STATISTICAL YEARBOOK 2006/07

"AND ACTION"

UK FILM | COUNCIL

Introduction

2006: The year in review

2006 was a year in which online and mobile consumption of audio-visual entertainment began to make an impact on film, but not yet in a way that film could compete on an equal footing with music, user-generated content and social networking. The UK is a huge consumer of film, but the initial effect of the latest digital revolution has been to compress rather than expand film audiences. The evidence and reasons for this are examined in this Yearbook – in particular, in Chapters 1 (Box office), 11 (Film on DVD), 12 (Film on television) and 13 (The film market as a whole). In short, audiences are racing into the new digital entertainment arena while the film industry struggles to overcome barriers such as slow download speeds, unresolved rights and security issues, and undeveloped platforms. In a few years, these will be overcome, but in the meantime a proportion of consumer time and money has migrated away from film and into the expanding world of opportunity offered by the internet and its associated devices.

How big is the audience for film in the UK?

While most media attention is paid to the cinema release of films, it is via television (Chapter 12) that people watch most of the films they see. In the UK in 2006, the total audience for film on television was a staggering 3.3 billion, 21 times larger than the cinema audience and three or four times larger than the audience for DVD/video.

The top film on TV in 2006 was *Pirates of the Caribbean: The Curse of the Black Pearl* which drew a BBC1 audience of 9.5 million, approximately one-sixth of the entire UK population. Its success was due in part to the wealth of British actors appearing in the film including Keira Knightley, Orlando Bloom, Jack Davenport, Jonathan Pryce and Mackenzie Crook and the American actor Johnny Depp playing a British character and modelling his performance on a member of the *Rolling Stones*.

British films attract around one-fifth of the television film audience – about 660 million viewing occasions, that is about 10 per person per year. Of those viewing occasions, roughly one-quarter are for recent UK films (UK films theatrically released within the last eight years), suggesting that the Government's investment in UK film reaps a substantial dividend in terms of audience enjoyment.

Who watches films in the UK?

The majority of the theatrical audience is young (nearly half under the age of 25), but the older audience (people aged 45 and over) has grown substantially over the last decade – from 19 million to 38 million and from 14% to 24% of the total theatrical audience. Growth in the older audience seems to have been driven both by the ageing of the population and by the wider choice of films on offer. The number of theatrical releases increased from 327 in 1998 to 505 in 2006. And Chapter 1 notes a significant trend: that the plateau in cinema admissions is confined to the top 50 titles, while box office takings for films ranked 51–150 and 151 onwards have continued to grow strongly.

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

The film audience is diverse. It is roughly 50/50 male and female and minority ethnic groups are well represented (Chapter 10). As one would expect, the audience for individual films varies widely, depending on the genre and type of film and the location of the cinema. Disabled people have proportionate access to retail DVD/video but are under-represented in cinema access and DVD/video rental.

A small, but growing, part of the audience enjoys foreign language films, of which there were 171 releases in 2006 in 29 languages, taking 3.5% of the box office. Hindi was the most common foreign language in terms of number of releases, followed by French, Tamil and Spanish. The top four foreign language films in 2006 were *Volver* (Spain), *Pan's Labyrinth* (Mexico/Spain/USA), *Kabhi Alvida Naa Kehna* (India) and *Hidden* (France). Foreign language films were popular with film societies, of which there were nearly 300 in the UK in 2006. While the total attendance at film society screenings was only 116,000 (Chapter 9), film societies plug a gap in cinema provision for film enthusiasts and are often located in rural or remote rural locations.

At this stage, the audience most attracted to new digital entertainment is young people and, as reported in Chapter 13, there is evidence of a shift from DVD/video towards internet use among 15–24 year olds.

This also emerges from research into film theft (Chapter 13) which indicates a surge in downloading/burning, predominantly in the 15–34 age group. The only factors holding many people back from downloading are not knowing how to do it or finding it 'too much effort', responses that do not augur well for containing online film theft when technology and skills improve.

One potential culprit for the plateau in cinema admissions is the shorter gap between a film's debut in the cinema and its release on DVD/video but research reported in Chapter 13 suggests that this has not, as yet, been the cause of reduced box office takings.

Audiences continue to enjoy UK films

As reported last year, 2005 was a record year for UK films, which took one-third of the box office. The 2006 performance was not quite as strong – UK films took 19% of the box office – but the year finished on a high note with the latest Bond film, *Casino Royale*, topping the charts with takings of £55.5 million (Chapter 2). The end of the year also saw the critical and award successes for *The Queen* (director Stephen Frears, starring Helen Mirren) and *The Last King of Scotland* (director Kevin Macdonald, starring Forest Whitaker and supported by the UK Film Council).

Earlier in 2006, two other UK films, Ken Loach's *The Wind that Shakes the Barley* and Andrea Arnold's *Red Road* (both supported by the UK Film Council) took the two top prizes at the Cannes Film Festival.

On network television, the top three UK films in 2006 were *Calendar Girls* (8 million viewers), *Mrs Henderson Presents* (7 million viewers) and *Love Actually* (5.5 million viewers).

Taking UK film to the world

UK films were once again seen by huge audiences around the world. The UK film share of global cinema takings was 8.5%, or US$2.2 billion, equal to approximately 500 million admissions (Chapter 4). The new Bond film with Daniel Craig, *Casino Royale*, thrilled audiences across the world, sparking television coverage and feature articles on 'Britishness' from South Africa to South America to South Korea. International audiences also enjoyed relationship dramas such as *Notes on a Scandal and Venus*, the dynastic political films *The Queen* and *The Last King of Scotland*, Paul Greengrass's evocation of 9/11, *United 93* and Aardman Animation's children's film, *Flushed Away*.

The international reach of UK film was confirmed by the latest (2005) trade figures released by the Office for National Statistics, showing a jump in UK film exports to £967 million, contributing a trade surplus of £163 million to the UK's balance of payments (Chapter 16).

Two-thirds of the export income came from royalties and one-third from the export of production services, a figure likely to increase in 2006 due to the recovery of inward investment into UK film production (Chapter 14). Inward investment – into films such as *Casino Royale*, *Harry Potter and the Order of the Phoenix*, *His Dark Materials: The Golden Compass*, *The Bourne Ultimatum* – jumped in 2006 to £570 million as uncertainty over the UK's film tax regime abated. The Government put in place a new tax relief for culturally British film which came into force on 1 January 2007, while transitional provisions covered films already in production in 2006.

2006 also saw the production of 50 domestic features (including *Mr Bean's Holiday* and *Hot Fuzz*, the 2007 box office leaders at the time of writing) and 57 co-productions with a combined UK spend of £273 million.

The reach of UK talent goes further than British films, as UK actors, directors and writers work on films produced in the USA and other countries (Chapter 5). Thirty-one of the top 200 films at the world box office in 2001–2006 were based on stories and characters created by British writers including JK Rowling (the Harry Potter films), JRR Tolkien (*The Lord of the Rings*), CS Lewis (*The Chronicles of Narnia*), Brian Aldiss (*A.I. Artificial Intelligence*), Patrick O'Brian (*Master and Commander: The Far Side of the World*) and Sacha Baron Cohen (*Borat*). British directors directed 19 of these top 200 films and British actors appeared in more than half of them. Ridley Scott was the most-frequent director and Orlando Bloom and Sir Ian McKellan the most frequent actors.

Better quality, better marketing

There were signs of an improvement in the quality and marketing of British films. As Chapter 6 shows, 60% of UK films certified in the years 2000 to 2005 had been released internationally by March 2007 and the released films accounted for 82% of the total budget of all UK films certified in that period. For Schedule 1 films (films that pass the standard test of 'Britishness' in the Films Act 1985) the international release rate improved from 60% to 70% over the period. There was also a 25% improvement in the proportion of international release opportunities achieved by British films between 2000 and 2005.

Low cost inflation

These improved results have been achieved without, apparently, any significant increase in production costs. The median production budget for domestic UK productions actually fell from £3 million in 2003 to £1.5 million in 2006 and the median co-production budget has been constant for the last three years (Chapter 14). Similarly, the 2006 Skillset film production workforce survey did not show any signs of inflation in wages and salaries. The size distribution of incomes was about the same as it was when the last survey was completed in 2003/04 (Chapter 17) with half the respondents reporting incomes of under £20,000 per year. This is despite the concentration of the industry around London – 76% of the production workforce was based in London and the South East – where one might expect higher rates to prevail.

The workforce diversity challenge

Compared to the UK workforce as a whole, the film production workforce is more concentrated in the 25–50 age brackets. There are fewer workers under 25 or over 50 compared with the UK average (Chapter 17). There is also a marked gender difference: the majority of women in the industry are under 35, whereas two-thirds of the men are over 35. This statistic supports anecdotal evidence that many women drop out of the industry in their mid-thirties due to the long, unsocial hours of the production sector. The sector has a task on its hands to find ways of making its working practices more family-friendly.

Disabled workers are under-represented in the industry (only 3% in 2006) and, most challenging of all, the 2006 Skillset production workforce survey showed that the minority ethnic group profile in the industry did not improve over the last three to four years. Only 5% of the film production workforce was from a minority ethnic background, compared to 7% in the UK workforce as a whole and 24% in the London workforce, the most appropriate comparator due to the concentration of film production in London.

Research in 2006 into ethnicity and gender in the film and wider audio-visual sectors (publication forthcoming) showed that informal recruitment persists, affecting women trying to break into under-represented roles (such as writing and directing) and people from minority ethnic backgrounds who are not already connected to these informal networks. For this reason, the UK Film Council has challenged the sector to make faster progress on diversity in 2006 and successive years by setting up a Leadership in Diversity Forum to plan practical measures to implement 2005's Equality Charter for Film. See http://www.ukfilmcouncil.org.uk/information/aboutus/diversity/

What's new in this Yearbook?

Regular readers of the UK Film Council Statistical Yearbook will notice a number of changes this year, in particular:

- A new analysis of the success of UK film talent around the world (Chapter 5).
- A new analysis of the release history of UK films since 2000 (Chapter 6).
- Extension of information on exhibition to cover film societies and community cinema (Chapter 9).
- The reintroduction of an analysis of film on television (Chapter 12).
- An analysis of the size and trends in the UK film market as a whole covering theatrical, DVD/video and television (Chapter 13).
- Expanded coverage of the UK's overseas trade in film (Chapter 16).

Within the limits of data availability, the RSU is developing the Yearbook to meet the business, economic, cultural and policy needs of UK film. Feedback is welcome and, if you would like to discuss any of the content with us, or make suggestions, please contact us at the number or email address below. The information in this Yearbook is also published on our website – www.ukfilmcouncil.org.uk

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

Sean Perkins, Research Executive.
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About the Research and Statistics Unit

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

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

Executive summary

The box office

More than 500 films were released in 2006 with one in five of these a UK production. Despite the wider choice of film on offer, audiences dipped for the second successive year. At the same time, market share for the top 100 films since 1997 shows audiences for films are diversifying.

- UK cinema admissions were 157 million in 2006, down 5% on 2005.
- Box office earnings were £762 million, down 1% on 2005.
- The top 100 films earned almost 89% of the gross box office.
- 505 films were released in the UK and Republic of Ireland, 8% up on 2005 and 37% up on 2002.
- UK films, including co-productions, accounted for just over 21% of releases and 19% of the market by value.

Top films in 2006

Casino Royale and *Pirates of the Caribbean: Dead Man's Chest* dominated the charts in 2006. Three UK films appeared in the top 20 but many achieved distinction through film awards.

- The top 20 UK films grossed £151 million at the UK box office.
- Three UK films featured in the top 20 – *Casino Royale*, *The Da Vinci Code* and *Flushed Away*.
- *Casino Royale* was the biggest film of the year, earning over £55 million.
- The USA was involved in every production in the top 20 films at the UK box office, partnering the UK on three.
- UK films topped the weekly box office charts for five weeks in 2006.

Top films 1997–2006

Two 2006 releases – *Casino Royale* and *Pirates of the Caribbean: Dead Man's Chest* – entered the top 20 films of the decade. *Harry Potter* and *Lord of the Rings* films dominated the decade, while UK writers provided the inspiration for 12 out of the top 20 films.

- The top 20 films of the decade included two 2006 release: *Casino Royale* and *Pirates of the Caribbean: Dead Man's Chest*.
- *Casino Royale* became the second highest grossing UK film of all time.
- *The Da Vinci Code* was the only other 2006 UK release in the last decade's UK top 20.
- *Harry Potter* and *Lord of the Rings* films took seven places in the top 13 films of the decade.
- 8 of the top 20 films were UK/USA collaborations.
- 12 of the top 20 films were based on stories and characters created by UK writers.

UK films internationally

After last year's outstanding success in the global marketplace, UK films delivered a more average performance in 2006. Even so, the top 10 UK films grossed almost $2000 million worldwide.

- The top 10 performing UK films worldwide grossed $1,960 million in 2006, 25% down on $2,599 million in 2005.
- In Europe the top British films were *The Da Vinci Code* with 31.2 million admissions and *Casino Royale* with 23 million.
- *The Da Vinci Code* was the strongest UK film at the worldwide box office.
- UK films accounted for 12% of releases in the USA, unchanged from 2005.
- The market share of British films at the US box office was 9%, down from 16% in 2005, at a value of $845 million.
- Worldwide the gross box office for films of all countries of origin increased by 11% in 2006 to $26 billion.

UK talent and the global box office

Stories created by UK writers have dominated the global box office over the last few years and British acting talent has also played a starring role in many recent blockbusters helping to project strong images of UK cultural and national identity across the world.

- 31 of the top 200 films worldwide from 2001-2006 are based on stories and characters created by UK writers and have earned more than $13 billion.
- Six of the top 10 global box office successes of the last six years are based on the novels of British writers JRR Tolkien and JK Rowling.
- UK acting talent feature in more than half of the top 200 films released worldwide since 2001.
- British directors have directed 19 of the 200 biggest films of the last six years.

Release history of UK films

The cinema release of a feature film has an important influence on its performance in later release windows such as retail and rental DVD and video-on-demand. However, not all UK films get a theatrical release internationally or even locally.

- International UK film releases increased as a proportion of international release opportunities.
- 60.2% of UK films were internationally released accounting for 82.3% of total UK film budgets.
- Almost half (47.5%) of UK films certified between 2000 and 2005 and accounting for 71.8% of total UK film budgets have been released in the UK and the Republic of Ireland.
- The international release rate of British films certified between 2000 and 2005 improved from 60% to 70%.
- Schedule 1 British films were more likely to be theatrically released in the UK, Ireland and internationally than UK co-productions.
- Almost 100% of UK studio films have achieved an international theatrical release compared with just 57% of independent UK films.

Language, genre and classification

Film culture in the UK is increasingly diverse. The record number of films on release in 2006 gave audiences access to the best cinema from across the globe, in 30 different languages, as well as films varying in subject matter, genre and style.

- 171 foreign language films were released, 33.9% of total releases, down from 43.5% in 2005.
- Films in 30 different languages (including English) were released in the UK in 2006.
- Foreign language films accounted for over a third of all releases but just 3.5% of the total UK box office gross.
- Foreign language films averaged 17 sites at their widest point of release, compared to 162 for English language films.
- Hindi was the most common foreign language in terms of the number of releases.
- Comedy, traditionally popular with audiences, accounted for 24% of releases and 27% of the box office gross.
- Drama films made up the highest proportion of releases (30.5%) but only shared 10.1% of the total box office.
- More documentaries were released in 2006 than 2005 (32) but their box office share fell to 0.4%.
- More '15' certificate films were released than any other category but '12A' films accounted for the largest box office share.

Distribution

A small number of large companies dominate the distribution of films in the UK investing millions of pounds in attracting audiences to the cinema.

- The top ten distributors had a 96% share of the market in 2006, 1% down on 2005.
- Weekends (Friday to Sunday) accounted for 60% of the box office.
- Opening weekends represented 27% of the total box office.
- Total advertising spend increased by 3.3% to £171.3 million.

Exhibition

For most film-lovers, the best way to enjoy film is on the big screen, with a large audience. The fortunes of the exhibition sector are therefore an important indicator of the vitality of film culture. On this basis, film is thriving, with the number of screens increasing year on year since 2002. Screenings run by providers serving their local communities, including film societies and mixed-use venues are also an important part of the UK's diverse exhibition landscape.

- The UK had 3,440 screens in 697 cinemas, 83 more than 2005 (5.8 screens per 100,000 people).
- London had the highest number (15%) of screens overall followed by the South East and North West.
- Only 7% of screens were dedicated to 'specialised' films, with 0.5% showing South Asian films.
- The proportion of screens in multiplexes remained unchanged at 73%.
- Northern Ireland had the highest number of screens per 100,000 people, and England had the lowest.
- The five largest exhibitors operated 75% of screens.
- The average ticket price was £4.87.
- The UK had 148 digital screens, over two and half times more than in 2005.
- Film societies attracted over 225,000 admissions.
- Rural areas had 42% of the UK's film societies.

Audiences

Despite the ready availability of home-based entertainment, going to the cinema is still a highly popular activity, particularly for younger age groups.

- The cinema audience for the top 20 films in 2006 was predominantly young, with the 7-34 age group (40% of the population) making up 64% of the audience.
- 60% of the UK population said they went to the cinema at least once a year and 18% went once a month or more.
- There was an even split between men and women in the cinema audience of the top 20 films.
- Dramas and comedies with women in leading roles plus family films appealed most to the female audience.
- Action-led films held stronger male appeal.
- Younger age groups preferred action, animation and comedy films while drama appealed more to the over-35s.
- Minority ethnic groups were equally or over-represented in the film audience, except for retail DVD/video where they were under-represented.
- Disabled people were under-represented in the film audience, except for retail DVD/video.
- 12% of cinema-goers reported they had downloaded a film for free off the Internet.
- The audience for film on television was older than that of the cinema audience and skewed towards the C2 and DE social groups.

Film on DVD

Films reach a wide audience through their release on video, though home viewers do not always choose the box office favourites. Home viewing is now almost entirely in DVD format, with even newer digital technologies edging their way into the market.

- 116 million DVDs were rented in 2006 and 227 million DVDs were sold.
- The total value of the rental and sales market in 2006 was £2.5 billion, down 7% on 2005 although DVD sales increased by 7%.
- Film accounts for 99% of the DVD rental market and 72%% of DVD sales.
- British films accounted for 17% of all DVD rental transactions and 19% of sales.
- *Flightplan* was the top rental title and *Pirates of the Caribbean: Dead Man's Chest* was the highest DVD seller.
- Online DVD rental accounted for 24% of rental transactions.
- 80% of households now own a DVD player compared with only 25% five years ago.

Film on UK television

Opportunities to watch film on television have never been wider, with multi-channel television gaining in popularity. Viewing patterns have correspondingly fragmented. Even so, one in six people in the UK watched the year's favourite TV film, *Pirates of the Caribbean: The Curse of the Black Pearl*, on BBC1.

- 2,011 films were shown on terrestrial channels in 2006, down 14% on 2005 but the proportion of UK films increased.
- 438 UK films were shown on terrestrial television (22% of the total).
- 41 foreign language films were shown (2% of the total).
- An average of 1.5 million people watched each film on peak time television (down from 2 million in 2005), compared to median audiences for the top 50 films at the cinema of 1.7 million.
- Multi-channel television accounted for over 33% of the UK television audience in 2006, up from 30% in 2005.
- The top terrestrial film was *Pirates of the Caribbean: The Curse of the Black Pearl* on BBC1, with 9.5 million viewers – one in six of the UK population.
- The top film on subscription movie channels was *The Chronicles of Narnia: The Lion, the Witch and the Wardrobe* on Sky Movies (650,000 viewers).
- The top film on multi-channel overall was *Die Another Day* on ITV2 (1.6 million viewers).
- There were 3.3 billion viewings of feature film across all television formats (except pay-per-view) in 2006 – over 21 times the number of cinema but down from 3.9 billion in 1997.
- There were nearly five times more films on television in 2006 than a decade ago, largely as a result of subscription film channels.
- The value of film to broadcasters was approximately £1.07 billion.

The UK film market as a whole

While much of the publicity and media attention for films occurs around the cinema release, it is the film market as a whole that recovers the costs of production and marketing and makes profits (or not) for film producers and investors. The sale and rental of DVDs/videos are particularly important for filmmakers and distributors in revenue terms and sales to television also generate significant income.

- The UK had the third-largest filmed entertainment market in the world after the USA and Japan (2005).
- DVD/video sales accounted for the largest share (42%) of UK film revenues.
- Film piracy and competition from new forms of digital leisure activities, particularly online entertainment are creating a plateau in film revenues.
- Sell-through revenues boomed between 2000 and 2004.
- Film revenues in the UK peaked in 2004 and then declined significantly.
- Research suggests that the decreasing theatrical window has not has not contributed to the fall in UK cinema admissions.

Film production

The UK film industry is both an independent creator of feature films and a provider of services to the international film industry. In 2006, UK production activity bounced back from the lower level of 2005, reaching £842 million, the second highest year on record. This reflects greater industry confidence after the announcement of the UK's new film tax relief.

- 2006 saw a 46% increase in UK production activity to £842 million from £577 million in 2005.
- Budgets for inward investment films increased substantially, reflecting the higher number of big-budget studio films made in the UK in 2006.
- Five US majors accounted for almost two-thirds of the UK spend associated with inward investment features.
- The UK spend associated with inward investment features jumped 84% from £309 million to £570 million.
- The number of UK domestic features increased significantly, from 39 in 2005 to 50 in 2006; however the median budget fell significantly.
- The number of UK co-productions continued to fall, though the UK spend increased compared with 2005.
- Most UK co-productions continued to be shot in the UK or Western Europe, though there was a further increase in Eastern European shoots, led by Hungary and Romania.
- UK film production was dispersed over many production companies, with only a small minority being involved with more than one feature.

Film industry companies

The number of film production companies has grown year on year since 1996. Many of these companies are small in size but there has also been expansion in the bigger companies. The French topped the league of the 20 leading film production companies in Europe, but a number of British companies were also prominent.

- The number of small production companies grew the most, but the largest turnover size group also grew.
- The number of film production companies grew by 256% between 1996 and 2006.
- US majors, video distributors and exhibitors were prominent in the top 16 UK film companies in 2004.
- The top six UK film production companies had a turnover in 2004/05 of €195.5 million.
- Across Europe, French companies were prominent in addition to the US majors.
- French, UK, German and Italian companies were prominent in the top 20 European film production companies in 2005.
- Only six non-single-purpose vehicle UK companies could be identified in the top 100 European film production companies in 2005.
- In the distribution and exhibition sectors, numbers grew in the larger turnover brackets.

UK film exports

The UK film industry is a strong exporter, earning royalty income from around the world, providing production services to overseas (particularly USA) film producers and contributing a trade surplus to the UK's balance of payments.

- The UK film industry exported £967 million worth of services in 2005, comprising £660 million in royalties and £307 million in film production services.
- The UK's film trade surplus grew in 2005 to £163 million, the highest for the 11 year.
- Exports grew by 65% between 2003 and 2005.
- UK film imports consisted largely of royalty payments to overseas rights' owners.
- The USA was the largest market for UK film exports, taking 61% of total film exports in 2005.
- Europe was our second largest market, taking 19% of UK film exports.
- UK exports performed better in Australia and Oceania, but were under-represented in Asia.

Employment in the film and video industries

The film and video industries employ substantial numbers of highly skilled workers. While employment levels are somewhat volatile, reflecting the variable level of demand for the sector's services, employment has increased by a third over the past decade.

- 42,230 people worked in the film and video industry in 2005/06, of whom around 24,213 worked in film and video production, a decrease on 2005.
- The film and video industry workforce was 33% higher in 2006 than in 1994, compared with a 13% increase in the overall workforce.
- 48% of people in film and video production were freelance.
- Women made up 40% of the film production workforce in 2006 (33% in 2002) and they were paid less than men on average.
- People from minority ethnic groups are under-represented in film production, 5%, the same as in 2002.
- Production and distribution were concentrated in London and the south-east, with 76% and 68% respectively of the workforce.
- 58% of employees in film and video production were in workplaces with ten or fewer people.

1: THE BOX OFFICE

More than 500 films were released in the UK in 2006 with one in five of these a UK production. Despite the wider choice of film on offer in the UK, audiences dipped for the second successive year. At the same time, market share for the top 100 films since 1997 shows audiences for films are diversifying.

UK cinema admissions were 157 million in 2006

The top 100 films earned almost 89% of the gross box office

GROSSES

£762 million was taken at the UK box office

UK films, including co-productions, accounted for just over 21% of releases and 19% of the market by value

Box office earnings for films in the UK has increased by 56% in nine years

505 films were released in the UK and Republic of Ireland, 8% up on 2005 and 37% up on 2002

1.1 Admissions

The 156.6 million cinema admissions recorded for the UK in 2006 were down 5% on 2005, the second successive year in which audiences declined (Table 1.1). Major territories which experienced declining audiences in 2005, some far in excess of the UK's fall, staged something of a recovery last year. According to the MPAA, US admissions increased by 3.2% to 1.45 billion, although this figure was still the second lowest since 2001. Ticket sales in Germany rose by 8% and French admissions increased by 7%. The Nordic territories also saw ticket sales increase, as did Italy, but Spain experienced a 3% fall.

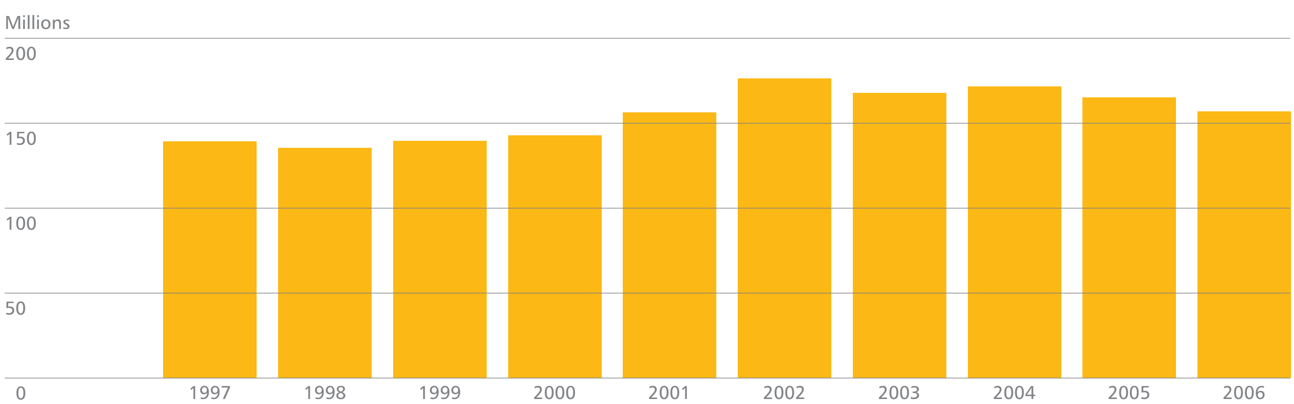
Table 1.1 UK annual admissions, 1997–2006

Year	Total admissions (millions)
1997	138.9
1998	135.2
1999	139.1
2000	142.5
2001	155.9
2002	175.9
2003	167.3
2004	171.3
2005	164.7
2006	156.6

Source: CAA, Nielsen EDI.

Figure 1.1 illustrates the upward trend in admissions until 2002, followed by a plateau around the 167 million mark, then falling last year to its lowest level since 2001.

Figure 1.1 Annual UK admissions, 1997–2006



Source: CAA, Nielsen EDI.

Monthly admissions fell below 10 million on three separate occasions during the course of the year, which has not happened since 2000 (Table 1.2). The year started on a positive note, helped by the continuing strong performance of 2005 releases such as *The Chronicles of Narnia* and *King Kong*, and awards contenders such as *Brokeback Mountain* and *Walk the Line*. Two successive falls in February and March were reversed in April with the release of *Ice Age II*. The major distributors avoided releasing any significant titles in June as the World Cup kicked off and record temperatures also had a negative impact on cinema audiences – average weekly admissions in this month fell to two million (compared with the yearly average of three million). With the football over, admissions in July were boosted by *Pirates of the Caribbean: Dead Man's Chest* and an average of 3.7 million tickets were sold per week (Table 1.3). However, most of the late summer blockbusters failed to deliver as expected and admissions declined into the autumn. September's admissions were down to 8.5 million, the lowest since June 2000, and although ticket sales increased in October, the year-on-year comparison was still negative. Then, the release of *Casino Royale* in November ensured that admissions were up on 2005 for only the fifth time, with weekly admissions back up to 3.6 million.

Table 1.2 Monthly UK cinema admissions, 2005/06

Month	2005 (million)	2006 (million)	% +/– on 2005
January	13.4	14.0	+4.5
February	14.8	12.8	–13.5
March	12.3	9.9	–19.5
April	10.6	13.6	+28.3
May	13.1	13.2	+0.8
June	10.5	8.7	–17.1
July	16.0	16.3	+1.9
August	15.9	15.0	–5.7
September	9.5	8.5	–10.5
October	15.6	13.5	–13.5
November	15.2	15.5	+2.0
December	17.6	15.3	–13.1
Total	164.7	156.6	–4.9

Source: CAA, Nielsen EDI.

From left
Pirates of the Caribbean: Dead Man's Chest, courtesy of Buena Vista Home Entertainment.

King Kong © Universal Studios. All rights reserved.

Table 1.3 Average weekly admissions, 2005/06

Month	2005 weekly average (million)	2006 weekly average (million)
January	3.0	3.2
February	3.7	3.2
March	2.8	2.2
April	2.5	3.2
May	3.0	3.0
June	2.5	2.0
July	3.6	3.7
August	3.6	3.4
September	2.2	2.0
October	3.5	3.1
November	3.5	3.6
December	4.0	3.5

Source: CAA, Nielsen EDI.

Table 1.4 shows how the 2006 admissions break down by ISBA TV region. The pattern remains largely unchanged on 2005, and the areas with the highest concentrations of population – London, the Midlands and Lancashire – accounted for half of all UK admissions in 2006.

Table 1.4 Cinema admissions by region, 2006

Region	Admissions (million)	Admissions %
London	39.8	25.4
Midlands	21.9	14.0
Lancashire	17.4	11.1
Southern	14.1	9.0
Yorkshire	13.0	8.3
Central Scotland	11.2	7.2
East of England	10.3	6.6
Wales and West	10.0	6.4
North East	5.9	3.8
Northern Ireland	5.0	3.2
South West	3.3	2.1
Northern Scotland	3.3	2.1
Border	1.4	0.9
Total	156.6	100.0

Source: CAA, Nielsen EDI.

Above
Casino Royale © 2006 Danjaq, LLC and United Artists Corporation and Columbia Pictures Industries, Inc. All rights reserved.

1.2 Box office earnings

According to the CAA/Nielsen EDI data, the total UK box office for 2006 was £762 million. This figure covers all box office earnings during the calendar year 2006 for all films exhibited in the UK. The trends in box office takings from 1997 are shown in Table 1.5 and indicate a 56% growth in the period.

Table 1.5 UK box office trends, 1997–2006

Year	Box office gross (£ million)	%+/–	Cumulative %
1997	489	0.0	–
1998	547	10.0	10.0
1999	563	2.9	15.1
2000	583	3.6	19.2
2001	645	10.6	31.9
2002	755	17.0	54.4
2003	742	–1.7	51.7
2004	770	3.8	57.5
2005	770	0.0	57.5
2006	762	–1.0	55.8

Source: CAA, Nielsen EDI.

1.3 Film releases and box office revenues

505 films (on release for a week or more) were released in the UK and Republic of Ireland in 2006, an increase of 8% on 2005 and 37% on 2002. They generated £845 million in box office revenues – unchanged from 2005. This figure differs from the £762 million quoted in paragraph 1.2 above because it includes revenues generated in 2007 by films released in 2006 and covers the Republic of Ireland as well as the UK.

As can be seen in Table 1.6, the top 100 films took 89% of the box office. The remaining 405 films (80% of all releases) accounted for just 11% of gross revenues.

Table 1.6 Summary of results at the UK and Republic of Ireland box office, 2002–2006

	2002	2003	2004	2005	2006
Releases	369	423	451	467	505
Combined gross £ million	809.4	829.7	822.0	844.9	845.3
Top 20 films (% of box office)	60.3	53.5	49.4	54.7	48.1
Top 50 films (% of box office)	82.3	77.8	75.5	75.7	71.1
Top 100 films (% of box office)	94.4	92.3	92.6	91.5	88.6

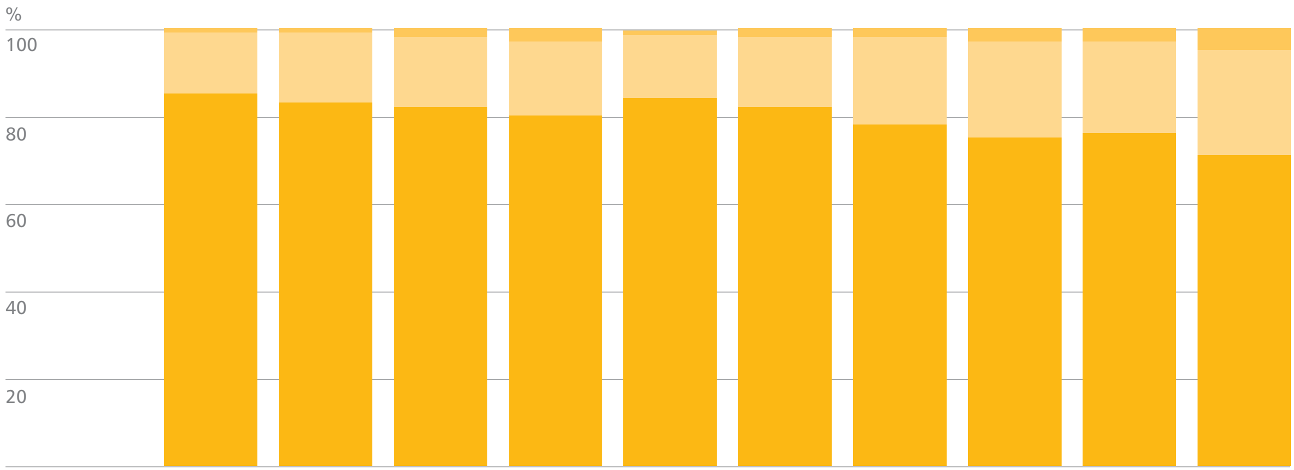
Source: Nielsen EDI, RSU analysis.
Table 1.6 and all subsequent analysis of the theatrical market includes all titles released in 2006. The combined gross reflects the territorial gross (ie including the Republic of Ireland), and covers those titles released in 2006, but also making money into 2007, up to and including 4 March 2007.

From left
The Chronicles of Narnia: The Lion, the Witch and the Wardrobe, courtesy of Buena Vista Home Entertainment.

The Da Vinci Code
© Sony Pictures Releasing.

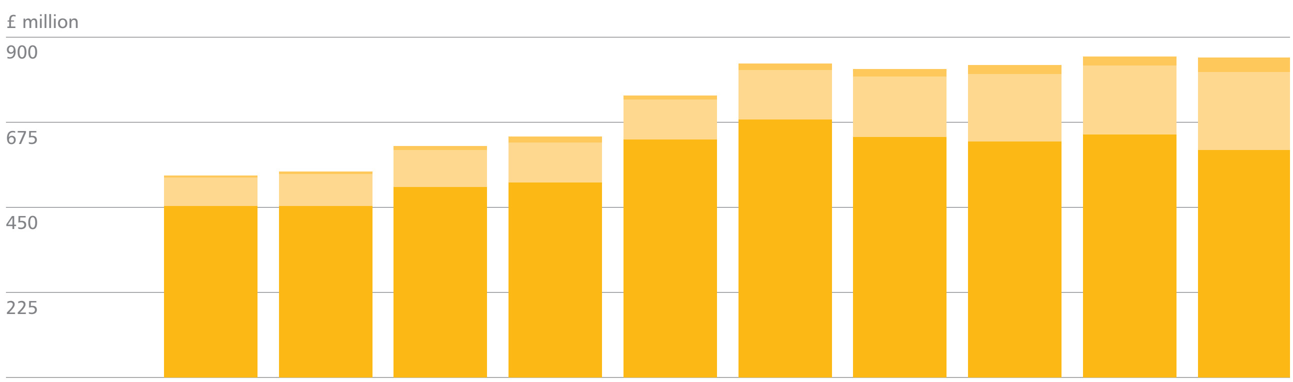
Table 1.6 clearly demonstrates the fall in share of the top 100 films since 2002 – significantly so for the top 50 films. This may be a result of several factors: the under-performance of potential blockbusters; a change in the perceived quality of major studio product; an ageing cinema population and pressures from piracy and digital home entertainment. Figures 1.2 and 1.3 explore these issues further, looking back to 1997. While the share of the top 50 films has declined, the films ranked 51–150 have seen an increase in share, as have the films outside the top 150. This could be an indicator of diversifying audience tastes as well as the issues described above. Figure 1.3 further illustrates the plateau in box office revenues, and underlines the decline in revenue of the top 50 films from a peak in 2002, contrasting with the rise in income generated by the films ranked 51–100.

Figure 1.2 Market share of top 50, top 51–150 and rest of films, 1997–2006



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
% share of rest	1	1	2	3	1	2	2	3	3	5
% share of top 51–150	14	16	16	17	14	16	20	22	21	24
% share of top 50	85	83	82	81	84	82	78	75	76	71

Figure 1.3 Gross box office of top 50, top 51–150 and rest of films, 1997–2006



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Gross box office of rest	4	6	11	16	11	16	21	23	25	38
Gross box office of top 51–150	76	85	98	106	105	132	160	179	182	206
Gross box office of top 50	452	452	502	514	628	680	634	622	641	600

Table 1.7 outlines the number of films released in the UK in 2006 by the number of sites at the widest point of release. A total of 165 films were released on 100 sites or more (33%), while 178 films were released on fewer than 10 sites (35% of all films released). Six out of ten films released in the UK went out on 49 prints or fewer.

Table 1.7 Number of releases and average box office gross by number of sites at widest point of release, 2006

Number of sites at widest point of release	Number	% releases	Average box office (£)
>500	8	1.6	28,330,000
400–499	29	5.7	8,626,000
300–399	54	10.7	3,893,000
200–299	48	9.5	1,836,000
100–199	26	5.1	905,000
50–99	34	6.7	558,000
10–49	128	25.3	174,000
<10	178	35.2	30,000
Total	505	100.0	1,674,000

Source: Nielsen EDI, RSU analysis.

1.4 Country of origin of film releases

We apply the Department for Culture, Media and Sport (DCMS) definition of a UK film under Schedule 1 of the Films Act (1985) for our analysis. Films released during the period under review needed a minimum UK spend of 70% and a specified proportion of labour costs paid to qualifying individuals to qualify under Schedule 1. A film could also qualify if it satisfied the terms of one of the UK's co-production treaties. From 1 April 2006 new Schedule 1 criteria applied, but the UK films discussed here fall within the old definition, as the definition is applied at the point of production rather than release.*

As Table 1.8 indicates, of all films released last year, 44% were of US origin (excluding UK co-productions), and these films accounted for 77% of the total box office earnings (up from 63% in 2005).

UK films, including co-productions, accounted for 21% of releases and 19% of the box office, out of which UK/USA collaborations earned over 15% of the box office despite representing only 5% of releases. This was due mainly to *Casino Royale, The Da Vinci Code* and *Flushed Away*.

Films whose country of origin lies outside the UK and USA accounted for 35% of releases but only 3.7% of earnings. Indian films alone, such as *Kabhi Alvida Naa Kehna*, *Don* and *Fanaa*, represented 15.6% of all releases and 1.8% of revenues. Films from the rest of the world (excluding Europe) accounted for 0.7% of the box office from 9% of the releases and European films represented 1.2% of the box office gross from 12.5% of releases.

*The new Cultural Test definition came into force on 1 January 2007.

Left
Don, courtesy of UTV Motionpictures.

Table 1.8 Country of origin of films released in the UK and Republic of Ireland, 2006

Country of origin	No. of releases in 2006	% of all releases	2006 box office (£ million)	2006 box office share (%)
USA solo	190	37.6	580.1	68.6
USA co-productions (other)	30	5.9	71.9	8.5
Sub-total	220	43.6	652.0	77.1
UK and UK co-productions	83	16.4	35.4	4.2
UK/USA	24	4.8	125.6	14.9
Sub-total	107	21.2	161.0	19.1
Europe	63	12.5	10.3	1.2
India	69	13.7	15.6	1.8
Rest of the world	46	9.1	6.3	0.7
Total	505	100	845.3	100

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 4 March 2007.
Due to rounding, some numbers do not add up to exactly the totals shown.

The changes in market share over time by country of origin of films are shown in Table 1.9. US market share was the highest since 2003 while, conversely, UK share was the lowest since that year. Indian film market share was the highest recorded to date, and although market share for European film fell slightly, it was still double the share recorded in 2004.

Table 1.9 Market share by country of origin, 2002–2006

	2002	2003	2004	2005	2006
USA	73.4	81.6	73.2	63.1	77.1
UK	24.4	15.7	23.4	33.0	19.1
Europe	0.7	0.9	0.6	1.6	1.2
India	1.0	1.0	1.1	1.5	1.8
Rest of the world	0.5	0.8	1.8	0.8	0.7
Total	100.0	100.0	100.0	100.0	100.0

From left
Flushed Away, courtesy of Paramount Pictures.

Children of Men, distributed by Universal Pictures.

Table 1.10 compares the number of UK films across several gross box office bands with the non-UK output in 2006. The UK is better represented in the top band of box office earnings than the non-UK releases, thanks to *Casino Royale* and *The Da Vinci Code*. However, the UK is less well represented in the mid-range box office earning bands and three quarters of all UK films released last year made less than £500,000 at the box office.

Table 1.10 UK and non-UK releases by box office gross band, 2006

	Non-UK releases		UK releases	
Box office gross (£ million)	Number	% releases	Number	% releases
>£30	1	0.3	2	1.9
20–29.99	3	0.8	0	0
10–19.99	13	3.3	1	0.9
5–9.99	23	5.8	2	1.9
1–4.99	74	18.6	14	13.1
0.5–0.99	26	6.5	8	7.5
0.1–0.49	65	16.3	18	16.8
Less than 0.1	193	48.5	62	57.9

Source: Nielsen EDI, RSU analysis.

The breadth of film release by country of origin is shown in Table 1.11. USA solo films were the most widely released, followed by UK/USA collaborations. Indian films were typically released on 14 prints.

Table 1.11 Films on release in UK and Republic of Ireland by country of origin and median widest point of release, 2006

Country of origin	No. of releases in 2006	2006 box office (£ million)	Median widest point of release
USA solo	190	580.1	219
USA co-productions (other)	30	71.9	187
All USA	220	652.0	216
UK and UK co-productions	83	35.4	19
UK/USA	24	125.6	192
All UK	107	161.0	20
Europe	63	10.3	3
India	69	15.6	14
Rest of the world	46	6.3	6
Total	505	845.3	23

Source: Nielsen EDI, RSU analysis.

Right
Kabhi Alvida Naa Kehna, courtesy of Dharma Productions.

The average box office per site by country of origin is depicted in Table 1.12. UK/USA collaborations earned the most per site, followed by USA solo and USA co-productions.

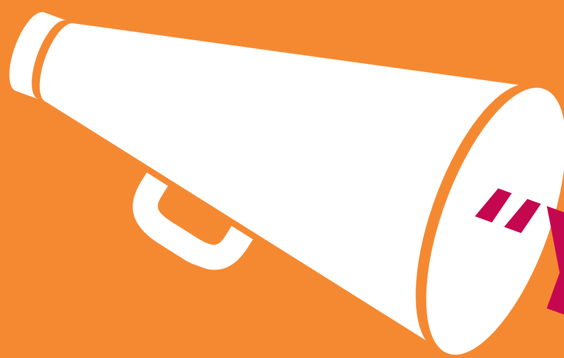
Table 1.12 Films on release in UK and Republic of Ireland by country of origin and average box office gross per site, 2006

Country of origin	Average box office per site (£)	2006 box office (£ million)	Total sites at widest point of release
USA solo	15,061	580.1	38,514
USA co-productions (other)	13,185	71.9	5,456
All USA	14,828	652.0	43,970
UK and UK co-productions	7,576	35.4	4,678
UK/USA	26,683	125.6	4,708
All UK	17,160	161.0	9,386
Europe	7,710	10.3	1,342
India	12,028	15.6	1,299
Rest of the world	6,818	6.3	919

Source: Nielsen EDI, RSU analysis.

See also:

- For more information about top films in 2006 see chapter 2 (p22)
- For further details of film distribution in 2006 see chapter 8 (p72)
- For information about weekend/weekday box office performance see chapter 6 (p46)
- For a review of the exhibition sector in 2006 see chapter 9 (p78)



"YOU'RE THE

Three UK films featured in the top 20 – *Casino Royale*, *The Da Vinci Code* and *Flushed Away*

The top 20 UK films grossed £151 million at the UK box office

2: TOP FILMS IN 2006

Two films dominated the charts in 2006 – *Casino Royale*, which exceeded all expectations even by Bond's standards, and *Pirates of the Caribbean: Dead Man's Chest*. Three UK films appeared in the top 20 but many achieved distinction through film awards.

Casino Royale was the biggest film of the year, earning over £55 million

UK films topped the weekly box office five times in 2006

BEST

The USA was involved in all of the top 20 films at the UK box office, partnering the UK on three

2.1 The top 20 films

The two biggest box office attractions of the year were *Casino Royale* and the second *Pirates of the Caribbean* film – *Dead Man's Chest* – both earning more than £50 million. The decision to re-energise the Bond franchise exceeded all expectations, with the twenty-first official outing becoming the most commercially successful to date – taking just three weeks to surpass *Die Another Day*'s final total of £36 million. *Pirates of the Caribbean: Dead Man's Chest* built on the theatrical and home video success of the original film to become the hit of the summer. However, as Table 2.1 shows, only six films managed to earn more than £20 million last year, compared to nine in 2005, including only three with gross figures over £30 million (down from six in 2005).

Three UK titles featured in the top 20 – *Casino Royale*, *The Da Vinci Code* and *Flushed Away* – which are all inward investment films made with US involvement. This compares with eight UK/USA titles in the previous year's top 20. The lower number of UK/USA releases in 2006 was a reflection of the downturn in inward film investment in the UK in 2005 as the UK awaited the structure of the then forthcoming new tax incentive for film. Six animated films appear in 2006's top 20, the most successful of which was Ice Age II. Sequels and franchises accounted for six of the top 20 films, up from five in 2005.

Table 2.1 Box office results for the top 20 films released in the UK and Republic of Ireland, 2006

	Title	Country of origin	Box office gross (£ million)	No of opening cinemas	Opening weekend gross (£ million)	Distributor
1	Casino Royale*	UK/USA/Cze	55.48	505	13.37	Sony Pictures
2	Pirates of the Caribbean: Dead Man's Chest	USA	52.52	514	13.74	Buena Vista
3	The Da Vinci Code	UK/USA	30.42	523	9.50	Sony Pictures
4	Ice Age 2	USA	29.60	502	9.78	20th Century Fox
5	Borat: Cultural Learnings...	USA	24.11	428	6.24	20th Century Fox
6	Night at the Museum*	USA	20.77	488	7.69	20th Century Fox
7	X-Men 3	USA	19.22	446	7.09	20th Century Fox
8	Happy Feet*	Aus/USA	18.86	445	3.69	Warner Bros
9	Cars	USA	16.45	513	2.67	Buena Vista
10	Superman Returns	USA/Aus	16.12	477	4.34	Warner Bros
11	Mission: Impossible III	USA	15.45	512	5.38	UIP
12	The Devil Wears Prada	USA	14.02	447	3.27	20th Century Fox
13	Chicken Little	USA	13.51	511	3.17	Buena Vista
14	Over the Hedge	USA	13.22	504	3.59	UIP
15	The Departed*	USA	12.80	363	2.30	Entertainment
16	The Holiday	USA	12.34	428	2.83	Universal
17	Flushed Away*	UK/USA	11.13	468	3.11	Paramount
18	The Break Up	USA	10.38	373	2.41	UIP
19	Walk the Line	USA	10.36	198	1.11	20th Century Fox
20	Brokeback Mountain	USA	10.08	125	0.99	Entertainment

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 4 March 2007.
Films with an asterisk (*) were still being exhibited on 4 March 2007.

2.2 The top 20 UK films

The top 20 UK films, shown in Table 2.2, had a combined gross of £151 million, which was 18% of the total UK box office, down from £245 million in 2005 (29% of gross box office). The top three films – *Casino Royale, The Da Vinci Code* and *Flushed Away* made almost £100 million between them. However, unlike previous years there were no UK films in the £12 million – £30 million gross box office range – a reflection of the decline in inward investment production in the UK in 2005.

Several of the top UK films earned critical praise and major awards in 2006/07. Stephen Frears's *The Queen* featured strongly in the year's major award ceremonies with an Oscar and BAFTA win for Helen Mirren and a Best Picture award from BAFTA. *The Wind that Shakes the Barley* proved to be Ken Loach's most successful film to date at the UK box office while also winning the director the coveted Palme d'Or at the Cannes Film Festival. As well as being nominated for the Academy Best Director Award, Paul Greengrass won the BAFTA for Best Director for *United 93*. *Children of Men* was also successful in the Cinematography and Production Design categories.

Table 2.2 Box office results for the top 20 UK films released in the UK and Republic of Ireland, 2006

	Title	Country of origin	Box office gross (£ million)	Distributor
1	Casino Royale*	UK/USA/Cze	55.48	Sony Pictures
2	The Da Vinci Code	UK/USA	30.42	Sony Pictures
3	Flushed Away*	UK/USA	11.13	Paramount
4	The Queen*	UK/Fra/Ita	9.00	Pathé
5	Stormbreaker	UK/Ger/USA	6.79	Entertainment
6	Children of Men	UK/USA	4.86	Universal
7	The History Boys	UK	4.22	20th Century Fox
8	The Wind that Shakes the Barley	UK/Ger/Ita/Spa/Ire	3.91	Pathé
9	V for Vendetta	UK/USA/Ger	3.58	Warner Bros
10	United 93	UK/Fra/USA	2.90	UIP
11	Match Point	UK/USA/Lux	2.47	Icon
12	It's a Boy Girl Thing	UK/Can	2.42	Icon
13	Derailed	UK/USA	2.30	Buena Vista
14	Alien Autopsy	UK	2.18	Warner Bros
15	Confetti	UK	2.09	20th Century Fox
16	An American Haunting	UK/USA	2.02	Lionsgate
17	Severance	UK/Hun/IoM	1.72	Pathé
18	Basic Instinct 2: Risk Addiction	UK/USA/Ger/Spa	1.16	Entertainment
19	A Cock and Bull Story	UK	1.10	Lionsgate
20	Breaking and Entering	UK/USA	0.97	Buena Vista

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 4 March 2007.
Films with an asterisk (*) were still being exhibited on 4 March 2007.

2.3 Best weekend performances of UK films

The performance of a film during its opening weekend is a major factor in deciding how long the film will remain on release, and most major film marketing campaigns are geared towards maximising audience interest at the start of a film's theatrical life. Table 2.3 shows the three UK films that topped the weekend box office charts (of all films) during 2006.

Table 2.3 UK films at No. 1 in the weekend box office charts, 2006

Title	Week at top	Weekend gross (£ million)	Box office gross (£ million)	Distributor	No. of weeks at No. 1
Casino Royale	17 Nov 06	13.4	55.5	Sony Pictures	3
The Da Vinci Code	19 May 06	9.5	30.4	Sony Pictures	1
Children of Men	22 Sept 06	1.3	4.9	UIP	1

From left
Stormbreaker, courtesy of Entertainment Film Distributors.

The History Boys © 2006 Twentieth Century Fox. All rights reserved.

Above
The Queen, courtesy
of Pathé Distribution.

See also:

- For more about top films since 1997 see chapter 3 (p28)
- For further information about film distribution in 2006 see chapter 8 (p72)
- For information about weekend/weekday box office performance see chapter 6 (p46)
- For an overview of the exhibition sector in 2006 see chapter 9 (p78)

3: TOP FILMS 1997–2006

Two films from 2006 – *Casino Royale* and *Pirates of the Caribbean: Dead Man's Chest* – entered the top 20 films of the decade. *Harry Potter* and *Lord of the Rings* films dominated the decade's favourites, while UK writers provided the inspiration for 12 out of the top 20 films.

Casino Royale is the second highest grossing UK film of all time

The Da Vinci Code was the only other 2006 UK release in the last decade's UK top 20

Twelve of the top 20 films were based on stories and characters created by UK writers

Eight of the top 20 films were UK/USA collaborations

IMAGINATION

Harry Potter and *Lord of the Rings* films took seven places in the top 13 films of the decade

The top 20 films of the decade included two 2006 releases, *Casino Royale* and *Pirates of the Caribbean: Dead Man's Chest*

3.1 Top films in the UK, 1997–2006

Two films released in 2006 appear in the list of the top films over the last ten years. *Casino Royale* and *Pirates of the Caribbean: Dead Man's Chest* joined a select group of ten films to have made more than £50 million at the 'all-time' UK box office. The list, shown in Table 3.1, is dominated by franchise movies, including four *Harry Potter* titles, the *Lord of the Rings* trilogy and the *Star Wars* prequels. In fact, only three of the top 20 are neither sequels nor franchise titles. The importance of UK creative talent to the global film industry is underlined by the presence of no fewer than 12 films based on stories and characters created by UK writers.

Table 3.1 Top 20 films at the UK box office, 1997–2006

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Titanic	USA	69.03	20th Century Fox	1998
2	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
3	Lord of the Rings: The Fellowship of the Ring	USA/NZ	63.00	Entertainment	2001
4	Lord of the Rings: The Return of the King	USA/NZ	61.06	Entertainment	2003
5	Lord of the Rings: The Two Towers	USA/NZ	57.60	Entertainment	2002
6	Casino Royale	UK/USA/Czech	55.48	Sony Pictures	2006
7	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
8	Pirates of the Caribbean: Dead Man's Chest	USA	52.52	Buena Vista	2006
9	The Full Monty	UK/USA	52.23	20th Century Fox	1997
10	Star Wars Episode I: The Phantom Menace	USA	51.06	20th Century Fox	1999
11	Harry Potter and the Goblet of Fire	UK/USA	48.59	Warner Bros	2005
12	Shrek 2	USA	48.10	UIP	2004
13	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros	2004
14	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA/NZ	44.40	Buena Vista	2005
15	Toy Story 2	USA	44.31	Buena Vista	2000
16	Bridget Jones's Diary	UK/USA	42.01	UIP	2001
17	Star Wars Episode III: Revenge of the Sith	USA	39.43	20th Century Fox	2005
18	Monsters, Inc.	USA	37.91	Buena Vista	2002
19	Star Wars Episode II: Attack of the Clones	USA	37.55	20th Century Fox	2002
20	Charlie and the Chocolate Factory	UK/USA	37.46	Warner Bros	2005

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

3.2 Top UK films of the last decade

Casino Royale became the second highest grossing UK film of all time, behind the first Harry Potter movie. *The Da Vinci Code* was the only other 2006 UK title to make it into the UK top 20 of the decade. The list, shown in Table 3.2, is dominated by inward investment features, with British talent, infrastructure and locations supported by US studio investment. All four Harry Potter films feature in the top 20, together with four films from the James Bond franchise. The nation's favourites include several comedies, from the antics of *Wallace and Gromit* to *Calendar Girls*.

Table 3.2 Top 20 UK films at the UK box office, 1997–2006

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
2	Casino Royale	UK/USA/Cze	55.48	Sony Pictures	2006
3	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
4	The Full Monty	UK/USA	52.23	20th Century Fox	1997
5	Harry Potter and the Goblet of Fire	UK/USA	48.59	Warner Bros	2005
6	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros	2004
7	Bridget Jones's Diary	UK/USA	42.01	UIP	2001
8	Charlie and the Chocolate Factory	UK/USA	37.46	Warner Bros	2005
9	Love Actually	UK/USA	36.80	UIP	2003
10	Die Another Day	UK/USA	36.06	20th Century Fox	2002
11	Bridget Jones: The Edge of Reason	UK/USA	36.00	UIP	2004
12	Wallace & Gromit: The Curse of the Were-Rabbit	UK/USA	32.00	UIP	2005
13	Notting Hill	UK/USA	31.00	Universal	1999
14	The Da Vinci Code	UK/USA	30.42	Sony Pictures	2006
15	Chicken Run	UK/USA	29.51	Pathé	2000
16	The World is not Enough	UK/USA	28.58	UIP	1999
17	Shakespeare in Love	UK/USA	20.81	UIP	1999
18	Calendar Girls	UK/USA	20.43	Buena Vista	2003
19	The Mummy Returns	UK/USA	20.39	UIP	2001
20	Tomorrow Never Dies	UK/USA	19.88	UIP	1997

Source: Nielsen EDI, RSU analysis.

See also:

- For top films in 2006 see chapter 2 (p22)
- For more on UK talent see chapter 5 (p38)

"PLAY IT TO

Worldwide the gross box office for all films increased by 11% in 2006 to $26 billion

The Da Vinci Code was the strongest UK film at the worldwide box office

UK films accounted for 12% of releases in the USA

4: UK FILMS INTERNATIONALLY

After last year's outstanding success in the global marketplace, UK films delivered a more average performance in 2006. Even so, the top 10 UK films grossed almost $2 billion worldwide.

The market share of British films at the USA box office was 9%, down from 16% in 2005, at a value of $845 million

The top 10 performing UK films worldwide grossed $1,960 million in 2006, 25% down on 2005

THE WORLD

In Europe, the top British films were *The Da Vinci Code* with 31.2 million admissions and *Casino Royale* with 23 million

4.1 UK films worldwide

UK-originated films had an 8.5% share of the global theatrical market in 2006, down from 15.5% in 2005. The 45% decline was due to the fall in inward investment production in the UK in 2005, resulting in fewer major UK/USA collaborations in the international market last year. As Table 4.1 shows, the UK's share has fluctuated quite widely in the last four years and the results for 2006 are closer to the pre-2005 figures.

Table 4.1 UK global market share figure, 2002–2006

Year	UK film worldwide gross $ billion	Global theatrical market $ billion	UK share %
2006	2.2	25.8	8.5
2005	3.6	23.2	15.5
2004	2.9	25.2	11.5
2003	1.4	20.3	6.9
2002	1.8	19.8	9.1

Source: MPAA, RSU.

According to *Variety*, the top 10 performing UK films worldwide grossed a total of $1,960 million in 2006 (Table 4.2). The top film was *The Da Vinci Code* with a worldwide gross of $758 million. *Casino Royale* earned $494 million in 2006, although this had subsequently risen to $588 million by the end of February 2007. Two other UK films earned more than $100 million in worldwide ticket sales: *Flushed Away* and *V for Vendetta*.

Table 4.2 Top 10 UK films worldwide, 2006

	Title	Country of origin	Worldwide gross $ million
1	The Da Vinci Code	UK/USA	758
2	Casino Royale	UK/USA/Cze	494
3	Flushed Away	UK/USA	139
4	V for Vendetta	UK/USA/Ger	133
5	Nanny McPhee	UK/USA	93
6	Harry Potter and the Goblet of Fire	UK/USA	85
7	United 93	UK/USA	81
8	Match Point	UK/USA/Lux	68
9	The Queen	UK/Fra/Ita	61
10	Pride and Prejudice	UK/USA	48

Source: *Variety*.
Variety lists the gross made in 2006 and includes films released in the previous year. Some films were still being exhibited in 2007.

From left
Notes on a Scandal © 2006 DNA Films Ltd. All rights reserved.

The Last King of Scotland © 2006 Twentieth Century Fox. All rights reserved.

4.2 UK films in North America

According to the Motion Picture Association just under 37% of the $26 billion gross box office made worldwide in 2006 came from North America, which indicates its importance in the international film market. Table 4.3 shows the country of origin of films released in the USA and Canada in 2006. UK share of the gross box office fell from 16% in 2005 to 9% in 2006. The total revenue from these films stood at $845 million, down 36%.

Table 4.3 Country of origin of films in the USA and Canada, 2006

Country of origin	Number of releases	% of releases	Box office share %	Box office $ million
UK and UK co-productions (non-USA)	46	7.7	1.6	147
UK/USA	23	3.9	7.6	698
Sub-total	69	11.6	9.2	845
USA solo	338	56.8	78.9	7,257
USA co-productions (other)	45	7.6	10.4	954
Sub-total	383	64.4	89.3	8,211
Rest of world	143	24.0	1.5	140
Total	595	100.0	100.0	9,197

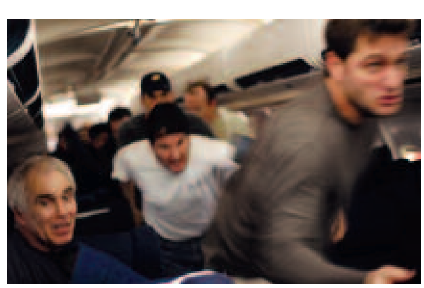
Source: Nielsen EDI, RSU analysis.

UK film's share of the North American theatrical market fell to 9.2% in 2006, from a previous high of 15.8% in 2005 (Table 4.4). The figure is largely dependent on the relative success of the major collaborations between US studios and British creative talent, location and facilities.

Table 4.4 UK market share in the USA, 2002–2006

Year	UK market share %
2006	9.2
2005	15.8
2004	11.0
2003	5.7
2002	7.2

Source: Nielsen EDI, RSU analysis.



From right
United 93, distributed by Universal Pictures.

Pride and Prejudice, distributed by Universal Pictures.

The Da Vinci Code was the top performing UK film at the USA and Canada box office in 2006. The top 10 grossed a total of $730 million, down 32% on 2005 (Table 4.5).

Table 4.5 Top 20 UK films at the USA and Canada box office (including co-productions), 2006

	Title	Country of origin	Box office gross $ million	Distributor
1	The Da Vinci Code	UK/USA	217.5	Sony Pictures
2	Casino Royale	UK/USA/Cze	167.0	Sony Pictures
3	V for Vendetta	UK/USA/Ger	70.5	Warner Bros
4	Flushed Away	UK/USA	64.5	Paramount
5	The Queen	UK/Fra/Ita	54.3	Miramax
6	Nanny McPhee	UK/USA	47.3	Universal
7	Children of Men	UK/USA	35.1	Universal
8	United 93	UK/USA	31.6	Universal
9	The Descent	UK	26.0	Lionsgate
10	Notes on a Scandal	UK	16.7	Fox Searchlight
11	An American Haunting	UK/USA	16.3	Freestyle Releasing
12	The Last King of Scotland	UK/Ger	15.3	Fox Searchlight
13	Tristan & Isolde	UK/USA	14.7	20th Century Fox
14	Flyboys	UK/USA	13.1	MGM Studios
15	Scoop	UK/USA	10.5	Focus Features
16	Doogal	UK/Fra	7.6	The Weinstein Co
17	Basic Instinct 2: Risk Addiction	UK/USA/Ger/Spa	6.0	Sony Pictures
18	The Libertine	UK	4.8	The Weinstein Co
19	Goal! The Dream Begins	UK/USA	4.3	Buena Vista
20	Venus	UK	3.1	Miramax

Source: Nielsen EDI, RSU analysis.
Note: Box office gross up to 4 March 2007.

4.3 UK films in Europe

UK market share in the major European territories is highlighted in Table 4.6. As in the USA and Canada, UK market shares fell from the highs of around 20% recorded in 2005. Almost 13% of German theatrical revenues was earned by UK films, compared with 11% in Spain and around 8% in France and Italy.

Table 4.6 UK market share in selected European territories, 2006

Country	Box office for UK films £ million	UK share 2006 %
Germany	69.6	12.8
Spain	48.0	11.1
France	15.9m (admissions)	8.6
Italy	29.7	8.4

Source: Nielsen EDI, Cinetel.

The top British film in Europe last year was *The Da Vinci Code* with 31 million admissions, followed by *Casino Royale* with 23 million (Table 4.7).

Table 4.7 Top 20 UK films in European countries 2006

	Title	Country of origin	European admissions million
1	The Da Vinci Code	UK/USA	31.24
2	Casino Royale	UK/USA/Cze	22.97
3	Match Point	UK/USA	6.44
4	Flushed Away	UK/USA	5.67
5	V for Vendetta	UK/USA/Ger	3.42
6	The Queen	UK/Fra/Ita	3.41
7	Nanny McPhee	UK/USA	2.83
8	United 93	UK/USA	2.72
9	Pride and Prejudice	UK/USA	2.50
10	Basic Instinct 2: Risk Addiction	UK/USA/Ger/Spa	2.45
11	The Wind that Shakes the Barley	UK/Ger/Ita/Spa/Ire	2.33
12	The Constant Gardener	UK/Ger	2.11
13	Stormbreaker	UK/Ger/USA	1.82
14	Children of Men	UK/USA	1.60
15	Derailed	UK/USA	1.43
16	An American Haunting	UK/USA	0.95
17	Tristan & Isolde	UK/USA	0.90
18	The History Boys	UK	0.83
19	Severance	UK/Hun/IoM	0.52
20	Alien Autopsy	UK	0.46

Source: European Audiovisual Observatory Lumière Database.
Data based on 13 European territories up to and including 4 April 2007.

Below
Venus, courtesy of
Buena Vista International.

See also:

- For more information on the UK and global market for filmed entertainment see chapter 13 (p130)
- For more information about the UK film economy see chapter 16 (p160)

5: UK TALENT AND THE GLOBAL BOX OFFICE

Stories created by UK writers have dominated the global box office over the last few years and British acting talent has also played a starring role in many recent blockbusters. Both help to project strong images of UK cultural and national identity across the world.

Six of the top 10 earners worldwide are from novels by the British writers JRR Tolkien and JK Rowling

UK acting talent feature in more than half of the top 200 films released worldwide since 2001

WRITER?

31 of the top 200 films worldwide are based on stories and characters created by UK writers and have earned more than $13 billion over the last five years

British directors have directed 19 of the 200 biggest films over the last six years

5.1 UK story material

Film is an immensely powerful medium, with the ability to project stories and images globally across cultural and national boundaries. Stories created by UK writers have been adapted into films which have dominated the global box office over the last six years. They have been enjoyed by millions of cinema-goers, entertaining those new to the story material as well as those familiar with the original works. Not only do the films reflect the wealth of UK writing talent, but they also project strong images of cultural and national identity. Classics of earlier generations have been updated, while new characters, chief among them Harry Potter, have helped define 'Britishness' for wide audiences.

Worldwide box office performance is a good indicator of the international impact and exposure of UK culture and our subsequent analysis focuses on the top 200 grossing films released worldwide between 2001 and 2006. Twenty-six of the top 200 are British qualifying films, but UK-originated story material has played an even more significant role, providing the inspiration for 31 of the highest grossing films of the last six years – a feat only bettered by US story material. Some of the *Harry Potter* and *Lord of the Rings* films (based on novels by JK Rowling and JRR Tolkien respectively) made up six of the top 10 films worldwide between 2001–2006. Together with *The Chronicles of Narnia: The Lion, the Witch and the Wardrobe*, written by CS Lewis, films adapted from stories created by UK writers accounted for eight of the top 20 most-watched films of the last six years (table 5.1).

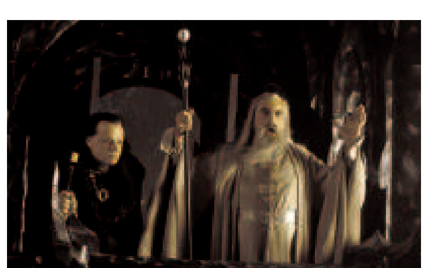


Table 5.1 Top 20 grossing films worldwide 2001–2006

	Title	Country of origin	Gross box office ($ million)	US Distributor	Source material (writer)
1	The Lord of the Rings: The Return of the King	USA/NZ	1,119	New Line	Novel by JRR Tolkien
2	Pirates of the Caribbean: Dead Man's Chest	USA	1,065	Buena Vista	Original screenplay
3	Harry Potter and the Philosopher's Stone	UK/USA	967	Warner Bros	Novel by JK Rowling
4	The Lord of the Rings: The Two Towers	USA/NZ	923	New Line	Novel by JRR Tolkien
5	Shrek 2	USA	915	Dreamworks SKG	Book by William Steig
6	Harry Potter and the Goblet of Fire	UK/USA	892	Warner Bros	Novel by JK Rowling
7	Harry Potter and the Chamber of Secrets	UK/USA	877	Warner Bros	Novel by JK Rowling
8	The Lord of the Rings: The Fellowship of the Ring	USA/NZ	868	New Line	Novel by JRR Tolkien
9	Finding Nemo	USA	853	Buena Vista	Original screenplay
10	Star Wars Episode III: Revenge of the Sith	USA	850	20th Century Fox	Original screenplay
11	Spider-Man	USA	822	Sony Pictures	Comic book by Stan Lee and Steve Ditko
12	Harry Potter and the Prisoner of Azkaban	UK/USA	790	Warner Bros	Novel by JK Rowling
13	Spider-Man 2	USA	784	Sony Pictures	Comic book by Stan Lee and Steve Ditko
14	The Da Vinci Code	UK/USA	758	Sony Pictures	Novel by Dan Brown
15	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA/NZ	749	Buena Vista	Novel by CS Lewis
16	The Matrix Reloaded	USA	739	Warner Bros	Original screenplay
17	Ice Age 2	USA	657	20th Century Fox	Original screenplay
18	Pirates of the Caribbean: The Curse of the Black Pearl	USA	653	Buena Vista	Original screenplay
19	Star Wars Episode II: Attack of the Clones	USA	650	20th Century Fox	Original screenplay
20	The Incredibles	USA	632	Buena Vista	Original screenplay

Source: Variety, RSU analysis.

From left
Harry Potter and the Goblet of Fire
© Patalex IV Productions Limited.

Lord of the Rings: The Return of the King, courtesy of Entertainment Film Distributors.

The Chronicles of Narnia: The Lion, the Witch and the Wardrobe, courtesy of Buena Vista Home Entertainment.

The top 20 grossing films adapted from stories or characters created by UK writers are listed in table 5.2. Sixteen of the titles are adapted from novels and short stories written by UK authors, two are original screenplays, one is based on a graphic novel and another is based on situations and characters from a best-selling computer game.

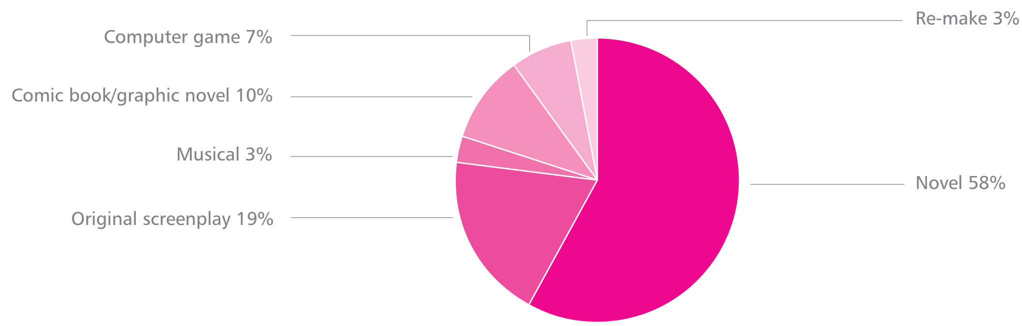
Table 5.2 Top 20 grossing films worldwide based on stories and characters created by UK writers 2001–2006

Rank	Title	Country of origin	Gross box office ($ million)	US Distributor	Source material (writer)
1	The Lord of the Rings: The Return of the King	USA/NZ	1,119	New Line	Novel by JRR Tolkien
2	Harry Potter and the Philosopher's Stone	UK/USA	970	Warner Bros	Novel by JK Rowling
3	The Lord of the Rings: The Two Towers	USA/NZ	923	New Line	Novel by JRR Tolkien
4	Harry Potter and the Goblet of Fire	UK/USA	892	Warner Bros	Novel by JK Rowling
5	Harry Potter and the Chamber of Secrets	UK/USA	877	Warner Bros	Novel by JK Rowling
6	The Lord of the Rings: The Fellowship of the Ring	USA/NZ	868	New Line	Novel by JRR Tolkien
7	Harry Potter and the Prisoner of Azkaban	UK/USA	790	Warner Bros	Novel by JK Rowling
8	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA/NZ	749	Buena Vista	Novel by CS Lewis
9	The War of the Worlds	USA	596	Paramount	Novel by HG Wells
10	Casino Royale	UK/USA/Cze	589	Sony Pictures	Novel by Ian Fleming
11	Charlie and the Chocolate Factory	UK/USA	473	Warner Bros	Novel by Roald Dahl
12	Die Another Day	UK/USA	432	MGM/UA	Based on Ian Fleming novels
13	Bridget Jones: The Edge of Reason	UK/USA	261	Universal	Novel by Helen Fielding
14	Borat: Cultural Learnings…	USA	259	20th Century Fox	Original screenplay by Sacha Baron Cohen, Peter Baynham, Anthony Hines, Dan Mazer
15	Bridget Jones's Diary	UK/USA	254	Miramax	Novel by Helen Fielding
16	Lara Croft: Tomb Raider	UK/USA/Jap/Ger	251	Paramount	Computer game character created by Toby Gard
17	Love Actually	UK/USA	245	Universal	Original screenplay by Richard Curtis
18	A.I. Artificial Intelligence	USA	237	Warner Bros	Based on a short story by Brian Aldiss
19	Constantine	USA	230	Warner Bros	Based on graphic novel by Garth Ennis and Jamie Delano
20	Master and Commander: The Far Side of the World	USA	210	20th Century Fox	Novel by Patrick O'Brian

Source: Variety, RSU analysis.

Of the 31 films from the top 200 based on UK stories and characters, the majority (58%) were based on novels (written by JRR Tolkien, JK Rowling, CS Lewis, Ian Fleming, Roald Dahl, Helen Fielding, HG Wells, Patrick O'Brian, Hugh Lofting and Brian Aldiss) (Figure 5.1). The international popularity of UK comedy writing was highlighted by the success of original screenplays for *Johnny English*, *Borat: Cultural Learnings…*, *Love Actually* and *Wallace & Gromit: The Curse of the Were-Rabbit*. Films based on British graphic novels, such as *Constantine*, *The League of Extraordinary Gentlemen* and *V for Vendetta* also had a global impact, as did the computer game Tomb Raider in its two film spin-offs.

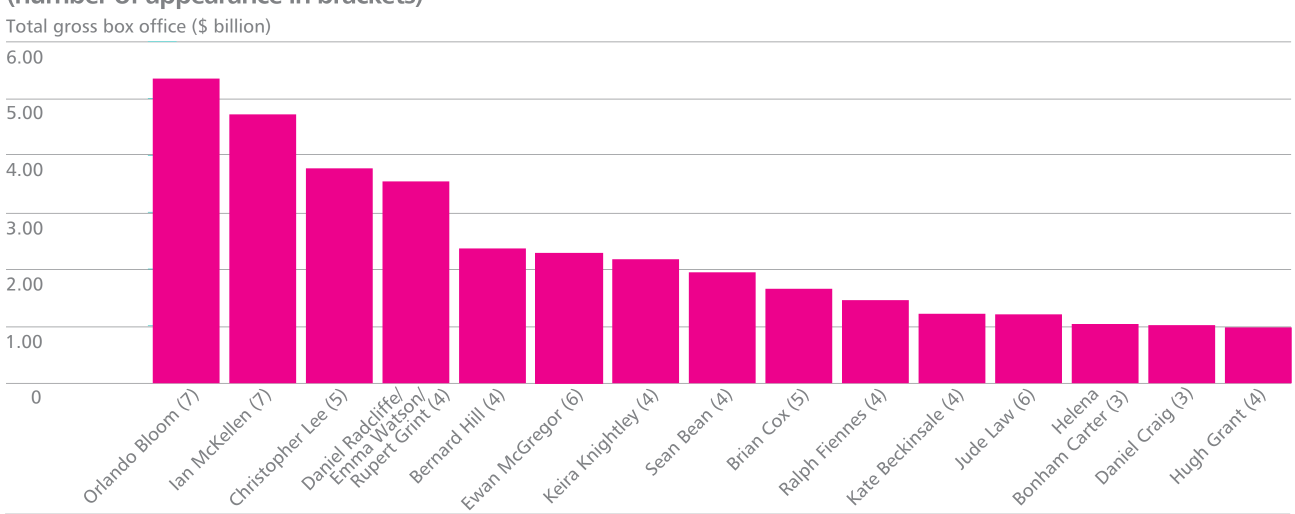
Figure 5.1 Origin of UK story material in the top 200 films at the international box office 2001–2006



5.2 UK actors

More than half – 105 – of the top 200 films at the international box office since 2001 featured British acting talent in either lead/title roles (24) or in the supporting cast (81). Many of the top 20 global box office hits in Table 5.1 have featured ensemble casts and British actors have played prominent roles in most of these. This is reflected in Figure 5.2, which shows the top 15 British actors based on appearances in the 200 highest-grossing films released globally since 2001. By playing the roles of Legolas in *Lord of the Rings* and Will Turner in *Pirates of the Caribbean*, Orlando Bloom has featured in two of the biggest franchises in cinema history. Furthermore, the lead role in *Kingdom of Heaven* and a supporting role in *Troy* means that Bloom has starred in films which have grossed over $5 billion at the worldwide box office. Another of the *Fellowship of Ring*, Ian McKellen, has appeared in the *X-Men* series as well as last year's *The Da Vinci Code*. Christopher Lee has appeared in top-grossing films for decades and recent roles in *Star Wars*, *Lord of the Rings* and *Charlie and the Chocolate Factory* has continued this success. A newer generation of internationally-recognised British actors is represented by Daniel Radcliffe and his Harry Potter co-stars and Keira Knightley.

Figure 5.2 Top UK actors featured in the top 200 films at the worldwide box office 2001–2006 (number of appearance in brackets)



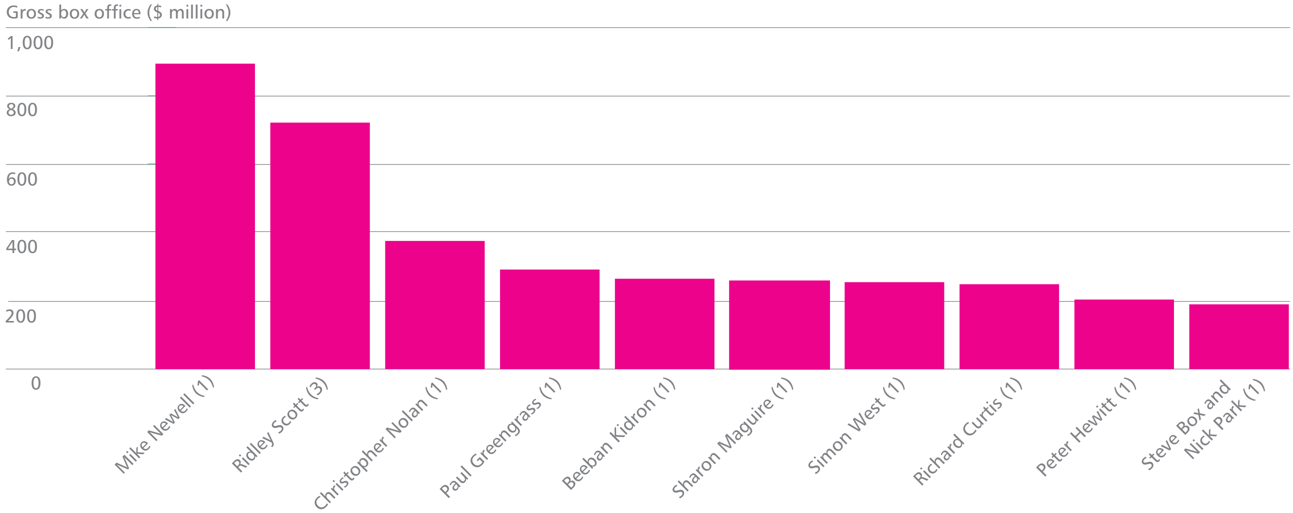
	Orlando Bloom (7)	Ian McKellen (7)	Christopher Lee (5)	Daniel Radcliffe/ Emma Watson/ Rupert Grint (4)	Bernard Hill (4)	Ewan McGregor (6)	Keira Knightley (4)	Sean Bean (4)	Brian Cox (5)	Ralph Fiennes (4)	Kate Beckinsale (4)	Jude Law (6)	Helena Bonham Carter (3)	Daniel Craig (3)	Hugh Grant (4)
Total gross box office ($ billion)	5.34	4.71	3.76	3.53	2.35	2.26	2.16	1.93	1.64	1.44	1.2	1.19	1.02	1	0.96

Source: UK Film Council RSU.
Based on three or more appearances either in lead or supporting role in the top 200 films.

5.3 UK directors

Of the 200 highest-grossing films at the worldwide box office, 19 have been directed by British directors. Figure 5.3 and Table 5.3 show the top directors and their films. Ridley Scott was the most prolific, with three films (*Kingdom of Heaven*, *Hannibal* and *Black Hawk Down*) in the top 200, grossing over $700 million between them. Mike Newell became the first British director of the Harry Potter franchise when he directed *Harry Potter and the Goblet of Fire* and Christopher Nolan has gone on to direct the latest instalments of *Batman* after building his reputation on films such as *Memento* and *Insomnia*. Two female British directors feature in the top 200 list – Sharon Maguire and Beeban Kidron – for *Bridget Jones's Diary* and *Bridget Jones: The Edge of Reason* respectively.

Figure 5.3 Top 10 UK directors based on top 200 grossing films 2001–2006 (number of films in brackets)



	Mike Newell (1)	Ridley Scott (3)	Christopher Nolan (1)	Paul Greengrass (1)	Beeban Kidron (1)	Sharon Maguire (1)	Simon West (1)	Richard Curtis (1)	Peter Hewitt (1)	Steve Box and Nick Park (1)
Gross box office ($ million)	892	719	372	288	261	254	251	245	200	186

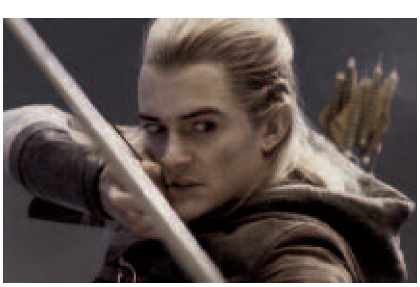
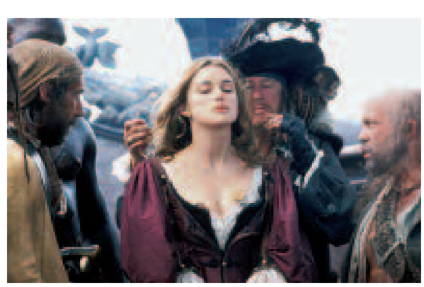
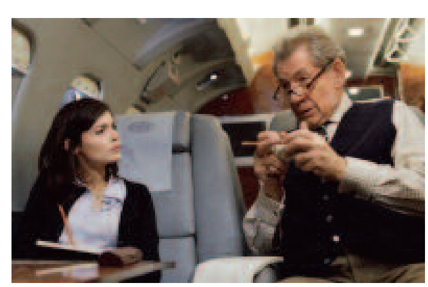




Table 5.3 UK directors at the global box office 2001–2006 and their films

Director	Film(s)	Total gross box office ($ million)
Mike Newell	Harry Potter and the Goblet of Fire	892
Ridley Scott	Black Hawk Down, Hannibal, Kingdom of Heaven	719
Christopher Nolan	Batman Begins	372
Paul Greengrass	The Bourne Supremacy	288
Beeban Kidron	Bridget Jones: The Edge of Reason	261
Sharon Maguire	Bridget Jones's Diary	254
Simon West	Lara Croft: Tomb Raider	251
Richard Curtis	Love Actually	245
Peter Hewitt	Garfield	200
Steve Box and Nick Park	Wallace & Gromit: The Curse of the Were-Rabbit	186
Stephen Norrington	The League of Extraordinary Gentlemen	180
David Bowers and Sam Fell	Flushed Away	175
Tony Scott	Déjà vu	175
Anthony Minghella	Cold Mountain	173
Paul WS Anderson	Alien vs Predator	162
Peter Howitt	Johnny English	158
Peter Chelsom	Shall We Dance?	148

Source: UK Film Council RSU.

From left
Orlando Bloom in *The Lord of the Rings: The Return of the King*, courtesy of Entertainment Film Distributors

Keira Knightley in *Pirates of the Caribbean: The Curse of the Black Pearl*, courtesy of Buena Vista Home Entertainment.

Ian McKellen in *The Da Vinci Code* © Sony Pictures Releasing.

See also:

- For more details on the film distribution sector in 2006 see chapter 8 (p72)
- For more information about the exhibition sector in 2006 see chapter 9 (p78)
- For more background on film production in 2006 see chapter 14 (p138)

The international release rate of British films certified between 2000 and 2005 improved from 60% to 70%

"LET'S GET THIS

British films were more likely to be released in the UK, Ireland and internationally than UK co-productions

Almost 100% of UK studio films have achieved an international theatrical release compared with just 57% for independent UK films

6: RELEASE HISTORY OF UK FILMS

The cinema release of a feature film has an important influence on its performance in later release windows. It helps create a buzz around the film that echoes through its subsequent releases in ancillary markets, such as retail and rental DVD and video-on-demand. However, not all UK films get the chance to be theatrically released internationally or even locally.

Almost half of the UK films certified (2000–2005) and accounting for 71.8% of total UK film budgets have been released in the UK and Ireland

60.2% of UK films were released internationally accounting for 82.3% of total UK film budgets

ON SCREEN

International UK film releases increased as a proportion of international release opportunities

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

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

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

We restrict our analysis to the years of certification from 2000 to 2005 due to availability of historical data and the fact that it may take a number of years before a certified film is theatrically released. As of 4 March 2007, the median elapsed time from certification to a UK release was 153 days over this six-year period. It should be noted that the two types of certification considered here are not pre-conditions to the UK release of a UK film. In fact, 59 (6.8%) of the 871 certified UK films included in this analysis were theatrically released before receiving their certification.

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

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

Out of 871 UK films certified between 2000 and 2005, only 414 (47.5%) had been theatrically released in the UK and the Republic of Ireland by 4 March 2007, as shown in Table 6.1. Films certified in 2003 had the lowest release rate (43.7%) while those certified in 2005 had a release rate of 48.8%, slightly above the average for the whole period.

Table 6.1 UK films released in the UK and Republic of Ireland, certification years 2000–2005

	2000	2001	2002	2003	2004	2005	Total
Number of films released	68	54	61	69	79	83	414
% released	52.7	45.4	49.2	43.7	46.2	48.8	47.5
Number of films certified	129	119	124	158	171	170	871

Source: Nielsen EDI, DCMS, RSU analysis.
Release rates up to 4 March 2007.

Generally speaking, bigger budget films were more likely to be released. In 2000 to 2005, films that had a theatrical release in the UK and Republic of Ireland accounted for 72% of the total budgets of UK films. Table 6.2 shows the gradual increase (except for 2003) in the proportions of budgets spent on UK films that were released in the UK and the Republic of Ireland.

Table 6.2 Total budget (£ million) of UK films released in the UK and Republic of Ireland, certification years 2000–2005

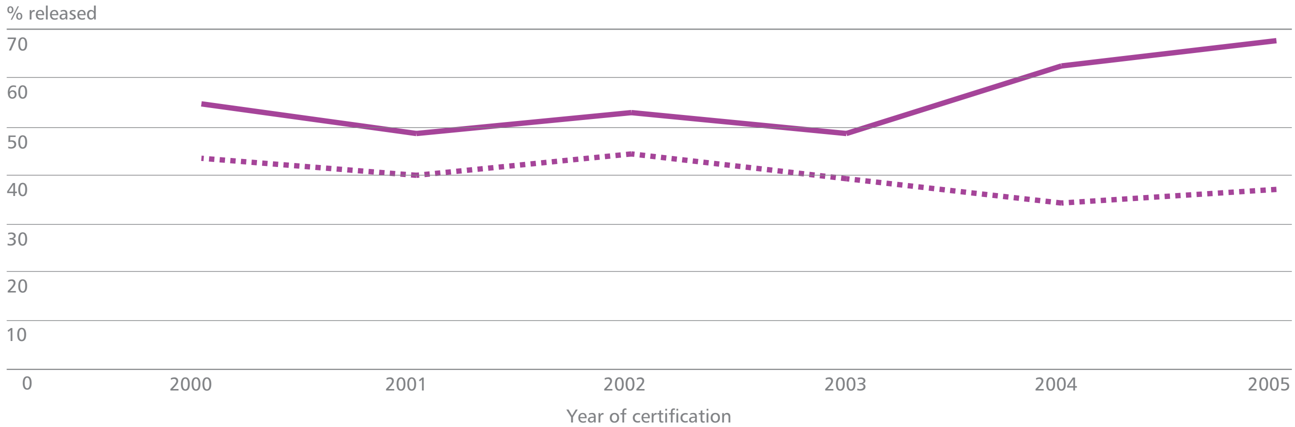
	2000	2001	2002	2003	2004	2005	Total
Budget of released films £ million	306	566	725	468	1,378	1,239	4,681
% of total budget	68.6	67.8	70.4	61.8	75.6	75.9	71.8
Total budget £ million	445	834	1,031	756	1,822	1,632	6,520

Source: Nielsen EDI, DCMS, RSU analysis.
Release rates up to 4 March 2007.

6.1.1 Types of certification: Schedule 1 and co-production

Schedule 1 films certified between 2000 and 2005 were more likely to be theatrically released in the UK or Republic of Ireland than co-productions. Figure 6.1 shows that the co-production release rate declined while that of Schedule 1 films rose from 2003. This was despite co-productions having higher median budgets than Schedule 1 films over this period, as shown in Figure 6.2.

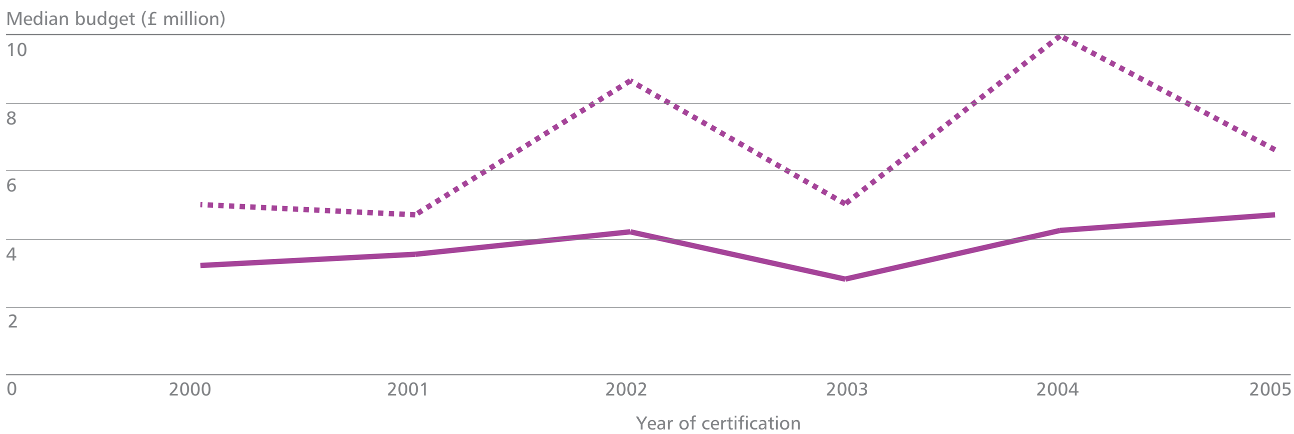
Figure 6.1 UK Schedule 1 and co-production films released in the UK and Republic of Ireland, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
Schedule 1	54.7	48.6	52.9	48.6	62.5	67.7
Co-production	43.5	40.0	44.4	39.3	34.3	37.1

Source: Nielsen EDI, DCMS, RSU Analysis.

Figure 6.2 Median budget of UK Schedule 1 and co-production films released in the UK and Republic of Ireland, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
Schedule 1	3.22	3.55	4.21	2.82	4.25	4.71
Co-production	5.01	4.71	8.65	5.03	9.97	6.62

Source: Nielsen EDI, DCMS, RSU Analysis.

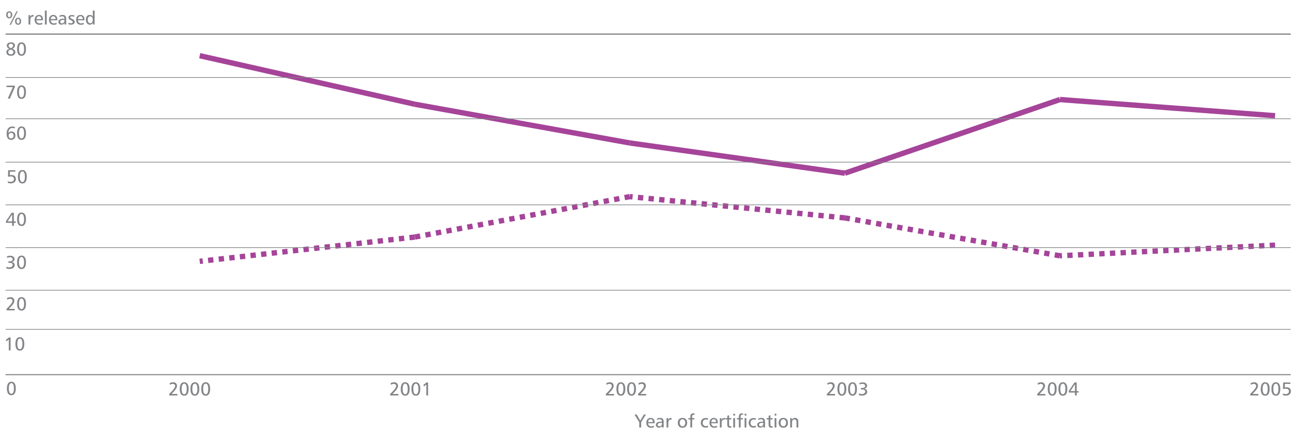
Release rates up to 4 March 2007.

The drop in median budget in the certification year 2003 is likely to have been caused by the fall in the number of higher-budget inward investment co-productions in 2002 (see Figure 14.1). Films produced in 2002 would tend to have been certified in 2003.

6.1.2 UK majority and minority co-productions

The theatrical release rates of UK co-production films also varied by the UK share of the total investment in the films. Here we define a UK majority co-production as one whose UK share of the total investment is equal to or over 50%; it is referred to as a UK minority co-production otherwise. Over the years of certification from 2000 to 2005, there were 89 (21.7%) UK majority co-productions out of a total of 410 UK co-productions. Figure 6.3 shows that UK majority co-production films were more likely to be theatrically released in the UK and Republic of Ireland than UK minority co-productions throughout the six-year period.

Figure 6.3 Release rate of UK majority and minority co-production films in the UK and Republic of Ireland, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
Majority (>= 50% total investment)	75.0	63.6	54.5	47.4	64.7	60.9
Minority (<50% total investment)	26.7	32.4	41.9	36.9	28.0	30.5

Source: Nielsen EDI, DCMS, RSU Analysis.
Release rates up to 4 March 2007.

6.1.3 Independent and studio films

UK studio films, that is certified UK films whose production involved a major US studio, were much more likely to receive a theatrical release in the UK and Republic of Ireland than those without. The six US major studios considered in this analysis are Warner Brothers, Universal, 20th Century Fox, Paramount, Disney and Sony/Columbia/MGM. For the purpose of this analysis, UK films produced by Working Title are also counted as UK studio films because of its ownership by Universal. We restrict this part of the analysis to the certification years of 2004 to 2005 only because information on US studio involvement is incomplete before that date.

Table 6.3 shows that, of the UK films certified in 2004 and 2005, over 90% of UK studio films were theatrically released in the UK and Republic of Ireland while the release rate for UK independent films was just over 40%. Three UK studio films from these two years (*Ripley Under Ground, Chasing Liberty* and *A Sound of Thunder*) remained un-released in the UK or the Republic of Ireland by March 2007. The latter two (certified in 2004) had been released in other territories including the USA.

Table 6.3 Percentage of UK independent and studio films released in the UK and Republic of Ireland, certification years 2004–2005

	2004	2005	Total
Independent films (%)	40.4	44.2	42.3
Studio films (%)	90.0	93.8	91.7

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Release rates up to 4 March 2007.

A further breakdown of the figures for UK independent films reveals a similar pattern to UK films as a whole. Independent Schedule 1 films were much more likely to be theatrically released in the UK and Republic of Ireland than independent co-productions for the certification years 2004 and 2005, as shown in Table 6.4. The higher release rate of Schedule 1 films is therefore not explained by the fact that UK studio films tend to be Schedule 1 films but is a broader attribute of UK Schedule 1 films.

Table 6.4 Percentage of UK independent Schedule 1 and co-production films released in the UK and Republic of Ireland, certification years 2004–2005

	2004	2005	Total
Schedule 1 (%)	55.7	63.0	59.1
Co-production (%)	30.0	34.0	32.1

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Release rates up to 4 March 2007.

6.2 UK films released internationally

In this section, we consider the theatrical releases of UK films in 12 international territories for which box office data are available from Nielsen EDI. The 12 Nielsen EDI territories are the USA and Canada (considered as one territory), Mexico, Argentina, Brazil, Chile, UK and the Republic of Ireland (one territory), Spain, Germany, Austria, France, Australia, and New Zealand. These 12 territories accounted for approximately 67% of the box office worldwide in 2006 (Screen Digest Cinema Intelligence).

Table 6.5 shows that over the years of certification from 2000 to 2005 the release rates of UK films in at least one of the 12 Nielsen EDI territories (including the UK and Republic of Ireland) fluctuated at about 60%.

Table 6.5 UK films released in any of 12 Nielsen EDI territories, certification years 2000–2005

	2000	2001	2002	2003	2004	2005	Total
Number of films released	77	65	77	95	105	105	524
% released	59.7	54.6	62.1	60.1	61.4	61.8	60.2
Number of films certified	129	119	124	158	171	170	871

Source: Nielsen EDI, DCMS, RSU analysis.
Release rates up to 4 March 2007.

Over the same period, 82% of the total budgets of UK films were spent on those films that received international releases (in at least one of 12 Nielsen EDI territories). Table 6.6 shows that the proportions of budgets associated with international releases hovered about the 80% level over the six-year period. This table, together with Table 6.2, provides some reassurance that the great majority of UK film budgets (and the tax incentives associated with those budgets) are devoted to films that gain a theatrical release.

Table 6.6 Total budget (£ million) of UK films released in any of 12 Nielsen EDI territories, certification years 2000–2005

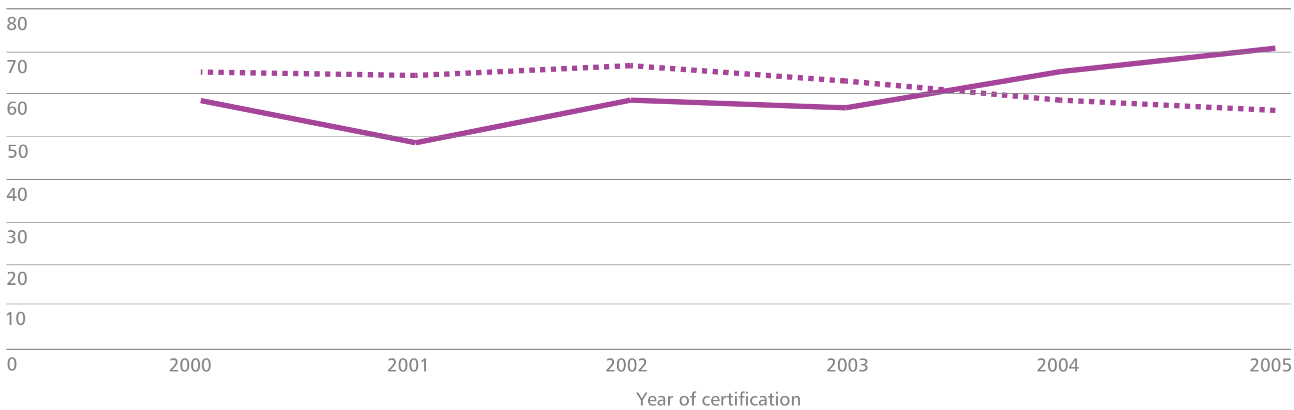
	2000	2001	2002	2003	2004	2005	Total
Budget of released films £ million	348	629	862	583	1,572	1,370	5,364
% of total budget	78.1	75.4	83.7	77.1	86.3	83.9	82.3
Total budget £ million	445	834	1,031	756	1,822	1,632	6,520

Source: Nielsen EDI, DCMS, RSU analysis.
Release rates up to 4 March 2007.

6.2.1 Types of certification: Schedule 1 and co-production

Figure 6.4 shows that UK co-production films were more likely than Schedule 1 films to be theatrically released internationally (in at least one of the 12 Nielsen EDI territories) between the certification years 2000 and 2003. From 2004 onwards Schedule 1 films became more likely than co-production films to be internationally released. Together with the data shown in Figure 6.1, this indicates that UK Schedule 1 films were more likely than UK co-production films to be theatrically released in the UK and Republic of Ireland as well as internationally for the 2004 and 2005 certification years.

Figure 6.4 Release rate of UK Schedule 1 and co-production films in any of the 12 Nielsen territories, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
Schedule 1	58.5	48.6	58.6	56.8	65.3	70.8
Co-production	65.2	64.4	66.7	63.1	58.6	56.2

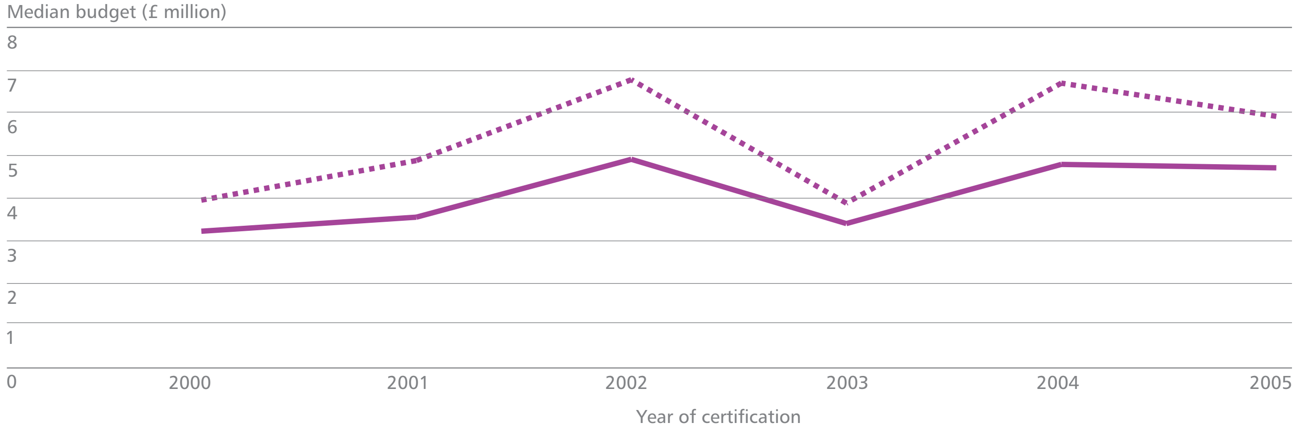
Source: Nielsen EDI, DCMS, RSU Analysis.
Release rates up to 4 March 2007.

Figure 6.5 shows that the median budgets of UK Schedule 1 and co-production films rose over the period 2000 to 2005, though there was a significant fluctuation in 2002 to 2004. The median budgets of UK co-productions remained higher than those of UK Schedule 1 films throughout this period, though with a smaller margin than in the case of films released in the UK and Republic of Ireland (Figure 6.2).

The differences between Schedule 1 films and UK co-productions in terms of both budget and release rates are narrower for international releases, but interestingly this has not reversed the higher release rate for Schedule 1 films in 2004 and 2005. This suggests that good domestic UK films can be more marketable internationally than films with a number of international partners.

Right
Gosford Park, courtesy of
Entertainment Film Distributors.

Figure 6.5 Median budget of UK Schedule 1 and co-production films released in any of 12 Nielsen EDI territories, certification years 2000–2005



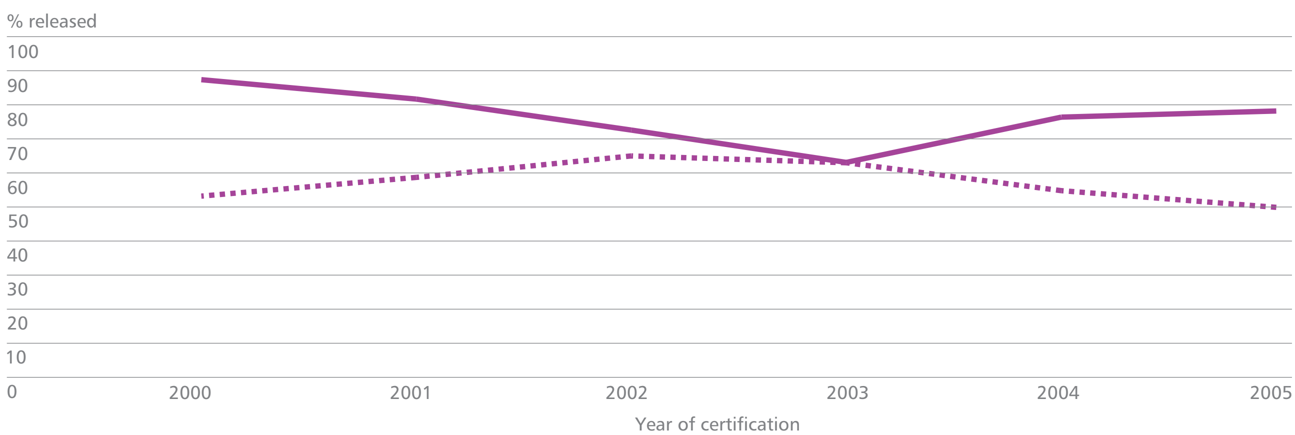
	2000	2001	2002	2003	2004	2005
Schedule 1	3.22	3.55	4.91	3.40	4.79	4.71
Co-production	3.95	4.88	6.78	3.88	6.70	5.92

Source: Nielsen EDI, DCMS, RSU Analysis.
Release rates up to 4 March 2007.

6.2.2 UK majority and minority co-productions

UK majority co-production films were more likely than UK minority co-production films to be theatrically released internationally in the certification years 2000 to 2005, as shown in Figure 6.6. The pattern is similar to that of Figure 6.3 for UK and Republic of Ireland releases, except for 2003 when UK minority co-productions were equally likely to be internationally released as UK majority co-productions.

Figure 6.6 UK majority and miniority co-production films released in any of 12 Nielsen EDI territories, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
Majority (>= 50% total investment)	87.5	81.8	72.7	63.2	76.5	78.3
Minority (<50% total investment)	53.3	58.8	65.1	63.1	54.9	50.0

Source: Nielsen EDI, DCMS, RSU Analysis.
Release rates up to 4 March 2007.

6.2.3 Independent and studio films

Over half (57%) of UK independent films received international releases (in at least one of the 12 Nielsen EDI territories) compared with almost guaranteed (close to 100%) international releases of UK studio films (defined as UK films with US studio involvement) over the certification years 2004 to 2005, as shown in Table 6.7. One UK studio film certified in 2005 (*Ripley Under Ground*) remained un-released in any of the 12 Nielsen EDI territories by March 2007. This film had been screened at a film festival in the USA in November 2005, according to IMDB (www.imdb.com), but no other future release dates could be identified from the same source.

Table 6.7 Percentage of UK independent and studio films released in any of 12 Nielsen EDI territories, certification years 2004–2005

	2004	2005	Total
Independent films %	56.3	58.4	57.4
Studio films %	100.0	93.8	97.2

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Release rates up to 4 March 2007.

6.3 Release opportunities analysis

In the following analysis, release opportunities are defined as the number of films multiplied by the number of territories in which these films could be released. For example, if there were 100 films to be released in 12 territories, there would be 1,200 release opportunities. The following analysis examines the extent to which UK films were able to exploit these release opportunities for the certification years from 2000 to 2005.

Table 6.8 shows that UK films were able to exploit 24.3% of the release opportunities in the 12 Nielsen EDI territories for the 2000 to 2005 certification years.

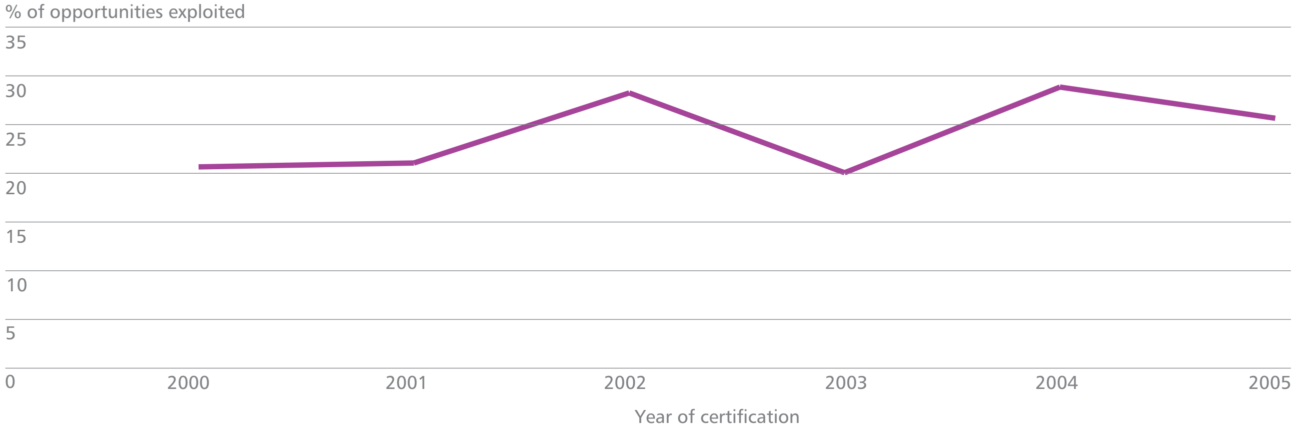
Table 6.8 Release opportunities of UK films, certification years 2000–2005

	2000	2001	2002	2003	2004	2005	Total
% of opportunities exploited	20.7	21.1	28.3	20.1	28.9	25.7	24.3
Number of release opportunities	1,548	1,428	1,488	1,896	2,052	2,040	10,452
Number of films certified	129	119	124	158	171	170	871

Source: Nielsen EDI, DCMS, RSU analysis.
Release rates up to 4 March 2007.

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

Figure 6.7 Release opportunities of UK films, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
	20.7	21.1	28.3	20.1	28.9	25.7

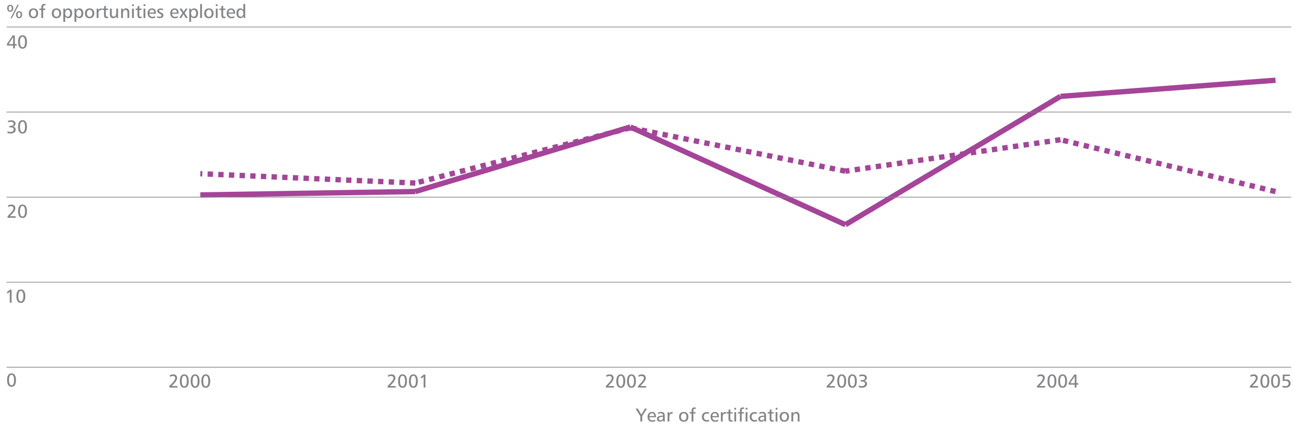
Source: Nielsen EDI, DCMS, RSU Analysis.
Release rates up to 4 March 2007.

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

6.3.1 Types of certification: Schedule 1 and co-production

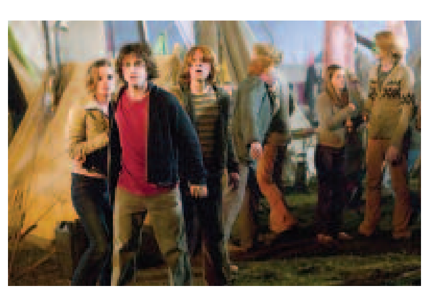
Figure 6.8 reveals that UK Schedule 1 films were more successful than UK co-production films at exploiting release opportunities in the years of certification 2004 and 2005. The rates were similar from 2000 to 2002.

Figure 6.8 Release opportunities of UK Schedule 1 and co-production films, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
Schedule 1	20.3	20.7	28.3	16.8	31.9	33.8
Co-production	22.8	21.7	28.2	23.1	26.8	20.7

Source: Nielsen EDI, DCMS, RSU Analysis.
Release rates up to 4 March 2007.



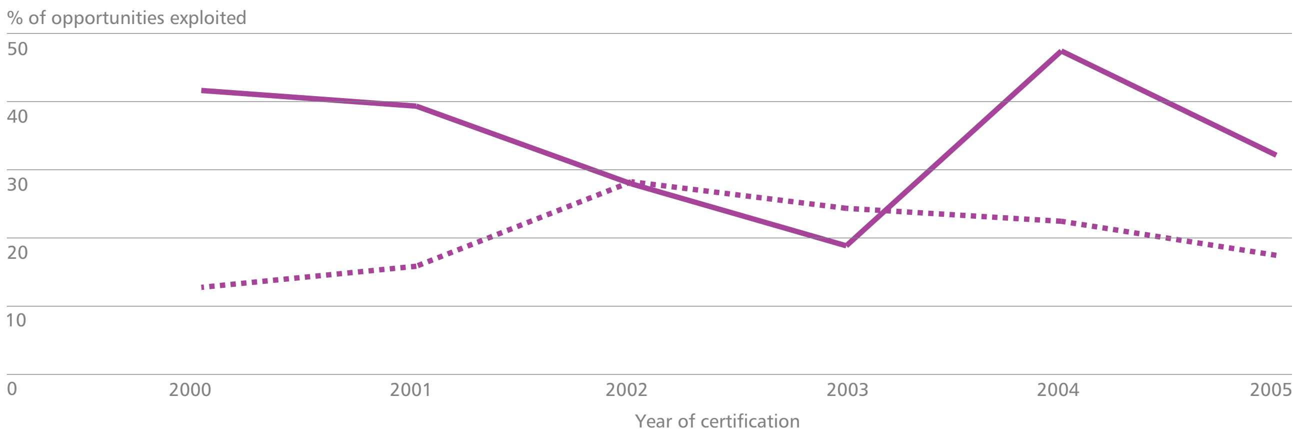
From left
Harry Potter and the Goblet of Fire
© Patalex IV Productions Limited.

Bridget Jones: The Edge of Reason,
distributed by Universal Pictures.

6.3.2 UK majority and minority co-productions

Overall, UK majority (UK share of investment equal to or above 50%) co-productions were more successful at exploiting release opportunities than UK minority co-productions over the certification years 2000 to 2005, as shown in Figure 6.9. This was except for 2002 and 2003 when UK minority co-productions achieved a higher proportion of release opportunities than UK majority co-productions.

Figure 6.9 Release opportunities of UK majority and minority co-production films, certification years 2000–2005



	2000	2001	2002	2003	2004	2005
Majority (>= 50% total investment)	41.7	39.4	28.0	18.9	47.5	32.2
Minority (<50% total investment)	12.8	15.9	28.3	24.4	22.5	17.5

Source: Nielsen EDI, DCMS, RSU Analysis.
Release rates up to 4 March 2007.

6.3.3 Independent and studio films

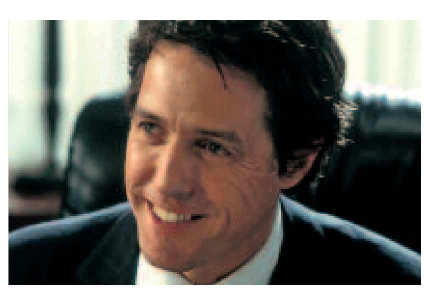
Table 6.9 shows that over the certification years 2004 and 2005 UK independent films only exploited 20.8% of the release opportunities compared with 82.4% by UK studio films (UK films whose production involved a US studio).

Table 6.9 Releases as a percentage of release opportunities for UK independent and studio films, certification years 2004–2005

	2004	2005	Total
Independent films (%)	22.2	19.5	20.8
Studio films (%)	80.0	85.4	82.4

Source: Nielsen EDI, DCMS, UKFC International, RSU analysis.
Release rates up to 4 March 2007.

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



From left
Bend it like Beckham, courtesy of Lions Gate UK. All rights reserved.

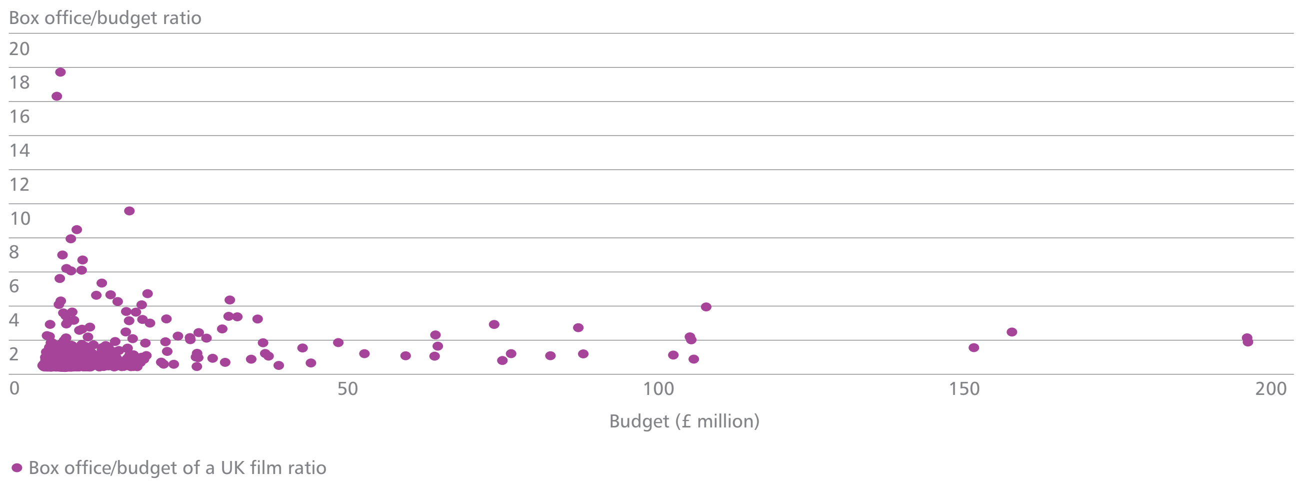
Love Actually, distributed by Universal Pictures.

6.4 Financial success analysis

It is difficult to measure the overall profitability of UK films. However, a proxy measure such as the ratio of multi-territory box office to budget can be a useful indicator. Industry feedback suggests that if a low- to medium-budget British film generates box office revenues greater than twice its budget in the 12 Nielsen territories it is likely to be in profit by the time returns from ancillary revenues are added to its income stream. Below that level its probability of making a profit drops rapidly. Figure 6.10 shows the budget to box office ratio by budget of UK films certified between 2000 and 2005 that had gained a theatrical release by 4 March 2007.

Over this period only 46 (8.8%) out of the 524 certified UK films released internationally (in at least one of the 12 Nielsen EDI territories) achieved a ratio of multi-territory box office to budget of two or above. This suggests that only a small proportion of internationally-released UK feature films are likely to have made profits for the producers and investors in the film and underlines the highly risky nature of film investment.

Figure 6.10 Multi-territory box office/budget ratio by budget of UK films, certification years 2000–2005



Source: Nielsen EDI, DCMS, RSU analysis.
Figures as at 4 March 2007.

See also:

- For cinema admissions and box office in 2006 see chapter 1 (p10)
- For UK films on video see chapter 10 (p96)
- For UK films on TV see chapter 11 (p112)
- For US studio involvement in UK film production in 2006 see chapter 14 (p138)

7: LANGUAGE, GENRE AND CLASSIFICATION

Film culture in the UK is increasingly diverse. The record number of films on release in 2006 gave audiences access to the best cinema from across the globe, in 30 different languages, as well as films varying in subject matter, genre and style.

Comedy, traditionally popular, accounted for 24% of releases and took 27% of the box office

Drama made up the highest proportion of releases (30.5%) but only 10% of the total box office

"FILM IS A UNIVERSAL

Foreign language films accounted for over a third of UK releases but just 3.5% of the box office

More ‘15’ certificate films were released than any other category but ‘12A’ films accounted for the largest box office share

Hindi was the most common foreign language in films released

LANGUAGE

Films in 30 different languages were released in the UK

171 foreign language films were released, 33.9% of all films

7.1 Foreign language films

Films in 30 different languages including English were released in the UK in 2006 as Table 7.1 shows, a decrease from 33 in 2005.

Table 7.1 Languages of films released, 2006

Language	Number of releases	Language	Number of releases
Arabic	3	Persian	2
Cantonese	6	Portuguese	2
Danish	2	Punjabi	7
English	334	Romanian	1
Farsi	1	Russian	3
Finnish	1	Serbo-Croatian	1
French	29	Spanish	10
German	6	Swedish	2
Hindi	50	Tamil	15
Hungarian	2	Thai	1
Italian	3	Turkish	9
Japanese	4	Xhosa	1
Korean	2	Yiddish	1
Mandarin	4	Zulu	1
Mongolian	1	**Total**	**505**
Nigerian	1		

Source: Nielsen EDI, RSU analysis.

The 29 foreign languages were spread over 171 releases in the UK (33.9% of all releases, an increase of 30.5% since 2002), earning £29.8 million at the box office (Table 7.2). This represented 3.5% of the total UK gross box office for 2006, a fall from 4.6% in 2004 but higher than in 2005.

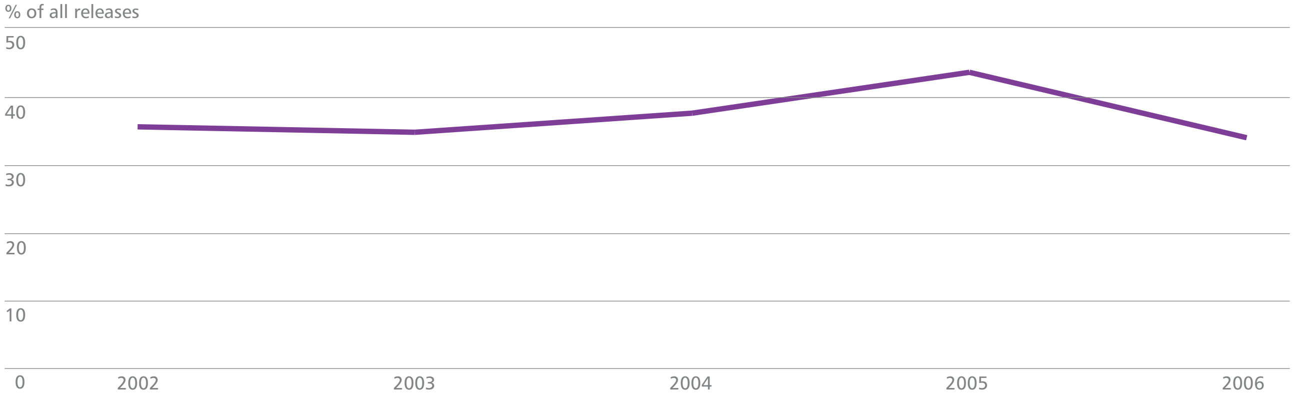
Table 7.2 Foreign language films at the UK box office, 2002–2006

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

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 4 March 2007.

Figure 7.1 shows that the percentage of foreign films released in the UK had dropped to a lower level than in 2002. This was despite the fact that a higher number of foreign films had been released this year than in 2002. This drop could be partly explained by the higher rate of increase in the total number of releases than in foreign films released between 2002 and 2006. The total number of films released rose from 369 in 2002 to 505 in 2006, an increase of 36.9% compared with the 30.5% increase in foreign films released over the same time.

Figure 7.1 Percentage of foreign language films of all films released in the UK, 2002–2006



Hindi was once again the most common foreign language in terms of the number of releases (Table 7.3). Taken together foreign language films played on average at only 17 sites at their widest point of release (against 15 in 2005) compared with an average of 162 for English language releases. Table 7.4 shows the top five foreign languages, with Hindi again in top position and Spanish second.

Table 7.3 Language of releases, 2006

Main language	Number of releases	% of releases	Gross box office (£ million)	% gross box office	Average sites at widest point of release
English	334	66.1	815.5	96.5	162
Hindi	50	9.9	15.2	1.8	25
European	62	12.3	10.4	1.2	16
Other international	59	11.7	4.2	0.5	12
Total	**505**	**100.0**	**845.3**	**100.0**	**113**

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 4 March 2007. Figures may not sum to totals due to rounding.

Table 7.4 Top five foreign languages at the UK box office, 2006

	Number of releases	Gross box office (£ million)	Top performing title
Hindi	50	15.2	Kabhi Alvida Naa Kehna
Spanish	10	5.6	Volver
French	29	3.9	Hidden (Caché)
Mandarin	4	1.3	Fearless
Zulu	1	0.8	Tsotsi

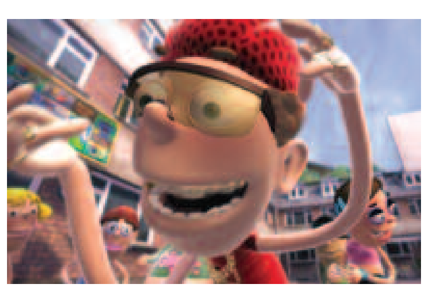
Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 4 March 2007.

Table 7.5 looks at European language releases in 2006 and shows the top three performing languages were Spanish, French and German. Spanish-language films included films from South America as well as Spain and the two Portuguese-language films were of Brazilian origin.

Table 7.5 European foreign languages at the UK box office, 2006

	Number of releases	Gross box office (£ million)	Top performing title
Spanish	10	5.6	Volver
French	29	3.9	Hidden (Caché)
German	6	0.7	The Little Polar Bear 2
Italian	3	0.1	Romanzo Criminale
Romanian	1	<0.1	The Death of Mr Lazarescu
Hungarian	2	<0.1	Fateless
Portuguese	2	<0.1	Favela Rising
Russian	3	<0.1	King Lear
Danish	2	<0.1	Terkel in Trouble
Finnish	1	<0.1	Frozen Land
Serbo-Croatian	1	<0.1	Esma's Secret
Swedish	2	<0.1	Frostbite

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 4 March 2007.



From left
Volver, courtesy of
Pathé Pictures International.

Terkel in Trouble, courtesy of
Eureka Entertainment.

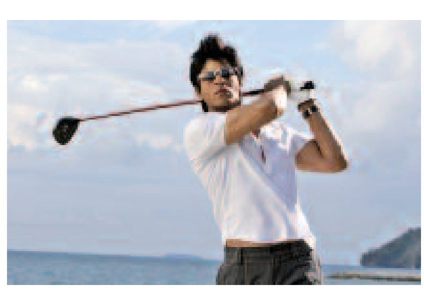
While the top two foreign language films in 2006 were in Spanish, the top 20 as a whole was dominated by Hindi films, which accounted for 14 titles (Table 7.6).

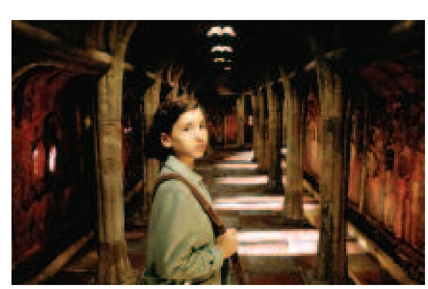
Table 7.6 Top 20 foreign language films released in the UK and Republic of Ireland, 2006

	Title	Country of origin	Gross box office (£ million)	Distributor	Language
1	Volver	Spa	2.9	Pathé	Spanish
2	Pan's Labyrinth	Mex/Spa/USA	2.6	Optimum	Spanish
3	Kabhi Alvida Naa Kehna	Ind	2.1	Yash Raj	Hindi
4	Hidden (Caché)	Fra	1.4	Artificial Eye	French
5	Don	Ind	1.4	UTV	Hindi
6	Fanaa	Ind	1.2	Yash Raj	Hindi
7	Dhoom 2	Ind	1.2	Yash Raj	Hindi
8	Fearless	HK/USA/Chi	1.2	UIP	Mandarin
9	Baabul	Ind	0.9	Adlabs	Hindi
10	Rang De Basanti	Ind	0.8	UTV	Hindi
11	Lage Raho Munnabhai	Ind	0.8	Eros	Hindi
12	Tsotsi	S. Africa/UK	0.8	Momentum	Zulu
13	Krrish	Ind	0.7	Adlabs	Hindi
14	The Little Polar Bear 2	Ger	0.5	Warner Bros	German
15	Bhagam Bhaag	Ind	0.5	Venus	Hindi
16	Jaan-E-Mann	Ind	0.5	Adlabs	Hindi
17	Humko Deewana Kar Gaye	Ind	0.5	UTV	Hindi
18	Phir Hera Pheri	Ind	0.5	Tip Top	Hindi
19	Umrao Jaan	Ind	0.4	Adlabs	Hindi
20	Chup Chup Ke	Ind	0.3	UTV	Hindi

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 4 March 2007.

The release of a number of films in the top 20 was supported by the UK Film Council. Four of the titles (*Volver, Pan's Labyrinth, Hidden* and *Tsotsi*) received funding to pay for additional prints and advertising, providing a greater opportunity for people to see the films.





From left
Don, courtesy of UTV Motionpictures.

Pan's Labyrinth, courtesy of Optimum Home Entertainment 2007.

7.2 Genre

For statistical purposes, the Research and Statistics Unit allocated a primary genre to every film released in the UK in 2006. The list of genres is based on conventions commonly used within the industry and by published sources. The full list of genres and classification of each title released in 2006 is available on our website (http://www.ukfilmcouncil.org.uk/information/statistics/genre-titles/).

Table 7.7 provides an indication of the relative popularity of different genres. Comedy was once again the top-grossing genre at the UK box office (earning £230.9 million), followed by action (£158.2 million) and animation (£137 million). Despite accounting for the largest proportion of releases (30.5%), drama films shared only 10.1% of the box office gross.

Table 7.7 Films on release in the UK and Republic of Ireland by genre, 2006, ranked by gross box office

Genre	Number of releases	% of releases	Gross box office (£ million)	% of box office	Top performing title
Comedy	122	24.2	230.9	27.3	Borat: Cultural Learnings…
Action	50	9.9	158.2	18.7	Casino Royale
Animation	21	4.2	137.0	16.2	Ice Age 2
Drama	154	30.5	85.5	10.1	Brokeback Mountain
Thriller	25	5.0	65.5	7.7	The Da Vinci Code
Adventure	9	1.8	58.6	6.9	Pirates of the Caribbean: Dead Man's Chest
Horror	24	4.8	39.8	4.7	Final Destination 3
Crime	18	3.6	28.3	3.3	The Departed
Fantasy	6	1.2	13.7	1.6	Eragon
Biopic	6	1.2	13.4	1.6	Walk the Line
Family	3	0.6	6.9	0.8	Garfield 2
Documentary	40	7.9	3.8	0.4	Deep Sea 3-D
Romance	12	2.4	2.1	0.2	Tristan and Isolde
Musical	13	2.6	0.8	0.1	Jaan-E-Mann
War	1	0.2	0.7	0.1	Flags of our Fathers
Western	1	0.2	<0.1	<0.1	Dead Man's Cards

Source: Nielsen EDI, RSU analysis.

Four of the top performing films by genre originated in the UK, demonstrating the wide variety of story types of successful British films (*Casino Royale*, *The Da Vinci Code*, *Tristan and Isolde* and *Dead Man's Cards*).

From left
The Departed, courtesy of Entertainment Film Distributors.

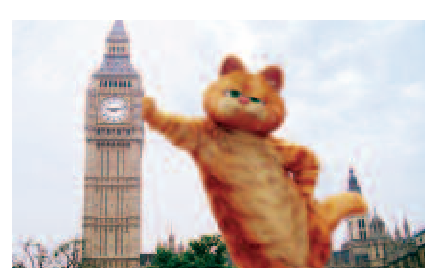
Brokeback Mountain, courtesy of Entertainment Film Distributors.

Table 7.8 gives the pattern of genres ranked by the average number of sites at the widest point of release. Whereas in 2005 fantasy topped the list with an average WPR of 492 across four heavily-marketed titles on wide release, the top WPR genre in 2006 was animation with an average 301 sites across 21 films.

Table 7.8 Films on release in the UK and Republic of Ireland by genre, 2006, ranked by average widest point of release

Genre	Average number of sites at widest point of release	Number of releases	Gross box office (£ million)
Animation	301	21	137.0
Adventure	223	9	58.6
Fantasy	207	6	13.7
Thriller	175	25	65.5
Horror	167	24	39.8
Family	165	3	6.9
Action	160	50	158.2
Comedy	151	122	230.9
War	150	1	0.7
Crime	124	18	28.3
Biopic	106	6	13.4
Drama	52	154	85.5
Romance	37	12	2.1
Musical	13	13	0.8
Western	9	1	<0.1
Documentary	8	40	3.8

Source: Nielsen EDI, RSU analysis.



Right
Garfield: A Tail of Two Kitties
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Table 7.9 demonstrates what the different genres generated in box office revenues per site, which gives a good indication of performance in the market while controlling for the size of release. Comedy, which took the largest slice of box office overall, is much lower placed when the average widest point of release is taken into account, indicating a long tail of less able performers. Documentary, meanwhile, outperformed box office staples like fantasy and horror in this analysis.

Table 7.9 Films on release in the UK and Republic of Ireland by genre and ranked by average box office gross per site, 2006

Genre	Average box office per site (£)	Gross box office (£ million)	Total sites
Adventure	29,149	58.6	2,010
Animation	21,698	137.0	6,316
Biopic	21,203	13.4	634
Action	19,828	158.2	7,980
Thriller	14,992	65.5	4,372
Family	13,997	6.9	494
Crime	12,635	28.3	2,238
Documentary	12,571	3.8	304
Comedy	12,497	230.9	18,476
Fantasy	10,996	13.7	1,243
Drama	10,590	85.5	8,071
Horror	9,935	39.8	4,006
Musical	4,735	0.8	175
Romance	4,730	2.1	438
War	4,713	0.7	150
Western	705	<0.1	9

Source: Nielsen EDI, RSU analysis.
Total sites = number of films multiplied by widest point of release.

The genres of UK films released in 2006 by gross box office reflect similar rankings to that for all films released, although there are some notable differences. For example, action blockbusters accounted for 40% of the total box office for UK films and UK comedies performed less well than comedies in general (Table 7.10). The exceptional performance of UK action films in 2006 was largely due to *Casino Royale* which made up of 84% of total box office for UK action films.

From left
Fanaa, courtesy of Yash Raj Films.

The Death of Mr Lazarescu, courtesy of Tartan Video.

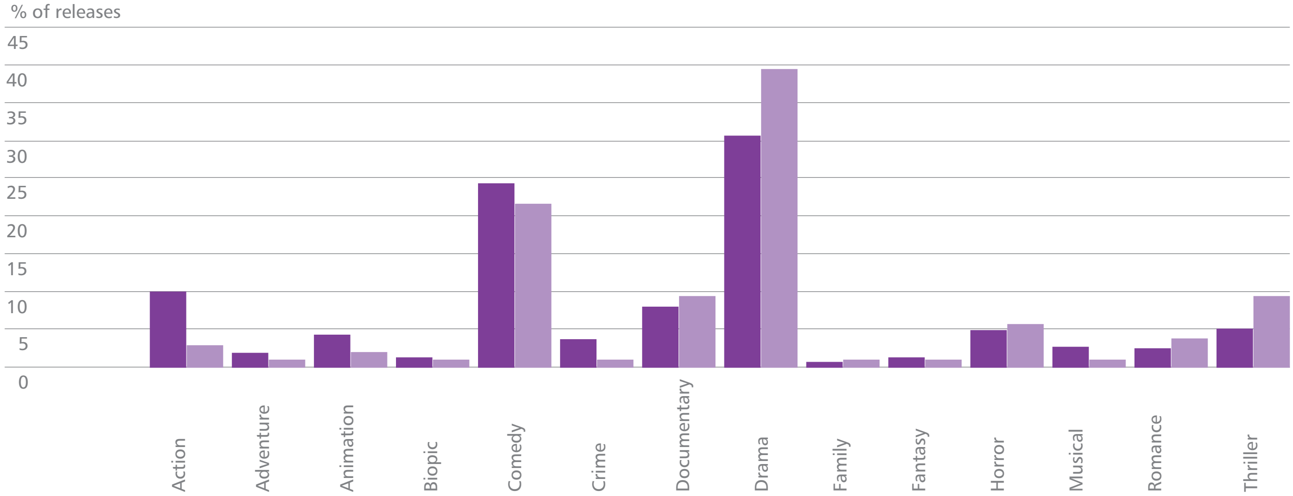
Table 7.10 UK films on release in the UK and Republic of Ireland by genre, and ranked by gross box office, 2006

Genre	Number of releases	% of releases	Gross box office (£ million)	% of box office	Top performing title
Action	3	2.8	65.8	40.9	Casino Royale
Thriller	10	9.3	39.4	24.5	The Da Vinci Code
Drama	42	39.3	25.2	15.7	The Queen
Comedy	23	21.5	17.0	10.5	The History Boys
Animation	2	1.9	11.2	7.0	Flushed Away
Romance	4	3.7	0.9	0.5	Tristan and Isolde
Horror	6	5.6	0.7	0.4	The Dark
Adventure	1	0.9	0.4	0.2	The Adventures of Greyfriars Bobby
Documentary	10	9.3	0.2	0.1	Glastonbury
Family	1	0.9	0.1	0.1	Thief Lord
Fantasy	1	0.9	0.1	<0.1	Mirrormask
Crime	1	0.9	<0.1	<0.1	Rollin' with the Nines
Western	1	0.9	<0.1	<0.1	Dead Man's Cards
Musical	1	0.9	<0.1	<0.1	Bugsy Malone (re-release)
Biopic	1	0.9	<0.1	<0.1	The Night we Called it a Day

Source: Nielsen EDI, RSU analysis.

Dramas and thrillers formed a higher proportion of UK film releases than of all films released in the UK in 2006 (Figure 7.2). Under-represented genres among UK films were action, adventure, animation and musical. The genres of western and war have been excluded from this comparison as there was only one such release in each of the two genres in 2006.

Figure 7.2 Proportion of releases by genre for UK films and all films, 2006



	Action	Adventure	Animation	Biopic	Comedy	Crime	Documentary	Drama	Family	Fantasy	Horror	Musical	Romance	Thriller
% all releases	9.9	1.8	4.2	1.2	24.2	3.6	7.9	30.5	0.6	1.2	4.8	2.6	2.4	5.0
% UK releases	2.8	0.9	1.9	0.9	21.5	0.9	9.3	39.3	0.9	0.9	5.6	0.9	3.7	9.3

Source: Nielsen EDI, RSU analysis.

7.3 Classification

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

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

Table 7.11 BBFC film classifications

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

Source: BBFC website.

Table 7.12 provides a picture of how 2006 releases were classified. It shows that as in previous years more '15' films were released than any other category (38.8% of all releases) although they accounted for a smaller proportion of the gross box office (21.2%). There were increases in the proportions of '12A' and '15' certified films in 2006, up from 25% and 37% in 2005 to 28% and 39%.

Table 7.12 Releases in UK and Republic of Ireland by film certificate, 2006

Certificate	Number of releases	% of releases	% of gross box office	Top performing title
U	29	5.7	13.9	Ice Age 2
PG	75	14.9	15.2	Night at the Museum
12A	139	27.5	43.9	Casino Royale
15	196	38.8	21.2	Borat: Cultural Learnings…
18	46	9.1	5.7	The Departed
No certificate	20	4.0	<0.1	Jillunu Oru Kaadhal
Total	**505**	**100.0**	**100.0**	

Source: Nielsen EDI, BBFC, RSU analysis

From left
Tsotsi, courtesy of Momentum Pictures.

Night at the Museum © 2006 Twentieth Century Fox. All rights reserved.

Table 7.13 gives the top 10 'U' certified films in 2006. With seven out of 10 titles the list is dominated by animated features (traditionally aimed at the youngest audiences for whom a 'U' certificate is preferable). Only one of the 10 films had UK involvement, compared with five last year.

Table 7.13 Top 10 'U' certified films, 2006

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Ice Age 2	USA	29.6	20th Century Fox	Animation
2	Happy Feet	Aus/USA	18.9	Warner Bros	Animation
3	Chicken Little	USA	13.5	Buena Vista	Animation
4	Over the Hedge	USA	13.2	UIP	Animation
5	Flushed Away	UK/USA	11.1	Paramount	Animation
6	Garfield 2	USA	6.5	20th Century Fox	Family
7	The Santa Clause 3	USA	6.3	BVI	Comedy
8	Hoodwinked	USA	5.8	Momentum	Animation
9	The Wild	USA	4.3	BVI	Animation
10	The Shaggy Dog	USA	2.9	BVI	Comedy

Source: Nielsen EDI, BBFC, RSU analysis.

The top 10 performing 'PG' certified films are a more varied group (Table 7.14). The table is topped by the successful comedy, *Night at the Museum*. The top 10 'PG' films are dominated by comedies and animations.

Table 7.14 Top 10 'PG' certified films, 2006

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Night at the Museum	USA	20.8	20th Century Fox	Comedy
2	Cars	USA	16.4	Buena Vista	Animation
3	The Devil Wears Prada	USA	14.0	20th Century Fox	Comedy
4	Big Momma's House 2	USA	9.2	20th Century Fox	Comedy
5	Open Season	USA	7.4	Sony Pictures	Animation
6	Stormbreaker	UK/Ger/USA	6.8	Entertainment	Action
7	Monster House	USA	6.6	Sony Pictures	Animation
8	The Pink Panther	USA	6.0	20th Century Fox	Comedy
9	Eragon	USA	5.6	20th Century Fox	Fantasy
10	Barnyard: the Original Party	USA	4.6	Paramount	Animation

Source: Nielsen EDI, BBFC, RSU analysis.

As noted in Table 7.12, the largest share of gross box office was earned by '12A' films (43.9%). Traditionally this is largely due to the success of popular family-oriented films which also managed to attract older audiences (Table 7.15). The hugely successful and relatively violent (for a '12A' certificate) Bond-franchise, *Casino Royale*, is somewhat of an exception. Three of the top 10 '12A' films had UK involvement.

Table 7.15 Top 10 '12A' certified films, 2006

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Casino Royale	UK/Cze/Ger/USA	55.5	Sony Pictures	Action
2	Pirates of the Caribbean: Dead Man's Chest	USA	52.5	Buena Vista	Adventure
3	The Da Vinci Code	UK/USA	30.4	Sony Pictures	Thriller
4	X-Men III	USA	19.2	20th Century Fox	Action
5	Superman Returns	USA/Aus	16.1	Warner Bros	Action
6	Mission: Impossible III	USA	15.5	UIP	Action
7	The Holiday	USA	12.3	Universal Pictures	Comedy
8	The Break up	USA	10.4	UIP	Comedy
9	Walk the Line	USA	10.4	20th Century Fox	Biopic
10	The Queen	UK/Fra/Ita	9	Pathé	Drama

Source: Nielsen EDI, BBFC, RSU analysis.

By definition, '15' certified films contain stronger material than the younger categories. Depending on the type of film they are likely to involve more adult-oriented themes, action, comedy and language. This is reflected in the top 10, shown in Table 7.16. The top 10 '15' films were topped by the hit comedy featuring the character, Borat, created by British actor, Sacha Baron Cohen. This was followed by the multiple-award winning, gay-themed *Brokeback Mountain*. The rest of the list is made up of action, horror and thrillers.

Table 7.16 Top 10 '15' certified films, 2006

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Borat: Cultural Learnings…	USA	24.1	20th Century Fox	Comedy
2	Brokeback Mountain	USA	10.1	Entertainment	Drama
3	Final Destination 3	USA	9.0	Entertainment	Horror
4	The Inside Man	USA	8.3	UIP	Crime
5	Miami Vice	USA/Ger	7.5	UIP	Action
6	Scary Movie 4	USA	5.9	Buena Vista	Comedy
7	Jarhead	USA	5.4	UIP	Drama
8	Munich	USA	5.1	UIP	Thriller
9	The Children of Men	UK/USA	4.9	Universal Pictures	Thriller
10	The Omen	USA	4.4	20th Century Fox	Horror

Source: Nielsen EDI, BBFC, RSU analysis.

Because of the challenging nature of ‘18’ certified films, which contain the strongest content, their audience appeal is generally much narrower than other categories. However, the Oscar-winning, *The Departed*, broke the £10 million barrier this year (Table 7.17). Where as none of the films in this category broke this barrier in 2005. It is followed by the third part of the horror sequel, *Saw. Saw 2* was the top film in this category in 2005. Nearly half of the top 10 ‘18’ films were horror titles, along with two action films and a mix of other genres. Unlike 2005 (when there were five UK titles on this list) there were no UK titles among the top 10 ‘18’ films in 2006.

Table 7.17 Top 10 ‘18’ certified films, 2006

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	The Departed	USA	12.8	Entertainment	Crime
2	Saw 3	USA	8.5	Lionsgate	Horror
3	Lucky Number Slevin	USA	4.6	Entertainment	Thriller
4	Hostel	USA	4.2	Sony Pictures	Horror
5	The Hills have Eyes	USA	3.6	20th Century Fox	Horror
6	Underworld: Evolution	USA	3.2	Entertainment	Action
7	Hard Candy	USA	1.9	Lionsgate	Drama
8	Jackass 2	USA	1.7	Paramount	Comedy
9	Texas Chainsaw: the Beginning	USA	1.5	Entertainment	Horror
10	Crank	USA	1.5	UIP	Action

Source: Nielsen EDI, BBFC, RSU analysis.

See also:

- For cinema admissions and box office in 2006 see chapter 1 (p10)
- For a look at cinema audiences see chapter 10 (p96)
- For information about film classification in the UK see www.bbfc.org.uk
- For details of local film societies that screen foreign language films in your area see www.bffs.org.uk
- For further insight into what the UK Film Council does to support specialised films see http://www.ukfilmcouncil.org.uk/cinemagoing/distributionandexhibition/
- For more details about genre classification see http://www.ukfilmcouncil.org.uk/information/statistics/genre-titles/

Opening weekends accounted for 27% of the total box office

Weekends (Friday to Sunday) accounted for 60% of the box office

8: DISTRIBUTION

A small number of large companies dominate the distribution of films in the UK. They invest millions of pounds in attracting audiences to the cinema.

Total advertising spend increased by 3.3% to £171.3 million

The top ten distributors had a 96% share of the market in 2006

AUDIENCE

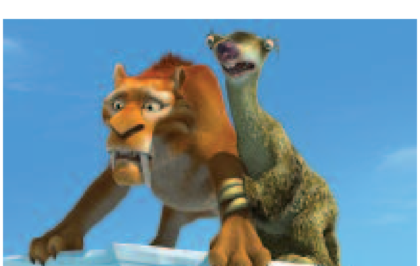
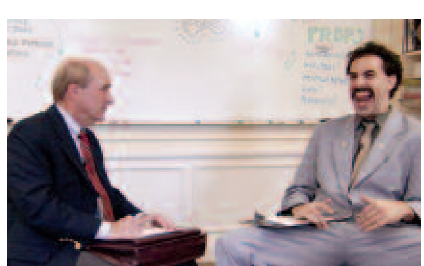
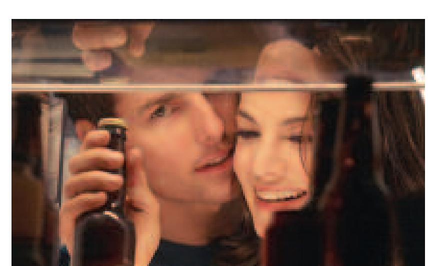
8.1 Distributors in 2006

As shown in Table 8.1, the top ten distributors had a 96% share of the market, down from 97% in 2005. The remaining 57 distributors handled a total of 295 titles (58% of the total), but gained only a 3.6% share of the box office, up from 2.7% in 2005. The leading distributor was 20th Century Fox, which handled major hits such as *Ice Age 2*, *Borat*, *X-Men 3*, *The Devil Wears Prada* and *Walk the Line*. UIP was in second place having distributed 51 titles over the course of the year, including *Mission: Impossible III*, *Over the Hedge* and *The Break Up*. Sony Pictures was in third place, having launched the year's biggest hit, *Casino Royale* and also *The Da Vinci Code*. Buena Vista's hits *Pirates of the Caribbean: Dead Man's Chest* and *Cars* ensured fourth place. The major change in film distribution in 2006 was the break-up of UIP into its two constituent companies, Paramount and Universal Pictures International in December. Because this change was so late in the year, the final market share for UIP in the table below includes the separate figures for Paramount and Universal recorded in December.

Table 8.1 Distributor share of box office, UK and Republic of Ireland, 2006

Distributor	Market share (%)	Films on release 2006	Box office gross (£ million)
20th Century Fox	20.9	33	179.5
UIP*	18.9	51	162.6
Sony Pictures	16.1	34	138.5
Buena Vista	15.7	27	135.1
Warner Bros	8.2	25	70.8
Entertainment	7.9	22	67.5
Pathé	3.2	22	27.4
Lionsgate	2.4	24	20.3
Momentum	2.3	18	19.6
Icon	0.8	11	7.0
Sub-total	96.4	267	828.3
Others (57 distributors)	3.6	295	31.5
Total	100.0	562	859.8

Source: Nielsen EDI.
Box office gross = cumulative box office total for all films handled by the distributor in the period 2 January 2006 to 4 January 2007.
*UIP figure includes Paramount and Universal shares from December 2006.

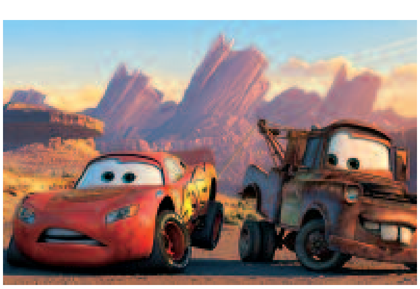
8.2 Distributors, 2002–2006

Table 8.2 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. The share of box office made by distributors outside the top ten increased to 3.6%.

Table 8.2 Distributor market share as percentage of box office gross, 2002–2006

Distributor	2002 %	2003 %	2004 %	2005 %	2006 %
20th Century Fox	17.9	8.8	10.7	14.3	20.9
UIP	12.5	22.5	29.8	29.1	18.9
Sony Pictures	12.3	9.7	10.0	6.8	16.1
Buena Vista	15.2	26.3	14.5	13.1	15.7
Warner Bros	15.4	10.4	14.7	18.2	8.2
Entertainment	16.6	14.6	7.9	9.4	7.9
Pathé	2.1	2.0	2.8	3.5	3.2
Lionsgate	1.7	0.7	1.0	0.3	2.4
Momentum	1.9	1.3	2.2	1.9	2.3
Icon	0.9	0.7	2.3	0.2	0.8
Top 10 total*	96.8	97.1	96.1	97.3	96.4
Others	3.2	2.9	3.9	2.7	3.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Nielsen EDI.
*Top 10 total refers to the top 10 distributors of that particular year. Table is ranked by top 10 distributors in 2006.



From left
Ice Age 2 © 2006 Twentieth Century Fox.
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Borat: Cultural Learnings of America for make Benefit Glorious Nation of Kazakhstan © 2006 Twentieth Century Fox. All rights reserved.

Mission: Impossible III, courtesy of Paramount Pictures.

Cars, courtesy of Buena Vista Home Entertainment.

Walk the Line © 2005 Twentieth Century Fox.
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8.3 Weekend box office

In 2006, 60% of the box office was taken at weekends (Friday to Sunday), down from 64% in 2005, as Table 8.3 shows.

Table 8.3 Box office percentage share by weekday/weekend, 2002–2006

	2002	2003	2004	2005	2006
Friday	16.9	16.0	15.3	18.0	16.5
Saturday	29.4	26.6	24.5	27.0	25.1
Sunday	21.3	18.7	19.9	19.0	18.7
Weekend	**67.6**	**61.3**	**59.7**	**64.0**	**60.3**
Monday	7.2	8.9	9.7	8.0	9.5
Tuesday	8.5	10.0	10.1	8.0	9.5
Wednesday	8.6	9.8	10.7	10.0	10.9
Thursday	8.1	10.0	9.8	10.0	9.7
Weekday	32.4	38.7	40.3	36.0	39.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

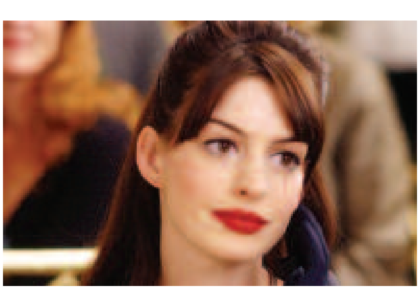
Source: Nielsen EDI.

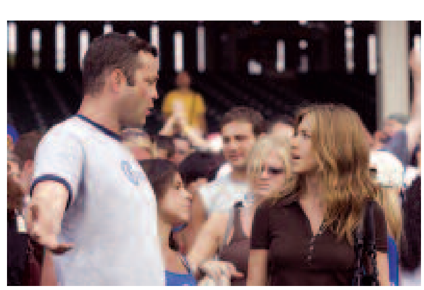
The opening weekend box office as a share of total theatrical revenue increased slightly in 2006 as shown in Table 8.4.

Table 8.4 UK opening weekend as percentage of total box office, 2005–06

Range of box office results	% of total in opening weekend 2005	% of total in opening weekend 2006
All films	**26.3**	**26.5**
More than £30 million	27.2	26.4
£20 million – £30 million	25.9	31.8
£10 million – £29.9 million	23.4	23.7
£5 million – £9.9 million	24.3	23.3
£1 million – £4.9 million	28.3	28.6
£200,000 – £999,000	29.2	31.2
Less than £200,000	27.1	30.9

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





From left
The Devil Wears Prada
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The Break-Up © Universal Studios.
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8.4 Release costs

The opening weekend of a film is recognised as being crucial to the lifetime of a film, both in cinemas and on subsequent release platforms. Distributors invest heavily in advertising in order to raise a film's profile across all media (outdoor posters, print media, TV, radio and increasingly online). From data provided by Nielsen Media Research (Table 8.5) the estimated total distributor advertising spend in 2006 was £171.3 million, up 3.3% from £165.8 million in 2005.

Table 8.5 Estimated advertising spend, 2006 (£ million)

TV	73.1
Outdoor	60.1
Press	29.0
Radio	8.8
Other	0.3
Total	171.3

Source: Nielsen Media Research.

Where the data are available, we have estimated the total release costs for various release widths. By taking a typical print cost of £1,000 per print and adding the Nielsen Media Research advertising spend data plus 20% for other public relations campaigns and publicity and premiere costs, we can calculate an average release cost for each level of theatrical release (see table 8.6).

Table 8.6 Estimated release cost by width of release, 2006

Sites at widest point of release	Average release cost (£ million)
>500	3.72
400–499	2.33
300–399	1.50
200–299	1.10
100–199	0.52
50–99	0.26
10–49	0.08
<10	0.02

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

See also:

- For further details about the UK box office in 2006 see chapter 1 (p10)
- For more information about the top films at the UK box office in 2006 see chapter 2 (p22)
- For an overview of employment in film distribution see chapter 17 (p166)

9: EXHIBITION

For most film-lovers, the best way to enjoy film is on the big screen, with a large audience. The fortunes of the exhibition sector are therefore an important indicator of the vitality of film culture. On this basis, film is thriving, with the number of screens increasing year on year since 2002. Screenings run by providers serving their local communities, including film societies and mixed-use venues such as arts centres, are also an important part of the UK's diverse exhibition landscape.

Northern Ireland had the highest number of screens per 100,000 and England had the lowest

The average ticket price was £4.87

Only 7% of screens were dedicated to 'specialised' films

London had the highest number (15%) of screens overall

Film societies attracted over 225,000 admissions

Rural areas had 42% of the UK's film societies

NEAR YOU

The UK had 3,440 screens in 697 cinemas, 83 more than 2005

The five largest exhibitors operated 75% of screens

9.1 UK screens

The number of owned or programmed cinema screens (excluding those operated in venues such as schools and private screening rooms) continued to increase in 2006, and at a higher rate than previously, rising 2.5% to 3,440. This was matched by an increase in the number of sites, from 659 to 697.

Table 9.1 shows that more sites opened than closed in 2006 and the number of traditional screens rose for the first time in a decade. A total of 31 sites closed in 2006, an increase of 11% on the number of closures in 2005, with a loss of 52 screens. 69 sites opened (including eight multiplexes), adding 135 screens (including 65 multiplex screens).

Table 9.1 Site openings and closures, 2006

	Multiplex		Traditional	
	Sites	Screens	Sites	Screens
Opened	8	65	61	70
Closed	1	6	30	46
Net difference	+7	+59	+31	+24

Source: Dodona Research.

One simple way to gauge the level of cinema provision is to examine 'screen density', that is the number of screens available per 100,000 people. In 2006, this rose slightly to 5.8 screens per 100,000 people in the UK (5.6 screens in 2005). This level of screen access falls short of the numbers in other major film territories: USA 13.2, Spain 9.5, Australia 9.5, France 8.9, Italy 6.9 and Germany 5.9 (source: *Screen Digest*).

Table 9.2 reveals the numbers of admissions per person in major film territories. The UK saw more admissions per person than both Italy and Germany despite lower screen density.

Table 9.2 Admissions per person, 2003–2006

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

Source: Screen Digest.

Right
Watershed Media Centre, Bristol.

9.2 Screen location

Historically cinemas have been a feature of the urban landscape and 2006 was no different with 96.9% of all screens in the UK in town or city centres, edge of centre, 'out of town' or suburban locations.

Table 9.3 shows suburban and rural cinemas tend to have fewer screens on average than their urban counterparts although town and city centre sites are also relatively small. The number of rural screens increased in 2006 while the decline in suburban screens was reversed with two more screens than in 2005.

Table 9.3 Screens by location, 2002–2006

Location	2002	2003	2004	2005	2006	% change 2002–2006	Average no. of screens
Town/city centre	1,466	1,470	1,502	1,495	1,555	6.1	4
Out of town	1,199	1,234	1,243	1,250	1,262	5.3	10
Edge of centre	456	464	465	479	478	4.8	10
Suburban	34	33	33	38	40	17.6	2
Rural	103	117	99	95	105	1.9	1
Total	3,258	3,318	3,342	3,357	3,440	5.6	–

Source: Dodona Research, RSU analysis.

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

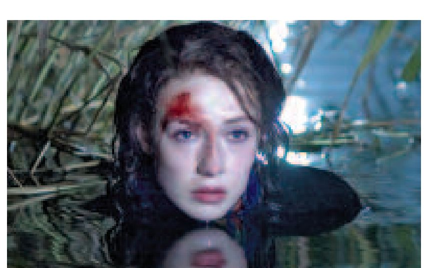
Right
BFI Southbank, London.

The Cinema Advertising Association produces monthly admissions totals for each of the television advertising regions used by the Incorporated Society of British Advertisers (ISBA). Screen and admissions data for 2006 using these TV regions are presented in Table 9.4.

Table 9.4 Screens and admissions by ISBA TV region, 2006

ISBA TV region	Screens	Admissions	Admissions per screen
London	742	39,814,809	53,659
Midlands	506	21,861,057	43,204
Lancashire	423	17,418,916	41,179
Southern	300	14,090,556	46,969
Wales and West	292	10,025,205	34,333
Yorkshire	275	12,978,182	47,193
Central Scotland	233	11,197,632	48,059
East of England	206	10,272,548	49,867
Northern Ireland	154	4,968,719	32,264
North East	108	5,915,810	54,776
South West	100	3,291,111	32,911
Northern Scotland	64	3,289,629	51,400
Border	37	1,436,228	38,817

Source: Dodona Research, CAA, RSU analysis.



From left
Red Road, courtesy of Verve Pictures.
Black Book, courtesy of Tartan Video.

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

Table 9.5 Screens and population in the nations and Government Office Regions, 2006

Government office region	Screens	Population*	Screens per 100,000	Average no. of screens per site
London	532	7,388,000	7.2	5
South East	468	8,080,000	5.8	4
North West	436	6,805,000	6.4	7
West Midlands	309	5,320,000	5.8	6
Scotland	309	5,057,000	6.1	5
South West	296	4,999,000	5.9	4
Yorkshire	238	5,009,000	4.8	6
East of England	225	5,463,000	4.1	5
Wales	182	2,938,000	6.2	3
East Midlands	170	4,252,000	4.0	5
Northern Ireland	154	1,703,000	9.0	7
North East	104	2,539,000	4.1	5
Other**	17	N/A	N/A	4
Total	3,440	59,553,000	5.8	5

Source: Dodona Research, RSU analysis.
*2003 population data.
****Other** includes the Channel Islands and the Isle of Man.

The pattern of regional and national variations in screen provision remains unchanged in 2006. It is still the case that areas of high population in urban areas, such as London, the South East and the North West, had higher screen numbers. Northern Ireland had the highest number of screens per 100,000 people of the four nations (9) followed by Scotland (6.1), Wales (6.2) and England (5.6). Table 9.5 also reveals that the North West, West Midlands and Northern Ireland had on average six screens per site compared with the national average of five. The South East, South West and Wales all fell below the average, showing a tendency towards smaller cinemas and proportionately fewer multiplexes (see Table 9.7 on page 85).

The Road to Guantánamo,
courtesy of Revolution Films.

9.3 Multiplexes

The proportion of multiplex screens (defined by Dodona Research as those in purpose-built cinemas with five or more screens) remained the same as in 2005, as shown in Table 9.6. There has been a rise of 55% in the number of multiplex screens since 1999 compared with an 18% fall in the number of traditional and mixed-use screens (used for film screenings only part of the time). The UK has gained 888 multiplex screens since 1999 and lost 206 traditional or mixed-use screens. The proportion of multiplex screens has increased from 58.9% in 1999 to 73% in 2006.

Table 9.6 Cinema screens by type, 1999–2006

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

Source: Dodona Research.

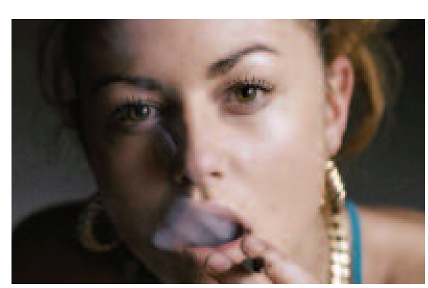
Table 9.7 provides a snapshot of variations in multiplex provision around the UK. The North West had the largest number of multiplex screens (367), 22 more than London; and the highest proportion of multiplex screens (84.2%). By far the lowest concentration of multiplex screens was found in the South West (57.8%), which had a particularly high number of traditional and mixed-use screens (the third highest after London and the South East). Wales (68.1%) and the Channel Islands and Isle of Man (58.8%) also had proportionally fewer multiplex screens than the national average.

Romanzo Criminale.

Table 9.7 Cinema screens by type and nation or Government Office Region, 2006

Government office region	Multiplex	% multiplex	Traditional and mixed use	Total screens
North West	367	84.2	69	436
London	345	64.8	187	532
South East	331	70.7	137	468
West Midlands	234	75.7	75	309
Scotland	230	74.4	79	309
Yorkshire	197	82.8	41	238
South West	171	57.8	125	296
East of England	169	75.1	56	225
East Midlands	127	74.7	43	170
Wales	124	68.1	58	182
Northern Ireland	120	77.9	34	154
North East	87	83.7	17	104
Other*	10	58.8	7	17
Total	2,512	73.0	928	3,440

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



From left
Transamerica, courtesy of Pathé Distribution and Belladonna Productions.

Kidulthood, courtesy of Revolver Entertainment.

9.4 Programming

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

By far, the majority of screens mainly show mainstream films. In 2006, 535 cinemas with 3,191 screens showed mainly mainstream films, compared with 157 (231 screens) showing specialised films, and five cinemas (18 screens) dedicated mainly to South Asian films.

Table 9.8 compares figures for 2005 and 2006 and shows that the number of sites and screens showing mainstream and specialised films increased in 2006 while the number of sites and screens programming South Asian films remained unchanged.

Table 9.8 Sites and screens by programme, 2005–2006

	Sites		Screens	
Programme	2005	2006	2005	2006
South Asian	5	5	18	18
Specialised	132	157	206	231
Mainstream	522	535	3,133	3,191

Source: Dodona Research, RSU analysis.

The majority (68%) of specialised screens were found in single, independently-owned cinemas (that is, not part of a chain).

The pattern of programme type by location in 2006 is shown in Table 9.9. Screens showing mainly South Asian films were located in town or city centre and suburban areas, while those devoted to specialised film were mainly found in town or city centres. The overall pattern remained similar to last year except that the rural proportion of screens showing specialised films had risen sharply from 4.9% in 2005 to 7.4%.

Table 9.9 Proportion of screens by location and programme, 2006

	South Asian (%)	Specialised (%)	Mainstream (%)
Town/city centre	44.4	82.7	42.5
Edge of centre	0.0	1.7	14.9
Out of town	0.0	3.5	39.3
Suburban	55.6	4.8	0.6
Rural	0.0	7.4	2.8
Total	100.0	100.0	100.0

Source: Dodona Research, RSU analysis.

This geographical analysis is extended in Tables 9.10 and 9.11, which reveal the distribution of South Asian and specialised screens around the country.

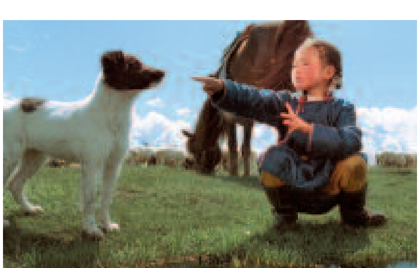


Table 9.10 confirms that screens showing mainly South Asian films were found in London and the Midlands, coinciding with the distribution of South Asian populations. Almost 90% of all South Asian screens were found in London and the West Midlands, with the remainder in the East Midlands.

Table 9.10 Geographical spread of South Asian screens, 2006

Region	South Asian screens	%
London	8	44.4
West Midlands	8	44.4
East Midlands	2	11.1
Other regions*	0	0.0
Total	18	100.0

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

Screens showing mainly specialised films were concentrated in London and the South East, which housed 41.6% of them in 2006 (Table 9.11). Scotland had 30 specialised screens and the South West 24, accounting for 13% and 10.4% of all such screens respectively. Wales (3.5%), the North East (2.2%) and Northern Ireland (0.9%) had the smallest number of specialised screens.

Table 9.11 Geographical spread of specialised screens, 2006

Region	Specialised screens	%
London	65	28.1
South East	31	13.4
Scotland	30	13.0
South West	24	10.4
West Midlands	16	6.9
East of England	15	6.5
Yorkshire	13	5.6
North West	12	5.2
East Midlands	10	4.3
Wales	8	3.5
North East	5	2.2
Northern Ireland	2	0.9
Other*	0	0
Total	231	100

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

From left
Cave of the Yellow Dog,
courtesy of Tartan Video.

Dhoom 2, courtesy of Yash Raj Films.

The Little Polar Bear 2
(Der Kleine Eisbar 2)
© Warner Bros. Entertainment Inc.

9.5 Exhibitors

The number of exhibitors that owned or programmed 20 or more screens in the UK remained at 13 as in 2005, as shown in Table 9.12. The five largest exhibitors owned approximately 75% of all UK screens.

Table 9.12 Exhibitors with 20+ screens, 2006

	Screens	%
Odeon	840	24.4
Cineworld	739	21.5
Vue	553	16.1
National Amusements	237	6.9
Ward Anderson	198	5.8
Apollo	70	2.0
City Screen	50	1.5
Movie House Cinemas	39	1.1
Reel Cinemas	33	1.0
AMC	28	0.8
Merlin Cinemas	21	0.6
Hollywood Screen Entertainment	20	0.6
Reeltime	20	0.6
Scott Cinemas	13	0.4
Parkway Entertainment	12	0.3
Storm Cinemas	12	0.3
WTW Cinemas	12	0.3
Bloom	11	0.3
Curzon	9	0.3
Northern Morris Associated Cinemas	9	0.3
RJ Towers and Partners	7	0.2
National Amusements / Hoyts	6	0.2
Others	501	14.6
Grand total	3,440	100.0

Source: Dodona Research.
Figures correct as at March 2007.
Odeon is owned by Terra Firma Capital Partners, a European private equity firm with headquarters in London and Frankfurt.
Cineworld comprises the former Cine-UK and UGC chains and is owned by The Blackstone Group, a multi-national private equity company.
Vue, which acquired Warner Village cinemas in 2003, is owned by SBC International Cinemas (headquartered in the UK).
National Amusements is owned by the family of Sumner Redstone, chairman of US media giant Viacom.
Ward Anderson is headquartered in the Republic of Ireland where it operates the Cineplex, IMC and Omniplex chains.

From left
Oklahoma! courtesy of Park Circus Films.

Crossing the Bridge – the Sound of Istanbul, courtesy of Soda Pictures.

9.6 Exhibitor revenues

Dodona Research reports that total exhibitor revenue in 2006 stood at £924 million, a fraction lower than £929 million (revised figure) in 2005. Net concession revenue stood at £213 million (a rise of 1% on the previous year), while gross advertising revenue totalled £185 million.

Average ticket prices (calculated by dividing UK box office gross for the year, £762 million, by total UK admissions, 156.6 million), rose from £4.67 in 2005 to £4.87 in 2006, an increase of 4%.

9.7 Digital projection

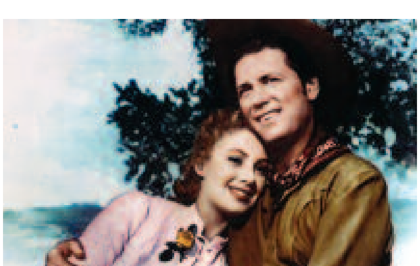
By the end of 2006, 136 of the UK Film Council's planned 240 state of the art digital cinema screens had been installed and were fully operational. All of these have played and are playing digital films, with such releases as *Pan's Labyrinth*, *Black Book* and *Red Road* making significant inroads with both critics and audiences. Final installations will be completed by spring 2007 at which point, the four-year contract with the cinemas for the delivery of specialised films will commence.

According to *Screen Digest* at the end of 2006 there were 2,659 DCI-level (Digital Cinema Initiative) digital screens worldwide. Table 9.13 shows the number of high-end digital (often referred to as 'D-Cinema' in the industry) screens in the world in 2005 and 2006. The total number of digital screens worldwide had more than tripled in 2006 from last year.

Table 9.13 Number of high-end digital screens in the world, 2005-2006

	2005		2006	
Region	Screens	% of total	Screens	% of total
Europe	229	27.0	532	17.8
America	345	40.7	2,030	67.8
Africa and Middle East	2	0.2	4	0.1
Asia-Pacific	272	32.1	430	14.4
Total	848	100	2,996	100

Source: Screen Digest.
The table includes a small number of digital screens using the earlier 1.3K DLP Cinema projectors. The minimum projector resolution for DCI is 2K.



The sharp rise in 2006 was mainly a result of a six-fold increase in digital screens in the USA to 2,003 screens (324 in 2005). In Europe, the UK had the highest number of high-end digital screens, as shown in Table 9.14.

Table 9.14 Top five European countries with high-end digital screens, ranked by number of screens, 2006

Country	Digital Screens	% of European total	% change from 2005
UK	148	27.8	+289
Germany	105	19.7	+218
Italy	41	7.7	+58
Belgium	34	6.4	+62
France	32	6.0	+78

Source: Screen Digest.
The table includes a small number of digital screens using the earlier 1.3K DLP Cinema projectors. The minimum projector resolution for DCI is 2K.

In Europe, only the UK and Germany had more than 100 high-end digital screens. The top five countries owned 68% of all of the high-end digital screens in Europe. China and South Korea had the highest numbers of digital screens in the Asia-Pacific region at 156 and 130 screens respectively.

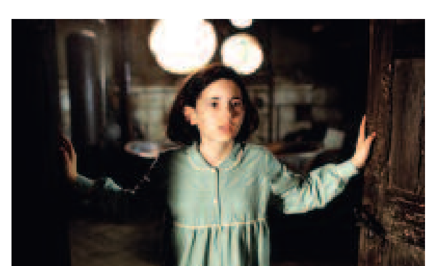
9.8 Community cinema provision in the UK, 2006

The exhibition of films in the UK is not exclusive to cinemas belonging to national chains. There is a thriving sector that provides cinema access to local communities. Historically, this sector has been termed non-theatrical, with such screenings taking place in venues as diverse as village halls, mixed-arts venues and independent cinemas. While they can be run on the same commercial terms as regular cinemas, community cinemas often operate on a non-commercial basis. They provide access to films, often specialised in nature, which would otherwise be unavailable.

This type of provision serves communities in ways that go beyond simply meeting consumer demand, by involving them in programming and allowing them to shape the way they engage with film culture. Community cinema providers also host education and social events, discussion groups and talks, often with links to local cultural activities like arts festivals, alongside their regular programming. In this way they make an active contribution to the cultural vitality of their communities.

The contribution of the community cinema movement has often gone unnoticed at the national level because there has been very little information about the size, composition and geographical distribution of the sector. This lack of knowledge of the sector has prompted a 2006 survey, *Cinema For All*, of the membership of the British Federation of Film Societies (BFFS). The BFFS has also compiled a database of community cinema providers in the UK, which includes its members but is not restricted to them, and this section presents data from both sources.





9.8.1 BFFS membership survey

The BFFS is the national support and development agency for the film society and community cinema sector. It receives funding from the UK Film Council to undertake activities consistent with the Council's objective for ensuring audiences throughout the UK have access to the full range of British and international cinema.

The BFFS membership survey was sent out to all members in June 2006 (240 in total), and 125 responded to the survey, a response rate of 52%.

Over two-fifths of the responding societies were established in 2000 or later, while a significant proportion (23.3%) were established in the 1960s or earlier. Nearly all of the societies that responded (89.7%) operated a membership system in 2005/06 and the average membership size was 141. The membership of responding societies stood at 14,285. If extrapolated to all BFFS members this would suggest a sum total membership of more than 27,000 people.

The average full annual membership fee was £24. Less than one-third of societies that operated a membership system charged an additional admission fee (27.6%), which averaged £2.87 in 2005/06. A minority of responding societies offered season tickets (22.6%). Season ticket charges ranged from £10 (giving entry to 16 films) to £104 for a year, and the average number of season ticket holders stood at 84 in 2005/06.

On average, just under half of members were aged over 55 (46.8%) and a further 24.4% were aged 46 to 55 years (Table 9.15). Just over two-thirds (67%) of societies had no members under 19 years of age in 2005/06. Film societies had more female members than males (56.8% female members and 43.2% males), while 2.4% of film society membership was estimated to be from a minority ethnic background. Less than 1% (0.7%) of members were wheelchair users, and 4.2% of members had other disabilities.

Table 9.15 Age distribution of members of UK film societies, 2006

Age	%
Less than 46	28.8
46 to 55	24.4
Greater than 55	46.8
Total	100.0

Emphasising the social and educative role of film societies, just under half of all responding societies held special events in addition to screenings in 2005/06, while the majority of film societies (71.7%) provided programming notes to accompany screenings.

The responding societies programmed a total of 526 different titles across 1,962 screenings during the 2005/06 season (compared with 505 films released theatrically in the UK during 2006). One in five films screened by film societies were British in 2005/06, while over two-fifths (41.6%) were films in a foreign language. The three most programmed films were *The Motorcycle Diaries*, *Sideways* and *Vera Drake*.

Exactly half of the responding societies had an average of 60 or fewer audience members per screening. While a small proportion (14.2%) had 30 or fewer admissions on average, an almost similar proportion (12.3%) had more than 151 audience members.

Under half (45.5%) of societies had 750 or fewer admissions in 2005/06, while nearly one in five (19.3%) had more than 2,001 annual admissions. The smallest recorded annual admissions stood at 120, while the largest figure was 14,000.

From left
Hidden (Caché) by kind permission of Artificial Eye Films.

Sideways © 2004 Twentieth Century Fox. All rights reserved.

Pan's Labyrinth, courtesy of Optimum Home Entertainment 2007.

The Motorcycle Diaries, courtesy of Film4.

The sum total of all admissions from responding societies was 116,040 for 2005/06. If this were extrapolated to all BFFS members, the total number of admissions would have been around 225,000. Putting this in perspective, theatrical ticket sales on this scale would have generated gross box office receipts of over £1 million (225,000 multiplied by £4.87 [the average ticket price in 2006] = £1,095,750).

Just under half of societies (47.8%) used more than one format to screen films. The most commonly used format was DVD (used by 85.5% of responding societies). But despite the dominance of digital technology, just over one-third of societies still use VHS. A slightly smaller proportion (31.6%) used 35mm, with 13.7% using 16mm.

On average, film societies were located 9.43 miles from their nearest commercial cinema, ranging from less than a mile to 80 miles. Just under half of societies (47.5%) operated in town locations with 42.4% in rural areas (14.4% in remote rural locations more than 10 miles from a large settlement).

9.8.2 Community cinema provision

As of October 2006, there were 746 community cinema providers operating in the UK (see 9.8 for the source of this data). Community cinema providers include film societies, independent cinemas, mixed-use venues that screen films, and mobile and touring screen networks. Some of the independently owned and run cinemas included in the community cinema database also appear in the exhibition analysis presented in previous chapters. Readers should not assume that the 746 community cinema providers are in addition to the 697 cinemas described in section 9.1 as there is some overlap in the two datasets.

Table 9.16 shows the number of community cinema providers by type. The majority were general film societies (32%) followed by independent cinema (29%). It also reveals that there were nearly as many mixed-use venues (eg local authority-run community arts venues) screening films as independent cinemas in 2006.

Table 9.16: Number of community cinema providers by type

Type	Number	%
General film society*	242	32.2
Independent cinema	214	28.7
Mixed-use venue	203	27.2
Higher education film society	82	11.0
Miscellaneous	5	0.7
Festival	2	0.3
Total	746	100.0

*General film society includes two film festivals that are members of the BFFS.
Source: BFFS.

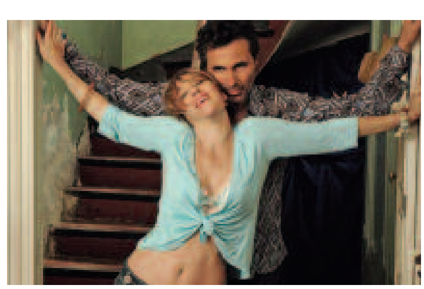
Left
The Proposition,
courtesy of Tartan Video.

Table 9.17 looks at the spread of the community cinema providers across the nations and regions. The majority (80%) of the community cinemas in the UK were in England, followed by Wales and Scotland both at around 9%. The South West had the largest number of community cinemas (135) while over half of the community cinemas were located in the South West, South East, London and Wales.

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

Nation/region	Number	%
South West	135	18.1
South East	123	16.5
London	78	10.5
Wales	69	9.2
Scotland	68	9.1
North West	60	8.0
East of England	58	7.8
Yorkshire	54	7.2
East Midlands	38	5.1
West Midlands	30	4.0
North East	17	2.3
Northern Ireland	10	1.3
Other*	6	0.8
Total	746	100.0

Source: BBFS.



From left
Cockles & Muscles, courtesy of Peccadillo Pictures.

Vera Drake, courtesy of Momentum Pictures.

Just under one-third of all community cinema providers in England were general film societies as Table 9.18 reveals. Scotland had the highest number of general film societies as a proportion of all community cinema providers (39.7%). Over half of all providers in Wales were mixed-use venues (52.2%). Independent cinemas dominated Northern Ireland's community cinema provision (70% of the total).

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

Type	England (%)	Wales (%)	Scotland (%)	Northern Ireland (%)
Festival	0.3	0.0	0.0	0.0
General film society	32.9	21.7	39.7	0.0
Higher education film society	11.8	7.2	10.3	0.0
Independent cinema	28.7	18.8	30.9	70.0
Miscellaneous	0.8	0.0	0.0	0.0
Mixed-use venue	25.5	52.2	19.1	30.0
Total	100.0	100.0	100.0	100.0

Source: BFFS.

The majority (80% as shown in Table 9.17) of community cinema providers could be found in the English regions. Table 9.19 shows the spread of different types of community cinema provision across the English regions.

The South West (which had the highest number of community cinema providers in England) had the highest proportion of general film societies (47.8%). The lowest was in the North East (11.8%). London had the highest proportion of independent cinemas (36.8%), which made up the largest section of community cinema providers in the capital. The North East had the lowest proportion of independent cinemas (17.6%), but the highest proportion of mixed-use venues (47.1%). The lowest proportion of mixed-use venues was found in Yorkshire (14.8%).

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

Region	General film society	Higher education film society	Independent cinema	Mixed-use venue
East Midlands	26.3	15.8	26.3	31.6
East of England	28.6	19.6	16.1	35.7
London	22.4	22.4	36.8	18.4
North East	11.8	23.5	17.6	47.1
North West	39.7	8.6	29.3	22.4
South East	28.5	8.9	32.5	30.1
South West	47.8	5.2	26.1	20.9
West Midlands	30.0	6.7	26.7	36.7
Yorkshire	35.2	13.0	37.0	14.8

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

Above
Casablanca, courtesy of Park Circus Films.

See also:

- For cinema admissions and box office in 2006 see chapter 1 (p10)
- For a look at cinema audiences see chapter 10 (p96)
- For employment in the exhibition sector see chapter 17 (p166)
- For more about the UK Film Council's Digital Screen Network see www.ukfilmcouncil.org.uk

"THINK ACTION MEETS

There was an even split between men and women in the cinema audience for the top 20 films

In 2006, 60% of the UK population said they went to the cinema at least once a year

18% went once a month or more

10: AUDIENCES

Despite the ready availability of home-based entertainment, going to the cinema is still a highly popular activity, particularly for younger age groups. This chapter takes a detailed look at cinema audiences by age, gender and film preferences. It also summarises a recent study showing who downloads film free from the Internet.

Dramas and comedies with women in leading roles plus family films appealed most to the female audience

12% of the cinema-going population reported that they had downloaded a film for free off the Internet

CHICK-FLICK

The cinema audience for the top 20 films in 2006 was predominantly young, with the 7-34 age group (40% of the population) making up 64% of the audience

10.1 Cinema audience by gender

Six out of ten people went to the cinema at least once in 2006. This figure appears to be lower than that of previous years but, due to a change in survey method, this proportion is not directly comparable with figures published in previous Yearbooks. Almost one person in five, 18%, went to the cinema once a month or more. The overall UK cinema audience in 2006 had a slight male bias, as Table 10.1 shows.

Table 10.1 Cinema audience by gender, 2006

	Male %	Female %
See at least one film per year (proportion of population)*	60	60
Go to the cinema at least once a month (proportion of population)	20	16
Top 20 films (proportion of audience)	50	50
Top UK films (proportion of audience)	55	45
Total survey population 7+	49	51

Source: CAVIAR Film Monitor quarterly reports.
Audience data were only available for 16 of the top 20 UK films in 2006.
*Due to a change in survey method this proportion is not directly comparable with the figures published in 2005/06 and previously.

10.2 Film preferences by gender

Although the overall cinema audience in 2006 was split almost evenly between men and women, some films attracted substantially more of one gender than the other as Table 10.2 shows. Men preferred action-led films, including dramas (*United 93, Match Point*), action (*V for Vendetta, X-Men 3, Superman Returns, Stormbreaker, Mission: Impossible III, Casino Royale*) and comedy (*Borat: Cultural Learnings…*) films. Comedy (*The Holiday*) and drama films with women in the leading roles figured highly in the list of films with large female audience shares (*The Devil Wears Prada, The Queen, The Break Up*) along with romantic drama (*Brokeback Mountain*) and animation (*Happy Feet* and *Chicken Little*).

Given the success of action-led films in 2006 (see Table 7.7 in Chapter 7), it is not surprising to see that, unlike in 2005, top UK films had a male audience skew. It is notable that five of the films with the highest male audience shares were British (Table 10.2).

Table 10.2 Top films by audience gender split, UK box office, 2006

Top 20 films and top UK films

Greater female audience share

Title	Male %	Female %
The Devil Wears Prada	22	78
The Queen (UK)	23	77
The Holiday	31	69
Brokeback Mountain	34	66
The Break Up	38	62
Happy Feet	38	62
Chicken Little	42	58

Greater male audience share

Title	Male %	Female %
United 93 (UK)	89	11
V for Vendetta (UK)	82	18
Match Point (UK)	71	29
Borat: Cultural Learnings…	69	31
X-Men 3	65	35
Superman Returns	65	35
Stormbreaker (UK)	64	36
Mission: Impossible III	62	38
Casino Royale (UK)	58	42

Gender difference not statistically significant

Title	Male %	Female %
Confetti (UK)	40	60
Over the Hedge	46	54
Cars	47	53
Flushed Away (UK)	48	52
Ice Age 2	48	52
Pirates of the Caribbean: Dead Man's Chest	49	51
Walk the Line	50	50
The Da Vinci Code (UK)	51	49
Night at the Museum	51	49
Alien Autopsy (UK)	53	47
Breaking and Entering (UK)	55	45
The History Boys (UK)	57	43
The Departed	62	38
The Wind that Shakes the Barley (UK)	63	37
Basic Instinct 2: Risk Addiction (UK)	64	36
Children of Men (UK)	66	34
Severance (UK)	74	26

Source: CAVIAR Film Monitor quarterly reports.
Because the CAVIAR Film Monitor uses a sample survey to represent the UK population, a test for statistical significance has been applied to determine which titles can be described as having a greater male or female audience share. The smaller the audience for a particular film, the larger the male/female difference needed to be statistically significant. This is why some films with an apparently large male majority audience are listed under 'gender difference not statistically significant'.
Audience demographic data were only available for 16 of the top 20 UK films in 2006.

10.3 Cinema audience by age

Teenagers and young adults were the most frequent cinema-goers in 2006 as Table 10.3 shows, a pattern common to previous years. In 2006, the 40% of the population in the 7–34 age group provided 64% of the top 20 film audience and 58% of the top UK film audience.

Table 10.3 Cinema audience by age group, 2006

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %
See at least one film per year (proportion of population)	87	82	71	68	59	32
Go to the cinema at least once a month (proportion of population)	28	42	24	15	11	5
Top 20 films (proportion of audience)	19	26	19	18	10	8
Top UK films (proportion of audience)	14	25	19	16	11	15
Total survey population aged 7+	11	14	15	17	13	31

Source: CAVIAR Film Monitor quarterly reports.

Table 10.4 shows the breakdown of the cinema audience by age and gender. The younger (aged under 35) audience had a male skew whereas the older audience had a female skew.

Table 10.4 Cinema audience by gender and age group, 2006

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %	All ages %
Male	9	18	10	7	4	5	53
Female	7	13	8	7	5	7	47
Total	**16**	**31**	**18**	**14**	**9**	**12**	**100**

Source: CAA.

10.4 Film preferences by age

It was a good year for comedy and action-led films. These two genres together captured 46% of the total gross box office of the year (see Table 7.7). Action-led films, animated features and comedy films appealed to the 7–14 audience (Table 10.5). Comedy and action-led films appealed to the 15–24 age group (Table 10.6). Drama, crime and action-led films appealed to the 25–34 audience (Table 10.7). Animated features appealed to the 35–44 audience (Table 10.8), many of whom would be parents taking their children to see them. Drama appealed to the 45–54 and over–55 age groups (Tables 10.9 and 10.10); in particular, UK drama films had the strongest appeal to the over-55 audience in 2006.

Severance © UK Film Council/ N1 European Film Produktions GmbH & Co. KG 2006. Photo: Nick Wall.

Table 10.5 Films with an above-average audience in 7–14 age group, 2006

Top 20 films and top UK films

Title	Age group % of the film's total audience
Stormbreaker (UK)	41.9
Flushed Away (UK)	40.7
Night at the Museum	33.7
Ice Age 2	31.0
Over the Hedge	29.9
Happy Feet	29.6
Cars	28.8
Chicken Little	27.6
7–14 age group in top 20 audience (%)	19.3
7–14 age group in top UK audience (%)	13.6
7–14 age group in total survey population (%)	11.1

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

Table 10.6 Films with an above-average audience in 15–24 age group, 2006

Top 20 films and top UK films

Title	Age group % of the film's total audience
Severance (UK)	63.2
Borat: Cultural Learnings...	62.4
V for Vendetta (UK)	50.6
The Break Up	49.7
Confetti (UK)	45.7
Children of Men (UK)	45.2
Alien Autopsy (UK)	40.3
X-Men 3	36.4
The Devil Wears Prada	36.0
Superman Returns	35.5
15–24 age group in top 20 audience (%)	26.1
15–24 age group in top UK audience (%)	24.7
15–24 age group in total survey population (%)	13.8

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

Table 10.7 Films with an above-average audience in 25–34 age group, 2006

Top 20 films and top UK films

Title	Age group % of the film's total audience
Breaking and Entering (UK)	47.8
United 93 (UK)	39.8
The Departed	31.4
Mission: Impossible III	27.3
Superman Returns	25.6
X-Men 3	23.4
The Da Vinci Code	23.0
25–34 age group in top 20 audience (%)	18.7
25–34 age group in top UK audience (%)	19.1
25–34 age group in total survey population (%)	14.7

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

Table 10.8 Films with an above-average audience in 35–44 age group, 2006

Top 20 films and top UK films

Title	Age group % of the film's total audience
Flushed Away (UK)	26.7
Over the Hedge	23.7
Happy Feet	23.2
Cars	22.1
35–44 age group in top 20 audience (%)	17.7
35–44 age group in top UK audience (%)	16.4
35–44 age group in total survey population (%)	16.7

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

Breaking and Entering, courtesy of Buena Vista Home Entertainment.

Table 10.9 Films with an above-average audience in 45–54 age group, 2006

Top 20 films and top UK films

Title	Age group % of the film's total audience
The Wind that Shakes the Barley (UK)	23.9
Brokeback Mountain	20.5
The Queen (UK)	17.6
The Da Vinci Code (UK)	14.5
Pirates of the Caribbean: Dead Man's Chest	12.4
45–54 age group in top 20 audience (%)	9.8
45–54 age group in top UK audience (%)	10.9
45–54 age group in total survey population (%)	13.2

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

Table 10.10 Films with an above-average audience in 55+ age group, 2006

Top 20 films and top UK films

Title	Age group % of the film's total audience
The Queen (UK)	58.8
The History Boys (UK)	40.4
The Wind that Shakes the Barley (UK)	33.9
Walk the Line	31.7
Brokeback Mountain	20.5
The Da Vinci Code (UK)	17.2
Casino Royale (UK)	13.5
55+ age group in top 20 audience (%)	8.4
55+ age group in top UK audience (%)	15.3
55+ age group in total survey population (%)	30.6

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

Casino Royale © 2006 Danjaq, LLC and United Artists Corporation and Columbia Pictures Industries, Inc.

10.5 Cinema audience by social group

The cinema audience for both the top 20 films and top UK films had a higher incidence of people in professional and higher-skilled manual occupations than in the population as a whole (Table 10.11).

Table 10.11 Cinema audience by social group, 2006

	AB	C1	C2	DE
See at least one film per year (% proportion of population)	73	65	59	44
Go to the cinema at least once a month (% proportion of population)	22	21	16	12
Top 20 films (% proportion of audience)	30	34	20	16
Top UK films (% proportion of audience)	35	33	17	15
Total survey population 7+	**25**	**29**	**21**	**25**

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

10.6 Film preferences by social group

Six films had a particularly high appeal to the AB audience (compared with three last year): *The Queen, Stormbreaker, Brokeback Mountain, The Devil Wears Prada, Casino Royale* and *The Da Vinci Code,* four of them certified as UK films (Table 10.12). *The Departed* and *Mission: Impossible III* had a particularly high appeal to the C1 audience (Table 10.13). *Basic Instinct 2: Risk Addiction* and *Cars* appealed to the DE audience (Table 10.14). No titles stood out for the C2 group.

Table 10.12 Films with above-average AB audience share, 2006

Top 20 films and top UK films

Title	AB group % of film's total audience
The Queen (UK)	42.0
Stormbreaker (UK)	40.1
Brokeback Mountain	39.9
The Devil Wears Prada	38.7
Casino Royale (UK)	37.6
The Da Vinci Code (UK)	37.1
AB share of top 20 audience	29.9
AB share of top UK audience	34.7
AB in total survey population (%)	24.7

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

V for Vendetta © Warner Bros. Entertainment Inc.

Table 10.13 Films with above-average C1 audience share, 2006

Top 20 films and top UK films

Title	C1 group % of film's total audience
The Departed	46.3
Mission: Impossible III	40.6
C1 share of top 20 audience	33.8
C1 share of top UK audience	32.5
C1 in total survey population (%)	29.1

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

Table 10.14 Films with above-average DE audience share, 2006

Top 20 films and top UK films

Title	DE group % of film's total audience
Basic Instinct 2: Risk Addiction (UK)	28.7
Cars	21.1
DE share of top 20 audience	16.5
DE share of top UK audience	15.4
DE in total survey population (%)	25.3

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

10.7 Film audiences by ethnicity

Once again, minority ethnic groups were over-represented among buyers of cinema tickets, rental films and pay-per-view (PPV) and under-represented among buyers of DVDs/videos (Table 10.15). The picture was broadly similar to that of the previous three years except for buyers of pay-per-view which nearly doubled from last year.

Table 10.15 Ethnicity of audiences aged 12–74 for cinema, rental and retail DVD/video, PPV, 2006

	Black, Asian, Chinese, mixed and other %	White %
Population aged 12–74	8.7	91.3
Buyers of cinema, rental, retail and PPV film	8.4	91.6
DVD/video renters	11.2	88.8
DVD/video buyers	7.6	92.3
Cinema-goers	13.1	86.9
PPV buyers	15.8	84.2

Source: TNS.

For reference, the size of each of these markets as measured in the TNS survey is shown in Table 10.16.

Table 10.16 Size of cinema, rental, retail and PPV markets for 12–74 age groups, 2006

	Number of persons/buyers (millions)	Market volume (millions of purchases)
Population aged 12–74	48.2	n/a
Total buyers: cinema, rental, retail and PPV film	37.8	519.4
DVD/video renters	12.7	125.7
Cinema-goers	20.9	146.3
PPV	4.1	8.2
DVD/video buyers	24.6	238.9

Source: TNS.

As in 2005 there was a common core of films that were popular across the main ethnic groups, but certain titles had stronger appeal to particular groups, as illustrated in Table 10.17, which shows the top ten films for the black, white and Indian and Pakistani ethnic groups. The popular adventure film, *Pirates of the Caribbean: Dead Man's Chest,* was the favourite film for all three ethnic groups.

Cars, Click, The Devil Wears Prada and *The Departed* appear in the white population's top ten but in neither of the other top tens. *Saw 3, Little Man* and *You, Me and Dupree* appear in black people's top 10 but did not get into the top 10 lists of the other groups. *Miami Vice* and *Mission: Impossible III* appear in the Indian and Pakistani group but did not make it into the top 10 lists in the other groups.

Table 10.17 Top films by ethnicity of audience, 2006

Rank	White	Black	Indian and Pakistani
1	Pirates of the Caribbean: Dead Man's Chest	Pirates of the Caribbean: Dead Man's Chest	Pirates of the Caribbean: Dead Man's Chest
2	The Da Vinci Code	Borat: Cultural Learnings…	Superman Returns
3	X-Men 3	Superman Returns	The Break Up
4	Cars	Saw 3	The Da Vinci Code
5	Borat: Cultural Learnings…	X-Men 3	Casino Royale
6	Over the Hedge	Little Man	Borat: Cultural Learnings…
7	Click	The Break Up	X-Men 3
8	The Devil Wears Prada	Casino Royale	Miami Vice
9	The Departed	The Da Vinci Code	Over the Hedge
10	Superman Returns	You, Me and Dupree	Mission: Impossible III

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

10.8 Film audiences by disability

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

Table 10.18 Disabled audiences aged 12–74 for cinema, rental and retail DVD/video, PPV, 2006

	Disabled %	Not disabled %
Population aged 12–74	14.9	85.0
Buyers of cinema, rental, retail and PPV film	12.0	88.0
DVD/video renters	6.0	94.1
Cinema-goers	6.0	93.9
PPV buyers	2.5	97.5
DVD/video buyers	15.3	84.6

Source: TNS.

10.9 Film preferences by region

The regional distribution of the audiences for most top 20 and top UK films was close to that of the top 20 audience as a whole. Eight titles had unusually high audience shares in particular regions: *The History Boys, Mission: Impossible III* and *X-Men 3* in London (Table 10.19), *Alien Autopsy* and *V for Vendetta* in the South/South East (Table 10.20), *Happy Feet* in South West/Wales (Table 10.21), *Night at the Museum* in Tyne Tees/Yorkshire (Table 10.22) and *The Break Up* and *Happy Feet* in Scotland (Table 10.23).

Table 10.19 Films with above-average London audience share, 2006

Top 20 films and top UK films

Title	London % of film's total audience
The History Boys (UK)	37.1
Mission: Impossible III	30.5
X-Men 3	30.1
London share of top 20 audience	22.8
London share of top UK audience	25.7
London total survey population (%)	19.8

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

From left
Over the Hedge, courtesy of Paramount Pictures.

Brokeback Mountain, courtesy of Entertainment Film Distributors.

Table 10.20 Films with above-average South/South East audience share, 2006

Top 20 films and top UK films

Title	South/South East % of film's total audience
Alien Autopsy (UK)	33.2
V for Vendetta (UK)	28.5
South/South East share of top 20 audience	17.4
South/South East share of top UK audience	18.7
South/South East total survey population (%)	17.4

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

Table 10.21 Films with above-average South West/Wales audience share, 2006

Top 20 films and top UK films

Title	South West/Wales % of film's total audience
Happy Feet	13.0
South West/Wales share of top 20 audience	8.3
South West/Wales share of top UK audience	7.4
South West/Wales total survey population (%)	9.0

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

Table 10.22 Films with above-average Tyne Tees/Yorkshire audience share, 2006

Top 20 films and top UK films

Title	Tyne Tees/Yorkshire % of film's total audience
Night at the Museum	17.8
Tyne Tees/Yorkshire share of top 20 audience	13.8
Tyne Tees/Yorkshire share of top UK audience	12.0
Tyne Tees/Yorkshire total survey population (%)	14.5

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

The Departed, courtesy of Entertainment Film Distributors.

Table 10.23 Films with above-average Scotland audience share, 2006

Top 16 films and top UK films

Title	Scotland % of film's total audience
The Break Up	17.0
Happy Feet	13.5
Scotland share of top 20 audience	9.0
Scotland share of top UK audience	8.1
Scotland total survey population (%)	8.8

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

10.10 Film download and digital film piracy by age

In 2006, the CAA commissioned an annual online survey of people who had been to the cinema in the six months prior to the survey. Known as FAME (Film Audience Measurement and Evaluation), the 2006 survey included questions about film downloads from the Internet and film piracy. Table 10.24 shows that overall 12% of the respondents reported downloading at least one film for free off the Internet in 2006. This is higher than the 5% rate reported in the IPSOS survey in chapter 13. The explanation for the difference is likely to be that the FAME survey was confined to recent cinema-goers with Internet access (on average a youthful cohort interested in film), while the IPSOS survey was of the whole population.

In the FAME survey, the 15–24 age group was the most active in film downloading (Table 10.24). Those who reported downloading films from the internet were asked a follow-up question on whether they had seen any newly-released film outside the cinema; 51% reported that they had done so and 5% declined to answer this question. Again, the 15–24 age group reported the highest rate of having watched a newly-released film outside the cinema. At the time of the survey (December 2006) there were very few websites available for legal film downloads so it is likely that most of these reported film downloads were illicit.

Table 10.24 Film downloads and film piracy by age group of cinema-going population, 2006

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %	All ages %
Ever downloaded a film for free off the Internet	11	22	14	10	6	6	12
Ever watched a newly-released film anywhere but the cinema (of those who had downloaded film free off the Internet)	34	65	53	49	37	36	51

Source: FAME (CAA).

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

Table 10.25 compares the audience profiles for film at the cinema and film on television. Although the gender split is roughly equal in each case, there is a dramatic difference in the age and social group profiles of the two audiences. The film on television audience is much older (39% over the age of 55) and skewed towards the DE social group and away from the AB group. The cinema audience is relatively youthful (65% under the age of 35) and skewed towards the AB and C1 social groups.

Table 10.25 Demographic shares of cinema audience and audience for film on television, 2006

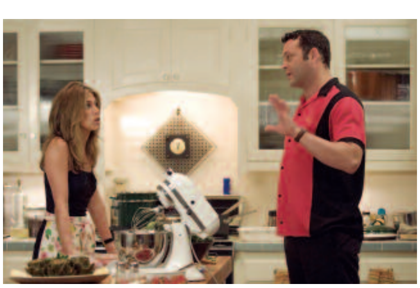
	Cinema audience share %	Share of audience for film on television %
Male	53	49
Female	47	51
Age 7–14 (cinema) and 4–15 (TV)	16	7
15–24 (cinema) and 16–24 (TV)	31	8
25–34	18	12
35–44	14	16
45–54	9	17
55+	12	39
AB	30*	15
C1	34*	24
C2	20*	20
DE	16*	41

Source: DGA Metrics, CAA, RSU analysis.
* Denotes split for top 20 titles only.

Given the 3.3 billion size of the audience for film on television (chapter 12) Table 10.25 demonstrates how film reaches all ages and social groups through its successive release windows.

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

Table 10.26 shows the frequency with which cinema-goers visited the cinema as compared with watching television, watching DVDs and buying DVDs. The results shown here are based on the FAME (Film Audience Measurement and Evaluation) 2006 online survey whose respondents had all been to the cinema in the six months prior to the survey. Watching television was the most prevalent activity across the whole age range, with the most frequent viewers skewed towards the 35+ group. The frequency of DVD watching overall was substantially higher than cinema visiting, but with a similarly youthful age skew. Frequent DVD watching was particularly common in the 7–14 and 15–24 age groups whereas frequent DVD buying was also common in the latter age group.



From left
The Break-Up, courtesy of Universal Pictures.

Happy Feet © WV Films III LLC.

Table 10.26 Frequency by age of cinema-goers watching and buying DVDs, going to the cinema and watching television, 2006

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %
Watch DVD once a month or more	98	93	94	93	88	77
Watch DVD once a week or more	74	63	59	57	50	35
Bought DVD once a month or more	na	62	53	57	45	34
Bought DVD once a week or more	na	5	5	4	4	3
Go to cinema once a month or more	53	71	54	49	40	44
Go to cinema once a week or more	4	8	5	4	2	3
Watch TV 2 hours or more on a weekday	80	80	89	90	89	89
Watch TV 5 hours or more on a weekday	8	18	14	18	18	19
Watch TV 2 hours or more at the weekend	96	89	94	97	96	94
Watch TV 5 hours or more at the weekend	40	37	44	52	45	43

Source: FAME (CAA).
na = not asked.

See also

- For more information about top films at the box office in 2006 see chapter 2 (p22)
- For further details about films on DVD see chapter 11 (p112)
- For further information about film on television see chapter 12 (p118)
- For more information about film exhibition regionally see chapter 9 (p78)
- For the impact of film piracy on the UK film industry see chapter 13 (p130)

11: FILM ON DVD

Films reach a wide audience through their release on video, though home viewers do not always choose the box office favourites. Home viewing is now almost entirely in DVD format, with even newer digital technologies edging their way into the market.

Film accounts for 99% of the DVD rental market and 72% of DVD sales

116 million DVDs were rented and 227 million DVDs were sold

"THERE'S MONEY IN THE

The market was worth £2.5 billion, 7% down on 2005, but DVD sales increased by 7%

Flightplan was the top rental title and *Pirates of the Caribbean: Dead Man's Chest* was the highest DVD seller

Online DVD rental accounted for 24% of rental transactions

SMALL SCREEN

80% of households now own a DVD player

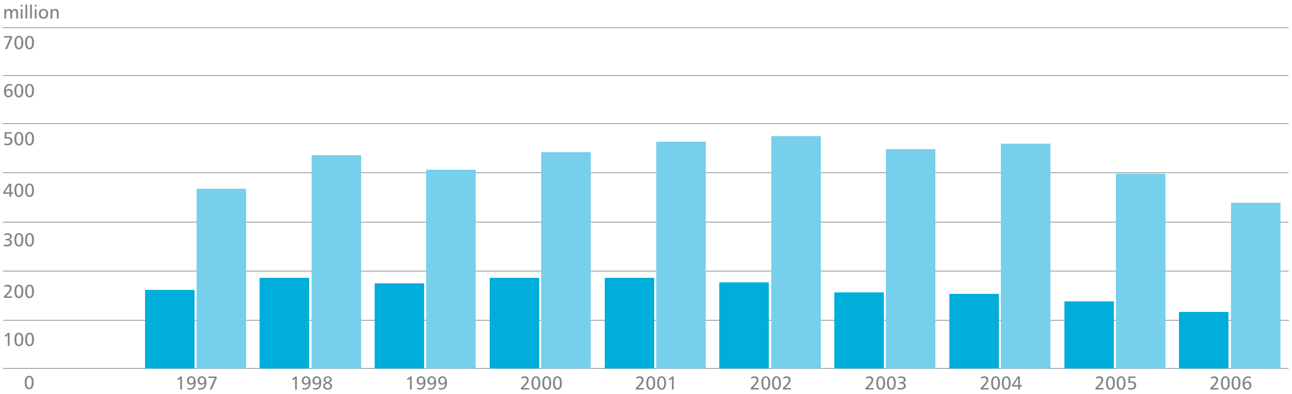
British films accounted for 17% of all DVD rental transactions and 19% of sales

11.1 Film in the video rental market

116 million DVDs were rented in 2006 (including over-the-counter and online rentals) with an average value of £2.94. Film represented 99% of all rental transactions and UK films accounted for 17% of all transactions on DVD (down from 22% in 2005). Renting DVDs online (for postal delivery) is a major growth area and accounted for 24% of rental transactions in 2006. VHS accounted for only 0.3% of the total rental market, both in volume and value terms – compared with 5% in 2005.

Figure 11.1 shows that the number of transactions fell by 21 million from 2005, to its lowest level over the last 20 years. The value of the rental market fell to £340 million from a peak of £476 million in 2002.

Figure 11.1 Rental video market, 1997–2006



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Transactions (millions)	161	186	174	186	186	176	156	153	137	116
Value (£ million)	369	437	408	444	465	476	450	461	399	340

Source: BVA.
Revised data for 2005.

The ten most rented over-the-counter DVD titles of 2006 are shown in Table 11.1 dominated by thrillers and action/adventure films. As the table makes clear it is not always the biggest box office successes that go on to perform well in the rental charts. Films that may have performed quite modestly on theatrical release (for example, *Flightplan*, *Inside Man* and *Lucky Number Slevin*) can perform much better in the rental charts.

Table 11.1 Top 10 over-the-counter rental DVD titles, 2006

	Title	Country of origin	Distributor
1	Flightplan	USA	Buena Vista
2	Inside Man	USA	Universal
3	Lucky Number Slevin	USA	Entertainment
4	The Da Vinci Code	UK/USA	Sony Pictures
5	Wedding Crashers	USA	Entertainment
6	The Constant Gardener	UK/Ger	Universal
7	Crash	USA/Ger	20th Century Fox
8	The Longest Yard	USA	Sony Pictures
9	The Island	USA	Warner Bros
10	Pirates of the Caribbean: Dead Man's Chest	USA	Buena Vista

Source: MRIB Rental Monitor, BVA.

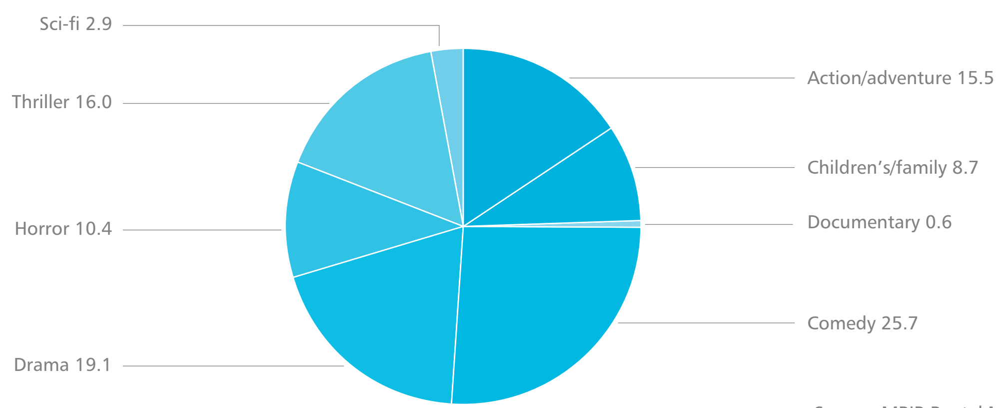
The top UK-originated titles in the DVD rental video market are shown in Table 11.2. The top films were thrillers *The Da Vinci Code* and *The Constant Gardener*, followed by *Harry Potter and the Goblet of Fire*.

Table 11.2 Top 10 UK-originated DVD rental titles, 2006

Title		Country of origin	Distributor
1	The Da Vinci Code	UK/USA	Sony Pictures
2	The Constant Gardener	UK/Ger	Universal
3	Harry Potter and the Goblet of Fire	UK/USA	Warner Bros
4	Nanny McPhee	UK/USA	Universal
5	Wallace & Gromit: The Curse of the Were-Rabbit	UK/USA	Universal
6	V for Vendetta	UK/USA/Ger	Warner Bros
7	The Business	UK/USA/Sp	20th Century Fox
8	Green Street	UK	Universal
9	Keeping Mum	UK/USA/IoM	Entertainment
10	Doom	UK/USA	Universal

Source: MRIB, RSU analysis.

Figure 11.2 shows the genre split of all titles rented in 2006. The most popular genre was comedy which accounted for just over one in four rentals, closely followed by drama and thriller titles. Please note that these categories, as defined by MRIB, differ from the genre categories assigned to the theatrical market by the RSU in chapter 7.



Source: MRIB Rental Monitor, BVA.

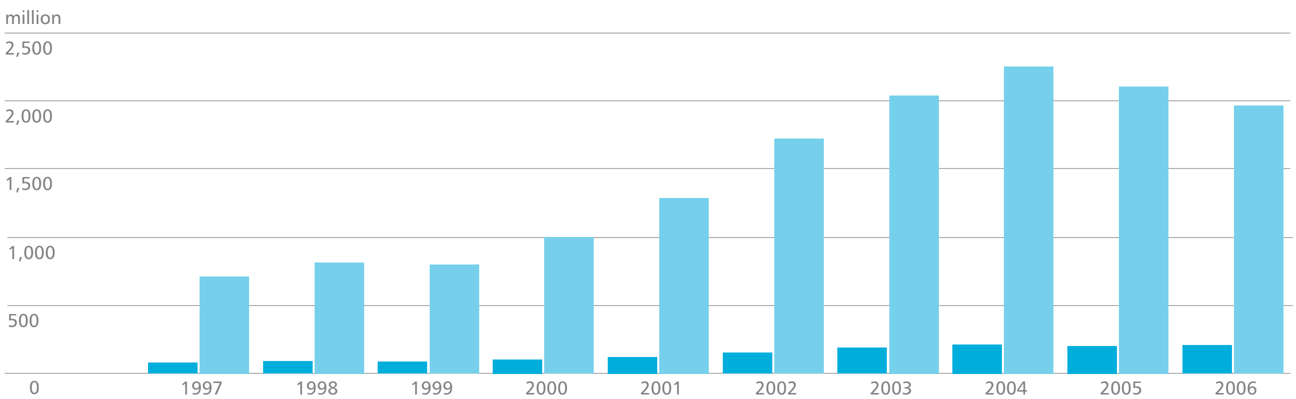
From left
Flight Plan, courtesy of Buena Vista Home Entertainment.

The Inside Man © Universal Studios. All rights reserved.

11.2 Film in the retail video market

In total, 229 million DVD, HD DVDs, Blu-Ray DVDs, UMD and VHS videos were sold in 2006, with a total market value of £2,161 million. DVDs accounted for the vast bulk of video sales (99%), with new digital formats such as Blu-Ray and HD entering the market over the last year and VHS videos becoming all but obsolete. Feature film represented approximately 72% of the retail video market (£1,556 million) and UK films accounted for around 19% of DVD film sales. Figure 11.3 demonstrates the rapid growth in the retail video sector, led by the high rate of increase in DVD sales from 2000–2004. In 2006, the volume of DVD sales increased by 7%, a slower rate of growth than in the immediately preceding years. The value of sales overall dropped significantly for the second successive year, reflecting lower DVD prices and the collapse of the VHS market for film (down to 0.8% of the market by volume) compared with 5% in 2005.

Figure 11.3 Retail video sales, 1997–2006



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Volume (million)	87	100	96	114	135	169	208	234	222	229
Value (£ million)	784	896	878	1,110	1,417	1,895	2,244	2,478	2,317	2,161

Source: Offical UK Charts Company, BVA.

Table 11.3 shows the top selling films on DVD in 2006. 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.

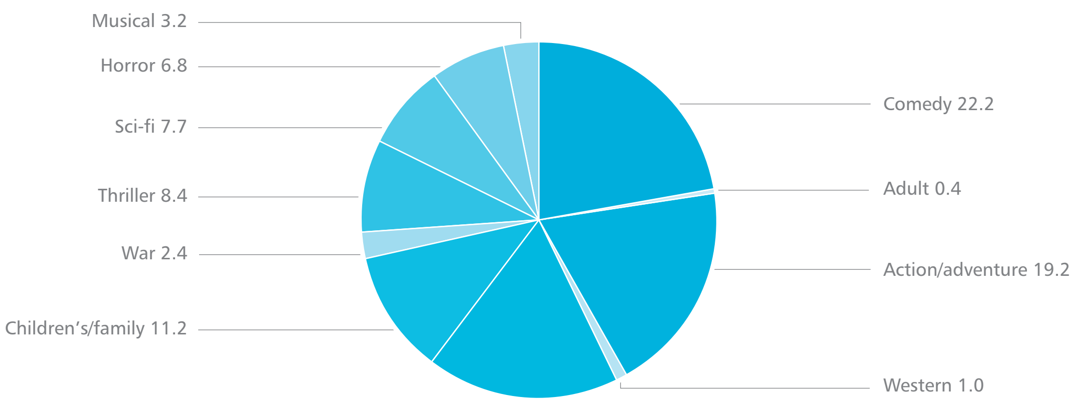
Table 11.3: Top 10 DVD retail sales, 2006

	Title	Country of origin	Distributor
1	Pirates of the Caribbean: Dead Man's Chest	USA	Buena Vista
2	Harry Potter and the Goblet of Fire	UK/USA	Warner Bros
3	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA	Buena Vista
4	Wallace & Gromit: The Curse of the Were-Rabbit	UK/USA	Paramount
5	Nanny McPhee	UK/USA	Universal
6	King Kong	USA/NZ	Universal
7	Ice Age 2	USA	20th Century Fox
8	The Da Vinci Code	UK/USA	Sony Pictures
9	Cars	USA	Buena Vista
10	Over the Hedge	USA	Paramount

Source: Official UK Charts Company, BVA.

Once again, comedy was the dominant genre of films sold on video in 2006, accounting for over 22% of the market as Figure 11.4 shows. Action/adventure was the next most popular with one-fifth of all sales.

Table 11.4: Sales breakdown by film genre, 2006 (%)



Source: Official UK Charts Company.

The top 10 UK performers on sell-through DVD in 2006 are highlighted in Table 11.4. The popularity of recent family films is clear with *Harry Potter and the Goblet of Fire*, *Wallace & Gromit: The Curse of the Were-Rabbit* and *Nanny McPhee* among the popular titles released theatrically in 2005.

Table 11.4 Top 10 UK-originated DVD retail titles, 2006

	Title	Country of origin	Distributor
1	Harry Potter and the Goblet of Fire	UK/USA	Warner Bros
2	Wallace & Gromit: The Curse of the Were-Rabbit	UK/USA	Universal
3	Nanny McPhee	UK/USA	Universal
4	The Da Vinci Code	UK/USA	Sony Pictures
5	Pride and Prejudice	UK/USA	Universal
6	The Corpse Bride	UK/USA	Warner Bros
7	Batman Begins	UK/USA	Warner Bros
8	Green Street	UK	Universal
9	Charlie and the Chocolate Factory	UK/USA	Warner Bros
10	The Constant Gardener	UK	Universal

Source: Official UK Charts Company, RSU analysis.

11.3 Hardware

In the course of the year, 8.1 million DVD players were sold and it is estimated that 80% of households owned a DVD player. This compares with 25% five years ago and 4% at the start of the decade.

From left
Nanny McPhee © Universal Studios.
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The Constant Gardener
© Universal Studios.
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12: FILM ON UK TELEVISION

Opportunities to watch film on television have never been wider, with multi-channel television gaining in popularity. Viewing patterns have correspondingly fragmented. Even so, one person in six in the UK watched the year's favourite TV film, *Pirates of the Caribbean: The Curse of the Black Pearl*, on BBC1.

2,011 films were shown on terrestrial channels in 2006, down 14% on 2005 but the proportion of UK films increased

Multi-channel television accounted for over 33% of the UK television audience in 2006, up from 30% in 2005

An average of 1.5 million people watched each film on peak time television (down from 2 million in 2005)

There were nearly five times more films on television in 2006 than a decade ago, largely as a result of subscription film channels

HOUSEHOLD NAME

The value of film to broadcasters was approximately £1.07 billion

There were 3.3 billion viewings of feature film across all TV formats (except Pay Per View) in 2006 – over 21 times the number of cinema admissions

12.1 Programming

Table 12.1 shows the number of feature films broadcast on the five terrestrial network channels in 2006 and the total number of UK titles broadcast in that time. These are broken down into older titles (more than eight years old) and recent theatrical releases (released in the last eight years). Here, UK films include all titles listed as UK-originated in the Broadcaster's Audience Research Board (BARB) genre field, plus UK co-productions given other nationalities (mostly USA) in the BARB data.

The number of films on terrestrial television decreased by 14% in 2006, but the proportion of recent UK films increased to 5.2% from 4.4% in 2005.

Table 12.1 Feature films broadcast on network television, 2006

Channel	Number of film slots	Number of UK film slots	UK films as % of total	Recent UK (ie released theatrically since 1999)	Recent UK as % of total film slot
BBC1	367	80	21.8	30	8.2
BBC2	397	103	25.9	20	5.0
ITV1	183	38	20.8	9	4.9
Channel 4	580	181	31.2	42	7.2
Five	484	36	7.4	4	0.8
Total	2,011	438	21.8	105	5.2

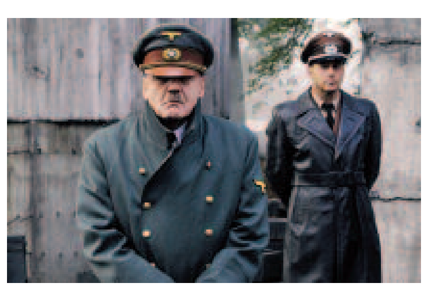
Source: DGA Metrics, UK Film Council RSU.

As Table 12.2 shows, only 41 foreign language films were broadcast in 2006, 2% of the total, down from 61 in 2005 (2.6% of the total).

Table 12.2 Foreign language films broadcast on network television, 2006

Channel	Number of foreign language films broadcast	% of channel's film output	Average audience (million)	Top rated foreign language film	Audience (million)
BBC1	2	0.5	0.5	Jet Li's the Defender	0.6
BBC2	2	0.5	0.2	The Damned	0.2
ITV1	0	0.0	0.0		0.0
Channel 4	35	6.0	0.2	Downfall	2.0
Five	2	0.4	0.7	Jackie Chan's Police Story	0.8
Total	41	2.0	0.2		

Source: DGA Metrics, UK Film Council RSU.

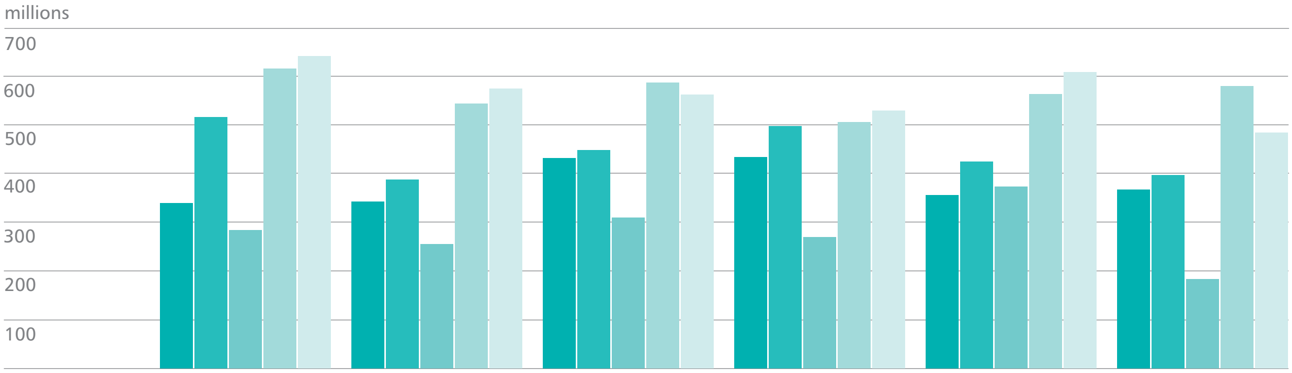


From left
The Bourne Identity, distributed by Universal Pictures.

Downfall, courtesy of Momentum Pictures.

The number of slots for feature film on network television has declined since 2001 as Figure 12.1 shows.

Figure 12.1 Number of feature films on network television, 2001–2005



	2001	2002	2003	2004	2005	2006
BBC1	339	342	432	434	356	367
BBC2	516	388	448	498	425	397
ITV1	284	255	310	270	373	183
Channel 4	616	544	587	506	563	580
Five	641	574	562	529	608	484
Total	2,396	2,103	2,339	2,237	2,325	2,011

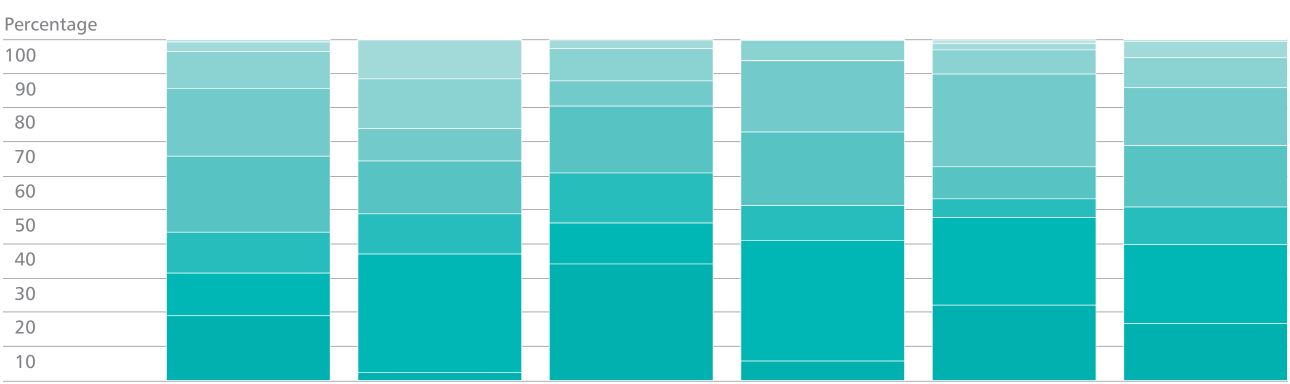
Source: UK Film Council RSU, DGA Metrics.

The 2006 total of 2,011 films is the lowest since our data collection began in 1997, when 2,807 films were shown on terrestrial television.

12.2 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 20% of programming on BBC1, 9.5% on BBC2, 7.4% on ITV1, 21% on Channel 4 and 27.2% on Five (Figure 12.2).

Figure 12.2 Composition of peak-time hours, 2006

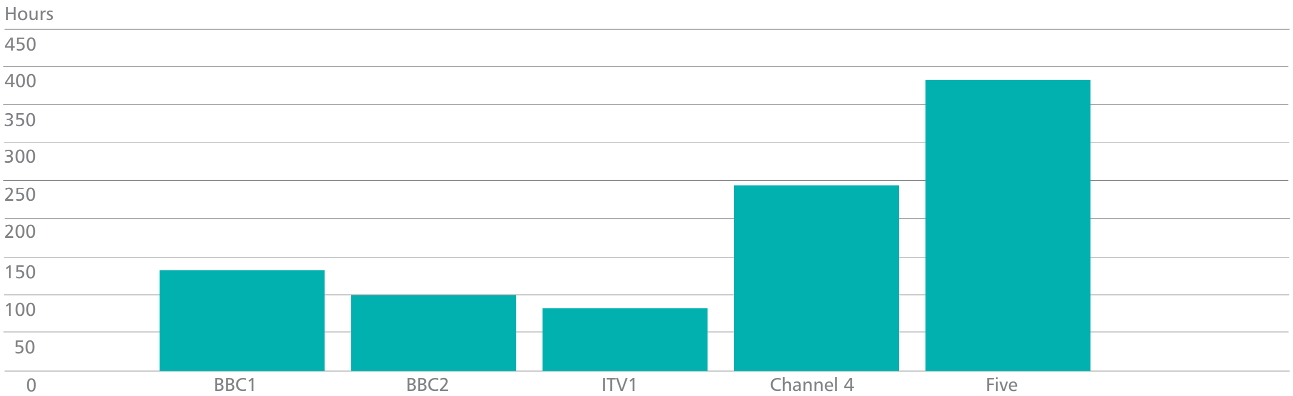


	BBC1	BBC2	ITV1	Channel 4	Five	Total
Film (made for TV)	0.7	0.2	0.0	0.2	1.1	0.5
Other	2.8	11.4	2.5	5.9	1.8	4.8
Sport	10.8	14.6	9.5	0.1	7.1	8.8
Film (cinema)	19.9	9.5	7.4	20.9	27.2	17.0
News/current affairs	22.3	15.5	19.6	21.6	9.4	18.0
Entertainment	12.0	11.8	14.7	10.2	5.5	11.0
Factual	12.5	34.7	12.0	35.4	25.7	23.2
Drama	19.0	2.4	34.2	5.7	22.1	16.7

Source: DGA Metrics.

The total number of broadcast hours for film per channel in peak time is shown in Figure 12.3. Channel Five transmitted 382 hours of film at peak times over 2006, whereas ITV1 showed 81 hours.

Figure 12.3 Hours of film peak-time, 2006



BBC1	BBC2	ITV1	Channel 4	Five
131	98	81	243	382

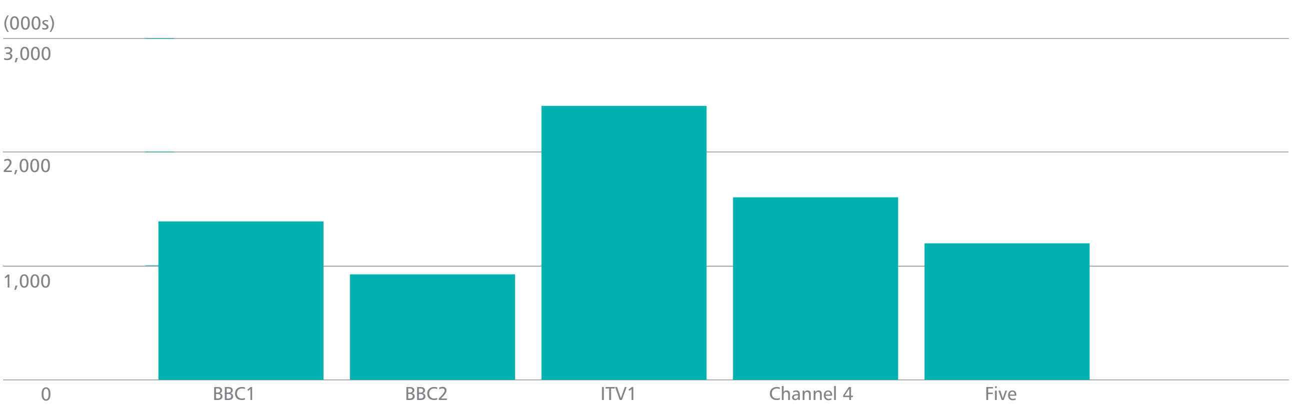
Source: DGA Metrics, BARB.

12.3 Audiences for film on network television

The average audience for a film shown on peak-time network television was 1.4 million on BBC1, 900,000 on BBC2, 2.4 million on ITV1, 1.6 million on Channel 4 and 1.2 million on Five (Figure 12.4). This compares with the median cinema admissions for top 50 films of approximately 1.7 million.

Of the main programme categories, film accounts for the second lowest average peak-time audience on BBC1 and BBC2 but performs relatively well on Five, as shown in Figure 12.5.

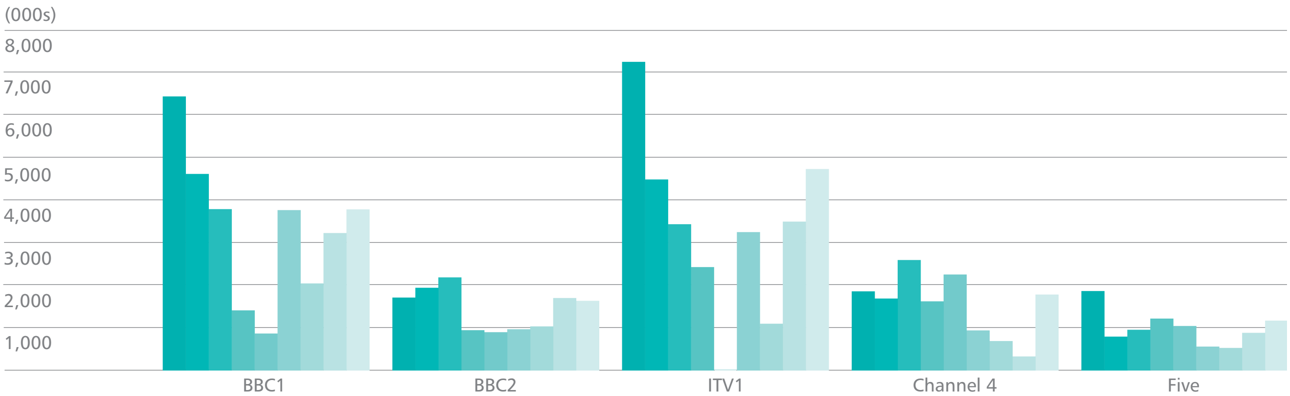
Figure 12.4 Average audience for peak-time film, 2006



BBC1	BBC2	ITV1	Channel 4	Five
1,383	917	2,400	1,595	1,190

Source: BARB, DGA Metrics.

Figure 12.5 Average peak-time audience, 2006



	BBC1	BBC2	ITV1	Channel 4	Five
Drama	6,410	1,684	7,223	1,830	1,837
Entertainment	4,589	1,914	4,459	1,661	766
Factual	3,762	2,158	3,407	2,566	927
Film (cinema)	1,383	917	2,400	1,595	1,190
Film (made for TV)	839	870	0	2,226	1,016
News/current affairs	3,739	939	3,222	912	532
Other	2,016	1,006	1,069	662	500
Sport	3,200	1,673	3,469	300	855
All genres	3,756	1,607	4,704	1,755	1,142

Source: DGA Metrics BARB.

The most popular film on terrestrial television was *Pirates of the Caribbean: The Curse of the Black Pearl*, with 9.5 million viewers tuning in to its premiere showing on BBC1 (Table 12.3). In theatrical terms, this is equivalent to a box office gross of £46 million (actual gross was £28 million). Four of the top 10 were UK-originated titles.

Table 12.3 Top 10 films on network television, 2006

	Title	Channel	Country of origin	Year of theatrical release	Audience (million)
1	Pirates of the Caribbean: The Curse of the Black Pearl	BBC1	USA	2003	9.5
2	Calendar Girls	BBC1	UK/USA	2003	8.0
3	Bruce Almighty	BBC1	USA	2003	7.5
4	Mrs Henderson Presents	BBC1	UK	2005	7.0
5	Catch Me If You Can	BBC1	USA	2002	6.1
6	Love Actually	ITV1	UK/USA	2003	5.5
7	Die Another Day	ITV1	UK/USA	2002	5.3
8	The Scorpion King	ITV1	USA	2002	5.2
9	Monsters Inc	BBC1	USA	2001	5.2
10	Con Air	BBC1	USA	1997	5.2

Source: BARB, DGA Metrics.

The top 10 UK films of 2006, shown in Table 12.4, included the premiere showings of four recent British films: *Calendar Girls, Mrs Henderson Presents, Love Actually* and *Johnny English*.

Table 12.4 Top 10 UK-originated films on network television, 2006

	Title	Channel	Country of origin	Year of theatrical release	Audience (million)
1	Calendar Girls	BBC1	UK/USA	2003	8.0
2	Mrs Henderson Presents	BBC1	UK	2005	7.0
3	Love Actually	ITV1	UK/USA	2003	5.5
4	Die Another Day	ITV1	UK/USA	2002	5.3
5	Chicken Run	BBC1	UK/USA	2000	5.2
6	Harry Potter and the Chamber of Secrets	ITV1	UK/USA	2002	5.1
7	Harry Potter and the Philosopher's Stone	ITV1	UK/USA	2001	4.9
8	Johnny English	BBC1	UK/USA	2003	4.1
9	About a Boy	BBC1	UK/USA	2002	3.8
10	Billy Elliot	BBC1	UK/Fra	2000	3.4

Source: BARB, DGA Metrics.

12.4 Films on multi-channel television

Table 12.5 shows the audience share for freeview/satellite/cable multi-channel television has continued to grow in the last few years. Multi-channel TV accounted for 33% of the UK television audience in 2006, up from 30% in 2005.

Table 12.5 Television percentage audience shares, 1999–2006

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

Source: BARB.

From left
Mrs Henderson Presents, courtesy of Pathé Distribution.

Love Actually, distributed by Universal Pictures.

A wide range of film channels is available across all digital platforms. Table 12.6 lists the number of films shown, average audience, top film and audience for a selection of the top subscription movie channels (highlighted) and other multi-channels which broadcast feature films.

Table 12.6 Feature film on a selection of digital channels, 2006

Channel	Number of films broadcast	Average film audience	Top film	Audience for top film
BBC3 and BBC4	272	227,000	Cast Away	719,000
UKTV Gold	170	189,000	Sister Act 2: Back in the Habit	721,000
ITV2–4	1,345	171,000	Die Another Day	1,560,000
Sky 1–3	150	161,000	Independence Day	658,000
Film4	926	135,000	The Shawshank Redemption	1,110,000
More 4	482	70,000	The Green Mile	366,000
Sci Fi Channel	1,215	43,000	The Mummy	315,000
Disney Channel/Cinemagic	823	35,000	The Incredibles	367,000
FX	206	23,000	Under Siege 2	116,000
Hallmark	269	21,000	Jason and the Argonauts	128,000
Sky Movies 1–10	33,510	17,000	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	652,000
Turner Classic Movies	4,802	12,000	Willy Wonka and the Chocolate Factory	241,900
True Movies	704	11,000	Muhammad Ali	78,000
Zone Horror/Zone Thriller	1,758	9,000	I Spit on your Grave	87,000
Sky Cinema 1 and 2	8,331	5,000	The Warriors	142,000

Source: UK Film Council RSU, DGA Metrics, BARB.

The data for Film4 refers to the period following free-to-air switchover on 23 July 2006.
The darker shaded channels are movie subscription channels, and the lighter shaded channels are free to air digital channels which show films.

The top film on subscription movie channels in 2006 was *The Chronicles of Narnia: The Lion, the Witch and the Wardrobe*, which attracted 652,000 viewers on Sky Movies (Table 12.7). The top film on free-to-air multi-channel was *Die Another Day* on ITV2 with an audience of almost 1.6 million (Table 12.8).

Table 12.7 Top 10 feature films on pay-TV film channels, 2006

	Title	Channel	Country of origin	Year of theatrical release	Audience
1	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	Sky Movies 1	USA/NZ	2005	650,000
2	Hitch	Sky Movies 1	USA	2005	590,000
3	King Arthur	Sky Movies 1	UK/USA/Ire	2004	530,000
4	Star Wars Episode III: Revenge of the Sith	Sky Movies 1	USA	2005	530,000
5	The 40 Year Old Virgin	Sky Movies 1	USA	2005	510,000
6	National Treasure	Sky Movies 1	USA	2004	490,000
7	The War of the Worlds	Sky Movies 2	USA	2005	490,000
8	The Pacifier	Sky Movies 2	USA	2005	470,000
9	Starsky and Hutch	Sky Movies 2	USA	2004	470,000
10	Assault on Precinct 13	Sky Movies 2	USA	2005	460,000

Source: DGA Metrics, BARB.

Table 12.8 Top 10 feature films on digital multi-channel television, 2006

	Title	Channel	Country of origin	Year of theatrical release	Audience
1	Die Another Day	ITV2	UK/USA	2002	1,560,000
2	The Shawshank Redemption	Film4	USA	1994	1,110,000
3	GoldenEye	ITV2	UK/USA	1995	970,000
4	Die Another Day	ITV2	UK/USA	2002	950,000
5	Jurassic Park III	ITV2	USA	2001	910,000
6	The Bourne Identity	ITV2	USA	2002	900,000
7	The Mummy Returns	ITV2	UK/USA	2001	890,000
8	Jurassic Park III	ITV2	USA	2001	870,000
9	Crocodile Dundee II	ITV2	Aus/USA	1988	860,000
10	Lost in Translation	Film4	USA	2003	850,000

Source: DGA Metrics, BARB.

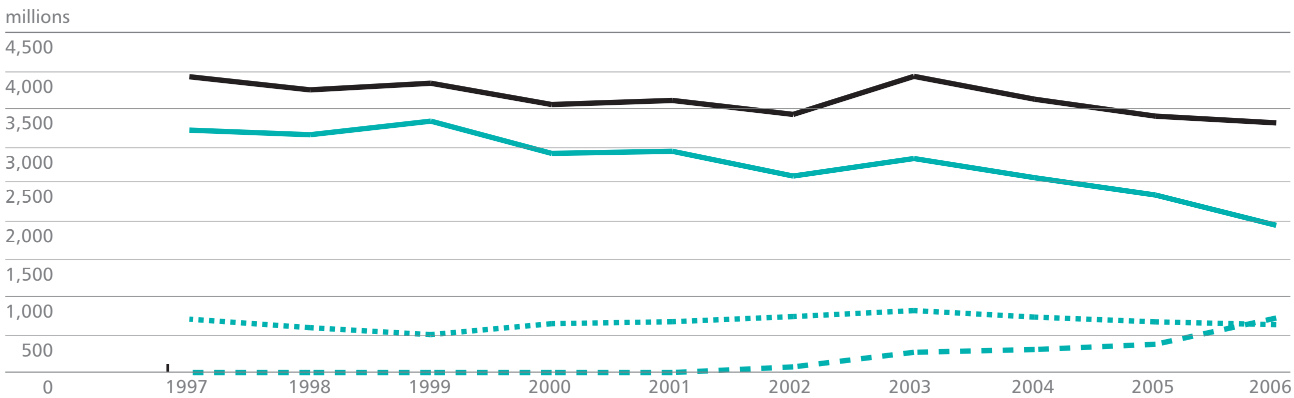
12.5. The audience for film on television, 1997–2006

In order to compare the audiences for film on television with the total number of admissions to UK cinemas, we have calculated the sum of the average audience for film broadcast on UK television since 1997 (see Figure 12.6 and Table 1.1). In 1997 there were almost 4 billion viewings of film on TV, compared with cinema ticket sales of 139 million. However, the audience for film on television has been in decline since then, despite the massive upsurge in the availability of titles since the introduction of digital television. In 2006 there were 3.3 billion television viewings compared with 157 million cinema ticket sales. In 1997, the average person watched 72 films per year on terrestrial and multi-channel television, but by 2006, even with the massive growth in choice via digital, the number of films viewed per person per year fell to 60. The one growth area has been film viewing on non-subscription digital channels, and this looks set to continue with Film4 now available on Freeview.

Figure 12.7 shows the total number of films shown on television since 1997. The steep rise in film showings to 2003 has since flattened but the 64,355 total in 2006 is more than four and a half times greater than the 1997 figure of 14,070 films. The subscription film channels and digital multi-channel TV have driven this increase.

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

Figure 12.6 Total audience for feature film on television (except PPV), 1997–2006

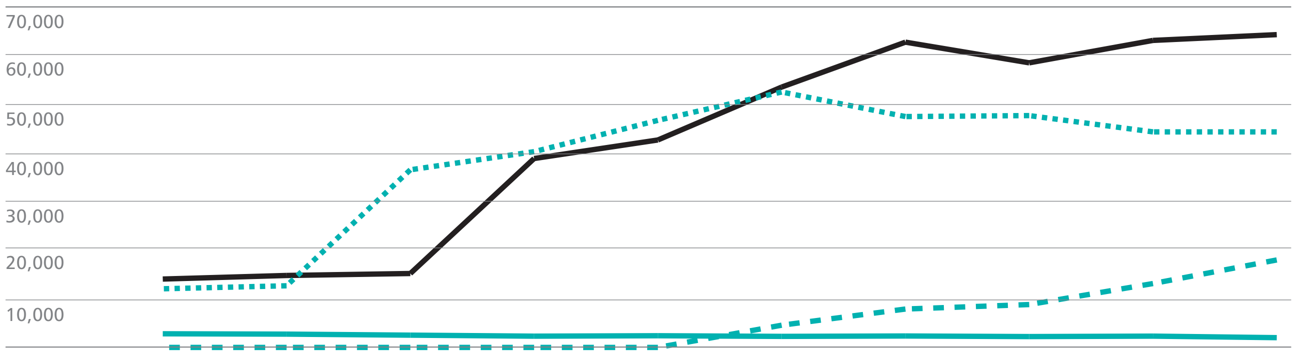


	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Terrestrial	3,209	3,148	3,328	2,901	2,929	2,601	2,822	2,579	2,350	1,949
Subscription movie channels	707	594	502	647	673	741	820	734	671	634
Free-to-air multi-channel	0	0	0	0	0	75	268	305	374	722
Total	3,916	3,742	3,830	3,548	3,602	3,417	3,921	3,618	3,394	3,305

From left
The Chronicles of Narnia: The Lion, the Witch and the Wardrobe, courtesy of Buena Vista Home Entertainment.

The Shawshank Redemption, courtesy of ITV Plc (Granada Int'l)/LFI.

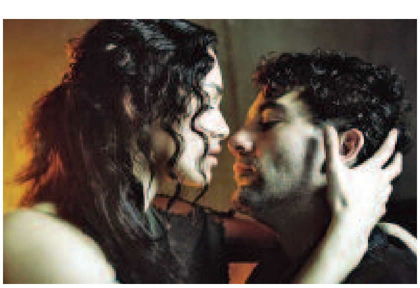
Figure 12.7 Total number of films broadcast on all television (except PPV), 1997–2006



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Terrestrial	2,807	2,737	2,525	2,318	2,401	2,275	2,355	2,234	2,325	2,011
Subscription movie channels	12,067	12,684	36,547	40,277	46,720	52,552	47,499	47,698	44,346	44,346
Free-to-air multi-channel	0	0	0	0	0	4,573	7,900	8,821	13,144	17,998
Total	14,070	14,804	15,209	38,865	42,682	53,568	62,807	58,554	63,168	64,355

12.6 The value of feature film to broadcasters

Based on a model developed by DGA Metrics, we have estimated the value of feature film to UK broadcasters to be approximately £1.07 billion in 2006. This figure is derived from the annual revenue per channel, that is net advertising revenue for the commercial channels, subscription revenues for the pay TV channels and proportion of licence fee applied to television programmes on the BBC channels multiplied by the percentage of broadcast hours for feature film.



From left
King Arthur, courtesy of Buena Vista Home Entertainment.

See also:

- For cinema admissions see chapter 1 on (p10)
- For an overview of the film market as a whole see chapter 13 on (p130)

Above
Die Another Day © 2002 Danjaq, LLC and United Artists Corporation.
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Sell-through DVD/video accounted for the largest share (42%) of UK film revenues

Sell-through revenues boomed between 2000 and 2004

13: THE UK FILM MARKET AS A WHOLE

While much of the publicity and media attention for films occurs around the cinema release, it is the film market as a whole that recovers the costs of production and marketing and makes profits (or not) for film producers and investors. The sale and rental of DVDs/videos are particularly important for filmmakers and distributors in revenue terms and sales to television also generate significant income. This chapter looks at the UK film market as a whole over the period 1998–2006.

Film revenues in the UK peaked in 2004 and then declined significantly

Film piracy and competition from new digital leisure activities, particularly online entertainment are creating a plateau in film revenues

EVOLUTION

The UK had the third largest filmed entertainment market in the world after the USA and Japan (2005)

Research suggests that the decreasing theatrical window has not so far contributed to the fall in UK cinema admissions

13.1 The UK filmed entertainment market as a whole

Table 13.1 shows the complete UK filmed entertainment market in 2005 and 2006. In both years, sell-through DVD/video was the largest single revenue source, accounting for 42% of total revenues in 2006. Theatrical revenues fell slightly to £762 million, while rental revenues shrank from £399 million to £340 million. Gross television revenues were also large, at £1.1 billion, though much of this accrued to the television industry rather than to the suppliers of film.

For UK films, the distribution of revenues is estimated to be slightly different from films overall, with a smaller share of revenues attributable to television. This reflects the comparatively larger number of overseas film titles shown on UK television.

Table 13.1 The UK filmed entertainment market, 2005/06

Window	Total gross value (£ million) 2005	Attributable to UK films (£ million) 2005	Total gross value (£ million) 2006	Attributable to UK films (£ million) 2006
Theatrical	770	254	762	145
DVD/video rental	399	89	340	58
Sell-through DVD/video	1,784	375	1,556	296
Pay-TV	706	85	642	86
Terrestrial TV	325	75	277	56
'Free' multi-channel TV	85	13	147	32
Total UK	4,069	891	3,724	673

Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, DGA, RSU Analysis.
Theatrical is the total gross UK theatrical revenues (including VAT) for all films released in the UK in 2005 and 2006, box office up to 19 February 2006 for the 2005 films and 4 March 2007 for the 2006 films. See Chapter 1.
UK rental is the total revenue from UK DVD/video rental transactions in the calendar years 2005 and 2006. See Chapter 11.
Sell-through video is the total revenue from UK DVD/video retail transactions in the calendar years 2005 and 2006. See Chapter 11.
The TV values are retail-equivalent values calculated from the dataset of films shown on UK television generated for the UKFC by DGA. Values are estimated by multiplying the film share of the total channel time by the total revenue applicable to that channel (licence fee, subscription or advertising revenue). See Chapter 12.
The above values are gross values and include exhibitor and distributor margins, VAT, prints and advertising costs, DVD/video retail margins, broadcaster and multi-channel TV operator margins, in addition to net returns to the film production sector and film investors.
The revenues shown here are revenues earned by film in the UK market whether UK or foreign films. The table does not include export revenues for the UK film industry. See Chapter 16 for UK film export revenues.

13.2 The UK market in the global context

Table 13.2 places the UK's filmed entertainment market in a global context. In 2005, the UK had the third-largest filmed entertainment market in the world, after the USA and Japan. The USA accounted for 43% of the world market. The next biggest territories after the UK were Canada, Germany, France, Italy and South Korea. The world filmed entertainment market is still dominated by the largest developed economies. Although the Indian market is vast in terms of admissions and both India and China have huge populations and are growing fast economically, their filmed entertainment markets still count in US dollar terms below Australia (population 21 million) and Spain (population 44.7 million).

Table 13.2 Filmed entertainment revenues US$ by country/region, 2005

Country/region	Revenue ($US million)
USA	34,399
Japan	7,701
UK	6,604
Canada	5,065
Other Western Europe	5,020
Germany	3,113
France	2,800
Other Asia Pacific	2,512
Italy	2,060
South Korea	1,862
Latin America	1,767
Australia	1,713
Spain	1,653
China	1,361
India	1,321
Central and Eastern Europe	1,170
Middle East and Africa	352
World total	80,473

Source: PricewaterhouseCoopers, *Global Entertainment and Media Outlook 2006–2010*, 2006.
Filmed entertainment revenue includes box office receipts, home DVD/video (rental and retail) and online and streaming revenues. It does not include TV revenues.

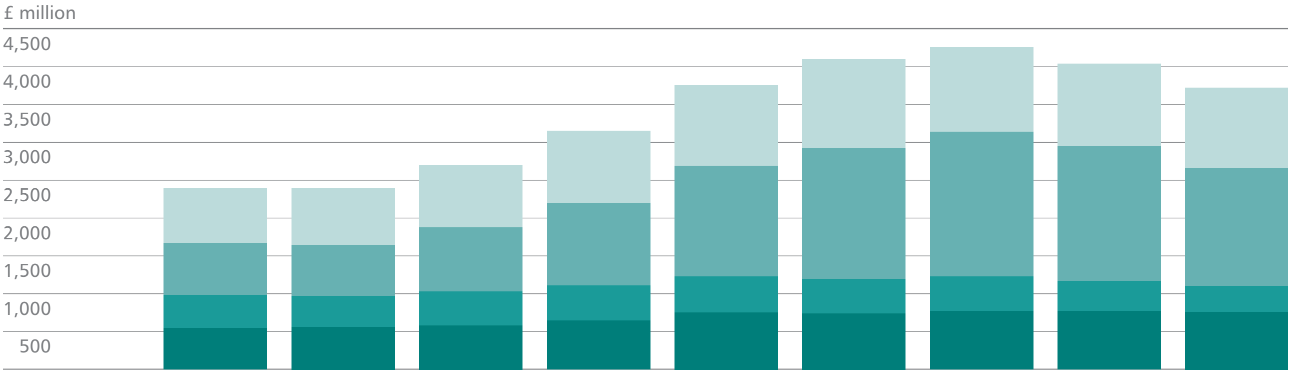
13.3 The evolution of UK film revenues, 1998–2006

The evolution of UK film revenues from 1998 to 2006 is shown in Figure 13.1. Theatrical revenues grew significantly in the late 1990s, but then only slightly from 2002 to 2006, with increases in ticket prices compensating for the decline in admissions. DVD/video rental revenues grew slightly until 2002 but have slumped significantly since then. Television revenues appear to have remained fairly constant since 2002. Revenue growth over the period was driven substantially by sell-through DVD/video, with the main contributor being the DVD boom from 2000 onwards. However, in the last two years retail DVD/video revenues have also slipped.
While cinema admissions peaked in 2002 (see Chapter 1), the film market overall seems to have peaked in 2004.

From left
Walk the Line © 2005 Twentieth Century Fox. All rights reserved.

The Queen,
courtesy of Pathé Distribution.

Figure 13.1 Gross film revenues, all windows, 1998–2006

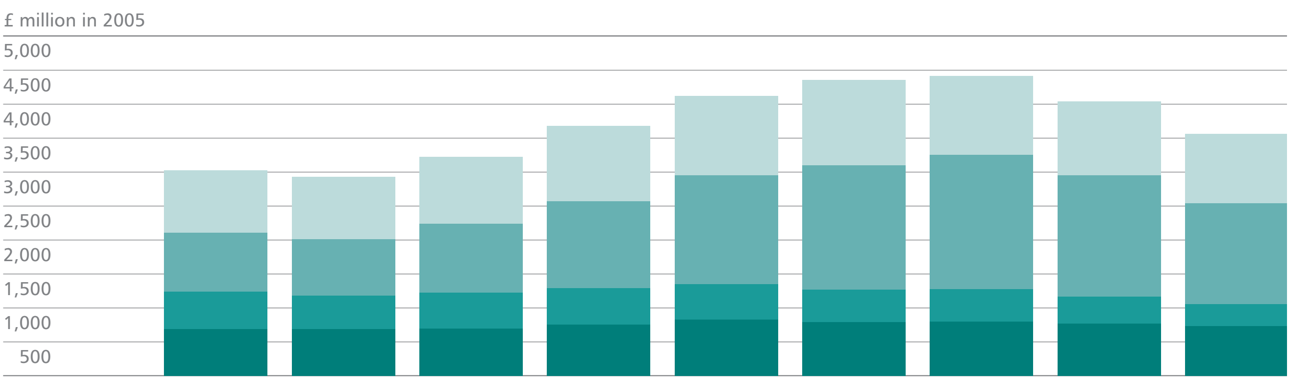


	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film on TV	726	755	826	954	1,066	1,182	1,119	1,089	1,066
Retail film	690	676	847	1,091	1,459	1,728	1,908	1,784	1,556
Rental film	437	408	444	465	476	450	461	399	340
Theatrical	547	563	583	645	755	742	770	770	762

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

The revenues shown in Figure 13.1 are the actual figures. If we adjust the revenues for inflation using the recreational and cultural services price index (Figure 13.2), the decline in revenue since 2004 is more marked. In 2005, real revenues slipped to the level of 2002 and in 2006 slipped again to roughly the level of 2001.

Figure 13.2 Gross inflation-adjusted film revenues, all windows, expressed in 2005 sterling, 1998–2006



	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film on TV	914.4	921.9	985.7	1113.2	1,170.1	1,256.1	1,160.8	1,089.0	1,019.1
Retail film	868.9	825.5	1,010.7	1,273.2	1,601.7	1,836.2	1,979.3	1,784.1	1,487.5
Rental film	550.4	498.2	529.8	542.6	522.5	478.2	478.2	399.0	325.0
Theatrical	688.9	687.4	695.7	752.6	828.8	788.5	798.8	770.0	728.5

Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, DGA, ONS, RSU Analysis.
Actual revenues deflated by the UK recreational and cultural services price index, using the year to December 2005 as the base.

There are a number of possible reasons for the decline in film revenues. It could relate to the film product or the way it is delivered; it could reflect stronger competition from other industries for consumer time and money; it could be the result of piracy; or some combination of these factors. As the UK economy has continued to grow through the period in question, it is unlikely there is a macro-economic explanation for the decline.

In thinking about the issue, it should be remembered from our analysis of the theatrical market in Chapter 1, that the plateau in consumption of film appears to be confined to the top 50 titles in each year. Revenues for titles ranked 51–150 and the rest of the market have continued to grow strongly (at least on the theatrical side) over the last five years.

To explore the reasons for the decline in film revenues, the UK Film Council commissioned or participated in three studies in 2006/07 relating to trends in the market for film. These looked at: the role of digital leisure substitutes; the effects of the falling theatrical window; and (with the British Video Association and other industry partners) film piracy. The results of these studies are summarised below.

13.4 The impact of new digital leisure activities

In October 2006, the UK Film Council commissioned a study into the plateau in cinema attendances and drop in DVD/video sales in the UK, which focused particularly on the role of new digital leisure activities. This study was published in April 2007 and can be found on the UK Film Council website at http://www.ukfilmcouncil.org.uk/usr/downloads/plateau.doc

Using official consumer spending and time-use data the study found that:

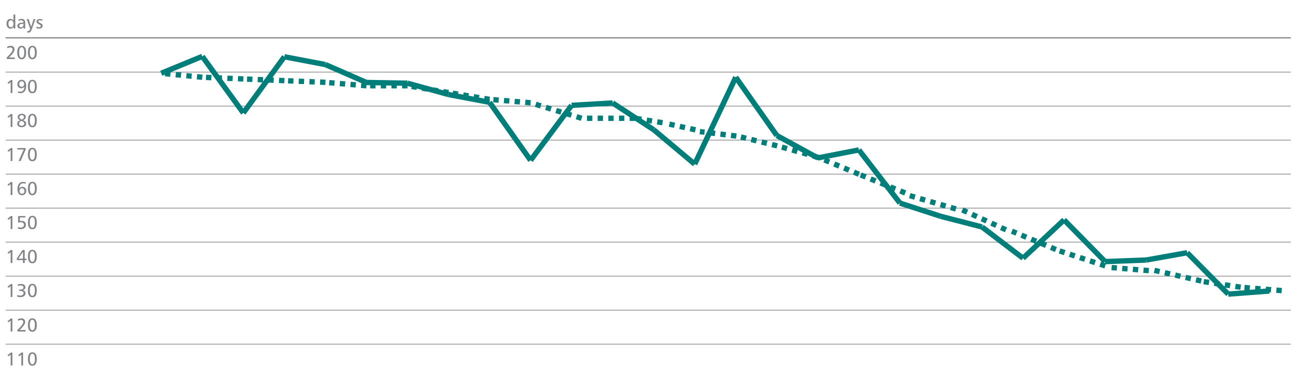
- There was a marked age differentiation in the fall in cinema attendances, with the 25–44 age group showing a particularly large fall. Cinema attendance by the 15–24 age group peaked almost a decade ago. Cinema attendance by the older age group (45+) continued growing until 2004.
- There has been a marked increase in the average household budget devoted to satellite and cable TV subscriptions, video games and internet subscriptions, while spending on cinema and DVD/video has plateaued.
- Between 2000–2005, there was a marked shift in consumer time-use from live entertainment, TV, DVD/video, radio and music to computer and on-line activities.
- The move away from DVD/video towards internet use appears to have been particularly strong among 15–24 year olds.

These findings support anecdotal and industry evidence of the surge in online activity by young people in particular. The significance of the findings is that they establish that some of the growth in time and money spent on new digital leisure activities has been directly at the expense of time and money spent in traditional leisure activities such as watching films.

13.5 Has the fall in the length of the theatrical window reduced cinema admissions?

One possible explanation for the pressure on cinema admissions is the fall in the average length of the theatrical window, (the time between the cinema release of a film and its release on DVD/video). This gap has dropped significantly in the last seven years, from 190 days (27 weeks) at the beginning of 1999 to 126 days (18 weeks) in early 2006, as shown in Figure 13.3.

Figure 13.3 Average theatrical window, 1999–2006



	1999Q2	2000Q1	2000Q4	2001Q3	2002Q2	2003Q1	2003Q4	2004Q3	2005Q2	2006Q1
Window length	189.667	194.52	186.75	164.08	173.069	171.378	151.517	135.312	134.773	125.667
Trend	189.67	187.5	186	181	178	170	150	135	128	125

Source: Nielsen EDI, MRIB, RSU, Hasan Bakhshi.
Theatrical window is defined as the number of days separating a film's cinema release date from its DVD or VHS rental release date (whichever of the two comes first). The 'trend' line denotes a polynomial trend.

To test the hypothesis that the falling window has cannibalised theatrical admissions, the UK Film Council commissioned an analysis of the relationship between the box office and the theatrical window in the UK. This study was published in April 2007 and can be found on the UK Film Council's website at http://www.ukfilmcouncil.org.uk/usr/downloads/Theatrical%20window.doc.

The study used multi-variable econometric techniques to separate the impact of the theatrical window from other variables affecting box office returns. Key findings were:

- There was robust evidence that the growing importance of the DVD market over time was an important factor in explaining the trend towards shorter theatrical windows.
- At any one time, theatrical windows were closely bunched around the median despite wide differences in the relative box office and DVD/video performances of different titles. This suggests that window length has been determined institutionally rather than by unfettered market forces.
- There was no statistically significant relationship between box office returns and window length, suggesting that box office revenues have not been cannibalised to date by DVD/video transactions.
- There was strong evidence that windows fell by more in 2004–2006 than could be explained by the set of variables examined in the study. Prime candidates for the 'other factors' were film piracy and competition from new digital leisure technologies.

While the finding of this study was that box office revenues have not been affected by the shorter window, this finding holds only as far as the current evidence goes, which is to a window length of around 15 weeks. Below that, there could be a threshold below which cannibalisation might occur, but it is not possible to tell from this particular study where the threshold might be.

13.6 The impact of film piracy

With the development of digital technology, including cheap methods of burning DVDs, the film industry has become increasingly concerned about the impact of film piracy on legal sales of film over the last five or six years.

The industry's enforcement body, the Federation Against Copyright Theft (FACT) has adopted strategies to combat wide-scale commercial piracy utilising the new technology. The UK Film Council is a member of FACT and has participated with industry partners in the British Video Association piracy research group. This group contracted IPSOS to conduct an annual survey of film and TV piracy, the latest wave of which was carried out in November 2006. The research was based on a sample survey of the UK population, asking a series of questions relating to pirate consumption in general and the impact on particular high-profile titles released in 2006.

The aggregate loss to the industry of film piracy was estimated to be £388 million in 2006. This is the estimated impact on legal sales of the acquisition and viewing of pirate material. The breakdown is shown in Table 13.3.

Table 13.3 The impact of film piracy on legal sales of film, 2006

Mode of release	Loss to industry (£ million)
Theatrical	102
DVD rental	21
DVD retail	238
PPV and downloads	27
Total loss to film	388
Loss to TV	71
Total loss to film and TV	459

Source: IPSOS.

The results relate to the year 2006 and use an improved methodology designed to assess not only the impact of people directly engaged in acquiring pirate copies of films but also the impact on legal sales of borrowing or viewing pirated material.
If the 2005 estimation methodology is applied to the 2006 survey results, the 2006 estimate would be equivalent to £699 million, suggesting a slight decrease on the £720 million estimated in 2005.
The preferred estimate of the loss to the industry in 2006 is £459 million. The purpose of applying the 2005 estimation methodology to the 2006 results is to provide a consistent measure of change between 2005/06.

These numbers are significant in relation to the legal markets. The estimated loss to the box office of £102 million is equivalent to 13.4% of the legal market in the UK, while the estimated loss to DVD retail of £238 million is equivalent to 15% of the legal market.

Other findings were:

- The criminal gain from counterfeit and home-copied DVDs was estimated to be £169 million.
- The overall level of piracy in 2006 was slightly lower than in 2005.
- 29% of the population had acquired or viewed some type of pirate film material in 2006.
- Physical piracy and borrowing were still the main forms of film piracy, but declined compared with 2005.
- The proportion of the population downloading and burning was stable at around 5%, but the number of titles downloaded/burnt increased by 26% between 2005 and 2006.
- The two main reasons given for not downloading were "don't know how to do it" (33%) and "too much effort" (30%), suggesting that the industry will have to work hard to persuade people not to engage in online film theft as technology and skills improve over the next few years.
- Downloaders were roughly equal male and female and predominantly in the age groups 15–21 and 22–34.

See also:

▸ For information on the export revenues of the UK film industry, see chapter 16 (p160)

From left
Brokeback Mountain, courtesy of Entertainment Film Distributors.

Children of Men, distributed by Universal Pictures.

The Wind that Shakes the Barley, courtesy of Pathé Pictures International.

"LET'S MAKE

Five US majors accounted for almost two-thirds of the UK spend associated with inward investment features

2006 saw a 46% increase in UK production activity to £842 million from £577 million in 2005

14: FILM PRODUCTION

The UK film industry is both an independent creator of feature films and a provider of services to the international film industry. In 2006, UK production activity bounced back from the lower level of 2005, reaching £842 million, the second highest year on record. This reflects greater industry confidence after the announcement of the UK's new film tax relief. This chapter looks at trends since 1992, based on production statistics collected by the UK Film Council.

The UK spend associated with inward investment features jumped 84% from £309 million to £570 million

The number of UK domestic features increased significantly, from 39 in 2005 to 50 in 2006; however their median budget fell significantly

A MOVIE

The number of UK co-productions continued to fall, though the UK spend increased compared with 2005

Budgets for inward investment films increased substantially, reflecting the higher number of big-budget studio films made in the UK in 2006

14.1 The value of UK production in 2006

UK production activity rose to £842 million in 2006, reversing 2005's dip to £577 million and making 2006 the second highest production year on record after 2003. This reflected the greater degree of confidence in the industry as a result of the announcement of the new system of tax incentives for UK film (see section 14.10) and transitional arrangements to cover films in production in 2006.

There were 27 inward investment productions in 2006, with a UK production value of £570 million (see Table 14.1 for definitions). Some of the big-budget films contributing to this figure were *Casino Royale, Harry Potter and the Order of the Phoenix, His Dark Materials: The Golden Compass, 10,000BC* and *The Bourne Ultimatum.*

There were 50 UK domestic features in 2006 (up from 39 in 2005) with a UK production value of £148 million. Larger-budget films contributing to this total included *Mr Bean's Holiday, Atonement, Definitely Maybe* and *The Magic Flute.*

UK co-productions (other than inward) fell from 67 to 57, but with an increase in UK spend from £96 million to £125 million. UK co-productions in 2006 included *Closing the Ring, Death Defying Acts, A Mighty Heart* and *Becoming Jane.*

Table 14.1 Feature film production activity, 2005/06

	Number of productions 2005	Value (£ million) 2005	Number of productions 2006	Value (£ million) 2006
Inward feature films (single country)	19	237.5	25	502.8
Inward feature films (co-productions)	6	71.2	2	66.8
Total inward investment	**25**	**308.7**	**27**	**569.6**
UK domestic feature films	39	172.1	50	148.0
UK co-productions (other than inward)	67	96.3	57	124.8
Total production investment	**131**	**577.0**	**134**	**842.4**

Source: UK Film Council.
Data for 2005 updated since publication of the 2005/06 Yearbook.
The apparently lower UK spend associated with domestic UK features reflects more accurate UK spend statistics rather than an actual decrease in spend.

Definitions

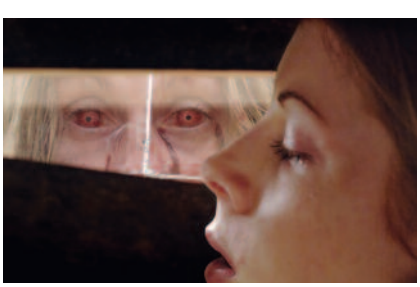
1. An **inward feature** is defined as a feature film more than 50% financed from outside the UK and where the production is attracted to the UK because of its infrastructure or locations.
2. An **inward feature co-production** is an official co-production that originates from outside the co-production treaty countries (usually from the USA) and which is attracted to the UK because of its facilities, services and crew.
3. A **UK domestic** 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 above numbers include only the UK spend associated with productions shooting in whole or part in the UK.
6. Spend is allocated to the calendar year in which principal photography started.

Exclusions

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



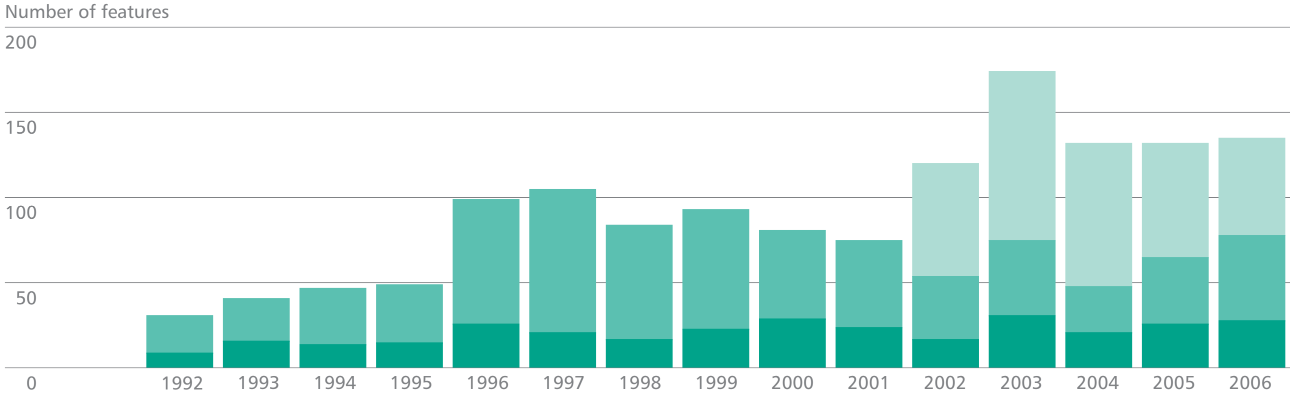
From left
28 Weeks Later, courtesy of DNA Films and Twentieth Century Fox. All rights reserved.

Becoming Jane © 2006. Becoming Jane Films Limited, Scion Films Premier (Third) Limited Partnership and the UK Film Council. All rights reserved. Distributed by Buena Vista International (UK).

14.2 Inward, domestic and UK co-production features, 1992–2006

Figure 14.1 and Table 14.2 put the 2006 figures in a longer time perspective. The decline in UK domestic features between 1997–2005 occurred alongside a substantial growth in co-production activity, suggesting it was easier to make films as official co-productions than as stand-alone UK productions. In 2006, there was an increase in domestic productions and a decline in co-productions and this trend is likely to strengthen as the new tax rules take effect (the new tax incentive is based on UK spend rather than the total budget). The number of inward features returned to the levels reached in 2000 and 2003 and overall production numbers maintained a high level compared to the early 1990s, before the introduction of tax relief and Lottery support for UK film.

Figure 14.1 Number of inward, UK domestic, UK co-production and total features, 1992–2006



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
UK co-productions	0	0	0	0	0	0	0	0	0	0	66	99	84	67	57
UK domestic features	22	25	33	34	73	84	67	70	52	51	37	44	27	39	50
Inward features	8	15	13	14	25	20	16	22	28	23	16	30	20	25	27

Source: UK Film Council.
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2004 and 2005 updated since publication of the 2005/06 Yearbook.

From left
Sunshine, courtesy of DNA Films and Twentieth Century Fox.
All rights reserved.

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

Table 14.2 Number of inward, UK domestic, UK co-production and total features, 1992–2006

	Inward	UK domestic	UK co-production	Total
1992	8	22		30
1993	15	25		40
1994	13	33		46
1995	14	34		48
1996	25	73		98
1997	20	84		104
1998	16	67		83
1999	22	70		92
2000	28	52		80
2001	23	51		74
2002	16	37	66	119
2003	30	44	99	173
2004	20	27	84	131
2005	25	39	67	131
2006	27	50	57	134

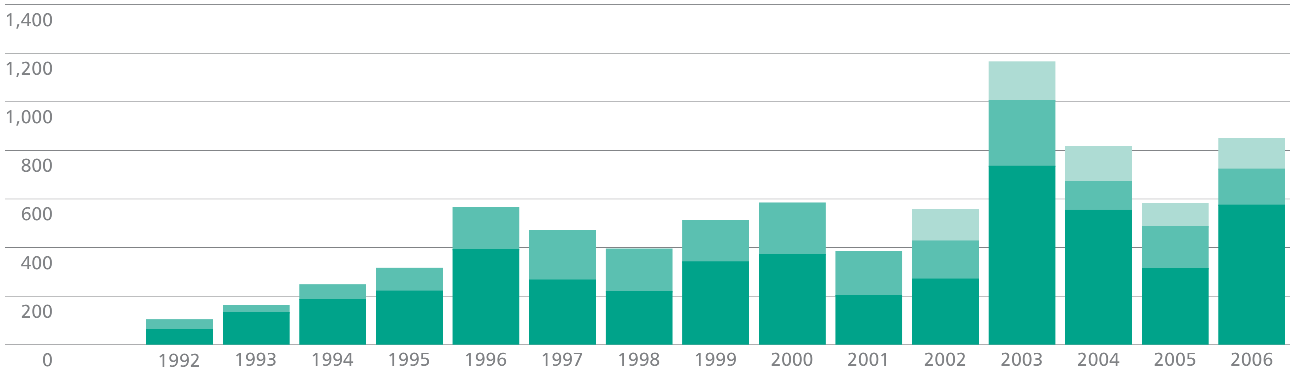
Source: UK Film Council.
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2004 and 2005 updated since publication of the 2005/06 Yearbook.

The value of UK production in 2006 bounced back from 2005's level, making 2006 the second best year on record after 2003 (Figure 14.2 and Table 14.3). Since 1997, the fluctuation in production value has principally been driven by inward features, showing the importance of inward investment to the UK film economy. The combined value of UK domestic features and co-productions was roughly the same in 2006 as in 2005.

From left
Nightwatching, courtesy of Content Film International.

Sparkle, courtesy of Vertigo Films.

Figure 14.2 Value of UK spend of inward, UK domestic, UK co-production and total features, 1992–2006



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
UK co-productions	0	0	0	0	0	0	0	0	0	0	128.23	158.87	143.37	96.31	124.85
UK domestic features	39.98	30.34	59.51	94.00	172.20	202.89	174.96	170.31	211.70	180.12	156.36	269.33	117.81	172.06	147.96
Inward features	58.50	127.74	182.65	216.45	387.10	261.90	214.20	336.37	366.57	198.50	265.86	729.54	548.49	308.66	569.60

Source: UK Film Council.
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2004 and 2005 updated since publication of the 2005/06 Yearbook.

Table 14.3 Value of UK spend of inward, UK domestic, UK co-production and total features, 1992–2006

	Inward (£ million)	Domestic (£ million)	UK Co-productions (£ million)	Total (£ million)
1992	58.50	39.98		98.48
1993	127.74	30.34		158.08
1994	182.65	59.51		242.16
1995	216.45	94.00		310.45
1996	387.10	172.2		559.30
1997	261.90	202.89		464.79
1998	214.20	174.96		389.16
1999	336.37	170.31		506.68
2000	366.57	211.70		578.27
2001	198.50	180.12		378.62
2002	265.86	156.36	128.23	550.45
2003	729.54	269.33	158.87	1157.74
2004	548.49	117.81	143.37	809.67
2005	308.66	172.06	96.31	577.03
2006	569.60	147.96	124.85	842.41

Source: UK Film Council.
Inward features includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2004 and 2005 updated since publication of the 2005/06 Yearbook.
The apparently lower UK spend associated with domestic UK features in 2006 reflects better UK spend statistics rather than an actual decrease in spend.

14.3 Budget trends

For the second year in a row the median budget of domestic UK features declined substantially, to £1.5 million in 2006, half the 2003 figure, suggesting that the UK film sector is under considerable market pressure (Table 14.4). The median budget for co-productions increased slightly and the median budgets for inward investment films increased substantially, reflecting the larger number of high budget US major-funded productions attracted to the UK.

Table 14.4 Median feature film budgets, 2003–2006

Production category	2003	2004	Median budget (£ million) 2005	2006
Inward features (single country)	12.1	16.5	15.0	18.7
Inward features (co-productions)	46.6	38.1	33.6	51.9
Domestic UK productions	3.0	2.9	2.3	1.5
Co-productions (other than inward)	3.5	4.4	4.3	4.5

Source: UK Film Council.
Median budget is the middle value (ie there are equal numbers of films above and below the median). The median in this case is a better measure of central tendency than the average as it avoids the upward skew of a small number of high budget productions.
Data for 2004 and 2005 updated since publication of the 2005/06 Yearbook.

14.4 Size distribution of budgets

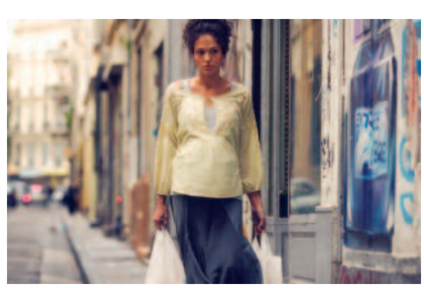
The size distribution of the budgets in 2006 for the four categories of film is shown in Tables 14.5 to 14.8. Nine features with budgets of over £30 million accounted for 75.6% of the aggregate budget for inward features (single country). Only seven out of 25 features had budgets of less than £10 million.

Table 14.5 Size distribution of budgets, inward features (single country), 2006

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	9	587.0	75.6
£10–£30 million	9	150.5	19.4
Under £10 million	7	39.1	5.0
Total	25	776.6	100.0

Source: UK Film Council.

As Table 14.6 shows, there were only two inward feature co-productions in 2006, one with a budget in the £10–£30 million range and one with a budget of more than £30 million. For reasons of business confidentiality, the individual budgets for these films cannot be shown.



From left
The Escapist, courtesy of Parallel Films, (Ireland), Picture Farm and Vertigo Films.

A Mighty Heart © 2007 by Paramount Vantage, a division of Paramount Pictures. All rights reserved. Photo: Peter Mountain.

Table 14.6 Size distribution of budgets, inward features (co-productions), 2006

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	1	–	–
£10–£30 million	1	–	–
Under £10 million	0	0.0	0.0
Total	2	103.9	100.0

Source: UK Film Council.
For reasons of confidentiality, the budgets of the two inward feature co-productions cannot be shown separately.

As in 2004 and 2005, there were no domestic UK features in 2006 with budgets over £30 million. Most domestic UK features had budgets under £5 million, though the nine films in the £5-£30 million budget range accounted for two-thirds of the combined budget.

Table 14.7 Size distribution of budgets, domestic UK features, 2006

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	0	0.0	0.0
£10–£30 million	5	93.4	50.5
£5–£10 million	4	29.0	15.7
£2–£5 million	13	35.1	19.0
£0.5–£2 million	28	27.6	14.9
Total	50	185.1	100.0

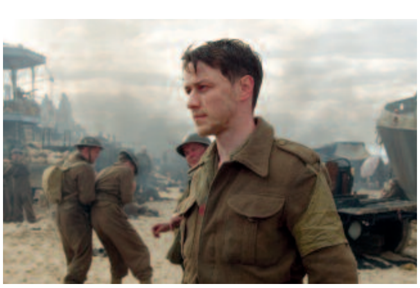
Source: UK Film Council.

Most UK co-productions were in the budget range £2–£10 million (42 out of 57) accounting for 68% of the combined budget (Table 14.8). Compared with 2005, there was a larger number of films in the £10–£30 million budget range, similar to the pattern in 2004 (see *Statistical Yearbook 2004/05*, Table 12.6, page 81).

Table 14.8 Size distribution of budgets, UK co-productions (other than inward), 2006

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	0	0.0	0.0
£10–£30 million	8	94.1	29.3
£5–10 million	17	131.2	40.9
£2–5 million	25	86.2	26.9
£0.5–2 million	7	9.3	2.9
Total	57	320.8	100.0

Source: UK Film Council.



From left
Atonement, distributed by Universal Pictures.

Hot Fuzz © 2007 Universal Studios. All rights reserved.

14.5 Big-budget productions, 2002–2006

The importance to UK spend of a small number of big-budget productions – most of which are inward investment films – is demonstrated in Table 14.9. In 2006, the 10 films with budgets of £30 million or more accounted for 52.5% of total UK production spend.

Table 14.9 Big-budget films' contribution to UK spend, 2002–2006

	2002	2003	2004	2005	2006
Number of films with budgets >£30 million	5	15	8	8	10
Value of associated UK spend £ million	196.6	671.6	432.4	173.5	442.4
Total UK spend £ million	550.5	1157.7	809.7	577.0	842.4
Big-budget film share of UK spend (%)	35.7	58.0	53.4	30.1	52.5

Source: UK Film Council.
Data for 2004 and 2005 updated since publication of 2005/06 Yearbook.

14.6 UK share of expenditure

Table 14.10 shows the UK expenditure shares for inward investment films, inward co-productions, domestic UK productions and co-productions (other than inward). UK domestic productions had the highest UK expenditure share (80%), followed by inward investment films at around 65%. Co-productions (other than inward) had the lowest UK expenditure share of 38.9%, reflecting the larger number of national partners involved in co-productions and the requirement for balance between national investment and expenditure under the co-production treaties.

Table 14.10 UK expenditure shares, 2006

Inward investment films (%)	64.7
Inward co-productions (%)	64.3
UK domestic productions (%)	80.0
Co-productions (other than inward) (%)	38.9

Source: UK Film Council.

14.7 UK co-productions by country of shoot

Table 14.11 shows the shoot locations for UK co-productions (not including inward investment) in 2006. The most frequent locations were the UK (28 productions) and Ireland and Spain with eight each. Hungary (six) and the USA (five) were next, followed by Canada, France and Romania with three each. Three countries which were popular in 2005 (Germany, Italy and Luxembourg) figured far less in 2006.

From left
Death Defying Acts, courtesy of Lionsgate International.

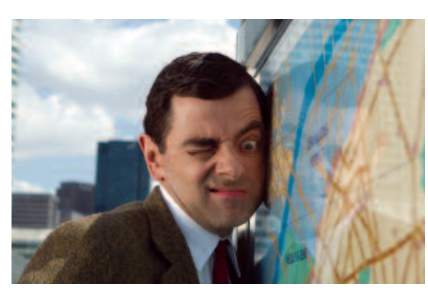
Brick Lane, courtesy of The Works Media Group.

Table 14.11 UK co-productions by country of shoot, 2006

Country	Number of productions
UK	28
Ireland	8
Spain	8
Hungary	6
USA	5
Canada	3
France	3
Romania	3
Belgium	2
Bulgaria	2
Czech Republic	2
Portugal	2
Russia	2
South Africa	2
Others	17

Source: UK Film Council.
Some productions were shot in more than one country, hence the total in Table 14.11 is greater than the number of UK co-productions.

The shoot locations by region for UK co-productions shot abroad between 2004 and 2006 are shown in Table 14.12. Western Europe (not including the UK) was once again the most frequent destination. Shoots in Eastern Europe and Russia (led by Hungary and Romania) increased for the second year in a row, after dropping in 2004. Shoots in North America were also up (more in the USA than Canada). Elsewhere, numbers continued to be relatively small in 2006.



Right
Mr Bean's Holiday, distributed by Universal Pictures.

Table 14.12 Location of shoot by region, UK co-productions shot abroad, 2004–2006

Region	Shot abroad in 2004	Shot abroad in 2005	Shot abroad in 2006
Not available	19	2	1
Western Europe	49	48	30
North America	7	4	8
South and Central America, Caribbean	4	1	1
Eastern Europe and Russia	8	16	20
Australia and New Zealand	7	1	1
Asia	0	0	1
Africa and Indian Ocean	4	4	4

Source: UK Film Council.
Of the co-productions in 2004 for which location information was not available, some may have been shot in the UK.

14.8 Production company activity levels

UK film production in 2006 was, as usual, dispersed over a large number of production companies, as shown in Table 14.13. The UK Film Council recorded 342 production companies associated with films shot in the UK or co-productions involving the UK in 2006. Of these, 332 companies were associated with a single feature. These were a mixture of distinct production companies and single-purpose vehicles (that is, companies set up to make a single film). The most prolific production company was associated with six features, followed by one with five features, two companies with three features and six with two features.

Table 14.13 Film production company activity, 2006

Number of features per company	Number of companies
6	1
5	1
3	2
2	6
1	332
Total companies	342

Source: UK Film Council.
Includes all types of films involving the UK.
Films frequently have several production companies associated with them (including single purpose vehicle subsidiaries of parent companies), so the sum of the number of features x the number of companies is substantially greater than the total number of features involving the UK in 2006.

This is England, courtesy of Optimum Releasing.

14.9 US studios' involvement in inward features

US studios increased their activity in the UK in 2006. This reflected a greater degree of certainty about the tax regime, particularly as it applied to the types of studio film suitable for making in the UK. The US majors accounted for 11 out 27 inward features (single country and co-productions) and £360 million (63%) out of £570 million UK spend associated with inward features (Table 14.14).

Table 14.14 US studios' involvement in inward features and inward co-productions, 2006

Studio	Number of inward features in 2006
Warner Bros	3
20th Century Fox	1
Universal	2
Sony/Columbia/MGM	5
Paramount	1
Total films	11

Source: UK Film Council.
Universal and Columbia collaborated on one film, hence the sum of studio involvement (12) is one greater than the number of films (11).
In addition to the films tabulated above, Universal Pictures financed four domestic UK features via its output deal with Working Title.
20th Century Fox financed two UK domestic features.

14.10 The new UK film tax incentive

2006 saw a switch from the previous UK tax incentives for film (Section 42 and Section 48) using the sale and leaseback mechanism. The new tax incentive is based on an enhanced deduction from taxable income for film production companies that can be converted into a payable tax credit. For UK films with production budgets up to £20 million, the value of the relief increases to a maximum of 20% of production costs where 80% or more of the budget is spent in the UK. For UK films with production budgets of £20 million and over, the maximum value is 16%. In addition to meeting a minimum spend test (25% of qualifying expenditure must be spent in the UK), UK films must pass a 'cultural test' administered by the UK Film Council and issued by the Department for Culture Media and Sport, the emphasis of which is on the film's story, setting, characters and contribution to British elements.

The new incentive system received state aid approval from the European Commission on 22 November 2006 and came into force on 1 January 2007. It applies to films starting principal photography on or after 1 January 2007. Transitional provisions apply to UK-qualifying films that commenced principal photography before 1 January 2007 but were still uncompleted on that date.

See also:

- Information about film companies is given in chapter 15 (p150)
- For details about employment in the film production sector see chapter 17 (p166)
- For more information about the UK film economy see chapter 16 (p160)
- For information on film production in the UK prior to 1992, see the annual handbooks published by the *bfi* (British Film Institute) or the *bfi's* website

US majors, video distributors and exhibitors were prominent in the top 16 UK film companies

French companies were prominent across Europe in addition to the US majors

15: FILM INDUSTRY COMPANIES

The number of film production companies has grown year-on-year since 1996. Many of these companies are small in size but there has also been expansion in the bigger companies. The French topped the league of the 20 leading film production companies in Europe, but a number of British companies were also prominent.

The number of small production companies grew the most

The number of film production companies grew by 256% between 1996 and 2006

STUDIO

Only six UK companies featured in the top 100 European film production companies

French, UK, German and Italian companies were prominent in the top 20 European film production companies in 2005

15.1 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 10 years, particularly in the production sector where the number of companies has grown by 256%, compared with the UK average of 19.2% (Table 15.1).

Table 15.1 Number of companies registered for VAT by industry group

Year	Film and video production	Film and video distribution	Film exhibition	UK all industries
1996	1,745	355	155	1,380,695
1997	2,460	360	160	1,547,175
1998	3,065	370	160	1,573,935
1999	3,460	380	165	1,595,705
2000	3,900	425	165	1,616,835
2001	4,185	485	190	1,623,025
2002	4,605	515	195	1,619,195
2003	5,065	530	205	1,623,715
2004	5,275	455	200	1,611,535
2005	5,785	445	200	1,631,540
2006	6,210	415	200	1,646,280
Growth 1996–2006 (%)	255.9	16.9	29	19.2

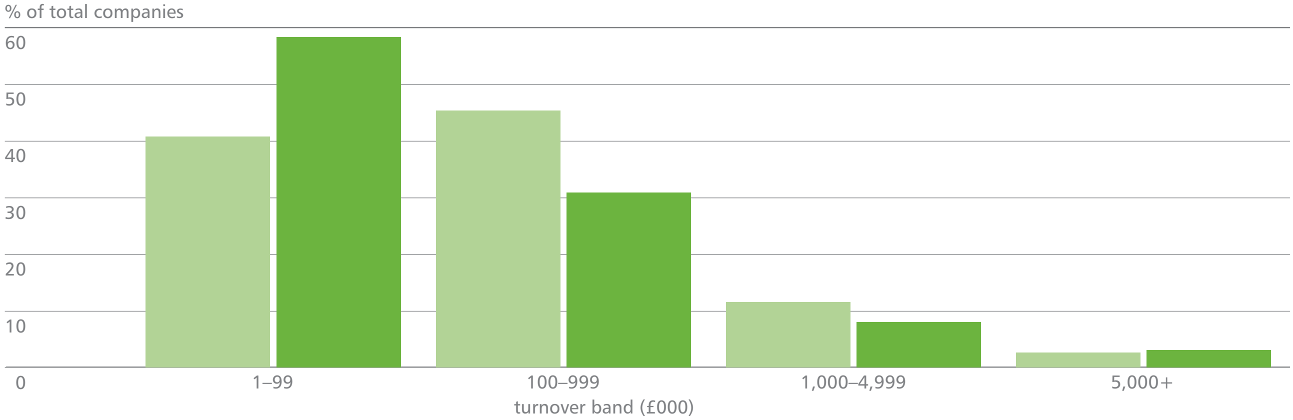
Source: Office for National Statistics.

Part of the growth in film and video production companies is attributable to the practice of forming single-purpose vehicles (SPVs) for individual film productions. For tax reasons, SPVs must be kept alive legally for a number of years after completion of the production. Assuming every UK film involved an SPV, approximately 1,100 SPVs would have been formed since 1996. This still leaves a net growth in film and video production companies of more than 3,000 companies between 1996 and 2006.

15.2 Changing size distribution of film companies

The growth in the number of film and video production companies has been particularly concentrated in the smaller turnover size bands, the opposite of the UK all-industries trend. The proportion of film and video production companies in the £1,000–£99,000 turnover band increased from 41% to 58% of the total (Figure 15.1), compared with a reduction from 53% to 43% for the same turnover band for UK all industries (Figure 15.2). Interestingly, there was also a significant increase in the number and proportion of *large* film and video production companies. In 2006, there were 185 film and video production companies with a turnover of £5 million or more, compared with only 45 in 1996.

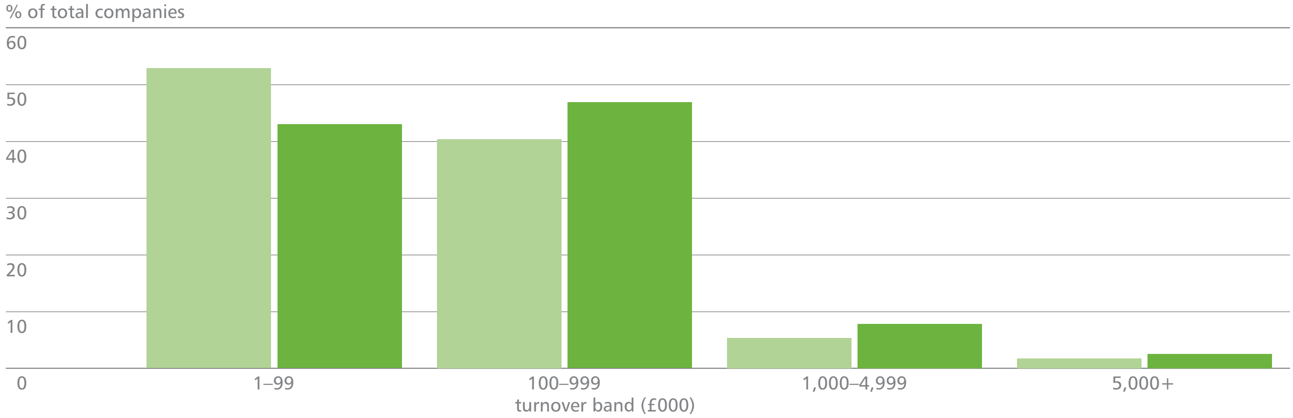
Figure 15.1 The changing size distribution of VAT-registered film and video production companies, 1996–2006



	1–99	100–999	1,000–4,999	5,000+
1996	40.7	45.3	11.5	2.6
2006	58.2	30.8	8	3

Source: Office for National Statistics, RSU analysis.

Figure 15.2 The changing size distribution of UK VAT-registered companies (all industries), 1996–2006



	1–99	100–999	1,000–4,999	5,000+
1996	52.8	40.3	5.3	1.7
2006	42.9	46.8	7.8	2.5

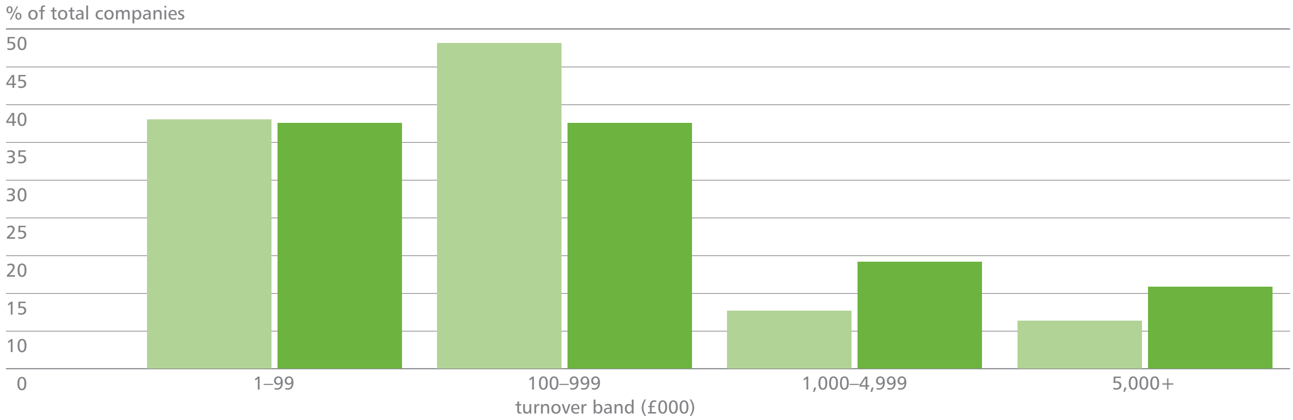
Source: Office for National Statistics, RSU analysis.

From left
Downfall, courtesy of Momentum Pictures.

Perfume: Diary of a Murderer, courtesy of Pathé Distribution.

For the film distribution and exhibition sectors (Figures 15.3 and 15.4) the growth has been in the larger turnover size brackets, above £1 million per year.

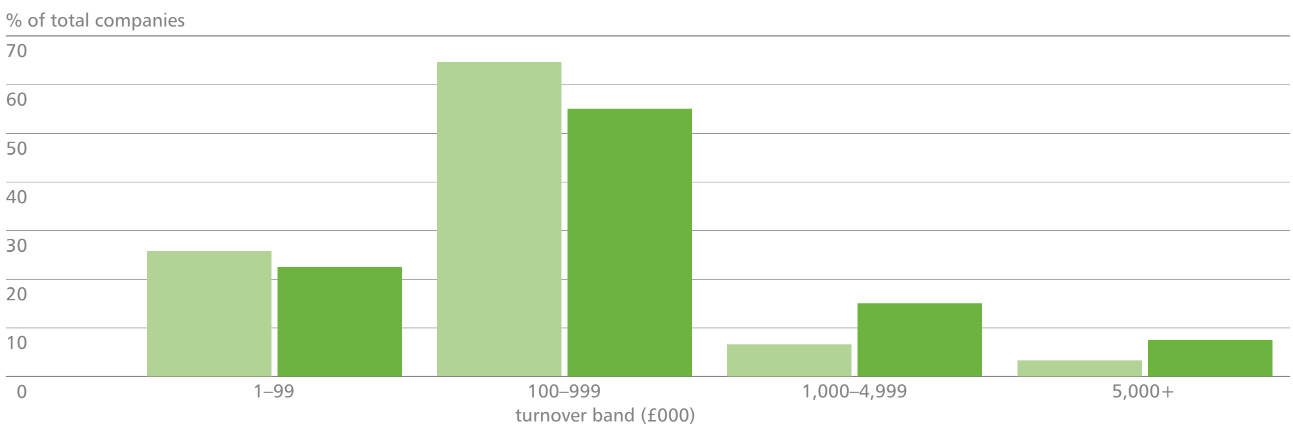
Figure 15.3 The changing size distribution of VAT-registered film and video distribution companies, 1996–2006



	1–99	100–999	1,000–4,999	5,000+
1996	36.6	47.9	8.5	7
2006	36.1	36.1	15.7	12

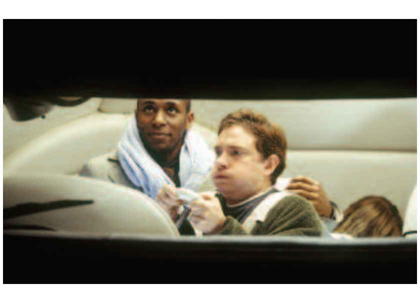
Source: Office for National Statistics, RSU analysis.

Figure 15.4 The changing size distribution of VAT-registered film exhibition companies, 1996–2006



	1–99	100–999	1,000–4,999	5,000+
1996	25.8	64.5	6.5	3.2
2006	22.5	55	15	7.5

Source: Office for National Statistics, RSU analysis.



The Hitchhiker's Guide to the Galaxy, courtesy of Buena Vista Home Entertainment.

15.3 Leading film companies in the UK and Europe

Table 15.2 shows the top 16 film companies in the UK in 2004 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 six companies specialising in video; the presence of four exhibitors in the list; only one UK distributor (Entertainment); and the absence of any UK-owned production companies.

Table 15.2 Top 16 film companies in the UK, 2004

	Company	Activities	Operating revenues €000
1	Walt Disney International	DISFILM, DISTV, RIGHTS, VID	1,376,124
2	Warner Bros Entertainment (UK)	DISFILM	553,402
3	Terra Firma Investments (Odeon & UCI-UK)	EXH	402,454
4	Cineworld Group	EXH	*397,369
5	20th Century Fox Home Entertainment	VID	372,016
6	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	369,154
7	2 Entertain Video	VID	*243,409
8	Buena Vista Home Entertainment	VID	**219,135
9	Sony Pictures Home Entertainment	VID	218,929
10	The Entertainment Group of Companies	DISFILM, VID	*188,536
11	Paramount Home Entertainment	VID	141,466
12	VUE Cinemas (UK)	EXH	*136,267
13	Columbia Pictures Corporation	PRODFILM, DISFILM, VID	120,109
14	Warner Home Video (UK)	VID	144,113
15	National Amusements (UK)	EXH	*104,688
16	20th Century Fox Film Entertainment	DISFILM	101,774

Source: European Audiovisual Observatory, 2006 Yearbook.
*indicates 2005 revenues.
**indicates 2003 revenues.
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 four French companies, Pathé, Canal+, Europalaces and UGC, indicating the continued corporate strength of the French film industry (Table 15.3). Five exhibitors appeared. Terra Firma Investments (owner of Odeon and UCI) was the only non-US-owned British-based company in the top 16.

Table 15.3 Top 16 film companies in Europe, 2005

Rank	Company	Activities	Country	Operating revenues €000
1	Walt Disney International	DISFILM, DISTV, RIGHTS, VID	UK	*1,376,124
2	United International Pictures BV	DISFILM	NL	818,424
3	Groupe Pathé	EXH, DISFILM, VID, RIGHTS, TV, PRODFILM	FR	636,000
4	Warner Bros Entertainment UK	DISFILM	UK	*553,402
5	Embassy Eagle Holdings	PRODFILM, DISFILM	NL	552,999
6	Groupe Canal+ (Cinéma)	PRODFILM, DISFILM, RIGHTS, VID	FR	*394,000
7	Warner Bros Entertainment GmbH	DISFILM	DE	434,784
8	Warner Bros France	DISFILM	FR	413,852
9	Terra Firma Investments (Odeon & UCI)	EXH	UK	*402,454
10	Cineworld Group	EXH	UK	397,369
11	RAI Cinema	PRODFILM, RIGHTS	IT	386,794
12	Europalaces	EXH	FR	381,237
13	20th Century Fox Home Entertainment	VID	UK	*372,016
14	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	UK	*369,154
15	Egmont Nordisk Film	DISFILM, VID	SWED	357,778
16	UGC	EXH, DISFILM, VID, RIGHTS, PRODFILM	FR	325,330

Source: European Audiovisual Observatory, 2006 Yearbook.
*indicates 2004 revenues.
Definitions: DISFILM = film distribution; DISTV = television distribution, RIGHTS = trade in television rights; VID = video; EXH = exhibition; PRODFILM = film production; PRODTV = television production, TV = television.

From left
A Very Long Engagement
© 2003 Productions, Warner Bros. France, Tapioca Films and TF1 Films Production.

King Arthur, courtesy of Buena Vista Home Entertainment.

15.4 Leading film production companies in the UK and Europe

Looking at film *production* only, we see that eight out of the top 20 European production companies in 2005 were French, five were British and four were Italian as Table 15.4 shows. Three of the UK companies were single or limited-purpose vehicles as was one of the French. Two long-standing UK production companies made the list – Aardman Holdings (makers of *Chicken Run* and *Wallace and Gromit*) and the prolific UK film and television company Tiger Aspect Productions (*Billy Elliot*, *Mr Bean*). In 2005, the list was topped by Constantin Film AG of Germany, makers of *Perfume*, *Downfall* and the three *Resident Evil* films (among others).

Table 15.4 Top 20 film production companies in Europe, 2005

Rank	Company	Nationality	Operating revenues €000
1	Constantin Film AG	DE	216,933
2	Europa Corp	FR	199,900
3	Pathé Renn Production	FR	118,387
4	Gaumont	FR	100,232
5	Filmauro	IT	96,824
6	AB Svensk Filmindustri	SWED	87,472
7	Films Christian Fechner	FR	83,803
8	Runteam Ltd *(The Pianist, Oliver Twist)*	UK	71,812
9	2003 Productions *(A Very Long Engagement)*	FR	*69,965
10	Aardman Holdings *(Chicken Run, Wallace & Gromit)*	UK	67,125
11	Green Hills Productions *(King Arthur)*	UK	*64,170
12	Mostly Harmless Productions *(The Hitchhiker's Guide to the Galaxy)*	UK	63,586
13	Tiger Aspect Productions	UK	57,504
14	Cattleya	IT	51,321
15	Tevere Film srl	IT	49,094
16	Vertigo Productions	FR	*45,447
17	Odeon Film AG	DE	61,272
18	Fidélité	FR	*43,672
19	UGC Images	FR	34,723
20	Produzioni Alfa	IT	34,031

Source: European Audiovisual Observatory, 2006 Yearbook.
*indicates 2004 revenues.

As Table 15.5 indicates, for the UK, the picture is blurred by the frequent use of single-purpose vehicles (SPVs). Only six non-SPV UK film companies appear in the European Audiovisual Observatory's list of the top 100 European film production companies in 2005.

Table 15.5 Top six UK film production companies, 2005

Not including single-purpose vehicles

Rank	Company	Operating revenues €000
1	Aardman Holdings	67,125
2	Tiger Aspect Productions	57,504
3	Pathé Pictures (UK)	*23,773
4	Lunar Films	*19,385
5	Scion Films	*14,991
6	Working Title Films	*12,752

Source: European Audiovisual Observatory, 2006 Yearbook.
*indicates 2004 revenues.
There were 24 British single-purpose or financing vehicles in the EAO's list of the top 100 European film production companies.
EON Productions Ltd (makers of the *Bond films*), DNA Films *(Love Actually, The Last King of Scotland, Notes on a Scandal)* and Heyday Films *(Harry Potter)* are candidates for the list of top UK film production companies, but EAO does not have sufficient information to rank them.

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.

Billy Elliot, distributed by Universal Pictures.

See also:

- For film production company activity levels in 2006 see chapter 14 (p138)
- For US studio involvement in UK film production in 2006 see chapter 14 (p138)
- For leading film distributors in the UK in 2006 see chapter 8 (p72)
- For leading film exhibitors in the UK in 2006 see chapter 9 (p78)
- For numbers and size distribution of film workplaces in 2005 see chapter 17 (p166)

Above
Wallace & Gromit
© Aardman Animations 2007.

16: UK FILM EXPORTS

The UK film industry is a strong exporter, earning royalty income from around the world, providing production services to overseas (particularly USA) film producers and contributing a trade surplus to the UK's balance of payments. The size and geographical distribution of the UK's overseas trade in film indicates where export opportunities are well developed and where there may be growth.

The UK film industry exported £967 million worth of services in 2005. Exports grew by 65% between 2003 and 2005

UK film imports largely comprise royalties to overseas rights' owners

The USA was the largest market for UK film exports, taking 61% in 2005

The UK's film trade surplus grew in 2005 to £163 million, the highest for the 11 years under review

THE ROYALTIES

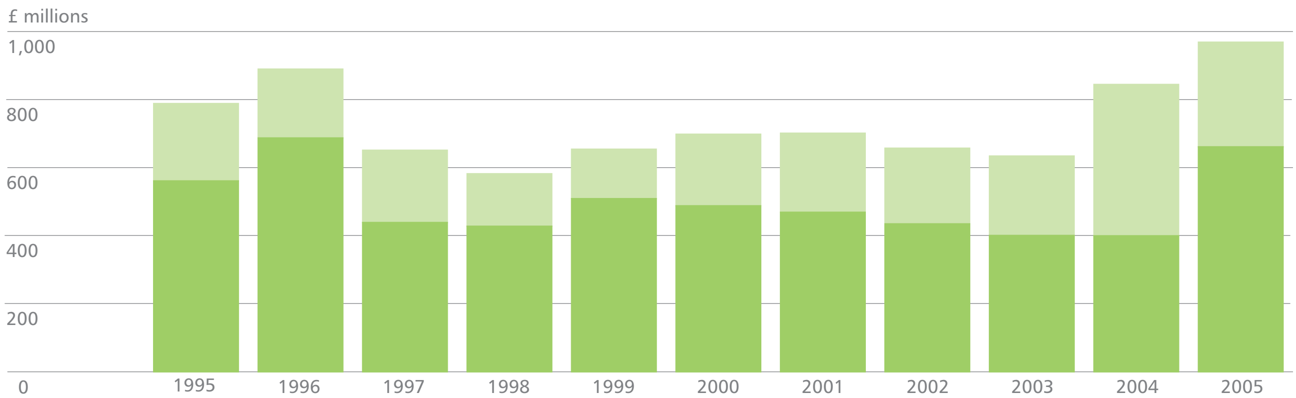
Europe was the UK's second largest export market at 19%

UK exports performed better in Australia and Oceania, but were under-represented in Asia

16.1 UK film exports, 1995–2005

The UK film industry exported £967 million worth of services in 2005 (the latest year for which data are available), £660 million of which came from royalties and £307 million from film production services. Compared with 2004, exports of production services declined (reflecting the lower inward film investment in that year) while earnings from royalties increased substantially. Film exports grew by 65% between 2003 and 2005, beating the previous peak of 1996 as Figure 16.1 shows.

Figure 16.1 Exports of the UK film industry, 1995–2005



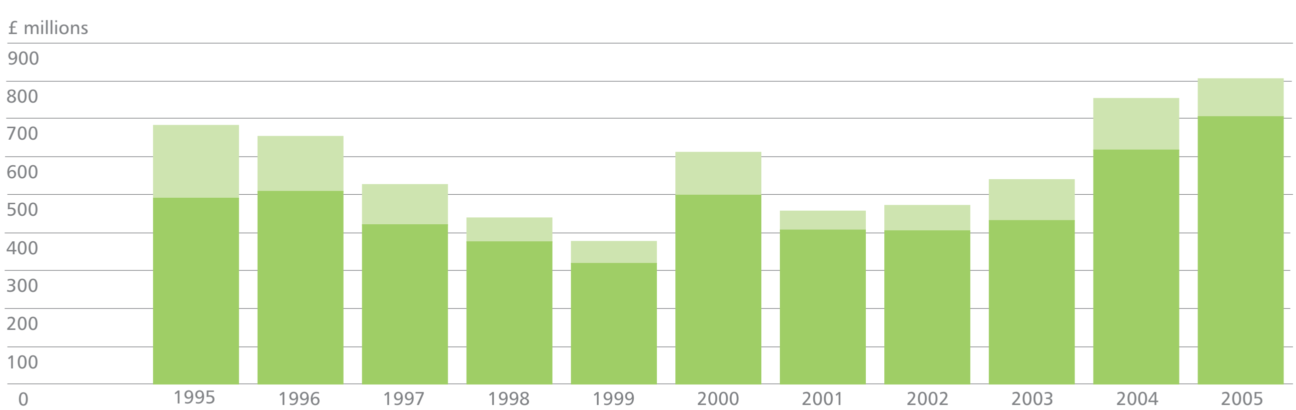
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Production services	227	202	212	154	145	210	232	222	233	444	307
Royalties	560	686	438	427	508	487	468	434	400	399	660

Source: Office for National Statistics (ONS).
Data for 2006 will be available in October 2007.
The export data are derived from the ONS Film and Television Survey (2005) which is a sample survey with a high response rate (83%) of companies in the Inter Departmental Business Register in the Standard Industrial Classification codes relating to film and television. The above chart shows the results for film companies only.

16.2 UK film imports, 1995–2005

The pattern of UK film imports (Figure 16.2) is different to that of exports. The great majority of film imports are royalties, reflecting the limited amount of offshore production services used by the UK and the need to pay royalties for overseas films (particularly USA films) shown in the UK.

Figure 16.2 UK film imports, 1995–2005



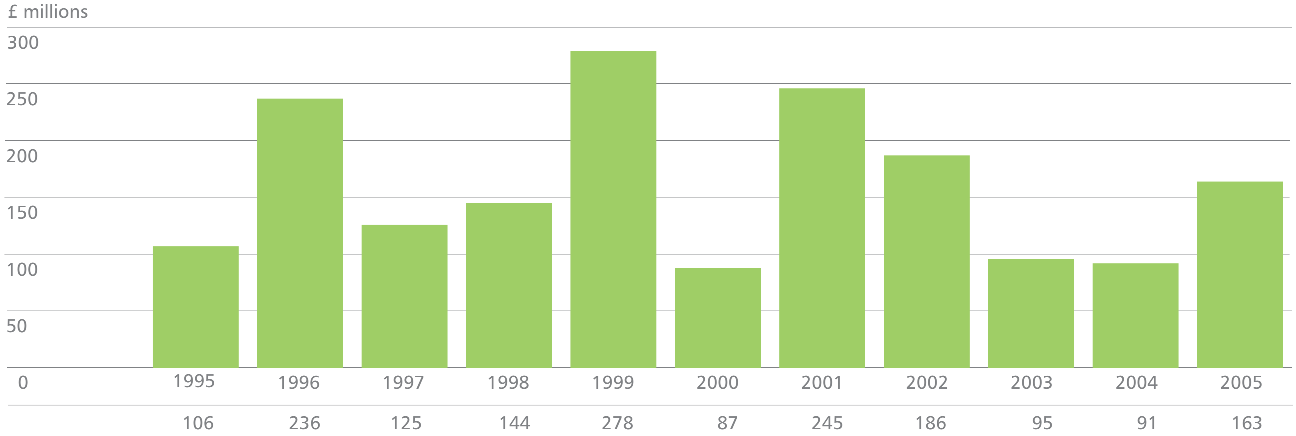
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Imports of production services	192	145	106	63	58	113	50	67	108	136	100
Royalties	489	507	419	374	317	497	405	403	430	616	704

Source: Office for National Statistics (ONS).

16.3 The UK film trade balance, 1995–2005

The film industry has made a continuous positive contribution to the UK balance of payments since 1995, with a trade surplus (positive balance of exports over imports) in 2005 of £163 million, as Figure 16.3 shows.

Figure 16.3 Trade surplus of UK film industry, 1995–2005

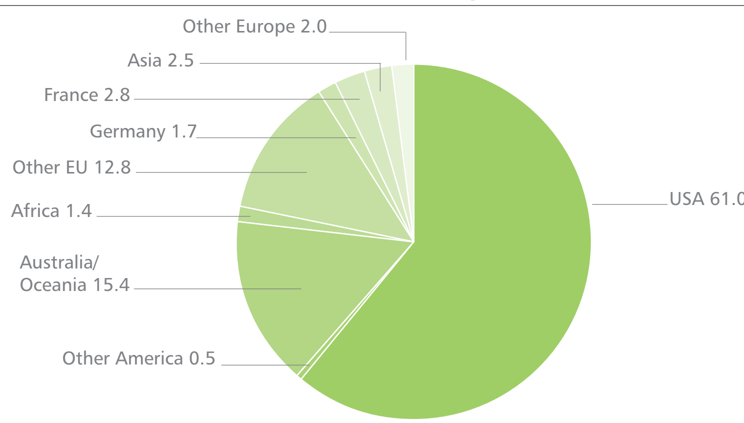


Source: Office for National Statistics (ONS).
Trade surplus equals exports minus imports. Where a company (eg the UK subsidiary of a USA major) receives income from overseas on behalf of its parent company and subsequently passes it on to its parent company, this is recorded both as a receipt and as a payment, leaving the measure of the trade surplus unaffected.

16.4 UK film export markets

The USA was the largest market for UK film exports, buying 61% of total exports in 2005, as shown in Figure 16.4. Europe was the second largest market, buying 19.3%. Compared with 2004, the share for the USA increased substantially, while that of Europe dropped. The high USA proportion reflects the fact that the US market is the largest film market in the world and generates large revenues for UK films and that US studios make extensive use of UK production facilities. Although 2005 was a lower year for export of production services, it was an excellent year for UK films (which had a US market share of 16%) and royalties would also have been earned on all UK-owned library titles distributed or shown in the USA in 2005.

Figure 16.4 Destination of UK film exports as percentage of the total, 2005



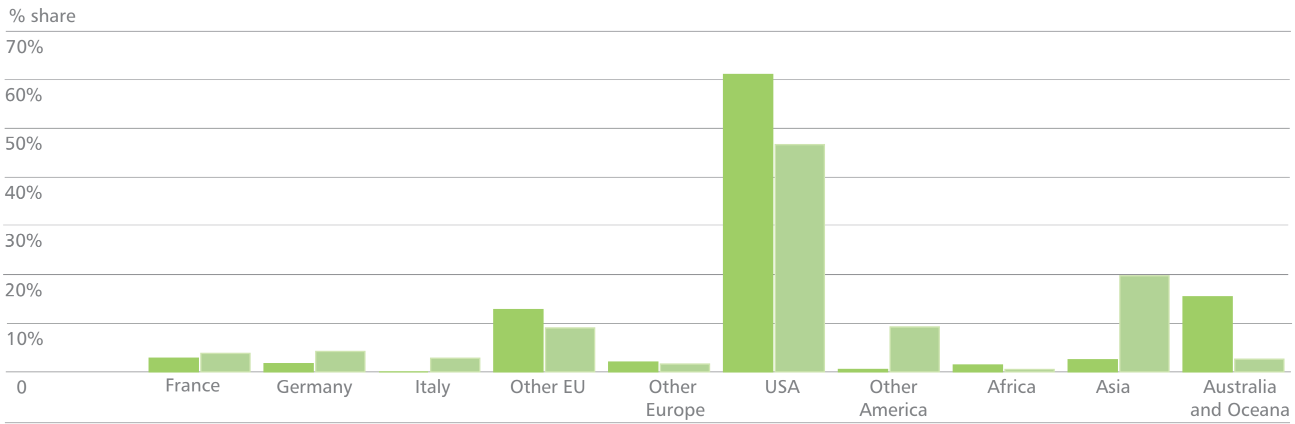
Source: Office for National Statistics (ONS).

16.5 UK film exports compared with the global market for filmed entertainment

A useful comparison can be made between UK film export shares and the geographical distribution of the global market for filmed entertainment (Figure 16.5). The differences that stand out are the much higher proportion of UK exports to Australia and Oceania (15.4%) compared with those countries' share of the global market for filmed entertainment (2.6%) and the much lower proportion of UK exports to Asia (2.5%) compared with the Asian countries' share of the global market (19.7%). This suggests that UK film exports to Asia may still be under-developed.

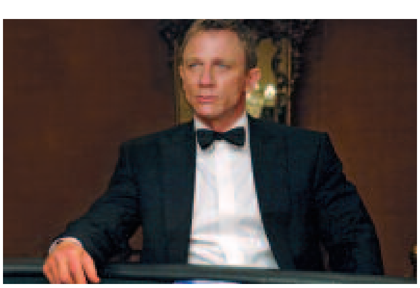
In Figure 16.5 there is also a significant difference in the USA and 'other America' shares, but this may reflect the accidental inclusion of exports to Canada in UK exports to the USA as the USA and Canada are a single distribution territory. The high USA percentage also reflects UK exports of production services to the USA, as pointed out in 16.4.

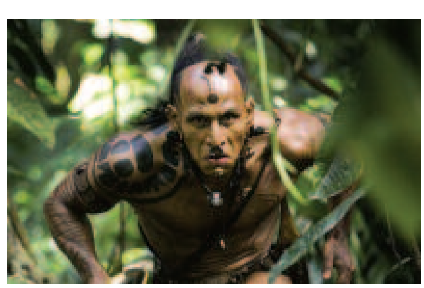
Figure 16.5 UK export shares compared with the global market for filmed entertainment, 2005



	France	Germany	Italy	Other EU	Other Europe	USA	Other America	Africa	Asia	Australia and Oceana
Share of UK film exports	2.8	1.7	0.0	12.8	2.0	61.0	0.5	1.4	2.5	15.4
Share of global filmed entertainment market	3.8	4.2	2.8	9.0	1.6	46.6	9.2	0.5	19.7	2.6

Sources: UK exports: ONS. Global market: PricewaterhouseCoopers.
Total global market for filmed entertainment does not include the UK, to keep the figures comparable with the UK's export figures.





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Casino Royale © 2006 Danjaq, LLC and United Artists Corporation and Columbia Pictures Industries, Inc. All rights reserved.

Apocalypto.

16.6 The geographical distribution of the UK's film trade surplus

The geographical distribution of the UK's film trade surplus was different from the export pattern, as shown in Table 16.1. In 2005, the UK's film trade with the USA was in balance and the main contributors to the overall film trade surplus were France (£12 million), non-EU Europe (£9 million), Asia (£22 million) and Australia and Oceania (£129 million). This reflects the stronger performance of UK films around the world than of overseas films (other than from the USA) in the UK market.

Table 16.1 International transactions of the UK film industry by geographical area, 2005

	Exports £ million	Imports £ million	Balance £ million	Exports %	Imports %	Balance %
France	27	15	12	2.8	1.9	7.3
Germany	16	12	4	1.7	1.5	2.4
Italy	–	–	–	–	–	–
Other EU	124	137	–13	12.8	17.1	–7.9
Other Europe	19	10	9	2.0	1.2	5.5
USA	590	588	2	61.0	73.2	1.2
Other America	5	3	2	0.5	0.4	1.2
Africa	14	16	–2	1.4	2.0	–1.2
Asia	24	2	22	2.5	0.2	13.3
Australia & Oceania	149	20	129	15.4	2.5	78.2
World total	968	803	165	100.0	100.0	100.0

See also:

- For more information on the UK and global film market see chapter 13 (p130)
- For more information on the performance of UK films internationally see chapter 4 (p32)
- For more information on inward investment in film production in the UK see chapter 14 (p138)

17: EMPLOYMENT IN THE FILM AND VIDEO INDUSTRIES

The film and video industries employ substantial numbers of highly skilled workers. While employment levels are somewhat volatile, reflecting the variable level of demand for the sector's services, employment has increased by a third over the past decade.

42,230 people worked in film and video including 24,213 working in film and video production, a decrease on 2005

The film and video workforce was 33% higher in 2006 than in 1994, compared with a 13% increase in the overall workforce

"DO YOU WANT TO

People from minority ethnic groups are under-represented in film production, at 5% unchanged since 2002

48% of people in film and video production were freelance

58% of employees in film and video production were in workplaces with ten or fewer people

WORK IN FILM?

Women made up 40% of the film production workforce in 2006 (33% in 2002) and they were paid less than men on average

76% of those working in production and 68% in distribution are in London and the south-east

17.1 The workforce

According to the Labour Force Survey, a total of 42,230 people worked in the film and video production, and distribution and film exhibition sectors in the year 2006 (October 2005 to September 2006; in autumn 2005 seasonal quarters were replaced by calendar quarters in the Labour Force Survey). Table 17.1 shows the breakdown.

Table 17.1 Film and video industry workforce, 2006

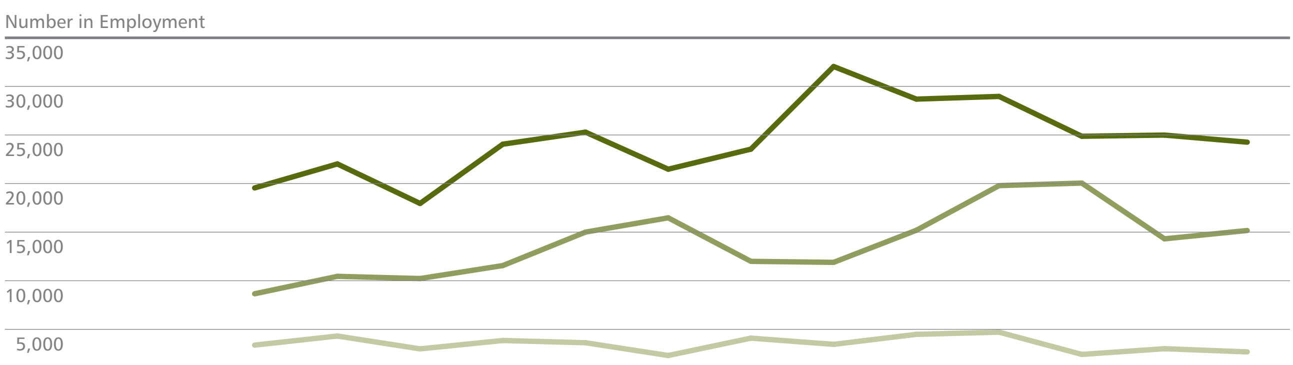
Sector	SIC	Number in employment
Film and video production	9211	24,213
Film and video distribution	9212	2,816
Film exhibition	9213	15,201
Total		42,230

Source: Labour Force Survey, Office for National Statistics.
Notes:
SIC = Standard Industrial Classification.
ONS does not separate video production and distribution from film production and distribution.

The 2006 figure was slightly lower than 2005, reflecting lower reported employment figures in the film and video production and distribution sectors. Overall, the film and video industry workforce was 33% larger in 2006 than in 1994, against an increase in the overall UK workforce of 13% over the same period. Figure 17.1 shows the growth of the three film-related sectors.

Employment in the film production sector has continued to shrink since the peak of 2001, despite the fact that UK production spend (see Figure 14.2) has been higher on average since 2003 than it was in 2001 and 2002. Distribution is fairly constant, while exhibition has been on a fluctuating upward trend. The exhibition sector had been given a lift after the sharp fall recorded in 2005.

Figure 17.1 Size of film and video workforce, 1994–2006



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film and video production	19,545	21,993	17,959	24,006	25,235	21,454	23,502	31,933	28,606	28,880	24,816	24,936	24,213
Film exhibition	8,746	10,524	10,301	11,623	15,037	16,494	12,054	11,952	15,225	19,779	20,039	14,351	15,201
Film and video distribution	3,507	4,435	3,124	3,978	3,750	2,448	4,219	3,586	4,605	4,827	2,558	3,142	2,816

Source: Labour Force Survey, Office for National Statistics.
The employment figures from 1994–2005 were averages of four seasonal quarters (winter, spring, summer and autumn), formerly known as 'autumn years'. From 2006, the figures are averages of the four 'calendar quarters' (Oct–Dec, Jan–Mar, Apr–Jun and Jul–Sep), referred to as 'year to September', instead. This change is a Eurostat requirement, namely that all countries in the EU have a Labour Force Survey based on calendar quarters.

Most people working in the film distribution and exhibition sectors were employees, but the film production sector had a higher proportion of freelance workers. In 2006, 48% of those engaged in film and video production (SIC 9211), a total of 11,716 people, were self-employed and some 2% were classified as 'unpaid family workers' (Table 17.2 and Figure 17.2). An 'unpaid family worker' is defined as a person who is doing unpaid work for a business that they own or that a relative owns.

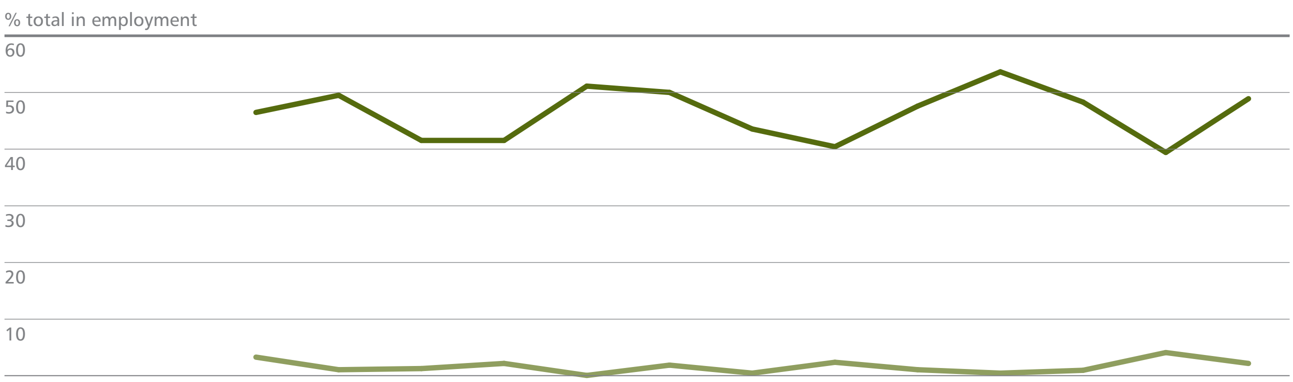
Table 17.2 Film and video production workforce (SIC 9211), 1994–2006

	Total in employment	Self-employed	Self-employed as % of total	Unpaid family worker	Unpaid family worker as % of total
1994	19,545	8,988	46.0	635	3.2
1995	21,993	10,779	49.0	218	1.0
1996	17,959	7,387	41.1	215	1.2
1997	24,006	9,855	41.1	494	2.1
1998	25,235	12,762	50.6	0	0.0
1999	21,454	10,624	49.5	396	1.8
2000	23,502	10,129	43.1	103	0.4
2001	31,933	12,766	40.0	723	2.3
2002	28,606	13,469	47.1	275	1.0
2003	28,880	15,347	53.1	102	0.4
2004	24,816	11,863	47.8	230	0.9
2005	24,936	9,718	39.0	989	4.0
2006	24,213	11,716	48.4	518	2.1

Source: Labour Force Survey, Office for National Statistics.
1994 to 2005 were autumn years whereas 2006 was the year to September.
See footnote to Figure 17.1 for explanation.

The proportion of self-employed has fluctuated in the 40–50% band since 1994. In comparison, the self-employed percentage of the total UK workforce is around 13%.

Figure 17.2 Self-employed and unpaid family workers as proportions of total workforce, film and video production (SCI 9211), 1994–2006



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Self-employed as % of total	46.0	49.0	41.1	41.1	50.6	49.5	43.1	40.0	47.1	53.1	47.8	39.0	48.4
Unpaid family worker as % of total	3.2	1.0	1.2	2.1	0.0	1.8	0.4	2.3	1.0	0.4	0.9	4.0	2.1

Source: Labour Force Survey, Office for National Statistics.
1994 to 2005 were autumn years whereas 2006 was the year to September.
See footnote to Figure 17.1 for explanation.

17.2 The film production workforce survey

Skillset and the UK Film Council have built on the first survey of people in film production carried out in 2004 with a further survey of the sector. Conducted during 2006, the research identifies trends in employment and skills development within the production sector of the industry. Here we report some of the preliminary findings of the demographics, work patterns and incomes, and compare them with those from the first survey whose reference year was 2002. The full report will be available in summer 2007.

Two-fifths of the survey respondents were women, with the female percentage varying widely by occupation group, from 85% in make-up and hairdressing to 3% in construction, as Table 17.3 shows. There appears to be some variation in the gender profiles between the two surveys. There were more female assistant directors (38%) but fewer women working in the editing, post-production and visual effects occupations (26%) this year. Of the respondents in the sound/electrical occupations, 4% were women compared to zero in 2002.

Table 17.3 Occupational group by gender, film production workforce, 2002 and 2006

	Respondents 2002		Respondents 2006	
Occupational group	Male %	Female %	Male %	Female %
Production/script development	34	66	36	64
Assistant directors	74	26	62	38
Art/set decorating/props	68	32	55	45
Camera	91	9	85	15
Sound/electrical	100	–	96	4
Costume	30	70	20	80
Make-up/hairdressing	12	88	15	85
Editing/post-production/visual effects	58	42	74	26
Construction	95	5	97	3
Locations	76	24	78	23
Others	70	30	65	35
All occupations	67	33	61	39

Source: Skillset.
The percentages for male and female in some occupational groups do not add up to 100% due to rounding.

The challenge of reflecting the UK's ethnic diversity in the film production industry is evident in Tables 17.4 and 17.5. The ethnic profile of the respondents in 2006 was identical to that in the previous survey. Overall only 5% of the film workforce was from minority groups, below the national all-sectors average of 7% and well below the London workforce average of 24% which is a relevant comparator for the film industry in view of the industry's concentration in London.

Table 17.4 Ethnicity of UK film production workforce, 2002 and 2006

Ethnic group	Respondents 2002 %	Respondents 2006 %	All UK workforce (LFS, 2004) %
White	95	95	93
Mixed	2	2	1
Asian or Asian British	1	1	3
Black or black British	1	1	2
Chinese	–	–	0
Other	1	1	1

Source: Skillset; Office for National Statistics Labour Force Survey, quarterly supplement 2004.

Table 17.5 Ethnicity of London film production workforce, 2002 and 2006

Ethnic group	London respondents 2002 %	London respondents 2006 %	All UK workforce (LFS, 2004) %
White	94	93	76
Mixed	3	2	1
Asian or Asian British	1	1	11
Black or black British	1	1	8
Chinese	–	1	1
Other	1	2	3

Source: Skillset; Office for National Statistics Labour Force Survey, quarterly supplement 2004.

The disabled proportion of the film production workforce increased slightly from 2% to 3%, as shown in Table 17.6.

Table 17.6 Disability, film production workforce, 2002 and 2006

Workers who consider themselves to have a disability	Respondents 2002 %	Respondents 2006 %	All UK workforce (LFS, 2005) %
Yes	2	3	5
No	98	97	95

Source: Skillset; Office of National Statistics Labour Force Survey, quarterly supplement 2005.

The age profile of the respondents in 2006 was somewhat more youthful than in the previous survey. The film production workforce was predominantly young, with 84% aged 49 or under as Table 17.7 shows. The female age profile was significantly younger than the male, with 90% of women being under the age of 49.

More of the respondents in 2006 were between 16 and 24 years (8% compared with 3% in 2002). People in film production appeared younger than in the wider workforce with more than a third falling into the 25 to 34 year age band in comparison with a fifth of the UK workforce as a whole. The increase in the female percentage in the 16–24 and 25–34 age groups is consistent with the slight growth overall in the female percentage of the workforce, suggesting increased entry of younger women into film production.

Table 17.7 Age distribution of film production workforce, 2002 and 2006

	Respondents 2002			Respondents 2006			All UK workforce (LFS, 2005)
Age group	Male %	Female %	All %	Male %	Female %	All %	All %
16–24	3	4	3	7	9	8	16
25–34	26	41	31	27	44	34	22
35–49	46	42	45	46	37	42	37
50+	25	13	21	21	10	17	25
All ages	100	100	100	100	100	100	100

Source: Skillset; Office for National Statistics Labour Force Survey, quarterly supplement 2005.

As Table 17.8 shows, slightly fewer respondents were married or living as a couple this year than in 2002 (57% compared with 61%). In addition more were single (38% compared with 32%).

Table 17.8 Marital status of film production workforce, 2002 and 2006

Marital status	Respondents 2002 %	Respondents 2006 %
Married or living as couple	61	57
Single and never married	32	38
Divorced or separated	7	6
Widowed	–	–

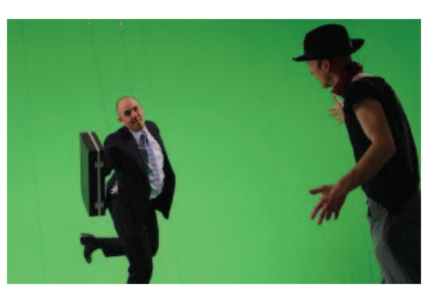
Source: Skillset.

Just over a quarter (27%) of respondents reported living with at least one dependent child under 16 years which was a slight drop in comparison with the third in 2002 (Table 17.9). As in 2002 however, the proportion of male respondents living with dependent children was considerably greater than the proportion of female respondents (36% compared with 14%).

Table 17.9 Family status of film production workforce, 2002 and 2006

	Respondents 2002			Respondents 2006		
	Male %	Female %	All %	Male %	Female %	All %
Living with dependent children under 16	39	21	33	36	14	27

Source: Skillset.



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NFTS, a Skillset Screen Academy.

All respondents were asked to indicate the total gross income they had received from feature film work during the 12 months preceding the survey. Table 17.10 shows that, in 2006, one in 10 (9%) had earned £75,000 or more and the same percentage (9%) had received between £50,000 and £74,999. By far the most common range of income from feature film work reported however was under £20,000 and this was the experience of almost half (47%) the respondents. In 2002 as many as one in 10 respondents (10%) reported that they had not received any income from feature film work, and this improved to just 2% of the 2006 respondents.

Table 17.10 Distribution of gross income from feature film work, 2002 and 2006

	Respondents 2002			Respondents 2006		
	Male %	Female %	All %	Male %	Female %	All %
No income from feature film work in past year	8	14	10	2	2	2
£1–£19,999	31	45	36	45	50	47
£20,000–£29,999	15	11	14	13	14	13
£30,000–£39,999	15	10	13	12	14	13
£40,000–£49,999	11	8	9	9	6	8
£50,000–£74,999	11	10	11	11	7	9
£75,000 or more	9	3	7	9	7	9
	100	100	100	100	100	100

Source: Skillset.

Slightly more male than female respondents fell into higher income brackets with a fifth (20%) of male respondents earning £50,000 or more in comparison with 14% of the women. On the whole however, gender differences in feature film incomes appear to have reduced since the 2004 survey, with women becoming relatively more numerous in the £20,000–£39,999 and £75,000+ bands. The proportion of very low-paid men (under £20,000) increased between 2002 and 2006.

Skillset Screen Academy at London College of Communications (LLC) & Ealing Institute of Media (EIM).

Table 17.11 shows the distribution of weekly rates paid for feature film work. As in 2002 women tended to report lower weekly rates than men. For example a third of the female respondents in 2006 received under £800 per week in comparison with a fifth (21%) of male respondents, while a fifth (21%) received the higher rate of £1,400 per week or more in comparison with a third (33%) of male respondents.

Table 17.11 Weekly rates for feature film work, 2002 and 2006

	Respondents 2002			Respondents 2006		
Weekly rate	Male %	Female %	All %	Male %	Female %	All %
Less than £400 per week	4	7	5	9	12	10
£400–£599 per week	4	6	5	6	11	8
£600–£799 per week	6	15	9	6	10	8
£800–£999 per week	16	13	15	16	15	16
£1,000–£1,199 per week	15	15	15	17	17	17
£1,200–£1,399 per week	11	14	12	13	15	14
£1,400–£1,599 per week	14	11	13	11	7	9
£1,600–£1,799 per week	6	4	5	5	4	5
£1,800 or more per week	24	14	21	17	10	14

Source: Skillset.
The high weekly rates paid to most people in the industry reflect, among other things, the long working hours involved in film production. A working week typically consists of six days, with an average day of 11 hours.

More results from the feature film production workforce survey will be available in the full report of the survey due to be published in summer 2007 (see www.skillset.org).

17.3 The workplace location

The film production and distribution sectors are concentrated in London and the South East, as shown in Table 17.12. In contrast, the London and South East share of the exhibition sector workforce is closer to the UK average.

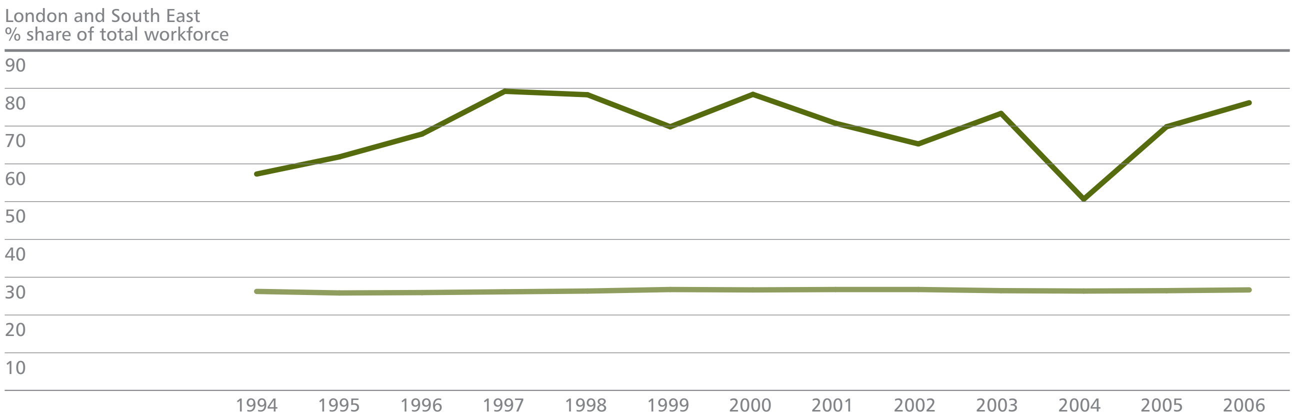
Table 17.12 London and South East employment as percentage of total, 2006

Sector	SIC	Total UK employment	London and South East employment	London and South East as % of UK total
UK all industries	All	28,308,801	7,605,938	26.9
Film and video production	9211	24,213	18,397	76.0
Film and video distribution	9212	2,816	1,924	68.3
Film exhibition	9213	15,201	4,414	29.0

Source: Labour Force Survey, Office for National Statistics. The South East region wraps around London to include the major studios to the west of London. Figures shown in this table are averages of the four calendar quarters from October 2005 to September 2006.

The London and South East share of the film and video production workforce (SIC 9211) was 76% in the year to September 2006, closer to its long-term average than the low 2004 figures of 50.7% which may have been due to statistical error arising from the small size of the Labour Force Survey at industry sub-sector level. Figure 17.3 suggests that the share of the film and video production workforce in London and the South East is reverting to the higher level of the late 1990s.

Figure 17.3 London and South East percentage share of total workforce, 1994-2006



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Film and video production (%)	57.3	61.8	67.8	79.0	78.1	69.7	78.2	70.6	65.2	73.2	50.7	69.7	76.0
UK all industries (%)	26.5	26.1	26.2	26.4	26.6	27.0	26.9	27.0	27.0	26.7	26.6	26.7	26.9

Source: Labour Force Survey, Office for National Statistics.
1994 to 2005 were autumn years whereas 2006 was the year to September.
See footnote to Figure 17.1 for explanation.

The peaks and troughs in the London and South East share of the film and video production workforce appear to coincide with the peaks and troughs in film production in the UK (see Figure 14.2 page •). This suggests the variability in UK film production is absorbed more by London and the South East than by other nations and regions in the UK.

17.4 The scale of the workplace

Each year, the Office for National Statistics conducts a survey of businesses, called the Annual Business Inquiry (ABI), which provides information on the number of employees in each workplace, by industrial sector. The latest available data are for 2005 and those relating to the film industry are shown in Tables 17.13, 17.14 and 17.15. The different characteristics of the three sectors stand out clearly in these tables.

The film and video production sector had a very high number of small workplaces (97.1% in the 1–10 band), accounting for a majority of the sector's total workforce (58.2%). At the other end of the scale, there was a small number of large workplaces. The 41 workplaces with 50 or more employees accounted for 5,146 employees, an average of 126 each.

Table 17.13 Film and video production (SIC 9211) workplace size distribution (employees), 2005

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% total employees
1–10	6,967	97.1	11,818	58.2
11–49	168	2.3	3,343	16.5
50+	41	0.6	5,146	25.3
Total	7,176	100.0	20,307	100.0

Source: ABI, Office for National Statistics.

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

Table 17.14 Film and video distribution (SIC 9212) workplace size distribution (employees), 2005

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% total employees
1–10	445	89.7	1,178	25.5
11+	51	10.3	3,444	74.5
Total	496	100.0	4,622	100.0

Source: ABI, Office for National Statistics.

Workplace numbers for bands above 11 employees cannot be published for confidentiality reasons (too few workplaces in the bands). 59% of distribution employees worked in workplaces of 50 employees or more. There was a small number of workplaces in the 200–plus employee size range.

The exhibition sector had a concentration that was the reverse of the production sector with 57% of employees in workplaces of 50 or more, and only 4% in workplaces in the 1–10 employee band.

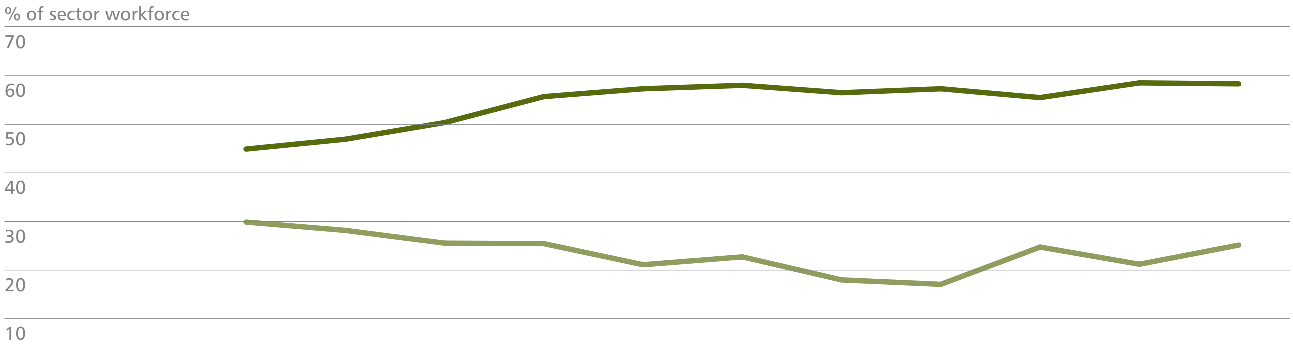
Table 17.15 Film exhibition (SIC 9213) workplace size distribution (employees), 2005

Workplace size band	Number of workplaces in band	% total workplaces	Number of employees in band	% total employees
1–10	180	31.5	650	3.6
11–49	241	42.2	7,126	39.8
50+	150	26.3	10,122	56.6
Total	571	100.0	17,898	100.0

Source: ABI, Office for National Statistics.

The declining trend in the proportion of employment in workplaces with 50 or more employees in the film and video production sector (SIC 9211) in the early part of the last decade has been reversed in recent years. In contrast the rapid growth in the proportion of employment in workplaces with 1–10 employees from 1995 has slowed and reached a level of just below 60% of the sector as a whole in 2005

Figure 17.4 Film and video production sector (SIC 9211) employees by workplace size band, percentage of total, 1995–2005

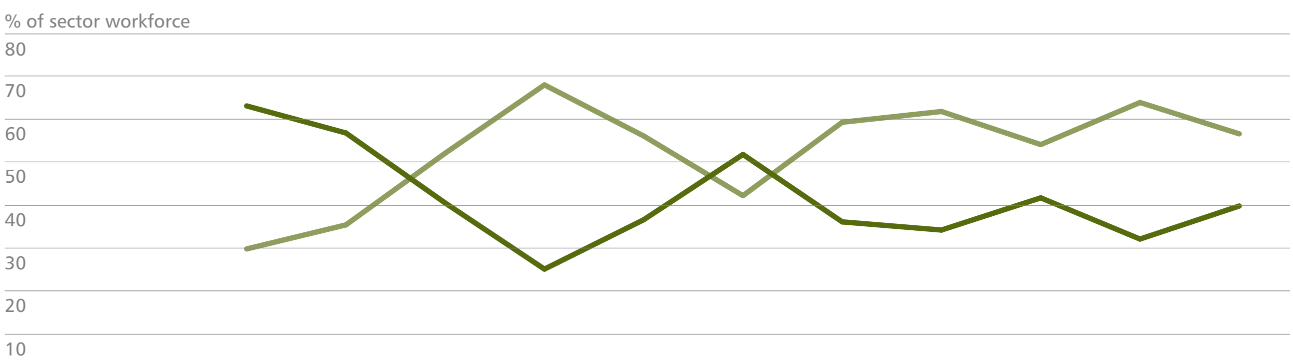


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1–10 employees (%)	44.9	46.9	50.3	55.6	57.2	57.9	56.4	57.2	55.4	58.4	58.2
50+ employees (%)	30.0	28.3	25.7	25.6	21.3	22.9	18.2	17.3	24.9	21.4	25.3

Source: ABI, Office for National Statistics.

In the exhibition sector, the proportion of employees in the 50–plus category has been increasing gradually over the last decade, while the proportion in the 11–49 category has been falling, as shown in Figure 17.5. This reflects a growth in the number of larger units.

Figure 17.5 Film exhibition sector (SIC 9213) employees by workplace size band, percentage of total, 1995–2005



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
11–49 employees (%)	63.1	56.8	40.5	25.1	36.6	51.8	36.1	34.2	41.7	32.1	39.8
50+ employees (%)	29.8	35.4	52.1	68.0	56.1	42.2	59.3	61.8	54.1	63.9	56.6

Source: ABI, Office for National Statistics.

See also:

- For more details on the film distribution sector in 2006 see chapter 8 (p72)
- For more information about the exhibition sector in 2006 see chapter 9 (p78)
- For more background on film production in 2006 see chapter 14 (p138)

From left
NFTS, a Skillset Screen Academy.

Glossary

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

BAFTA
British Academy of Film and Television Arts

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

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

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

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

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

CAA
Cinema Advertising Association. The trade association of cinema advertising contractors operating in the UK and 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 Convention on Cinematographic Co-Production

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

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

Digital Cinema Initiatives
Digital Cinema Initiatives, LLC (DCI) was created in March 2002 and is a joint venture of Disney, Fox, Paramount, Sony Pictures, Universal and Warner Bros. DCI's primary purpose is to establish and document voluntary specifications for an open architecture for digital cinema that ensures a uniform and high level of technical performance, reliability and quality control (www.dcimovies.com)

DLP Cinema
DLP Cinema is the trademark of Texas Instruments' digital projection system. 'DLP' stands for 'digital light processing'

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

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 attract audiences to 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, and usually of at least 80 minutes duration

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

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

Franchise
A film series such as *Harry Potter and the Philosopher's Stone, The Lord of the Rings,* or the James Bond films

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

Government office regions
Classification of English regions used to establish the boundaries of the Regional Development Agencies and the Regional Screen Agencies

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 where the production is attracted to the UK by the UK's filmmaking infrastructure or locations

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

Mainstream programming
Category of films aimed at the general audience

Megaplex site
Defined by Dodona Research as a purpose-built cinema with 20 or more screens

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

Multi-channel television
Digital television programming carried by satellite, cable or freeview delivery systems, in this case excluding the five main network channels (BBC1, BBC2, ITV1, Channel 4 and Five)

Online rental
Selecting and renting DVDs via a website for postal delivery

ONS
Office for National Statistics

Out of town cinema
Cinema located on the outskirts of a town, typically in a large shopping development

Pay-per-view
A system in which television viewers purchase individual films to view. The film is shown at the same time to everyone ordering it, as opposed to video on demand, which allows the viewers to see the film at any time. Films can be purchased via on-screen guide, automated telephone or customer services line

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

Sites
Individual cinema premises

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

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

Terrestrial television
The five main analogue free-to-air channels: BBC1, BBC2, ITV1, Channel 4 and Five

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

Video on Demand (VOD)
A VOD system allows users to select and watch films at the time they want over a network as part of an interactive television system. VOD systems enable the user to download films to own or rent before viewing starts or to stream content to be viewed in real time

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

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

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

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

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

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

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

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