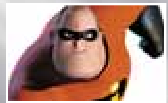
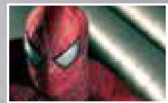
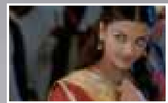
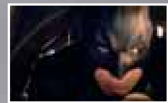
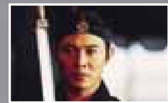
UK Film Council Statistical Yearbook | Annual Review 2004/05





UK FILM | COUNCIL

UK Film Council
10 Little Portland Street
London W1W 7JG
Tel: +44 (0)20 7861 7861
Fax: +44 (0)20 7861 7862
Email: info@ukfilmcouncil.org.uk
Web: www.ukfilmcouncil.org.uk

Supported by
The National Lottery®

Front cover images from left to right (courtesy of):
The Incredibles (Buena Vista International - BVI); *Harry Potter and the Goblet of Fire* (Warner Bros); *Spider-Man* 2 (Sony Pictures Entertainment); *Bride and Prejudice* (Pathé Pictures International); *Batman Begins* (Warner Bros); *Ladies in Lavender* (Entertainment); *Hero* (BVI)

Designed by www.juice-design.net

RSU Statistical Yearbook 2004/05

Contents

RSU Statistical Yearbook 2004/05

Contents

Introduction

This yearbook, the third we have published, is an important vehicle for delivering our commitment to the development of evidence-based film policy in the UK. In the pages that follow you will find a rich source of industry data and analysis, drawn from a range of reputable suppliers and detailing the full value chain for film.

It is the second year that we have published the yearbook alongside the Annual Review to highlight the link between research evidence and the UK Film Council's strategy and activities.

If you are familiar with previous yearbooks you will notice the 2004/05 edition is bigger and better than its 'prequels'. For example, we have added greater depth to our understanding of national and regional variations by analysing screen and population data according to Government Office Regions (GOR). This is an important development given that the GOR boundaries are shared by the English Regional Screen Agencies whose activity is crucial to delivering public support for film.

We have also expanded and renamed the chapter on overseas trade (chapter 14) to include the results of a study of the economic impact of the UK screen industries undertaken in 2004/05. The data provide the first detailed snapshot of the UK film economy and reveal the business linkages between UK nations and regions.

While last year we devoted a chapter to post-production in the UK, this time it is the turn of film societies to come under the spotlight (chapter 8). The UK Film Council conducted a survey in 2004 of film society organisation and activity and the findings present detailed insights into this sector.

And unlike last year we have been able to report the full findings of the Skillset film production workforce survey, which presents for the first time a comprehensive picture of employment and working practices in the UK film production sector (chapter 15).

Throughout the rest of the yearbook you will find additional tables where new data have become available or where we have developed novel and interesting ways of analysing existing figures.

Turning to the year in question, much has already been made of the rise of UK cinema admissions in 2004 and the fall in UK production activity compared with the previous record year (see chapters 1 and 12), but what were the other key changes that characterised the film business?

One striking feature is the rise in the number of film releases: 451 in total, up 7% on 2003 (chapter 1). Did this deliver greater audience choice or represent over-crowding in the market? The analysis of the top 100 films' market share (chapter 1) shows that these titles continued to take the lion's share of box office revenues (93%), which means the larger numbers of films on release were chasing a smaller share of the action. There also appears to be an impact on opening weekends, with blockbusters taking a larger proportion of their total box office in the opening weekend compared with previous years – up to 37% for films taking £30 million+ compared with 24.5% in 2003 (chapter 6).

Determining whether or not the rise in the number of releases is a good or bad thing for the industry and cinema goers is complicated by a number of factors. More films can only mean more viewer choice if access is unproblematic, but we know, for example, that specialised films tend to have limited releases on a small number of screens in ‘art house’ venues (and these are likely to be found only in larger urban areas – see chapter 7). On the other hand, cinema is only one way to see films. The rise of DVD (chapter 10), and the growth of multi-channel television (chapter 11), is widening access to film culture, and if more films are available in these release windows perhaps we can discern greater viewer choice in the market place taken as a whole. The strategic challenge, as outlined in the Annual Review, is to ensure that British films have the opportunity to maximise their audience whether in the cinema, or in the home on television and video/DVD.

When deciding what to include in the yearbook our primary concern is always to ensure data are robust and analysis objective. We also aim for timeliness, although in an annual publication our ability to present the most up to date information is, inevitably, limited. That is why we publish our regular Research & Statistics Bulletins on the website, which provide regular UK box office updates along with other research findings as they become available. Readers are encouraged to make use of this resource and, as always, we welcome feedback and comments on our publications and our research activity more generally. Please feel free to contact us on the email addresses or phone numbers given opposite.

Sean Perkins, Research Executive
David Steele, Senior Research Executive
Jim Barratt, Head of Research and Statistics Unit

June 2005

About the Research and Statistics Unit

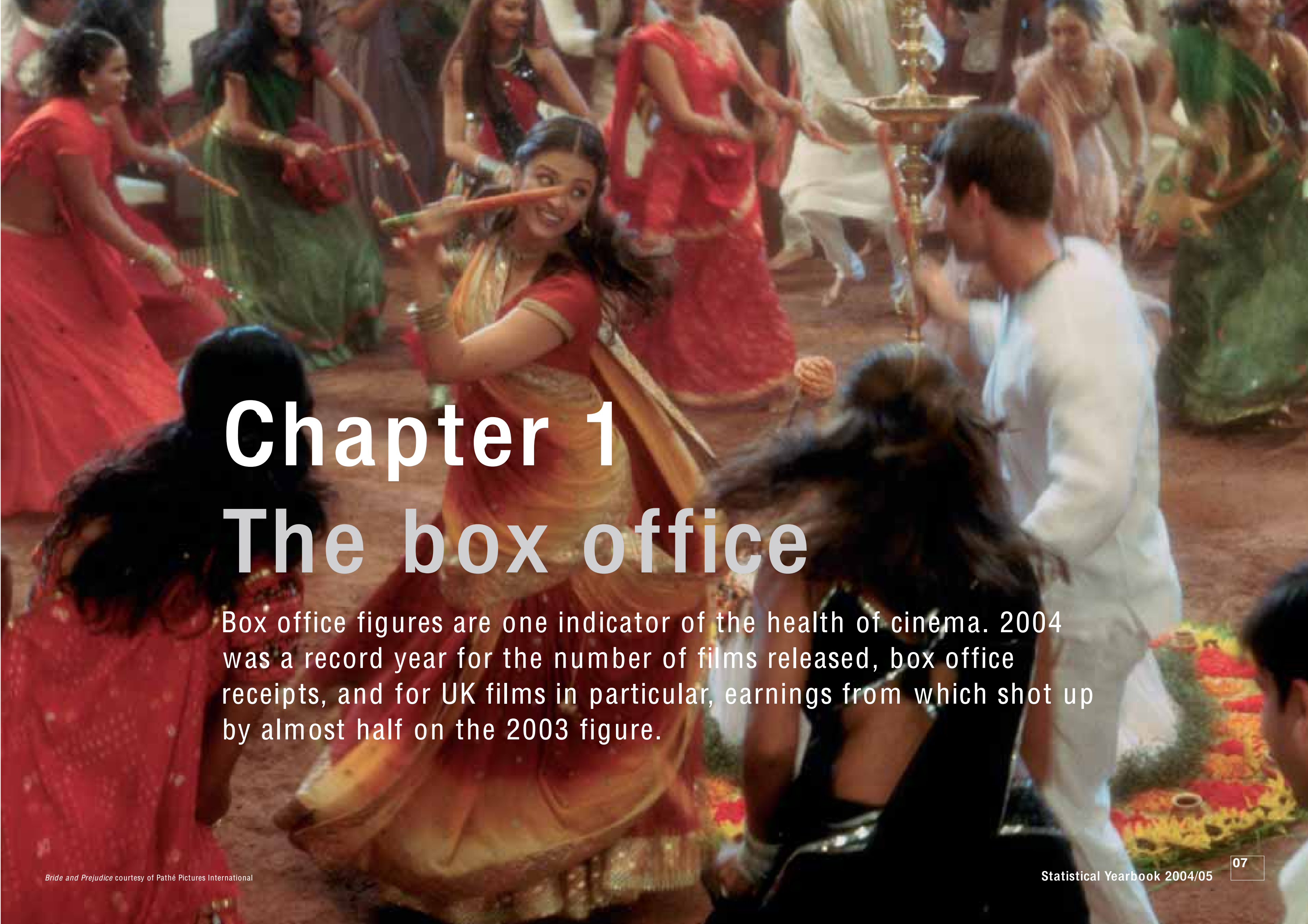
The Research and Statistics Unit (RSU) provides research data and market intelligence to anyone with an interest in UK film and film in the UK. Research enquiries should be directed to the RSU (+44 (0)20 7861 7503, rsu@ukfilmcouncil.org.uk). All other enquiries should be made to the UK Film Council Communications department (+44 (0)20 7861 7861, press@ukfilmcouncil.org.uk).


Finding Nemo courtesy of BVI


Bad Education courtesy of Pathé Pictures International


Shaun of the Dead courtesy of Universal


Bridget Jones’ Diary courtesy of Universal



Chapter 1
The box office

Box office figures are one indicator of the health of cinema. 2004 was a record year for the number of films released, box office receipts, and for UK films in particular, earnings from which shot up by almost half on the 2003 figure.

Bride and Prejudice courtesy of Pathé Pictures International

Facts in focus

- **2004 saw the second highest cinema admissions for 32 years, at 171 million, up 2.4% on 2003.**
- **Total box office receipts were £770 million, up 4% on 2003.**
- **451 films (on release for a week or more) were released in the UK and Republic of Ireland, an increase of 7% on 2003.**
- **The top 100 films earned almost 93% of the gross box office.**
- **UK films, including co-productions, accounted for just over 20% of releases, with box office earnings increasing by 49% on 2003.**

1.1 Admissions

The 171.3 million cinema admissions recorded in 2004 were the second highest admissions figure for 32 years, after 2002, as shown in **Table 1.1** and **Figure 1.1**. The number of tickets sold increased by 2% on 2003, marking a 49% increase in ten years.

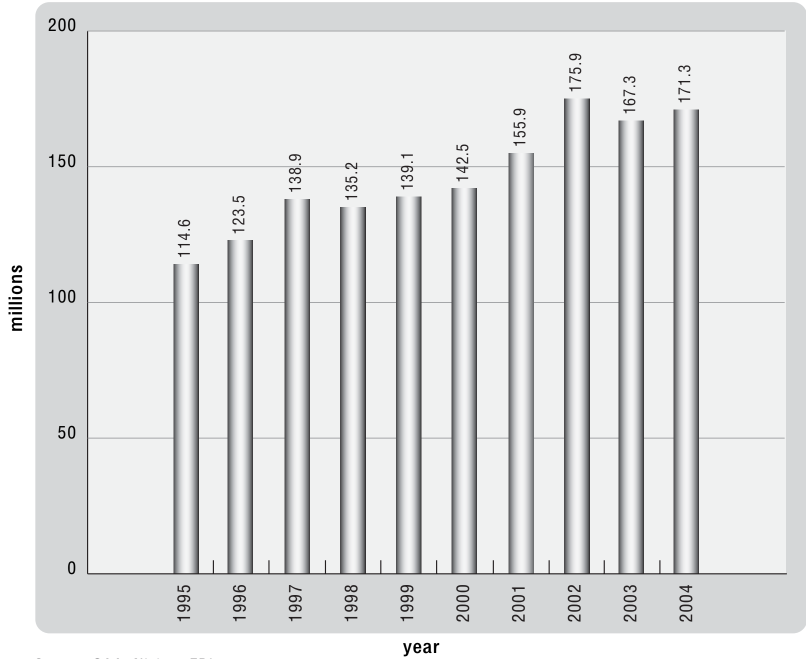
The Motion Picture Association (MPA) reports an 11% increase in worldwide admissions in 2004, up to 9.6 billion cinema visits. In Europe, the UK continues to have the second largest admissions figure after France (194 million), the latter experiencing a 10% rise in admissions on 2003. Germany also experienced an increase in cinema going, up 5% to 157 million. However, several EU markets experienced declining admissions including Italy (down 8% to 98 million) and Spain (down 4% to 144 million). The USA also experienced a slight downward trend in cinema visits, with 2% fewer tickets sold in 2004 (1.54 billion admissions).

Table 1.1 UK annual admissions, 1995 – 2004

Year	Total admissions (m)
1995	114.6
1996	123.5
1997	138.9
1998	135.2
1999	139.1
2000	142.5
2001	155.9
2002	175.9
2003	167.3
2004	171.3

Source: CAA, Nielsen EDI

Figure 1.1 Annual admissions, 1994 – 2003



Source: CAA, Nielsen EDI

Tables 1.2 and 1.3 show the UK admissions total broken down by month. Six months (March, April, June, July, August and November) recorded higher monthly admissions than the equivalent period in 2003. The summer blockbusters provided a strong boost for admissions in the summer, including *Shrek 2, Harry Potter and the Prisoner of Azkaban* and *Spider Man 2.* The absence of a *Lord of the Rings* film for the first time in four years accounted for much of the decline in December admissions.

Table 1.2 Monthly UK cinema admissions, 2003 – 2004

Month	2003 (m)	2004 (m)	% +/- on 2003
January	16.2	15.3	-6.1
February	15.0	13.3	-11.3
March	10.4	10.7	2.9
April	12.4	14.5	16.9
May	13.8	13.1	-5.1
June	9.4	14.7	56.4
July	12.4	18.4	48.4
August	17.1	17.4	1.8
September	10.7	10.2	-4.7
October	17.3	14.5	-16.2
November	13.7	14.6	6.6
December	18.8	14.6	-22.3
Total	**167.3**	**171.3**	**2.4**

Source: CAA, Nielsen EDI

Table 1.3 Average weekly admissions, 2003 – 2004

Month	2003 (m)	2004 (m)
January	3.7	3.5
February	3.8	3.2
March	2.4	2.4
April	2.9	3.4
May	3.1	3.0
June	2.2	3.4
July	2.8	4.2
August	3.8	3.9
September	2.5	2.4
October	4.0	3.3
November	3.2	3.4
December	4.2	3.3

Source: CAA, Nielsen EDI

Table 1.4 shows how the 2004 admissions break down by ISBA TV region. The pattern remains largely unchanged on 2003, and the areas with the highest concentrations of population - London, the Midlands and Lancashire - accounted for half of all UK admissions in 2004.

Table 1.4 Cinema admissions by region, 2004

Region	Admissions (m)	%
London	44.2	25.8
Midlands	23.8	13.9
Lancashire	18.5	10.8
Southern	16.0	9.4
Yorkshire	14.0	8.2
Central Scotland	11.9	6.9
East of England	11.2	6.5
Wales and West	11.1	6.5
North East	6.3	3.7
Northern Ireland	5.4	3.1
South West	3.8	2.2
Northern Scotland	3.4	2.0
Border	1.7	1.0
Total	**171.3**	**100.0**

Source: CAA, Nielsen EDI

1.2 Box office earnings

According to the CAA/Nielsen EDI, the total UK box office for 2004 was £769.6 million, an increase of 3.7% on 2003 and 116% over the decade. This figure covers all box office earnings during the calendar year 2004 for all films exhibited in the UK.

Table 1.5 UK box office trends, 1995 – 2004

Year	Box office gross (£m)	%+/-	Cumulative %+/-
1995	356	0.0	-
1996	411	15.4	15.4
1997	489	19.0	37.4
1998	547	11.8	53.7
1999	563	3.0	58.1
2000	583	3.5	63.8
2001	645	10.6	81.2
2002	755	17.0	112.1
2003	742	-1.7	108.4
2004	770	3.7	116.3

Source: Nielsen EDI

1.3 Film releases and box office revenues

451 films (on release for a week or more) were released in the UK and Republic of Ireland in 2004, an increase of 7% on 2003. They generated £822 million in box office revenues, a fall of 1% on the same period. This figure differs from the £770 million quoted in paragraph 1.2 above because it includes revenues generated in 2005 by films released in 2004 and covers the UK and the Republic of Ireland.

As can be seen in **Table 1.6**, box office polarity has decreased from 2002, and the share of the top 20 films is at its lowest for five years, falling to 49%. 351 films (78% of all releases) accounted for just 7.4% of the box office.

Table 1.6 Summary of results at the UK and Republic of Ireland box office, 2000 – 2004

	2000	2001	2002	2003	2004
Releases	383	352	369	423	451
Combined gross £ million	635.8	744.1	809.4	829.7	822.0
Top 20 (%)	54.3	59.3	60.3	53.5	49.4
Top 50 (%)	80.8	84.1	82.3	77.8	75.5
Top 100 (%)	93.7	95.6	94.4	92.3	92.6

Source: Nielsen EDI, RSU analysis
Note: Table 1.6 and all subsequent analysis of the theatrical market includes all titles released in 2004. The combined gross reflects the territorial gross (ie including the Republic of Ireland), and covers those titles released in 2004, but also making money into 2005, up to and including 27 February 2005

1.4 Country of origin of film releases

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

As **Table 1.7** indicates, US films dominated the UK theatrical market in 2004 in terms of box office share, although both releases and box office share were down by 10% on 2003. Of all films released last year, 40% were of US origin (excluding UK co-productions), and these films accounted for over 73% of the total box office earnings.

UK films, including co-productions, accounted for 21% of releases and 23% of the box office, a marked increase of 16% and 49% respectively on 2003. UK/USA collaborations earned over 18% of the box office despite representing only 4% of releases. This was due mainly to *Harry Potter and the Prisoner of Azkaban* and *Bridget Jones: The Edge of Reason.*

Films whose country of origin lies outside the UK and USA accounted for almost 40% of releases but only 3.4% of earnings. Indian films alone represented 12% of all releases (down from 13.2% in 2003) and 1% of revenues. Films from the rest of the world (excluding Europe) accounted for almost 2% of the box office from 12% of the releases (up from 0.8% and 9.5% respectively in 2003).

Harry Potter and the Prisoner of Azkaban courtesy of Warner Bros

Table 1.7 Country of origin of films released in the UK and Republic of Ireland, 2004

Country of origin	No. of releases in 2004	% of all releases	2004 box office (£m)	2004 box office share (%)
USA solo	137	30.4	510.92	62.2
USA co-productions (other)	41	9.1	90.48	11.0
Sub total	178	39.5	601.40	73.2
UK and UK co-productions	73	16.2	42.27	5.1
UK/USA	20	4.4	150.06	18.3
Sub total	93	20.6	192.33	23.4
Europe	71	15.7	4.88	0.6
India	55	12.2	8.82	1.1
Rest of the world	54	12.0	14.56	1.8
Total	**451**	**100.0**	**821.99**	**100.0**

Source: Nielsen EDI, RSU analysis
Box office gross = cumulative total up to 27 February 2005

Table 1.8 compares the number of UK films across several gross box office bands with the non-UK output in 2004. Although well represented in the highest band of box office earnings, UK films are under-represented in the £10-£29.9 million range. The higher number of solid UK performers in the £1-£9.99 million range is clear, as is the comparatively higher number of non-UK films earning less than £1 million.

Table 1.8 UK and non-UK releases by box office gross band, 2004

Box office gross (£m)	Non-UK releases Number	% of releases	UK releases Number	% of releases
More than £30	2	0.6	2	2.2
20 - 29.99	3	0.8	0	0
10 - 19.99	12	3.4	1	1.1
5 - 9.99	26	7.3	7	7.5
1 - 4.99	45	12.6	14	15.1
0.5 - 0.99	21	5.9	7	7.5
0.1 – 0.49	71	19.8	22	23.7
Less than 0.1	178	49.7	40	43.0

Source: Nielsen EDI, RSU analysis

King Arthur courtesy of BVI

See also

- For more information about top films in 2004 see chapter 2 (p.14)
- For further details of film distribution in 2004 see chapter 6 (p.34)
- For a review of the exhibition sector in 2004 see chapter 7 (p.38)

Chapter 2
Top films in 2004

Successful film sequels dominated the top of the chart in 2004, with familiar characters returning to the screen in the top three films: *Shrek 2, Harry Potter and the Prisoner of Azkaban* and *Bridget Jones: The Edge of Reason.* Three UK films reached the top ten.

Bridget Jones. The Edge of Reason courtesy of Unviersal

Facts in focus

- ***Shrek 2*** **was the biggest film of the year, earning over £48 million.**
- **Three UK films made it into the top ten –** ***Harry Potter and the Prisoner of Azkaban, Bridget Jones: The Edge of Reason*** **and** ***Troy.***
- **The USA was involved in every production in the top 20 films at the UK box office, partnering the UK on three films.**
- **The top 20 UK films grossed £176.3 million at the UK box office, over 20% of the total, a 45% increase on last year's figure.**

2.1 The top 20 films

Shrek 2 was the highest grossing film of the year, earning just over £48 million. UK successes included the latest instalment of the *Harry Potter* saga, the second *Bridget Jones* film, and the UK co-production *Troy*. Sequels and franchises accounted for six of the top 20 films, down from seven in 2003.

Ladies in Lavender courtesy of Entertainment

Lost in Translation courtesy of Momentum Pictures

Table 2.1 Box office results for the top 20 films released in the UK and Republic of Ireland, 2004

	Film	Country of origin	Box office gross (£m)	No. of opening cinemas	Opening weekend gross (£m)	Distributor
1	Shrek 2	USA	48.10	512	16.22	UIP
2	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	535	23.88	Warner Bros
3	Bridget Jones: The Edge of Reason	UK/USA	36.00	504	10.44	UIP
4	The Incredibles	USA	32.27	494	9.75	Buena Vista
5	Spider-Man 2	USA	26.72	504	8.77	Sony Pictures
6	The Day After Tomorrow	USA	25.21	429	7.32	20th Century Fox
7	Shark Tale	USA	22.82	504	7.55	UIP
8	Troy	UK/USA/Mal	18.00	504	6.02	Warner Bros
9	I, Robot	USA	17.98	447	4.75	20th Century Fox
10	Scooby-Doo Too	USA	16.49	489	3.55	Warner Bros
11	Van Helsing	USA	15.15	458	5.43	UIP
12	Lemony Snicket's A Series of Unfortunate Events	USA	13.26	452	2.21	UIP
13	Starsky & Hutch	USA	12.60	81	0.41	Buena Vista
14	The Last Samurai	USA/Jap/NZ	11.90	430	2.72	Warner Bros
15	The Bourne Supremacy	USA/Ger	11.56	418	2.72	UIP
16	The Passion of the Christ	USA	11.08	46	0.23	Icon
17	School of Rock	USA/Ger	10.50	376	2.74	UIP
18	The Village	USA	10.31	433	2.95	Buena Vista
19	Lost in Translation	USA/Jap	10.06	96	0.80	Momentum
20	Dodge Ball: A True Underdog Story	USA	10.03	315	2.20	20th Century Fox

Source: Nielsen EDI, RSU analysis
Box office gross = cumulative total up to 27 February 2005
Note that the number of screens in the first weekend of wide release is shown for films opening on one screen only

The Incredibles courtesy of BVI

2.2 The top 20 UK films

The top two UK films were new additions to popular series based around British characters, Harry Potter and Bridget Jones, followed by a big budget co-production, *Troy* (**Table 2.2**). Collaborations with the USA were once again prominent, accounting for 11 of the top 20 films. UIP launched five of the top 20 UK films, followed by Pathé and Entertainment with three each. The top 20 UK films had a combined gross of £176.3 million, which was 21.4% of the total UK box office, up from £122.7 million in 2003 (14.8% of gross box office).

The Phantom of the Opera courtesy of Entertainment

Table 2.2 Box office results for the top 20 UK films released in the UK and Republic of Ireland, 2004

	Film	Country of origin	Box office gross (£m)	Distributor
1	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros
2	Bridget Jones: The Edge of Reason	UK/USA	36.00	UIP
3	Troy	UK/USA/Mal	18.00	Warner Bros
4	The Phantom of the Opera*	UK/USA	8.97	Entertainment
5	Wimbledon	UK/USA	7.17	UIP
6	King Arthur	UK/USA/Ire	7.07	Buena Vista
7	Shaun of the Dead	UK	6.69	UIP
8	Thunderbirds	UK/USA	5.43	UIP
9	Bride and Prejudice	UK/USA	5.17	Pathé
10	Alien Vs. Predator	UK/Cze/Can/Ger	5.15	20th Century Fox
11	Alfie	UK/USA	4.71	UIP
12	Layer Cake	UK	4.45	Sony Pictures
13	Around the World in 80 Days	UK/USA/Ger/Ire	4.15	Entertainment
14	Girl with a Pearl Earring	UK/Lux	3.84	Pathé
15	Finding Neverland*	UK/USA	3.58	Buena Vista
16	Ladies in Lavender	UK	3.17	Entertainment
17	Resident Evil: Apocalypse	UK/Ger/Fra/Can	1.97	Sony Pictures
18	Tooth	UK	1.68	Redbus
19	Five Children & It	UK	1.57	Pathé
20	Man About Dog	UK/Ire	1.45	Redbus
UK top 20 total			176.29	

Source: Nielsen EDI, RSU analysis
Box office gross = cumulative total up to 27 February 2005
Films with an asterisk (*) were still being exhibited on 27 February 2005

2.3 Best weekend performances of UK films

Films usually open at the weekend, when people are more likely to go to the cinema, in order to maximise their impact at the box office. The performance of a film during its opening weekend is a factor in deciding how long the film will remain on release. Opening weekend data are therefore important in negotiations between distributors and exhibitors. **Table 2.3** shows the UK films that topped the weekend box office charts (of all films) during 2004. Six films achieved this distinction, with a combined total of eleven weeks at number one.

Table 2.3 UK films at number one in the weekend box office charts, 2004

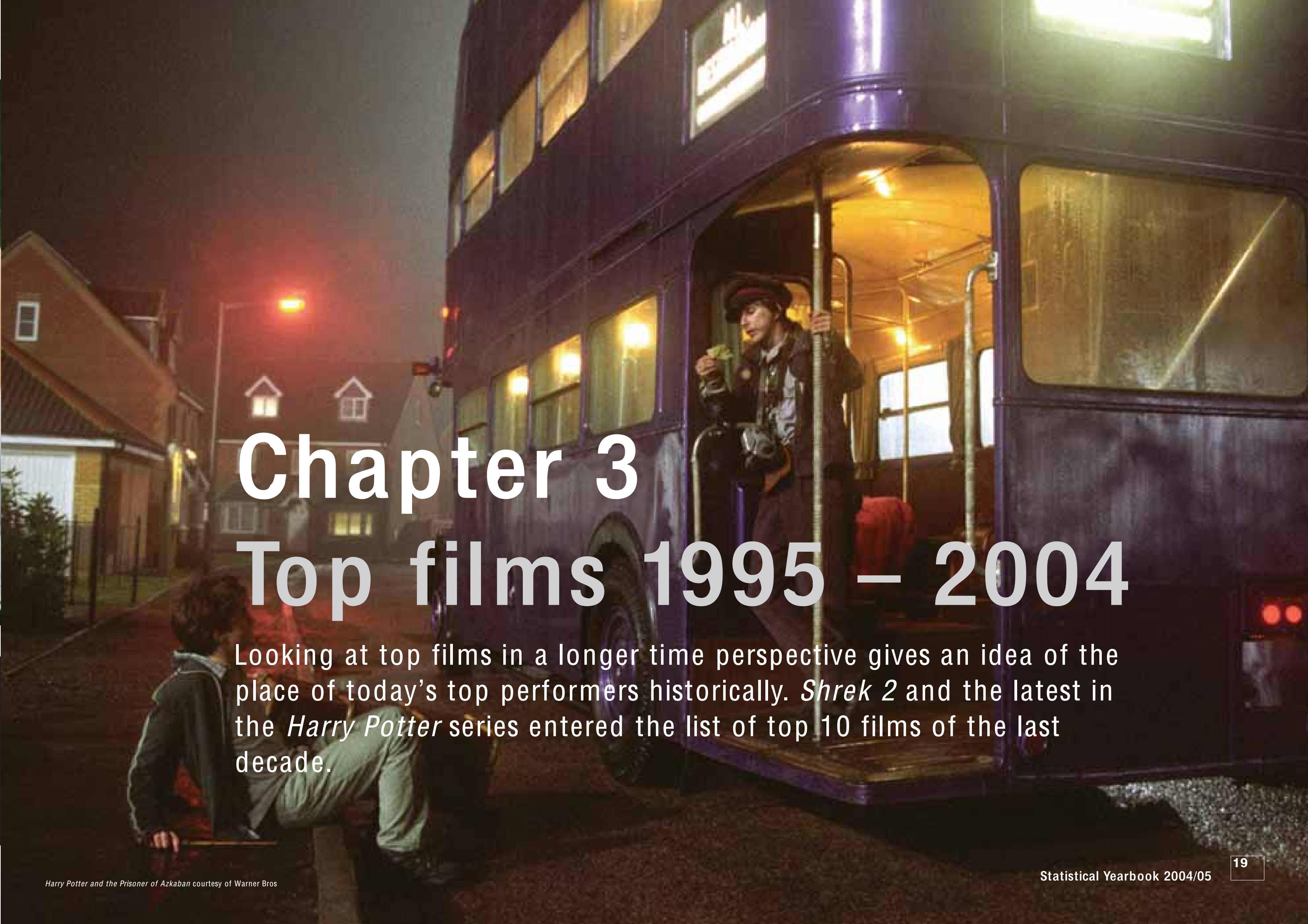
Week at top	Film	Weekend gross (£m)	Box office gross (£m)	Distributor	Number of weeks at no.1
21/5/04	Troy	6.02	18.00	Warner	1
4/6/04	Harry Potter and the Prisoner of Azkaban	23.88	46.08	Warner	4
30/7/04	King Arthur	1.91	7.07	Buena Vista	1
24/9/04	Wimbledon	1.70	7.17	UIP	2
8/10/04	Bride and Prejudice	1.67	5.17	Pathé	1
12/11/04	Bridget Jones: The Edge of Reason	10.44	36.00	UIP	2

Source: Nielsen EDI, RSU analysis

Wimbledon courtesy of Universal

See also

- For more about top films since 1995 see chapter 3 (p.19)
- For further information about film distribution in 2004 see chapter 6 (p.34)
- For an overview of the exhibition sector in 2004 see chapter 7 (p.38)
- For information about how the UK Film Council supports UK film production see the Annual Review p.43-51



Chapter 3
Top films 1995 – 2004

Looking at top films in a longer time perspective gives an idea of the place of today's top performers historically. *Shrek 2* and the latest in the *Harry Potter* series entered the list of top 10 films of the last decade.

Harry Potter and the Prisoner of Azkaban courtesy of Warner Bros

3.1 Top films in the UK, 1995 – 2004

Three films released in 2004 appear in the list of the top films over the last ten years (**Table 3.1**). The sequels to *Shrek* and *Bridget Jones's Diary* plus the latest *Harry Potter* instalment are the new entrants in the top 20. There are eight UK and USA collaborations in the top 20, including three *Harry Potter* and both *Bridget Jones* films.

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

Table 3.1 Top 20 films at the UK box office, 1995 – 2004

	Film	Country of origin	UK box office total (£m)	UK Distributor	Year of release
1	Titanic	USA	69.03	20th Century Fox	1998
2	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
3	The Lord of the Rings: The Fellowship of the Ring	USA/NZ	63.00	Entertainment	2001
4	The Lord of the Rings: The Return of the King	USA/NZ	60.88	Entertainment	2003
5	The Lord of the Rings: The Two Towers	USA/NZ	57.60	Entertainment	2002
6	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
7	The Full Monty	UK/USA	52.23	20th Century Fox	1997
8	Star Wars Episode I: The Phantom Menace	USA	51.06	20th Century Fox	1999
9	Shrek 2	USA	48.10	UIP	2004
10	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros	2004
11	Toy Story 2	USA	44.31	Buena Vista	2000
12	Bridget Jones's Diary	UK/USA	42.01	UIP	2001
13	Monsters, Inc.	USA	37.91	Buena Vista	2002
14	Star Wars Episode II: Attack of the Clones	USA	37.55	20th Century Fox	2002
15	Finding Nemo	USA	37.36	Buena Vista	2003
16	Independence Day	USA	37.13	20th Century Fox	1996
17	Love Actually	UK/USA	36.45	UIP	2003
18	Die Another Day	UK/USA	36.06	20th Century Fox	2002
19	Bridget Jones: The Edge of Reason	UK/USA	36.00	UIP	2004
20	Men In Black	USA	35.82	Sony Pictures	1997

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

Chapter 4
UK films internationally

The appeal of UK films is apparent from their international performance. The top ten performing UK films grossed $ 2,337 million worldwide in 2004, more than twice the 2003 figure. UK films and co-productions increased their market share of releases in the USA and several European countries, including France.

The Phantom of the Opera courtesy of Entertainment

Facts in focus

- Worldwide the gross box office for all films increased by 24% in 2004 to over $25 billion.
- The top ten performing UK films worldwide grossed $2,337 million in 2004 compared with $1,167 in 2003.
- UK films represented almost 11% of releases at the US box office, up from just under 8% in 2003.
- The market share of UK films at the US box office was 11%, at a value of $1,017 million.
- The UK's market share increased in Germany, France, Spain and Austria.
- *Harry Potter and the Prisoner of Azkaban* was the best performing UK film at the worldwide box office.

4.1 UK films in North America

According to the Motion Picture Association just over 40% of the $25.2 billion gross box office made worldwide in 2004 came from North America, which indicates its importance in the international film market. **Table 4.1** shows the country of origin of films released in the US and Canada in 2004. There were 18 more UK releases than in 2003, and their share of the gross box office rose from 5.7% in 2003 to 11% in 2004. The total revenue from these films stood at $1,016.8 million.

The other notable characteristic of the US market was the decline in the release and market share of US films. In 2003 US films accounted for 61.5% of all releases and generated gross box office revenues of $8,362.3 million (a market share of 93%). In 2004 there was a smaller proportion of US releases (down to 57.5%), and their market share fell to 87.3% of the gross box office ($8,031.7 million).

Table 4.1 Country of origin of films in the USA and Canada, 2004

Country of origin	Number of releases	% of releases	Box office share %	Box office ($ m)
UK and UK co-productions (non-USA)	33	6.5	1.3	124.2
USA/UK	22	4.3	9.7	892.6
Sub total	55	10.8	11.0	1,016.8
USA solo	262	51.6	83.9	7,718.7
USA co-productions (other)	30	5.9	3.4	313.0
Sub total	292	57.5	87.3	8,031.7
Rest of world	161	31.7	1.6	151.8
Total	**508**	**100.0**	**100.0**	**9,200.3**

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

Harry Potter and the Prisoner of Azkaban was the top performing UK film at the US box office in 2004. The top ten grossed a total of $761 million, up 65% on 2003 (**Table 4.2**).

Table 4.2 Top ten UK films at the US and Canada box office (including co-productions), 2004

	Film	Country of origin	Box office gross ($ m)
1	Harry Potter and the Prisoner of Azkaban	UK/USA	249.4
2	Troy	UK/USA/Mal	133.2
3	Alien Vs. Predator	UK/Cze/Can/Ger/USA	80.3
4	King Arthur	UK/USA/Ire	51.9
5	The Phantom of the Opera	UK/USA	47.7
6	Finding Neverland	UK/USA	45.7
7	Resident Evil: Apocalypse	UK/Ger/Fra/Can	44.1
8	Bridget Jones: The Edge of Reason	UK/USA	40.2
9	Alexander	UK/USA/Fra/Neth	34.3
10	Closer	UK/USA	34.0

Source: Nielsen EDI, RSU analysis
Note: box office gross correct up to 27 February 2005

4.2 UK films in Europe

The UK market share of major European countries where data exist rose above 13% in 2004 (**Table 4.3**). UK films had a 13.5% share of the French market in 2004 (up from 5% in 2003), rising to a 17% share in Germany (up from 7% in 2003).

Table 4.3 UK market share in selected EU territories, 2004 – 2003

Country	Population *(million)	Box office, 2004 UK films (£m)	UK share 2004 (%)	UK share 2003 (%)
Germany	82.4	100.4	17.1	7.0
France	60.2	25.7m (admissions)	13.5	5.1
UK	59.2	192.3	23.4	15.7
Spain	40.2	64.7	14.3	8.0
Austria	8.2	12.8	15.8	7.5

Source: Nielsen EDI
* forecast data

The top 20 UK films at the European box office in the period 2000 to 2004 generated a total of 409 million cinema admissions according to the European Audiovisual Observatory's Lumiere database (**Table 4.4**). Four films entered the top 20 in 2004: *Harry Potter and the Prisoner of Azkaban, Troy, Bridget Jones: The Edge of Reason* and *King Arthur.*

Finding Neverland courtesy of BVI

Table 4.4 Top 20 UK films in 35 European countries, 2000 – 2004

	Film	Country of origin	Year of UK release	European admissions
1	Harry Potter and the Philosopher's Stone	UK/USA	2001	59,306,758
2	Harry Potter and the Chamber of Secrets	UK/USA	2002	51,896,076
3	Harry Potter and the Prisoner of Azkaban	UK/USA	2004	40,232,461
4	Bridget Jones's Diary	UK/USA	2001	29,881,124
5	Troy	UK/USA/Mal	2004	26,938,980
6	Die Another Day	UK/USA	2002	26,706,890
7	The Mummy Returns	UK/USA	2001	20,329,085
8	Bridget Jones: The Edge of Reason	UK/USA	2004	17,419,677
9	Chicken Run	UK/USA	2000	16,258,868
10	Love Actually	UK/USA	2003	16,227,026
11	Lara Croft: Tomb Raider	UK/USA/Jap/Ger	2001	14,631,870
12	Johnny English	UK/USA	2003	14,534,087
13	Billy Elliot	UK/Fra	2000	12,783,618
14	About a Boy	UK/USA	2002	10,982,281
15	Chocolat	UK/USA	2001	10,976,544
16	King Arthur	UK/USA/Ire	2004	10,897,095
17	The Pianist	Fra/UK/Ger/Neth/Pol	2003	8,647,056
18	Gosford Park	UK/USA/Ger/Ita	2002	6,734,226
19	Calendar Girls	UK	2003	6,725,544
20	The Hours	UK/USA	2003	6,473,484

Source: European Audiovisual Observatory Lumiere Database, RSU analysis

4.3 UK films worldwide

According to Variety, the top ten performing UK films worldwide grossed a total of $2,337 million in 2004 (**Table 4.5**).

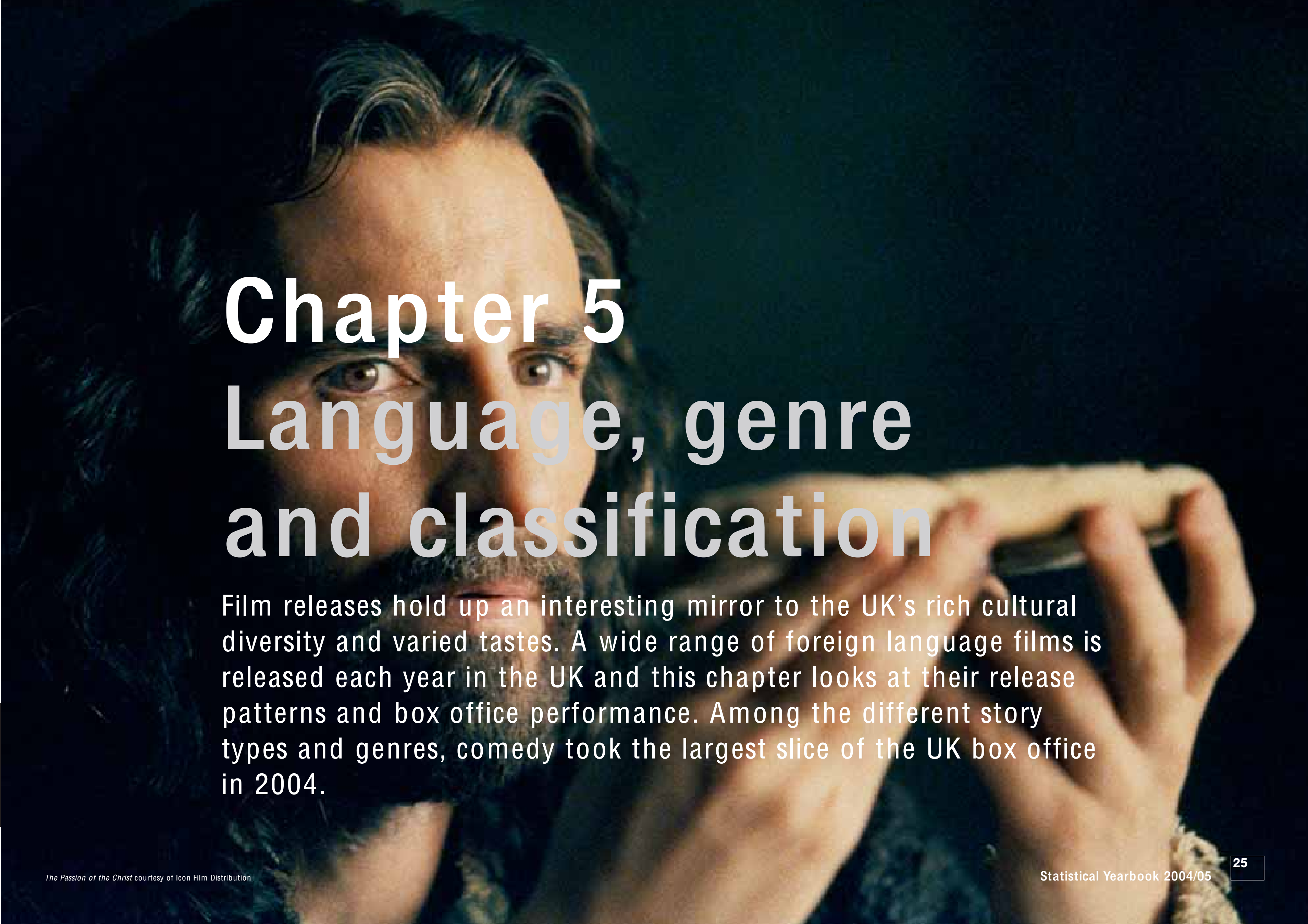
Table 4.5 Top 10 UK films worldwide, 2004

	Film	Country of origin	Worldwide gross ($ m)
1	Harry Potter and the Prisoner of Azkaban	UK/USA	789
2	Troy	UK/USA/Mal	497
3	Bridget Jones: The Edge of Reason	UK/USA	228
4	King Arthur	UK/USA/Ire	201
5	Alien vs. Predator	UK/Cze/Can/Ger/USA	162
6	Cold Mountain	UK/USA/Rom	131
7	Resident Evil: Apocalypse	UK/Ger/Fra/Can	128
8	Alexander	UK/USA/Fra/Neth	79
9	Around the World in 80 Days	UK/USA	62
10	Love Actually	UK/USA	60

Source: Variety
Note: Variety lists the gross made in 2004 and includes films released in the previous year. So, for example, *The Phantom of the Opera* is absent from the top ten as it was released late in 2004 and its worldwide gross was still growing in 2005

See also

- **For more information about the UK film economy see chapter 14 (p.93)**
- **For further details about what the UK Film Council is doing to help strengthen film exports see the Annual Review p.57**



Chapter 5
Language, genre and classification

Film releases hold up an interesting mirror to the UK's rich cultural diversity and varied tastes. A wide range of foreign language films is released each year in the UK and this chapter looks at their release patterns and box office performance. Among the different story types and genres, comedy took the largest slice of the UK box office in 2004.

The Passion of the Christ courtesy of Icon Film Distribution

Facts in focus

- Films in 26 different languages (including English) were released in the UK in 2004.
- 169 foreign language films were released, 37.5% of total releases (up from 35% in 2003).
- Although foreign language films accounted for over one-third of all releases in 2004, they shared under 5% of the total UK box office gross.
- Foreign language films averaged 16 sites at their widest point of release, compared to 167 for English language films.
- Hindi was the dominant foreign language in terms of the number of releases.
- Comedy was the most popular genre, with 27% of the gross box office from 24% of releases.
- Documentaries rose in popularity with 32 releases and total box office takings of just under £10 million, a rise of 75% on 2003.
- Animated films took more money on average per site than other genres, and documentaries ranked number four.
- The genre pattern of UK films closely matched that of all films on release.
- More films were released with '15' certificates from the British Board of Film Classification than any other category. However, the new '12A' category accounted for the largest share of box office gross.

5.1 Foreign language films

Films in 26 different languages (including English) were released in the UK in 2004. The 25 foreign languages were spread over 169 releases in the UK (37.5% of all releases), earning £38.1 million at the box office as **Table 5.1** shows. This represents 4.6% of the total UK gross box office for 2004, and marks a rise from 2.5% in 2003. Just five titles (*The Passion of the Christ, Hero, House of Flying Daggers, The Motorcycle Diaries* and *Veer-Zaara*) took a total of £23.2 million, 60% of the box office gross of all foreign language films.

Table 5.1 Foreign language films at the UK box office, 2003 – 2004

	Number	% of all releases	Box office (£m)	% of total gross box office
2003	147	34.7	20.4	2.5
2004	169	37.5	38.1	4.6

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 27 February 2005

Hindi was the most common foreign language in terms of the number of releases (**Table 5.2**) but the best performer at the box office was Aramaic thanks to the extraordinary success of *The Passion of the Christ* (which also features Latin and Hebrew)(**Table 5.3**).

Table 5.2 Language of releases, 2004

Main language	No. of films released	% of releases	Gross box office (£m)	% of gross box office	Average sites at WPR
English	280	62.1	783.9	95.4	167
Hindi	53	11.8	8.8	1.1	17
European	65	14.4	7.0	0.9	7
Other international	51	11.3	22.3	2.7	24
Silent	2	0.4	negligible	negligible	1
Total	**451**	**100.0**	**821.9**	**100.0**	

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 27 February 2005. Figures may not sum to totals due to rounding
WPR = widest point of release

Table 5.3 Top five foreign languages at the UK box office, 2004

	Number of releases	Gross box office total (£m)	Top performing title
Aramaic	1	11.1	The Passion of the Christ
Hindi	53	8.8	Veer-Zaara
Mandarin	4	7.4	Hero
Spanish	11	4.2	The Motorcycle Diaries (Arg)
French	31	1.9	Look at me

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 27 February 2005

EU enlargement in 2004 did not coincide with an increase in films from new member states, with only Polish, Hungarian and Slovenian featuring in **Table 5.4** which looks at European language releases in 2004.

Table 5.4 European foreign languages at the UK box office, 2004

	Number of releases	Gross box office total (£)	Top performing title
Spanish	11	4,228,921	The Motorcycle Diaries (Arg)
French	31	1,957,130	Look at me
Italian	10	534,247	I'm not Scared
Portuguese	3	149,917	The Three Marias (Brazil)
Norwegian and Swedish	1	57,493	Kitchen Stories
Danish	3	31,593	The Inheritance
Hungarian	2	25,446	Kontroll
Polish	1	18,376	Knife in the Water
German	2	10,049	The Miracle of Bern
Slovenian	1	8,288	Spare Parts

Source: Nielsen EDI, BBFC, RSU analysis
Figures as at 27 February 2005

Zatoichi courtesy of Artificial Eye

Only one European film (*Bad Education*) appeared in the top ten foreign language films in 2004, a list dominated by *The Passion of the Christ* and two Chinese period action films (*Hero* and *House of Flying Daggers*). The full top 20 is given in **Table 5.5.**

Hero courtesy of BVI

Table 5.5 Top 20 foreign language films released in the UK and Republic of Ireland, 2004

	Film	Country of origin	Gross box office (£)	Distributor	Language
1	The Passion of the Christ	USA	11,078,861	Icon	Aramaic/Latin /Hebrew
2	Hero	HK/Chi	3,818,330	BVI	Mandarin
3	House of Flying Daggers	Chi/HK	3,527,257	Pathé	Mandarin
4	The Motorcycle Diaries	USA/Ger/UK/ Arg/Chil/Peru	2,722,022	Pathé	Spanish
5	Veer-Zaara	Ind	2,011,934	Yash Raj Films	Hindi
6	Bad Education	Spa	1,350,121	Pathé	Span/Latin
7	Main Hoon Na	Ind	963,172	Eros Intl	Hindi
8	Zatoichi	Jap	668,172	Artificial Eye	Japanese
9	Mujhse Shaadi Karogi	Ind	656,956	Zee Network	Hindi
10	Hum Tum	Ind	645,747	Yash Raj Films	Hindi/Eng
11	Look At Me	Fra	564,095	Pathé	French
12	The Story of The Weeping Camel	Ger/Mong	441,489	UGC Films	Russian
13	Swades	Ind	373,712	UTV Comms	Hindi
14	Oldboy	S. Kor	312,866	Tartan Films	Korean
15	Khakee	Ind	307,242	Eros Intl	Hindi
16	The Barbarian Invasions	Can/Fra	306,420	Artificial Eye	French/Eng
17	The Return	Rus	305,281	UGC Films	Russian
18	Infernal Affairs	HK	294,717	Tartan Films	Cantonese
19	Lakshya	Ind	286,541	Excel Films	Hindi
20	I'm Not Scared	Ita/Spa/UK	269,652	BVI	Italian

Source: Nielsen EDI, BBFC, RSU analysis Figures as at 27 February 2005

Four films in the top 20 were supported by the UK Film Council. *The Motorcycle Diaries, Bad Education, The Barbarian Invasions* and *Zatoichi* received funding to pay for additional prints and advertising, affording greater opportunity for people to see the films.

5.2 Genre

The UK Film Council has allocated up to five genres to every film released in the UK in 2004. The list of genres is based on conventions commonly used by published sources including the Internet Movie Database and the British Board of Film Classification (BBFC) website. The final list was decided following consultation with the UK Film Council production funds and other industry representatives.

Table 5.6 provides an indication of the relative popularity of different types of film based on the primary genre allocated to each title released in 2004. Each film is counted only once; any additional genres allocated to a title have been disregarded for the purposes of simplified reporting. The full list of genres and classification of each title released in 2004 is available on our website (www.ukfilmcouncil.org.uk/statistics/genre/titles).

Table 5.6 shows that comedy was the top grossing genre at the UK box office, followed by action and animation. Making up 23.5% of all releases, comedy titles shared 27.2% of the gross box office in 2004. Also notable is the rise in the number of documentaries released, up from 21 in 2003 to 32 in 2004. Their total box office takings stood at just under £10 million, an increase of 75% on 2003.

Super Size Me courtesy of Tartan Films

Table 5.6 Films on release in the UK and Republic of Ireland by genre in 2004, ranked by gross box office

Genre	Number of releases	% releases	Gross box office (£m)	% box office
Comedy	106	23.5	223.7	27.2
Action	32	7.1	120.3	14.6
Animation	6	1.3	115.0	14.0
Drama	178	39.5	86.8	10.6
Sci-fi	8	1.8	57.6	7.0
Fantasy	5	1.1	50.5	6.1
Thriller	30	6.7	38.5	4.7
Family	5	1.1	29.5	3.6
Horror	17	3.8	27.7	3.4
Biopic	7	1.6	18.0	2.2
Musical	4	0.9	14.2	1.7
Adventure	6	1.3	13.6	1.7
Romance	11	2.4	11.6	1.4
Documentary	32	7.1	9.8	1.2
Crime	3	0.7	4.8	0.6
War	1	0.2	0.2	0.0

Source: Nielsen EDI, RSU analysis

Table 5.7 shows what happens if genres are ranked by the average number of sites at the widest point of release. Comedy drops to number 10 and the list is topped by animation, reflecting the wide release strategy for heavily marketed animated family films like *Shrek 2*.

Table 5.7 Films on release in the UK and Republic of Ireland by genre in 2004, ranked by average widest point of release

Genre	Average WPR	Number of releases	Gross box office (£m)
Animation	437	6	115.0
Family	392	5	29.5
Sci-fi	338	8	57.6
Musical	271	4	14.2
Fantasy	263	5	50.5
Adventure	220	6	13.6
Action	211	32	120.3
Biopic	168	7	18.0
Thriller	144	30	38.5
Comedy	143	106	223.7
Crime	137	3	4.8
Horror	119	17	27.7
Romance	50	11	11.6
Drama	41	178	86.8
War	16	1	0.2
Documentary	15	32	9.8

Source: Nielsen EDI, RSU analysis
WPR= number of sites at the widest point of release

Fahrenheit 911 courtesy of Optimum Releasing

Table 5.8 extends this analysis to show how 'efficient' different genres are at generating box office by looking at their average gross box office per site (total gross box office divided by the total number of sites at the widest point of release). Animation remains top but documentaries, which tend to have very limited releases, come in fourth place with an average box office per site of £21,046.

Table 5.8 Films on release in the UK and Republic of Ireland by genre in 2004, ranked by average box office gross per site

Genre	Average box office per site (£)	Gross box office (£m)	Total sites
Animation	43,926	115.0	2,619
Fantasy	38,440	50.5	1,315
Sci-fi	21,303	57.6	2,704
Documentary	21,046	9.8	467
Romance	21,028	11.6	551
Action	17,830	120.3	6,746
Musical	17,430	14.2	814
Biopic	15,344	18.0	1,176
Family	15,059	29.5	1,962
Comedy	14,778	223.7	15,140
Horror	13,720	27.7	2,017
Drama	11,804	86.8	7,355
Crime	11,588	4.8	412
Adventure	10,322	13.6	1,322
War	10,064	0.2	16
Thriller	8,918	38.5	4,319

Source: Nielsen EDI, RSU analysis

Looking at the genres of UK films released in 2004 ranked by gross box office we see a picture similar to that for all films released, although there are some notable differences (**Table 5.9**). Fantasy features higher in the UK ranking due to the success of *Harry Potter and the Prisoner of Azkaban*, while animation finds itself much lower in the table.

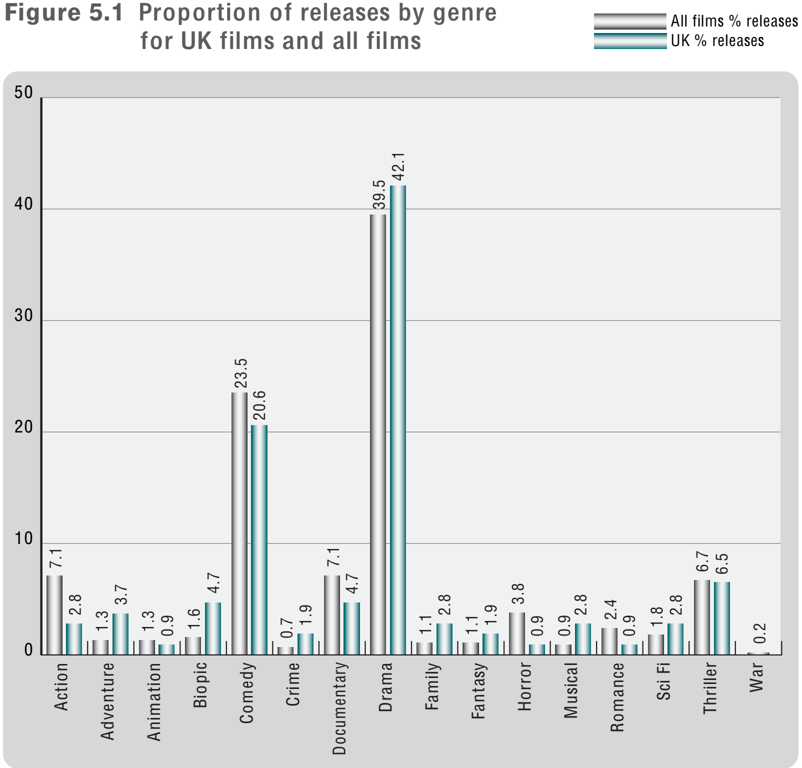
Table 5.9 UK films on release in the UK and Republic of Ireland by genre in 2004, ranked by gross box office

Genre	Number of releases	% of releases	Gross box office (£m)	% of box office
Comedy	22	20.6	59.4	30.1
Fantasy	2	1.9	46.8	23.8
Action	3	2.8	27.0	13.7
Drama	45	42.1	14.2	7.2
Musical	3	2.8	14.1	7.2
Family	3	2.8	8.7	4.4
Biopic	5	4.7	7.6	3.9
Sci-fi	3	2.8	6.6	3.4
Adventure	4	3.7	6.4	3.3
Crime	2	1.9	4.7	2.4
Thriller	7	6.5	0.6	0.3
Animation	1	0.9	0.5	0.3
Documentary	5	4.7	0.1	0.1
Horror	1	0.9	0.01	0.0
Romance	1	0.9	0.004	0.0
War	0	0.0	0	0.0

Source: Nielsen EDI, RSU analysis

Interestingly, the genre pattern of UK films closely matches that of all films, as shown in **Figure 5.1**, which suggests a much closer fit between UK films and those released in the market as a whole. This challenges the conception of the UK as a producer and purveyor of films in a narrow range of genres, notably gritty contemporary dramas and costume dramas at the expense of others.

Figure 5.1 Proportion of releases by genre for UK films and all films



Source: Nielsen EDI, RSU analysis

Looking in detail at the UK figures, there were proportionally fewer action, comedy, documentary, horror and romance films released in 2004, but more adventure, biopic, drama, family, fantasy, musical and sci-fi films.

5.3 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 if they decide to.

The symbols used by the BBFC, and their meanings, are given in **Table 5.10**.

Table 5.10 BBFC film classifications

Classifications	Meaning
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 web site

Table 5.11 shows that more '15' certified films were released in the UK than any other category (176, 39% of the total), followed by the new '12A' category. Box office performance, however, is more evenly split between 'PG', '12A' and '15' categories. Although the 'U' category accounted for only 6% of all releases it made 16.6% of total gross box office (once again due to the phenomenal success of animated family films *Shrek 2, The Incredibles* and *Shark Tale*).

Table 5.11 Releases in UK and Republic of Ireland by film certificate, 2004

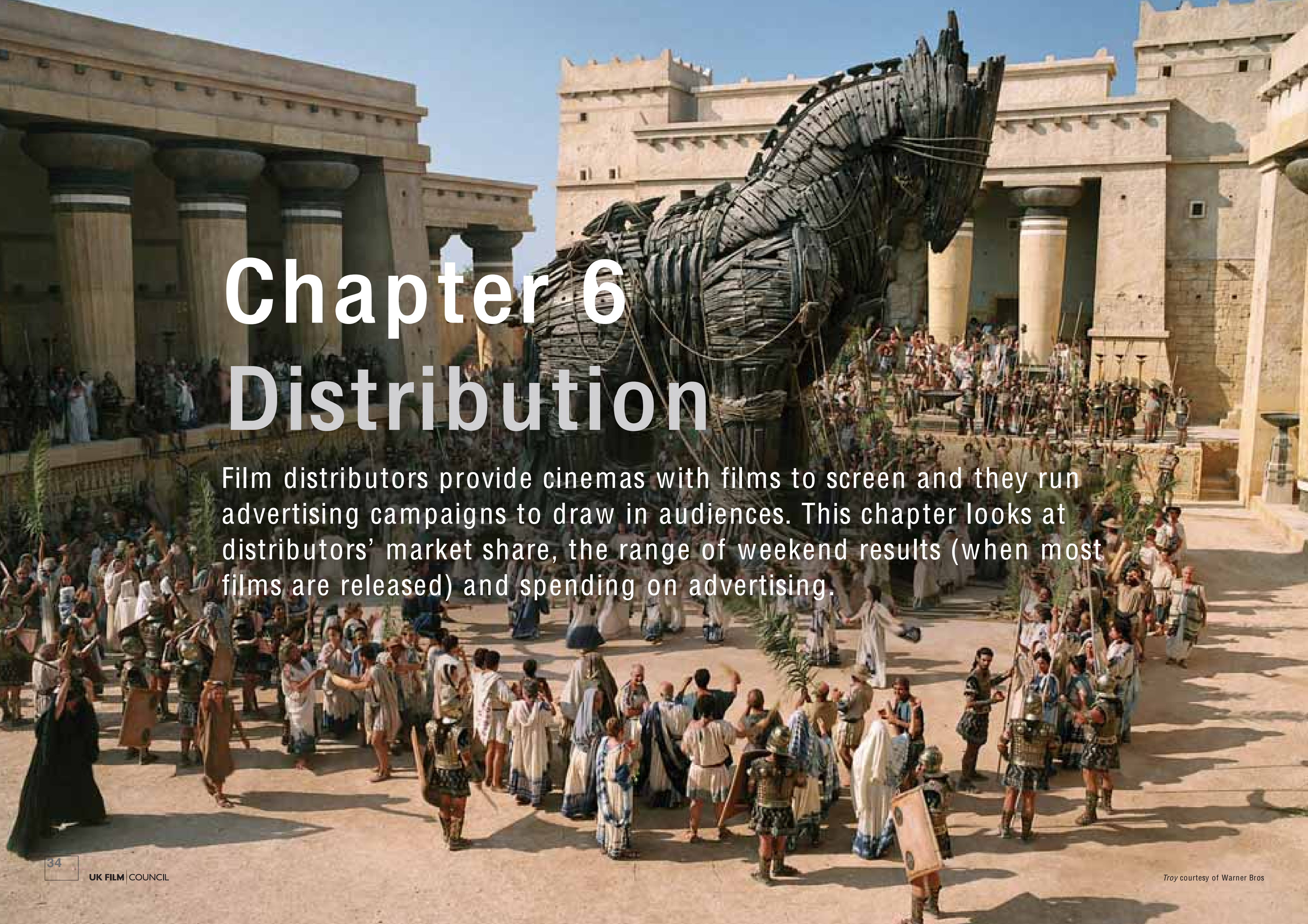
Certificate	Number of releases	% of releases	% of gross box office
U	27	6.0	16.6
PG	81	18.0	23.3
12A	119	26.4	28.2
15	176	39.0	26.6
18	39	8.6	5.2
No certificate	9	2.0	0.1
Total	**451**	**100.0**	**100.0**

Source: Nielsen EDI, BBFC, RSU analysis

See also

- For cinema admissions and box office in 2004 see chapter 1 (p.7)
- For a look at cinema audiences see chapter 9 (p.50)

- For information about film classification in the UK see www.bbfc.org.uk
- For more details about genre classification see www.ukfilmcouncil.org.uk/statistics/genre



Chapter 6 Distribution

Film distributors provide cinemas with films to screen and they run advertising campaigns to draw in audiences. This chapter looks at distributors' market share, the range of weekend results (when most films are released) and spending on advertising.

Troy courtesy of Warner Bros

Facts in focus

- The top nine distributors had a 95% share of the market in 2004.
- Weekends (Friday to Sunday) accounted for 60% of the box office.
- Opening weekends represented 27% of the total box office.
- Estimated total advertising spend was £158.5 million, an increase of 7% on 2003.

6.1 Distributors in 2004

As shown in **Table 6.1**, the top nine distributors had a 95% share of the market (down 1% on 2003). The remaining 52 distributors handled a total of 288 titles (56% of the total), but gained only a 5% share of the box office (up 1% on the previous year).

The Motorcycle Diaries courtesy of Pathé Pictures International

Table 6.1 Distributor share of box office, UK and Republic of Ireland, 2004

Distributor	Market share (%)	Films on release 2004	Box office gross (£m)
UIP	29.8	42	253.4
Warner Bros	14.7	22	125.1
Buena Vista Intl	14.5	42	122.9
20th Century Fox	10.7	23	91.2
Sony Pictures Intl	10.0	29	85.1
Entertainment	7.9	20	67.4
Pathé	2.8	23	23.4
Icon	2.3	11	19.2
Momentum	2.2	18	18.4
Sub total	94.9	230	806.1
Others (52 distributors)	5.1	288	42.9
Total	**100.0**	**518**	**849.0**

Source: Nielsen EDI
Box office gross = cumulative box office total for all films handled by the distributor in the period 2 January 2004 to 2 January 2005 (ie includes films released in 2003 and still showing in 2004)

6.2 Distributors, 2000 – 2004

Table 6.2 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 fell to its lowest level since 2000 and stood at 2.9%.

Table 6.2 Distributor market share as percentage of box office gross, 2000 – 2004

Distributor	2000	2001	2002	2003	2004
UIP	26.9	31.7	12.5	22.5	29.8
Warner Bros	7.8	16.5	15.4	10.4	14.7
Buena Vista	22.6	14.1	15.2	26.3	14.5
20th Century Fox	9.9	8.7	17.9	8.8	10.7
Columbia TriStar	12.8	6.6	12.3	9.7	10.0
Entertainment	4.6	9.7	16.6	14.6	7.9
Pathé	7.1	2.1	2.1	2.0	2.8
Icon	2.8	3.6	0.9	0.7	2.3
Momentum	1.1	2.5	1.9	1.3	2.2
Optimum	0.1	0.3	0.3	0.3	1.1
Top 10 total	95.7	95.8	95.1	96.6	97.1
Others	4.3	4.2	3.4	3.4	2.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Nielsen EDI

6.3 Opening weekends

In 2004, 60% of the box office was taken at weekends (Friday to Sunday), down from 61% in 2003, as **Table 6.3** shows. The last three years has seen a trend towards greater cinema-going on weekdays.

Table 6.3 Box office percentage share by weekday/weekend, 2002 – 2004

	2002	2003	2004
Friday	16.9	16.0	15.3
Saturday	29.4	26.6	24.5
Sunday	21.3	18.7	19.9
Weekend total	**67.6**	**61.3**	**59.7**
Monday	7.2	8.9	9.7
Tuesday	8.5	10.0	10.1
Wednesday	8.6	9.8	10.7
Thursday	8.1	10.0	9.8
Weekday total	**32.4**	**38.7**	**40.3**
Total	**100.0**	**100.0**	**100.0**

Source: Nielsen EDI

Opening weekend box office as a share of total theatrical revenue increased in importance for films earning over £20 million, as shown in **Table 6.4**.

Table 6.4 UK opening weekend as percentage of total box office, 2003 – 2004

Range of box office results	% of total in opening weekend 2003	% of total in opening weekend 2004
All films	**24.5**	**27.2**
More than £30 million	24.5	37.1
£20 million - £30 million	21.3	31.6
£10 million - £19.9 million	26.4	21.7
£5 million - £9.9million	24.1	23.4
£1 million - £4.9 million	23.6	25.4
£200,000 - £999,000	26.8	28.8
Less than £200,000	29.4	30.0

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

6.4 Release costs

The opening weekend of a film is recognised as being crucial to the lifetime of a film, both in cinemas and on subsequent release platforms. Distributors invest heavily in advertising in order to raise a film's profile across all media (outdoor posters, print media, TV and radio). From data provided by Nielsen Media Research (**Table 6.5**) the estimated total distributor advertising spend in 2004 was £158.5 million, up 7% from £147.8 million in 2003.

Table 6.5 Estimated advertising spend, 2004

TV	£69.8 million
Outdoor	£49.9 million
Press	£30.9 million
Radio	£7.9 million
Total	**£158.5 million**

Source: Nielsen Media Research

Kill Bill Vol 1 courtesy of BVI

See also

- For further details about the UK box office in 2004 see chapter 1 (p.7)
- For more information about the top films at the UK box office in 2004 see chapter 2 (p.14)
- For an overview of employment in film distribution see chapter 15 (p.101)
- To learn more about what the UK Film Council is doing to support UK distribution see the Annual Review (p.52-54)

Chapter 7
Exhibition

Fewer new cinema screens have opened in the last few years as the pace of multiplex expansion has slowed down. The UK still lags behind many other countries in terms of the ratio of screens to population and this section provides evidence of sizeable national and regional variations in screen provision.

Girl with a Pearl Earring courtesy of Pathé Pictures International

Facts in focus

- The UK had 3,342 screens, 24 more than last year, in 646 cinemas (32 fewer than in 2003).
- There were 5.6 screens per 100,000 of the population, the same as 2003 and lower than many countries.
- There was an increase in the number of screens in town and city centres and out of town, but a decrease in rural locations.
- Under 5% of screens were in rural or suburban locations.
- 73% of screens were in multiplexes – that is purpose-built cinemas with five or more screens.
- The London Government Office Region had the highest number of screens (16% of the UK total), followed by the South East and North West.
- Northern Ireland had the highest number of screens per 100,000 people in the UK and England had the lowest.
- Only 6% of screens were dedicated to 'specialised' (that is non-mainstream) programming, with less than 0.5% showing Asian films.
- Twelve companies owned or operated 20+ screens each in the UK. Following consolidation in the market the five largest exhibitors operated almost 71% of screens.
- The average ticket price was £4.49.
- The UK had 18 digital screens, double the number in 2003.

7.1 UK screens

In 2004 the total number of owned and programmed cinema screens (excluding those operated in venues such as schools and private screening rooms) rose by 0.7% to 3,342 screens. The number of cinemas fell to 646 from 678 in 2003.

More sites closed than opened in 2004, although there was an increase in screens because the site closures tended to involve single-screen cinemas whereas openings were led by multi-screen sites (**Table 7.1**). A total of 63 sites closed in 2004, an increase of 70% on site closures in 2003, with a loss of 97 screens. 29 sites opened (including six multiplexes), adding 111 screens (57 multiplex screens).

Table 7.1 Site openings and closures, 2004

	Multiplex		Traditional	
	Sites	Screens	Sites	Screens
Opened	6	57	23	54
Closed	2	17	61	80
Net difference	+4	+40	-38	-26

Source: Dodona Research

Just as in the previous year, in 2004 there were 5.6 screens per 100,000 people in the UK. Looking at the most recent data available (for 2003) this screen access compares favourably with Italy (5.5), but falls short of the levels seen in the USA (12.5), Spain (10.1), Australia (9.5), France (8.8) and Germany (5.7).

Table 7.2 shows that those countries with a higher number of screens per 100,000 people also enjoyed higher numbers of admissions per person in 2004.

Table 7.2 Admissions per person, 2003 – 2004

	USA	Australia	Spain	France	UK	Italy	Germany
2004	5.1	4.6	3.5	3.0	**2.9**	1.9	1.8
2003	5.0	4.6	3.4	2.9	**2.8**	1.9	1.8

Source: Dodona Research

7.2 Screen location

Screen concentration was highest in urban areas: 96% of all screens in the UK were either in town or city centres, edge of centre or urban 'out of town' locations.

Between 2001 and 2004 the decline in suburban and rural screens was matched by a rise in urban locations, and as **Table 7.3** shows, suburban and rural cinemas tend to have fewer screens on average than their urban counterparts. The number of rural screens fell to its lowest point since 2001, although the decline in suburban screens over the period has been proportionately much greater (-28.3%).

Table 7.3 Screens by location, 2001 – 2004

Location	2001	2002	2003	2004	% change 2001/2004	Average no. of screens
Centre	1,404	1,466	1,470	1,502	7.0	4
Out of town	1,207	1,199	1,234	1,243	3.0	10
Edge of centre	410	456	464	465	13.4	9
Rural	107	103	117	99	-7.5	2
Suburban	46	34	33	33	-28.3	2
Total	**3,174**	**3,258**	**3,318**	**3,342**	**5.0**	

Source: Dodona Research, RSU analysis

For the first time we can look at variations in screen provision based on two types of regional classification. 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 2004 using these TV regions are presented in **Table 7.4**.

Table 7.4 Screens and admissions by ISBA TV region, 2004

ISBA TV Region	Screens	Admissions	Admissions per screen
London	726	44,167,622	60,837
Midlands	483	23,815,122	49,307
Lancashire	413	18,510,635	44,820
Southern	286	16,049,695	56,118
Yorkshire	279	14,000,843	50,182
Wales and West	270	11,062,140	40,971
Central Scotland	237	11,877,406	50,116
East of England	205	11,177,253	54,523
Northern Ireland	158	5,387,965	34,104
North East	104	6,333,938	60,903
South West	84	3,771,656	44,901
Northern Scotland	61	3,430,244	56,234
Border	36	1,667,547	46,321

Source: Dodona Research, CAA, RSU analysis

In addition, **Table 7.5** 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 Sgrîn Cymru Wales.

Table 7.5 Screens and population in the Government Office Regions, 2004

Government Office Region	Screens	Population	Screens per 100,000
London	520	7,388,000	7.0
South East	454	8,080,000	5.6
North West	423	6,805,000	6.2
Scotland	307	5,057,000	6.1
West Midlands	296	5,320,000	5.6
South West	263	4,999,000	5.3
Yorkshire	239	5,009,000	4.8
East of England	226	5,463,000	4.1
Wales	173	2,938,000	5.9
East Midlands	165	4,252,000	3.9
Northern Ireland	158	1,703,000	9.3
North East	101	2,539,000	4.0
Other*	17		
Total	**3,342**	**59,553,000**	**5.6**

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

Table 7.5 reveals considerable national and regional variations. Areas of high population, like London, the South East and the North West have correspondingly high screen numbers. These three regions house 41% of the total UK population, and 37% of the screens. However, this relationship between population and screen provision does not hold in every case. Thus, the East Midlands had a population of 4.3 million but only 165 screens in 2004, equivalent to 3.9 screens for every 100,000 people. Northern Ireland had the highest number of screens per 100,000 people of the four nations (9.3) followed by Scotland (6.1), Wales (5.9) and England (5.4).

7.3 Multiplexes

By 2004 73% of screens in the UK were found in multiplexes (an increase of 2% on 2003) (Dodona Research defines multiplex sites as purpose-built with five or more screens). **Table 7.6** presents figures since 1999 and shows a rise of 49% in multiplex screens over the period compared with a 19% fall in the number of traditional and mixed-use screens. In real terms the UK has gained 802 multiplex screens since 1999 and lost 218 traditional or mixed-use screens (used for film screenings only part of the time).

Table 7.6 Cinema screens by type, 1999 – 2004

Year	Multiplex	Traditional and mixed use	Total
1999	1,624	1,134	2,758
2000	1,874	1,080	2,954
2001	2,115	1,049	3,164
2002	2,299	959	3,258
2003	2,362	956	3,318
2004	2,426	916	3,342

Source: Dodona Research

7.4 Programming

In 2004 there were four cinemas dedicated to Asian programming (11 screens), 116 offering ‘specialised’ (ie non-mainstream, including ‘art house’) films (196 screens) and 526 with ‘mainstream’ offerings (3,135 screens). **Table 7.7** compares figures for 2003 and 2004.

Table 7.7 Sites and screens by programme, 2003 – 2004

Programme	Sites		Screens	
	2003	2004	2003	2004
Asian	7	4	15	11
Specialised	118	116	192	196
Mainstream	553	526	3,111	3,135

Source: Dodona Research, RSU analysis

The pattern of screen location by programme type remained largely unchanged in 2004, with the exception of a sharp decline in rural mainstream screens (down 16% on 2003) (see **Table 7.8**).

Table 7.8 Screens by location and programme

Location	Asian		Specialised		Mainstream	
	2003	2004	2003	2004	2003	2004
Centre	12	9	154	154	1,304	1,339
Out of town	0	0	16	16	1,218	1,227
Edge of centre	0	0	3	5	461	460
Rural	0	0	11	10	106	89
Suburban	3	2	8	11	22	20
Total	**15**	**11**	**192**	**196**	**3,111**	**3,135**

Source: Dodona Research, RSU analysis

7.5 Exhibitors

2004 saw further consolidation in the exhibition market, which, at the time of writing, is now led by four large companies (Terra Firma, Cine-UK, Vue Cinemas and National Amusements), three of which are owned by private equity firms.

Following various mergers during the year, 12 exhibitors owned or programmed 20 or more screens each in the UK in 2004, as shown in **Table 7.9**. The sector remains highly concentrated, with the five largest exhibitors owning approximately 71% of UK screens. The remainder are owned or programmed by 264 operators.

Table 7.9 Exhibitors with 20+ screens, 2004

	Screens
Terra Firma (Odeon and UCI)	924
Cine-UK (includes UGC)	787
Vue	409
National Amusements	237
Ster	73
Ward-Anderson	66
Apollo	63
City Screen	45
Village Cinemas	41
Movie House	33
AMC	28
Reeltime	24
Others	612
Total	**3,342**

Source: Dodona Research

7.6 Exhibitor revenues

According to Dodona Research, total exhibitor revenue in 2004 rose to £937 million, an increase of 59% since 1998 when the total stood at £590 million. As expected, the increase in box office revenues was accompanied by the growth of concession income (net concession revenue stood at £204 million).

Gross advertising revenue totalled £190 million in 2004, an increase of 96% since 1998 when the figure was £97 million.

Average ticket prices (calculated by dividing UK box office gross for the year (£769.9 million) by total UK admissions (171.3 million)) rose from £4.43 in 2003 to £4.49 in 2004, a modest below-inflation increase of 1.4%.

7.7 Digital projection

The number of screens offering digital projection (as opposed to digital advertising) remained small: 18 in the whole of the UK, double the number in 2003. Dodona Research estimates that worldwide there were 589 commercial digital screens operating by the end of 2004.

See also

- For cinema admissions and box office in 2004 see chapter 1 (p.7)
- For more information on cinema audiences see Chapter 9 (p.50)
- For employment in the exhibition sector see chapter 15 (p.101)
- For more about the UK Film Council's Digital Screen Network see the Annual Review (p.52)

Chapter 8
Film societies in the UK

The voluntary film society sector within the UK is a vibrant, creative and significant part of the film viewing landscape. This is especially so since in many instances it operates in more remote areas of the country and fills the important gap in access and diversity of programming that the commercial sector often does not provide. This chapter looks at the results of a 2004 survey of film societies providing a detailed description of their make-up and activities.

The Barbarian Invasions courtesy of Artificial Eye

Facts in focus

- **The survey found a large number of new film societies in the UK: over half of societies have been in existence for less than five years.**
- **The mean size of membership was 283, but there was wide variation in the number of members (maximum 8,500, minimum two).**
- **Total membership of the responding societies stood at 30,356.**
- **Over half the membership was female (54%), and over two-thirds (69.6%) of the total membership was aged 36 or over.**
- **Over half (51%) of societies showed fewer than 15 films per year.**
- **83.5% of societies described their programming policy as 'specialised or non-mainstream', while 60% described it as 'mainstream' (more than one answer was allowed).**

8.1 Introduction

Using the information available to it from a variety of sources, the UK Film Council sent a questionnaire to 322 film societies in summer 2004. 109 responses were received, a response rate of 34%.

By 'film society' we mean a voluntary group operating as either a 'closed' society (where films may be rented on a non-theatrical basis from distributors for a flat fee and shown only to members and guests over the age of 16) or an 'open' society (where films are rented on standard commercial terms and screenings are open to the general public in accordance with the age limits imposed by the British Board of Film Classification certificate).

A study of this sort faces a number of methodological challenges, and despite the impressive response rate these should be borne in mind when interpreting the results.

The voluntary film exhibition sector is by its nature hard to 'pin down' as there is no central register of film societies. At the time of writing the British Federation of Film Societies (BFFS) has a membership of 171 societies, but this does not include all such groups in the UK (as this survey discovered. See section 8.2).

Responses were not evenly distributed around the UK (**Table 8.1**). It is not clear why this should be the case, although the pattern of responses does broadly match that found in the 2003 BFFS member survey, which reported 25% of its members were from the South West region, followed by 24% in the South East.

Table 8.1 National and regional breakdown of respondents

Nation/region	Number	%
South West	27	24.8
South East	19	17.4
East of England	14	12.8
Wales	14	12.8
North West	13	11.9
Scotland	10	9.2
Yorkshire	4	3.7
London	2	1.8
North East	2	1.8
West Midlands	2	1.8
East Midlands	1	0.9
Northern Ireland	1	0.9
Total	**109**	**100.0**

Source: UK Film Council

The fact that many film societies do not collect detailed personal information about their membership (age, gender, ethnicity, disability etc) provided this study with its second methodological challenge. Those societies that do not collect this information as a matter of course provided estimates, which means the survey data must be treated with caution.

Having noted these caveats the survey can still confidently claim to provide the most detailed assessment yet of the size and scope of film society activity, casting light on this vital part of UK film.

8.2 Organisation and membership

The survey found over half (52.8%) the societies had been in existence for five years or less. However, one quarter (25.7%) had been around for over 20 years. The recent emergence of a large number of new societies suggests a healthy level of interest in this sector of the film market in the UK, although in the absence of baseline and historical trend data it is impossible to confirm whether the voluntary sector is growing.

Membership of the British Federation of Film Societies was widespread, but by no means comprehensive; nearly two-thirds of respondents reported to be members of BFFS (63.5%).

The mean membership size of societies was 283, but there was wide variation (maximum 8,500, minimum two). Over one-third of societies had membership numbers of between 51 and 150 (34.3%), while 28.3% had fewer than 50 members. A sizeable minority (7%) had 500+ members (**Table 8.2**).

Table 8.2 Size of film society membership

Number of members	Number	%
50 or fewer	28	28.3
51-150	34	34.3
151-250	20	20.2
251-500	10	10.1
501-1000	3	3.0
1000+	4	4.0
Total		**100.0**

Source: UK Film Council
Note: three respondents have a membership over 2,000 (2,300, 4,000 and 8,500) and they include a local touring exhibitor and two annual film festivals

Total membership of the responding societies was 30,356 and over half (54%) of the total membership was female. Over two-thirds (69.6%) of the total membership was aged 36 or over (**Table 8.3**).

Table 8.3 Film society membership by gender and age

	%
Female	54.0
Male	46.0
Total	**100.0**
Aged under 19	5.8
Aged 19-25	6.3
Aged 26-35	18.3
Aged 36+	69.6
Total	**100.0**

Source: UK Film Council

8.3 Screenings

Over half of societies (51%) claimed to show fewer than 15 films per year, while a minority (6.8%) screened 100+ films a year (**Table 8.4**).

Table 8.4 Number of films screened annually

Number of screenings	Number	%
10 or fewer	26	25.5
11-15	26	25.5
16-20	16	15.7
21-30	14	13.7
31-50	8	7.8
51-100	5	4.9
101-200	3	2.9
200+	4	3.9
Total		**100.0**

Source: UK Film Council

There was also some variation in the frequency of screenings, with over half (52%) of societies screening films fortnightly or more often, while 46.1% had monthly screenings.

Table 8.5 shows that the most common format used by film societies was DVD, followed by video tape. Traditional formats (35mm and 16mm) were used by a minority of film societies.

Table 8.5 Formats

Format	Number	% of film societies
DVD	83	76.1
Video tape	53	48.6
35mm	32	29.4
16mm	25	22.9
Digibeta	4	3.7
Other	8	7.3

Source: UK Film Council
Note: respondents could tick more than one category so % does not total 100%

Film societies tended to screen films more than six months after they had been released theatrically, although a number did have screenings within a shorter period after release (**Table 8.6**).

Table 8.6 Length of time screened after theatrical release

Period	Number	% of film societies
Within 3 months	18	16.5
3-4 months	18	16.5
5-6 months	31	28.4
More than 6 months	63	57.8

Source: UK Film Council
Note: respondents could tick more than one category so % does not total 100%

This trend is confirmed in **Table 8.7**, which shows only 32% of societies tried to play a film prior to its video/DVD release.

Table 8.7 Timing proximity to video/DVD release

Do you try to show films prior to video/DVD release?	Number	%
Yes	30	31.9
No	64	68.1
Total		**100.0**

Source: UK Film Council

Average rental costs varied considerably, with the majority of respondents (54.3%) citing costs of £71 and over (**Table 8.8**). Just over a fifth of respondents cited costs of £70 or less, while 3.2% quoted rental costs of more than £120.

Table 8.8 Average rental costs

Average costs	Number	%
£70 or less	21	22.3
£71-£80	22	23.4
£81-£90	11	11.7
£91-£100	15	16.0
£101-£120	11	11.7
£120+	3	3.2
Multiple responses	11	11.7
Total		**100.00**

Source: UK Film Council

8.4 Programming

Respondents were asked to characterise the nature of their programming policy. **Table 8.9** shows that 'specialised or non-mainstream' programming was most common (83% of societies had a specialised element), followed by 'mainstream' (60.5%).

Table 8.9 Programming policy

Description	Number	% of film societies
Specialised or non-mainstream	91	83.5
Mainstream	66	60.5
Children's films	41	37.6
Other	33	30.3
Bollywood/other	29	26.6

Source: UK Film Council
Note: respondents could tick more than one category so % does not total 100%

The vast majority of film societies produced programme notes and/or film summaries to accompany screenings (88%). Over three-quarters (76.8%) of these used stills and film images in programme notes and publicity. **Table 8.10** indicates the most popular sources for obtaining these materials.

Table 8.10 Sources of film information and images

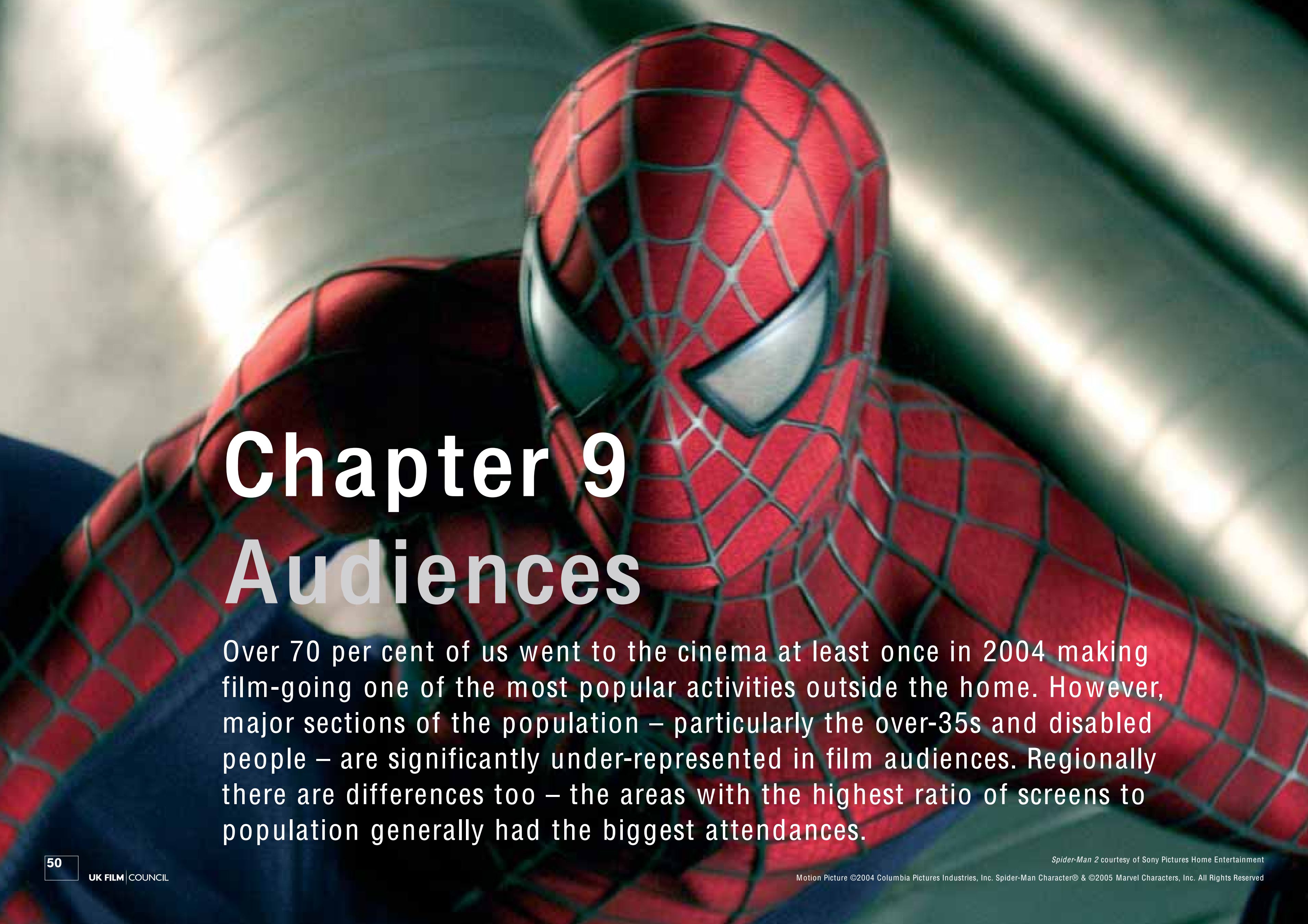
Source	Number	% of all societies
General film website	78	71.6
Press reviews	63	57.8
The film's own website	54	49.5
Distributor	37	33.9
Other	35	32.1

Source: UK Film Council
Note: respondents could tick more than one category so % does not total 100%

See also

- For further details about distribution in the UK see chapter 6 (p.34)
- For more information about film exhibition in the UK see chapter 7 (p.38)

- The full film society survey report is available on the UK Film Council web site: www.ukfilmcouncil.org.uk/filmindustry/filmsocsurvey/
- For advice about setting up a film society visit www.bffs.org.uk



Chapter 9
Audiences

Over 70 per cent of us went to the cinema at least once in 2004 making film-going one of the most popular activities outside the home. However, major sections of the population – particularly the over-35s and disabled people – are significantly under-represented in film audiences. Regionally there are differences too – the areas with the highest ratio of screens to population generally had the biggest attendances.

Spider-Man 2 courtesy of Sony Pictures Home Entertainment

Facts in focus

- In 2004, 72% of the UK population said they went to the cinema at least once a year.
- 26% went once a month or more.
- The overall cinema audience was roughly balanced between men and women.
- Female and child-centred drama and romantic comedies appealed most to the female audience.
- The audiences for action, thriller and science fiction films had a male skew.
- The cinema audience for the top 20 films in 2004 was predominantly young, with the 7-34 age group (41% of the population) making up 68% of the audience.
- The younger age groups preferred comedies, fantasy, thriller, action and horror films while drama appealed more to the over 35s.
- Minority ethnic groups were equally or over-represented in the film audience, except for pay-per-view TV where they were under-represented.
- Certain films generated larger-than-average audiences from particular ethnic groups.
- Disabled people were under-represented in the film audience, except for retail video/DVD.
- London, Southern England, Central Scotland and Northern Ireland had the highest per capita cinema admissions.

9.1 Cinema audience by gender

The overall UK cinema audience in 2004 had a roughly equal gender split, as **Table 9.1** shows.

Table 9.1 Cinema audience by gender 2004

	Male %	Female %
See at least one film per year (proportion of population)	73	72
Go to the cinema at least once a month (proportion of population)	27	26
Top 20 films (proportion of audience)	52	48
Top UK films (proportion of audience)	49	51
Total population	**49**	**51**

Source: CAVIAR 22 and Quarterly Reports
Note: 'Top UK films' refers to the 17 of the top 20 UK films for which audience data were available in 2004

9.2 Film preferences by gender

Although the overall cinema audience in 2004 was divided roughly equally between men and women, some films attracted substantially more of one gender than the other as **Table 9.2** shows. Men preferred action *(Spider Man 2, Van Helsing, The Bourne Supremacy)* and certain types of comedy *(Starsky & Hutch, Shaun of the Dead, Dodge Ball).* Romantic comedies *(Bridget Jones: The Edge of Reason, Wimbledon)* and some family films *(Shark Tale, Scooby-Doo 2, Shrek 2)* had higher female audience shares. Other family films *(Harry Potter and the Prisoner of Azkaban, Five Children and It, The Incredibles)* had audience gender splits that were roughly even (statistically the differences are not distinguishable).

Unlike 2002 and 2003, the top UK films in 2004 had roughly equal male and female audiences overall. This was because films with large male audiences counterbalanced those with large female audiences. The four films with the biggest female audience skews in 2004 were UK films, as were four out of the five films with the largest male audience skews.

Layer Cake courtesy of Sony Pictures Home Entertainment

Table 9.2 Top 20 films and top UK films by audience gender split

Table 9.2 Top 20 films and top UK films by audience gender split

Film	Male %	Female %	
Finding Neverland (UK)	30.9	69.1	Greater female audience share
Bridget Jones: The Edge of Reason (UK)	31.9	68.1	
Wimbledon (UK)	34.4	65.6	
The Phantom of the Opera (UK)	41.2	58.8	
Lemony Snicket's A Series of Unfortunate Events	43.2	56.8	
Shark Tale	45.5	54.5	
Scooby-Doo 2	45.6	54.4	
Shrek 2	47.0	53.0	
Five Children & It (UK)	42.3	57.7	Roughly even gender split
Girl with a Pearl Earring (UK)	43.5	56.5	
Bride and Prejudice (UK)	44.2	55.8	
Harry Potter and the Prisoner of Azkaban (UK)	49.4	50.6	
King Arthur (UK)	54.2	45.8	
Around the World in 80 Days (UK)	55.6	44.4	
The Incredibles	56.0	44.0	
I, Robot	56.6	43.4	
The Village	57.9	42.1	
Spider-Man 2	59.2	40.8	Greater male audience share
Starsky & Hutch	60.2	39.8	
Thunderbirds (UK)	60.3	39.7	
The Bourne Supremacy	63.2	36.8	
Van Helsing	63.5	36.5	
The Last Samurai	65.0	35.0	
Shaun of the Dead (UK)	69.5	30.5	
Dodge Ball: A True Underdog Story	70.8	29.2	
Layer Cake (UK)	73.1	26.9	
Alien Vs Predator (UK)	73.5	26.5	
Resident Evil: Apocalypse (UK)	75.0	25.0	

Source: CAVIAR/BMRB/CAA, Quarterly Surveys
Note: Titles are only displayed where the annual and quarterly CAVIAR results for the title correspond. A test for statistical significance has been applied to determine which titles are described as having a greater male or female audience share. The larger the audience for a particular film, the smaller the male/female difference needed to be statistically significant

9.3 Cinema audience by age

The cinema audience had a youthful profile, as **Table 9.3** shows. In 2004, the 41% of the population in the 7-34 age group provided 68% of the top 20 film audience and 62% of the top UK film audience.

Table 9.3 Cinema audience by age group, 2004

	Age 7-14 %	Age 15-24 %	Age 25-34 %	Age 35+ %
See at least one film per year (proportion of population)	92	90	84	61
Go to the cinema at least once a month (proportion of population)	39	53	34	16
Top 20 films (proportion of audience)	20	26	22	32
Top UK films (proportion of audience)	12	27	23	39
Total population	**11**	**13**	**17**	**58**

Source: CAVIAR 22 and Quarterly Reports

The audience share of the 7-14 age group increased in 2004, reflecting the success of films like *Harry Potter and the Prisoner of Azkaban, Shrek 2* and *Shark Tale.* For UK films, the share of the over-35 age group dropped, while the share of the 15-34 age group increased. This reflected a different mix of UK films in 2004, with films like *Troy, King Arthur* and *Shaun of the Dead* attracting large audiences in the 15-34 age groups, compared with 2003 films like *Calendar Girls, Cold Mountain* and *The Hours* which attracted large older audiences.

9.4 Comparative age distribution of DVD, cinema and TV audiences

Table 9.4 compares the frequency of cinema visits with the frequencies of watching commercial DVDs/videos and television. The frequency of DVD/video watching overall was substantially higher than cinema visiting, but with a similarly youthful age skew. However, the proportion of the over-35s watching a DVD or video once a month or more increased significantly, to 66%. This is consistent with other data indicating continued growth in the DVD market. A substantial minority of the population (16% overall) watched a DVD or video on three days a week or more. Frequent DVD/video watching was particularly prevalent in the 7-14 and 15-24 age groups. TV watching had an older age profile with the over-35s having the highest proportion (24%) watching TV for five hours or more per day.

Table 9.4 Audience frequency, DVD/video, cinema and TV by age group, 2004

	Age 7-14 %	Age 15-24 %	Age 25-34 %	Age 35+ %
Watch DVD or video once a month or more	93	91	92	66
Watch DVD or video 3 days a week or more	30	26	17	9
Go to cinema once a month or more	39	53	34	16
Watch TV every day	90	78	77	87
Watch TV five hours or more per day	12	17	15	24

Source: CAVIAR 22 and Quarterly Reports
DVD/video data relate to *pre-recorded* DVDs or videos

9.5 Film preferences by age

Comedies, fantasy and animated films appealed to the 7-14 audience (**Table 9.5**). Comedy, thriller, action and horror films appealed to the 15-24 and 25-34 age groups (**Tables 9.6** and **9.7**). Drama and comedy appealed more to the over-35 age group (**Table 9.8**).

Compared with 2003, the age profile for the top UK films was much closer to that of the overall top 20 films, reflecting the release of a number of UK films that appealed to younger audiences such as *Harry Potter and the Prisoner of Azkaban, Wimbledon, Troy, Shaun of the Dead* and *Thunderbirds.*

Table 9.5 Films with an above-average audience in 7 – 14 age group, 2004. Top 20 films and top UK films

Film	Age group % of the film's total audience
Five Children & It (UK)	53.0
Scooby Doo 2	41.6
Lemony Snicket's a Series of Unfortunate Events	40.8
Shark Tale	39.1
School of Rock	31.0
Thunderbirds (UK)	29.3
Harry Potter and the Prisoner of Azkaban (UK)	27.7
Finding Neverland (UK)	27.6
The Incredibles	26.5
Shrek 2	25.7
Percentage of 7-14 age group in top 20 audience	19.7
Percentage of 7-14 age group in top UK audience	11.7
Percentage of 7-14 age group in total survey population	11.3

Source: CAVIAR/BMRB/CAA, Quarterly Surveys

Table 9.6 Films with an above-average audience in 15 – 24 age group, 2004. Top 20 films and top UK films

Film	Age group % of the film's total audience
Resident Evil: Apocalypse (UK)	59.6
Shaun of the Dead (UK)	59.0
Dodge Ball: A True Underdog Story	47.7
Alfie	44.8
Layer Cake (UK)	44.0
Troy (UK)	45.2
Alien Vs Predator	41.1
Van Helsing	38.7
Starsky & Hutch	37.5
The Day After Tomorrow	36.8
I, Robot	32.4
Percentage of 15-24 age group in top 20 audience	25.5
Percentage of 15-24 age group in top UK audience	27.2
Percentage of 15-24 age group in total survey population	13.2

Source: CAVIAR/BMRB/CAA, Quarterly Surveys

Table 9.7 Films with an above-average audience in 25 – 34 age group, 2004. Top 20 films and top UK films

Film	Age group % of the film's total audience
Starsky & Hutch	37.9
The Bourne Supremacy	36.0
Alien Vs Predator (UK)	35.6
King Arthur (UK)	31.0
Lost in Translation	31.9
The Last Samurai	29.7
Percentage of 25-34 age group in top 20 audience	22.3
Percentage of 25-34 age group in top UK audience	22.5
Percentage of 25-34 age group in total survey population	17.1

Source: CAVIAR/BMRB/CAA, Quarterly Surveys


Starsky and Hutch courtesy of BVI

Table 9.8 Films with an above-average audience in 35+ age group, 2004. Top 20 films and top UK films

Film	Age group % of the film's total audience
Girl with a Pearl Earring (UK)	75.9
The Phantom of the Opera (UK)	62.6
Bridget Jones: The Edge of Reason (UK)	53.1
Lost in Translation	49.8
The Passion of the Christ	48.0
The Last Samurai	41.3
Percentage of 35+age group in top 20 audience	32.4
Percentage of 35+ age group in top UK audience	38.6
Percentage of 35+ age group in total survey population	58.2

Source: CAVIAR/BMRB/CAA, Quarterly Surveys

9.6 Cinema audience by social group

The cinema audience had a moderate skew away from the DE social group towards the C1 group for top films overall and a slight additional skew towards the AB group for top UK films (**Table 9.9**).

Table 9.9 Cinema audience by social group

	AB %	C1 %	C2 %	DE %
See at least one film per year (proportion of population)	81	75	73	60
Go to the cinema at least once a month (proportion of population)	28	31	23	21
Top 20 films (proportion of audience)	26	33	22	19
Top UK films (proportion of audience)	28	34	21	17
Total population	21	27	22	29

Source: CAVIAR 22 and Quarterly Reports
Note: AB: Professional, business and white collar, C1: Higher skilled manual, C2: Lower skilled manual, DE: 'Semi -' and 'Un–skilled' manual

9.7 Film preferences by social group

Compared with 2003, there were fewer individual titles in 2004 that stood out as having a particularly high appeal to certain socio-economic groups. Six films had particularly high AB audience shares: *Girl with a Pearl Earring, Wimbledon, Lost in Translation, Lemony Snicket's A Series of Unfortunate Events, The Phantom of the Opera* and *The Last Samurai* (Table 9.10). There were no titles that stood out for the C1 and C2 groups. Three films *(Scooby Doo 2, Shark Tale* and *The Day After Tomorrow)* had particularly high DE audience shares (**Table 9.11**).

Table 9.10 Films with above-average AB audience share, 2004. Top 20 films and top UK films

Film	AB group % of film's total audience
Girl with a Pearl Earring (UK)	52.3
Wimbledon (UK)	41.5
Lost in Translation	41.5
Lemony Snicket's A Series of Unfortunate Events	38.4
The Phantom of the Opera (UK)	36.9
The Last Samurai	36.3
AB Share of top 20 audience	25.4
AB Share of top UK audience	27.6
AB percentage in total survey population	21.2

Source: CAVIAR/BMRB/CAA, Quarterly Surveys

Table 9.11 Films with above-average DE audience share, 2004. Top 20 films and top UK films

Film	DE group % of film's total audience
Scooby Doo 2	27.8
The Day after Tomorrow	25.3
Shark Tale	24.6
DE Share of top 20 audience	19.4
DE Share of top UK audience	17.4
DE percentage in total survey population	29.3

Source: CAVIAR/BMRB/CAA, Quarterly Surveys

9.8 Film audiences by ethnicity

Minority ethnic groups were over-represented among buyers of cinema tickets and rental films and under-represented among buyers of pay-per-view (PPV) and retail video/DVD (**Table 9.12**). The picture was broadly similar to that prevailing in 2003.

Table 9.12 Ethnicity of audiences aged 12 – 74 for cinema, rental and retail video/DVD and PPV, 2004

	Black, Asian, Chinese, mixed and other %	White %
Population aged 12-74	7.9	92.1
Buyers of cinema, rental, retail and PPV film	8.3	91.7
Rental film buyers	10.3	89.7
Retail video/DVD buyers	6.7	93.3
Cinema-goers	12.5	87.5
PPV buyers	7.3	92.7

Source: TNS

For reference, the size of each of these markets as measured in the TNS survey is shown in **Table 9.13**.

Table 9.13 Size of cinema, rental, retail and PPV markets for 12 – 74 age groups, 2004

	Number of persons/buyers (millions)	Market volume (millions of occasions)
Population aged 12-74	45.8	n/a
Total buyers: cinema, rental, retail and PPV film	41.4	487.7
Rental film buyers	16.0	135.7
Cinema-goers	22.7	132.4
PPV	3.3	7.0
Retail video/DVD buyers	28.2	212.7

Source: TNS

Table 9.14 Top films by ethnicity of audience

	Black	White	Indian & Pakistani
1	Shrek 2	Shrek 2	**Kal Ho Naa Ho**
2	The Lord of the Rings: The Return of the King	The Lord of the Rings: The Return of the King	Shrek 2
3	Spider Man 2	Harry Potter and the Prisoner of Azkaban	Spider Man 2
4	**The Passion of the Christ**	Spider Man 2	Harry Potter and the Prisoner of Azkaban
5	Harry Potter and the Prisoner of Azkaban	**Love Actually**	I, Robot
6	Shark Tale	The Day After Tomorrow	The Lord of the Rings: The Return of the King
7	Garfield	Scooby Doo 2	Shark Tale
8	The Matrix Revolutions	Shark Tale	**Bride and Prejudice**
9	The Last Samurai	I, Robot	The Day After Tomorrow
10	**Kill Bill Volume 2**	**Van Helsing**	Scooby Doo 2

Source: Caviar 22
Base: all persons aged 4+
For Rank 1, 29-34% of the ethnic group population saw the film. For Rank 10 the proportion was 9-13% of the ethnic group population, with the black and Indian and Pakistani audiences achieving higher proportional audiences than the white ethnic group. 'Black' in the above table 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

While there was a common core of popular films across the main ethnic groups, certain titles had a marked ethnically-distinct appeal as illustrated in **Table 9.14** which shows the top ten films for the black, white and Indian and Pakistani ethnic groups. The highlighted films are those that appear in the top 10 for the designated ethnic group but do not appear in the top 20 films of the other ethnic groups.

Table 9.15 Disabled audiences aged 12 – 74 for cinema, rental and retail video/DVD and PPV, 2004

	Disabled %	Not disabled %
Population aged 12-74	14.0	86.0
Buyers of cinema, rental, retail and PPV film	12.1	87.9
Rental film buyers	5.9	94.1
Cinema goers	6.1	93.9
PPV buyers	3.7	96.3
Retail video/DVD buyers	15.2	84.8

Source: TNS

9.9 Film audiences by disability

As in 2003, disabled people were significantly under-represented overall among purchasers of film viewing opportunities. Retail video/DVD was the only market segment in which disabled purchasers matched their overall population percentage.

9.10 Cinema audiences by region

There was a marked regional skew in cinema admissions, particularly in the London region which had 26% of admissions from 20% of the UK population base, a rate of 4.1 admissions per person, compared with a UK average of 3.1 (**Table 9.16**). Other regions with higher than average admissions per person were Southern England, Central Scotland and Northern Ireland.

Table 9.16 UK cinema audience by region, 2004

ISBA TV Region	2004 admissions	Population	Admissions per person
London	44,167,622	10,772,901	4.10
Midlands	23,815,122	8,620,469	2.76
Lancashire	18,510,635	6,434,827	2.88
Southern England	16,049,695	5,005,845	3.21
Yorkshire	14,000,843	5,225,871	2.68
Central Scotland	11,877,406	3,365,406	3.53
East of England	11,177,253	3,868,041	2.89
Wales and West	11,062,140	4,319,446	2.56
North East	6,333,938	2,732,431	2.32
Northern Ireland	5,387,965	1,570,029	3.43
South West	3,771,656	1,648,404	2.29
North Scotland	3,430,244	1,178,177	2.91
Border	1,667,547	561,358	2.97
Total	**171,252,066**	**55,303,205**	**3.10**

Source: CAA

There is a fairly strong association between screen density and admissions per person (**Table 9.17**) with higher screen densities generally associated with higher per person admissions:

Table 9.17 Screen density and admissions per person by nation and region

ISBA TV Region	Screens	Population	Screen density	Admissions per person
Northern Ireland	158	1,570,029	10.06	3.43
Central Scotland	237	3,365,406	7.04	3.53
London	726	10,772,901	6.74	4.10
Lancashire	413	6,434,827	6.42	2.88
Border	36	561,358	6.41	2.97
Wales and West	270	4,319,446	6.25	2.56
Southern	286	5,005,845	5.71	3.21
Midlands	483	8,620,469	5.60	2.76
Yorkshire	279	5,225,871	5.34	2.68
East of England	205	3,868,041	5.30	2.89
North Scotland	61	1,178,177	5.18	2.91
South West	84	1,648,404	5.10	2.29
North East	104	2,732,431	3.81	2.32
Total	**3,342**	**55,303,205**	**6.04**	**3.10**

Source: CAA
Note: Screen density is measured as number of screens per 100,000 population

9.11 Film preferences by region

For top 20 films and top UK films the regional distribution of the audience for individual titles was usually close to that of the top 20 audience as a whole. Our analysis shows only five titles with unusually high audience shares in particular regions: *Bride and Prejudice* and *The Passion of the Christ* in London (**Table 9.18**), *Shrek 2* in the South/South East (**Table 9.19**) and *Finding Neverland* and *Shark Tale* in the South West/Wales (**Table 9.20**).

Table 9.18 Films with above-average London audience share, 2004. Top 20 films and top UK films

Film	London % of film's total audience
Bride and Prejudice (UK)	44.4
The Passion of the Christ	39.6
London Share of top 20 audience	24.0
London Share of top UK audience	24.8
London percentage in total survey population	19.9

Source: CAVIAR/BMRB/CAA, Quarterly Surveys

Table 9.19 Films with above-average South/SE audience share, 2004. Top 20 films and top UK films

Film	South/SE % of film's total audience
Shrek 2	19.6
South/SE Share of top 20 audience	16.0
South/SE Share of top UK audience	16.1
South/SE percentage in total survey population	16.0

Source: CAVIAR/BMRB/CAA, Quarterly Surveys

Table 9.20 Films with above-average SW/Wales audience share, 2004. Top 20 films and top UK films

Film	SW/Wales % of film's total audience
Finding Neverland	22.7
Shark Tale	14.1
SW/Wales Share of top 20 audience	7.8
SW/Wales Share of top UK audience	9.2
SW/Wales percentage in total survey population	9.7

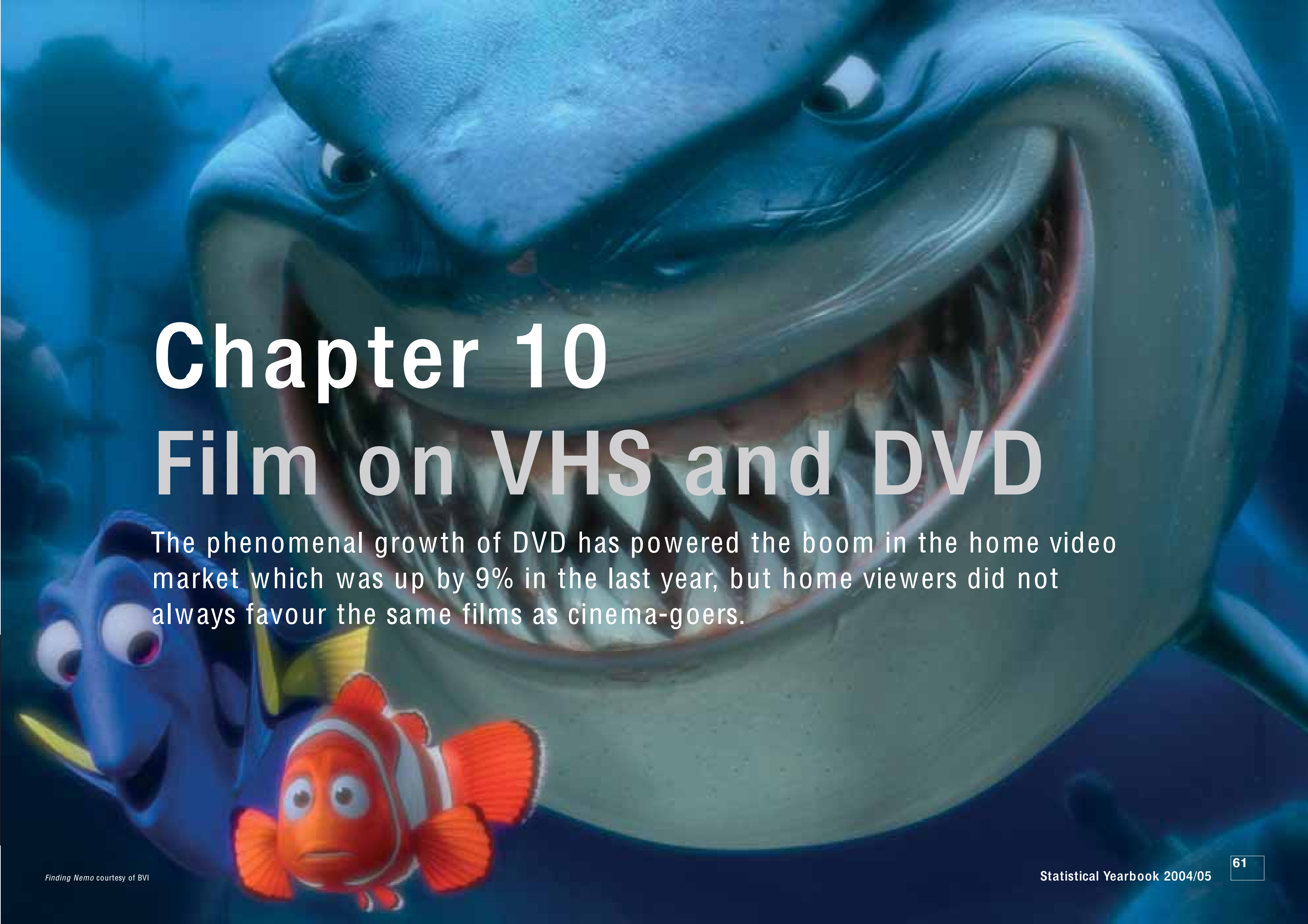
Source: CAVIAR/BMRB/CAA, Quarterly Surveys

See also

- For more information about top films at the box office in 2004 see chapter 2 (p.14)
- For further details about films on video, DVD and TV see chapters 10 and 11 (p.61 & 68)
- For a summary of what the UK Film Council is doing to broaden audience diversity and make films more accessible at the cinema see the Annual Review (p.52-54)

Chapter 10
Film on VHS and DVD

The phenomenal growth of DVD has powered the boom in the home video market which was up by 9% in the last year, but home viewers did not always favour the same films as cinema-goers.



Finding Nemo courtesy of BVI

Facts in focus

- **153 million VHS videos and DVDs were rented, while 234 million VHS videos and DVDs were sold.**
- **DVD sales increased 35% on 2003.**
- **The total value of the rental and sales market in 2004 was £3.1 billion, up 9% on 2003.**
- **The top rental title on VHS and DVD was *Love Actually*. The most popular purchase on VHS was *Finding Nemo,* and on DVD it was *The Lord of the Rings: The Return of the King.***
- **9.48 million DVD players and 3.7 million video cassette recorders were sold in 2004.**
- **Over 60% of households now own a DVD player compared to only 45% in 2003.**

10.1 Film on VHS and DVD

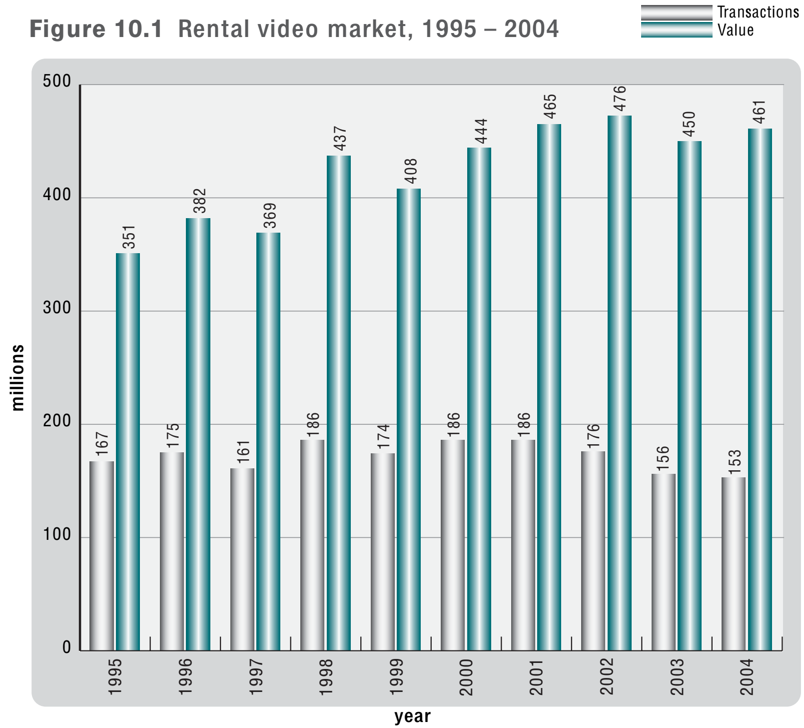
According to the British Video Association (BVA) the total value of the UK home video market (VHS and DVD) was £3.13 billion in 2004, an increase of 9% on 2003. Film accounted for 85% of this, equivalent to over three times the value of the UK theatrical market.

10.2 Film in the rental video market

153 million videos and DVDs were rented in 2004 (an average of around six per household) with an average value of £3.01. 99% of rental transactions were feature films, and UK films accounted for 16% of all transactions on video and DVD (up from 14.5% in 2003).

Figure 10.1 shows that the number of transactions fell by three million from 2003, to its lowest level over the last ten years. However, the value of the rental market actually rose to £461 million, reflecting the higher proportion of DVDs rented in 2004.

Figure 10.1 Rental video market, 1995 – 2004



Source: BVA

Table 10.1 highlights the 10 most rented titles of 2004. Action/adventure titles dominated the top 10. As the table makes clear it is not always the biggest box office successes that dominate the rental charts (according to the BVA this is largely due to the simultaneous retail and rental release of bigger titles). Films that may have performed quite modestly on theatrical release (for example, *Identity*) can perform much better in the rental charts.

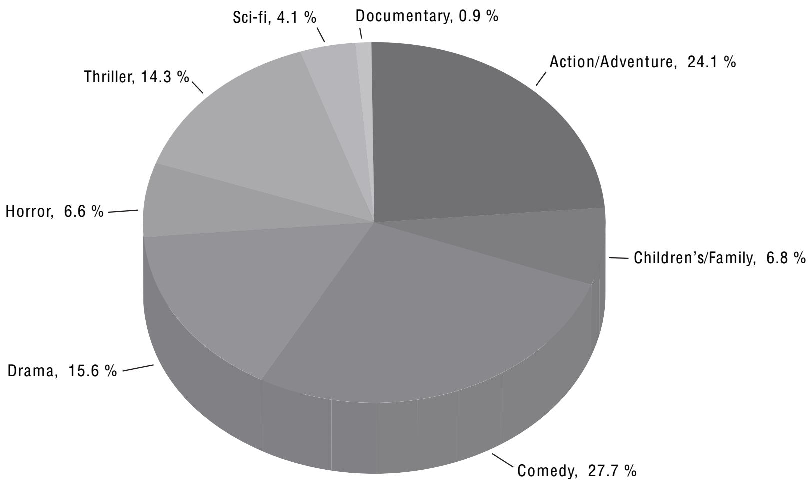
Table 10.1 Top 10 rental titles VHS and DVD, 2004

	Film	Country of origin	Distributor
1	Love Actually	UK/USA	Universal
2	Kill Bill Volume 1	USA	Buena Vista
3	The Last Samurai	USA	Warner
4	The Day After Tomorrow	USA	Fox Pathé
5	Calendar Girls	UK/USA	Buena Vista
6	Master and Commander	USA	Fox Pathé
7	The League of Extraordinary Gentlemen	USA	Fox Pathé
8	Identity	USA	Columbia TriStar
9	Troy	UK/USA	Warner
10	Mystic River	USA	Warner

Source: MRIB, RSU analysis

Figure 10.2 shows the genre split of all titles rented in 2004. The most popular genre was once again comedy which accounted for almost one in four rentals, closely followed by action/adventure titles. These categories, as defined by MRIB, differ from the genre categories assigned to the theatrical market by the RSU in chapter 5.

Figure 10.2 Video rental share by genre, 2004 (%)



Source: MRIB Rental Monitor, BVA

Tables 10.2 and **10.3** show the top UK-originated titles in the rental video market. Romantic comedies and action/adventure films dominated.

The Day After Tomorrow courtesy of Twentieth Century Fox

Table 10.2 Top 10 UK-originated rental VHS titles, 2004

	Film	Country of origin	Distributor
1	Love Actually	UK/ USA	Universal
2	Calendar Girls	UK/USA	Buena Vista
3	Cold Mountain	UK/USA/Rom/Ita	Buena Vista
4	Underworld	UK/USA/Ger/Hun	EIV
5	Troy	UK/USA	Warner
6	Buffalo Soldiers	UK/Ger	Fox Pathé
7	Shaun of the Dead	UK	Universal
8	Lara Croft Tomb Raider: The Cradle of Life	UK/USA/Jap/Ger	Paramount
9	Ned Kelly	UK/Aus	Universal
10	Touching the Void	UK	Universal

Source: MRIB, BVA, RSU analysis

Bruce Almighty courtesy of BVI

Table 10.3 Top 10 UK-originated DVD rental titles, 2004

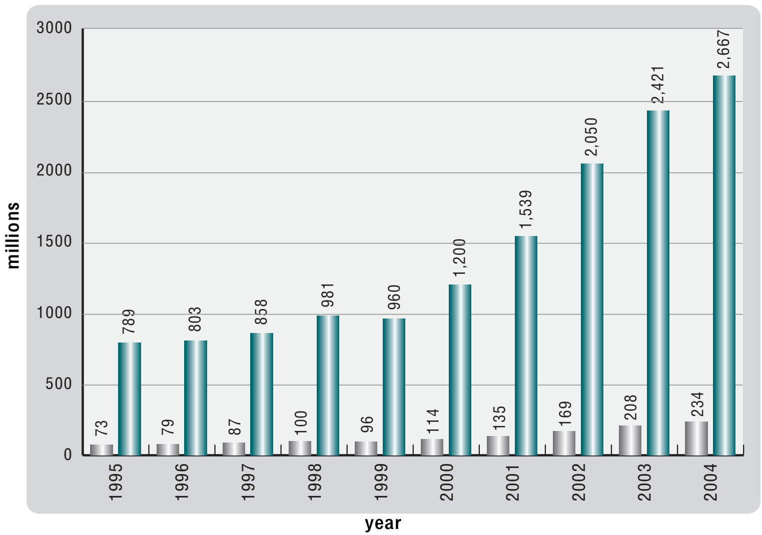
	Film	Country of origin	Distributor
1	Love Actually	UK/ USA	Universal
2	Troy	UK/Mal/USA	Warner
3	Shaun of the Dead	UK	Universal
4	Calendar Girls	UK/USA	Buena Vista
5	Cold Mountain	UK/USA/Rom/Ita	Buena Vista
6	Underworld	UK/USA/Ger/Hun	EIV
7	King Arthur	UK/Ire/USA	Buena Vista
8	Harry Potter and the Prisoner of Azkaban	UK/USA	Warner
9	Lara Croft Tomb Raider: The Cradle of Life	UK/USA/Jap/Ger	Paramount
10	Buffalo Soldiers	UK/Ger	Fox Pathé

Source: MRIB, BVA, RSU analysis

10.3 Film in the retail video market

In total, 234 million VHS and DVD videos were sold in 2004, with a total market value of £2,667 million. DVD sales continued to show impressive growth, with sales volumes increasing by 35% on 2003. Film represented a 92% share of the market on VHS and 82% on DVD. UK films accounted for around 16% of both VHS and DVD sales. **Figure 10.3** demonstrates the rapid growth in the retail video sector, led by the high rate of increase in DVD sales.

Figure 10.3 Retail video sales, 1995 – 2004



Source: Official UK Charts Company, BVA

Table 10.4 shows the top selling films on DVD and VHS in 2004. As with last year's chart it reflects the top grossing box office films of the last two years. Please note that this table includes theatrically released films listed in the 'children's' genre category by the Official UK Charts Company.

Table 10.4 Top 10 VHS and DVD retail sales, 2004

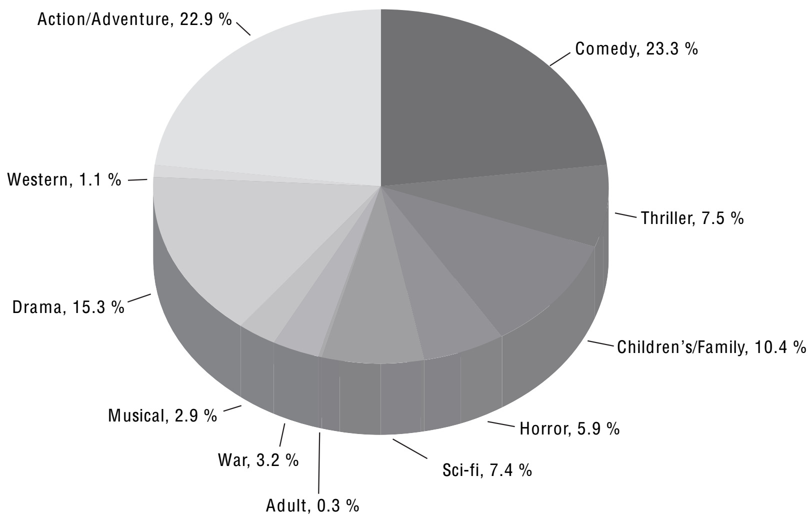
	Film	Country of origin	Distributor
1	The Lord of the Rings: The Return of the King	USA/NZ	EIV
2	Finding Nemo	USA	Buena Vista
3	Harry Potter and the Prisoner of Azkaban	UK/USA	Warner
4	Shrek 2	USA	Universal Pictures
5	Love Actually	UK/USA	UIP
6	Calendar Girls	UK/USA	Buena Vista
7	The Day After Tomorrow	USA	20th Century Fox
8	Pirates of the Caribbean	USA	Buena Vista
9	I, Robot	USA	20th Century Fox
10	Star Wars Trilogy	USA	20th Century Fox

Source: Official UK Charts Company, BVA, RSU analysis

Star Wars: Episode IV - A New Hope courtesy of Twentieth Century Fox

Figure 10.4 shows the genre of films sold on video in 2004. Comedy was the dominant genre, accounting for over 23% of the market. Action/adventure was the next most popular with just under 23% of all sales.

Figure 10.4 Sales breakdown by film genre, 2004 (%)



Source: Offical UK Charts Company

Tables 10.5 and **10.6** highlight the top 10 UK performers on sell-through VHS and DVD in 2004. The popularity of recent theatrical releases is clear with C*alendar Girls, Love Actually* and *Harry Potter and the Prisoner of Azkaban* among the popular titles released theatrically in 2003/4.

Table 10.5 Top 10 UK-originated VHS retail titles, 2004

	Film	Country of origin	Distributor
1	Calendar Girls	UK/USA	Buena Vista
2	Love Actually	UK/USA	Universal
3	Harry Potter and the Prisoner of Azkaban	UK/USA	Warner
4	Bridget Jones's Diary	UK/USA	Universal
5	Harry Potter and the Chamber of Secrets	UK/USA	Warner
6	About a Boy	UK/USA	Universal
7	Harry Potter and the Philosopher's Stone	UK/USA	Warner
8	Notting Hill	UK/USA	Universal
9	Johnny English	UK/USA	Universal
10	Lara Croft Tomb Raider: The Cradle of Life	UK/USA/Jap/Ger	Paramount

Source: Official UK Charts Company, RSU analysis

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

Table 10.6 Top ten UK-originated DVD retail titles, 2004

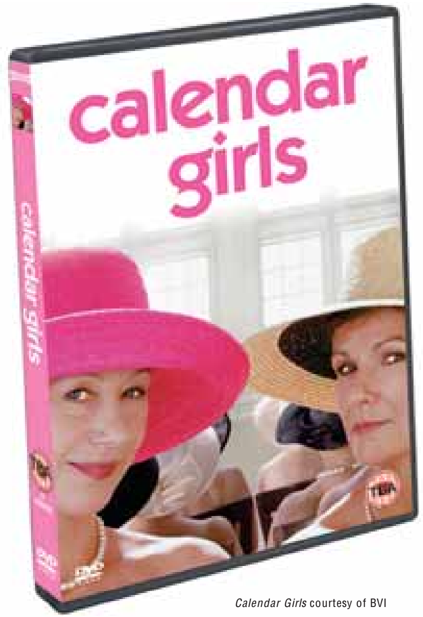
	Film	Country of origin	Distributor
1	Harry Potter and the Prisoner of Azkaban	UK/USA	Warner
2	Love Actually	UK/USA	Universal
3	Calendar Girls	UK/USA	Buena Vista
4	Troy	UK/USA	Warner
5	King Arthur	UK/Ger	Buena Vista
6	Shaun of the Dead	UK/USA	Universal
7	Underworld	UK/Can	Entertainment
8	Bridget Jones's Diary	UK/USA	Universal
9	Cold Mountain	UK/Lux	Buena Vista
10	Lara Croft Tomb Raider 2: The Cradle of Life	UK/USA/Jap/Ger	Paramount

Source: Official UK Charts Company, RSU analysis

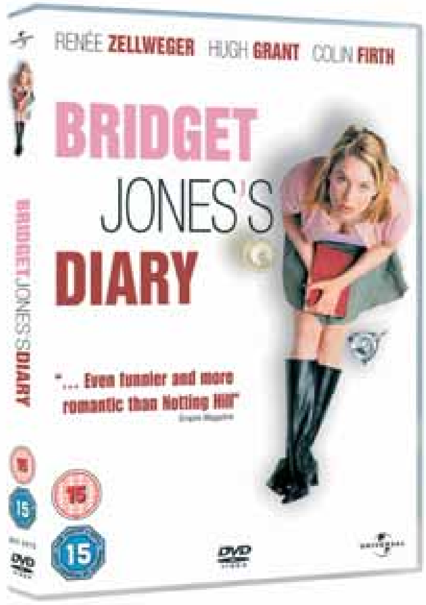
10.4 Hardware

There was a large increase in the ownership of DVD players in 2004. In the course of the year 9.48 million DVD players were sold, and it is estimated that 61% of households owned a DVD player (up from around 45% in 2003).

For the first time in five years, sales of video cassette recorders (VCRs) fell in 2004. 88% of households in the UK own a VCR, sales of which fell to 3.7 million in 2004 (down 21% on 2003).



Calendar Girls courtesy of BVI



Bridget Jones's Diary courtesy of Universal

See also

- For more information about top films at the UK box office see chapter 2 (p.14)
- For further details about the performance of films on UK television see chapter 11 (p.68)

What Women Want courtesy of Icon Film Distribution

Chapter 11
Film on UK television

Fewer feature films were shown on terrestrial television in 2004 than in 2003 and audiences were also slightly smaller. Nevertheless television is immensely important in widening access to film, while the top films give a more rounded picture of what the UK enjoys watching.

Facts in focus

- **2,237 films were shown on terrestrial channels in 2004, down 4% on 2003. This is an average of just over six films per day. Of these 509 (23%) were UK films, and 60 (2.7%) were foreign language films.**
- **An average of 2.3 million people watched each film on peak time TV (down from 2.8 million in 2003), compared to median audiences for the top 50 films at the cinema of 1.9 million.**
- **The top film on terrestrial television was *Shrek* on BBC1, with 9.5 million viewers.**
- **Multi-channel television accounted for over 26% of the UK television audience in 2004, up from 24% in 2003.**

11.1 Programming

Table 11.1 shows the number of feature films broadcast on the five terrestrial network channels in 2004 and the total number of UK titles broadcast in that time, broken down into older titles (more than eight years old) and recent theatrical releases (released in the last eight years). Here, UK film includes all titles listed as UK-originated in the Broadcaster's Audience Research Board (BARB) genre field, plus UK co-productions categorised as other countries (mostly USA) in the BARB data.

The number of films on terrestrial television fell by 4% in 2004, although the proportion of recent UK films increased to 5.3%.

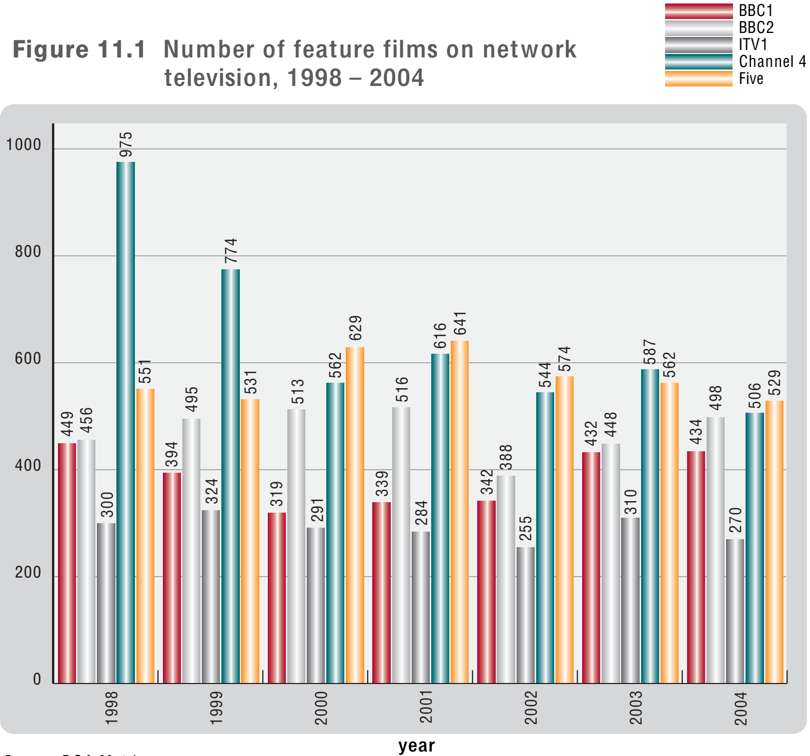
Table 11.1 Feature films broadcast on network television, 2004

Channel	Total no. of films broadcast	Total no. of UK films broadcast	No. of UK films more than 8 years old	No. of recent UK films less than 8 years old	No. of recent UK films as % of total films
BBC1	434	106	79	27	6.2
BBC2	498	138	90	48	9.6
ITV1	270	44	35	9	3.3
Channel 4	506	180	147	33	6.5
Five	529	41	39	2	0.4
Total	**2,237**	**509**	**390**	**119**	**5.3**

Source: BARB, DGA Metrics, RSU analysis

The number of slots for feature films on network television declined from 1998 to 2002, increased slightly in 2003, only to fall again in 2004, as **Figure 11.1** shows.

Figure 11.1 Number of feature films on network television, 1998 – 2004



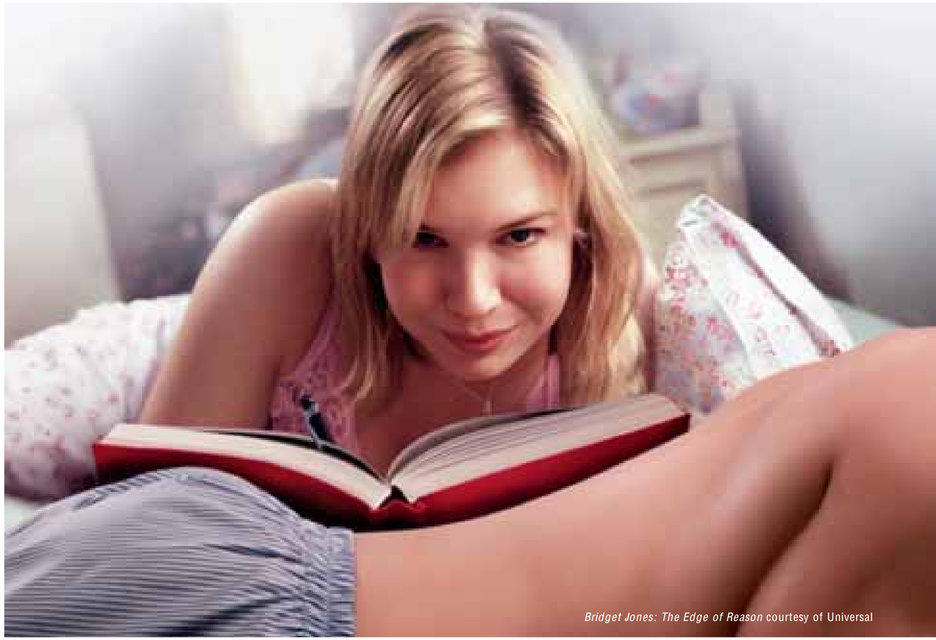
Source: DGA Metrics

Only 60 foreign language films were broadcast on network television in 2004 (2.7% of the total) as shown in **Table 11.2**. The vast majority of foreign language films carried subtitles as opposed to dubbing in English.

Table 11.2 Foreign language films on network television, 2004

Channel	Total no. of films broadcast	Dubbed	Subtitled	% Foreign language films
BBC1	434	5	2	1.6
BBC2	498	3	15	3.6
ITV1	270	0	0	0
Channel 4	506	0	32	6.3
Five	529	3	0	0.6
Total	**2,237**	**11**	**49**	**2.7**

Source: BARB, DGA Metrics, RSU analysis

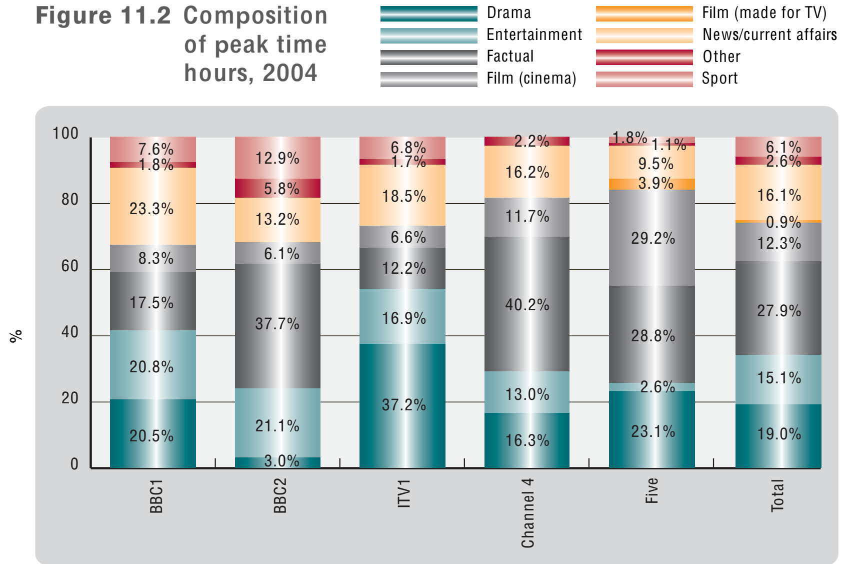


Bridget Jones: The Edge of Reason courtesy of Universal

11.2 Peak time

The proportion of peak time hours (18:00 to 23:59 hours) given over to films varied widely across the terrestrial channels. Film represented 8.3% of programming on BBC1, 6.1% on BBC2, 6.6% on ITV1, 11.7% on Channel 4 and 29.2% on Five (**Figure 11.2**).

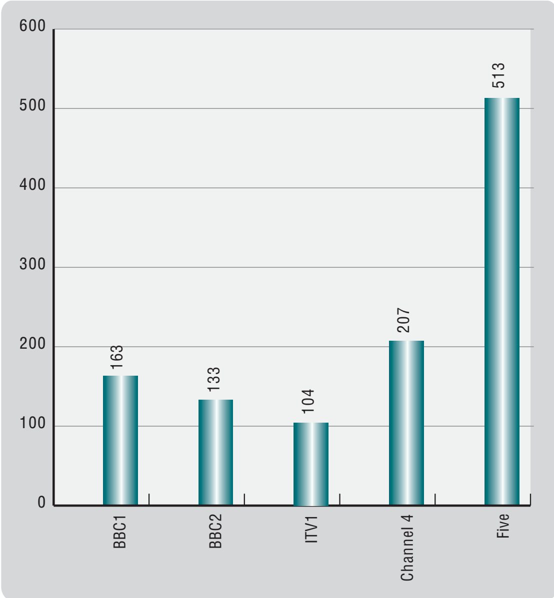
Figure 11.2 Composition of peak time hours, 2004



Source: DGA Metrics

The total number of broadcast hours for film per channel in peak time is shown in **Figure 11.3**. Channel Five transmitted 513 hours of film at peak times over 2004, whereas ITV1 showed 104 hours.

Figure 11.3 Hours of film in peak time, 2004

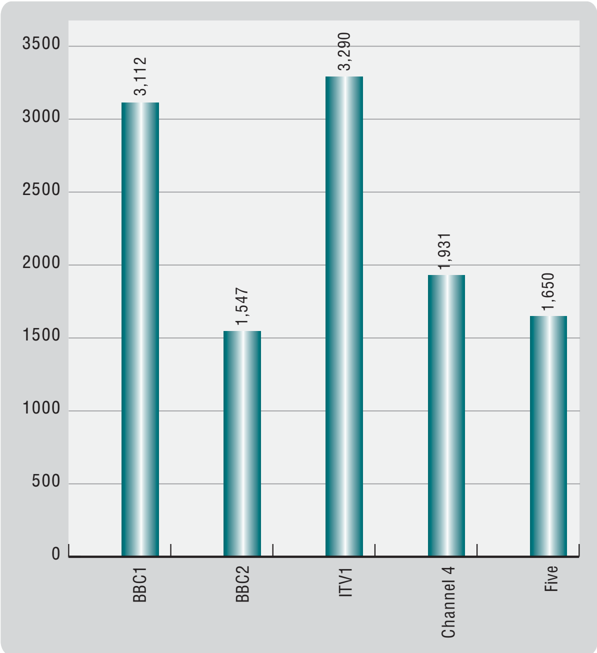


Source: DGA Metrics

11.3 Audiences

The average audience for a film shown on peak time network television was 3.1 million on BBC1, 1.5 million on BBC2, 3.3 million on ITV1, 1.9 million on Channel 4 and 1.7 million on Five (**Figure 11.4**). This compares with the median cinema admissions for top 50 films of approximately 1.9 million, demonstrating television's potential for broadening access to film.

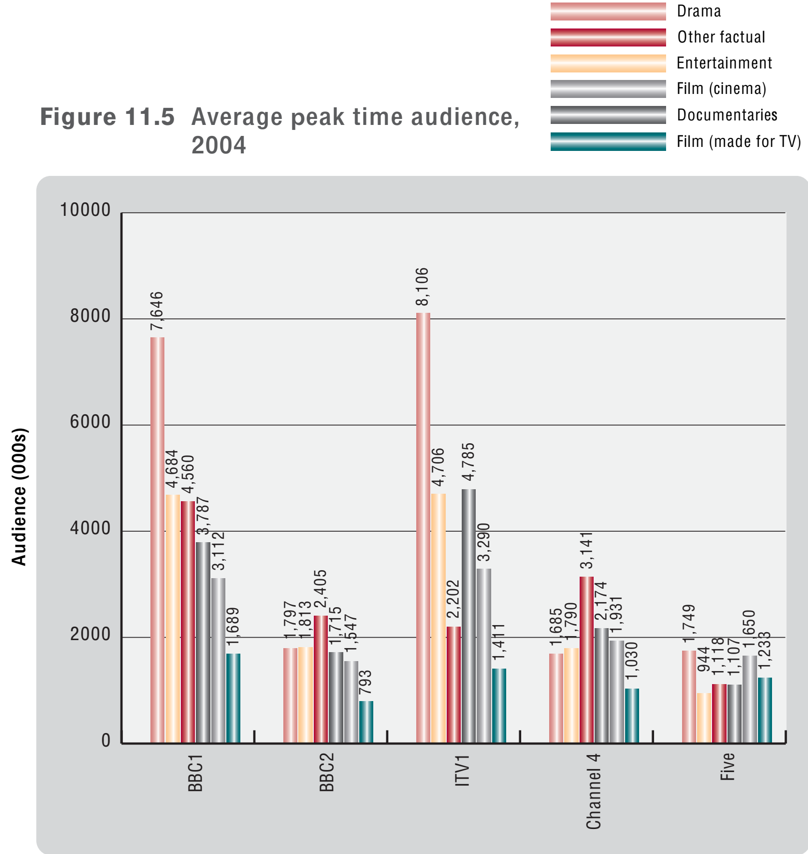
Figure 11.4 Average audience for peak time film (000s), 2004



Source: BARB, DGA Metrics

This compares favourably with average peak time audiences for other types of programming on BBC2, Channel 4 and Five but well below that achieved by the likes of drama (including soap operas) and general entertainment on BBC1 and ITV1, as shown in **Figure 11.5**.

Figure 11.5 Average peak time audience, 2004



Source: BARB, DGA Metrics

The most popular film on terrestrial television was *Shrek*, with over 9 million viewers tuning in to its premiere showing on BBC1 (**Table 11.3**). In theatrical terms, this is equivalent to a box office gross of £43 million (by way of comparison the film actually made £29 million at the UK box office). In population terms, almost one person in six watched this one film.

Table 11.3 Top 10 films on network television, 2004

	Film	Channel	Country of origin	Year of theatrical release	Audience (m)
1	Shrek	BBC1	USA	2001	9.5
2	What Women Want	BBC1	USA	2000	8.9
3	Unbreakable	ITV1	USA	2000	8.7
4	Harry Potter and the Philosopher's Stone	BBC1	UK/USA	2001	8.4
5	Die Another Day	ITV1	UK/USA	2002	7.5
6	Lara Croft: Tomb Raider	BBC1	UK/USA	2001	7.0
7	About a Boy	ITV1	UK/USA	2002	6.9
8	What Lies Beneath	ITV1	USA	2000	6.8
9	The World is not Enough	ITV1	UK/USA	1999	6.7
10	Bridget Jones's Diary	Channel 4	UK/USA	2001	6.5

Source: BARB, DGA Metrics

The top 10 UK films of 2004, shown in **Table 11.4**, included the premiere showings of five recent British films: *Harry Potter and the Philosopher's Stone, Die Another Day, Lara Croft: Tomb Raider, About a Boy* and *Bridget Jones's Diary.*

Table 11.4 Top 10 UK-originated films on network television, 2004

	Film	Channel	Country of origin	Year of theatrical release	Audience (m)
1	Harry Potter and the Philosopher's Stone	BBC1	UK/USA	2001	8.4
2	Die Another Day	ITV1	UK/USA	2002	7.5
3	Lara Croft: Tomb Raider	BBC1	UK/ USA/Ger	2001	7.0
4	About a Boy	ITV1	UK/USA	2002	6.9
5	The World is not Enough	ITV1	UK/USA	1999	6.7
6	Bridget Jones's Diary	Channel 4	UK/USA	2001	6.5
7	The Italian Job	BBC1	UK	1969	5.1
8	The Mummy Returns	ITV1	UK/USA	2001	4.9
9	Tomorrow Never Dies	ITV1	UK/USA	1997	4.7
10	Notting Hill	Channel 4	UK/USA	1999	4.3

Source: BARB, DGA Metrics

Significantly, the top 10 foreign language films broadcast on UK network television in 2004 were all from the martial arts genre, and produced to a greater or lesser extent by Hong Kong-based production companies. The BBC1 Jet Li season explains the fact that six of his films feature in the chart. The top film, *Crouching Tiger, Hidden Dragon,* was by far the most successful foreign language film, attracting 3.5 million viewers to Channel 4 for its premiere broadcast.

Table 11.5 Top 10 foreign language films on network television, 2004

	Film	Channel	Country of origin	Language	Audience (m)
1	Crouching Tiger, Hidden Dragon	Channel 4	Tai/HK/Chi	Mandarin	3.5
2	Jackie Chan's First Strike	Five	HK/USA	Cantonese/ Mandarin/ English	2.2
3	The Legend II (Jet Li)	BBC1	HK	Cantonese	1.5
4	Jet Li's The Defender	BBC1	HK/Jap	Cantonese/ Japanese/ English	1.3
5	Jackie Chan's Police Story	Five	HK	Cantonese	1.2
6	Twin Warriors (Jet Li)	BBC1	HK	Cantonese	1.2
7	Jet Li's Fist of Legend	BBC1	HK	Cantonese/ Japanese/ English	1.1
8	Jet Li's The Enforcer	BBC1	HK	Cantonese	1.0
9	Thunderbolt (Jackie Chan)	BBC1	HK	Cantonese/ English/ Japanese	1.0
10	Jet Li's The Legend	BBC1	HK	Cantonese	1.0

Source: BARB, DGA Metrics, IMDb, RSU analysis

The top European language film broadcast last year was *Sex and Lucia* with 800,000 viewers. Eight of the top titles were shown on BBC2, with the remainder broadcast on Channel 4. The dominant language was French, which featured in six of the top 10 films.

Table 11.6 Top 10 European language films on network television, 2004

	Film	Channel	Country of origin	Language	Audience (m)
1	Sex and Lucia	Channel 4	Spa/Fra	Spanish/ English	0.8
2	Asterix and Cleopatra	BBC2	Fra/Bel	French	0.6
3	Asterix the Gaul	BBC2	Fra/Bel	French	0.5
4	The Experiment	BBC2	Ger	German	0.4
5	The Closet	BBC2	Fra	French	0.4
6	The Twelve Tasks of Asterix	BBC2	Fra	French	0.4
7	The Son's Room	BBC2	Ita/Fra	Italian	0.3
8	Divided We Fall	BBC2	Czech Rep	German/ Czech	0.3
9	Presque Rien	Channel 4	Fra/Bel	French	0.3
10	Time Out	BBC2	Fra	French	0.2

Source: BARB, DGA Metrics, RSU analysis

11.4 Films on cable and satellite TV

Table 11.7 shows the audience share for satellite/cable multi-channel television has continued to grow in the last few years. Multi-channel TV accounted for 26.2% of the UK television audience in 2004, up from 23.6% in 2003.

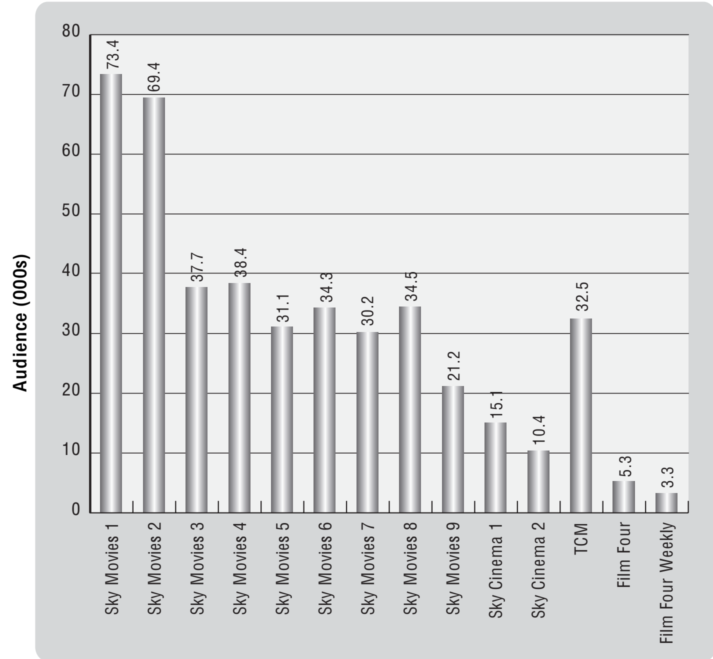
Table 11.7 TV percentage audience shares, 1999 – 2004

Year	BBC1	BBC2	ITV1	Channel 4	Five	Others
1999	28.4	10.8	31.2	10.3	5.4	14.0
2000	27.2	10.8	29.3	10.5	5.7	16.6
2001	26.9	11.1	26.7	10.0	5.8	19.6
2002	26.2	11.4	24.1	10.0	6.3	22.1
2003	25.6	11.0	23.7	9.4	6.5	23.6
2004	24.7	10.0	22.8	9.7	6.6	26.2

Source: DGA Metrics, BARB

A wide range of film channels is available across all digital platforms. The most significant of these, in terms of average peak time audience size, are the Sky movie channels, followed by TCM (**Figure 11.6**).

Figure 11.6 Average peak time audience for film channels on cable and satellite TV, 2004



Source: DGA Metrics, BARB

The top film on multi-channel television in 2004 was *Crocodile Dundee*, which attracted just over 900,000 viewers on ITV2 (**Table 11.8**).

Table 11.8 Top 10 feature films on multi-channel television, 2004

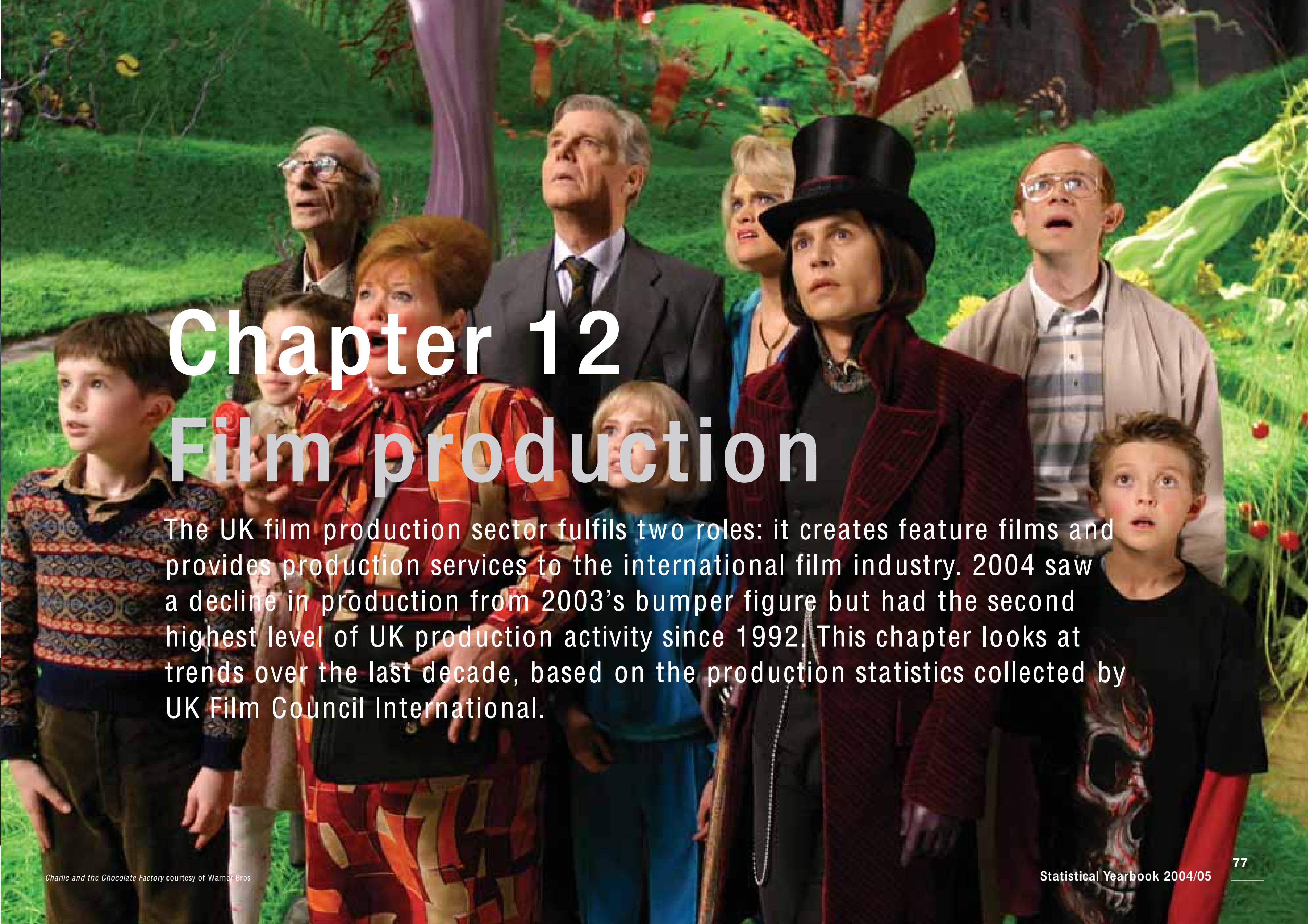
	Film	Channel	Country of origin	Year of theatrical release	Audience (m)
1	Crocodile Dundee	ITV2	USA	1986	0.91
2	True Lies	ITV2	USA	1994	0.88
3	Grease	ITV2	USA	1978	0.76
4	Die Hard 2	ITV2	USA	1990	0.74
5	Sister Act	ITV3	USA	1992	0.74
6	Die Hard	ITV2	USA	1989	0.72
7	10 Things I Hate About You	ITV2	USA	1999	0.71
8	Men In Black II	Sky Movies 1	USA	2002	0.71
9	Spider-Man	Sky Movies 1	USA	2002	0.70
10	Pretty Woman	ITV2	USA	1990	0.68

Source: DGA Metrics, BARB

About a Boy courtesy of Universal

See also

- For more information about top films on cinema release see chapter 2 (p.14)
- For an overview of the performance of films on video see chapter 10 (p.61)
- For details about the UK Film Council broadcasting strategy see the Annual Review p.11



Chapter 12
Film production

The UK film production sector fulfils two roles: it creates feature films and provides production services to the international film industry. 2004 saw a decline in production from 2003's bumper figure but had the second highest level of UK production activity since 1992. This chapter looks at trends over the last decade, based on the production statistics collected by UK Film Council International.

Charlie and the Chocolate Factory courtesy of Warner Bros

Facts in focus

- 2004 saw an easing in UK production activity from the historic peak of 2003, to £812 million. This was the second highest figure for the period for which information is available (1992-2004).
- US studios accounted for 84% of inward feature investment and for 13 out of 20 inward features (single country and co-productions).
- The numbers and value of domestic features and UK co-productions fell significantly from their 2003 levels.
- Budget trends diverged in 2004, with average inward investment (single country) budgets increasing substantially (from £27m to £36m), while average domestic budgets fell (from £6.1m to £4.4m).
- There were far fewer inward investment co-productions in 2004 (3) than in 2003 (13) and their average budget also decreased.
- The UK participated in 86 co-productions (other than inward co-productions) in 2004.
- Most UK co-productions were shot in the UK or Western Europe.
- A significant number of co-productions were shot in Australia, New Zealand, South Africa, Central America and the Caribbean.
- UK film production was dispersed over many production companies, with only a small minority being involved with more than one feature.

12.1 The value of UK production, in 2004

UK production activity eased back to £812 million in 2004 from the particularly high level of £1,158 million in 2003.

There were 20 inward investment productions in 2004, with a UK production value of £549 million (see **Table 12.1**, which also gives definitions). Big budget films contributing to this figure were: *Harry Potter and the Goblet of Fire, Batman Begins, Charlie and the Chocolate Factory* and the *Hitchhiker's Guide to the Galaxy.* The high international visibility of these titles illustrates the continuing importance of UK film production in the global film industry.

There were 27 domestic features in 2004 to a value of £118 million. Larger budget films contributing to this total included: *Nanny McPhee, Pride and Prejudice, Mrs Henderson Presents, The Dark* and *The Adventures of Greyfriars Bobby.*

UK co-productions (other than inward) fell from 99 to 86, with UK spend dropping from £159 million to £146 million. Films in this category included *Oliver Twist, Man to Man, Somebody Loves You, Merry Christmas* and *Hotel Rwanda.*

Harry Potter and the Goblet of Fire courtesy of Warner Bros

Table 12.1 Feature film production activity, 2003 – 2004

	Number of productions 2003	Value (£m) 2003	Number of productions 2004	Value (£m) 2004
Inward feature films (single country)	17	409.7	17	476.9
Inward feature films (co-productions)	13	319.9	3	71.6
Total inward investment	**30**	**729.5**	**20**	**548.5**
Domestic UK feature films	44	269.3	27	117.8
UK co-productions (other than inward)	99	158.9	86	145.6
Total production investment	**173**	**1,157.7**	**133**	**811.9**

Source: UK Film Council International

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

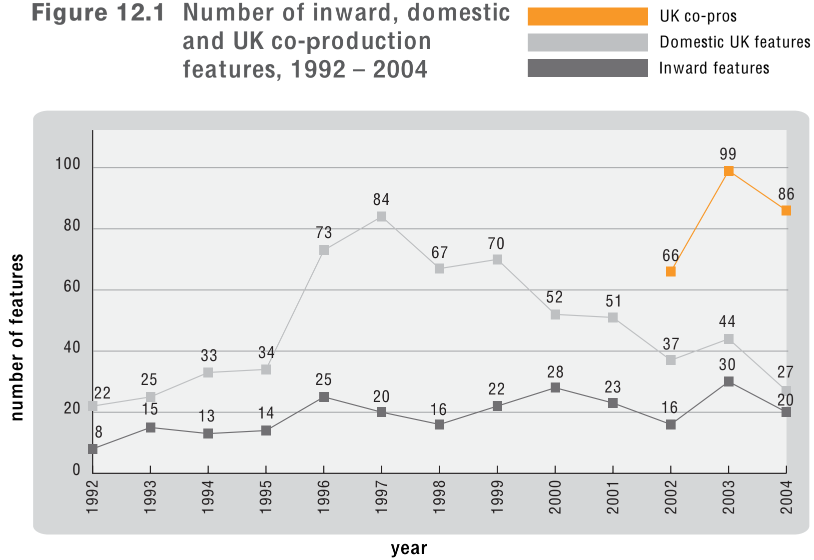
Measurement
5. The total budget is counted for all productions which are likely to qualify as British under Schedule 1 of the Films Act 1985.
6. Only UK spend is counted for co-productions.
7. Spend is allocated to the year in which principal photography started

Exclusions
8. The provision of UK production and post-production services to films other than those identified in Table 12.1 is not included.
9. Spending on films with budgets under £500,000 is not included

12.2 Inward, domestic and UK co-production features, 1992 – 2004

Figure 12.1 puts the 2004 figures in a longer time perspective. The decline in domestic features since 1997 has occurred alongside a substantial growth in co-production activity, suggesting it is easier to make films as official co-productions than as stand-alone UK productions. Inward features, while fewer in 2004 than in 2003, show a decade-long upward trend. When co-productions are included, the 2004 total was the second highest annual total for the 1992 to 2004 period.

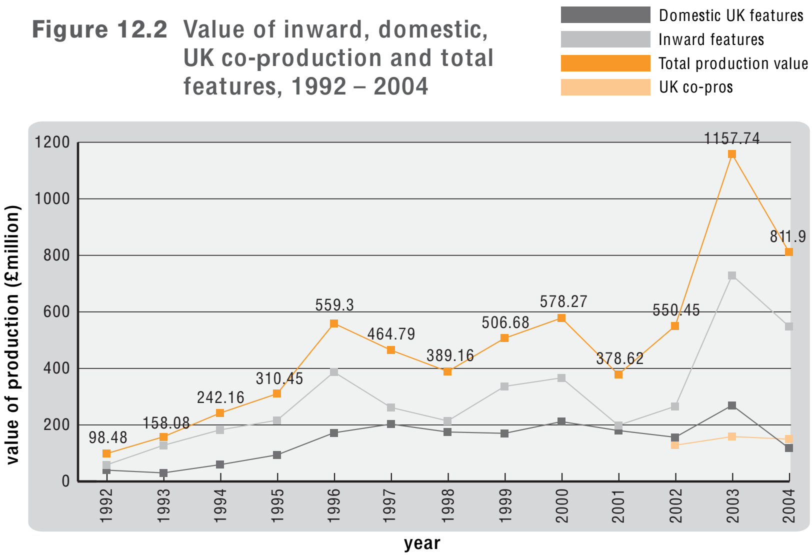
Figure 12.1 Number of inward, domestic and UK co-production features, 1992 – 2004



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

The value of UK production in 2004 was significantly lower than 2003, but was still the second highest annual level for the period 1992-2004 (**Figure 12.2**). Since 1997, the increase in production value has been driven by inward features and UK co-productions, with the value of domestic features staying roughly level from 1997 to 2002, rising in 2003 and dipping significantly in 2004.

Figure 12.2 Value of inward, domestic, UK co-production and total features, 1992 – 2004



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

12.3 Budget trends

Table 12.2 shows a divergence in budget trends in 2004. The median and average budgets for single country inward investment films once again increased strongly, reflecting the global trend towards higher budgets for major productions. On the other hand, the median and average budgets for domestic productions fell. For UK co-productions, there was a significant rise in the median budget but a fall in the average budget, reflecting a fall in the number of higher budget UK co-productions.

Table 12.2 Comparison of median and average budgets, 2002 – 2004

Production category	Median budget (£m)			Average budget (£m)		
	2002	2003	2004	2002	2003	2004
Inward features (single country)	6.9	12.1	16.5	17.0	26.5	36.0
Inward features (co-productions)	25.0	46.6	38.1	32.3	51.6	47.4
Domestic UK productions	2.0	3.0	2.9	4.2	6.1	4.4
Co-productions (other than inward)	3.2	3.5	4.4	6.0	5.5	5.4

Source: UK Film Council International, RSU analysis
Notes: 'Average budget' is the arithmetical mean (ie total budget divided by total number of films in the category). 'Median budget' is the middle value (ie there are equal numbers of films above and below the median budget). Where the average is higher than the median (as it is with all the categories in Table 12.2) this indicates that the average has been skewed upwards by a relatively small number of high budget films

12.4 Size distribution of budgets

The size distribution of the budgets for the four categories of film is shown in **Tables 12.3** to **12.6**. Six features with budgets of over £30 million accounted for 79.2% of the aggregate budget for inward features (single country). Only five out of 17 features had budgets of less than £10 million.

Table 12.3 Size distribution of budgets, inward features (single country), 2004

Budget band (£m)	Number	Total budget in band (£m)	% of total budget
£30m +	6	485.1	79.2
£10-£30m	6	98.9	16.1
Under £10m	5	28.4	4.6
Total	**17**	**612.4**	**100.0**

Source: UK Film Council International, RSU analysis

All the inward features (co-productions) had budgets of £10 million or more. For confidentiality reasons, because of the small number of productions in this category, the results for the £10-£30 million and £30 million plus categories cannot be shown separately.

Table 12.4 Size distribution of budgets, inward features (co-productions), 2004

Budget band (£m)	Number	Total budget in band (£m)	% of total budget
£10m+	3	142.2	100.0
Under £10m	0	0.0	
Total	**3**	**142.2**	**100.0**

Source: UK Film Council International, RSU analysis

There were no domestic UK features with budgets over £30 million in 2004, compared with three with a combined budget of £115 million in 2003. There was also a sharp reduction in the number of films in the £5-£10 million band – only four (ten in 2003), with a combined budget of £23 million (£63 million in 2003).

Table 12.5 Size distribution of budgets, domestic UK features, 2004

Budget band (£m)	Number	Total budget in band (£m)	% of total budget
£30m+	0	0.0	0.0
£10-£30m	3	44.9	38.2
£5-10m	4	23.2	19.7
£2-5m	10	34.3	29.1
£0.5-2m	10	15.3	13.0
Total	**27**	**117.8**	**100.0**

Source: UK Film Council International, RSU analysis

Most co-productions (other than inward) were in the budget range £2-£10 million (66 out of 86) accounting for 70% of the combined budget. There were substantially fewer co-productions in the budget bands £10-30 million and £0.5-£2 million compared with 2003.

Table 12.6 Size distribution of budgets, UK co-productions (other than inward), 2004

Budget band (£m)	Number	Total budget in band (£m)	% of total budget
£30m+	0	0.0	0.0
£10-£30m	9	124.7	27.0
£5-10m	28	200.1	43.4
£2-5m	38	120.3	26.1
£0.5-2m	11	16.2	3.5
Total	**86**	**461.2**	**100.0**

Source: UK Film Council International, RSU analysis

12.5 Big budget productions, 2002 – 2004

Table 12.7 shows the increasing polarisation in film budgets. The only category of film with an increase in big budget productions in 2004 was inward investment (single country). In the other categories there were either no big budget productions or a steep decrease on 2003.

Table 12.7 Films with budgets of £30m+, 2002 – 2004

Category	Number of films with budgets of £30m+			Value of associated UK spend (£m)		
	2002	2003	2004	2002	2003	2004
Inward (single)	2	4	6	155.5	263.2	485.1
Inward (co-pro)	1	8	n/a	26.1	293.4	n/a
Domestic UK	0	3	0	0.0	115.0	0
Co-pro (other than inward)	2	0	0	15.0	0.0	0
Total	**5**	**15**	**n/a**	**196.6**	**671.6**	**n/a**

Source: UK Film Council International, RSU analysis
Note: n/a indicates a number of films too small to be shown separately for confidentiality reasons

12.6 UK share of co-production expenditure

Tables 12.8 and **12.9** show the UK expenditure shares by budget band for inward co-productions and co-productions (other than inward) respectively. For inward co-productions the UK expenditure share was relatively high, at around 50%.

Table 12.8 UK expenditure share by budget band, inward co-productions, 2004

Budget band (£m)	Number	Total budget in band (£m)	UK spend in band (£m)	UK spend as % of band total
£10m+	3	142.2	71.6	50.3
Under £10m	0	0	0	n/a
Total	**3**	**142.2**	**71.6**	**50.3**

Source: UK Film Council International, RSU analysis

For the remaining co-productions (the majority), the UK expenditure share was substantially lower, at 31.6%, as shown in **Table 12.9**. The highest UK expenditure share was in the £2-5 million budget band (35.5%).

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

Budget band (£m)	Number	Total budget in band (£m)	UK spend in band (£m)	UK spend as % of band total
£30m+	0	0	0	n/a
£10-£30m	9	124.7	39.1	31.4
£5-10m	28	200.1	59.4	29.7
£2-5m	38	120.3	42.7	35.5
£0.5-2m	11	16.2	4.3	26.5
Total	**86**	**461.2**	**145.6**	**31.6**

Source: UK Film Council International, RSU analysis

12.7 Partners in UK co-productions

Table 12.10 shows a slight increase in 2004 in the proportion of co-productions for which the UK was the major funder (19 out of 86, compared with 18 out of 99 in 2003). There were significant falls in the number of co-productions with France and Canada as the major partners, possibly reflecting a tightening of certification rules in relation to those two countries. There were falls in the numbers of co-productions with Germany and the Netherlands as the major source of funding, but a rise in the number of co-productions principally funded from Spain.

Table 12.10 UK co-productions, principal country participants, 2003 – 2004

Principal country participant	Number of UK co-productions 2003	2004
UK	18	19
France	22	12
Canada	16	9
Denmark	4	5
Ireland	6	5
Spain	1	5
Italy	7	4
Australia	2	3
New Zealand	3	3
Romania	1	3
Germany	7	2
Luxembourg	1	2
Netherlands	5	1
Czech Republic	2	0
South Africa	2	1
Other	2	4
Not available	-	8
Total	**99**	**86**

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

12.8 UK co-productions by country of shoot

Table 12.11 shows the shoot locations for UK co-productions (not including inward investment) in 2004. The most frequent locations were in the UK (18 productions), France (8), Spain (8), Canada (7), Luxembourg (6), Germany and Romania (5 each). Some films were shot in more than one country and are therefore counted more than once.

Table 12.11 UK co-productions, country of shoot, 2004

Country	Number of productions
Not available	19
UK	18
France	8
Spain	8
Canada	7
Luxembourg	6
Germany	5
Romania	5
Italy	5
Ireland	4
Australia	4
Isle of Man	3
New Zealand	3
South Africa	2
Denmark	2
Sweden	2
Iceland	2
Others	13

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

Table 12.12 shows the shoot locations by region for UK co-productions shot abroad between 2002 and 2004. Western Europe (not including the UK) was once again the most frequent destination. The 2003 surge in shoots in Eastern Europe and Russia was not repeated. Significant numbers of co-productions were shot in Australia, New Zealand, South Africa, Central America and the Caribbean.

Table 12.12 Location of shoot by region, UK co-productions shot abroad, 2002 – 2004

Region	Shot abroad in 2002	Shot abroad in 2003	Shot abroad in 2004
Not available	-	33	19
Western Europe	30	42	49
North America	15	8	7
South & Central America, Caribbean	4	0	4
Eastern Europe and Russia	4	16	8
Australia and New Zealand	3	4	7
Asia	1	3	0
Southern Africa	-	5	4

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

12.9 Production company activity levels

UK film production in 2004 was, as usual, dispersed over a large number of production companies, as shown in **Table 12.13**. UK Film Council International recorded 250 production companies associated with films shot in the UK or co-productions involving the UK in 2004. Of these, 229 companies were associated with a single feature. A considerable number of these are likely to have been single-purpose vehicles (these are further explained in section 13.1). The most prolific production company was associated with nine features, followed by two companies with five features, one with four and five with three.

Table 12.13 Film production company activity in 2004

Number of features	Number of companies
9	1
5 each	2
4	1
3 each	5
2 each	12
1 each	229

Source: UK Film Council International, RSU analysis
Notes: Includes all types of films involving the UK. Films frequently have several production companies associated with them, so the sum of (number of features) x (number of companies) is substantially greater than the total number of features involving the UK in 2004

12.10 US studios' involvement in inward features

As usual, US studios were the dominant force in inward film investment into the UK in 2004. These accounted for 13 out of 20 inward features (single country and co-productions) and for £460 million out of £549 million in UK spend associated with these features (84%) (**Table 12.14**).

Table 12.14 US studios' involvement in inward features (single country and co-productions), 2004

Studio	Number of inward features in 2004
Disney	2
Warner Bros	6
Fox	1
New Line	1
Universal	2
Columbia (Sony)	1
Total	**13**

Source: UK Film Council International, RSU analysis
Note: In addition to the two films indicated above, Universal Pictures had significant involvement in UK production through its UK partner Working Title Films which produced two features in 2004 defined for the purpose of these statistics as domestic UK films

The Hitchikers Guide to the Galaxy courtesy of BVI

Batman Begins courtesy of Warner Bros

See also

- Information about film companies is given in chapter 13 (p.86)
- For details about employment in the film production sector, see Chapter 15 (p.101)
- For more information about the UK film economy see chapter 14 (p.93)
- For a summary of UK Film Council development and production funds' activity in 2004 see the Annual Review p.14-18

Chapter 13
Film industry companies

The number of film production companies has grown rapidly since 1996. Many of these companies are small in size but there has also been expansion in the bigger companies. Most of the leading film companies in Europe are of US, French or UK origin.

House of Flying Daggers courtesy of Pathé Pictures International

Facts in focus

- The number of film production companies grew by 202% between 1996 and 2004.
- The number of small production companies grew the most, but the largest turnover size group also grew.
- In the distribution and exhibition sectors, numbers grew in the larger turnover brackets.
- US majors, video distributors and exhibitors were prominent in the top 13 UK film companies in 2002.
- The top six UK film production companies had a turnover in 2002 of nearly €170 million.
- Across Europe, French companies were prominent in addition to the US majors.
- French companies were also prominent in the top 15 European film production companies.
- Only six non–single-purpose vehicle UK companies could be identified in the top 50 European film production companies in 2002.

13.1 Number of companies in the film and video industries, 1996 – 2004

The number of companies involved in the film and video industries has grown rapidly in the last nine years, particularly in the production sector where the number of companies has grown by 202%, compared with the UK average of 17% (**Table 13.1**).

Bad Education courtesy of Pathé Pictures International

Table 13.1 Number of companies registered for VAT by industry group, 1996 – 2004

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
Percentage growth 1996 – 2004	**202%**	**28%**	**29%**	**17%**

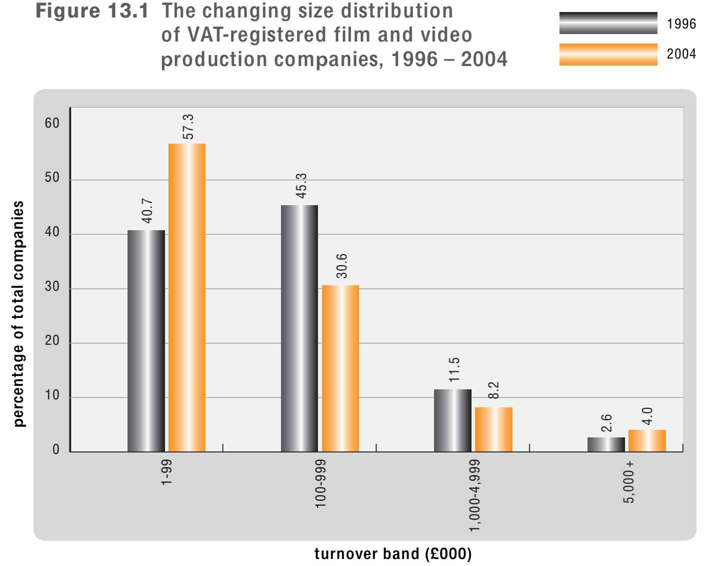
Source: Office of National Statistics

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 900 SPVs would have been formed since 1996. This still leaves a net growth in film and video production companies of over 2,600 companies (151%) between 1996 and 2004.

13.2 The size distribution of film companies, 1996 – 2004

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 annual turnover band increased from 41% to 57% of the total between 1996 and 2004 **(Figure 13.1)**, compared with a reduction from 53% to 44% for the same turnover band for UK all industries **(Figure 13.4)**. Interestingly, there was also a significant increase in the number and proportion of *large* film and video production companies (turnover £5 million plus).

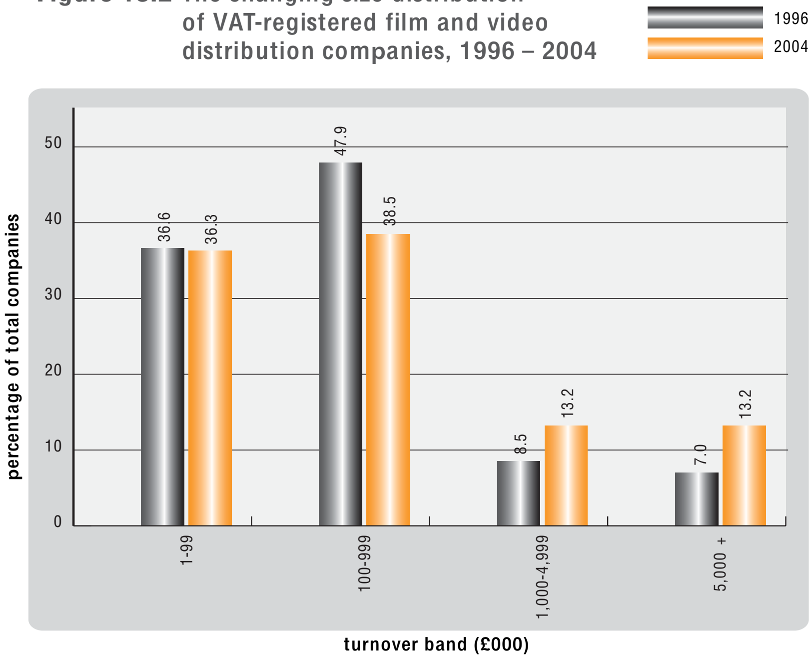
Figure 13.1 The changing size distribution of VAT-registered film and video production companies, 1996 – 2004



Source: Office of National Statistics, RSU analysis

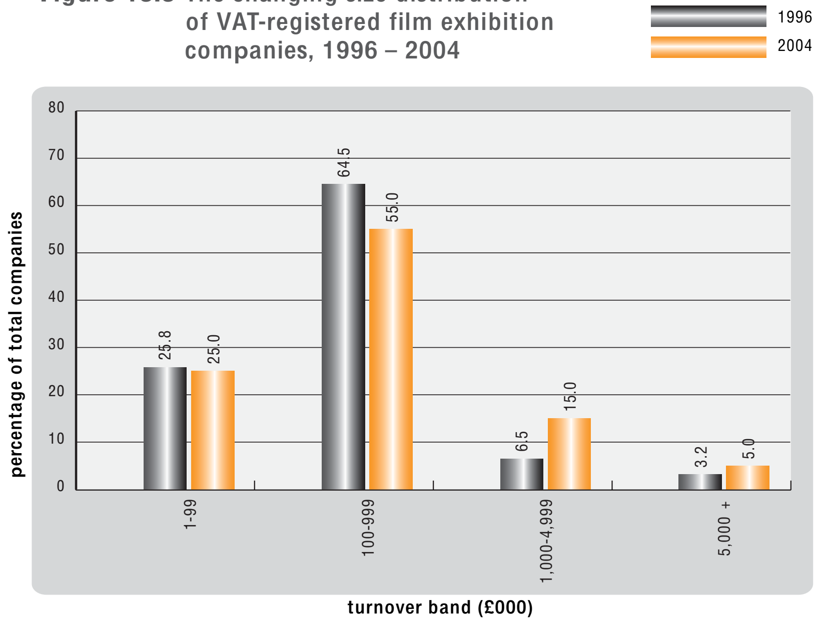
For the film distribution and exhibition sectors (**Figures 13.2** and **13.3**) the growth has been in the larger turnover size brackets, above £1 million per year.

Figure 13.2 The changing size distribution of VAT-registered film and video distribution companies, 1996 – 2004



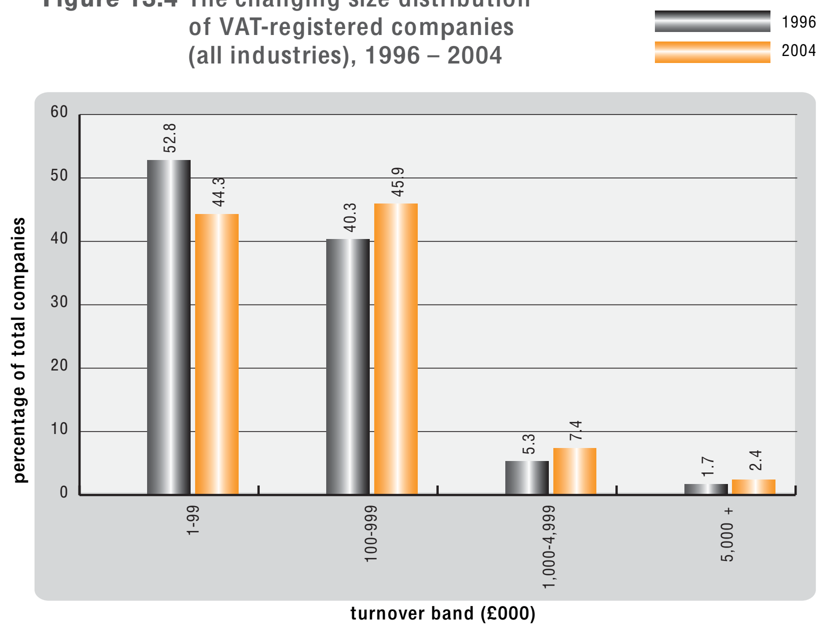
Source: Office of National Statistics, RSU analysis

Figure 13.3 The changing size distribution of VAT-registered film exhibition companies, 1996 – 2004



Source: Office of National Statistics, RSU analysis

Figure 13.4 The changing size distribution of VAT-registered companies (all industries), 1996 – 2004



Source: Office of National Statistics, RSU analysis

13.3 Leading film companies in the UK and Europe

Table 13.2 shows the top 13 film companies in the UK in 2002 (the most recent year for which we have data) as identified by the European Audiovisual Observatory. Several interesting features stand out:

- the prominence of the US majors
- the importance of undertaking multiple activities (production, distribution, television, rights, video)
- the relatively high position of two companies specialising in video
- the presence of five exhibitors in the list
- only one UK distributor (Entertainment)
- the absence of any UK-owned production companies.

Table 13.2 Top 13 film companies in the UK, 2002

	Company	Activities	Operating revenues €000
1	Walt Disney International	DISFILM, DISTV, RIGHTS, VID	1,302,582
2	Time Warner Entertainment	DISFILM, DISTV, VID	938,698
3	Odeon	EXH	*283,863
4	Columbia Pictures Video	VID	253,316
5	20th Century Fox Home Entertainment	VID	*246,979
6	The Entertainment Group of Companies	DISFILM, VID	245,650
7	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	171,505
8	Cine-UK	EXH	125,029
9	VUE Cinemas (UK)	EXH	*121,930
10	Columbia Pictures Corporation	PRODFILM, DISFILM, VID	117,515
11	Warner Village Exhibition	EXH	111,171
12	National Amusements (UK)	EXH	*103,244
13	Paramount British Pictures	PRODFILM	91,991

Source: European Audiovisual Observatory, 2004 Yearbook
* 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, UGC, Europalaces and Canal+, indicating the continued corporate strength of the French film industry (**Table 13.3**). Six exhibitors appeared. Odeon was the only non-US British company in the top 15.

Table 13.3 Top 15 film production companies in Europe, 2003

	Company	Activities	Country	Operating revenues €000
1	Walt Disney International	DISFILM, DISTV, RIGHTS, VID	UK	*1,302,582
2	Time Warner Entertainment	DISFILM, DISTV, VID	UK	*938,698
3	Group Pathé	EXH, DISFILM, VID, RIGHTS, TV, PRODFILM	FR	631,000
4	United International Pictures BV	DISFILM	NL	545,093
5	Embassy Eagle Holdings	PRODFILM, DISFILM	NL	526,763
6	UGC	EXH, DISFILM, VID, RIGHTS, PRODFILM	FR	523,752
7	United Cinemas Intl Multiplex BV	EXH	NL	429,879
8	Europalaces	EXH	FR	380,019
9	Groupe Canal+ (Cinéma)	PRODFILM, DISFILM, RIGHTS, VID	FR	351,000
10	Egmont Nordisk Film	DISFILM, VID	SE	345,285
11	RAI Cinema	PRODFILM, RIGHTS	IT	311,252
12	Odeon	EXH	UK	283,863
13	Warner Bros. France	VID	FR	*275,306
14	Medusa Film	PRODFILM, DISFILM, EXH, VID	IT	*262,479
15	Bavaria Film Gruppe	PRODFILM, PRODTV	DE	255,500

Source: European Audiovisual Observatory, 2004 Yearbook
* indicates 2002 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

13.4 Leading film production companies in the UK and Europe

Looking at film *production* only, ten out of the top 15 European production companies in 2003 were French and three were Italian, as **Table 13.4** shows. Only one UK company made the top 15: Tiger Aspect Productions.

Table 13.4 Top 15 film production companies in Europe, 2003

	Company	Nationality	Operating revenues €000
1	Groupe Canal+ (Cinéma)	FR	351,000
2	RAI Cinema	IT	311,252
3	Europa Corp	FR	*135,198
4	Pathé Renn Production	FR	120,069
5	AB Svensk Filmindustri	SWED	99,084
6	Gaumont	FR	70,247
7	UGC Images	FR	65,057
8	ARP	FR	63,330
9	Tiger Aspect Productions	UK	52,526
10	Filmauro	IT	51,492
11	TF1 Films Production	FR	43,101
12	R.P Productions	FR	*42,052
13	Cattleya	IT	38,476
14	MK2 S.A.	FR	*35,390
15	Fidélité	FR	35,979

Source: European Audiovisual Observatory, 2004 Yearbook
* indicates 2002 revenues

For the UK, the picture is blurred by the frequent use of single-purpose vehicles (SPV). Only six non-SPV UK film companies appear in the European Audiovisual Observatory's list of the top 50 European film production companies in 2002 as shown in **Table 13.5**.

Table 13.5 Top six UK film production companies, 2002. Not including single-purpose vehicles

	Company	Operating revenues €000
1	Tiger Aspect Productions	*52,526
2	Luna Pictures	29,565
3	Aardman Holdings	27,381
4	Intermedia Film Equites	26,388
5	Working Title Films	17,040
6	Promark Entertainment	**16,012

Source: European Audiovisual Observatory, 2004 Yearbook
* indicates 2003 revenues
** indicates 2001 revenues
Notes: (1) There were eight British single-purpose vehicles in the EAO's list of the top 50 European film production companies.
(2) EON Productions Ltd (makers of the *Bond* movies) is a candidate for this list, but EAO did not have sufficient information to rank it

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

Five Children and It courtesy of Pathé Pictures International

See also

- For film production company activity levels in 2004 see chapter 12 (p.77).
- For US studio involvement in UK film production in 2004 see chapter 12 (p.77)
- For leading film distributors in the UK in 2004 see chapter 6 (p.34)
- For leading film exhibitors in the UK in 2004 see chapter 7 (p.38)
- For numbers and size distribution of film workplaces in 2003 see chapter 15 (p.101)

Chapter 14
The UK film economy

The film industry is a large, and overall, profitable business in the UK. Film has made a positive contribution to the UK balance of payments every year since 1995. Moreover a new study indicates that every pound invested in the industry benefits the UK economy by up to £2.50.

Shaun of the Dead courtesy of Universal

Facts in focus

- **Total film industry turnover in 2002 was £3.5 billion, excluding television and video/DVD retail margins.**
- **Film accounted for 18% of the total revenues of all the UK screen industries.**
- **The UK film industry exported £633 million worth of services in 2003, made up of £400 million in royalties and £233 million in film production services.**
- **The 2003 trade surplus for film was £95 million. Film made a positive contribution to the UK balance of payments every year from 1995 – 2003.**
- **For every additional pound invested in the film industry, the UK economy expands by between £1.60 and £2.50, depending on the nation or region receiving the investment boost.**
- **The film industry had a profit margin of 21% on the basis of earnings before interest, tax, depreciation and amortisation (EBITDA).**
- **Distribution and exhibition accounted for the largest proportion of the value chain.**
- **London had the largest share of film sales to industry (69%), followed by the South East (10%) and the North West (5%).**
- **Film location shoots amounted to £260 million in 2002, with the main cost area being crew and other technical staff.**
- **The USA was the largest market for UK film exports, taking 50% of total exports in 2003.**
- **The EU was our second largest market, taking 33% of UK film exports.**

14.1 The economic impact of the UK screen industries

During 2004 the UK Film Council, in association with most of the UK's national and regional screen and development agencies, commissioned a report into the economic impact of the UK screen industries. The study was conducted by a consortium consisting of Cambridge Econometrics and Optima (David Graham and Associates and Oliver & Ohlbaum and Associates). It covered five screen industry sectors – film, TV, corporate video, advertising and interactive and was completed in April 2005. The reference year for the study was 2002, the latest year for which the necessary baseline official data were available. The core objective of the project was to derive estimates, by sector and region, of the economic multipliers applicable to increased expenditure on screen industry outputs, in other words the ultimate increase in the UK economy from every additional pound of film investment. Additionally, the study sought to reveal as much as possible about the strengths and weaknesses and dynamic inter-relationships of the screen industry value chains. Sections **14.2** to **14.7** present key data from the report relating to the UK film industry. Sections **14.8** and **14.9** present the official data on UK film industry overseas trade, as reported by the Office of National Statistics (ONS).

14.2 Turnover by screen industry sector

The study found that the total turnover of the film, TV, commercials and corporate video sectors in 2002 was £19.7 billion, of which film accounted for £3.5 billion (**Table 14.1**).

Table 14.1 Turnover of UK screen industries by sector, 2002

Sector	Turnover (£b)	% of total
Television	13.4	68.0
Film	3.5	17.8
Commercials	1.9	9.6
Corporate	0.9	4.6
Total (4 sectors)	**19.7**	**100.0**

Source: Cambridge Econometrics/Optima
Note: Film turnover includes the film exhibitor margin, but excludes the television transmission margin (which is part of television turnover) and the retail margin on DVD/video rental and retail (which, following the conventions of the Standard Industrial Classifications, is attributed to the UK retail sector rather than the screen industries)

14.3 Film sales to industry by nation and region

Of the £3.5 billion in film industry turnover, £2.3 billion is estimated to have consisted of sales to industry (that is, to other firms in the value chain). [1]**Table 14.2** shows the regional breakdown of film sales to industry. London had the largest share, at £1.6 billion (69%), followed by the South East (£227 million, 10%) and the North West (£123 million, 5%).

[1]The remaining £1.2 billion consists of retail sales and 'other' sales, the main component of which is sales to central and local government

Table 14.2 Film sales to industry by nation and region, 2002

Nation or region	Turnover (£m)	% of total
Scotland	60	2.6
Wales	20	0.9
Northern Ireland	25	1.1
North West	123	5.3
North East	26	1.1
Yorkshire & the Humber	38	1.6
West Midlands	55	2.4
East Midlands	31	1.3
East of England	52	2.2
South West	56	2.4
South East	227	9.8
London	1,613	69.3
Total	**2,326**	**100.0**

Source: Cambridge Econometrics/Optima

14.4 Film industry turnover by value chain activity

Distribution and exhibition was the largest component of the film industry value chain (£2.4 billion, 67%), followed by production (£890 million, 25%), post-production and pre-production as **Table 14.3** shows.

Table 14.3 Film industry turnover by value chain activity

Value chain activity	Turnover (£m)	% of total
Distribution and exhibition	2,363	66.6
Post-production	153	4.3
Production	890	25.1
Pre-production	140	3.9
Total	**3,546**	**100.0**

Source: Cambridge Econometrics/Optima

14.5 Profitability

In terms of earnings before interest, tax, depreciation and amortisation (EBITDA), all sectors of the UK screen industries were profitable in 2002. Total income was £20.3 billion (including £548m of public subsidies), total expenses were £15.6 billion, leaving an EBITDA margin of £4.7 billion (23.2%). The largest expenditure item was purchases of goods and services (£11.3 billion), followed by wages of £3.1 billion.

Out of the total EBITDA profit of £4.7 billion, the film industry accounted for £759 million, as shown in **Table 14.4**.

Table 14.4 Profitability of the UK screen industries, 2002

Sector	Total income (£m)	Total expenditure (£m)	EBITDA	EBITDA margin %
Film	3,644	2,885	759	20.8
TV	13,728	10,457	3,271	23.8
Commercials and corporate video	2,902	2,233	669	23.1
Total (4 sectors)	**20,274**	**15,575**	**4,699**	**23.2**

Source: Cambridge Econometrics/Optima

14.6 Location shoots

The study estimated that location shoots were worth £832 million in 2002, of which film accounted for £260 million, television £511 million and corporate video and commercials £61 million. The main cost area on location shoots was crew and other technical staff, amounting to 42.1% of the total. Cast and extras accounted for 13.6% of the total, followed by transport and parking (10.8%) and hotels and catering (10.7%) (**Table 14.5**).

Table 14.5 Cost breakdown of location shoots, UK screen industries, 2002

Item	% of total costs
Crew and other technical staff	42.1
Cast and extras	13.6
Transport and parking	10.8
Hotels and catering	10.7
Other	8.7
Set construction, props, etc	7.2
Hire of premises and location fees	6.5
Security	0.4
Total	**100.0**

Source: Cambridge Econometrics/Optima

14.7 The multiplied impacts of film investment

The study combined survey data on the income and expenditure patterns of screen industry companies with official data from the Annual Business Inquiry to populate an extended version of the Cambridge Econometrics Multisectoral Dynamic Model (MDM), an input-output model of the UK economy. By making a series of model runs, the multiplied effect on the UK economy of a given increase in export sales by each screen industry sector in each nation and region of the UK was calculated. Multiplier effects occur because an initial injection of expenditure has ripple effects through increased sales by supplying industries and increased consumer expenditure arising from the increased incomes of those benefiting from the direct and indirect increases in economic activity. The size of the multiplier is limited by the extent of 'leakages' to imports, taxation and savings.

Two tables of multipliers were calculated. The national and regional multipliers are shown in **Table 14.6** and the UK-wide multipliers in **Table 14.7**. The national/regional multiplier indicates the amount by which total output rises in the nation or region receiving the initial export sales boost in the specified sector. The UK-wide multiplier indicates the amount that total UK output increases as a result of the same initial boost in a particular sector in a particular nation or region.

Table 14.6 National and regional dynamic multipliers

	LO	SE	EE	SW	WM	EM	YH	NW	NE	WA	SC	NI
Film	1.1	1.0	0.9	0.9	0.8	0.8	0.8	0.9	0.8	0.8	0.9	0.8
TV	1.1	1.1	1.1	0.9	0.9	0.9	0.9	1.0	0.9	0.8	0.9	0.8
Corporate video	1.2	1.1	1.0	0.9	0.8	0.8	0.9	1.0	0.9	0.8	0.9	0.8
Advertising	1.2	1.2	1.0	0.9	0.8	0.9	0.9	1.0	0.9	0.8	0.9	0.8

Source: Cambridge Econometrics
Note: Multiplier = unit increase in the nation or region's entire value added per unit increase in export sales by firms in the specified industry and nation or region.

Key to nations and regions: LO London; SE South East; EE East of England; SW South West; WM West Midlands; EM East Midlands; YH Yorkshire and the Humber; NW North West; NE North East; WA Wales; SC Scotland; NI Northern Ireland

The national and regional multipliers vary between 0.8 and 1.2, the highest being in the corporate video and advertising sectors in London and the South East. The national and regional multipliers are frequently less than one, indicating the extent to which the national and regional sectors import inputs from outside their region and outside the UK.

Table 14.7 UK dynamic multipliers

	LO	SE	EE	SW	WM	EM	YH	NW	NE	WA	SC	NI
Film	1.8	2.0	2.1	2.4	1.8	1.8	2.0	1.9	2.1	2.4	2.5	1.6
TV	1.9	2.0	2.3	2.2	2.0	2.1	2.4	2.0	1.8	1.8	2.1	2.2
Corporate video	2.1	2.0	2.1	2.0	1.6	1.4	1.6	1.6	2.1	2.2	1.7	1.9
Advertising	2.1	2.5	2.3	2.2	1.5	1.4	1.7	1.8	1.9	2.1	2.2	2.0

Source: Cambridge Econometrics
Note: Multiplier = unit increase in the UK's entire value added per unit increase in export sales by firms in the specified industry and nation or region

The UK multipliers are higher than the national and regional ones and vary between 1.4 (corporate video and advertising in the East Midlands) to 2.5 (film in Scotland, advertising in the South East). Perhaps contrary to expectations, the UK multipliers are often higher outside London. This reflects a higher proportion of purchases *within* the UK (as opposed to imports from outside the UK) in the nations and regions outside London.

Significantly for the screen industry sectors, most of the UK multipliers are greater than 1.5, in some cases greater than two. For film, the UK multiplier varies from 1.6 in Northern Ireland to 2.5 in Scotland; that is, an additional £1 of export sales eventually raises total UK output by between £1.60 and £2.50.

When using multiplier figures, care must be taken to identify the true size of the initial sales boost. The multipliers indicate the impact of an increase in exports, that is a net gain in sales by firms located within the UK economy. If sales are shifted from one region to another or from other industries within the UK to the screen industries, there is no multiplier effect unless the screen industry multiplier in question is greater than the multiplier associated with the alternative region or industry.

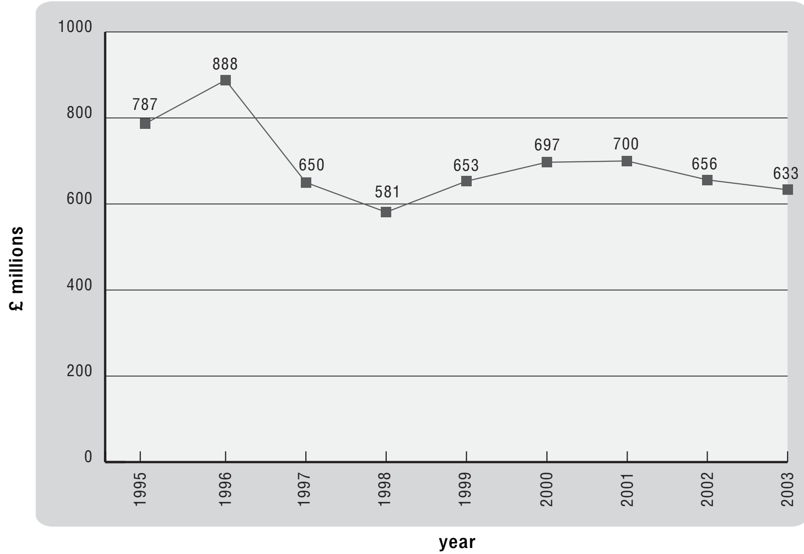
The clearest multiplier effects will be achieved by increases in origination, location shoots, studio shoots and post-production activity attracted to the UK from overseas, that is, exports of services by the UK screen industries.

Multiplier effects work in reverse. If the UK loses screen industry exports, the final loss to the UK economy will be greater than the initial loss by the ratio indicated by the applicable multiplier.

14.8 UK film exports, 1995 – 2003

The UK film industry exported £633 million worth of services in 2003 (the latest year for which data are available), £400 million of which came from royalties and £233 million from film production services. Film exports have fluctuated between £581 million and £888 million over the period 1995 to 2003, as shown in **Figure 14.1**.

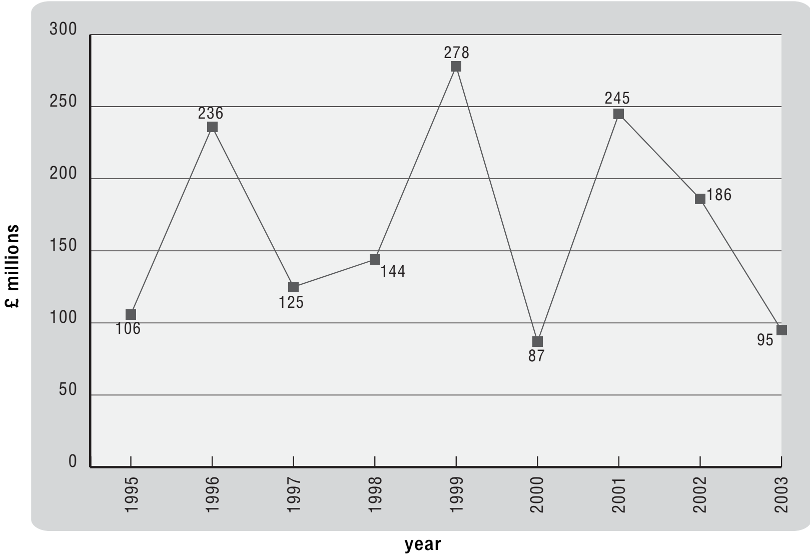
Figure 14.1 Exports of the UK film industry, 1995 – 2003



Source: Office of National Statistics (ONS)
Data for 2004 will be available in October 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 2003 of £95 million, as **Figure 14.2** shows.

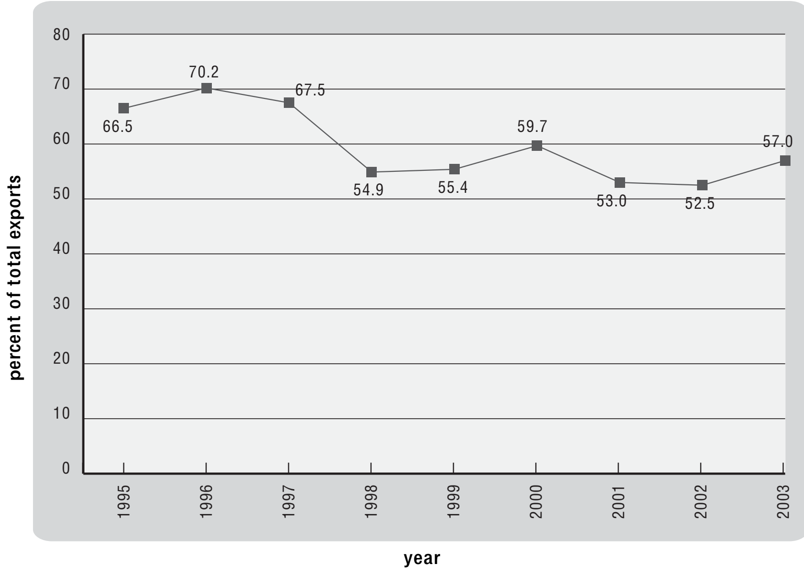
Figure 14.2 Trade surplus of UK film industry, 1995 – 2003



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

The share of UK film exports accounted for by the UK subsidiaries of major USA film companies declined from 70% in 1996 to 57% in 2003, as shown in **Figure 14.3**.

Figure 14.3 **Exports by UK subsidiaries of major USA film companies as a percentage of total UK film exports**

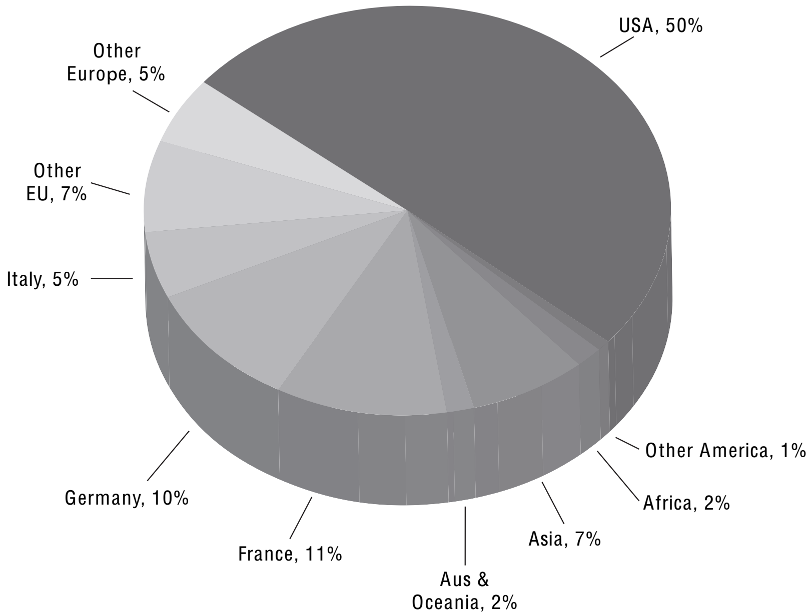


Source: ONS

14.9 Film export markets

The USA was the largest market for UK film exports, taking 50% of total exports in 2003. The EU was the second largest market (taking 33% in total) with Germany, France and Italy being the largest EU country markets, as shown in **Figure 14.4**.

Figure 14.4 Destination of UK film exports as percentage of the total, 2003



Source: ONS

The geographical distribution of the UK's film trade surplus was different from the export pattern, as shown in **Table 14.8**. The UK ran a small film trade deficit with the USA (£10m) and a larger deficit (£77m) with 'other EU' countries (this is accounted for by the Netherlands, and may be due to the UIP office registered there). These deficits were more than counterbalanced by surpluses with other countries, particularly France (£55m), Germany (£58m) and Asia (£41m). The deficit with the USA is likely to reflect the high level of royalties earned by US films in the UK, offsetting royalties earned by UK films in the USA and revenue from the production of US films in UK studios.

Table 14.8 International transactions of the UK film industry by geographical area, 2003

	(£m)			% of total		
	Exports	Imports	Balance	Exports	Imports	Balance
France	68	13	55	10.7	2.4	57.9
Germany	64	6	58	10.1	1.1	61.1
Italy	32	17	15	5.1	3.2	15.8
Other EU	46	123	-77	7.3	22.9	-81.1
Other Europe	34	21	13	5.4	3.9	13.7
USA	317	327	-10	50.1	60.8	-10.5
Other America	6	8	-2	0.9	1.5	-2.1
Africa	11	12	-1	1.7	2.2	-1.1
Asia	45	4	41	7.1	0.7	43.2
Aus & Oceania	10	7	3	1.6	1.3	3.2
Total	**633**	**538**	**95**	**100.0**	**100.0**	**100.0**

Source: ONS

See also

- For information about the UK Film Council's film export strategy see the Annual Review p.57

Chapter 15

Employment in the film and video industries

Although the film and video industry workforce declined slightly in 2003/4, the trend has been upward for the last decade, reflecting the success of the film industry. The 2004 Skillset survey casts a spotlight on who works in film production and the challenges peculiar to a sector where almost half the workforce is freelance.

Photo: Yakir Zur

Facts in focus

- **47,413 people worked in the film and video industry in 2003/4, of whom around 25,000 worked in film and video production. Reported employment numbers were significantly down on 2003, reflecting the lower level of production activity.**
- **The film and video industry workforce was 46% higher in 2004 than in 1994, compared with an increase in the overall UK workforce of 11%.**
- **48% of people in film and video production were freelance.**
- **Women made up one-third of the film production workforce.**
- **Women in the film production workforce were less likely than men to be married or living in a couple, or to have dependent children under the age of 16.**
- **Women in the film production workforce were lower paid on average than men in equivalent age and occupational brackets.**
- **People from minority ethnic groups made up only 5% of the film production workforce.**
- **Production and distribution were concentrated in London and the South East, with 51% and 96% respectively of the workforce.**
- **Most businesses in the sector were small scale. For example, 55% of employees in film and video production were in workplaces with ten or fewer people.**

15.1 The workforce

According to the Labour Force Survey, a total of 47,413 people worked in the film and video production and distribution and film exhibition sectors in the autumn year 2004 ('autumn year' means the average of the four quarters to autumn 2004). **Table 15.1** shows the breakdown.

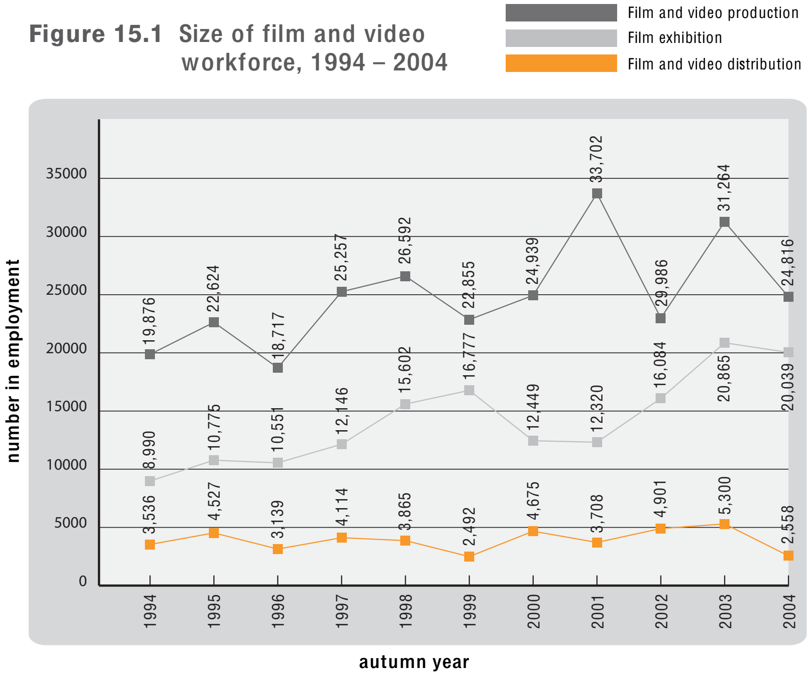
The 2004 figure was significantly lower than 2003, reflecting the downturn in production activity. However, the film and video industry workforce was 46% larger in 2004 than in 1994, against an increase in the overall UK workforce of 11% over the same period. **Figure 15.1** shows the growth of the three film-related sectors.

Table 15.1 Film and video industry workforce, autumn year, 2004

Sector	SIC	Numbers in employment
Film and video production	9211	24,816
Film and video distribution	9212	2,558
Film exhibition	9213	20,039
Total		**47,413**

Notes: (1) Source: Labour Force Survey, Office of National Statistics
(2) SIC = Standard Industrial Classification
(3) ONS does not separate video production and distribution from film production and distribution

Figure 15.1 Size of film and video workforce, 1994 – 2004



Source: Labour Force Survey

Most people working in the film distribution and exhibition sectors were employees, but the film production sector had a high proportion of freelance workers. In 2004, 48% of those engaged in film and video production (SIC 9211), a total of 11,863 people, were self-employed (**Table 15.2**).

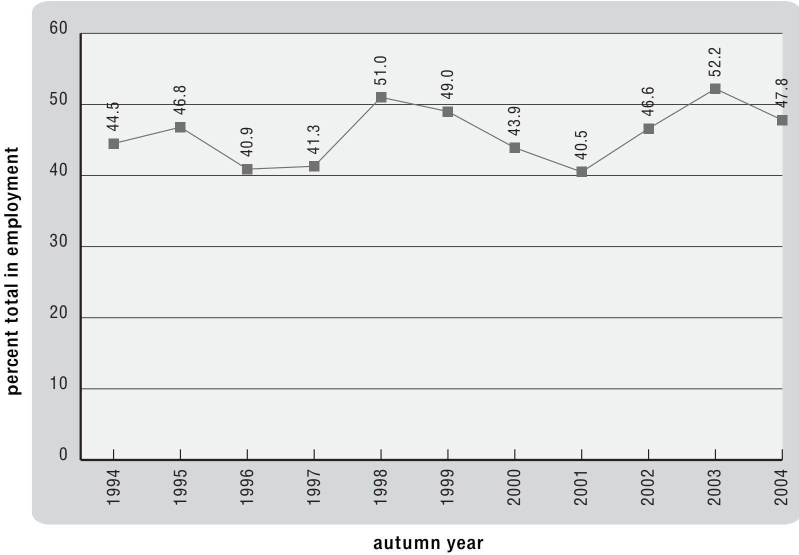
Table 15.2 Film and video production workforce (SIC 9211), 1994 – 2004

Autumn year	Total in employment	Self-employed	Self-employed as % of total
1994	19,876	8,851	44.5
1995	22,624	10,596	46.8
1996	18,717	7,654	40.9
1997	25,257	10,435	41.3
1998	26,592	13,564	51.0
1999	22,855	11,192	49.0
2000	24,939	10,944	43.9
2001	33,702	13,652	40.5
2002	29,986	13,965	46.6
2003	31,264	16,318	52.2
2004	24,816	11,863	47.8

Source: Labour Force Survey

The proportion of self-employed people in film and video production has fluctuated in the 40-50% band since 1994. In comparison, the self-employed percentage of the total UK workforce (all industries) in 2004 was 12.7%. The fluctuation shown in **Figure 15.2** may however be no more than sampling variation due to the small size of the sub-group samples in the Labour Force Survey. In this survey, 10,000 people equates to only 30 respondents.

Figure 15.2 Self-employed as proportion of total workforce, film and video production (SIC 9211), 1994 – 2004



Source: ONS Labour Force Survey

15.2 The film production workforce survey

The final report of the Skillset / UK Film Council film production workforce survey was published at the beginning of 2005. This is the first time that a detailed breakdown of the demographics, work patterns, incomes, education and training needs of the film production workforce has been available. The reference year for the survey was 2002.

One-third of the survey respondents were women, with the female percentage varying widely by occupational group, from 88% in make-up and hairdressing to zero in sound / electrical, as **Table 15.3** shows.

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

Occupational group	Male %	Female %
Production / script development	34	66
Assistant directors	74	26
Art /set decorating / props	68	32
Camera	91	9
Sound / electrical	100	-
Costume	30	70
Make-up / hairdressing	12	88
Editing / post-production / visual effects	58	42
Construction	95	5
Locations	76	24
Others	70	30
All occupations	**67**	**33**

Source: Skillset / UK Film Council Feature Film Production Workforce Survey

The challenge of reflecting the UK's ethnic diversity in the film production industry is evident in **Tables 15.4** and **15.5**. Overall only 5% of the film workforce was from minority groups, below the UK 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 15.4 Ethnicity of UK film production workforce, 2002

Ethnic group	Film survey respondents %	UK workforce (LFS) %
White	95	93
Mixed	2	1
Asian or Asian British	1	3
Black or Black British	1	2
Chinese	-	-
Other	1	1

Source: Skillset / UK Film Council Feature Film Production Workforce Survey & ONS Labour Force Survey

Table 15.5 Ethnicity of London film production workforce, 2002

Ethnic group	London film survey respondents %	London workforce (LFS) %
White	94	76
Mixed	3	1
Asian or Asian British	1	11
Black or Black British	1	8
Chinese	-	1
Other	1	3

Source: Skillset / UK Film Council Feature Film Production Workforce Survey & ONS Labour Force Survey

The disabled proportion of the film production workforce was low at 2%, as shown in **Table 15.6**.

Table 15.6 Disability, film production workforce, 2002

Workers who consider themselves to have a disability	%
Yes	2
No	98
Total	**100**

Source: Skillset / UK Film Council Feature Film Production Workforce Survey

The film production workforce was predominantly young, with 79% aged 49 or under as **Table 15.7** shows. The female age profile was significantly younger than the male, with 87% of women being under the age of 49.

Table 15.7 Age distribution of film production workforce, 2002

Age group	Male %	Female %	All %
16 - 24	3	4	3
25 - 34	26	41	31
35 - 49	46	42	45
50+	25	13	21
All ages	100	100	100

Source: Skillset / UK Film Council Feature Film Production Workforce Survey

39% of the workforce was unmarried, divorced or separated (**Table 15.8**) perhaps reflecting the itinerant nature of much film production work. There was a sharp gender difference, with only 44% of women married or living as a couple compared with 69% of the men. This difference was statistically significant even after allowing for gender differences in age and occupation.

Table 15.8 Marital status of film production workforce, 2002

Marital status	Male %	Female %	All %
Married or living as a couple	69	44	61
Single and never married	25	46	32
Divorced or separated	5	9	7
Widowed	-	1	-
All statuses	100	100	100

Source: Skillset / UK Film Council Feature Film Production Workforce Survey

A large proportion of the workforce (67%) had no dependent children under the age of 16 years **(Table 15.9)**. Again, there was a sharp gender difference, with only 21% of the women living with dependent children under 16 compared with 39% of the men. This difference was statistically significant after allowing for the different age and occupational profiles of men and women in the industry.

Table 15.9 Family status of film production workforce, 2002

	Male %	Female %	All %
Living with dependent Child(ren) under 16	39	21	33

Source: Skillset / UK Film Council Feature Film Production Workforce Survey

Despite its relative youth, the film production workforce was relatively well paid, with 58% earning £30,000 a year and over in 2002 and 25% earning £50,000 or more (**Table 15.10**). This is likely to reflect both the skills of the workforce and the ability of many companies and individuals to obtain additional work in other audio-visual industries (for example, television), smoothing out the ups and downs of film work.

Table 15.10 Income distribution of film production workforce, 2002

Income band	Male %	Female %	All %
No income from audio visual in past year	2	2	2
£1 - £19,999	16	32	21
£20,000 - £29,999	18	21	19
£30,000 - £39,999	19	17	18
£40,000 - £49,999	16	12	15
£50,000 - £74,999	15	12	14
£75,000 or more	14	4	11
Total	**100**	**100**	**100**

Source: Skillset / UK Film Council Feature Film Production Workforce Survey Includes all income earned in the audio-visual industries

Gender difference in earnings, shown in **Table 15.10**, indicate that 34% of women earned less than £20,000 compared with only 18% of men. This was statistically significant after allowing for differences in the age and occupational profiles.

A similar pattern was evident in the weekly rate paid for feature film work (**Table 15.11**). 41% of women earned less than £1,000 per week, compared with 30% of men. 24% of men earned £1,800 or more per week, compared with 14% of women. The gender pay difference was statistically significant after allowing for the differences in age and occupational profiles of men and women in the industry.

Table 15.11 Weekly rate for feature film work, 2002

Weekly rate	Male %	Female %	All %
Less than £400	4	7	5
£400 - £599	4	6	5
£600 - £799	6	15	9
£800 - £999	16	13	15
£1,000 - £1,199	15	15	15
£1,200 - £1,399	11	14	12
£1,400 - £1,599	14	11	13
£1,600 - £1,799	6	4	5
£1,800 or more	24	14	21

Source: Skillset / UK Film Council Feature Film Production Workforce Survey
Note: 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

Although people from minority ethnic groups are under-represented in the film production industry, the survey did not pick up a statistically-significant difference in incomes between the majority and minority ethnic groups.

More results from the Skillset / UK Film Council Feature Film Production Workforce Survey can be found in the full report of the survey, which can be accessed on the Skillset and UK Film Council websites.

15.3 The workplace location

The film production and distribution sectors are concentrated in London and the South East, as shown in **Table 15.12**. In contrast, the London and South East share of the exhibition sector workforce is closer to the UK average.

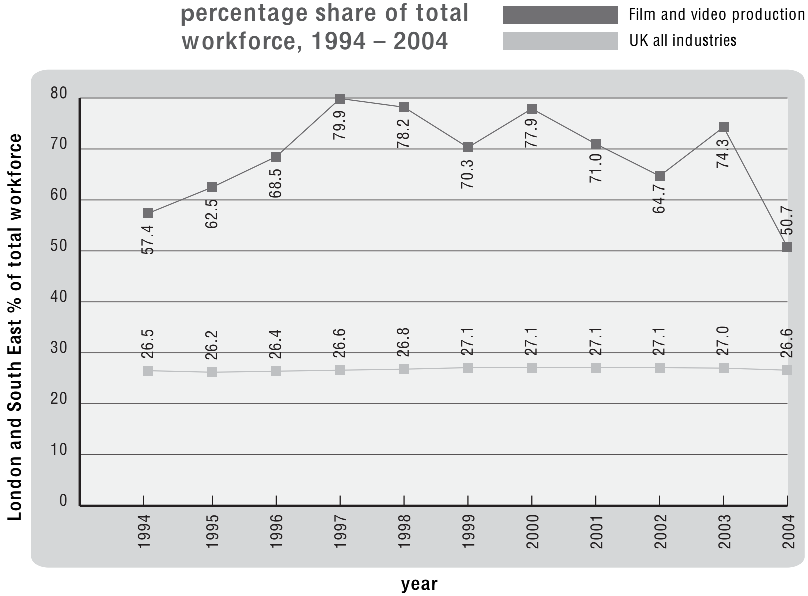
Table 15.12 London and South East employment as percentage of total, autumn year

Sector	SIC	Total UK employment	London and South East employment	London & SE as % of UK total
UK all industries	All	28,103,622	7,486,598	26.6
Film and video production	9211	24,816	12,581	50.7
Film and video distribution	9212	2,558	2,454	95.9
Film exhibition	9213	20,039	7,899	39.4

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

The London and South East share of the film and video production workforce (SIC 9211) is recorded as dropping to 50.7% in the year to autumn 2004, after rising in 2003. This is an abrupt fall and may be due in part to statistical error arising from the small size of the Labour Force Survey sample at industry sub-sector level. Nevertheless, there is some evidence in **Figure 15.3** of an increase in the share of the film production workforce in regions outside London and the South East since 1997, reversing the rise experienced by London and the South East in the mid-1990s.

Figure 15.3 London and South East percentage share of total workforce, 1994 – 2004



Source: Labour Force Survey

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 12.2**). This suggests the variability in UK film production is absorbed more by London and the South East than by other nations and regions of the UK.

15.4 The scale of the workplace

Each year, ONS conducts a survey of businesses, called the Annual Business Inquiry (ABI), which provides information on the number of employees in each workplace, by industrial sector. The latest available year is 2003. The data relating to the film industry are shown in **Tables 15.13, 15.14** and **15.15**. The different characteristics of the three sectors stand out clearly in these tables.

The film and video production sector had an exceptionally high number of small workplaces (96.4% in the 1-10 band), accounting for a majority of the sector's total workforce (55.4%). At the other end of the scale, there was a small number of large workplaces. The 35 workplaces with 50 or more employees accounted for 4,748 employees, an average of 136 each.

Table 15.13 Film and video production (SIC 9211) workplace size distribution (employees), 2003

Workplace size band	Number of workplaces in band	% of total workplaces	Number of employees in band	% of total employees
1-10	5,973	96.4	10,547	55.4
11-49	191	3.1	3,755	19.7
50+	35	0.6	4,748	24.9
Total	**6,199**	**100.0**	**19,050**	**100.0**

Source: ONS ABI

The distribution sector was not as concentrated in small workplaces as the production sector, with nearly three-quarters of employees working in workplaces with 11 or more employees.

Table 15.14 Film and video distribution (SIC 9212) workplace size distribution (employees), 2003

Workplace size band	Number of workplaces in band	% of total workplaces	Number of employees in band	% of total employees
1-10	490	87.3	1,236	27.6
11+	69	12.3	3,235	72.4
Total	**559**	**100.0**	**4,471**	**100.0**

Source: ABI

Workplace numbers for bands above 11 employees cannot be published for confidentiality reasons (too few workplaces in the bands). 47% of distribution employees worked in workplaces of 50 employees or greater. There was a small number of workplaces in the 200-plus employee size range.

The exhibition sector had a concentration that was the reverse of the production sector. 54% of exhibition employees worked in workplaces of 50 or more employees and only 4.2% in workplaces in the 1-10 employee band.

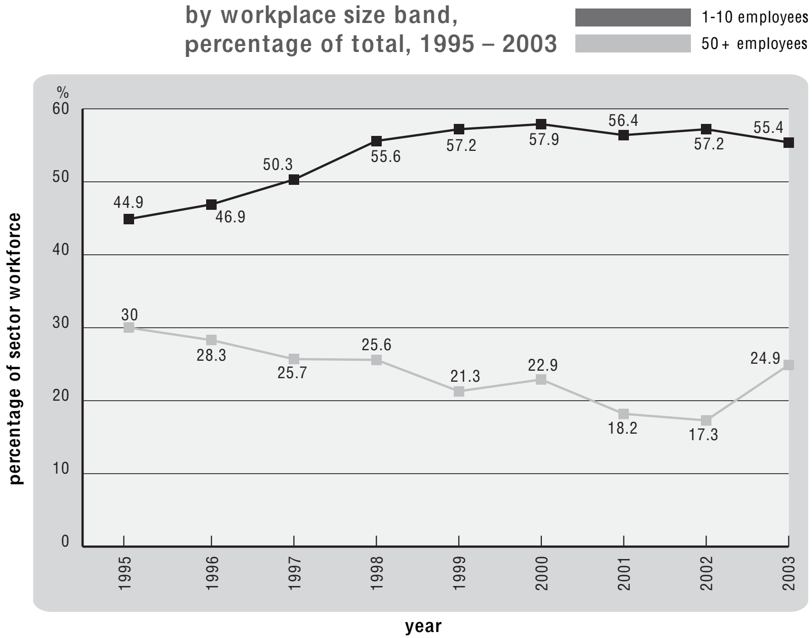
Table 15.15 Film exhibition (SIC 9213) workplace size distribution (employees), 2003

Workplace size band	Number of workplaces in band	% of total workplaces	Number of employees in band	% of total employees
1-10	175	31.8	743	4.2
11-49	245	44.5	7,301	41.7
50+	130	23.6	9,466	54.1
Total	**550**	**100.0**	**17,510**	**100.0**

Source: ONS ABI

2003 saw a partial reversal of the 1995-2002 trend towards a decline in the proportion of employment attributable to companies with 50 or more employees in the film and video production sector (SIC 9211). This could be related to the peak of production activity in 2003, which saw a high level of activity in large workplaces such as studios and post-production facilities.

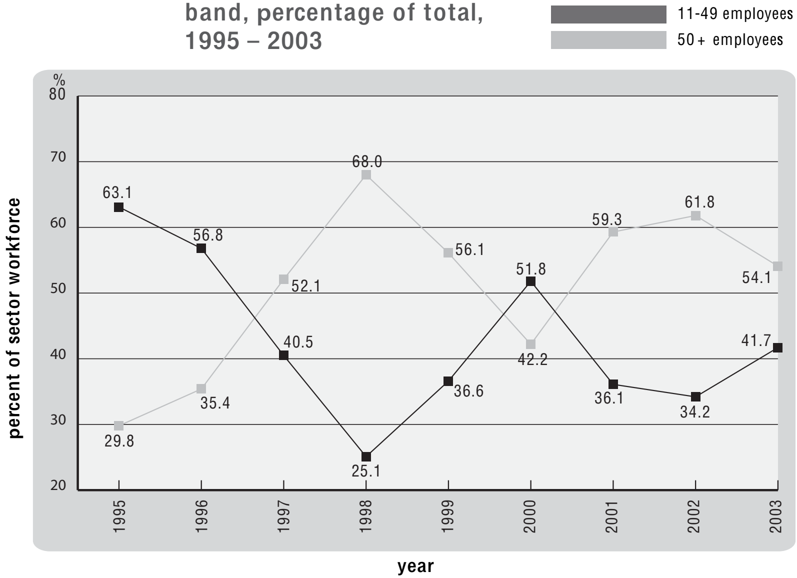
Figure 15.4 Film and video production sector (SIC 9211) employees by workplace size band, percentage of total, 1995 – 2003



Source: ONS ABI

In the exhibition sector the proportion of employees in the 50-plus category has been growing, while the proportion in the 11-49 category has been falling, as shown in **Figure 15.5**. This reflects a growth in the number of larger cinemas.

Figure 15.5 Film exhibition sector (SIC 9213) employees by workplace size band, percentage of total, 1995 – 2003



Source: ABI

See also

- For more details on the film distribution sector in 2004 see chapter 6 (p.34)
- For more information about the exhibition sector in 2004 see chapter 7 (p.38)
- For more background about film production in 2004 see chapter 12 (p.77)
- For an insight into what the UK Film Council is doing to support film industry training the Annual Review see p.37-39

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

BARB
Broadcasters' Audience Research Board. 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 Co-Production Convention

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

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

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

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

DVD
Digital Versatile Disc

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

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

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

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

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

Genre
A style or category of film defined on the basis of common story and

cinematic conventions (e.g. action, crime, romantic comedy, drama etc)

Government Office Regions
Classification of English regions used to establish the boundaries of the Regional Development Agencies and the English 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/or where the production is attracted to the UK by the UK's film-making infrastructure

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

Mainstream programming
Category of films aimed at the general audience

Megaplex site
Defined by Dodona Research as a purpose-built cinema with 20 or more screens. See also multiplex site

Multi-channel television
Non-terrestrial television delivered via satellite, cable or digital set-top box/integrated digital receiver

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

Net box office
Box office takings after deduction of VAT

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

Out of town cinema
Cinema located on the outskirts of a town, typically in a large shopping development

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

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

Sites
Individual cinema premises

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

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

Terrestrial television
Channels available through an aerial

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

Acknowledgments

We would like to thank the following organisations for kindly allowing us to reproduce their data:

British Board of Film Classification (BBFC)
British Market Research Bureau (BMRB)
British Video Association (BVA)
Cambridge Econometrics
Cinema Advertising Association (CAA)
David Graham and Associates (DGA Metrics)
Dodona Research
Motion Picture Association of America (MPAA)
MRIB
Nielsen EDI
Nielsen Media Research
Office for National Statistics (ONS)
Official UK Charts Company
Optima (DGA and Oliver & Ohlbaum and Associates)
Skillset
TNS

Sources

Chapters 1 – 9: Films and audiences

- Cinema Advertising Association, Cinema and Video Industry Audience Research (CAVIAR) survey, 2004 *Quarterly Reports* and *CAVIAR 22*, December 2004
- Cinema Advertising Association Admissions Monitor
- TNS, disability and ethnicity groups within visual entertainments, 52 weeks ending 4, January 2005
- Department for Culture, Media and Sport, public list of UK qualifying films
- Dodona Research, *Cinema-going* 13, March 2005
- Motion Picture Association of America, US admissions report
- Motion Picture Association international box office and admissions report
- Nielsen EDI, weekly UK box office reports
- Nielsen Media Research, monthly media spend reports
- UK Film Council, *Film Societies Survey*, March 2005
- IFTA, international box office reports
- Cinetel (Italy), box office reports
- European Audiovisual Observatory Lumiere Database
- Kogyo Tsushinsha (Japan), box office reports
- Nielsen EDI, weekly US box office reports
- Nielsen EDI, weekly Austria, France, Germany and Spain reports

Chapters 10 – 11: Films on video/DVD and television

- BARB audience data, DGA Metrics analysis
- British Video Association, BVA Yearbook 2005
- MRIB, *Rental Monitor* weekly report
- Official UK Charts Company, video charts

Chapters 12 – 15: The UK film industry and its workforce

- Office for National Statistics, *Annual Business Inquiry*, 2003
- Office for National Statistics, *Labour Force Survey*, Quarterly to Autumn 2004
- Office for National Statistics, *Size Analysis of UK Businesses, 2003* (VAT data)
- Skillset, *Film Production Workforce Survey*, March 2005
- UK Film Council International, *Survey of Film Productions with UK Participation, 2004*
- Office for National Statistics, *Annual Film and Television Survey, 2003*
- Cambridge Econometrics/Optima, *Economic Impact of the UK Screen Industries, 2005*