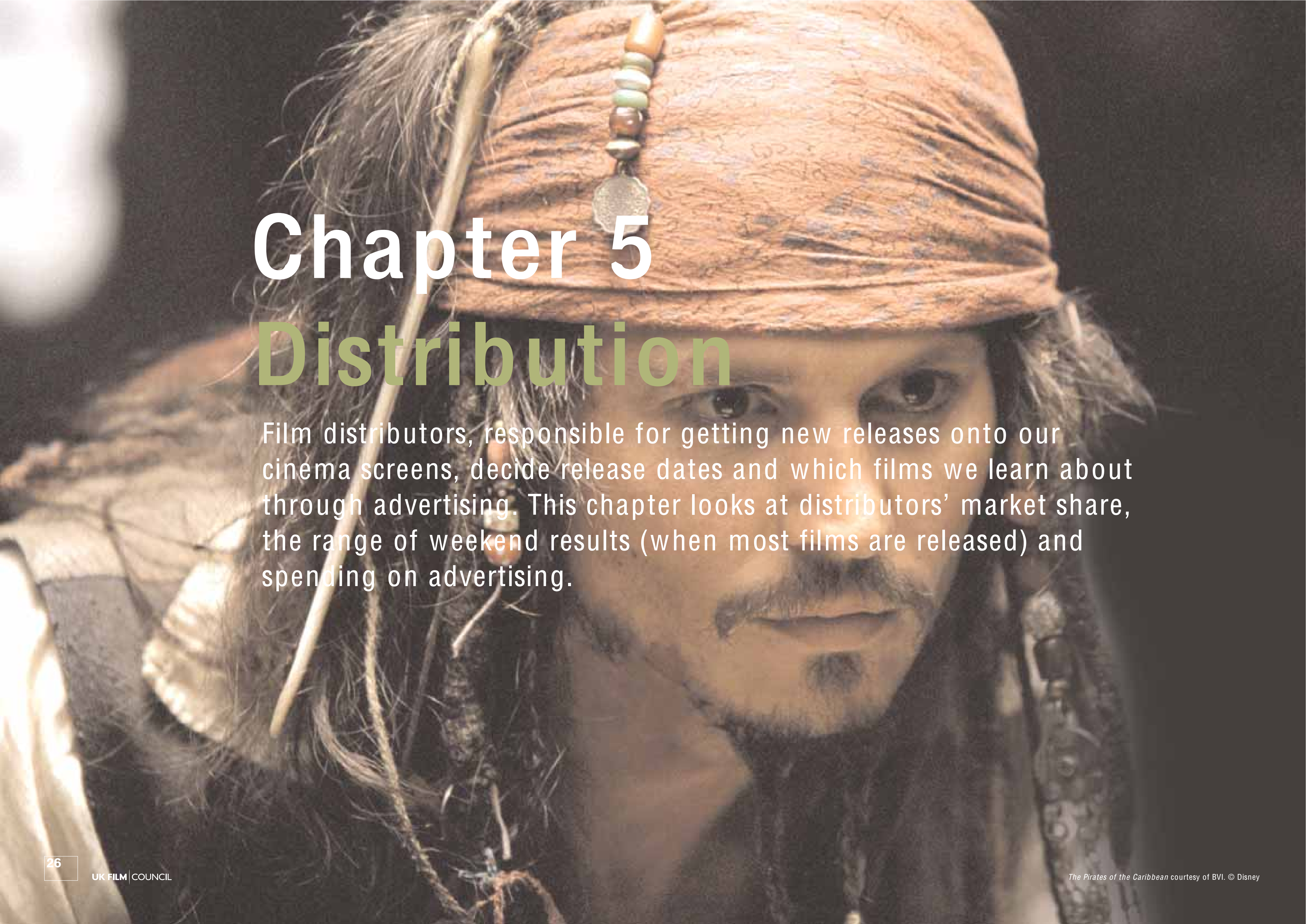
Title	Gross box office (£m)	Country of origin	Story material
Lord of the Rings: The Return of the King	60.6	USA/NZ	Adapted UK author
Love Actually	36.4	UK/USA	UK based script
The Pirates of the Caribbean	28.2	USA	UK characters
Calendar Girls	20.4	UK/USA	UK based script
Johnny English	19.6	UK/USA	UK based script
Peter Pan	9.3	USA	Adapted UK author
The Jungle Book 2	8.3	USA	Adapted UK author
The Italian Job	7.7	USA	Based on UK source
Master and Commander	7.5	USA	UK characters
The League of Extraordinary Gentlemen	7.3	USA	UK characters
Tomb Raider 2	5.3	UK/USA/Ger/Jap/Neth	Based on UK source
The Hours	4.7	UK/USA	UK characters
Piglet’s Big Movie	4.4	USA	Adapted UK author

Source: Nielsen EDI, RSU analysis

See also

• For cinema admissions and box office in 2003 see chapter 1
• For a look at cinema audiences see chapter 7
• For more details about genre classification see http://www.ukfilmcouncil.org.uk/statistics/genre

Distribution



Chapter 5
Distribution

Film distributors, responsible for getting new releases onto our cinema screens, decide release dates and which films we learn about through advertising. This chapter looks at distributors' market share, the range of weekend results (when most films are released) and spending on advertising.

The Pirates of the Caribbean courtesy of BVI. © Disney

Facts in focus

- The top eight distributors had a 96% share of the market in 2003.
- Weekends (Friday to Sunday) accounted for 61% of the box office.
- Opening weekends represented 25% of the total box office.
- Estimated total advertising spend was £147.8 million, an increase of 13% on 2002.

5.1 Distributors in 2003

As shown in Table 5.1, the top eight distributors had a 96% share of the market (up 6% on 2002). The remaining 56 distributors handled a total of 252 titles (52% of the total), but gained only a 4% share of the box office (down 6% on the previous year).

Table 5.1 Distributor share of box office, UK and Republic of Ireland, 2003

Distributor	Market Share %	Films on release 2003	Gross box office (£m)
Buena Vista	26.3	46	218.2
UIP	22.5	31	187.0
Entertainment	14.6	18	121.1
Warner Bros	10.4	20	86.3
Columbia TriStar	9.7	36	80.1
20th Century Fox	8.8	29	73.3
Pathé	2.0	24	16.5
Momentum	1.3	23	11.1
Sub total	95.7	227	793.7
Others (56 distributors)	4.3	252	35.8
Total	**100.0**	**479**	**829.5**

Source: Nielsen EDI
Box office gross = cumulative box office total for all films handled by the distributor in the period 3 January 2003 to 4 January 2004 (ie all films released in 2002 and still showing in 2003)

5.2 Distributors, 1999 – 2003

Table 5.2 shows that the top six distributors form a stable leading group, although their individual market shares vary considerably from year to year, depending on the particular mix of films distributed each year. Distributors are ranked by their 2003 box office share.

Table 5.2 Distributor market share as percentage of box office gross, 1999 - 2003

Distributor	1999	2000	2001	2002	2003
Buena Vista	21.5	22.6	14.1	15.2	26.3
UIP	23.2	26.9	31.7	12.5	22.5
Entertainment	6.0	4.6	9.7	16.6	14.6
Warner Bros	11.8	7.8	16.5	15.4	10.4
Columbia TriStar	5.5	12.8	6.6	12.3	9.7
20th Century Fox	14.5	9.9	8.7	17.9	8.8
Pathé	3.5	7.1	2.1	2.1	2.0
Momentum	0.05	1.1	2.5	1.9	1.3
Redbus	0.03	0.6	1.6	1.8	0.8
Icon	0.3	2.8	3.6	0.9	0.7
Top 10 total	86.4	96.2	97.1	96.6	97.1
Others	13.6	3.8	2.9	3.4	2.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Nielsen EDI

5.3 Opening weekends

In 2003, 61% of the box office was taken at weekends, down from 68% in 2002, as Table 5.3 shows.

Table 5.3 Box office percentage share by weekday/weekend, 2002 – 2003

	2002	2003
Friday	16.9	16.0
Saturday	29.4	26.6
Sunday	21.3	18.7
Weekend	**67.6**	**61.3**
Monday	7.2	8.9
Tuesday	8.5	10.0
Wednesday	8.6	9.8
Thursday	8.1	10.0
Weekday	**32.4**	**38.7**
Total	**100.0**	**100.0**

Source: Nielsen EDI

Opening weekends accounted for 24.5% of the total box office in 2003, a slight increase on 2002 (Table 5.4). Films in the £20-£30 million band took proportionately less in their opening weekend compared with 2002. Films in this band included *The Pirates of the Caribbean* and *Calendar Girls*, which both stayed in the box office top 10 for 11 weeks. Films in the £10-£20 million band took more, which was a reflection of the relatively poor performance of some of the summer blockbusters.

Table 5.4 UK opening weekend as percentage of total box office, 2002 – 2003

Range of box office results	% of total in opening weekend 2002	% of total in opening weekend 2003
All films	**24.1**	**24.5**
More than £30 million	27.7	24.5
£20 million - £30 million	24.9	21.3
£10 million - £20 million	18.5	26.4
£5 million - £10 million	21.9	24.1
£1 million - £5 million	22.9	23.6
£200,000 - £999,000	29.5	26.8
Less than £200,000	29.8	29.4

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

5.4 Release costs

The opening weekend of a film is recognised as being crucial to the lifetime of a film, both in cinemas and on subsequent release platforms. Distributors invest heavily in advertising in order to raise a film's profile across all media (outdoor posters, print media, TV and radio). From data provided by Nielsen Media Research (Table 5.5) the estimated total distributor advertising spend in 2003 was £147.8 million, up nearly 13% from £131 million in 2002.

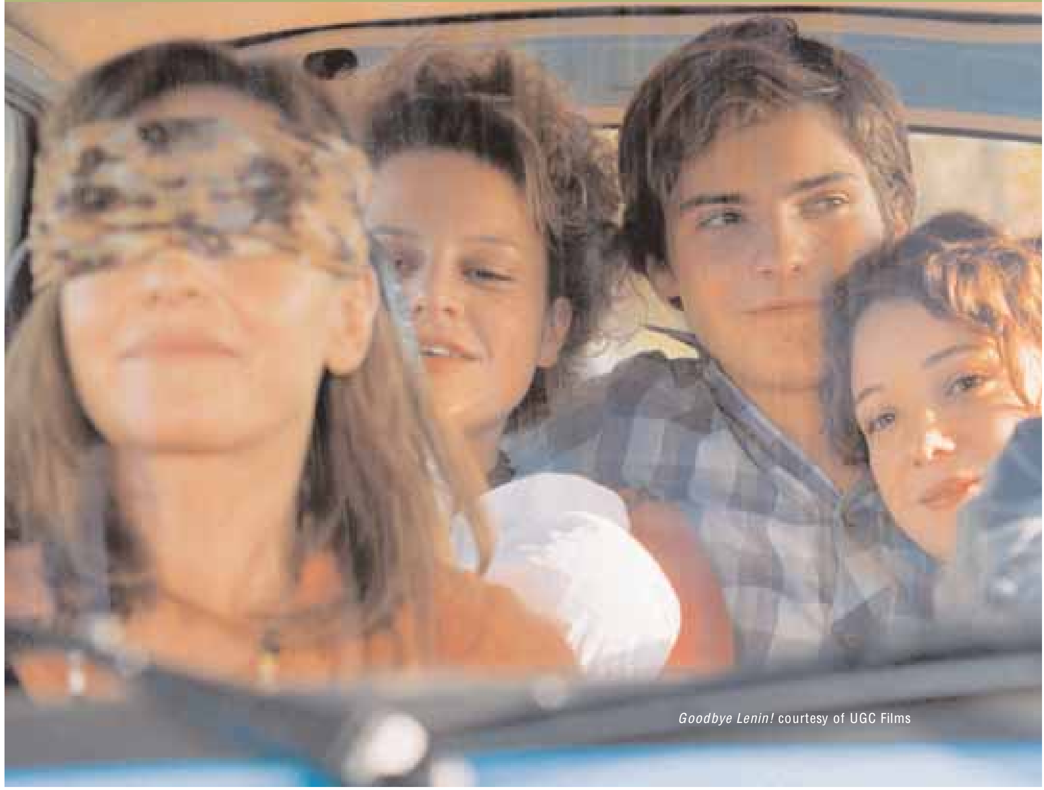
Table 5.5 Estimated advertising spend 2003

TV	£61.2 million
Outdoor	£46.6 million
Press	£30.1 million
Radio	£9.7 million
Direct mail	£0.1 million
Cinema	£0.04 million
Total	**£147.8 million**

Source: Nielsen Media Research

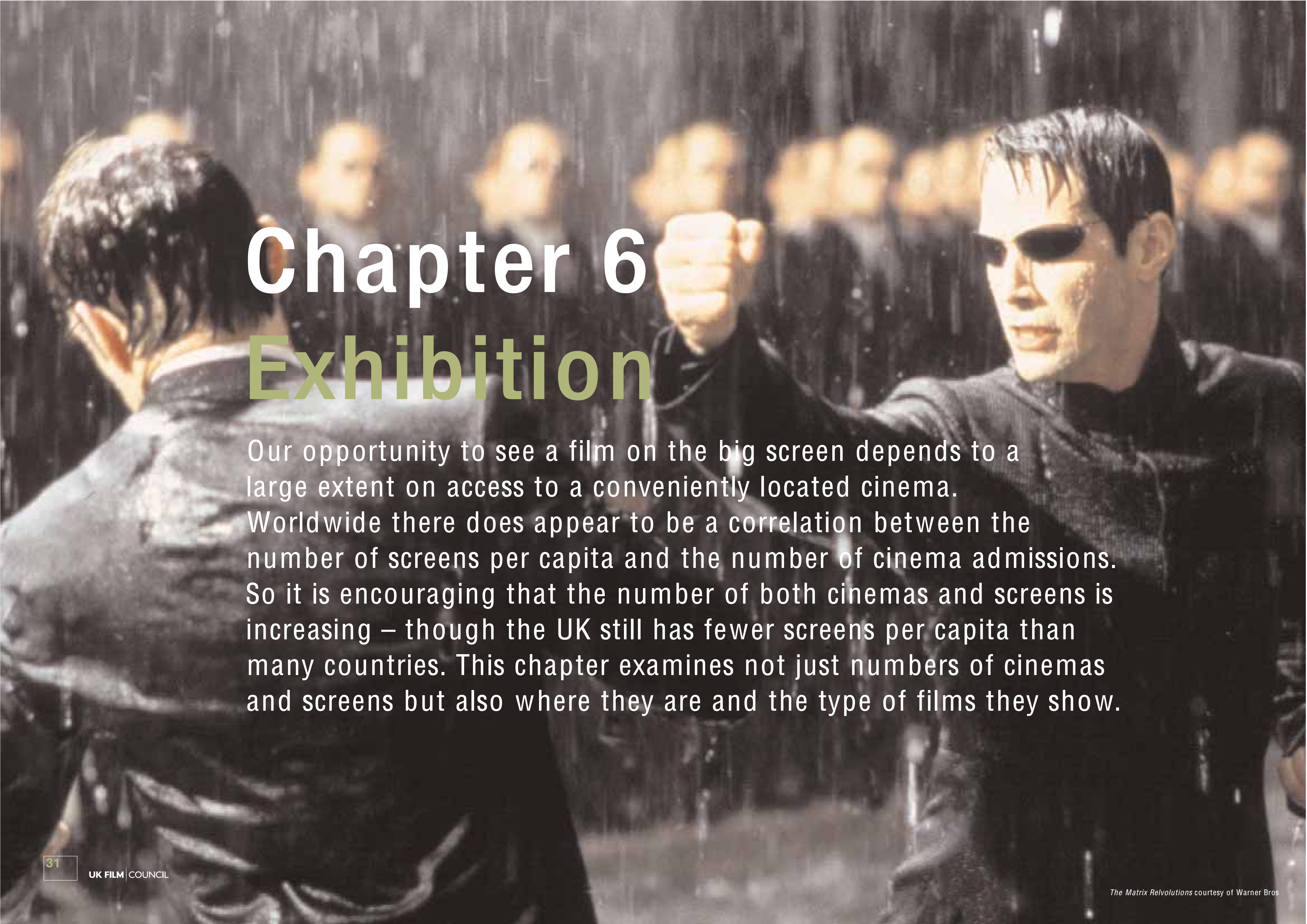
See also

- For further details about the UK box office in 2003 see chapter 1
- For more information about the top films at the UK box office in 2003 see chapter 2
- For an overview of employment in film distribution see chapter 15
- To learn more about what the UK Film Council is doing to support UK distribution see http://www.ukfilmcouncil.org.uk/funding/distributionandexhibition/



Goodbye Lenin! courtesy of UGC Films

Exhibition



The Matrix Relvolutions courtesy of Warner Bros

Chapter 6
Exhibition

Our opportunity to see a film on the big screen depends to a large extent on access to a conveniently located cinema. Worldwide there does appear to be a correlation between the number of screens per capita and the number of cinema admissions. So it is encouraging that the number of both cinemas and screens is increasing – though the UK still has fewer screens per capita than many countries. This chapter examines not just numbers of cinemas and screens but also where they are and the type of films they show.

Facts in focus

- The UK had 3,318 screens, 60 more than last year, in 678 cinemas.
- The average ticket price was £4.43.
- The six largest exhibitors operated almost 71% of screens. Odeon Cinemas topped the list.
- There were 5.6 screens per 100,000 of the population, lower than many countries.
- There was an increase in the number of screens in and around city centres, out of town and in rural areas, and a decrease in suburban locations.
- Under 5% of screens were in rural or suburban locations.
- 71% of screens were in multiplexes – that is purpose-built cinemas with five or more screens.
- The London region, with the highest number of screens, also had the highest admissions per person.
- Northern Ireland had the highest number of screens per 100,000 population in the UK.
- Only 6% of screens were dedicated to 'specialised' (that is non-mainstream) programming, with less than 0.5% showing Asian films.
- Nine UK cinemas had digital projection.

6.1 How many cinema screens were there in 2003?

In 2003 the total number of 'owned' cinema screens (that is, owned by mainstream exhibitors and excluding those operated in venues such as schools and private screening rooms) had risen by 1.8% to 3,318 screens in 678 cinemas, from 3,258 in 2002. A further 110 screens are planned to open by the summer of 2006.

The high level of site closures in 2002 was not repeated in 2003. Thirty-seven sites closed in 2003, with a loss of 76 screens, compared with the closure in 2002 of 63 sites (130 screens). However, 2003 also saw fewer multiplex screen openings than the previous year (84 new screens compared with 193 in 2002).

In 2003 there were 5.6 screens per 100,000 of population in the UK, up from 5.4 the previous year. This screen access compares favourably with Italy, but falls short of the levels seen in other major countries, as shown in Table 6.1.

Table 6.1 Number of screens per 100,000 of population 2002 and 2003

Year	USA	Spain	Australia	France	Germany	**UK**	Italy
2003	12.5	10.1	9.5	8.8	5.7	**5.6**	5.5
2002	12.9	9.8	9.5	8.9	5.7	**5.4**	5.4

Source: Dodona Research, RSU analysis

Table 6.2 shows that those countries with a higher number of screens per 100,000 of population also enjoyed higher numbers of admissions per person in 2003.

Table 6.2 Admissions per person 2003

Year	USA	Australia	Spain	France	**UK**	Italy	Germany
2003	5.0	4.5	3.3	2.9	**2.8**	1.9	1.8

Source: Dodona Research, European Audiovisual Observatory, Australian Film Commission, RSU analysis

6.2 Which exhibitors have the most screens?

A small number of companies own the majority of screens in the UK; in 2003 the six largest exhibitors owned approximately 71% of UK screens.

Table 6.3 Leading exhibitors, ranked by screens, 2002 and 2003

Exhibitors	**Sites**		**Screens**	
	2002	**2003**	**2002**	**2003**
Odeon Cinemas	99	98	613	604
Vue (Warner Village Cinemas)	36	45	405	426
UGC Cinemas	42	41	396	389
Cine-UK	29	32	319	357
UCI	34	35	372	352
National Amusements (Showcase)	18	19	243	243
Others	410	408	910	947
Total	**668**	**678**	**3,258**	**3,318**

Source: Dodona Research Note: Owned screens only

6.3 Exhibitor revenues

According to Dodona Research, total exhibitor revenue in 2003 remained at the same level as in 2002, at £901 million. This represents an increase of 53% since 1998 when total exhibitor revenue stood at £590 million. The fall in admissions and gross box office in 2003 was offset by higher advertising and concession revenues and an increase in average ticket prices.

Gross advertising revenue increased from £185 million in 2002 to £200 million in 2003. This compares with £97 million in 1998. Meanwhile, average ticket prices (including discounted admissions) rose from £4.29 in 2002 to £4.43 in 2003 (an increase of 3.3%).

6.4 Where are the screens located?

Screen concentration is, not surprisingly, highest in urban areas. 95.5% of all screens in the UK are either in city centres, edge of centre or out of town locations (Table 6.4).

This situation has remained unchanged over the last three years, although there have been minor fluctuations in each type of location. Table 6.4 shows the pattern of change in 2003, with an increase in the number of screens in and around city centre, out of town and rural locations, and a decrease in suburban locations.

Table 6.4 Screens by location, 2001 to 2003

Location	2001	2002	2003	% 2003	% Change + / - 2003
City centre	1,404	1,466	1,470	44.3	0.2
Out of town	1,207	1,199	1,234	37.2	2.9
Edge of centre	410	456	464	14.0	1.7
Rural	107	103	117	3.5	13.6
Suburban	46	34	33	1.0	-2.9
Total	**3,174**	**3,258**	**3,318**	**100.0**	

Source: Dodona Research, RSU analysis

In addition to London, 28 cities had 20 or more screens operating in 2003, led by Manchester, Edinburgh and Birmingham.

The Little Polar Bear courtesy of Warner Bros

Table 6.5 Cities with 20 or more screens, 2002 and 2003

City	Screens in 2002	Screens in 2003	% Change + / - 2003
Greater London	498	503	1.0
Manchester	80	80	0.0
Edinburgh	72	71	-1.4
West End of London	53	57	7.5
Birmingham	54	55	1.8
Glasgow	49	51	4.1
Bristol	49	50	2.0
Liverpool	45	48	6.6
Belfast	47	47	0.0
Sheffield	55	45	-18.2
Leeds	41	41	0.0
Cardiff	31	43	38.7
Bradford	29	31	6.9
Nottingham	32	31	-3.1
Kingston-upon-Hull	28	28	0.0
Bolton	27	27	0.0
Leicester	27	27	0.0
Milton Keynes	26	26	0.0
Norwich	26	26	0.0
Dudley	24	24	0.0
Coventry	24	24	0.0
Newcastle	23	23	0.0
Derby	22	22	0.0
Dundee	21	21	0.0
Portsmouth	24	21	0.0
Basingstoke	20	20	0.0
Northampton	20	20	0.0
Oxford	11	20	81.8
Southampton	20	20	0.0
Swindon	20	20	0.0

Source: Dodona Research. RSU analysis

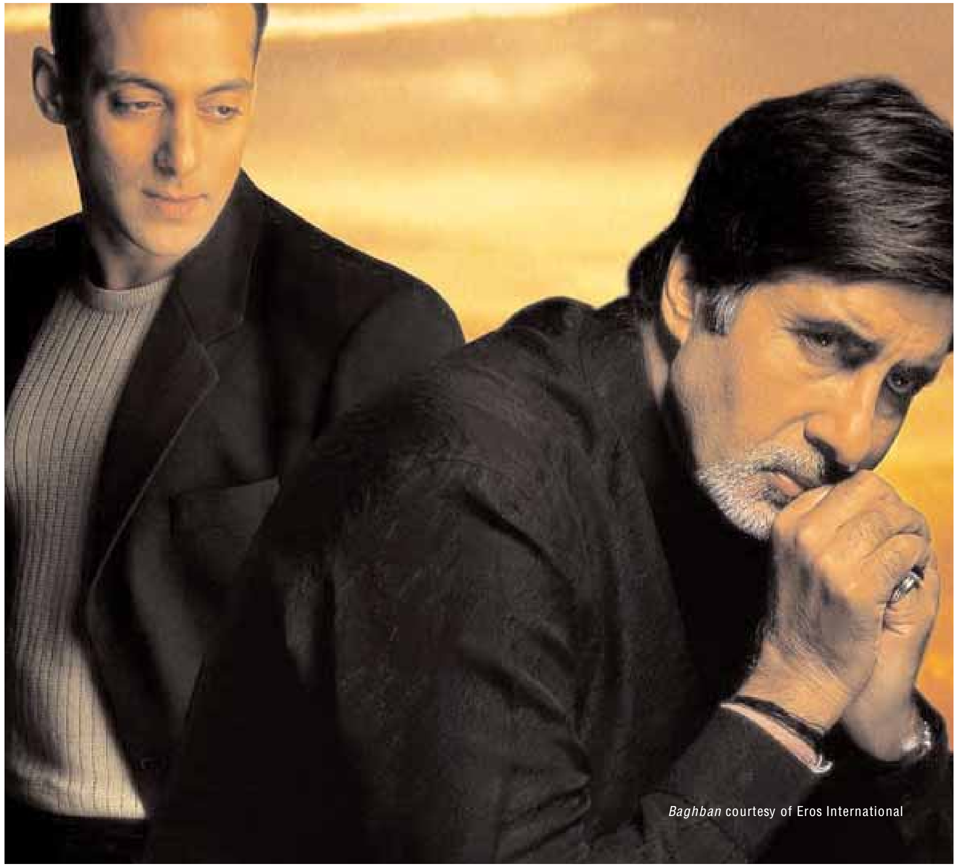
Table 6.6 presents an interesting picture of regional variations in the average number of admissions per screen and per person. London had more screens than any other region, as might be expected, and it also had more admissions per screen (61,492). In contrast, Northern Ireland had 37,276 admissions per screen (nearly 12,000 below the national average), which may be due to the fact that it had the highest number of screens per 100,000 of population (see Table 6.6 and Figure 6.1).

Table 6.6 Admissions per screen and per person by region

TV Region	Admissions	Admissions per screen	Screens	Admissions per person	Screens per 100k
London	43,843,771	61,492	713	4.0	6.5
North East	6,214,170	59,183	105	2.0	3.5
Northern Scotland	3,439,508	57,325	60	3.9	6.8
East of England	10,764,474	53,822	200	2.5	4.7
Southern	15,394,723	52,542	293	3.3	6.3
Central Scotland	11,543,538	48,098	240	3.5	7.3
Yorkshire	13,573,769	47,461	286	2.8	5.8
Midlands	22,946,243	47,021	488	2.5	5.3
Border	1,615,854	43,672	37	2.5	5.6
Lancashire	18,125,332	43,571	416	2.5	5.8
Wales and West	10,778,556	42,942	251	2.9	6.8
South West	3,648,193	42,920	85	1.6	3.8
Northen Ireland	5,367,730	37,276	144	3.4	9.0

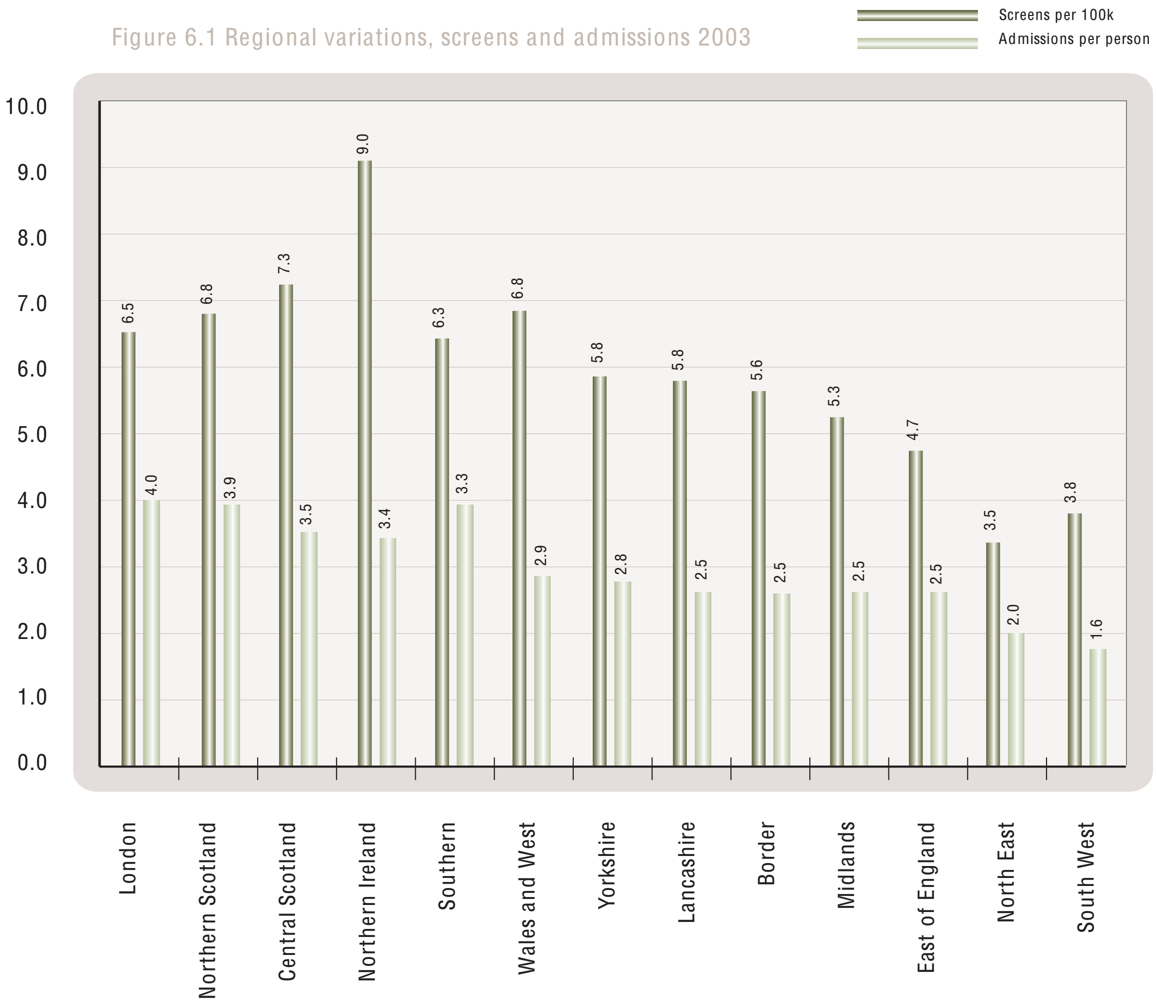
Source: Dodona Research, CAA, RSU analysis

There is evidence of a positive correlation between the number of screens per 100,000 of population in a region and the number of admissions per person. Put crudely, the more screens available the higher the number of admissions per person. However, the relationship is not clear cut, and it may be affected by other factors like the proximity of screens to densely populated areas within regions and the demographic make up of regions (particularly by age and socio-economic groups).Thus a high number of screens concentrated in urban areas with a largely elderly population may not necessarily yield high numbers of admissions per person given what we know about the demographic characteristics of frequent cinema-goers.



Baghban courtesy of Eros International

Figure 6.1 Regional variations, screens and admissions 2003



Source: CAA, Dodona Research, RSU analysis

6.5 The growth of multiplexes

In 1998 the number of multiplex screens rose above the number of screens in traditional sites for the first time (Dodona Research defines multiplex sites as purpose-built with five or more screens). By 2003 71% of screens in the UK were found in multiplexes (an increase of 1% on 2002). Table 6.7 presents figures for the last five years.

Table 6.7 Cinema screens by type 1999 to 2003

Year	Multiplex	Traditional	Total
1999	1,624	1,134	2,758
2000	1,874	1,080	2,954
2001	2,115	1,049	3,164
2002	2,299	959	3,258
2003	2,362	956	3,318

Source: Dodona Research
Note: 2002 and 2003 multiplex figures include four and three 'megaplexes' with 20+ screens respectively

Overall, there was an increase of 63 multiplex screens (+2.7%) in 2003 compared with three fewer traditional screens (-0.3%).

6.6 Programming

In 2003 there were seven cinemas dedicated to Asian programming (15 screens), 118 offering 'specialised' (ie non-mainstream, including 'art house') films (192 screens) and 553 with 'mainstream' offerings (3,111 screens). Table 6.8 compares figures for 2002 and 2003.

Table 6.8 Sites and screens by programme 2002 and 2003

	Sites		Screens	
Programme	**2002**	**2003**	**2002**	**2003**
Asian	7	7	15	15
Specialised	108	118	167	192
Mainstream	553	553	3,076	3,111

Source: Dodona Research, RSU analysis

The number of screens dedicated to Asian product in city centre and suburban locations remain unchanged from 2002 (Table 6.9). The number of screens offering specialised programming saw a rise during 2003 in all locations, with the number of such screens doubling in out of town locations. Mainstream screens increased in number in edge of centre, out of town and rural locations, with a decrease in screen numbers for city centre and suburban locations, thereby reversing the pattern witnessed in 2002.

Table 6.9 Screens by location and programme

	Asian		Specialised		Mainstream	
Location	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**
City centre	12	12	143	154	1,311	1,304
Edge of centre	0	0	2	3	454	461
Suburban	3	3	7	8	24	22
Out of town	0	0	7	16	1,192	1,218
Rural	0	0	8	11	95	106
Total	**15**	**15**	**167**	**192**	**3,076**	**3,111**

Source: Dodona Research, RSU analysis
Note: The small numbers involved mean the figures can be affected by the opening or closure of a handful of sites.

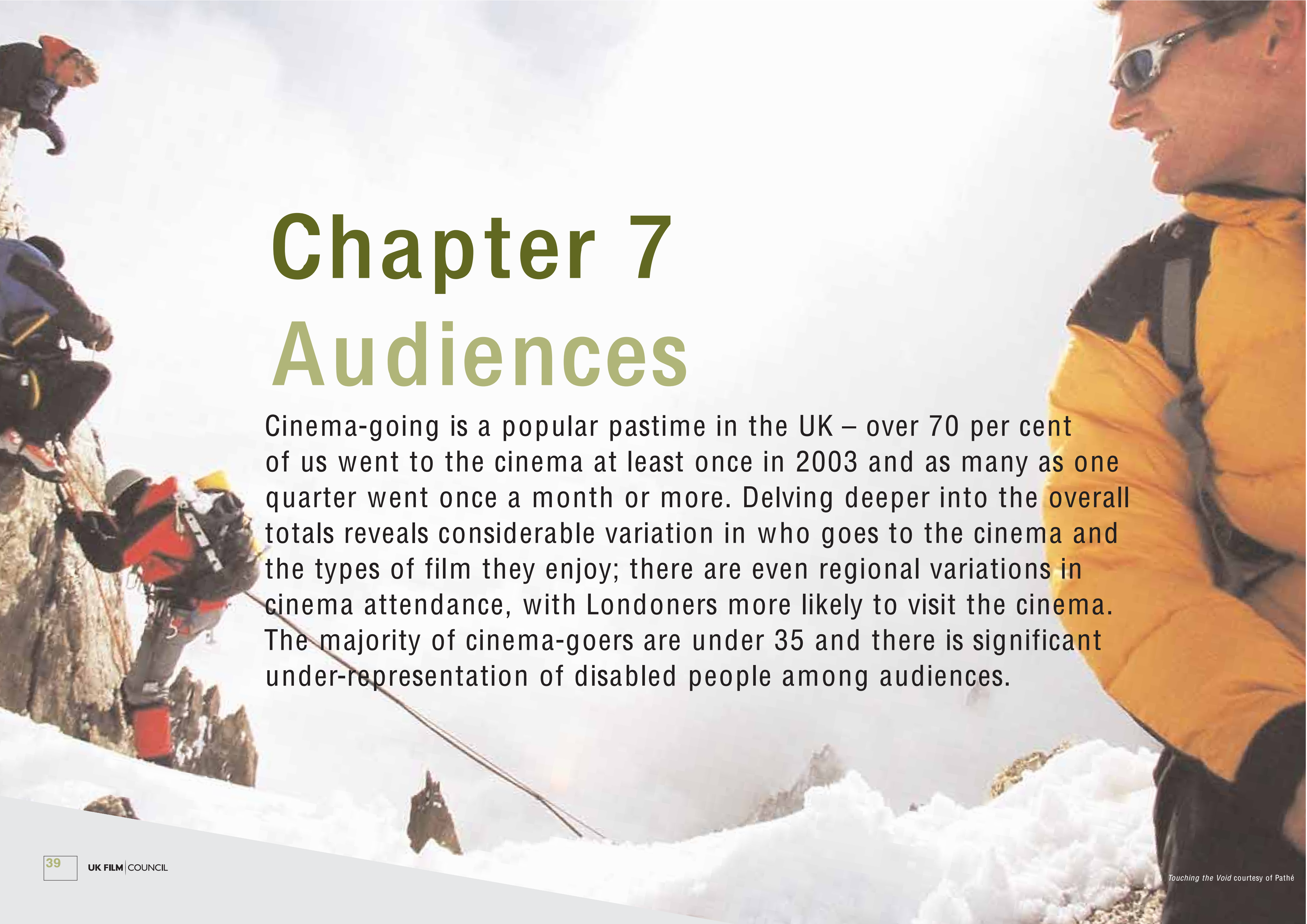
6.7 Digital projection

The number of sites offering digital projection of films (as opposed to digital advertising) remains relatively small: nine in the whole of the UK, compared with four in 2002. Dodona Research estimates that worldwide there were 170 sites with 194 digital screens operating in early 2004, 33 of them in Europe. The USA had the highest number of digital screens, with 84 operating in March 2004.

See also

- For cinema admissions and box office in 2003 see chapter 1
- For a look at cinema audiences see chapter 7
- For employment in the exhibition sector see chapter 15
- For more about the UK Film Council's plans for a Digital Screen Network see http://www.ukfilmcouncil.org.uk/funding/distributionandexhibition/dsn

Audiences



Chapter 7
Audiences

Cinema-going is a popular pastime in the UK – over 70 per cent of us went to the cinema at least once in 2003 and as many as one quarter went once a month or more. Delving deeper into the overall totals reveals considerable variation in who goes to the cinema and the types of film they enjoy; there are even regional variations in cinema attendance, with Londoners more likely to visit the cinema. The majority of cinema-goers are under 35 and there is significant under-representation of disabled people among audiences.

Touching the Void courtesy of Pathé

Facts in focus

- In 2003, 71% of the UK population said they went to the cinema at least once a year.
- 25% went once a month or more.
- The overall cinema audience was roughly balanced between men and women but the top UK films had a majority female audience.
- Female-centred dramas and romantic comedies appealed most to the female audience.
- The audiences for action, crime and science fiction films had a male skew.
- The cinema audience for the top 20 films in 2003 was predominantly young, with 69% in the 7-34 age group.
- UK films tended to appeal more to older audiences.
- In 2003, the cinema audience aged 15-24 grew substantially, while the audience aged 7-14 dropped.
- Minority ethnic groups were equally or over-represented in the film audience, except for pay-per-view where they were under-represented.
- Disabled people were under-represented in the film audience, except for retail video/DVD.
- London, Southern England, Central and Northern Scotland and Northern Ireland had the highest per capita cinema admissions.

7.1 Cinema audience by gender

The overall UK cinema audience in 2003 had a roughly equal gender split, with males and females attending with similar frequency, as Table 7.1 shows. However, the 2003 audience for top UK films had a distinct female bias, driven by the large female audiences for *Love Actually* and *Calendar Girls* (see section 7.2).

Table 7.1 Cinema audience by gender 2003

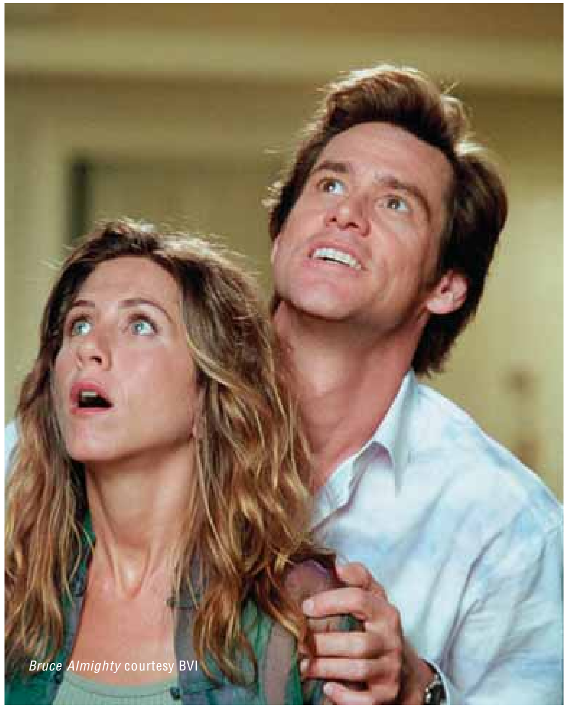
	Male %	Female %
See at least one film per year (proportion of population)	71%	72%
Go to the cinema at least once a month (proportion of population)	26%	24%
Top 20 films (proportion of audience)	52%	48%
Top UK films (proportion of audience)	44%	56%
Total population	**49%**	**51%**

Source: CAVIAR 21 and Quarterly Reports
Note: 'Top UK films' refers to the thirteen of the top 20 UK films for which audience data was available in 2003.

7.2 Film preferences by gender

Although the overall cinema audience in 2003 was divided roughly equally between men and women, some films attracted substantially more of one gender than the other. Men preferred action (*Terminator 3, Tomb Raider 2, X-Men 2*), science fiction (the two Matrix films) and crime (*Gangs of New York, Veronica Guerin, Kill Bill*). The male audience skew in these genres prevailed even where the central character was female (*Kill Bill, Tomb Raider 2*). Women preferred female-centred dramas (*The Hours, Evelyn*), romantic comedies (*Love Actually, Two Weeks Notice*) and comedies (*Calendar Girls, Elf*).

As in 2002, there was a tendency for the top UK films to appeal more to one gender than the other than for the overall top 20 films. All five of the films in Table 7.2 with the biggest female audience skews were UK films and three out of the six films with the biggest male audience skews were UK films.



Bruce Almighty courtesy BVI

Table 7.2 Top films by audience gender split, UK box office, 2003 Top 20 films and top UK films

Title	Male % of audience	Female % of audience	
Evelyn (UK)	26.4	73.6	Greater female audience share
Calendar Girls (UK)	26.7	73.3	
S Club Seeing Double (UK)	27.6	72.4	
Love Actually (UK)	34.2	65.8	
The Hours (UK)	37.2	62.8	
Two Weeks Notice	39.7	60.3	
Elf	41.0	59.0	
Finding Nemo	43.6	56.4	
Charlie's Angels: Full Throttle	44.4	55.6	
Touching the Void (UK)	45.9	54.1	
The Pirates of the Caribbean	47.4	52.6	Even gender split
Cold Mountain (UK)	48.4	51.6	
Bruce Almighty	50.4	49.6	
The Pianist (UK)	51.0	49.0	
Catch Me If You Can	52.0	48.0	
Nicholas Nickleby (UK)	52.7	47.3	
Johnny English (UK)	54.1	45.9	Greater male audience share
The Ring	54.6	45.4	
Lord of the Rings: The Return of the King	54.7	45.3	
American Pie: The Wedding	56.0	44.0	
8 Mile	60.2	39.8	
The Matrix Reloaded	60.8	39.2	
Kill Bill - Volume 1	61.2	38.8	
The Matrix Revolutions	61.6	38.4	
Veronica Guerin (UK)	62.3	37.7	
Tomb Raider 2 (UK)	63.1	36.9	
Gangs of New York	64.0	36.0	
Terminator 3: Rise of Machines	64.8	35.2	
X-Men 2	65.1	34.9	
Underworld (UK)	69.0	31.0	

Source: CAVIAR / BMRB / CAA, Quarterly Reports

7.3 Cinema audience by age

The cinema audience has a youthful profile, as Table 7.3 shows. In 2003, the 41% of the population in the 7-34 age group provided 69% of the top 20 film audience and 52% of the top UK film audience. The audience for top UK films had a distinctly older age distribution than the overall top 20, with seven of the top UK films (including *Calendar Girls, Touching the Void* and *Cold Mountain*) taking more than 60% of their audiences from the 35 plus age group.

Table 7.3 Cinema audience by age group 2003

	Age 7 - 14	Age 15 - 24	Age 25 - 34	Age 35+
See at least one film per year (proportion of population)	91%	90%	84%	60%
Go to the cinema at least once a month (proportion of population)	37%	52%	33%	14%
Top 20 films (proportion of audience)	14%	32%	23%	31%
Top UK films (proportion of audience)	12%	21%	19%	48%
Total population	**11%**	**13%**	**17%**	**59%**

Source: CAVIAR 21 and Quarterly Reports

The audience share of the 7-14 age group dropped in 2003, apparently reflecting the lower number of animated films released in 2003 as Table 7.4 shows. The audience share of the 15-24 age group increased, influenced particularly by the success of *8 Mile*, the two *Matrix* films and *American Pie: the Wedding* with this age group. In 2003, the 15-24 audience was substantially larger in absolute terms than it was in 2002.

Table 7.4 Audiences for the top 20 films, 2002 and 2003

Age	2002 (millions)	2002 %	2003 (millions)	2003 %
7 - 14	20.7	20.9 %	11.7	13.5 %
15 - 24	23.3	23.6 %	27.7	32.0 %
25 - 34	22.1	22.3 %	20.1	23.2 %
35 +	33.0	33.3 %	27.1	31.3 %
Total	**99.1**	**100.0 %**	**86.6**	**100.0 %**

Source: Cinema Advertising Association (CAA)

7.4 Comparative age distribution of DVD, cinema and TV audiences

Table 7.5 compares the frequency of cinema visits with the frequencies of DVD and television watching. The frequency of DVD watching overall was higher than cinema visiting, but with a similarly youthful age skew. Among the over-35s, the frequency of watching bought DVDs was significantly higher than for both rented DVDs and cinema. TV watching had an older age profile with the over-35s having the highest proportion (25%) watching TV for five hours or more per day.

Table 7.5 Audience frequency, DVD, cinema and TV by age group

Viewing habits	Age 7 - 14	Age 15 - 24	Age 25 - 34	Age 35+
Watch rented DVD once a month or more	34%	46%	41%	16%
Watch bought DVD once a month or more	54%	64%	55%	31%
Go to cinema once a month or more	37%	52%	33%	14%
Watch TV every day	90%	81%	83%	83%
Watch TV five hours or more per day	12%	21%	22%	25%

Source: CAVIAR 21 and Quarterly Reports

7.5 Film preferences by age

Comedies, animated and action films appealed to the 7-14 audience; films from a wide range of genres (drama excepted) interested the 15-24 group; crime and science fiction appealed to the 25-34 group and drama to the over 35 age group.

The age profile for the top UK films was substantially older than for the overall top 20 films, with 48% of the audience for the top UK films coming from the 35 plus age group. *Calendar Girls, Cold Mountain, Touching the Void, Veronica Guerin* and *Nicholas Nickleby* took more than two-thirds of their audience from the over-35 group. Nine of the ten films that had substantially higher than average 35 plus audience shares were UK films (Tables 7.6 – 7.9).

Table 7.6 Films with an above-average audience in 7-14 age group, 2003. Top 20 films and top UK films

Title	Age group % of the film's total audience
S Club Seeing Double (UK)	59.1
Elf	39.5
Finding Nemo	32.6
Johnny English (UK)	30.7
Bruce Almighty	22.3
The Pirates of the Caribbean	21.4
Charlie's Angels: Full Throttle	20.2
Tomb Raider 2 (UK)	19.7
Two Weeks Notice	17.9
X-Men 2	17.2
Percentage of 7-14 age group in top 20 audience	13.5
Percentage of 7-14 age group in top UK audience	11.8
Percentage of 7-14 age group in total survey population	11.3

Source: CAVIAR/BMRB/CAA, Quarterly Reports

Table 7.7 Films with an above-average audience in 15-24 age group 2003. Top 20 films and top UK films

Title	Age group % of the film's total audience
American Pie: The Wedding	61.1
8 Mile	61.0
Underworld (UK)	58.3
The Ring	48.9
Kill Bill - Volume 1	48.3
The Matrix Revolutions	42.9
The Matrix Reloaded	42.8
Love Actually (UK)	29.4
Tomb Raider 2 (UK)	26.9
Percentage of 15-24 age group in top 20 audience	32.0
Percentage of 15-24 age group in top UK audience	21.3
Percentage of 15-24 age group in total survey population	13.3

Source: CAVIAR/BMRB/CAA, Quarterly Reports

Table 7.8 Films with an above-average audience in 25-34 age group 2003. Top 20 films and top UK films

Title	Age group % of the film's total audience
Gangs of New York	37.5
Kill Bill - Volume 1	33.5
The Matrix Reloaded	33.4
The Matrix Revolutions	32.4
Underworld (UK)	31.9
The Hours (UK)	28.5
The Pianist (UK)	27.9
Love Actually (UK)	25.9
Tomb Raider 2 (UK)	24.9
Percentage of 25-34 age group in top 20 audience	23.2
Percentage of 25-34 age group in top UK audience	18.9
Percentage of 25-34 age group in total survey population	17.1

Source: CAVIAR/BMRB/CAA, Quarterly Reports

Table 7.9 Films with an above-average audience in 35+ age group 2003. Top 20 films and top UK films

Title	Age group % of the film's total audience
Calender Girls (UK)	74.5
Touching the Void (UK)	71.2
Cold Mountain (UK)	67.2
Veronica Guerin (UK)	67.1
Nicholas Nickleby (UK)	67.0
The Pianist (UK)	61.6
Evelyn (UK)	60.2
The Hours (UK)	56.2
Love Actually (UK)	44.7
Lord of the Rings: The Return of the King	44.6
Percentage of 35+ age group in top 20 audience	31.3
Percentage of 35+ age group in top UK audience	48.1
Percentage of 35+ age group in total survey population	58.3

Source: CAVIAR/BMRB/CAA, Quarterly Reports

7.6 Cinema audience by social group

The cinema audience had a moderate skew away from the DE social group towards the C1 group for top 20 films and towards AB and C1 groups for top UK films (Table 7.10).

Table 7.10 Cinema audience by social group

	AB	C1	C2	DE
See at least one film per year (proportion of population)	82%	78%	68%	56%
Go to the cinema at least once a month (proportion of population)	26%	30%	24%	18%
Top 20 films (proportion of population)	27%	34%	21%	19%
Top UK films (proportion of population)	32%	34%	18%	16%
Total Population	25%	29%	21%	26%

Source: CAVIAR 21 and Quarterly Reports
Note: AB: Professional, business and white collar, C1: Higher skilled manual, C2: Lower skilled manual, DE: 'Semi -' and 'Un–skilled' manual

7.7 Film preferences by social group

The audiences for some films in 2003 were skewed towards particular socio-economic groups. In most cases, the skew was moderate, but among top UK films *Touching the Void* and *The Pianist* had particularly strong appeal to the AB group (professional, business and white collar), as shown in Table 7.11. A number of top UK films were particularly successful with the AB audience group. *Veronica Guerin* had a particularly high C1 audience share, *S Club Seeing Double* a particularly high C2 share and *Underworld* and *8 Mile* particularly high DE shares (Tables 7.12 – 7.14).

Table 7.11 Films with above-average AB audience share, 2003. Top 20 films and top UK films

Title	AB group % of film's total audience
Touching the Void (UK)	54.8
The Pianist (UK)	44.8
Nicholas Nickleby (UK)	42.1
Cold Mountain (UK)	39.4
Love Actually (UK)	37.5
Veronica Guerin (UK)	34.3
Calendar Girls (UK)	34.2
Two Weeks Notice	31.6
AB Share of top 20 audience	26.6
AB Share of top UK audience	31.7
AB percentage in total survey population	21.2

Source: CAVIAR/BMRB/CAA, Quarterly Reports

Table 7.12 Films with above-average C1 audience share, 2003. Top 20 films and top UK films

Title	C1 group % off Film's total audience
Veronica Guerin (UK)	47.1
Elf	44.9
Kill Bill - Volume 1	41.5
The Ring	39.8
C1 Share of top 20 audience	33.6
C1 Share of top UK audience	33.8
C1 percentage in total survey population	27.2

Source: CAVIAR/BMRB/CAA, Quarterly Reports

Kill Bill - Volume 1 courtesy BVI

Table 7.13 Films with above-average C2 audience share, 2003 Top 20 films and top UK films

Title	C2 group % of film's total audience
S Club Seeing Double (UK)	36.9
8 Mile	27.5
C2 Share of top 20 audience	20.6
C2 Share of top UK audience	18.3
C2 percentage in total survey population	22.2

Source: CAVIAR/BMRB/CAA, Quarterly Reports

Table 7.14 Films with above-average DE audience share, 2003 Top 20 films and top UK films

Title	DE group % of film's total audience
Underworld (UK)	33.1
8 Mile	30.3
Tomb Raider 2 (UK)	23.3
DE Share of top 20 audience	19.2
DE Share of top UK audience	16.2
DE percentage in total survey population	29.2

Source: CAVIAR/BMRB/CAA, Quarterly Reports

7.8 Film audiences by ethnicity

Minority ethnic groups were over-represented among buyers of cinema tickets and rental films and under-represented among buyers of pay-per-view (PPV) (the smallest market) (Table 7.15).

Table 7.15 Ethnicity of audiences aged 12-74 for cinema, rental and retail video/DVD, PPV, 2003

	Black, Asian, Chinese, mixed and other	White
Population aged 12-74	8.1%	91.9%
Buyers of cinema, rental, retail and PPV film	12.1%	87.9%
Rental film buyers	11.0%	89.0%
Retail video/DVD buyers	7.5%	92.5%
Cinema-goers	12.1%	87.9%
PPV buyers	5.4%	94.6%

Source: TNS
Note: For reference, the size of each of these markets as measured in the TNS Survey is shown in Table 7.16

Table 7.16 Size of cinema, rental, retail and PPV markets for 12 -74 age groups, 2003

	Number of persons/buyers (millions)	Market volume (millions of occasions)
Population aged 12-74	45.6	n/a
Total buyers: cinema, rental, retail and PPV film	35.3	474.6
Rental film buyers	14.9	134.5
Retail video/DVD buyers	27.0	191.9
Cinema-goers	26.1	139.0
PPV	3.9	9.1

Source: TNS

7.9 Film audiences by disability

Disabled people were significantly under-represented overall among purchasers of film viewing opportunities. Retail video/DVD was the only market segment in which disabled purchasers matched their overall population percentage.

Table 7.17 Disabled audiences aged 12-74 for cinema, rental and retail video/DVD, PPV, 2003

	Disabled	Not Disabled
Population aged 12-74	14.3%	85.7%
Buyers of cinema, rental, retail and PPV film	7.2%	92.8%
Rental film buyers	5.7%	94.3%
Retail video/DVD buyers	14.1%	85.9%
Cinema goers	5.6%	94.4%
PPV buyers	4.1%	95.9%

Source: TNS

7.10 Cinema audiences by region

There was a marked regional skew in cinema admissions, particularly towards the London region which had 26% of admissions from 19% of the UK population base, as Table 7.18 shows. Other regions that had a higher share of admissions than their population share were Southern England, Central and Northern Scotland and Northern Ireland.

Table 7.18 UK cinema audience by region 2003

ISBA TV Region	Admissions	%	Population	%
London	43,843,771	26.2	10,964,000	19.4
Midlands	22,946,243	13.7	9,189,000	16.3
Lancashire	18,125,332	10.8	7,233,000	12.8
Southern	15,394,723	9.2	4,615,000	8.2
Yorkshire	13,573,769	8.1	4,905,000	8.7
Central Scotland	11,543,538	6.9	3,277,000	5.8
Wales and West	10,778,556	6.4	3,680,000	6.5
East of England	10,764,474	6.4	4,240,000	7.5
North East	6,214,170	3.7	3,042,000	5.4
Northern Ireland	5,367,730	3.2	1,594,000	2.8
South West	3,648,193	2.2	2,220,000	3.9
Northern Scotland	3,439,508	2.1	882,000	1.6
Border	1,615,854	1.0	655,000	1.2
Total	167,255,861	100.0	56,496,000	100.0

Source: CAA

There is more about regional patterns of cinema-going in chapter 6 (section 6.4).

7.11 Film preferences by region

For top 20 films and top UK films the regional distribution of the audience for individual titles was usually quite close to that of the top 20 audience as a whole. There are no statistically significant differences to report for top films released in 2003.

See also

- For more information about top films at the box office in 2003 see chapter 2
- For further details about films on video, DVD and TV see chapters 10 and 11
- For a summary of what the UK Film Council is doing to broaden audience diversity and make films more accessible at the cinema see http://www.ukfilmcouncil.org.uk/funding/distributionandexhibition

UK films internationally

Chapter 8 UK Films internationally

UK films and co-productions have a significant market internationally, not least in the USA. Although UK films were less successful this year than in 2002, the top ten performing films worldwide still grossed over $1,100 million with *Love Actually* attracting the biggest audience for a UK film.

Love Actually courtesy of Universal

Facts in focus

- Worldwide the gross box office for all films grew by 3% in 2003 to over $20 billion.
- UK films represented almost 8% of releases at the USA box office, down from just over 9% in 2002.
- The market share of UK films at the USA box office was almost 6%, at a value of $517 million.
- All top ten UK films at the USA box office were co-productions in 2003, similar to 2002.
- *Love Actually* was the best performing UK film at the worldwide box office.
- The top ten performing UK films worldwide grossed $1,167 million in 2003.

8.1 UK films in the USA

The Motion Picture Association estimates that despite a fall in worldwide cinema admissions, 2003 saw the worldwide gross box office rise by 3% to $20.3 billion. Around half of this total comes from the North American theatrical market, which indicates its importance in the film value chain. Table 8.1 shows the country of origin of films released in the USA and Canada in 2003. There were eight fewer UK releases than in 2002, and their share of the gross box office fell from 7.2% in 2002 to 5.7% in 2003. The total revenue from these films stood at $516.8 million.

The other notable characteristic of the USA market was the greater success of USA solo films compared with 2002. In the former year USA solo films accounted for 55.2% of all releases and generated gross box office revenues of $6,523 million (a market share of 73%). In 2003 there were fewer USA solo releases (down to 53.8%), but their market share rose to 81% of the gross box office ($7,295.8 million).

Table 8.1 Country of origin of films in the USA and Canada, 2003

Country of origin	Number of releases	% of releases	Box office share %	Box office ($ million)
UK and UK co-productions (non-USA)	26	5.5	1.5	139.5
USA/UK	11	2.3	4.2	377.3
Sub total	37	7.8	5.7	516.8
USA solo	253	53.8	81.0	7,295.8
USA co-productions (other)	36	7.7	11.8	1,066.5
Sub total	289	61.5	92.8	8,362.3
Rest of world	144	30.6	1.3	114.0
Total	**470**	**100.0**	**100.0**	**9,003.4**

Source: Nielsen EDI, RSU analysis. Figures may not sum due to rounding

Cold Mountain was the top performing UK film at the USA box office in 2003. The top ten grossed a total of $460 million, down 33% on 2002. *Only Bend it Like Beckham* and *In America* were made without USA involvement (Table 8.2).

Table 8.2 Top ten UK films at the USA and Canada box office (including co-productions), 2003

	Title	Country of origin	Box office gross ($ m)
1	Cold Mountain	UK/USA/Rom/Ita	95.3
2	Tomb Raider 2	UK/USA/Jap/Ger	65.7
3	Love Actually	UK/USA	59.4
4	Underworld	UK/USA/Ger/Hun	51.5
5	28 Days Later	UK/Neth/USA	45.1
6	What a Girl Wants	UK/USA	36.0
7	Bend it Like Beckham	UK/Ger	32.5
8	Calender Girls	UK/USA	31.0
9	Johnny English	UK/USA	28.1
10	In America	UK/Ire	15.4

Source: Nielsen EDI, RSU analysis
Note: box office gross correct up to 22 March 2004

8.2 UK films in the European Union

The UK market share of major European countries where data exist fell below 10% in 2003 (Table 8.3). UK films had a 5% share of the French market in 2003, rising to an 8% share in Spain.

Table 8.3 UK market share in selected EU territories, 2003

Country	Population *(million)	Box office for UK films (£m)	UK share (%)
Germany	82.4	37.9	7.0
France	60.2	8.9m (admissions)	5.1
UK	59.2	130.1	15.7
Spain	40.2	33.6	8.0
Austria	8.2	5.5	7.5

Source: Nielsen EDI *forecast data

The top 20 UK films at the European box office in the period 1999 to 2003 generated a total of 383 million cinema admissions according to the European Audiovisual Observatory's Lumiere database (Table 8.4). Five films entered the top 20 in 2003: *Johnny English, Love Actually, The Pianist, The Hours,* and *Tomb Raider 2.*

The Hours courtesy of BVI

Table 8.4 Top 20 UK films in 35 European countries 1999 to 2003

	Title	Country of origin	Year of release	European admissions
1	Harry Potter and the Philosopher's Stone	UK/USA	2001	59,032,893
2	Harry Potter and the Chamber of Secrets	UK/USA	2002	49,176,277
3	Bridget Jones's Diary	UK/USA	2001	29,870,546
4	Notting Hill	UK/USA	1999	29,730,259
5	The World is not Enough	UK/USA	1999	26,915,828
6	Die Another Day	UK/USA	2002	25,130,839
7	The Mummy Returns	UK/USA	2001	20,266,804
8	Shakespeare in Love	UK/USA	1999	19,306,232
9	Chicken Run	UK/USA	2000	16,257,695
10	Lara Croft Tomb Raider	UK/USA/Jap/Ger	2001	14,624,771
11	Johnny English	UK/USA	2003	13,510,856
12	Billy Elliot	UK/Fra	2000	12,777,494
13	Love Actually	UK/USA	2003	12,366,368
14	Chocolat	UK/USA	2001	10,893,803
15	About a Boy	UK/USA	2002	10,838,040
16	The Pianist	Fra/UK/Ger/Neth/Pol	2003	8,115,425
17	Gosford Park	UK/USA/Ger/Ita	2002	6,726,794
18	The Hours	UK/USA	2003	6,067,545
19	Snatch	UK/USA	2000	5,781,421
20	Tomb Raider 2	UK/USA/Jap/Ger	2003	5,575,283

Source: European Audiovisual Observatory Lumiere Database, RSU analysis

8.3 UK films worldwide

According to Variety, the top ten performing UK films worldwide grossed a total of $1,167 million in 2003 (Table 8.5).

Table 8.5 Top 10 UK films worldwide, 2003

	Title	Country of origin	Worldwide gross ($ million)
1	Love Actually	UK/USA	185
2	Johnny English	UK/USA	158
3	Tomb Raider 2	UK/USA/Jap/Ger	156
4	Harry Potter and the Chamber of Secrets	UK/USA	148
5	Die Another Day	UK/USA	108
6	The Hours	UK/USA	107
7	The Pianist	Fra/UK/Ger/Neth/Pol	99
8	Underworld	UK/USA/Ger/Hun	80
9	28 Days Later	UK/Neth/USA	72
10	Calender Girls	UK/USA	54

Source: Variety
Note: Variety lists the gross made in 2003 and includes films released in the previous year. *Cold Mountain* is absent from the top ten as it was released late in 2003 and its worldwide gross was still growing in 2004.

See also

• For more information about overseas trade see chapter 9

Overseas trade and the UK film industry

Chapter 9

Overseas trade and the UK film industry

Overseas trade in UK films and film services is of interest not only to the industry but also to all who study the UK economy. The most up to date trade figures available are those for 2002 and they show that the UK film industry exported £656 million worth of services in that year, a slight decline on 2001's exports. Film, however, still made a positive contribution to the UK balance of payments.

Johnny English courtesy of Universal

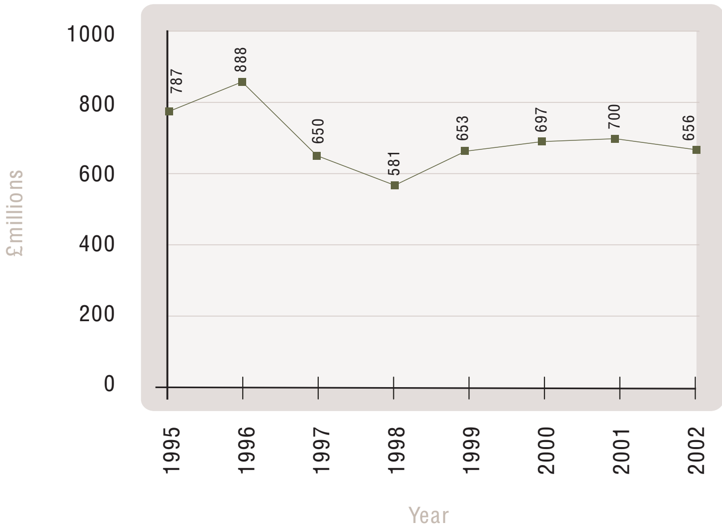
Facts in focus

- Film exports were made up of £434 million in royalties and £222 million in film production services.
- The 2002 trade surplus for film was £186 million.
- The USA was the largest market for UK film exports, taking 48% of total exports in 2002.
- The EU was our second largest market, its market share having risen slightly since 2001 to 34% of the total.

9.1 Film exports 1995 - 2002

Of the £656 million worth of film exports in 2002, £434 million came from royalties and £222 million from film production services. Film exports have fluctuated between £650 million and £888 million over the period 1995 to 2002, as shown in Figure 9.1.

Figure 9.1 Exports of the UK film industry, 1995 - 2002

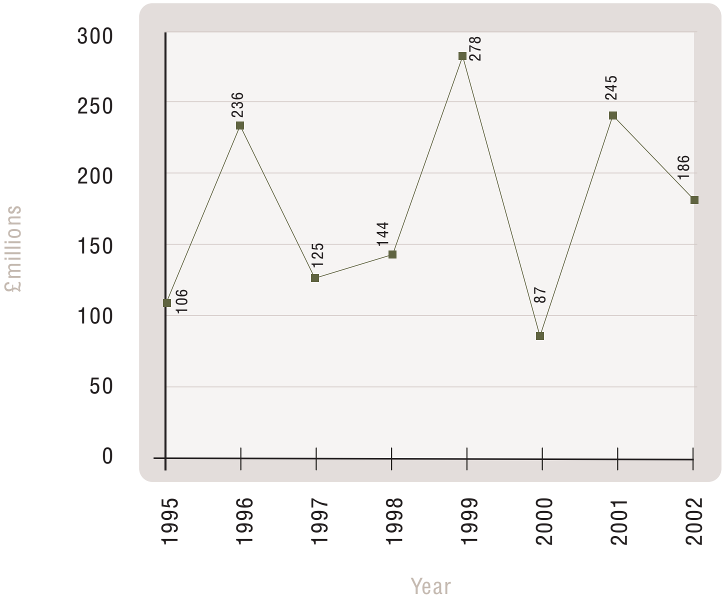


Source: Office of National Statistics (ONS)
Data for 2003 will be available in October 2004

Harry Potter and the Chamber of Secrets courtesy Warner Bros

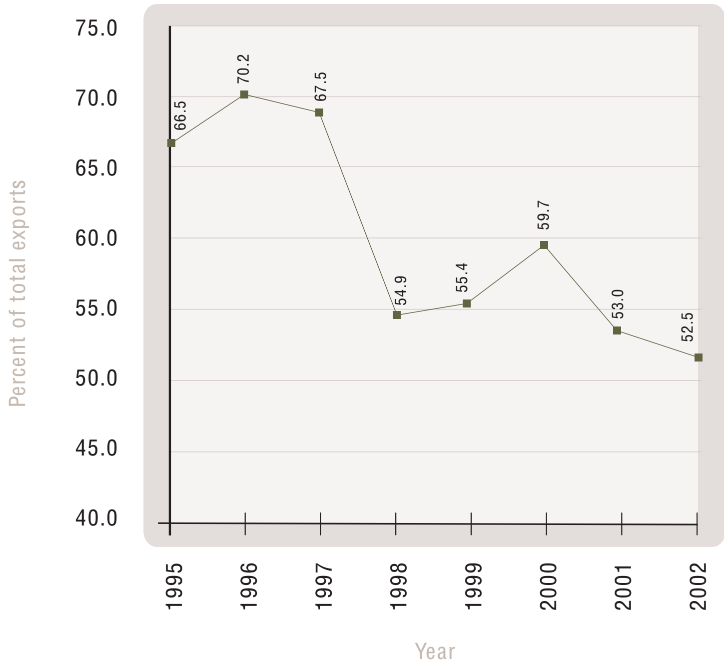
The film industry made a positive contribution to the UK balance of payments, with a trade surplus (positive balance of exports over imports) in 2002 of £186 million, the fourth highest for the period 1995-2002 as Figure 9.2 shows.

Figure 9.2 Trade surplus of UK film industry, 1995 - 2002



Source: ONS
Note: 'Trade surplus' equals exports minus imports. Where a company (e g the UK subsidiary of a USA major) receives income from overseas that it subsequently pays to its parent company, this is recorded both as a receipt and as a payment, leaving the measure of the trade surplus unaffected.

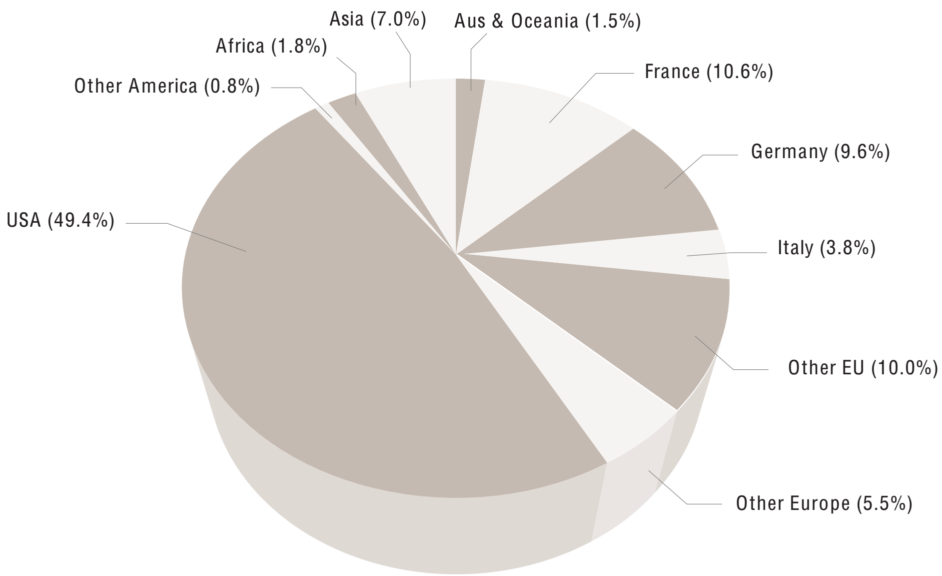
Figure 9.3 Exports by UK subsidiaries of major USA film companies as a percentage of total UK film exports



The share of UK film exports accounted for by the UK subsidiaries of major USA film companies declined from 70% in 1996 to 53% in 2002, as shown in Figure 9.3.

The USA was the largest market for UK film exports, taking 49% of total exports in 2002. The EU was the second largest market (taking 34% in total) with Germany, France and Italy being the largest EU country markets, as shown in Figure 9.4.

Figure 9.4 Destination of UK film exports as percentage of the total, 2002



Source: ONS

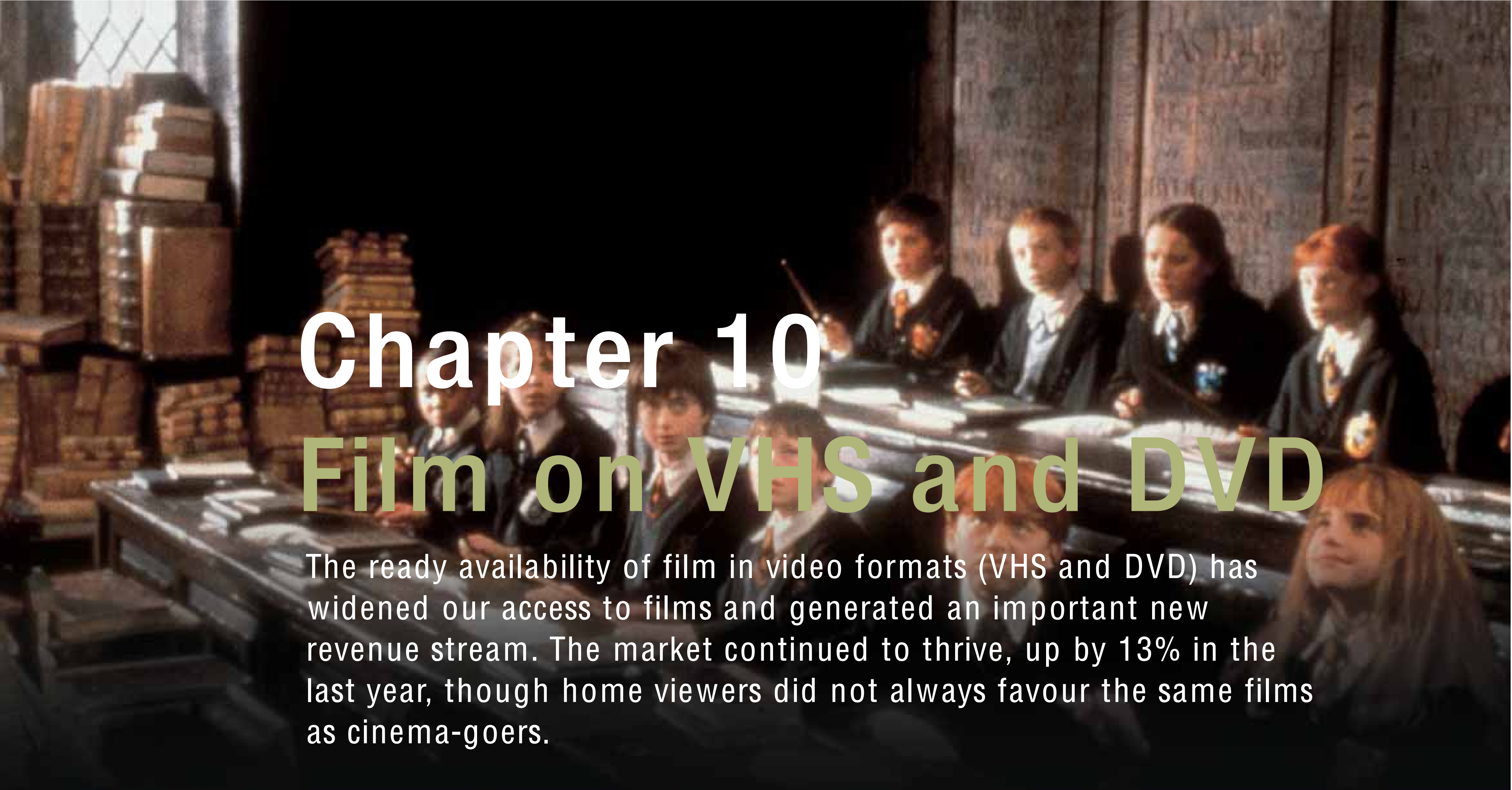
The geographical distribution of the UK's film trade surplus was different from the export pattern, as shown in Table 9.1. The USA's share was much lower, at 6.9%, while the EU accounted for 48% (net) and Asia for 23%. This reflects the higher proportion of film imports from the USA in the UK's total film imports.

Table 9.1 International transactions of the UK film industry by geographical area, 2002

Territory	£ Million			Percent of total		
	Exports	Imports	Balance	Exports	Imports	Balance
France	70	20	50	10.6	4.3	26.6
Germany	63	6	57	9.6	1.3	30.3
Italy	25	0	25	3.8	0.0	13.3
Other EU	66	107	-41	10.0	22.8	-21.8
Other Europe	36	13	23	5.5	2.8	12.2
USA	325	312	13	49.4	66.4	6.9
Other America	5	6	-1	0.8	1.3	-0.5
Africa	12	1	11	1.8	0.2	5.9
Asia	46	3	43	7.0	0.6	22.9
Aus & Oceania	10	2	8	1.5	0.4	4.3
World Total	**658**	**470**	**188**	**100.0**	**100.0**	**100.0**

Source: ONS

Film on VHS and DVD



Chapter 10

Film on VHS and DVD

The ready availability of film in video formats (VHS and DVD) has widened our access to films and generated an important new revenue stream. The market continued to thrive, up by 13% in the last year, though home viewers did not always favour the same films as cinema-goers.

Harry Potter and the Philosopher's Stone courtesy of Warner Bros

Facts in focus

- In 2003 more VHS and DVD units were sold than rented, the first time this has occurred.
- 156 million VHS videos and DVDs were rented , while 208 million VHS videos and DVDs were sold.
- DVD sales increased 61% on 2002.
- The total value of the rental and sales market in 2003 was £2.87 billion.
- The top rental title on VHS was *My Big Fat Greek Wedding*, while on DVD it was *Signs*. The most popular purchase on VHS was *Harry Potter and the Chamber of Secrets*, and on DVD it was *The Lord of the Rings: The Two Towers.*
- 6.37 million DVD players and 4.7 million video cassette recorders were sold in 2003.

10.1 Film on VHS and DVD

According to the British Video Association (BVA) the total value of the UK home video market (VHS and DVD) was £2.87 billion in 2003, an increase of 13% on 2002. Film accounted for 81% of this, equivalent to three times the value of the UK theatrical market.

A milestone was passed in 2003 marking a shift in consumer behaviour away from video rentals towards purchases. For the first time the volume of VHS videos and DVDs sold was higher than the number rented. This may be due to the fact that many titles are now released simultaneously to rent and to buy.

It may also result from the unique features of the DVD format, with consumers judging that ownership of a DVD intended for repeated viewings (with no deterioration in quality) is more cost effective over time than a one-off rental. Looked at another way, the expansion of the retail market may also reflect the development of new pricing structures and the proliferation of marketing offers (multi-buy discounts and so on).

It is possible that piracy has played a role in depressing the volume of rental transactions although it is difficult to know for certain on the strength of the available data.

10.2 Film in the rental video market

156 million videos and DVDs were rented in 2003 (an average of over six per household) with an average value of £2.88. 99% of rental transactions were feature films, and UK films accounted for 14.5% of all transactions on video and DVD.

Figure 10.1 shows that the number of transactions fell by 20 million from 2002, to its lowest level since 1994. The value of the rental market fell to £450 million.

Figure 10.1 Rental video market, 1994 - 2003

Source: BVA

Table 10.1 highlights the ten most rented titles of 2003. Thriller titles dominated the top 10. As the table makes clear it is not always the biggest box office successes that dominate the rental charts (according to the BVA this is largely due to the simultaneous retail and rental release of bigger titles). Films that may have performed quite modestly on theatrical release can perform much better in the rental charts.

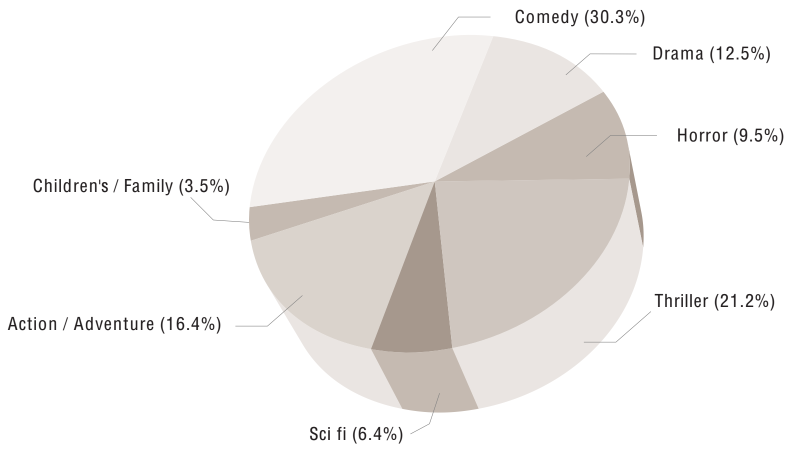
Table 10.1 Top ten rental titles VHS and DVD, 2003

	Title	Country of origin	Distributor
1	Signs	USA	Buena Vista
2	My Big Fat Greek Wedding	USA	EV
3	The Bourne Identity	USA	Universal
4	Catch me if you can	USA	Universal
5	Road to Perdition	USA	Fox Pathé
6	The Ring	USA/Jap	Universal
7	Gangs of New York	USA	EV
8	28 Days Later	UK/Neth/USA	Fox Pathé
9	Phone Booth	USA	Fox Pathé
10	xXx	USA	Columbia/TriStar

Source: MRIB, RSU analysis

Figure 10.2 shows the genre split of titles rented in 2003. The most popular genre was once again comedy which accounted for three in ten rentals. Thriller titles represented one fifth of rentals, followed by action/adventure films with a 16.4% market share. Please note that these categories, as defined by MRIB, differ from the genre categories assigned to the theatrical market by the RSU elsewhere in this report.

Figure 10.2 Video rental share by genre, 2003



Source: MRIB Rental Monitor, BVA

Tables 10.2 and 10.3 show the top UK-originated titles in the rental video market. Thrillers, action films and comedies dominated.

Table 10.2 Top ten UK-originated rental VHS titles, 2003

	Title	Country of origin	Distributor
1	28 Days Later	UK/Neth/USA	Fox Pathé
2	About a Boy	UK/USA	Universal
3	Reign of Fire	UK/Ire/USA	Buena Vista
4	Johnny English	UK/USA	Universal
5	Die Another Day	UK/USA	MGM
6	Harry Potter and the Chamber of Secrets	UK/USA	Warner
7	Bend it Like Beckham	UK/Ger	Redbus
8	My Little Eye	UK/USA/Fra	Momentum
9	Resident Evil	UK/Ger/Fra	Fox Pathé
10	The Pianist	Fra/UK/Ger/Neth/Pol	Universal

Source: MRIB, RSU analysis

Table 10.3 Top ten UK-originated DVD rental titles, 2003

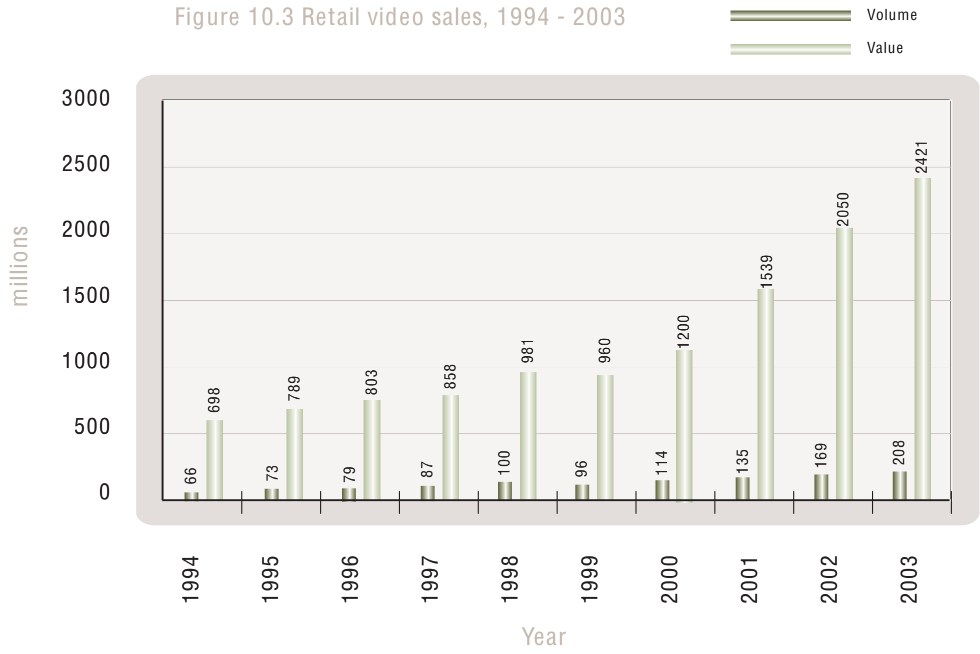
	Title	Country of origin	Distributor
1	28 Days Later	UK/Neth/USA	Fox Pathé
2	Johnny English	UK/USA	Universal
3	Reign of Fire	UK/Ire/USA	Buena Vista
4	Die Another Day	UK/USA	MGM
5	My Little Eye	UK/USA/Fra	Momentum
6	Harry Potter and the Chamber of Secrets	UK/USA	Warner
7	About a Boy	UK/USA	Universal
8	Resident Evil	UK/Fra/Ger	Fox Pathé
9	Deathwatch	UK/Ger	Fox Pathé
10	The Pianist	Fra/UK/Ger/Neth/Pol	Universal

Source: MRIB, RSU analysis

10.3 Film in the retail video market

In total, 208 million VHS and DVD videos were sold in 2003, with a total market value of £2,421 million. DVD sales continued to show impressive growth, up by 61% on 2002. Film represented a 65% share of the market on VHS and 81% on DVD. In addition, 32% of children's VHS titles and 60% of children's DVD titles sold in 2003 had had a theatrical release. UK films accounted for around 18% of VHS and 15% of DVD sales. Figure 10.3 demonstrates the rapid growth in the retail video sector, led by the high rate of increase in DVD sales.

Figure 10.3 Retail video sales, 1994 - 2003



Source: Official UK Charts Company, BVA

Table 10.4 shows the top selling films on DVD and VHS in 2003. As with last year's chart it reflects the top grossing box office films of the last two years. Please note that this table includes theatrically released films listed in the 'Children's' genre category by the Official UK Charts Company.

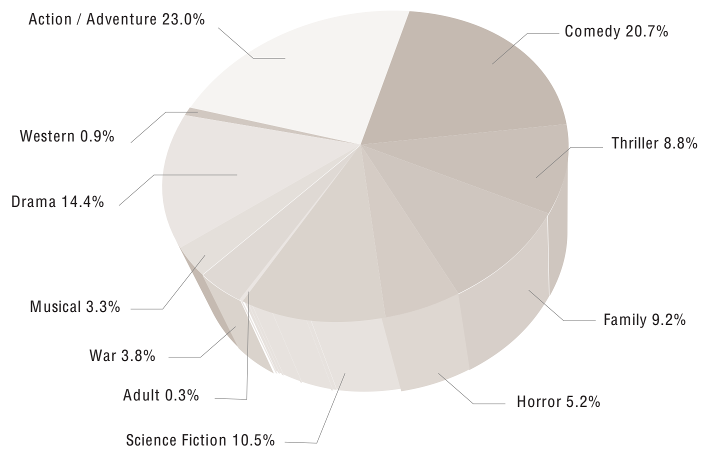
Table 10.4 Top 10 VHS and DVD retail sales, 2003

	Title	Country of origin	Distributor
1	Lord of the Rings: The Two Towers	USA/NZ	EIV
2	Harry Potter and the Chamber of Secrets	UK/USA	Warner
3	The Pirates of the Caribbean	USA	Buena Vista
4	The Matrix Reloaded	USA	Warner
5	Lord of the Rings: The Fellowship of the Ring	USA/NZ	EIV
6	Lilo & Stitch	USA	Buena Vista
7	Die Another Day	UK/USA	MGM
8	Bruce Almighty	USA	Buena Vista
9	Spiderman	USA	Col/TriStar
10	The Matrix	USA	Warner

Source: Official UK Charts Company, RSU analysis

Figure 10.4 shows the genre of films sold on video in 2003. Acion/adventure was the dominant genre, accounting for 23% of the market. Comedy was the next most popular with one in five (20.7%) of all sales.

Figure 10.4 Sales breakdown by film genre, 2003



Source: Official UK Charts Company

Tables 10.5 and 10.6 highlight the top ten UK performers on sell-through VHS and DVD in 2003. The popularity of recent theatrical releases is clear with *Harry Potter and the Chamber of Secrets*, *Die Another Day*, and *Johnny English* among the popular titles released theatrically in 2002/3.

Table 10.5 Top ten UK-originated VHS retail titles, 2003

	Title	Country of origin	Distributor
1	Harry Potter and the Chamber of Secrets	UK/USA	Warner
2	Bridget Jones's Diary	UK/USA	Universal
3	Die Another Day	UK/USA	MGM
4	Bend it Like Beckham	UK/Ger	Warner
5	About a Boy	UK/USA	Universal
6	Notting Hill	UK/USA	Universal
7	Johnny English	UK/USA	Universal
8	Harry Potter and the Philosopher's Stone	UK/USA	Warner
9	28 Days Later	UK/Neth/USA	20th Century Fox
10	Dog Soldiers	UK/Lux	20th Century Fox

Source: Official UK Charts Company, RSU analysis

Table 10.6 Top ten UK-originated DVD retail titles, 2003

	Title	Country of origin	Distributor
1	Harry Potter and the Chamber of Secrets	UK/USA	Warner
2	Die Another Day	UK/USA	MGM
3	Johnny English	UK/USA	Universal
4	28 Days Later	UK/Neth/USA	20th Century Fox
5	Bend it Like Beckham	UK/Ger	Warner
6	Bridget Jones's Diary	UK/USA	Col/TriStar
7	The 51st State	UK/Can	Momentum
8	About a Boy	UK/USA	Universal
9	Dog Soldiers	UK/Lux	20th Century Fox
10	Harry Potter and the Philosopher's Stone	UK/USA	Warner

Source: Official UK Charts Company, RSU analysis

10.4 Hardware

There was a large increase in the ownership of DVD players in 2003. In the course of the year 6.37 million DVD players were sold, and it is estimated that 41% of households owned a DVD player (up from around 25% in 2002).

In spite of DVD's growing popularity, sales of video cassette recorders (VCRs) also rose in 2003. 91.5% of households in the UK owned a VCR, sales of which hit the 4.7 million mark in 2003 (up 1% on 2002).

See also

• For more information about top films at the UK box office see chapter 2
• For further details about the performance of films on UK television see chapter 11

Film on UK televison

Chapter 11
Film on UK television

Feature films shown on a widening range of television channels give millions of viewers an opportunity to enjoy films at home. Typical peak-time television audiences are greater than cinema audiences and an exceptional film can even attract a sizeable proportion of the UK population. Television exposure is also a vital component in the value chain, giving yielding another source of revenue.

Lara Croft: Tomb Raider courtesy of Paramount

Facts in focus

- 2,339 films were shown on terrestrial channels in 2003, up 11% on 2002. This is an average of over six films per day. Of these 518 (22%) were UK films.
- An average of 2.8 million people watched each film on peak time TV (down from 2.9 million in 2002).
- The top film on terrestrial television was *Billy Elliot* on BBC1, with over 12 million viewers, one in five of the UK population.
- Multi-channel television accounted for almost 24% of the UK audience in 2003, up from 22% in 2002.
- By the end of 2003, over 50% of households were estimated to have digital television.

11.1 Programming

Table 11.1 shows the number of feature films broadcast on the five terrestrial network channels in 2003 and the total number of UK titles broadcast in that time, broken down into older titles (more than eight years old) and recent theatrical releases (released in the last eight years). Here, UK film includes all titles listed as UK-originated in the Broadcasters Audience Research Board (BARB) genre field, plus UK co-productions categorised as other countries (mostly USA) in the BARB data.

Table 11.1 Feature films broadcast on network television 2003

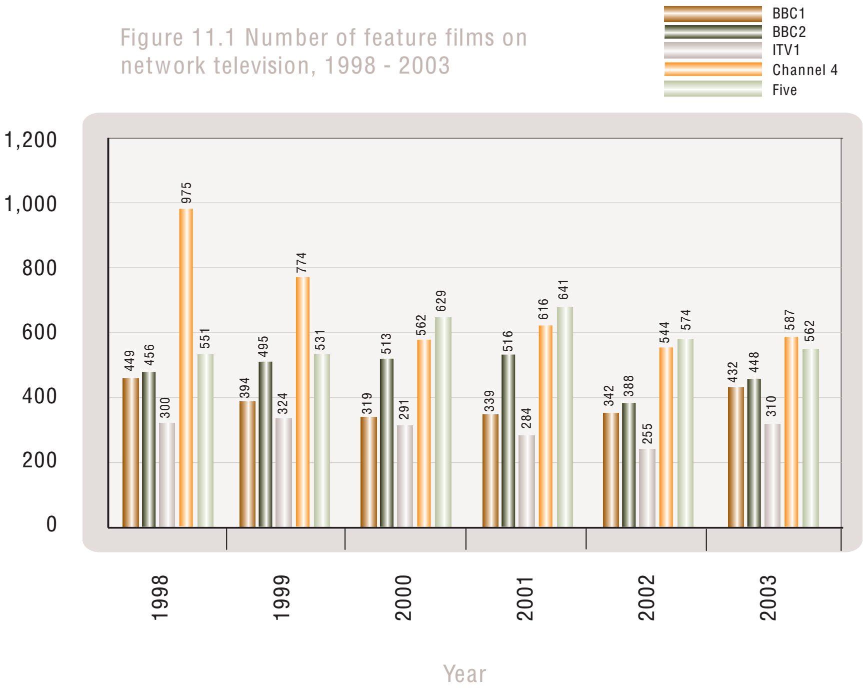
Channel	Total no. of films broadcast	Total no. UK films broadcast	No. UK films more than 8 yrs old	No. recent UK films less than 8 yrs old	No. recent UK films as % total films
BBC1	432	76	56	20	4.6
BBC2	448	91	76	15	3.3
ITV1	310	73	61	12	3.9
Channel 4	587	222	207	15	2.6
Five	562	56	53	3	0.5
Total	**2,339**	**518**	**453**	**65**	**2.8**

Source: BARB, DGA Metrics, RSU analysis

The number of films on terrestrial television rose by 11% in 2003, although the proportion of recent UK films remained static at 2.8%.

The number of slots for feature film on network television declined from 1998 to 2002, but increased slightly in 2003, as Figure 11.1 shows.

Figure 11.1 Number of feature films on network television, 1998 - 2003

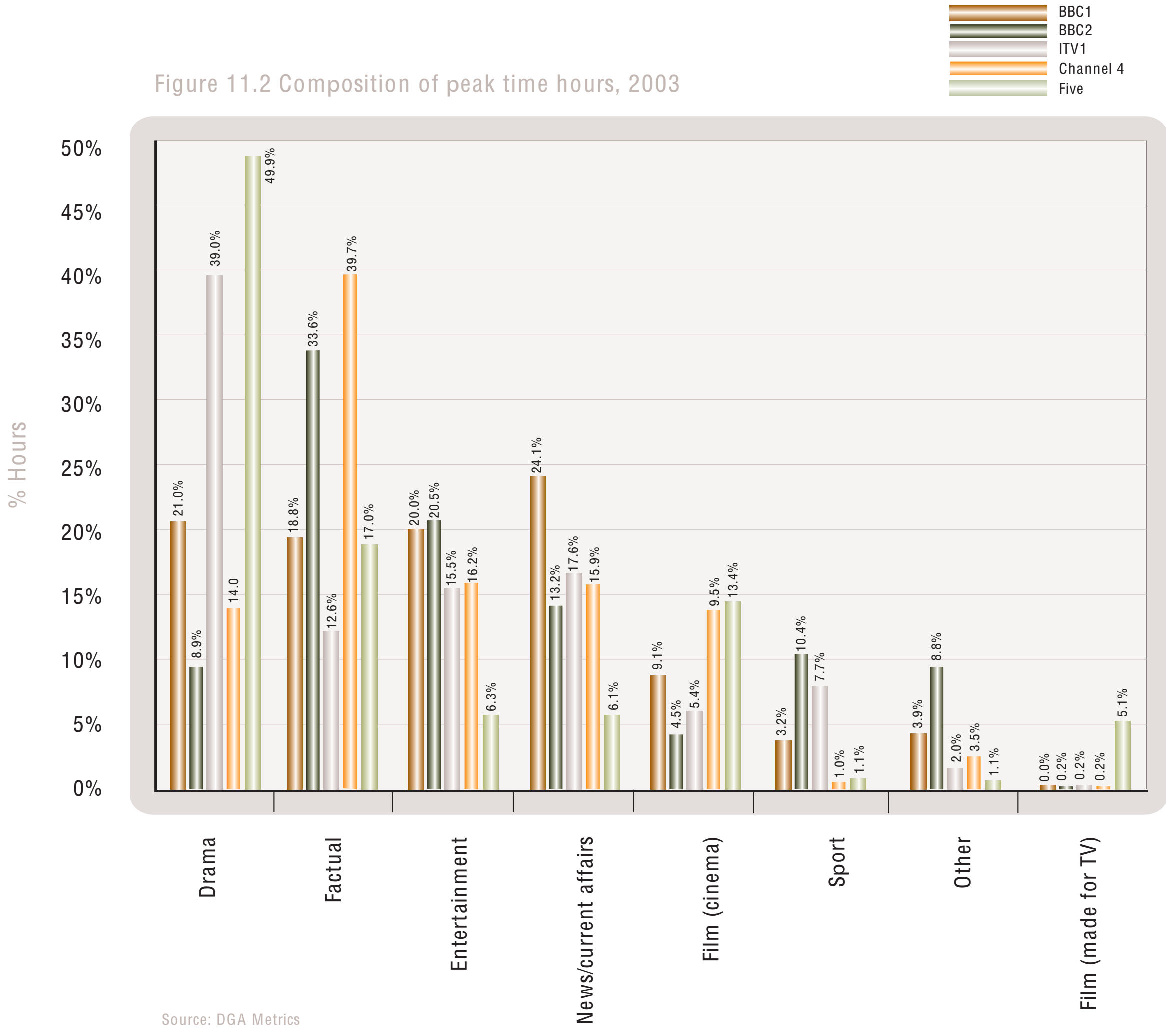


Source: DGA Metrics

11.2 Peak time

The proportion of peak time hours (18:00 to 23:59 hours) given over to films varied widely across the terrestrial channels.
Film represented 9.1% of programming on BBC1, 4.5% on BBC2, 5.4% on ITV1, 9.5% on Channel 4 and 13.4% on Five (Figure 11.2).

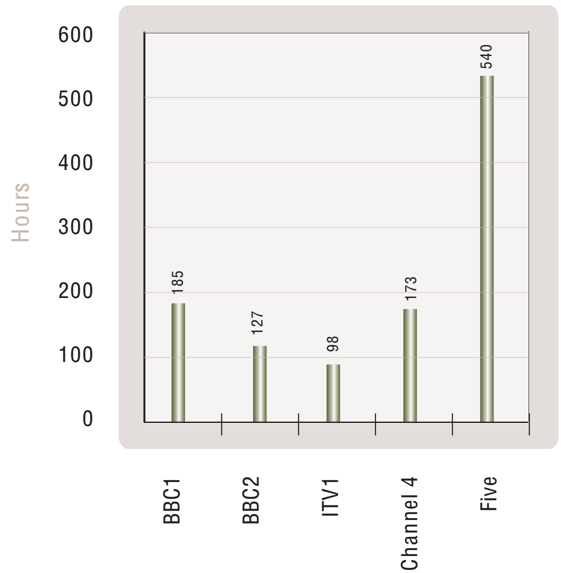
Figure 11.2 Composition of peak time hours, 2003



Source: DGA Metrics

The total number of broadcast hours for film per channel in peak time is shown in Figure 11.3. Channel Five transmitted 540 hours of film at peak times over 2003, whereas ITV1 showed 98 hours (the only channel to see a decrease compared with 2002).

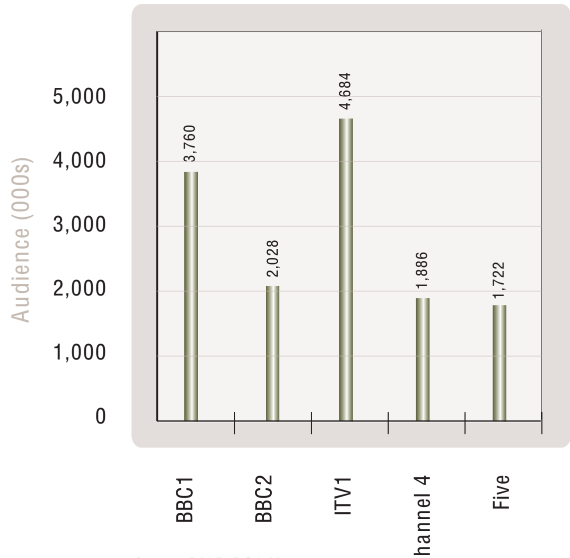
Figure 11.3 Hours of film in peak time, 2003



11.3 Audiences

The average audience for a film shown on peak-time network television was 3.76 million on BBC1, 2 million on BBC2, 4.7 million on ITV1, 1.9 million on Channel 4 and 1.7 million on Five. This compares with the median cinema admissions for top 50 films of approximately 1.7 million.

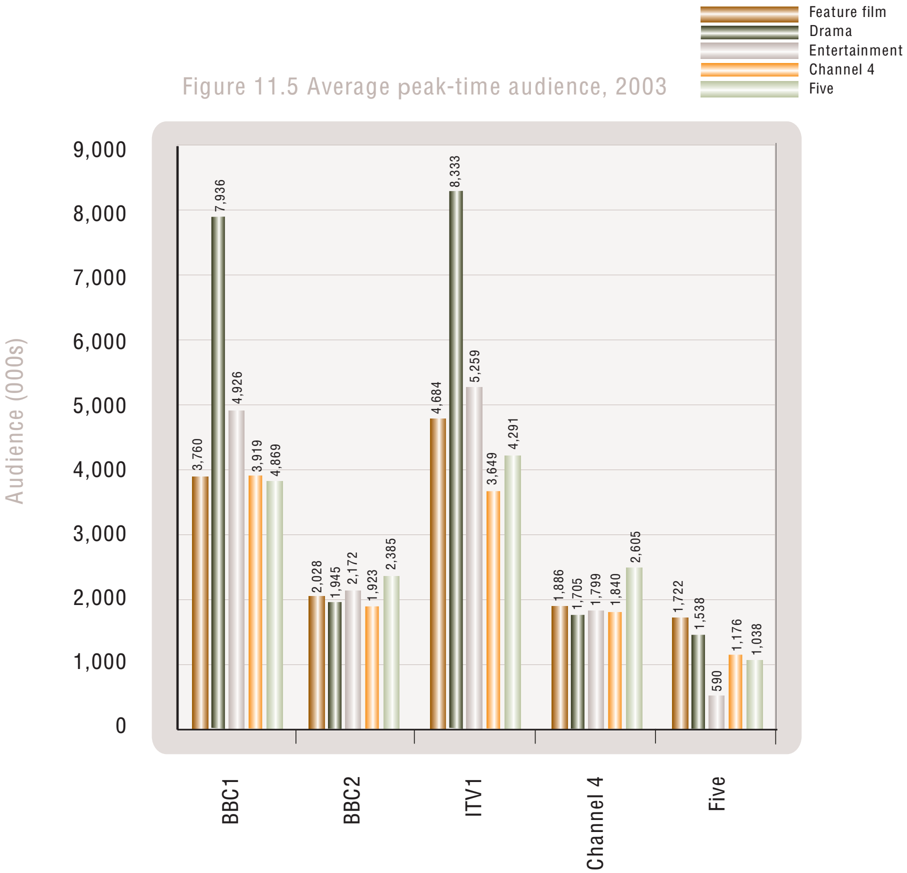
Figure 11.4 Average audience for peak time film, 2003



Source: BARB, DGA Metrics

This compares favourably with average peak time audiences for other types of programming, as shown in Figure 11.5.

Figure 11.5 Average peak-time audience, 2003



Source: BARB, DGA Metrics

The most popular film on terrestrial television was *Billy Elliot*, with over 12 million viewers, one person in five, tuning in to its premiere showing on BBC1(Table 11.2). In theatrical terms, this is equivalent to a box office gross of over £56 million (by way of comparison the film actually made £18.4 million at the UK box office).

Table 11.2 Top 10 films on network television, 2003

	Title	Channel	Country of origin	Year of theatrical release	Audience (m)
1	Billy Elliot	BBC1	UK/Fra	2000	12.7
2	Cast Away	BBC1	USA	2000	9.6
3	The Sixth Sense	ITV1	USA	1999	9.0
4	Indiana Jones and the Last Crusade	BBC1	USA	1989	8.8
5	Dr Dolittle	ITV1	USA	1998	8.2
6	The World is Not Enough	ITV1	UK/USA	1999	7.8
7	The Thomas Crown Affair	BBC1	USA	1999	7.7
8	The Full Monty	ITV1	UK/USA	1997	7.6
9	Goldeneye	ITV1	UK/USA	1995	7.5
10	Meet the Parents	BBC1	USA	2000	7.4

Source: BARB, DGA Metrics

The top 10 UK films of 2003, shown in Table 11.3, included five James Bond films (two showings for 1997's *Tomorrow Never Dies*) and two broadcasts of *Billy Elliot*.

Table 11.3 Top 10 UK-originated films on network television, 2003

	Title	Channel	Country of origin	Year of theatrical release	Audience (m)
1	Billy Elliot	BBC1	UK/Fra	2000	12.7
2	The World is Not Enough	ITV1	UK/USA	1999	7.8
3	The Full Monty	ITV1	UK/USA	1997	7.6
4	Goldeneye	ITV1	UK/USA	1995	7.5
5	Tomorrow Never Dies	ITV1	UK/USA	1997	7.2
6	Billy Elliot	BBC1	UK/Fra	2000	7.1
7	Chicken Run	BBC1	UK/USA	2000	6.8
8	Tomorrow Never Dies	ITV1	UK/USA	1997	6.7
9	Little Voice	BBC2	UK	1999	5.8
10	You Only Live Twice	ITV1	UK/USA	1967	5.6

Source: BARB, DGA Metrics

11.4 Films on cable and satellite TV

Table 11.4 shows the audience share for satellite/cable multi-channel television has continued to grow in last few years. Multi-channel TV accounted for 23.6% of the UK audience in 2003, up from 22.1% in 2002.

Table 11.4 TV percentage audience shares 1999 - 2003

Year	BBC1	BBC2	ITV1	Channel 4	Five	Others
1999	28.4	10.8	31.2	10.3	5.4	14.0
2000	27.2	10.8	29.3	10.5	5.7	16.6
2001	26.9	11.1	26.7	10.0	5.8	19.6
2002	26.2	11.4	24.1	10.0	6.3	22.1
2003	25.6	11.0	23.7	9.4	6.5	23.6

Source: BARB, DGA Metrics

There are now 12.4 million digital TV households in the UK, which represents just over 50% market penetration. In total, 13.4 million households have access to multi-channel television (Table 11.5). Pay-per-view film channels such as Sky Box Office and Front Row offer a range of films across 60 separate channels to digital satellite and cable subscribers.

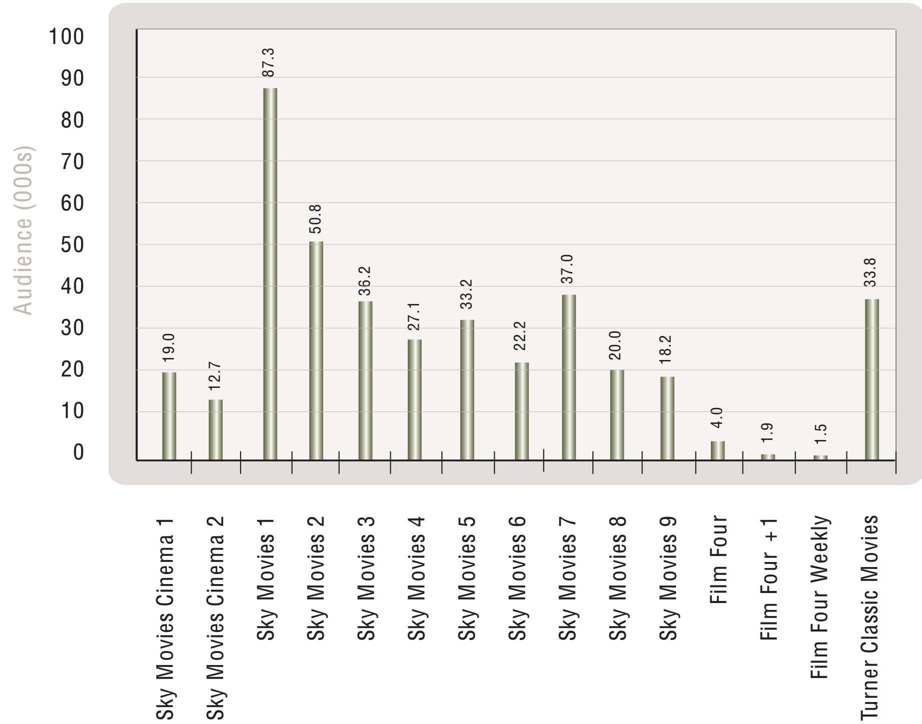
Table 11.5 Multi-channel TV, 2003

	Millions
TV households	24.6
Digital Cable Households	
NTL	1.3
Telewest	0.9
Digital satellite households	6.9
Total digital pay TV households	**9.2**
Digital terrestrial households	3.0
Total digital households	**12.4**
Analogue services - households	1.0
Total UK multi-channel households	**13.4**

Source: OFCOM, BARB

A wide range of film channels are available across all digital platforms. The most significant of these are the Sky movie channels, followed by Turner Classic Movies (Figure 11.6).

Figure 11.6 Average peak-time audience for film channels on cable and satellite TV, 2003



Source: BARB, DGA Metrics

The top film on multi-channel television in 2003 was *Jurassic Park III*, which attracted just over one million viewers for its first showing on Sky Premier 1. The top ranking UK film was *About a Boy* with 0.87 million viewers.

Table 11.6 Top 10 feature films on multi-channel television, 2003

	Title	Channel	Country of origin	Year of theatrical release	Audience (m)
1	Jurassic Park III	Sky Premier 1	USA	2001	1.04
2	Crocodile Dundee in Los Angeles	Sky Premier 1	USA	2001	0.88
3	About a Boy	Sky Movies 1	UK/USA	2002	0.87
4	Swordfish	Sky Premier 1	USA	2001	0.85
5	StarWars Episode II: Attack of the Clones	Sky Movies 1	USA	2002	0.81
6	Bend it like Beckham	Sky Movies 1	UK/Ger	2002	0.81
7	Lara Croft: Tomb Raider	Sky Premier 1	UK/USA/Ger/Jap	2001	0.78
8	Planet of the Apes	Sky Premier 1	USA	2001	0.76
9	Legally Blonde	Sky Premier 1	USA	2001	0.74
10	Sister Act 2: Back in the Habit	Sky One	USA	1994	0.74

Source: BARB, DGA Metrics

See also

- For more information about top films on theatrical release see chapter 2
- For an overview of the performance of films on video see chapter 10

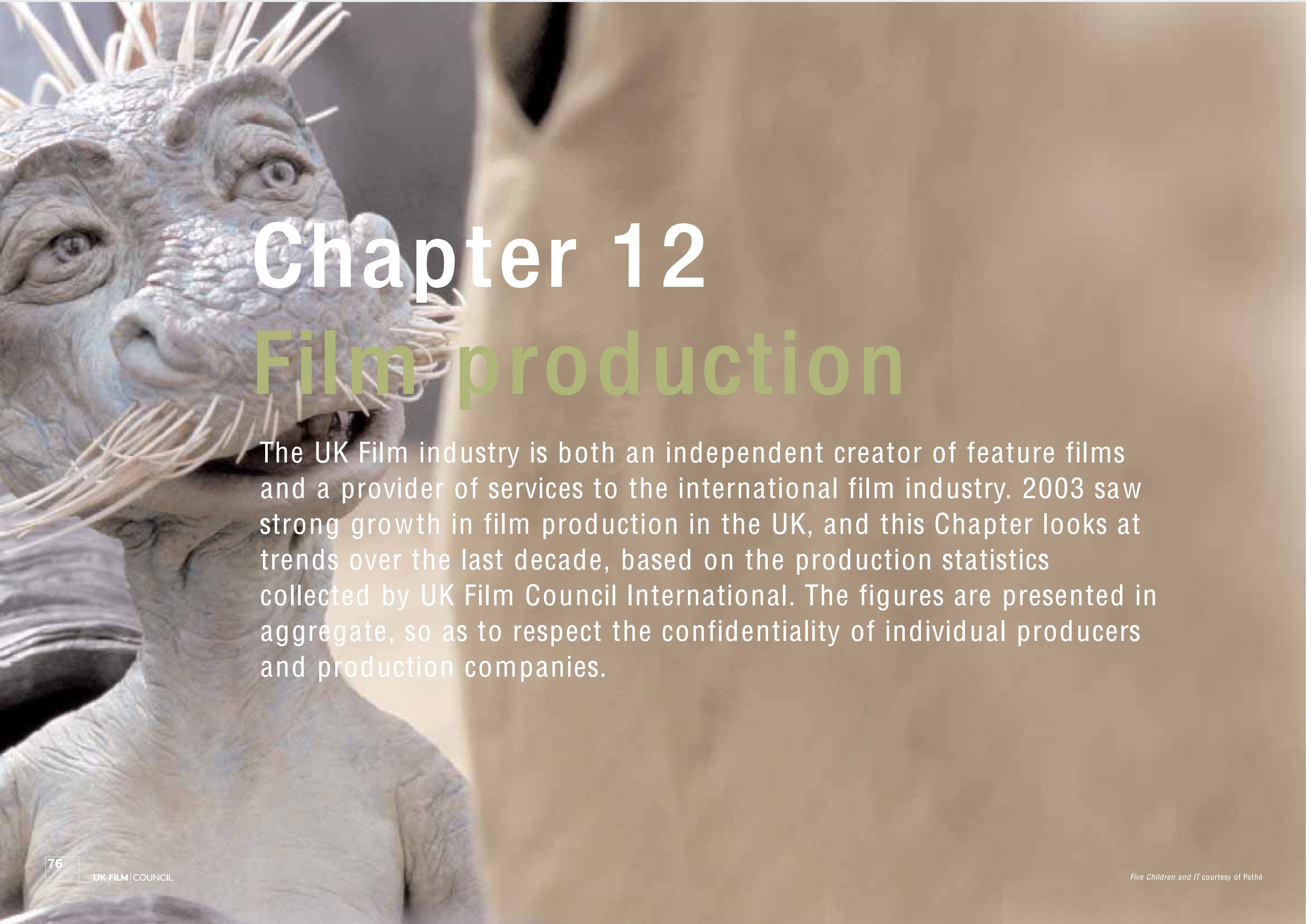
Bend it Like Beckham courtesy of Helkon SK

Film Production

Chapter 12

Film production

The UK Film industry is both an independent creator of feature films and a provider of services to the international film industry. 2003 saw strong growth in film production in the UK, and this Chapter looks at trends over the last decade, based on the production statistics collected by UK Film Council International. The figures are presented in aggregate, so as to respect the confidentiality of individual producers and production companies.



Five Children and IT courtesy of Pathé

Facts in focus

- 2003 saw a dramatic increase in production activity to £1.16 billion, the highest figure for the period for which information is available (1992-2003) and likely to be the highest to date.
- US studios accounted for 90% of inward feature investment and for 21 out of 30 inward features (single country and co-productions).
- The numbers and value of domestic features and UK co-productions increased substantially in 2003.
- Median budgets increased significantly between 2002 and 2003, particularly for inward features.
- The median budget for inward feature co-productions increased from £25 million to almost £47 million.
- The median budget for UK domestic features increased from £2 million to £3 million.
- The UK participated in 99 co-productions (other than inward co-productions) in 2003.
- Most UK co-productions were shot in the UK or Western Europe.
- The number of co-productions shot in Eastern Europe and Russia increased from four in 2002 to 16 in 2003.
- UK film production was dispersed over many production companies, with only a small minority being involved with more than one feature.

12.1 The value of UK production in 2003

2003 was a particularly successful year for UK film production. Inward investment increased from £266 million in 2002 to £729 million in 2003, with the number of inward investment productions increasing from 16 to 30 (see Table 12.1 for definitions). Big budget films pushing up these figures included: *Harry Potter and the Prisoner of Azkaban*, *Alfie*, *Alexander*, *Phantom of the Opera*, *Brothers Grimm*, *King Arthur*, *Sahara and Troy*.

Domestic UK features were up from 37 to 44, with production value increasing from £156 million to £269 million. Big budget films contributing to this total included *Bride and Prejudice*, *Bridget Jones: The Edge of Reason*, *Five Children and It*, *Thunderbirds* and *Wimbledon*.

UK co-productions (other than inward) increased from 66 to 99, with UK spend up from £128 million to £159 million. Films in this category included *Being Julia*, *Beyond the Sea*, *Danny the Dog*, *Laws of Attraction* and *Lazarus Child*.

Table 12.1 Feature film production activity, 2002 and 2003

Type of production	Number of productions 2002	Value (£m) 2002	Number of productions 2003	Value (£m) 2003
Inward feature films (single country)	13	221.16	17	409.65
Inward feature films (co-productions)	3	44.7	13	319.89
Total inward investment	16	265.86	30	729.54
Domestic UK feature films	37	156.36	44	269.33
UK co-productions (other than inward)	66	128.23	99	158.87
Total production investment	**119**	**550.45**	**173**	**1,157.74**

Source: UK Film Council International

Note:

Definitions

1. An inward feature is defined as a feature film more than 50% financed from outside the UK where the production is location non-specific or is attracted to the UK because of its infrastructure.
2. An inward feature co-production is an official co-production that originates from outside the co-production treaty countries (usually from the USA) and which is attracted to the UK because of its infrastructure.
3. A domestic UK feature is a feature made by a UK production company that is shot wholly or partly in the UK.
4. A UK co-production is a co-production (other than an inward co-production) involving the UK and other country partners under the terms of a bilateral co-production agreement or the European Co-production Convention.

Measurement

5. The total budget is counted for all productions which are likely to qualify as British under Schedule 1 of the Films Act 1985.
6. Only UK spend is counted for co-productions.
7. Spend is allocated to the year in which principal photography started.

Exclusions

8. The export of UK production and post-production services to films other than those identified in Table 12.1 is not included.
9. Spending on films with budgets under £500,000 is not included.
10. The UK spend on 12 Asian films shot in whole or part in the UK, but which did not qualify as British, is not included.

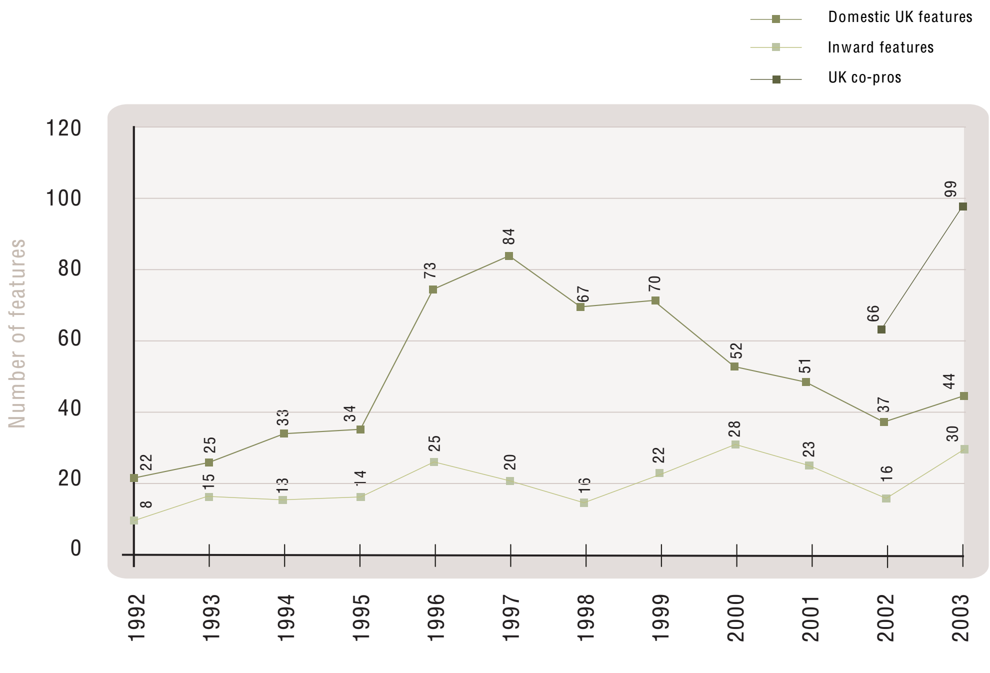
12.2 Inward, domestic and UK co-production features 1992 to 2003

Figure 12.1 puts the 2002/03 figures in a longer time perspective. While there were fewer domestic UK features in 2003 than at the 1997 peak, inward features continued on their decade-long upward trend.

When co-productions are included, the overall number of productions was higher in 2003 that at any other time in the 1992 to 2003 period.

Troy courtesy of Warner Bros

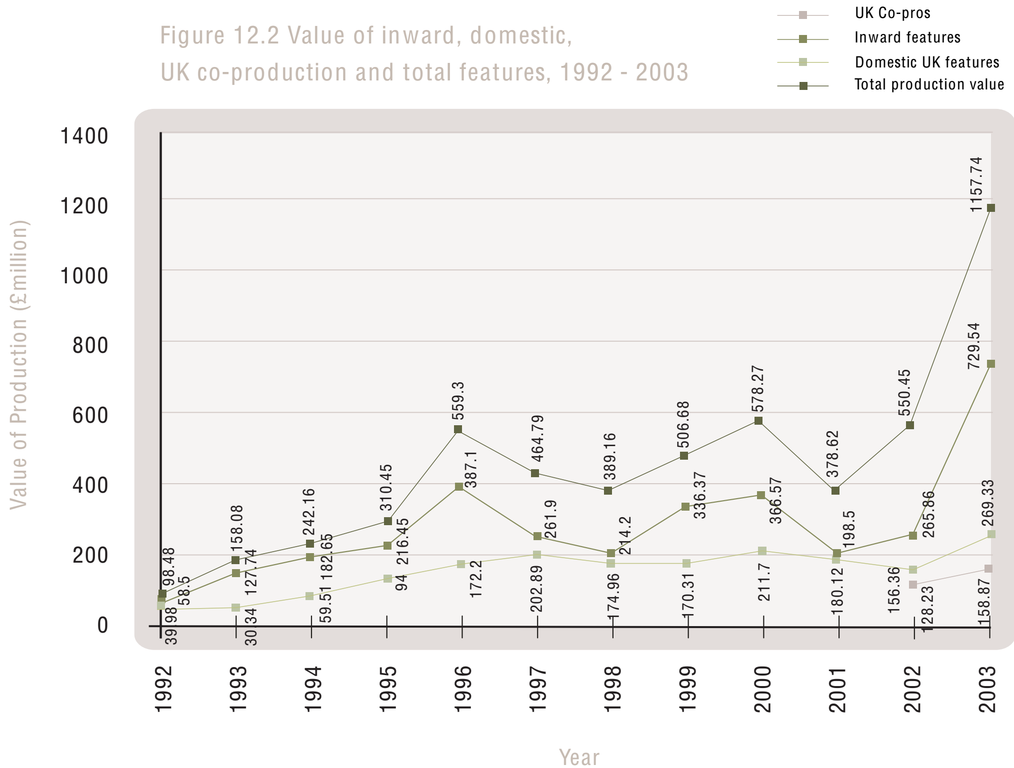
Figure 12.1 Number of inward, domestic and UK co-production features, 1992 - 2003



Source: UK FIlm Council International
Note: 'Inward features' includes inward investment co-productions from 2002

The growth in value of UK production in 2003 was even sharper than the growth in numbers, with the 2003 total being more than double that of 2002 (Figure 12.2). Inward features accounted for the biggest part of the increase. Production activity in 2003 was roughly 11 times the level of 1992 (not allowing for the effects of inflation).

Figure 12.2 Value of inward, domestic, UK co-production and total features, 1992 - 2003



Source: UK FIlm Council International
Note: 'Inward features' includes inward investment co-productions from 2002.
For co-productions (inward and UK) only the UK spend is included in the above chart (not the total budget).

	Inward	Domestic	UK co-pros	Total
1992	58.5	39.98		98.48
1993	127.74	30.34		158.08
1994	182.65	59.51		242.16
1995	216.45	94		310.45
1996	387.1	172.2		559.3
1997	261.9	202.89		464.79
1998	214.2	174.96		389.16
1999	336.37	170.31		506.68
2000	366.57	211.7		578.27
2001	198.5	180.12		378.62
2002	265.86	156.36	128.23	550.45
2003	729.54	269.33	158.87	1157.74

12.3 Upward trends in budgets

Table 12.2 shows that budgets for inward and domestic films increased substantially between 2002 and 2003. Although in each case the average budget is skewed upwards by the biggest budget productions, the upward movement of the median shows that budgets generally increased. The median budget for inward features (single country) increased from £6.9 million to £12.1 million. For inward features (co-productions) the increase was from £25 million to £46.6 million, while the domestic UK median increased from £2 million to £3 million.

Only co-productions (other than inward) showed a more moderate cost increase, with the median increasing from £3.2 million to £3.5 million, while the average budget actually fell, from £6 million to £5.5 million.

Table 12.2 Comparison of median and average budgets, 2002 and 2003

Production category	Median budget £m		Average budget £m	
	2002	2003	2002	2003
Inward features (single country)	6.9	12.1	17.0	26.5
Inward features (co-productions)	25.0	46.6	32.3	51.6
Domestic UK productions	2.0	3.0	4.2	6.1
Co-productions (other than inward)	3.2	3.5	6.0	5.5

Source: UK Film Council International, RSU analysis.

12.4 Size distribution of budgets, 2003

The size distribution of the budgets for the four categories of film is shown in Tables 12.3 to 12.6. Four features with budgets of over £30 million accounted for 58.5% of the aggregate budget for inward features (single country). Only four out of 17 features had budgets of less than £10 million.

Table 12.3 Size distribution of budgets, inward features (single country), 2003

Budget band	Number	Total budget in band (£m)	% of total budget
£30m +	4	263.2	58.5
£10 - £30m	9	160.0	35.6
Under £10m	4	26.8	5.9
Total	**17**	**449.9**	**100.0**

Source: UK Film Council International, RSU analysis.

Inward features (co-productions) were even more concentrated in the £30million plus category, with eight out of 13 films falling in this category, accounting for 87.4% of the aggregate category budget.

Table 12.4 Size distribution of budgets, inward features (co-productions), 2003

Budget band	Number	Total budget in band (£m)	% of total budget
£30m +	8	586.1	87.4
£10 - £30m	5	84.7	12.6
Under £10m	0	0	0.0
Total	**13**	**670.8**	**100.0**

Source: UK Film Council International, RSU analysis

Notable in 2003 was the number of large budget UK films. Three out of the 44 UK domestic features had budgets of more than £30 million, accounting for 42.7% of aggregate UK domestic feature budgets.

Table 12.5 Size distribution of budgets, domestic UK features, 2003

Budget band	Number	Total budget in band (£m)	% of total budget
£30m +	3	115.0	42.7
£10 - £30m	3	40.2	14.9
£5 - £10m	10	62.6	23.2
£2 - £5m	11	33.7	12.5
£0.5 - £2m	17	17.9	6.6
Total	**44**	**269.3**	**100.0**

Source: UK Film Council International, RSU analysis

The budgets of co-productions (other than inward) were more evenly distributed than the other categories and there were no very large budget films in this category in 2003. Nevertheless, the 17 productions (out of 99) with budgets in the £10-£30 million range accounted for 46% of the aggregate category budget.

Table 12.6 Size distribution of budgets, UK co-productions (other than inward), 2003

Budget band	Number	Total budget in band (£m)	% of total budget
£30m +	0	0.0	0.0
£10 - £30m	17	250.3	46.0
£5 - £10m	17	123.6	22.7
£2 - £5m	43	138.5	25.4
£0.5 - £2m	22	32.4	5.9
Total	**99**	**544.8**	**100.0**

Source: UK Film Council International, RSU analysis

12.5 Big budget productions in 2002 and 2003

Table 12.7 shows the jump in big budget productions and their associated UK spend between 2002 and 2003. The number of films with budgets of more than £30 million increased from five to 15, and the associated UK spend leapt from £197 million to £672 million.

Table 12.7 Films with budgets of £30m+ in 2002 and 2003

Category	Number of films with budgets of £30m +		Value of associated UK spend £m	
	2002	2003	2002	2003
Inward (single)	2	4	155.5	263.2
Inward (co-pro)	1	8	26.1	293.4
Domestic UK	0	3	0.0	115.0
Co-pro (other than inward)	2	0	15.0	0.0
Total	**5**	**15**	**196.6**	**671.6**

Source: UK Film Council International, RSU analysis

12.6 UK share of co-production expenditure

Tables 12.8 and 12.9 show the UK expenditure shares by budget band for inward co-productions and co-productions (other than inward) respectively. For inward co-productions (particularly big budget co-productions) the UK expenditure share was relatively high, at around 48%.

Table 12.8 UK expenditure share by budget band, inward co-productions, 2003

Budget band (£m)	Number	Total budget in band (£m)	UK spend in band (£m)	UK spend as % of band total
£30m +	8	586.1	293.4	50.1
£10 - £30m	5	84.7	26.5	31.3
Under £10m	0	0	0	n/a
Total	**13**	**670.8**	**319.9**	**47.7**

Source: UK Film Council International, RSU analysis

For the remaining co-productions (the majority), the UK expenditure share was substantially lower, at 29.2%, as shown in Table 12.9. The £10-£30 million budget band had the lowest UK expenditure share, at 25.8%.

Table 12.9 UK expenditure share by budget band, co-productions (other than inward), 2003

Budget band (£m)	Number	Total budget in band (£m)	UK spend in band (£m)	UK spend as % of band total
£30m +	0	0	0	n/a
£10 - £30m	17	250.3	64.5	25.8
£5 - £10m	17	123.6	46.0	37.2
£2 - £5m	43	138.5	38.9	28.1
£0.5 - £2m	22	32.4	9.5	29.2
Total	**99**	**544.8**	**158.9**	**29.2**

Source: UK Film Council International, RSU analysis

12.7 Partners in UK co-productions

Table 12.10 shows that the UK partner was rarely the major funder in most of the co-productions in which there was a UK interest in 2003. The most frequent principal partner was France (22 productions), followed by the UK (18), Canada (16) and Germany and Italy (7 each).

Table 12.10 UK co-productions, principal country participants, 2003

Principal country participant	Number of UK co-productions
France	22
UK	18
Canada	16
Germany	7
Italy	7
Eire	6
Netherlands	5
Denmark	4
New Zealand	3
Australia	2
Czech Republic	2
South Africa	2
Other	5
Total	**99**

Source: UK Film Council International
Note: "Principal country participant" means the country contributing the largest portion of the film budget, often (but not always) the majority.

12.8 UK co-productions by country of shoot

Table 12.11 shows the shoot locations for UK co-productions (not including inward investment) in 2003. The most frequent locations were in the UK (20 productions), France (12), Canada (7), Germany and Romania (6 each). Some films were shot in more than one country and are therefore counted more than once.

Table 12.11 UK co-productions, country of shoot, 2003

Country	Number of productions
Information awaited	33
UK	20
France	12
Canada	7
Germany	6
Romania	6
South Africa	5
Bulgaria	3
Denmark	3
Eire	3
Sweden	3
Netherlands	3
Italy	3
New Zealand	3
Others	21

Source: UK Film Council International
Note: Some productions shoot in more than one country, hence the total in Table 12.11 is greater than the number of UK co-productions.

Table 12.12 shows the shoot locations by region for UK co-productions shot abroad in 2002 and 2003. Western Europe (not including the UK) was once again the most frequent destination; however there was a surge in shoots in Eastern Europe and Russia. A year ago the attractiveness of Eastern Europe was much discussed but had not yet shown up in the data. This year the trend was evident. The most frequent countries in this group were Romania, Bulgaria, the Czech Republic and Russia. The number of productions shot in South Africa in 2003 (five) was also notable.

Table 12.12 Location of shoot by region, UK co-productions shot abroad in 2002 and 2003

Region	Shot abroad in 2002	Shot abroad in 2003
Information awaited	n/a	33
Western Europe	30	42
North America	15	8
South and Central America, Caribbean	4	0
Eastern Europe and Russia	4	16
Australasia	3	4
Asia	1	3
Southern Africa	0	5

Source: UK Film Council International, RSU analysis
Note: Of the 33 for which information was awaited , some may have been shot in the UK.

12.9 Production company activity levels

UK film production in 2003 was dispersed over a large number of production companies, as shown in Table 12.13. The UK Film Council International database recorded 181 production companies associated with films shot in the UK or co-productions involving the UK in 2003. Of these, 166 companies were associated with a single feature. A considerable number of these are likely to have been single-purpose vehicles. The most prolific production company was associated with ten features, followed by one company with seven features, one with five and one with four.

Table 12.13 Film production company activity in 2003

Number of features	Number of companies
10	1
7	1
5	1
4	1
3 each	4
2 each	7
1 each	166

Source: UK Film Council International, RSU analysis.
Notes: Includes all types of films involving the UK.
Some films have several production companies associated with them, so the sum of the features in the above table is greater than the total number of features involving the UK in 2003.

12.10 US Studios' involvement in inward features

As usual, US studios were the dominant force in inward film investment into the UK in 2003. These accounted for 21 out of 30 inward features (single country and co-productions) and for £659m out of £730m in UK spend associated with these features (90.3%) (Table 12.14).

Table 12.14 US studio's involvement in inward features (single country and co-productions), 2003

Studio	Number of inward features in 2003
Disney	4
Warner Bros	6
Dreamworks	1
Fox	3
MGM	3
Paramount	3
Sony	1
Total	**21**

Source: UK Film Council International, RSU analysis.
Note: Universal Pictures had a significant involvement in UK production through its UK partner Working Title Films which produced three features in 2003 defined for the purpose of these statistics as domestic UK films.

See also

- Information about film companies is given in chapter 14.
- For details about employment in the film production sector see chapter 15.
- For more information about UK post-production see chapter 13.
- For a summary of UK Film Council production funds' activity in 2003 see http://www.ukfilmcouncil.org.uk/funding/


Cold Mountain courtesy of BVI

Post-production

Chapter 13
Post-production

Post-production activities now make up a significant sector with an annual turnover of well over £1 billion. One-quarter of the total spend on film production in the UK is now spent with post-production companies. About one-third of post-production activity burgeoning industry is film-related and some of the work it attracts comes from US and other international film companies.

Troy courtesy of Warner Bros

Facts in focus

- 908 companies are estimated to have carried out post-production activities in the UK in 2002/03.
- Just under a third of this activity (29%) was film-related.
- Post-production work accounted for over one-quarter of all production budget spend in the UK, up from 13% in 2001.
- The UK post-production sector had a combined annual turnover of £1.39 billion in 2002.
- Over 15,000 people were employed in post-production in the UK in 2002/03.
- 79 post-production companies had over 100 employees, 500 had fewer than 10.
- 91% of all post-production activity by spend was clustered in and around London.

13.1 What is post-production?

For the purposes of this chapter post-production is defined as involving "an activity or action on the visual image or audio that takes place away from the shoot or the studio. The activity is connected to the production of the physical image and audio itself rather than the business of distribution, etc. PR and advertising, for example, are excluded whilst rights clearances are included" (Salix Management Consultants).

Most data reported in this chapter are derived from a project undertaken by Salix Management Consultants on behalf of the Department for Trade and Industry and the UK Film Council. Fieldwork was conducted in two phases: a survey of film post-production companies between October and December 2002 and a study of the TV and commercials sector between January and March 2003. The Salix report, available on the UK Film Council website, provides the first-ever picture of the full range of post-production activity in the UK.

The research covers the UK post-production sector as a whole. As only a small number of major films requiring high-end post-production come to the UK each year, film post-production is closely linked with activity in the TV and commercials sectors in the UK.

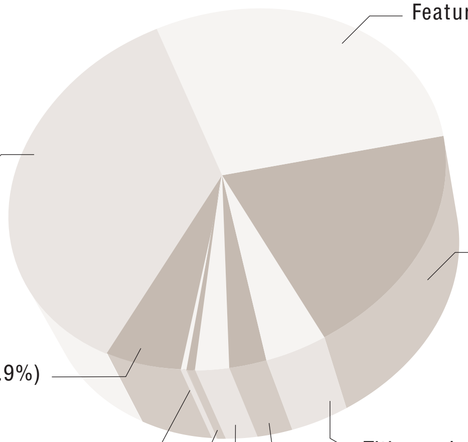
The team sought to distinguish post-production activity from other elements of the production process, which is not a straightforward task. Technological innovation has eroded previous distinctions between production and post-production work, with some of the latter activity taking place either before production or during the shooting period (for example, digital visual and audio effects that allow film sets and characters to be generated ‘virtually’ on screen).

13.2 Post-production company activity

908 post-production companies were active in 2002 and 2003. This includes all medium and large companies, but not necessarily the very smallest operations. 90% of the companies identified were privately owned, and 79% were run independently of other companies.

Just under one-third of post-production activity by turnover in 2001 was film-related (see Figure 13.1), although the demand for for film post-production is highly variable from year to year.

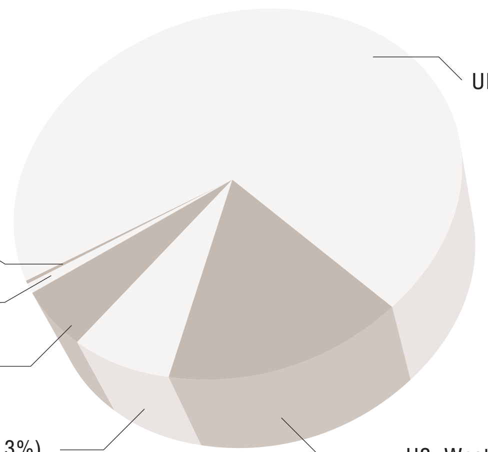
Figure 13.1 Post-production activity by sectors, 2001



Source: DCMS Creative Industries mapping document 2001

The importance of post-production to the film sector is underlined by the fact that around one-quarter of the total spend on film production in the UK was spent with post-production companies. This marks an increase from around 13% in 2001. It is estimated the UK post-production sector had a combined annual turnover of £1.39 billion in 2002, compared with £1.31 billion in 2000, which shows modest growth when, in 2001, film production levels experienced a decline. Salix reports that 70.2% of post-production turnover comes from UK-based contracts, with 23.1% deriving from contracts with companies based in the USA (Table 13.2).

Figure 13.2 Sources of work



Source: Salix Management Consultants

13.3 Employment in post-production

The sector the sector employed 15,043 people in 2002/03, of whom 31% were identified as freelance, as Table 13.1 shows. 79 companies had over 100 employees, while over 500 companies had fewer than 10 people working for them.

Table 13.1 Employment in post-production

Role	% of workforce	% freelance
Creatives and operators	64	39
IT and support	10	13
Production	13	21
Administration	11	7
Sales	2	6
Total industry staff	**15,043**	**31**

Source: Salix Management Consultants

13.4 Location of post-production activity

Post-production activity is clustered in and around London. 62.2% of companies are based there, while London accounted for 91% of total UK post-production turnover in 2002 (Table 13.2).

FT2 trainee courtesy of Skillset

Table 13.2 Location of post-production activity

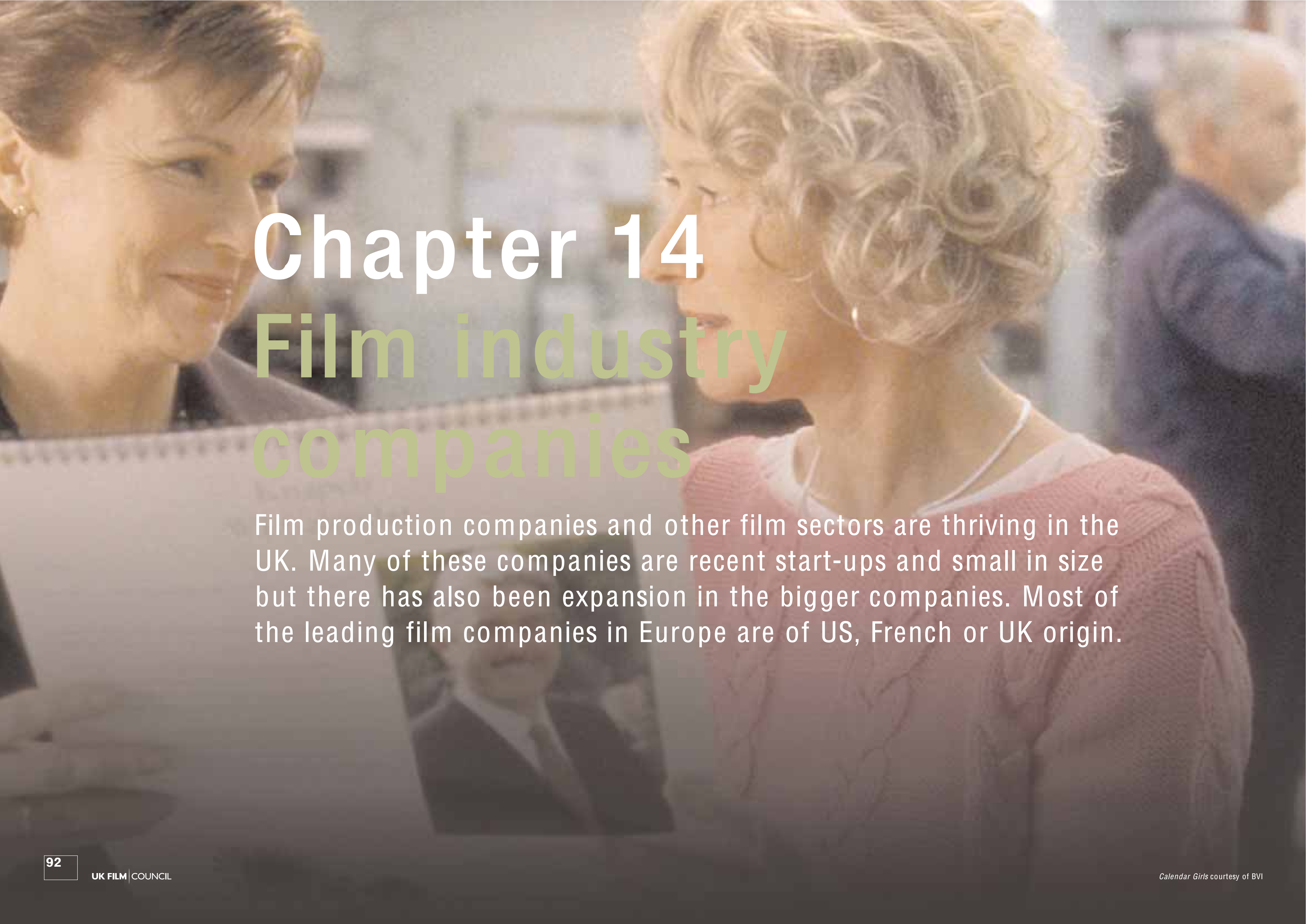
Region	Number of companies	%	% 2002 turnover
Soho (London W1)	226	24.9	48.1
London (excl. W1)	338	37.3	42.9
SE England (excl. London)	117	12.8	0.4
S&W England	92	10.2	0.9
Midlands	35	3.9	3.8
N England	57	6.3	3.7
Wales	21	2.3	0.0
Scotland	20	2.2	0.2
N Ireland	1	0.1	0.0

Source: Salix Management Consultants

See also

- For more information about production in the UK see chapter 12
- For more information about the film and video workforce see chapter 15
- For a copy of the Salix report on post-production see www.ukfilmcouncil.org.uk/filmindustry/postprod/

Film industry companies



Chapter 14
Film industry companies

Film production companies and other film sectors are thriving in the UK. Many of these companies are recent start-ups and small in size but there has also been expansion in the bigger companies. Most of the leading film companies in Europe are of US, French or UK origin.

Calendar Girls courtesy of BVI

Facts in focus

- The number of film production companies grew by 289% between 1996 and 2003.
- The number of small companies grew the most, but the largest turnover size group also grew.
- US majors, video distributors and exhibitors were prominent in the top 11 UK film companies in 2001.
- Only one UK film production company made the top 11 and this company was also prominent in television production.
- The top four UK film production companies had a turnover in 2001 of over €250 million.
- Across Europe, French companies were prominent in addition to the US majors.
- French companies were also prominent in the top ten European film production companies.
- Only four non SPV UK companies could be identified in the top 50 European film production companies in 2001.

14.1 Number of companies in the film and video industries

The number of companies involved in the film and video industries has grown rapidly in the last seven years, particularly in the production sector where the number has grown by 289%, compared with the UK average of 117% (Table 14.1).

Table 14.1 Number of companies registered for VAT by industry group

Year	Film and video production	Film and video distribution	Film exhibition	UK all industries
1996	1,745	355	155	1,380,695
1997	2,460	360	160	1,547,175
1998	3,065	370	160	1,573,935
1999	3,460	380	165	1,595,705
2000	3,900	425	165	1,616,835
2001	4,185	485	190	1,623,025
2002	4,605	515	195	1,619,195
2003	5,065	530	205	1,623,715
Percentage growth 1996 - 2003	**289%**	**148%**	**131%**	**117%**

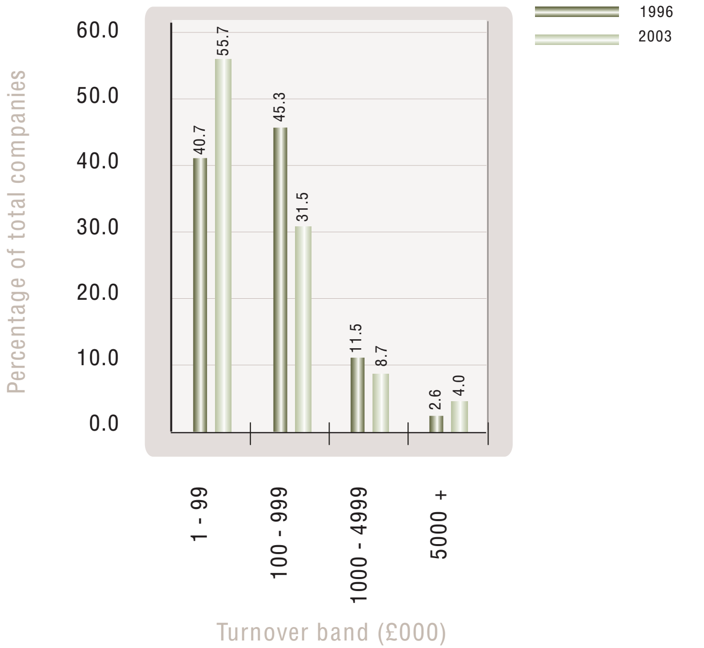
Source: Office of National Statistics


Kuch naa Kaho courtesy of Eros International

14.2 Changing size distribution of film production companies

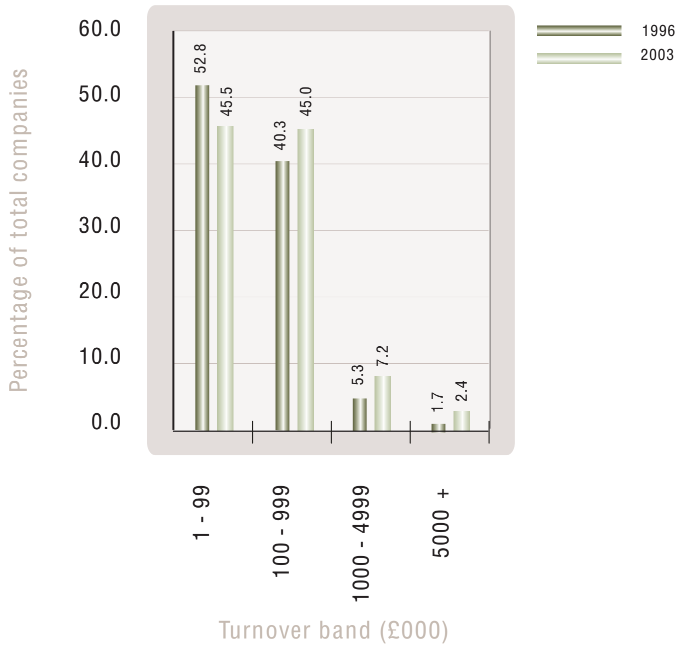
The growth in the number of film and video production companies has been particularly concentrated in the smaller turnover size bands, the opposite of the UK all-industries trend. The proportion of film and video production companies in the £1,000-£99,000 turnover band increased from 41% to 56% of the total (Figure 14.1), compared with a reduction from 53% to 46% for the same turnover band for UK all industries (Figure 14.2). Interestingly, there was also a significant increase in the number and proportion of large film and video production companies (turnover £5 million plus).

Figure 14.1 The changing size distribution of VAT-registered film and video production companies, 1996 to 2003



Source: Office of National Statistics, RSU analysis

Figure 14.2 The changing size distribution of UK VAT-registered companies (all industries), 1996 to 2003



Source: Office of National Statistics, RSU analysis

14.3 Leading film companies in the UK and Europe

Table 14.2 shows the top 11 film companies in the UK in 2001 as identified by the European Audiovisual Observatory. Several interesting features stand out: the prominence of the US majors, the importance of undertaking multiple activities (production, distribution, television, rights, video), the relatively high position of two companies specialising in video, the presence of two exhibitors in the list (Odeon and Cine-UK) and the significance of production activities spanning television and film (Tiger Aspect Holdings).

Table 14.2 Top 11 film companies in the UK, 2001

Rank	Company	Activities	Operating revenues € (000)
1	Walt Disney International	DISFILM, DISTV, RIGHTS, VID	1,236,098
2	Time Warner Entertainment	DISFILM, DISTV, VID	690,539
3	Odeon	EXH	317,071
4	Columbia Pictures Video	VID	257,691
5	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	214,090
6	20th Century Fox Home Entertainment	VID	191,371
7	The Entertainment Group of Companies	DISFILM, VID	148,123
8	Cine-UK	EXH	121,570
9	Columbia Pictures Corporation	PRODFILM, DISFILM, VID	111,490
10	20th Century Fox Film Company	DISFILM	96,641
11	Tiger Aspect Holdings	PRODFILM, PRODTV	62,771

Source: European Audiovisual Observatory, 2003 Yearbook
Definitions: DISFILM = film distribution; DISTV = television distribution, RIGHTS = trade in television rights; VID = video; EXH = exhibition; PRODFILM = film production; PRODTV = television production

Across Europe, the US majors were prominent, but were joined by three French companies, Pathé, UGC and Europalaces, indicating the continued corporate strength of the French film industry. Three exhibitors appeared. Odeon was the only non-US British company in the top ten.

Table 14.3 Top ten film companies in Europe, 2001

Rank	Company	Activities	Country	Operating revenues € (000)
1	Walt Disney International	DISFILM, DISTV, RIGHTS, VID	UK	1,236,098
2	United International Pictures BV	DISFILM	NL	871,364
3	Group Pathé	EXH, DISFILM, VID, RIGHTS, TV, PRODFILM	FR	570,000
4	Time Warner Entertainment	DISFILM, DISTV, VID	UK	690,539
5	UGC	EXH, DISFILM, VID, RIGHTS, PRODFILM	FR	537,253
6	Paramount Home Entertainment Intl BV	VID	NL	457,908
7	United Cinemas Intl Multiplex BV	EXH	NL	488,067
8	Europalaces	EXH	FR	351,000
9	Embassy Eagle Holdings	PRODFILM, DISFILM	NL	320,507
10	Odeon	EXH	UK	317,071

Source: European Audiovisual Observatory, 2003 Yearbook
Definitions: DISFILM = film distribution; DISTV = television distribution, RIGHTS = trade in television rights; VID = video; EXH = exhibition; PRODFILM = film production; PRODTV = television production, TV = television

14.4 Leading film production companies in the UK and Europe

Looking at film production only, we see that six out of the top ten European production companies in 2001 were French. Only two UK companies made the top ten: Intermedia Film Equities and Tiger Aspect Productions.

Table 14.4 Top ten film production companies in Europe, 2001

Rank	Company	Nationality	Operating revenues €(000)
1	Studiocanal France	FR	272,000
2	Intermedia Film Equities	UK	144,232
3	Europa Corp	FR	140,415
4	Les Films Alain Sarde	FR	82,923
5	AB Svensk Filmindustri	SWED	63,584
6	Pathé Renn Production	FR	70,210
7	Gaumont	FR	85,600
8	Filmauro	IT	60,199
9	UGC Images	FR	58,574
10	Tiger Aspect Productions	UK	55,032

Source: European Audiovisual Observatory, 2003 Yearbook

For the UK, the picture is blurred by the frequent use of single-purpose vehicles (SPV). Only four non single purpose vehicle UK film companies appear in the European Audiovisual Observatory's list of the top 50 European film production companies in 2001.

Table 14.5 Top four UK film production companies, 2001 not including SPVs

Rank	Company	Operating revenues €(000)
1	Intermedia Film Equities	144,232
2	Tiger Aspect Productions	75,935
3	Aardman Holdings	20,892
4	Working Title Films	17,777

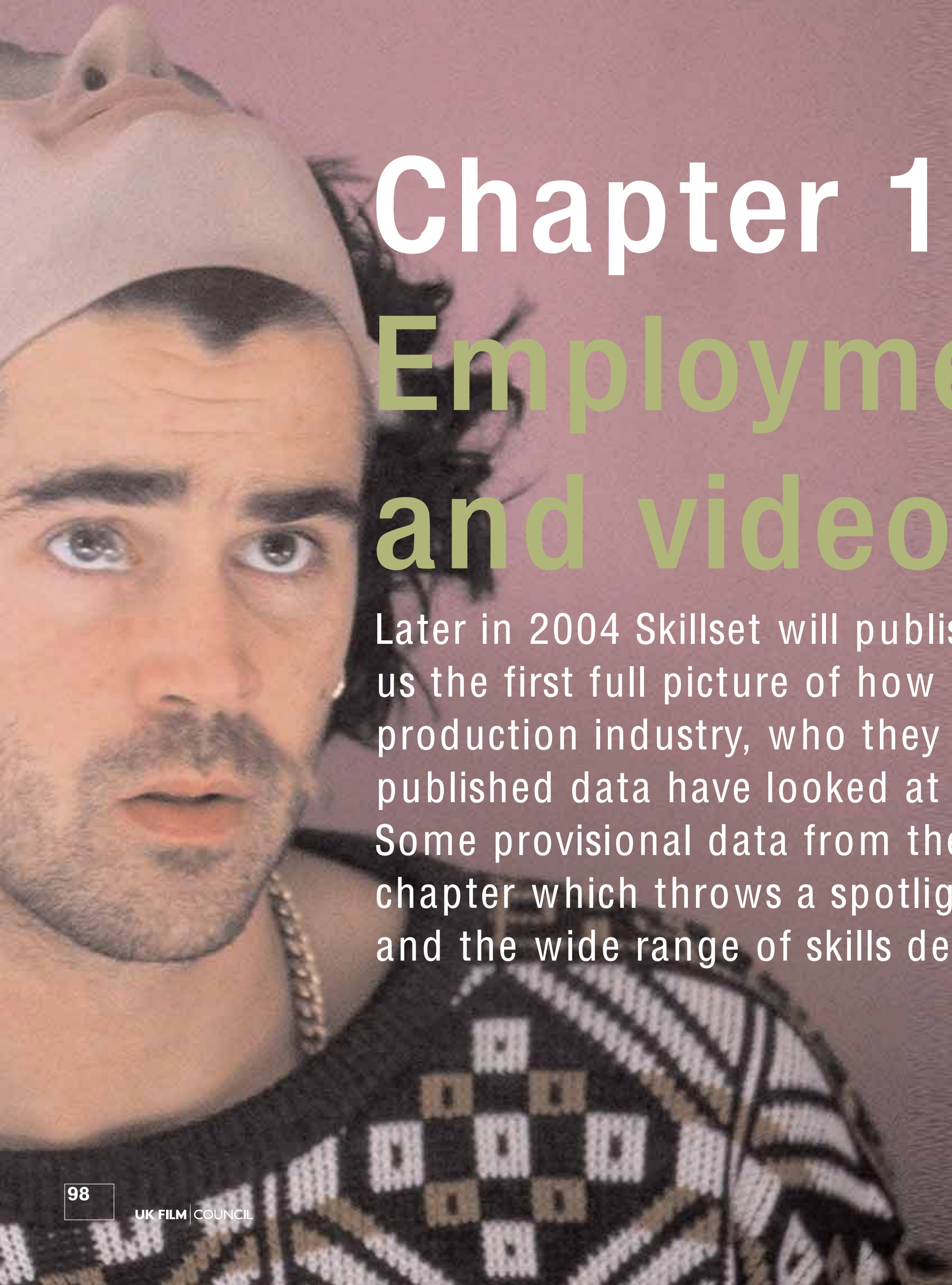
Source: European Audiovisual Observatory, 2003 Yearbook.
Notes: (1) Due to its recent growth, Working Title Films is likely to have moved further up the list since 2001.
(2) EON Productions Ltd (makers of the Bond movies) is a candidate for this list, but EAO did not have sufficient information to rank it.

While partly an artefact of the use of single-purpose vehicles, the shortness of the above list underlines the corporately-dispersed nature of the UK film production industry.

See also

- For film production company activity levels in 2003 see chapter 12
- For US studio involvement in UK film production in 2003 see chapter 12
- For leading film distributors in the UK in 2003 see chapter 5
- For leading film exhibitors in the UK in 2003 see chapter 6
- For numbers and size distribution of film workplaces in 2002 see chapter 15

Employment in the film and video industries



Chapter 15

Employment in the film and video industries

Later in 2004 Skillset will publish the results of a new survey, giving us the first full picture of how many people work in the UK film production industry, who they are and what they do. Up until now published data have looked at film and video industries together. Some provisional data from the new survey are included in this chapter which throws a spotlight on the growth of employment and the wide range of skills deployed in these creative industries.

Intermission courtesy of BVI.© Disney

Facts in focus

- 57,429 people worked in the film and video industry, a 13% increase on the previous year, of whom over 31,000 worked in film and video production.
- The film and video industry workforce has increased by 77% since 1994 compared with an increase in the overall UK workforce of 13%.
- 52% of people in film and video production were freelance.
- Women made up one-third of the film production workforce.
- People from minority ethnic groups made up only 5% of the film production workforce.
- Production and distribution were heavily concentrated in London and the South East, with 74% and 86% respectively of the workforce.
- Most businesses in the sector were small scale. For example, 59% of employees in film and video production were in workplaces with ten or fewer people.

15.1 The workforce

According to the Labour Force Survey, a total of 57,429 people worked in the film and video production and distribution and film exhibition sectors in the autumn year 2003 ('autumn year' means the average of the four quarters to autumn 2003). Table 15.1 shows the breakdown.

Table 15.1 Film and video industry workforce, Autumn year 2003

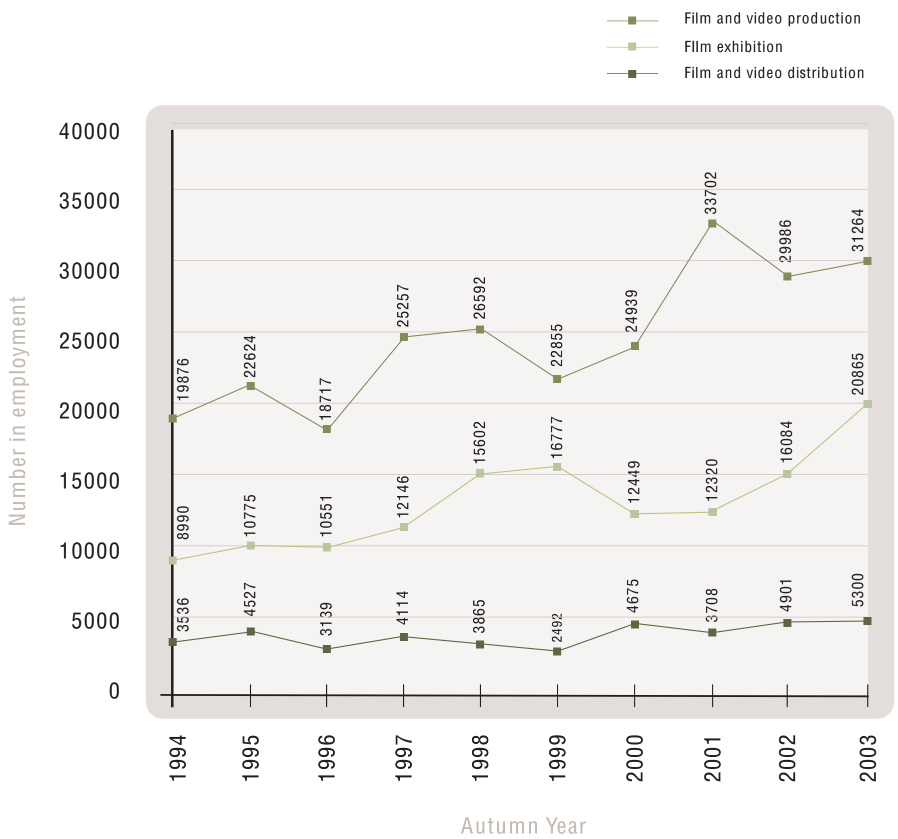
Sector	SIC	Numbers in employment
Film and video production	9211	31,264
Film and video distribution	9212	5,300
Film exhibition	9213	20,865
Total		**57,429**

Source: Labour Force Survey, Office of National Statistics
SIC = Standard Industrial Classification
ONS does not seperate video production and distribution from film production and distribution

Courtesy of Skillset

Since 1994, the film and video industry workforce has increased by 77%, compared with an increase in the overall UK workforce of 13.5%. Figure 15.1 shows the growth of the three film-related sectors.

Figure 15.1 Growth of film and video workforce 1994 - 2003



Source: Labour Force Survey

Most people working in the film distribution and exhibition sectors were employees, but the film production sector had a high proportion of f reelance workers. In 2003, 52% of those engaged in film and video production (SIC 9211), a total of 16,318 people, were self-employed (Table 15.2).

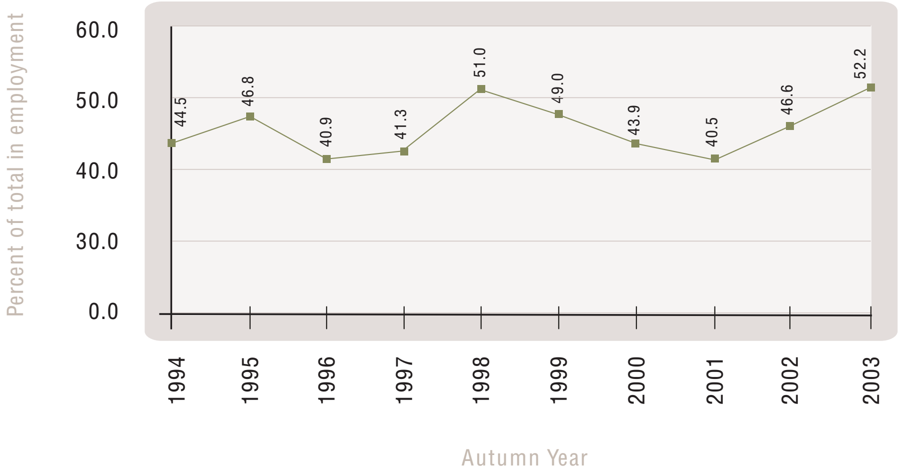
Table 15.2 Film and video production workforce (SIC 9211), 1994-2003

Autumn year	Total in employment	Self-employed	Self-employed as % of total
1994	19,876	8,851	44.5
1995	22,624	10,596	46.8
1996	18,717	7,654	40.9
1997	25,257	10,435	41.3
1998	26,592	13,564	51.0
1999	22,855	11,192	49.0
2000	24,939	10,944	43.9
2001	33,702	13,652	40.5
2002	29,986	13,965	46.6
2003	31,264	16,318	52.2

Source: Labour Force Survey

The proportion of self-employed people in film and video production has fluctuated in the 40-50% band since 1994. In comparison, the self-employed percentage of the total UK workforce (all industries) in 2003 was 12.1%. The fluctuation shown in Figure 15.2 may however be no more than sampling a variation due to the small size of the sub-group samples in the Labour Force Survey. In this survey, 10,000 people equates to only 30 respondents.

Figure 15.2 Self-employed as proportion of total workforce, film and video production (SIC 9211), 1994 -2003



Source: Labour Force Survey

15.2 Results of the Skillset film workforce survey

Detailed information about the film production workforce will be published for the first time in summer 2004. This information will come from a survey of people working in film production conducted by Skillset, the Sector Skills Council for the audio-visual industries. The following tables are based on reasonably complete provisional results available at the time of writing this report.

One-third of the film workforce was female, with the female percentage varying widely by occupation group, from 89% in make-up and hairdressing to zero in sound/electrical, as Table 15.3 shows.

Table 15.3 Occupation group by gender, film production workforce, 2002

Occupational group	Male %	Female %
Production	47.0	53.0
Art / set decorating / props	67.0	33.0
Camera	90.0	10.0
Sound / electrical	100.0	-
Costume	32.0	68.0
Make-up / hairdressing	11.0	89.0
Editing / post-production / visual effects	58.0	42.0
Special effects / stunts	84.0	16.0
Construction	94.0	6.0
Locations	76.0	24.0
Other	62.0	39.0
All occupations	**76.0**	**33.0**

Source: Skillset (provisional results of film workforce survey)

The challenge of reflecting the UK's ethnic diversity in the film production industry is evident in Table 15.4. Overall only 5% of the film workforce was from minority groups, below the national all-sectors average of 6.1% and well below the London workforce average of 24.4% which is a relevant comparator for the film industry in view of the industry's concentration in London. The minority ethnic percentage was particularly low in art/sets/props, sound/electrical, special effects, construction and locations. It was highest in production, post-production, make-up/hairdressing and costume.

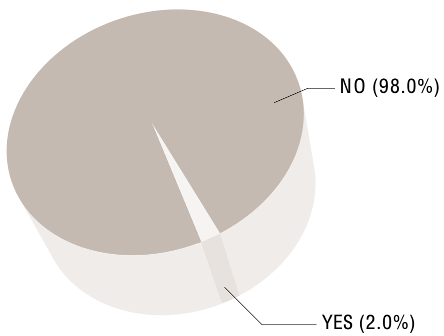
Table 15.4 Occupation by ethnicity, film production workforce, 2002

Occupational group	White	Mixed	Asian or Asian British	Black or Black British	Chinese	Other
Production	92.4	4.2	0.7	0.7	-	2.1
Art / set decorating / props	97.3	0.9	-	-	0.9	0.9
Camera	93.3	3.4	1.1	1.1	-	-
Sound / electrical	96.2	1.9	-	1.9	-	-
Costume	91.9	5.4	-	2.7	-	-
Make-up / hairdressing	91.7	5.6	-	2.8	-	-
Editing / post-production / visual effects	93.8	6.3	-	-	-	-
Special effects / stunts	97.7	2.3	-	-	-	-
Construction	100.0	-	-	-	-	-
Locations	97.1	-	2.9	-	-	-
Other	94.3	-	2.9	1.0	-	1.9
All occupations	**95.0**	**2.4**	**0.8**	**0.8**	**0.1**	**0.9**

Source: Skillset (provisional results of film workforce survey)

The disabled proportion of the film production workforce was low at 2%, as shown in Table 15.5.

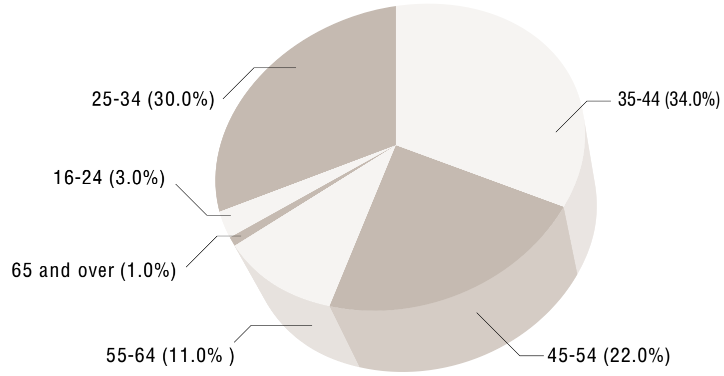
Figure 15.5 Disability, film production workforce, 2002



Source: Skillset (provisional results of film workforce survey)

The film production workforce was predominantly young, with 67% aged 44 or under as Table 15.6 shows.

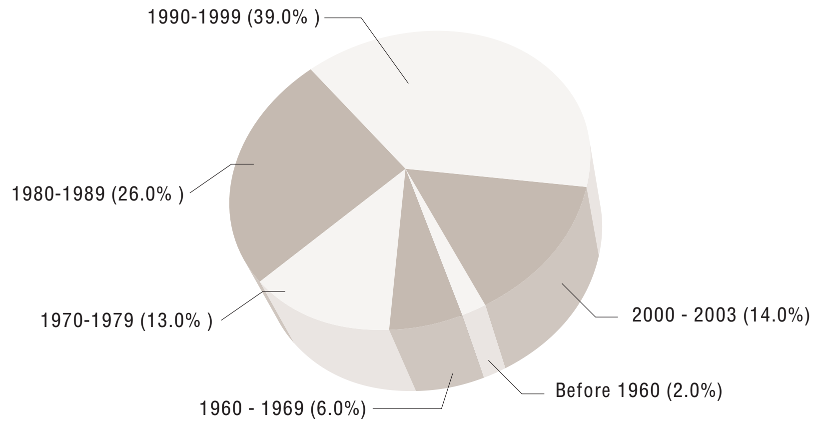
Figure 15.6 Age distribution of film production workforce, 2002



Source: Skillset (provisional results of film workforce survey)

In parallel with the youth of the workforce, 53% had begun working in the industry since 1990 while only 21% had entered the industry before 1980 (Table 15.7).

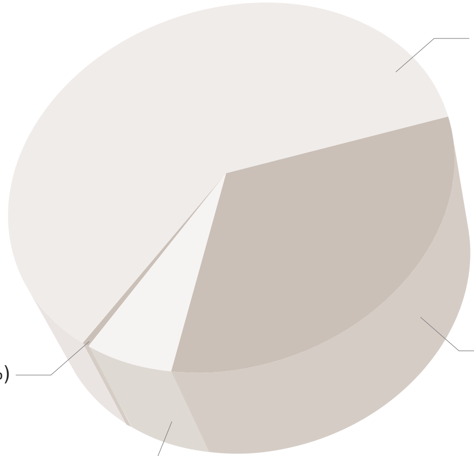
Figure 15.7 Year started working in film production industry, 2002



Source: Skillset (provisional results of film workforce survey)

38% of the workforce were unattached, perhaps reflecting the itinerant nature of much film production work.

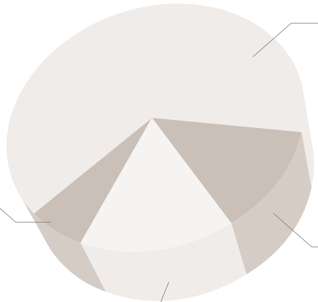
Figure 15.8 Marital status of film production workforce, 2002



Source: Skillset (provisional results of film workforce survey)

Sixty-five percent of the workforce had no dependent children up to 15 years of age:

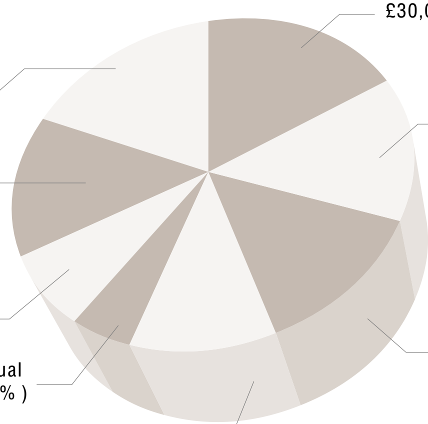
Figure 15.9 Number of dependent children, film production workforce 2002



Source: Skillset (provisional results of film workforce survey) Includes children living apart from respondent

Despite its relative youth, the film production workforce was relatively well paid, with 56% earning £30,000 a year and over, in 2002; 24% earned £50,000 or more (Table 15.10). This is likely to reflect both the skills of the workforce and the ability of many companies and individuals to obtain additional work in other audio-visual industries (for example, television), smoothing out the ups and downs of film work.

Figure 15.10 Income distribution of film production workforce, 2002



Source: Skillset (provisional results of film workforce survey)
Includes all income earned in the audio-visual industries

15.3 The workplace location

The film production and distribution sectors are concentrated in London and the South East, as shown in Table 15.11. In contrast, the London and South East share of the exhibition sector workforce is closer to the UK average.

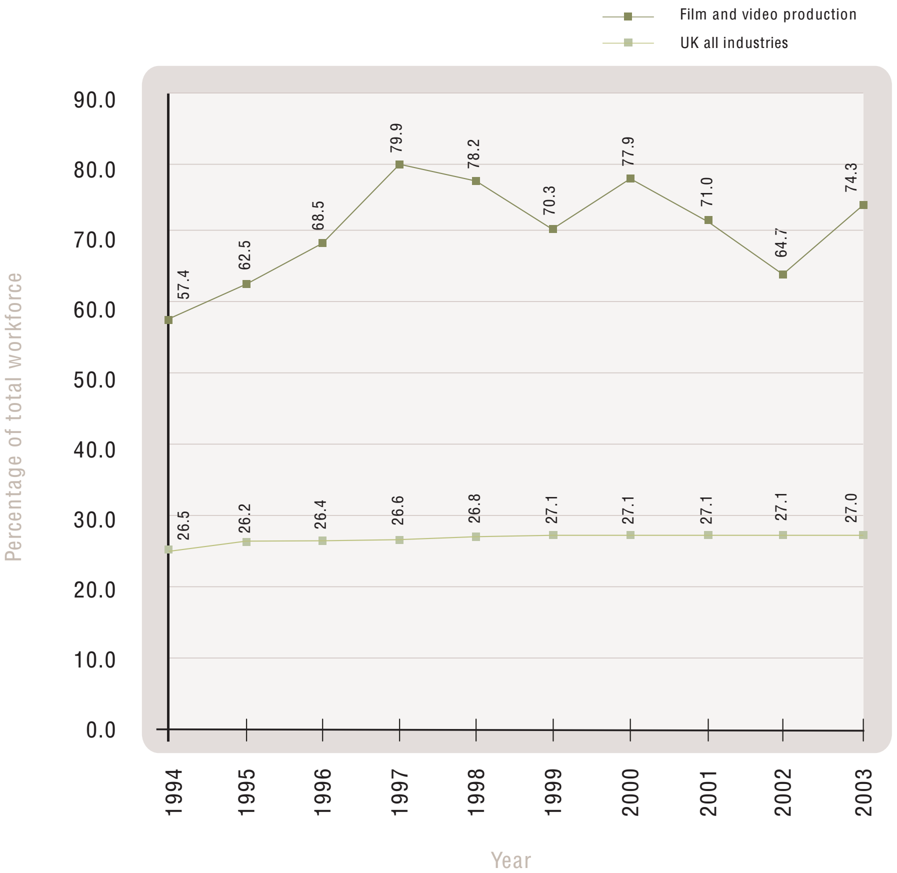
Table 15.11 London and South East employment as percentage of total, autumn year 2003

Sector	SIC	Total UK employment	London & SE employment	London & SE as % of UK total
UK all industries	All	28,783,294	7,773,944	27.0
Film and video production	9211	31,264	22,979	73.5
Film and video distribution	9212	5,300	4,537	85.6
Film exhibition	9213	20,865	8,044	38.6

Source: Labour Force Survey. The South East region wraps around London to include the major studios to the west of London.

The London and South East share of the film and video production workforce (SIC 9211) rose to 74.3% in the year to autumn 2003, after dropping in 2001 and 2002.

Figure 15.3 London and SE percentage share of total workforce, 1994 - 2003



Source: Labour Force Survey. The sample sizes for film and video distribution (9212) and film exhibition (9213) in London are too small to chart with confidence.

The peak in the London and South East share of the film and video production workforce coincided with the peak in production of inward features and domestic UK films between 1996 and 2000. This suggests that much of the additional work at that time was drawn to London and the South East (and also that the 2001 fall-off particularly affected London and the South East). This pattern appears to have continued in 2003, with the exceptionally high level of production in 2003 coinciding with an increase in the London and South East share of the workforce.

15.4 The scale of the workplace

Each year, ONS conducts a survey of businesses, called the Annual Business Inquiry (ABI), which provides information on the number of employees in each workplace, by industrial sector. The latest available year is 2002. The data relating to the film industry are shown in Tables 15.12, 15.13 and 15.14. The different characteristics of the three sectors stand out clearly in these tables.

The film and video production sector had an exceptionally high number of small workplaces (95.8% in the 1-10 band), accounting for a majority of the sector's total workforce (59.4%). At the other end of the scale, there was a small number of large workplaces. The 27 workplaces with 50 or more employees accounted for 3,086 employees, an average of 114 each.

Table 15.12 Film and video production (SIC 9211) workplace size distribution (employees), 2002

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% of total employees
1-10	5,588	95.8	10,522	59.4
11-49	215	3.7	4,091	23.1
50+	27	0.5	3,086	17.4
Total	**5,830**	**100.0**	**17,699**	**100.0**

Source: ABI

The distribution sector was not as concentrated in small workplaces as the production sector, with over two-thirds of employees working in workplaces with 11 or more employees.

15.13 Film and video distribution (SIC 9212) workplace size distribution (employees), 2002

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% of total employees
1-10	505	87.4	1,345	29.8
11+	73	12.6	3,162	70.2
Total	**578**	**100.0**	**4,507**	**100.0**

Source: ABI

Workplace numbers for bands above 11 employees cannot be published for confidentiality reasons (too few workplaces in the bands). 44% of distribution employees worked in workplaces of 50 employees or greater. There was a small number of workplaces in the 200-plus employee size range.

The exhibition sector had a concentration that was the reverse of the production sector. Over 60% of exhibition employees worked in workplaces of 50 or more employees, and only 3.9% in workplaces in the 1-10 employee band.

Table 15.14 Film exhibition (SIC 9213) workplace size distribution (employees), 2002

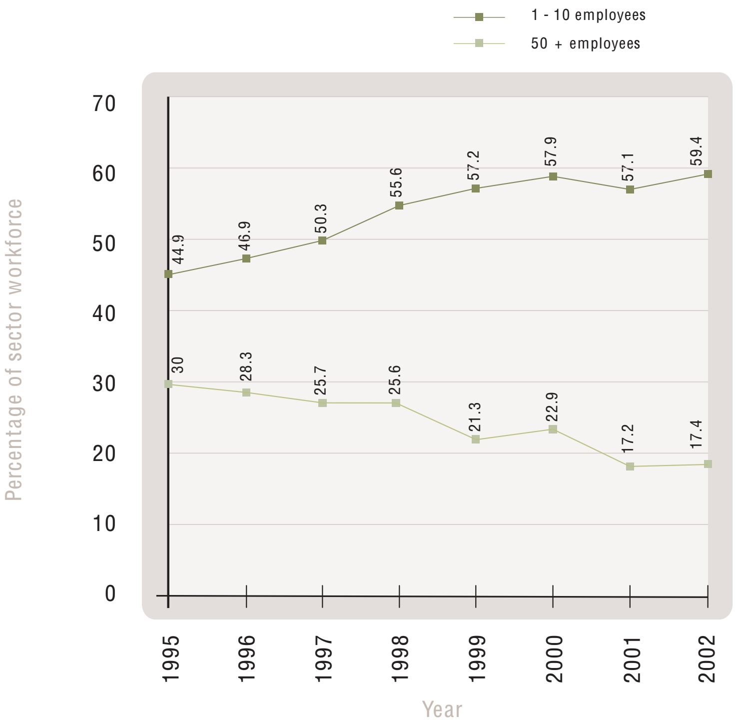
Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% of total employees
1-10	184	33.2	716	3.9
11-49	230	41.4	6,320	34.3
50+	141	25.4	11,370	61.8
Total	**555**	**100.0**	**18,406**	**100.0**

Source: ABI

Over the period 1995 to 2002, two trends can be identified in the workplace size distribution data. First, in the production sector (SIC 9211) the concentration of employment in 1-10 employee size band increased at the expense of employment in the 50-plus band, as shown in Figure 15.4.


Courtesy of Skillset

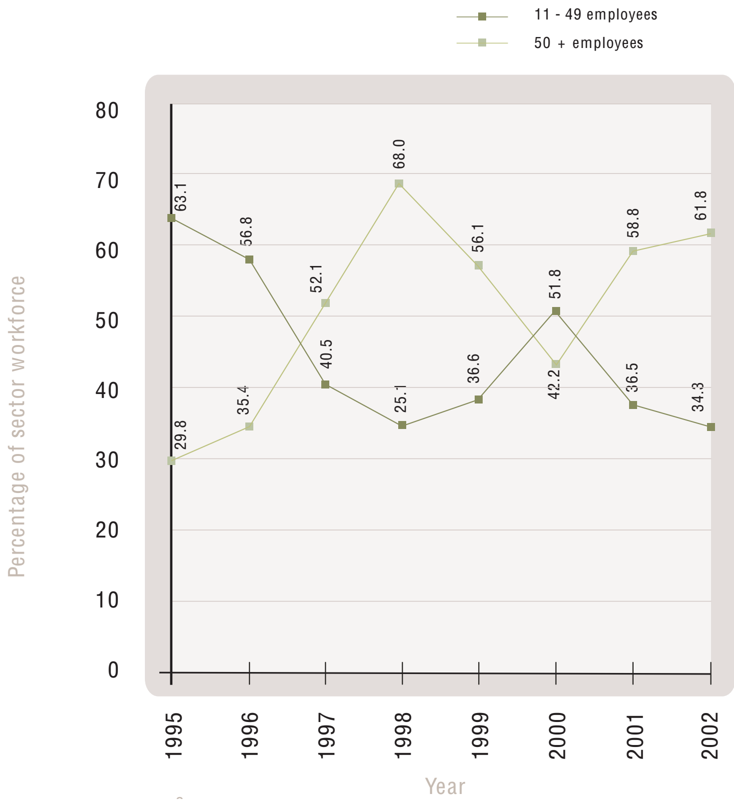
Figure 15.4 Film and video production sector (SIC 9211) employees by workplace size band, percentage of total, 1995-2002



Source: ABI

Second, in the exhibition sector the numbers of workplaces and employees in the 50-plus category grew, while the numbers in the 11-49 category fell, that is, there was a tendency for exhibition workplaces to grow in size, as shown in Figure 15.5.

Figure 15.5 Film exhibition sector (SIC 9213): employees by workplace size band, percentage of total, 1995-2002



See also

- For more details on the film distribution sector in 2003 see chapter 5.
- For more information about the exhibition sector in 2003 see chapter 6.
- For more background about film production in 2003 see chapter 12.
- For an insight into what the UK Film Council is doing to support film industry training see http://www.ukfilmcouncil.org.uk/funding/trainingfund/

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British Board of Film Classification (BBFC)
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Dodona Research
Motion Picture Association of America (MPAA)
MRIB
Nielsen EDI
Nielsen Media Research
Office for National Statistics (ONS)
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TNS

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Glossary

Asian programming
Films originating from South Asia, e.g. Bollywood, and generally, though not exclusively, aimed at a South Asian audience and in a South Asian language

BARB
Broadcasters' Audience Research Board Ltd. The company that compiles audience figures for UK television (www.barb.co.uk)

BBFC
British Board of Film Classification. Independent body responsible for classifying films and video (see Film certificate) (www.bbfc.org.uk)

Box office
Total value of ticket sales for a film screened commercially at cinemas

Box office gross
Box office takings before deduction of Value Added Tax (VAT)

BVA
British Video Association. The trade body repre-senting the interests of publishers and rights own-ers of pre-recorded home entertainment on video (www.bva.org.uk)

CAA
Cinema Advertising Association. The trade association of cinema advertising contractors operating in the UK and Eire

Concession revenue
Revenue from sales of food, drink and merchandise at cinemas

Co-production
A film made by companies from more than one country, often under the terms of a bilateral co-production treaty or the European Co-Production Convention

Country of origin
The nationality of a film. In the case of co-productions, this may include more than one country

DCMS
Department for Culture, Media and Sport. The UK Film Council's sponsoring department

Digital projection
The projection of a film onto a cinema screen using a digital master and a digital projector, i.e. using electronic signals to direct light onto the screen rather than passing light through a celluloid strip

Distributor
A person or company that acquires the right to exploit the commercial and creative values of a film in the theatrical, video and TV market. Also conducts the promotional and marketing activities necessary to win audiences for the film

DVD
Digital Versatile Disc

Exhibitor
A cinema operator that rents a film from a distributor to show to a cinema audience

Feature film
A film made for cinema release, as opposed to a film made for television

Film certificate
Classification given to a film by the British Board of Film Classification. Indicates the film's suitability for audiences according to their age

Film Rental
The sum of money paid to the distributor by the exhibitor in return for the right to show a particular film. Usually calculated as a percentage of net box office

Franchise
A film series, e.g. *Harry Potter and the Philosopher's Stone* and its sequels

Genre
A style or category of film defined on the basis of common story and cinematic conventions (e.g. action, crime, romantic comedy, drama etc)

Inward features
A term used by the UK Film Council to denote a film where more than 50% of the total financing is from outside the UK and/or where the production is attracted to the UK by the UK's film-making infrastructure

ISBA TV Regions
System for classifying regions developed by the Incorporated Society of British Advertisers for use by the advertising industry

Mainstream programming
Category of films aimed at the general audience

Megaplex site
Defined by Dodona Research as a purpose built cinema with twenty or more screens

Multiplex site
Dodona Research defines a multiplex as a purpose built cinema with five or more screens

Net box office
Box office takings after deduction of VAT

Non-terrestrial television
Television programming carried by cable or satellite delivery systems

Peak-time hours
The time of day that secures the largest televisions audiences. For the purposes of this report, peak-time hours are 18:00 to 23:59

Standard Industrial Classification (SIC)
A numbering system used by the Office for National Statistics to identify different industries in the UK's official statistics

Sites
Individual cinema premises

Socio-economic group
Section of the population defined by employment status

Specialised programming
Generally, non-mainstream films. This category includes foreign-language and sub-titled films, art-house productions and films aimed at niche audiences

Terrestrial television
Channels available through an aerial

Traditional cinema
A cinema generally with fewer than five screens and that shows more mainstream product. Often an older building located in city centres or suburbs

Terminator 3 courtesy of Warner Bros