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Introduction

UK film had a positive year in 2007. Admissions were up by 3.7%, box office gross by 7.7%, the UK film share of the box office leapt from 19% in 2006 to 28% in 2007, UK film production was solid at £747 million (£848 million in 2006) and a quarter of films shown on UK terrestrial television were British.

The top box office performers were *Harry Potter and the Order of the Phoenix* (£49.4 million), *Pirates of the Caribbean: At World's End* (£40.6 million), *Shrek the Third* (£38.7 million) and *The Simpsons* (£38.7 million).

After *Harry Potter*, the best performing UK films were *The Golden Compass* (£26 million), *The Bourne Ultimatum* (£23.7 million), *Mr Bean's Holiday* (£22.1 million) and *Hot Fuzz* (£21 million). These were all made during 2006 and illustrate the link between high levels of UK production in one year and a good UK box office performance the next, a pattern we expect to see repeated this year with **a string of UK and UK/USA films scheduled for release in 2008**. For example, *The Other Boleyn Girl* (7 March), *10,000 B.C.* (14 March), *In Bruges* (18 April), *Happy-Go-Lucky* (Mike Leigh, 18 April), *The Oxford Murders* (25 April), *Made of Honour* (2 May), *Cassandra's Dream* (Woody Allen, 9 May), *The Chronicles of Narnia: Prince Caspian* (27 June), *Mamma Mia!* (11 July), *Angus, Thongs and Full Frontal Snogging* (25 July), *The Dark Knight* (Batman, 25 July), *Brideshead Revisited* (12 September), *Quantum of Solace* (James Bond, 7 November) and *Harry Potter and the Half-Blood Prince* (21 November).

Analysed by **genre**, the top 20 UK films in 2006 and 2007 were more concentrated in the biopic, drama and comedy categories than the top 20 films overall, which were concentrated in the action, animation and fantasy categories.

On the production front, there was a slight fall compared with 2006, but at £747 million, UK production had its fourth highest year over the period 1992 – 2007. Inward investment was £532 million (£581 million in 2006), domestic UK features had a UK spend of £141 million (£157 million in 2006) and UK co-productions £74 million (£111 million in 2006). The proportionately larger fall in UK co-productions is likely to be linked to the differential impact of the new tax relief. Based on UK spend, the new UK film production tax relief provides a substantial incentive to UK domestic and inward investment films, but a lower incentive to co-productions as the majority of their spend tends to be abroad.

These trends are mirrored in the **British film certification statistics,** which show a decline in co-productions but a healthy level of Schedule 1 activity. 'Schedule 1 films' are those that are certified British under the British film definition in the Films Act 1985. In 2007, 96 films (74 in 2006) with a total production budget of £560 million (£402 million in 2006) received final certification under Schedule 1. 115 films, with a total budget of £1,141 million, received interim approval in 2007. Some of these were finally certified in 2007, but at the end of the year there were 108 interim approvals that had not yet passed to final certification, reflecting current film making activity.

In 2007, there were 56 final co-production certifications (68 in 2006) with a total budget of £357 million (£460 million in 2006). However, final certifications reflect co-production activity spread over the three years prior to the certification date. A more realistic view of current and future co-production activity is provided by the interim certifications which fell from 61 in 2006 (£426 million) to 27 in 2007 (£143 million).

The UK's international trade in film continued strongly in 2006 (the latest year for which results are available, the 2006 film trade statistics being released in December 2007) with exports of £913 million and a film trade surplus of £128 million. The majority of the UK's film exports were royalties (£582 million) while production service exports generated a further £330 million. The largest UK market was Europe, followed by the USA.

2007 saw an increase in the number of **films shown on UK terrestrial television** after several years of decline. Of the 2,182 films shown on the five broadcast channels (BBC1, BBC2, ITV, Channel 4 and Five) 24.7% were British and 5.9% were recent British films (films that had their theatrical release in the last eight years) up from 2.8% in 2001. Recent British films shown on terrestrial television in 2007 included *Cold Mountain*, *Anita & Me*, *Bridget Jones: The Edge of Reason*, *Layer Cake, 28 Days Later* and many others.

Finally, we report the recent release of a study of avid cinemagoers that identifies a lifetime film journey passing through the stages entertainment, identity, culture and (for some) career. The study suggests a number of film agency initiatives that could encourage more people to take this journey.

1. UK admissions and box office gross in 2007

2007 was the year in which the box office recovered from two successive years of declining ticket sales. A raft of sequels and a diverse selection of local product helped to boost admissions, particularly in the summer months. Total admissions were 162.4 million, an increase of 3.7% on 2006. In value terms, UK gross box office in 2007 was £821 million, up 8% on the previous year.

The year started at the same level as 2006, then February and March admissions were boosted by UK comedy hits *Hot Fuzz* and *Mr Bean's Holiday*. April admissions were around 20% down on the same month in 2006 (when *Ice Age 2* opened) but recovered in May with the release of *Spider-Man 3* and *Pirates of the Caribbean: At World's End* and went on to record significant increases over the summer. The 21.8 million admissions recorded in July represented the biggest single month of cinema-going in Britain for 40 years – an average of 4.9 million tickets were sold per week thanks to a rapid succession of blockbuster releases such as *Harry Potter and the Order of the Phoenix*, *The Simpsons* and *Transformers*. Ticket sales dipped in the autumn – by as much as 38% in November (November 2006 was particularly strong with the release of *Casino Royale* and *Borat*) but December admissions were only slightly down on the 2006 equivalent. The monthly breakdown is provided in tables 1.1 to 1.3.

Table 1.1: Monthly admissions in 2007

Month	2006 million	2007 million	% +/– on 2006
January	14.0	14.0	– 0.2
February	12.8	13.9	+8.2
March	9.9	11.2	+12.7
April	13.6	10.9	–19.8
May	13.2	15.7	+18.8
June	8.7	11.2	+28.4
July	16.3	21.8	+33.7
August	15.0	17.8	+18.4
September	8.5	9.6	+12.6
October	13.5	12.2	–10.1
November	15.5	9.6	–37.9
December	15.3	14.6	–5.0
Total	**156.6**	**162.4**	**+3.7**

Source: CAA, Nielsen EDI.

Table 1.2: Average weekly admissions, 2006 – 2007

Month	2006 Weekly average million	2007 Weekly average million
January	3.2	3.2
February	3.2	3.5
March	2.2	2.5
April	3.2	2.6
May	3.0	3.6
June	2.0	2.6
July	3.7	4.9
August	3.4	4.0
September	2.0	2.2
October	3.1	2.7
November	3.6	2.2
December	3.5	3.3

Source: CAA, Nielsen EDI.

Table 1.3: Monthly admissions, 2003 to 2007

Month	2003 million	2004 million	2005 million	2006 million	2007 million
January	16.3	15.3	13.4	14.0	14.0
February	15.0	13.3	14.8	12.8	13.9
March	10.4	10.7	12.3	9.9	11.2
April	12.4	14.5	10.6	13.6	10.9
May	13.8	13.1	13.1	13.2	15.7
June	9.4	14.7	10.5	8.7	11.2
July	12.4	18.4	16.0	16.3	21.8
August	17.1	17.4	15.9	15.0	17.8
September	10.7	10.2	9.5	8.5	9.6
October	17.3	14.5	15.6	13.5	12.2
November	13.7	14.6	15.2	15.5	9.6
December	18.8	14.6	17.6	15.3	14.6

Source: CAA, Nielsen EDI.

The pattern of regional admissions remains largely unchanged from previous years (Table 1.4). The London, Midlands and Lancashire TV regions typically account for half of all UK admissions.

Table 1.4: Cinema admissions by TV region in 2007

Region	Admissions	%
London	39,663,567	24.4
Midlands	22,665,407	14.0
Lancashire	18,271,224	11.2
Southern	15,030,915	9.3
Yorkshire	13,319,308	8.2
Central Scotland	11,803,786	7.3
East of England	10,950,067	6.7
Wales & West	10,742,664	6.6
North East	6,117,960	3.8
Northern Ireland	5,264,502	3.2
South West	3,804,719	2.3
Northern Scotland	3,459,395	2.1
Border	1,333,502	0.8
Total	**162,427,016**	**100.0**

Source: CAA/Nielsen EDI.

The top 20 of 2007 was dominated by sequels (Table 1.5 overleaf). In fact, almost half of the list (nine titles) were franchise films – up from six sequels the previous year and five in 2005. The nine sequels comprised five 'threequels', two sequels and two fourth instalments. The top film of the year was the fourth instalment of the Harry Potter franchise – *Harry Potter and the Order of the Phoenix* – which grossed £49 million, marginally ahead of the previous film in the series, *Harry Potter and the Goblet of Fire*. The first of the threequels, *Pirates of the Caribbean: At World's End* was the second biggest film of the year, earning £40 million (£12 million down on 2006's *Dead Man's Chest*). This was followed by *Shrek the Third*, which grossed £10 million less than its predecessor. Do these falling grosses suggest that threequels are a step too far? Perhaps not – *Spider-Man 3* earned £33 million, up from the £27 million grossed by *Spider-Man 2* in 2004 and *Ocean's 13*'s revenue was slightly up on *Ocean's 12*'s. But far more impressively, *The Bourne Ultimatum* (£24 million) earned twice the box office revenue of *The Bourne Supremacy* (£12 million) and three times the gross of the original outing *The Bourne Identit*y (£8 million). There were seven UK titles in the overall top 20, up from three in 2006.

Table 1.5: Box office results for the top 20 films released in the UK and Republic of Ireland in 2007

Rank	Title	Country of origin	Box office gross (£ million)	Number of opening cinemas	Opening weekend (£ million)	Distributor
1	Harry Potter and The Order of the Phoenix	UK/USA	49.43	567	16.49	Warner Bros
2	Pirates of the Caribbean: At World's End	USA	40.65	552	13.41	Disney
3	Shrek the Third	USA	38.74	536	16.67	Paramount
4	The Simpsons	USA	38.66	499	13.63	20th Century Fox
5	Spider-Man 3	USA	33.55	522	11.83	Sony Pictures
6	The Golden Compass*	UK/USA	26.07	507	7.24	Entertainment
7	I Am Legend*	USA	25.58	440	11.00	Warner Bros
8	Ratatouille	USA	24.80	503	4.44	Disney
9	The Bourne Ultimatum	UK/USA	23.72	458	6.55	Universal
10	Transformers	USA	23.50	456	8.72	Paramount
11	Mr Bean's Holiday	UK	22.11	512	6.44	Universal
12	Hot Fuzz	UK	20.99	427	5.92	Universal
13	Enchanted	USA	16.78	471	2.55	Disney
14	Stardust	UK/USA	15.02	445	2.25	Paramount
15	300	USA	14.22	369	4.75	Warner Bros
16	Die Hard 4.0	USA	13.89	458	5.00	20th Century Fox
17	Ocean's Thirteen	USA	13.15	475	3.02	Warner Bros
18	Hairspray	USA	12.58	348	2.05	Entertainment
19	Fantastic Four: Rise of the Silver Surfer	USA	12.38	475	4.14	20th Century Fox
20	St. Trinian's*	UK	12.24	125	0.99	Entertainment

Source: Nielsen EDI, RSU.
Box office gross = cumulative total up to 24 February 2008.
Films with an asterisk (*) were still being exhibited on 24 February 2008.
UK and Republic of Ireland are a single "territory" for film distribution.

Table 1.6 (overleaf) focuses on the performance of the top 20 UK films at the box office. The total box office gross of the top 20 UK films was £243 million, compared with £150 million in 2006, £244 million in 2005, £176 million in 2004 and £122 million in 2003. Domestic market share bounced back to 28% from 19% in 2006. Top British film was the fourth instalment of the Harry Potter series – *Harry Potter and the Order of the Phoenix*. The fantasy theme was continued by *The Golden Compass* and *Stardust* – both based on UK story material and both hits with audiences here despite underperforming in the States. Simon Pegg proved to be a major box office draw in 2007 with two comedy hits – *Hot Fuzz* (£21 million) and *Run, Fat Boy, Run* (£11 million). Rowan Atkinson reprised his *Mr Bean* role to great success – earning £22 million at the UK box office – while independent British comedy *St. Trinian's* proved to be a major hit over the Christmas and New Year period (£12 million). The upturn in fortunes for UK films at the box office last year reflected increased UK production in 2006, and there were successful local films in most of the major genre categories. BAFTA winner *Atonement* was the highest grossing drama of the year (£12 million). Biographical dramas also featured heavily with *Miss Potter, Elizabeth: The Golden Age, Becoming Jane* and *Amazing Grace* in the chart. The thriller (*The Bourne Ultimatum*, *The Last King of Scotland*), horror (*28 Weeks Later, 1408, Hannibal Rising*) and sci-fi (*Sunshine*) genres were also represented.

Table 1.6: Top 20 UK films released in the UK and Republic of Ireland in 2007

	Title	Country of origin	Box office gross (£ million)	Distributor
1	Harry Potter and the Order of the Phoenix	UK/USA	49.43	Warner Bros
2	The Golden Compass*	UK/USA	26.07	Entertainment
3	The Bourne Ultimatum	UK/USA	23.72	Universal
4	Mr Bean's Holiday	UK	22.11	Universal
5	Hot Fuzz	UK	20.99	Universal
6	Stardust	UK/USA	15.02	Paramount
7	St Trinian's*	UK	12.24	Entertainment
8	Atonement*	UK	11.94	Universal
9	Run, Fat Boy, Run	UK/USA	11.02	Entertainment
10	Miss Potter	UK/USA	6.91	Momentum
11	Fred Claus	UK/USA	6.82	Warner Bros
12	Notes on a Scandal	UK	5.89	20th Century Fox
13	The Last King of Scotland	UK/Ger	5.68	20th Century Fox
14	28 Weeks Later	UK	5.35	20th Century Fox
15	Elizabeth: The Golden Age	UK	5.05	Universal
16	Becoming Jane	UK/USA	3.78	Disney
17	1408	UK/USA	3.28	Paramount
18	Sunshine	UK/USA	3.23	20th Century Fox
19	Hannibal Rising	UK/Fra/Ita/USA	2.68	Momentum
20	Amazing Grace	UK/USA	2.28	Momentum

Source: Nielsen EDI, RSU.
Box office gross = cumulative total up to 24 February 2008.
Films with an asterisk (*) were still being exhibited on 24 February 2008.
UK and Republic of Ireland are a single "territory" for film distribution.

In summary, 2007 was a better year at the box office for both ticket sales in general and for UK films in particular, and the slate of future releases suggests another strong year in 2008. Forthcoming UK releases include the 22nd Bond film *Quantum of Solace*, *Harry Potter and the Half Blood Prince*, *Mamma Mia!*, *The Dark Knight*, *The Chronicles of Narnia: Prince Caspian*, *The Other Boleyn Girl*, *Happy-Go-Lucky*, *Flashbacks of a Fool*, *The Escapist* and *Doomsday*.

Other major releases set for the year include *Iron Man*, *Indiana Jones and the Kingdom of the Crystal Skull*, *Sex and the City*, *Star Wars: The Clone Wars*, *The X Files 2*, *The Incredible Hulk*, *Wall-E* and *Madagascar 2*.

2. Genre of top 20 films and top 20 UK films released in the UK in 2006 and 2007

The RSU allocates a primary genre to every film released in the UK and the Republic of Ireland (ROI) during the year. The list of genres is based on conventions commonly used within the industry and by published sources such as the British Board of Film Classification (BBFC) and the Internet Movie Database (IMDb). The full genre list is available on our website: http://www.ukfilmcouncil.org.uk/genre.

In this section we focus on the changes in genre of the top 20 and top 20 UK films released in the UK and the ROI in 2006 and 2007.

2.1 Changes in genre, gross box office by genre and widest point of release by genre of top 20 films released in 2006 and 2007

Table 2.1 (overleaf) shows the top 20 films released in the UK and the ROI in 2006 and 2007. The 2007 releases were dominated by action films (five titles), followed by comedy and fantasy (both at four titles) and animation (three titles). The most marked difference in genre patterns between 2006 and 2007 was the return of the fantasy film (after an absence in 2006) such as the latest outing of the *Harry Potter* franchise – *Harry Potter and the Order of the Phoenix* and the decrease in animation features in 2007.

The highest-grossing feature *Harry Potter and the Order of the Phoenix* (£49.4 million) coupled with the Oscar® winning (visual effects) *The Golden Compass* (£26 million) helped make fantasy the highest-grossing genre (£107.4 million over 4 titles) among the top 20 films released in the UK and the ROI in 2007 (see Table 2.1). Animation (£102.2 million over 3 titles) held second place as in 2006 and action (highest-grossing genre among the top 20 films in 2006) fell to the third place (£97.5 million) among the top 20 films in 2007.

Among the top 20 releases in 2007, the second highest-grossing film of the year *Pirates of the Caribbean: At World's End* (£40.6 million) made adventure the widest released genre at 552 sites at its widest point of release (WPR) (see Table 2.1). This beat the thriller genre (at 523 sites at WPR) of last year (*The Da Vinci Code* was the only release in this genre among the top 20 in 2006). *Pirates of the Caribbean: At World's End* was the only film in the adventure genre among the top 20 films in 2007. This was followed by animation (averaged 531 sites at WPR) which was at third place last year and fantasy (averaged 509 sites at WPR) which did not make it into the top 20 last year.

Table 2.1 Genre, gross box office and average widest point of release of top 20 films released in the UK and the Republic of Ireland in 2006 and 2007

	2006				2007					
Primary genre	Number of releases	% of top 20	Gross box office (£ million)	Average widest point of release	Number of releases	% of top 20	Gross box office (£ million)	Average widest point of release	Top performing title in 2007	Change (in % of top 20) from 2006 to 2007
Action	4	20	106.4	492	5	25	97.5	461	Spider-Man 3	+5
Adventure	1	5	52.5	520	1	5	40.6	552	Pirates of The Caribbean: At World's End	0
Animation	6	30	103.1	500	3	15	102.2	531	Shrek the Third	–15
Biopic	1	5	10.4	290						–5
Comedy	5	25	81.8	441	4	20	68.4	458	Mr. Bean's Holiday	–5
Crime	1	5	12.9	376						–5
Drama	1	5	10.1	284						–5
Fantasy					4	20	107.4	509	Harry Potter and the Order of the Phoenix	+20
Musical					1	5	12.6	358	Hairspray	+5
Thriller	1	5	30.5	523	2	10	49.3	467	I am Legend	+5
Total	**20**	**100**	**407.7**	**458**	**20**	**100**	**478.1**	**480**		

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 17 February 2008.
Notes: See Table 1.5 of this bulletin for the top 20 films released in 2007. See Table 1.5 of RSU bulletin April 2007 for the top 20 films released in 2006.

2.2 Changes in genre, gross box office by genre and widest point of release by genre of top 20 UK films in 2006 and 2007

Table 2.2 shows the difference in genre patterns between the top 20 UK films released in 2006 and 2007. UK films include officially certified British (under Schedule 1 of the Film Act 1985 or one of the official UK co-production treaties) and other UK films that were made in the UK but did not seek official British film certification.

The most common genre among the top 20 UK films in 2007 was comedy (five titles) which was the same as in 2006 (the most common genre in 2006 was shared by comedy and drama at six titles each). This was closely followed by biopic (four titles) and fantasy and thriller (three titles each). No UK films of the biopic and fantasy genres made it into the top 20 UK films in 2006.

The marked differences in genre patterns between 2006 and 2007 were the return of biopic (its top performing title being *Miss Potter,* £6.9 million) and fantasy (top performing title *Harry Potter and the Order of the Phoenix,* £49.4 million) features and the absence of top UK action films. This void is likely be filled in 2008 due to the next outing of the Bond franchise, *Quantum of Solace*, which is scheduled for release on 7 November 2008.

The wide appeal to the UK audience of *Miss Potter* is evident based on its high, for biopic features, gross box office. This film received production funding from the UK Film Council's Premiere Fund which invests in UK films that potentially have wide appeal to audiences in the UK and worldwide.

The return of high grossing UK fantasy films, e.g. *Harry Potter and the Order of the Phoenix* (£49.4 million) and *The Golden Compass* (£26 million) made fantasy the highest-grossing genre (£90.5 million over three titles) among the top 20 UK films in 2007. Comedy took the second place (£73.1 million over five titles) and thriller third place (£32.1 million over three titles). Even though there were as many as six UK comedies they did not lift this genre into one of the top three earners among the top 20 UK films last year. Thrillers were at second place last year.

Fantasy genre films also received the widest releases among the top 20 UK films at an average of 512 sites at their widest points of release (WPR). This was followed by comedy at 442 sites and sci-fi at 409 sites at WPR. The only sci-fi feature, *Sunshine*, that made it into the top 20 was produced by the UK Film Council-supported DNA franchise which has also produced other high grossers *Notes on a Scandal*, *The Last King of Scotland* and *The History Boys*, etc.

Table 2.2 Genre, gross box office and average widest point of release of top 20 UK films released in the UK and the Republic of Ireland in 2006 and 2007

	2006				2007					
Primary genre	Number of releases	% of top 20 UK	Gross box office (£ million)	Average widest point of release	Number of releases	% of top 20 UK	Gross box office (£ million)	Average widest point of release	Top performing title in 2007	Change (in % of top 20 UK) from 2006 to 2007
Action	3	15	66.0	431						–15
Animation	1	5	11.3	476						–5
Biopic					4	20	18.0	356	Miss Potter	+20
Comedy	6	30	13.9	288	5	25	73.1	442	Mr. Bean's Holiday	–5
Drama	6	30	21.7	231	2	10	17.8	362	Atonement	–20
Fantasy					3	15	90.5	512	Harry Potter and the Order of the Phoenix	+15
Horror					2	10	8.6	404	28 Weeks Later	+10
Sci-fi					1	5	3.2	409	Sunshine	+5
Thriller	4	20	38.9	378	3	15	32.1	352	The Bourne Ultimatum	–5
Total	**20**	**100**	**151.8**	**320**	**20**	**100**	**243.4**	**408**		

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 17 February 2008.
Notes: See Table 1.6 of this bulletin for the top 20 films released in 2007. See Table 1.6 of RSU bulletin April 2007 for the top 20 films released in 2006.

The dominating effect of the release of studio backed high budget films such as *Harry Potter* and the *Bond* franchises on genre pattern as well as genre performance from year to year is evident from the analysis above. An analysis of the genre of all films released in the UK and Republic of Ireland will be available in the forthcoming UK Film Council Statistical Yearbook 2007/08.

3. British film certifications in 2007

3.1 Co-production certifications

Co-production statistics collected by the UK Film Council on behalf of the Department for Culture, Media and Sport (DCMS) throw light on the changing levels of co-production activity over time. Under the UK's various co-production agreements, co-productions have to meet certifying criteria in order to qualify for public support on the same basis as national films in each territory. The DCMS grants 'interim approval' prior to the completion of a film and 'final certification' once the film has been completed and final documents submitted.

In 2007 there were 56 final certifications (68 in 2006), to a total investment value of £357 million (£460 million in 2006), with 35% of the films' expenditure occurring in the UK. Forty-six of the co-productions took place under the European Convention on Cinematographic Co-production, with the remaining films qualifying under the UK's bilateral agreements, particularly with Canada and France.

The data on interim approvals give a clear picture of the rise and fall of co-production activity in recent years, extending the picture presented in Figure 4.1 (page 14). From a relatively low level in the late 1990s (Table 3.1), co-production activity grew to a peak in 2003. The UK expenditure share fell to a low of 25% in 2001. In 2004/05, the DCMS tightened the certification criteria, to make sure that balance in co-production relations was maintained under each of the UK's agreements. Coupled with the shift to a new tax relief based on UK spend rather than the total production budget, co-production activity cooled to a level of 27 interim approvals (£143 million) with a planned UK expenditure share of 53% in 2007.

Table 3.1 Interim co-production approvals by year, 1998 – 2007

Year	Number	Total Investment (£ million)
1998	20	84.9
1999	15	50.7
2000	37	196.1
2001*	59	454.7
2002*	86	624.9
2003*	136	1,296.2
2004*	116	742.2
2005	76	504.5
2006*	61	426.0
2007	27	142.6
Total	**633**	**4,522.8**

Source: DCMS, UKFC.
Note: *Figures revised since RSU bulletin, April 2007.

3.2 Schedule 1 (UK film) certifications

Schedule 1 films are films certified as British under Schedule 1 of the Films Act 1985. Under the old rules, the main qualifying criterion was 70% UK spend, but films commencing principal photography on or after 1 January 2007 have been required to pass a UK Cultural Test emphasising UK elements in the story, setting and characters (see UKFC website for full details of the Cultural Test). During a transitional period in 2007, films receiving final certification were certified under the old Schedule 1 test, a transitional Cultural Test (32 points) and the revised Cultural Test (31 points). Going forward only, the 31 point test will apply.

In 2007 a total of 96 films were certified British under Schedule 1 of Films Act 1985 (52 under the old Schedule 1 test, 5 under the transitional Cultural Test and 39 under the Cultural Test) (Table 3.2). The total production budget was £559.9 million. 79% of the total production budget was spent on production activities that took place in the UK. The average budget of a Schedule 1 film fell from the record level of £11.5 million in 2005 to a much lower level of £5.8 million. A similar drop in the average production spend in the UK was observed.

Under the Cultural Test in 2007, 115 interim certificates were issued, seven of which had received their final certificates before the end of 2007. This leaves 108 British films with interim certificates awaiting final certification in 2008 and onwards.

Table 3.2 Schedule 1 films, production budget and UK spend, 1998 – 2007

Year	Type of certificate (applicable from 2007)	Type of test (applicable from 2007)	Number of certificates issued	Activity in the UK: Spending in UK (£ million)	Activity in the UK: Average (£ million)	Production budget: Total (£ million)	Production budget: Average (£ million)
1998			40	151.4	3.8	232.1	5.8
1999			70	277.7	4.0	421.5	6.0
2000*			108	292.4	2.7	361.2	3.3
2001*			75	459.3	6.1	538.5	7.2
2002*			77	522.5	6.8	585.4	7.6
2003*			76	293.3	3.9	330.0	4.3
2004			72	560.2	7.8	643.5	8.9
2005			66	685.4	10.4	757.7	11.5
2006*			74	341.1	4.6	402.0	5.4
2007	Final	Old Schedule 1 test	52	102.7	2.0	121.4	2.3
	Final	Transitional Cultural Test (32 points)	5	55.6	11.1	125.5	25.1
	Final	Cultural Test (31 points)	39	282.6	7.2	313.0	8.0
	Final	**Total finals (any of the 3 tests)**	**96**	**440.9**	**4.6**	**559.9**	**5.8**
	Interim		115	828.5	7.2	1,141.1	9.9

Note: *Figures revised since RSU Bulletin, April 2007.

The rise in the value of Schedule 1 certifications in 2007 reflects the higher number and UK spend of qualifying big budget USA/UK films in production in 2006 compared with 2005. (Final certification takes place after production is completed, when final accounts are prepared.)

It is too early to forecast with certainty the likely level of Schedule 1 certifications in 2008. In 2007 there were small reductions in inward investment and domestic UK production compared with 2006, but, on the other hand, there was a large number of interim Schedule 1 approvals still in the pipeline at the end of 2007.

4. UK film production 2007

4.1 The value of UK production in 2007

UK production activity fell slightly in 2007 to £747 million, from £845 million in 2006, making 2007 the fourth highest year over the period recorded. The continued high level of activity reflected the bedding in of the new UK film production tax incentive, particularly for inward investment and domestic British productions.

There were 28 inward investment productions in 2007, with a UK spend of £531.6 million (see Table 4.1 for definitions). Some of the big-budget films contributing to this figure were *Sweeney Todd*, *Harry Potter and the Half Blood Prince*, *The Dark Knight* (Batman) and *The Chronicles of Narnia: Prince Caspian*.

There were 60 UK domestic features in 2007 (up from 55 in 2006) with a UK spend of £141 million. Larger-budget films contributing to this total included *Hippie Hippie Shake*, *How to Lose Friends and Alienate People*, *Brideshead Revisited* and *The Edge of Love*.

UK co-productions (other than inward) fell from 52 to 29, with their UK spend falling from £108 million to £74 million. UK co-productions in 2007 included *The Duchess*, *The Secret of Moonacre*, *The Garden of Eden* and *50 Dead Men Walking*.

Table 4.1 Feature film production activity, 2006 and 2007

	Number of productions 2006	UK spend £ million 2006	Number of productions 2007	UK spend £ million 2007
Inward feature films (single country)	25	513.7	28	531.6
Inward feature films (co-productions)	2	66.8	–	–
Total inward investment	27	580.5	28	531.6
Domestic UK feature films	55	156.5	60	141.3
UK co-productions (other than inward)	52	108.3	29	74.0
Total	134	845.3	117	746.9

Source: UK Film Council.

Notes:

Numbers have been revised on the basis of new information received since the publication of the UK Film Council January 2008 media release and the 2006/07 Yearbook.

Inward investment total for 2007 includes three films that involved VFX only in the UK.

Inward feature films (single country) include one non-USA film in 2006 and two non-USA films in 2007.

Definitions

1. An inward feature is defined as a feature film which is substantially financed and controlled from outside the UK and where the production is attracted to the UK because of script requirements, the UK's infrastructure or UK tax incentives.
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 script requirements, the UK's infrastructure or UK tax incentives.
3. A domestic (indigenous) UK feature is a feature made by a UK production company that is shot wholly or partly in the UK.
4. A UK co-production is a co-production (other than an inward co-production) involving the UK and other country partners usually under the terms of a bilateral co-production agreement or the European Convention on Cinematographic Co-production.

Measurement

5. The above numbers include only the UK spend associated with productions shooting or posting in whole or part in the UK.
6. Spend is allocated to the year in which principal photography started.

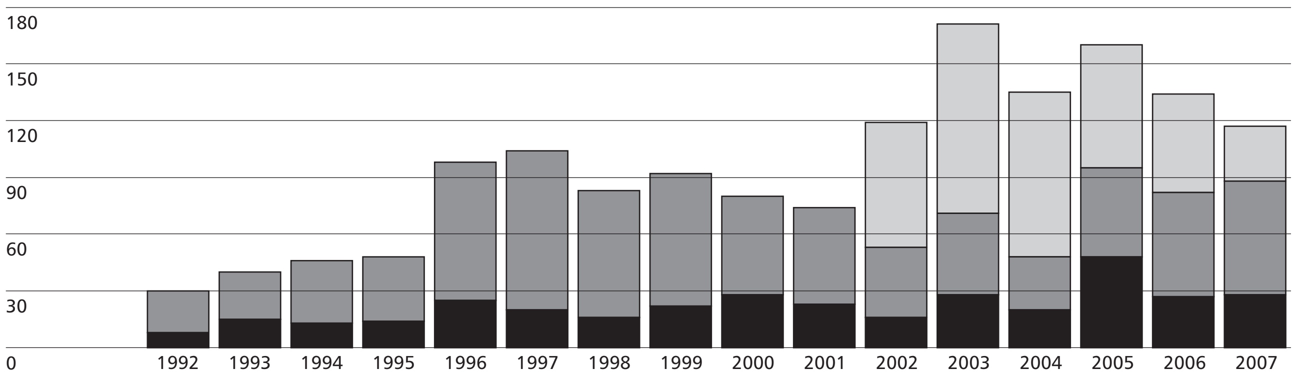
Exclusions

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

4.2 Inward, domestic and UK co-production features, 1992 – 2007

Figure 4.1 casts the 2007 figures in a longer time perspective. The decline in domestic features between 1997 and 2004 occurred alongside a substantial growth in co-production activity, suggesting it was easier at that time to make films as official co-productions than as stand-alone UK productions. From 2005 to 2007 this trend was reversed, reflecting a tightening in co-production certification requirements followed by the introduction of the new UK film production tax relief based on UK spend rather than the whole production budget of the film. The number of inward features in 2007 was almost exactly the same as in 2006. Overall production numbers continued at the higher level achieved after the introduction of tax relief and Lottery support for film in the mid-1990s.

Figure 4.1 Number of inward, domestic, UK co-production and total features, 1992 – 2007



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
UK co productions	0	0	0	0	0	0	0	0	0	0	66	100	87	65	52	29
Domestic UK feature	22	25	33	34	73	84	67	70	52	51	37	43	28	47	55	60
Inward features	8	15	13	14	25	20	16	22	28	23	16	28	20	48	27	28

Source: UK Film Council.
Note: 'Inward features' includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003 – 2006 updated since publication of the 06/07 Yearbook.
Inward investment includes a spike in the number of non-USA (mainly Indian) inward investment films in 2005.

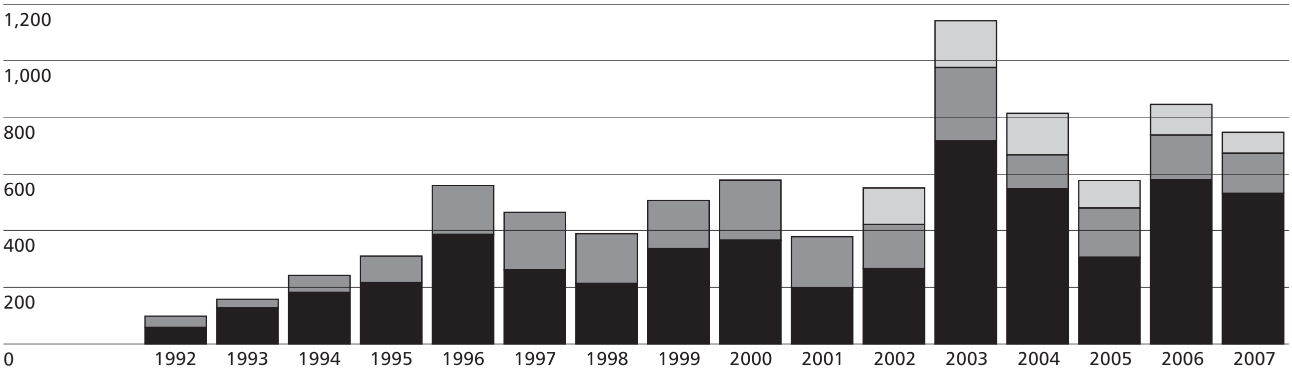
Table 4.2 Number of inward, domestic, UK co-production and total features, 1992 – 2007

	Inward	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	28	43	100	171
2004	20	28	87	135
2005	48	47	65	160
2006	27	55	52	135
2007	28	60	29	117

Source: UK Film Council.
Note: 'Inward features' includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003 – 2006 updated since publication of the 06/07 Yearbook.

The value of UK spend in 2007 remained close to the level achieved in 2006, with 2007 the fourth highest year over the period recorded. In 2007, 71% of the UK spend was accounted for by inward investment productions. 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 domestic features and co-productions remained roughly the same over 2004–2006, but dipped by 19% in 2007, mainly as a result of a 32% fall in UK co-production value.

Figure 4.2 Value of UK spend of inward, domestic, UK co-production and total features, 1992 – 2007



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
UK co productions	0	0	0	0	0	0	0	0	0	0	128.23	164.94	146.78	97.27	108.30	73.95
Domestic UK feature	39.98	30.34	59.51	94.00	172.20	202.89	174.96	170.31	211.70	180.12	156.36	258.33	118.54	173.32	156.50	141.34
Inward features	58.50	127.74	182.65	216.45	387.10	261.90	214.20	336.37	366.57	198.50	265.86	716.96	548.49	306.45	580.53	531.64

Source: UK Film Council.
Notes: 'Inward features' includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003 – 2006 updated since publication of the 06/07 Yearbook.

Table 4.3 Value of UK spend of inward, domestic, UK co-production and total features, 1992 – 2007

	Inward	Domestic	Co-pro	Total
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	172.20		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	716.96	258.33	164.94	1140.23
2004	548.49	118.54	146.78	813.81
2005	306.45	173.32	97.27	577.04
2006	580.53	156.50	108.30	848.05
2007	531.64	141.34	73.95	746.93

Source: UK Film Council.
Notes: 'Inward features' includes inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003 – 2006 updated since publication of the 06/07 Yearbook.

4.3 Budget trends

The median budget of domestic UK features recovered slightly in 2007 to £1.9 million, however Table 4.4 suggests there has been downward pressure on UK domestic and co-production budgets in recent years. The median budget for inward investment films also fell significantly in 2007, reversing a trend of recent years. This reflected not a decline in big budget inward investment films but an increase in the number of lower budget (£3 million – £8 million) USA inward investment films.

Table 4.4 Median feature film budgets, 2003 – 2007

	Median budget £m				
Production category	2003	2004	2005	2006	2007
Inward features (single country)	13.1	16.5	16.0*	19.8	13.4
Inward features (co-productions)	47.0	38.1	25.4	51.9	–
Domestic UK productions	2.9	2.7	2.1	1.5	1.9
Co-productions (other than inward)	3.6	4.4	4.2	3.7	3.3

Source: UK Film Council.
'Median budget' is the middle value (i.e. 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 2003 – 2006 updated since publication of the 06/07 Yearbook.
*The Inward features (single country) median budget for 2005 is USA only. There were also 24 Inward features (India) in 2005 with a median budget of £1.2 million. For other years the numbers of Inward features (non-USA) were too small to be tabulated separately (the data would be disclosive).

4.4 Size distribution of budgets

The budget size distribution for the three categories of films made in 2007 is shown in Tables 4.5 to 4.7. Ten features with budgets of over £30 million accounted for 81.6% of the aggregate budget for inward features (single country). 12 out of 28 inward investment features had budgets of less than £10 million.

Table 4.5 Size distribution of budgets, inward features (single country), 2007

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	10	700.0	81.6
£10–£30 million	6	100.2	11.7
Under £10 million	12	57.5	6.7
Total	**28**	**857.7**	**100.0**

Source: UK Film Council.

In line with 2004 – 2006, there were no domestic UK features in 2007 with budgets over £30 million. Most domestic UK features had budgets under £5 million, though the 13 films in the £5–£30 million budget range accounted for 55% of the combined budget.

Table 4.6 Size distribution of budgets, domestic UK features, 2007

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	0	0.0	0.0
£10–£30 million	2	25.9	14.9
£5–£10 million	11	69.3	39.9
£2–£5 million	17	46.5	26.8
£0.5–£2 million	30	32.0	18.4
Total	**60**	**173.7**	**100.0**

Source: UK Film Council.

There were no UK co-productions in the £30 million+ range (Table 4.7). Around half of UK co-productions were in the budget range £2–£10 million (14 out of 29), but the five co-productions in the £10–£30 million range accounted for half the combined budget.

Table 4.7 Size distribution of budgets, UK co-productions (other than inward), 2007

Budget band (£ million)	Number	Total budget in band (£ million)	% of total budget
£30 million+	0	0.0	0.0
£10–£30 million	5	77.3	49.3
£5–£10 million	7	46.3	29.5
£2–£5 million	7	21.1	13.4
£0.5-£2 million	10	12.3	7.8
Total	**29**	**157.0**	**100.0**

Source: UK Film Council.

4.5 Big-budget productions, 2003 – 2007

The importance to UK spend of a small number of big-budget productions – most of which are inward investment films – is demonstrated in Table 4.8. In 2007, the ten films with budgets of £30 million or more accounted for 55.8% of total UK production spend.

Table 4.8 Big-budget films' contribution to UK spend, 2003 – 2007

	2003	2004	2005	2006	2007
Number of films with budgets >£30 million	15	8	7	11	10
Value of associated UK spend	672.2	432.4	151.6	501.5	416.7
Total UK spend	1140.2	813.8	577.0	845.3	746.9
Big-budget film share of UK spend	59.0%	53.1%	26.3%	59.3%	55.8%

Source: UK Film Council.
Data for 2003 – 2006 updated since publication of 2006/07 Yearbook.

4.6 UK share of expenditure

Table 4.9 shows the UK expenditure shares for inward investment films, domestic UK productions and co-productions (other than inward). Domestic productions had the highest UK expenditure share (81.4%), followed by inward investment films at 62%. Co-productions (other than inward) had the lowest UK expenditure share of 47.1%, however this was significantly up on previous years, reflecting a sharp fall in the number of low-UK-spend co-productions following the shift to allowing tax relief on UK spend rather than on the full budget.

Table 4.9 UK expenditure shares, 2007

	[%]
Inward investment films	62.0%
Domestic productions	81.4%
Co-productions (other than inward)	47.1%

Source: UK Film Council.

4.7 UK domestic productions by country of shoot

Table 4.10 analyses UK domestic productions in 2007 according to whether they were wholly shot in the UK, partially shot in the UK or wholly shot abroad. The majority (43 out of 60) were shot exclusively in the UK, while 17 films were shot wholly or partly abroad. For the seven UK films that were shot wholly abroad, 65.6% of their budget was spent outside the UK.

Table 4.10 UK domestic productions, country of shoot analysis, 2007

Shooting in…	Number of films	Budget	Non-UK spend	Non-UK spend as % of total budget
UK only	43	£117.8 million	£11.8 million	10.0%
UK and other	10	£36.1 million	£7.6 million	21.0%
Other only	7	£19.8 million	£13.0 million	65.6%
Total UK Domestic films	**60**	**£173.7 million**	**£32.4 million**	**18.6%**

Source: UK Film Council.

Table 4.11 shows the countries where UK domestic films were shot. Because some films were shot in two or three countries, the total number of shoots is greater than the total number of films. The most frequent shoot countries after the UK were South Africa, USA and India, with three shoots each. The countries in Table 4.11 are in Europe, the Middle East, North Africa, Eastern Europe, North America, Asia and the Arctic, reflecting the wide range of stories being told by UK filmmakers.

Table 4.11 UK domestic productions by country of shoot, 2007

Country of shoot	Number of shoots
UK	53
South Africa	3
USA	3
India	3
France	2
Italy	2
Gibraltar	1
Greenland	1
Hungary	1
Jordan	1
Morocco	1
Spain	1
Total shoots	**72**

Source: UK Film Council.

4.8 UK co-productions by country of shoot

In contrast to UK domestic productions, UK co-productions were usually shot partly or wholly abroad. Only 5 out of 29 films, with a total budget of £33.4 million, were shot wholly in the UK. Non-UK spend accounted for 52.9% of the aggregate budget of UK co-productions in 2007.

Table 4.12 UK co-productions, country of shoot analysis, 2007

Shooting in…	Number of films	Budget	Non-UK spend	Non-UK spend as % of total budget
UK only	5	£33.4 million	£7.0 million	21.0%
UK and other	11	£54.3 million	£28.0 million	51.6%
Other only	13	£69.4 million	£48.1 million	69.3%
Total UK co-productions	**29**	**£157.0 million**	**£83.1 million**	**52.9%**

Source: UK Film Council.

Table 4.13 shows the shoot locations for UK co-productions in 2007. The most frequent locations were in the UK (16 productions), Western Europe (13) and the Americas (8). The remaining co-productions were shot in numerous locations, stretching from Morocco to New Zealand.

Table 4.13 UK co-productions by country or region of shoot, 2007

Country of shoot	Number of shoots
UK	16
Western Europe (other)	4
USA	3
Spain	3
Eastern Europe	3
South America and Caribbean	3
Sweden	2
Morocco	2
Ireland	2
France	2
Canada	2
Southern Hemisphere (other)	2
Middle East	2
Thailand	1
Total shoots	**47**

Source: UK Film Council.
Note: Half the co-productions shot in more than one country, hence the total in Table 4.13 is greater than the number of UK co-productions in 2007.

4.9 Production company activity levels

UK film production in 2007 was, as usual, undertaken by a large number of production companies, as shown in Table 4.14. The UK Film Council recorded 269 production companies associated with films shot in the UK or co-productions involving the UK in 2007. Of these, 223 companies were associated with a single feature. These were a mixture of distinct production companies and special purpose vehicles (companies set up to make a single film). The most prolific production companies were associated with three features each, followed by 17 companies associated with two films each.

Table 4.14 Film production company activity, 2007

Number of features per company	Number of companies
3	4
2	17
1	223
Total	**269**

Source: UK Film Council.
Notes: Includes all types of films involving the UK.

The four companies associated with three films each were Film & Music Entertainment Ltd, Future Films, Potboiler Productions and Universal Pictures.

Films frequently have several production companies associated with them (including special purpose vehicle subsidiaries of parent companies), so the sum of (number of features) multiplied by (number of companies) is substantially greater than the total number of features involving the UK in 2007

4.10 US studios' involvement in inward features

Activity between the US studios and the UK increased again in 2007. This reflected the bedding in of the new UK film production tax relief, which applies to inward investment films providing the films are culturally British and a minimum 25% of the budget is spent in the UK. The US studios accounted for 14 out of 28 inward features in 2007 and £405.5 million (76.3%) out of £531.6 million UK spend associated with inward features (Table 4.15).

Table 4.15 US studios' involvement in inward features, 2007

Studio	Number of inward features in 2007
Warner Bros	5
Universal	3
Walt Disney	2
Paramount	2
Miramax	1
Columbia	1
Total films	**14**

Source: UK Film Council.

In addition to the films tabulated above, Universal funded two domestic UK features via its output deal with Working Title.

5. Film exports 2006

In December 2007, the Office for National Statistics released the latest international trade statistics for the UK film sector, for the calendar year 2006. This section of the Bulletin presents these results in the context of the international film trade statistics for the years 1995 to 2006.

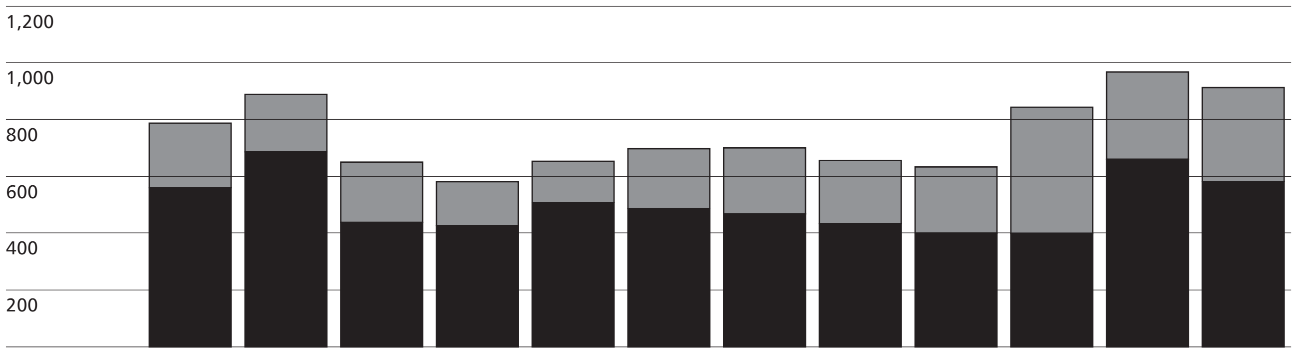
Key points

- The UK film industry exported £913 million worth of services in 2006, made up of £582 million in royalties and £330 million in film production services.
- Exports in 2006 were 44% higher than in 2003.
- UK film imports consisted largely of royalty payments to foreign rights' owners.
- The UK's film trade surplus in 2006 was £128 million.
- Europe was the largest market for UK film exports, taking 38% of total film exports in 2006 (including 16% to the Channel Islands, presumably reflecting corporate revenue structuring).
- The USA was our second largest market, taking 36% of UK film exports.
- Compared with the geographical distribution of the global market for filmed entertainment, UK exports performed better in 'Africa, Australia and Oceania', 'other Europe' and 'other EU' but were under-represented in Asia and 'other America'.

5.1 UK film exports, 1995 – 2006

The UK film industry exported £913 million worth of services in 2006 (the latest year for which data are available), £582 million of which came from royalties and £330 million from film production services. Compared with 2005, exports of production services increased slightly while earnings from royalties decreased. Changes of this size should not be regarded as significant as they may result from sampling variation. Film exports in 2006 were 44% higher than in 2003 as can be seen in Figure 5.1.

Figure 5.1 Exports of the UK film industry, 1995 – 2006



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production Services	227	202	212	154	145	210	232	222	233	444	307	330
Royalties	560	686	438	427	508	487	468	434	400	399	660	582

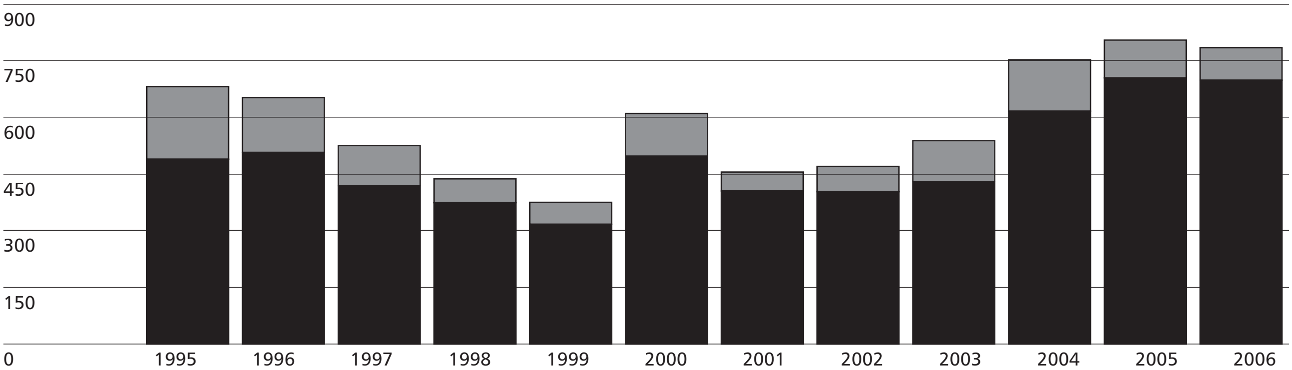
Source: Office for National Statistics (ONS).
Data for 2007 will be available in November 2008.

The export data are derived from the ONS Film and Television Survey (2006) which is a sample survey with a high response rate (88%) of companies in the Inter Departmental Business Register in the Standard Industrial Classification codes relating to film and television. Figure 5.1 shows the results for film companies only.

5.2 UK film imports, 1995 – 2006

The pattern of UK film imports (Figure 5.2) 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 foreign films (particularly USA films) shown in the UK. Film imports in 2006 were about the same as in 2005.

Figure 5.2 UK film imports, 1995 – 2006



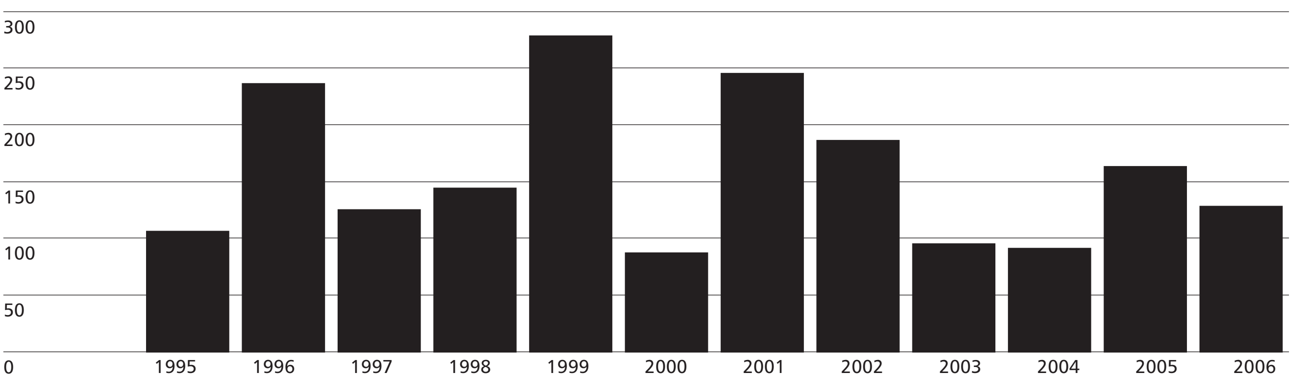
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Import of Production Services	192	145	106	63	58	113	50	67	108	136	100	86
Royalties	489	507	419	374	317	497	405	403	430	616	704	698

Source: ONS.

5.3 The UK film trade balance, 1995 – 2006

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 2006 of £128 million, as Figure 5.3 shows. This is significant at a time when the UK's physical trade is showing a large deficit.

Figure 5.3 Trade surplus of UK film industry, 1995 – 2006



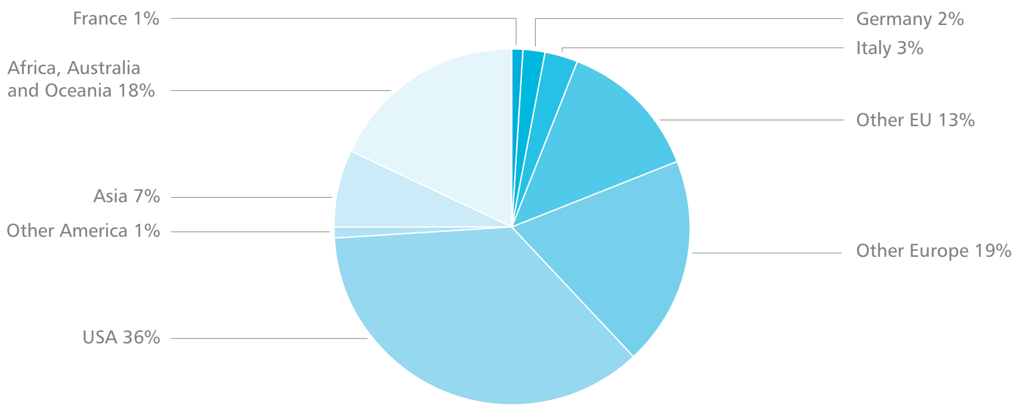
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Surplus	106	236	125	144	278	87	245	186	95	91	163	128

Source: ONS.
Note: 'Trade surplus' equals exports minus imports. Where a company (eg the UK subsidiary of a USA major) receives income from another country 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.

5.4 UK film export markets

Compared with 2005, there was a dramatic change in the geographical pattern of UK film exports, with the USA share dropping from 61% to 36%, smaller than the combined European share of UK film exports (38% in 2006). The largest growth areas were 'other Europe' (increased from 2% to 19% of the total) and Asia (increased from 2.5% to 7%). Care must be taken in interpreting these figures because of sampling variation and their propensity to be affected by the way film companies structure their businesses. For example, 16% of the UK's film exports (£147 million) were reported to have gone to the Channel Islands, a result more likely to reflect tax considerations than actual trade flows.

Figure 5.4 Destination of UK film exports as percentage of the total, 2006



Source: ONS

5.5 UK film exports compared with the global market for filmed entertainment

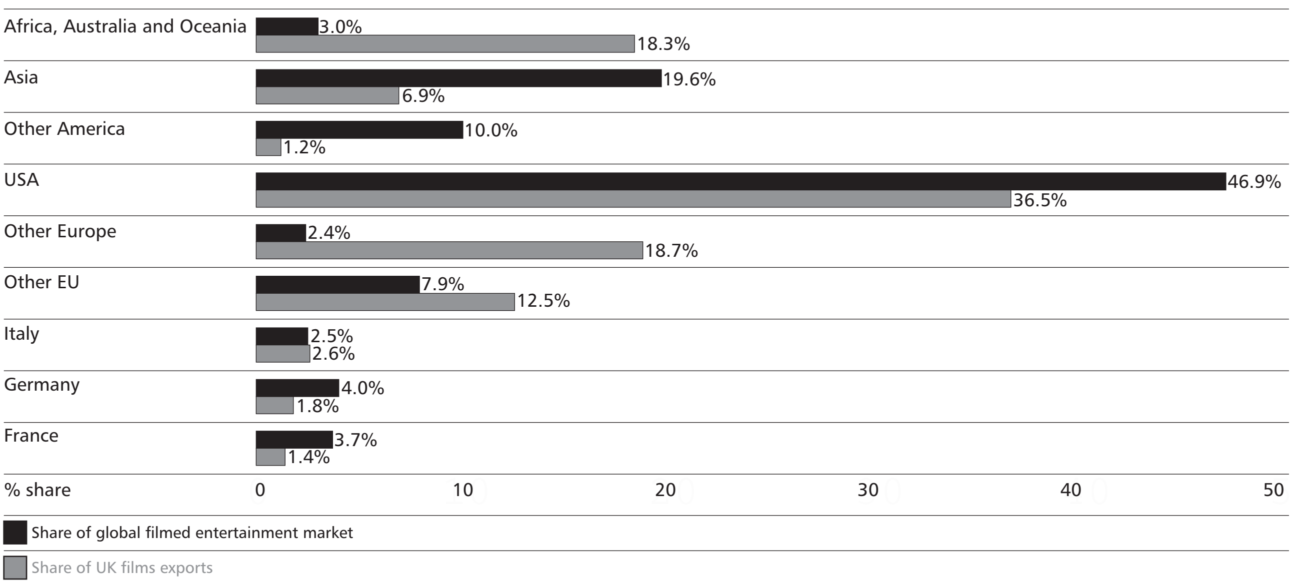
A useful comparison can be made between UK film export shares and the geographical distribution of the global market for filmed entertainment (Figure 5.5). The differences that stand out are:

- the higher proportion of UK exports to 'Africa, Australia and Oceania' (18.3%) (likely to be principally Australia and New Zealand) compared with those countries' share of the global market for filmed entertainment (3.0%)
- the lower proportion of UK exports to Asia (6.9%) compared with the Asian countries' share of the global market (19.6%)
- the lower proportion of UK exports to 'other America' compared to those countries' share of the global filmed entertainment market.

The figure for exports to Asia was an improvement on 2005 but still suggests that UK film exports to that part of the world may be under developed.

As suggested in paragraph 5.4 the divergences for the USA and 'other Europe' in Figure 5.5 are likely to be artefacts of the way film companies structure revenue flows, rather than reflecting differences in the real economy.

Figure 5.5 UK export shares compared with the global market for filmed entertainment, 2006



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.

5.6 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 5.1. In 2006, the UK's film trade with the USA was in deficit. The main contributors to the overall film trade surplus were 'other Europe', 'other EU', 'Asia' and 'Africa, Australia and Oceania'. This reflects the stronger performance of UK films around the world than of foreign films (other than from the USA) in the UK market.

Table 5.1 International transactions of the UK film industry by geographical area, 2006

	Exports (£ million)	Imports (£ million)	Balance (£ million)	Exports %	Imports %	Balance %
France	13	14	–1	1.4	1.8	–0.8
Germany	16	16	0	1.8	2.0	0.0
Italy	24	35	–11	2.6	4.5	–8.6
Other EU	114	89	25	12.5	11.4	19.5
Other Europe	171	11	160	18.7	1.4	125.0
USA	333	549	–216	36.5	70.0	–168.8
Other America	11	16	–5	1.2	2.0	–3.9
Asia	63	46	17	6.9	5.9	13.3
Africa, Australia and Oceania	167	8	159	18.3	1.0	124.2
World Total	**913**	**784**	**128**	**100.0**	**100.0**	**100.0**

6. Film on UK television, 2007

Each year the Research and Statistics Unit analyses films shown on UK television, with a particular emphasis on recent (defined as theatrically released within the last eight years) UK films shown on television. For the terrestrial channels, the results for 2007 were as follows:

- 2,182 films were shown on the five main network channels in 2007. Channel 4 scheduled the most feature films (595) and ITV1 the least (243).
- Almost one quarter of all films broadcast were of British origin. Four out of every ten films shown on BBC2 and over a quarter of Channel 4's film output was British.
- 5.9% of films were recent UK titles (i.e. released theatrically in the eight years prior to TV broadcast). Almost 8% of films shown on ITV1 were recent UK productions, as were 7.6% of BBC2 films.
- There was an increase in the number of films shown across all channels in 2007. ITV1 saw film transmissions increase by one third on 2006.
- The proportion of recent UK films shown on the main networks has increased over the last six years, from 2.8% in 2002 to 5.9% last year. The share of film scheduling devoted to recent UK product on ITV1 has increased from 0.8% to 7.8% in five years.
- Recent UK films broadcast on BBC1 in 2007 included *Cold Mountain*, *Anita & Me*, *Scenes of a Sexual Nature* and *Veronica Guerin*. On BBC2, some of the highlights were *Mrs Henderson Presents*, *The History Boys*, *The Importance of Being Earnest* and *Girl with a Pearl Earring*. ITV1 screened *The Queen*, *Bridget Jones: The Edge of Reason*, *Tooth* and *Thunderbirds*. *Vera Drake*, *Gosford Park*, *28 Days Later* and *Bride & Prejudic*e featured on Channel 4 over the year, while Five screened *Layer Cake*, *Before You Go* and *Snatch*.

Table 6.1 Feature films broadcast on terrestrial television, 2007

Channel	Number of film slots	Number of UK film slots	UK film as % of total	Recent UK (ie released theatrically since 2000)	Recent UK as % of total film slots
BBC1	384	66	17.2	26	6.8
BBC2	447	180	40.3	34	7.6
ITV1	243	58	23.9	19	7.8
Ch 4	595	170	28.6	38	6.4
Five	513	64	12.5	12	2.3
Total	**2,182**	**538**	**24.7**	**129**	**5.9**

Source: Attentional, UK Film Council RSU.

Table 6.2 Number of feature films broadcast on terrestrial TV, 1998 – 2007

Channel	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
BBC1	449	394	319	339	342	432	434	356	367	384
BBC2	456	495	513	516	388	448	498	425	397	447
ITV1	300	324	291	284	255	310	270	373	183	243
Channel 4	975	774	562	616	544	587	506	563	580	595
Five	551	531	629	641	574	562	529	608	484	513
Total	**2,731**	**2,518**	**2,314**	**2,396**	**2,103**	**2,339**	**2,237**	**2,325**	**2,011**	**2,182**

Source: Attentional, UK Film Council RSU.

Table 6.3 Percentage of recent UK films on terrestrial TV, 2002 – 2007

Channel	2002	2003	2004	2005	2006	2007
BBC1	3.8	4.6	6.2	8.7	8.2	6.8
BBC2	3.4	3.3	9.6	4.2	5.0	7.6
ITV1	0.8	3.9	3.3	3.5	4.9	7.8
Channel 4	5.7	2.6	6.5	5.3	7.2	6.4
Five	0.2	0.5	0.4	1.6	0.8	2.3
Total	**2.8**	**2.8**	**5.3**	**4.4**	**5.2**	**5.9**

Source: Attentional, UK Film Council RSU.
'Recent UK films' means UK films released theatrically in the eight years prior to the TV broadcast.

7. Research report: A Qualitative Study of Avid Cinemagoers Profiles

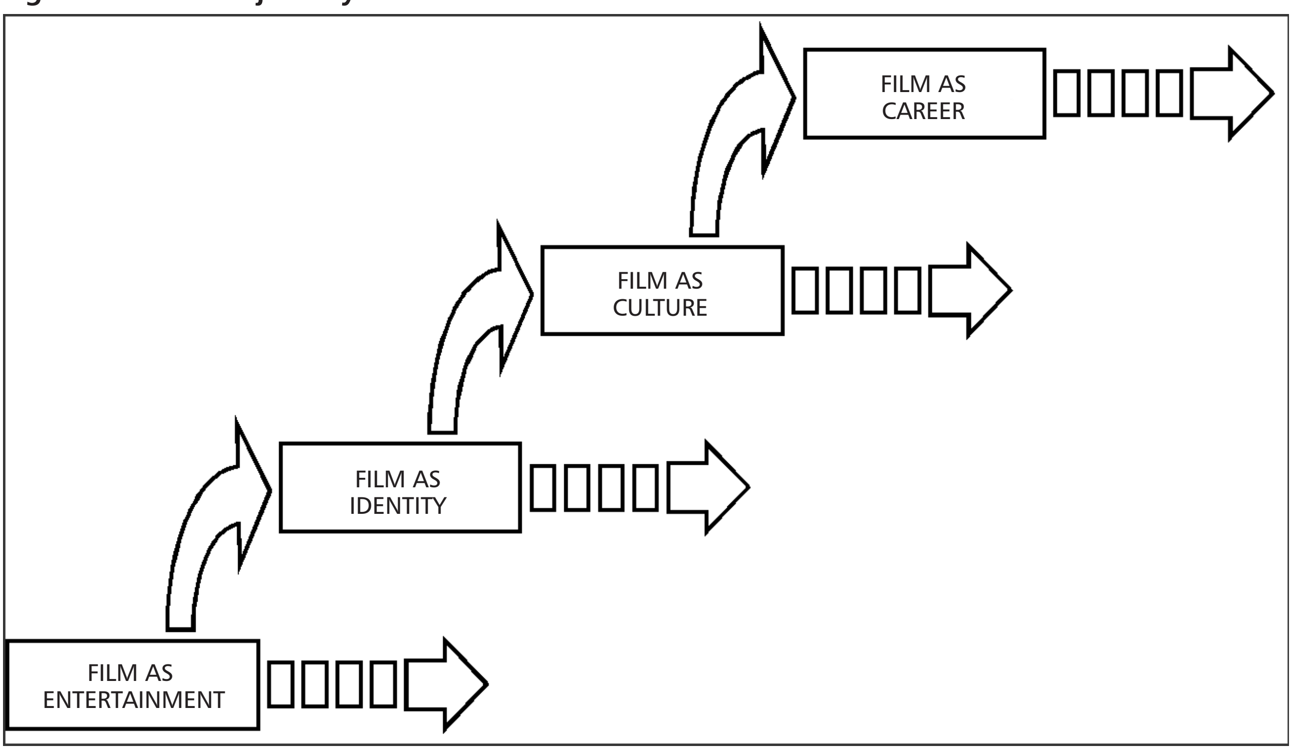
Previous research carried out for the UK Film Council identified profiles of cinemagoers ranging from mainstream to aficionado to avid consumers of film. Further research is building a detailed picture of avid cinemagoers and the factors that help create them. The fieldwork was conducted by Stimulating World Research across several locations in the UK, involving interviews and focus group discussions with people meeting strict selection criteria (based on their film viewing habits and age, gender and location). One of the key findings of the research was the identification of the 'film journey' from first film experience through to becoming an avid cinemagoer and consumer of film.

The film journey

The journey to becoming passionate about film can be broken into a number of stages, equivalent to different levels of engagement with film. This is referred to as 'the film journey' and comprises the following stages: *film as entertainment, film as identity, film as culture and film as career* (Figure 8.1).

- The youngest audiences approach film 'as entertainment'. Between the ages of four and eleven mainstream films (e.g. *Star Wars*, *Grease*) tend to be central in promoting interest in cinema.
- During teenage years film can become entwined with identity formation, helping to define 'who I am' ('film as identity'). This is the age when people start to actively look beyond mainstream film choices. The key trigger that helps make people take this step is the trusted opinion former: family members, friends, film clubs, inspirational teachers and cultural icons.
- In early adulthood people may begin to conceive of 'film as culture'. At this stage people start to look beneath the surface of film and subject it to critical analysis. They begin to look for films that offer an alternative to the mainstream and to move out of their comfort zone. It is often a key 'milestone movie' that prompts a move into this stage.
- 'Film as career' is the stage where people move into the film industry (including working in film education and journalism).

Figure 8.1 The film journey



The research identified possible strategic interventions at each key stage of the film journey:

Film as identity

- Promotion of niche/alternative films on television;
- Offer cinema admissions concessions for younger audiences and support the development of school film clubs.
- Foreground themes of sex, violence and horror ('hooks') as a way into subtitled films;

Film as culture

- Promote the Internet as a research tool;
- Support film societies, particularly in formal education contexts (schools, FE and HE institutions);
- Provide forums to meet actors, writers and directors;
- Provide and promote access to specialised films (e.g. through the Digital Screen Network).

Film as career

- Better communicate the range of career opportunities in film;
- Cross promote film through other academic subjects;
- Provide more opportunities for enthusiasts to meet industry insiders (e.g. Q&As, workshops etc.).

To harness the power of formative years:

- Encourage parents and educators to foster an interest in film among young people;
- Film offers fantastic benefits for young people. Are parents and others aware of this? Just as parents are encouraged to help children read and expand their minds what about the role of film?
- Encourage young people into the cinema – for the experience just as much as the actual film;
- As part of this, vibrant film societies at school and universities are essential;
- By their very nature young people are cash poor. Deals of any kind on film entrance and related merchandise would help encourage them to consume;

To promote viewing opportunities:

- For many, seeing films on TV first fostered a love of film. Seasons of black and white movies were often cited;
- Are there enough important films being shown on free to air services and in a way that is accessible?
- Late night can suggest 'illicit' and 'my world' for teens and young adults – are there enough adult oriented film seasons that would appeal to aspirant youngsters?
- People living in the suburbs can crave cinemas that show 'intelligent film'. The digital screen network should address this, along with support for community-based film society activity.

The report can be found on the UK Film Council website at:
http://www.ukfilmcouncil.org.uk/research