

British film, high-end television and animation programme certifications, 2013

BFI Research and Statistics Unit

30 January 2014

In this release we report for the first time the certification of high-end television (HETV) and animation programmes, in addition to feature films. For feature film we report the full calendar year 2013. For HETV and animation programmes we report from April to December 2013, when tax relief first became available for such productions. Section 1 of this report contains feature film certifications, section 2 HETV and section 3 animation programmes.

1. Feature film certifications

1.1 Certification – numbers and values

A total of 199 British films received final certification in 2013, one fewer than in 2012, as Table 1 shows. The number of cultural test films was the third highest of the past seven years; at 182 it was lower than the number in 2011 (189) and 2012 (187). The number of co-productions certified, 17, was also the third highest of the period, after 2007 (56) and 2010 (19).

Table 1 Final certifications film by calendar year, 2007-2013

| Type of certification | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| Cultural test | | | | | | | |
| Number | 98 | 97 | 144 | 170 | 189 | 187 | 182 |
| UK spend £m | 442.4 | 588.5 | 422.9 | 853.8 | 1,478.5 | 834.2 | 1,041.2 |
| Total budget £m | 561.4 | 935.1 | 604.8 | 1,001.7 | 2,118.3 | 1,169.7 | 1,353.3 |
| UK spend as % of budget | 78.8 | 62.9 | 69.9 | 85.2 | 69.8 | 71.3 | 76.9 |
| Co-production | | | | | | | |
| Number | 56 | 8 | 8 | 19 | 14 | 13 | 17 |
| UK spend £m | 123.1 | 34.0 | 21.6 | 51.3 | 55.0 | 44.3 | 65.3 |
| Total budget £m | 356.7 | 45.2 | 48.0 | 137.4 | 131.4 | 73.5 | 112.7 |
| UK spend as % of budget | 34.5 | 75.2 | 45.0 | 37.3 | 41.9 | 60.3 | 57.9 |
| All types | | | | | | | |
| Number | 154 | 105 | 152 | 189 | 203 | 200 | 199 |
| UK spend £m | 565.5 | 622.5 | 444.6 | 905.1 | 1,533.5 | 878.5 | 1,106.5 |
| Total budget £m | 918.1 | 980.3 | 652.8 | 1,139.1 | 2,249.7 | 1,243.2 | 1,466.0 |
| UK spend as % of budget | 61.6 | 63.5 | 68.1 | 79.5 | 68.2 | 70.7 | 75.5 |

Source: BFI.

'Total Budget' in the case of cultural test films is the sum of production activity in the UK and production activity outside the UK; in the case of co-productions it is the sum of investments made by all participating countries in the film.

The total UK spend of films which received final certification in 2013 was £1,107 million, up from £878 million in 2012, and the second highest figure in 2007-2013,

after £1,534 million in 2011. UK spend as a percentage of total budget in 2013, at 76%, was the highest since 2010 (80%). Reflecting UK spend, the aggregate production budget of films receiving final certification in 2013, at £1,466 million, was also the second highest over the period, behind 2011's record total of £2,250 million.

Note that these data are for final certifications, so include films produced over the previous one to three years¹. Significant titles receiving final certification in 2013 included *The Dark Knight Rises*, *Rush*, *Les Misérables*, *Ginger and Rosa*, *The Fast and the Furious 6*, and *Le Weekend*.

Interim certifications give an indication of the future level of official UK film production. The total number of films receiving interim certification in 2013 was the highest from 2007 to 2013, at 209; 37 more certifications than in 2012 (172). The number of interim-certified cultural test films in 2013 was also the highest in the period, at 190; this was an increase from 154 films in 2012. Interim-certified co-productions increased by one from 18 in 2012 to 19 in 2013; this is the highest since 2010, which had 23 interim-certified co-productions.

The anticipated UK spend has decreased to £858 million in 2013, from £987 million in 2012, although as a percentage of the total budget, UK spend has increased slightly from 67% to 69%. This reflects the decrease in total budget from £1,481 million to £1,248 million. 2013's total budget is the lowest since 2008.

Table 2 Interim certifications film by calendar year, 2007-2013

| Type of certification | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------------------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Cultural test | | | | | | | |
| Number | 99 | 120 | 144 | 141 | 150 | 154 | 190 |
| UK spend £m | 777.9 | 664.4 | 1,283.6 | 766.5 | 1,273.9 | 922.8 | 808.0 |
| Total budget £m | 1,072.6 | 857.5 | 1,563.7 | 1,165.4 | 1,603.5 | 1,342.5 | 1,130.8 |
| UK spend as % of budget | 72.5 | 77.5 | 82.1 | 65.8 | 79.4 | 68.7 | 71.5 |
| Co-production | | | | | | | |
| Number | 20 | 15 | 14 | 23 | 18 | 18 | 19 |
| UK spend £m | 61.6 | 45.7 | 28.1 | 71.0 | 28.5 | 64.6 | 50.3 |
| Total budget £m | 106.7 | 106.6 | 74.7 | 187.8 | 62.6 | 138.7 | 116.6 |
| UK spend as % of budget | 57.7 | 42.9 | 37.6 | 37.8 | 45.5 | 46.6 | 43.1 |
| All types | | | | | | | |
| Number | 119 | 135 | 158 | 164 | 168 | 172 | 209 |
| UK spend £m | 839.5 | 710.1 | 1,311.7 | 837.5 | 1,302.4 | 987.4 | 858.3 |
| Total budget £m | 1,179.3 | 964.1 | 1,638.4 | 1,353.2 | 1,666.1 | 1,481.2 | 1,247.5 |
| UK spend as % of budget | 71.2 | 73.7 | 80.1 | 61.9 | 78.2 | 66.7 | 68.8 |

Source: BFI.

'Total Budget' in the case of Cultural Test films is the sum of production activity in the UK and production activity outside the UK; in the case of co-productions it is the sum of investments made by all participating countries in the film.

¹ The latest production statistics are published separately in *Film Production in the UK – full year 2013 report*

1.2 Budgets

The median budget of interim Cultural Test certifications has been decreasing from 2007 to 2013, with 2013 having the lowest median budget, at £0.7 million (Table 3); this is 30% lower than the median budget in 2012 and 59% lower than 2007's figure. After 2008 the highest median budget is seen in 2010, at £1.1 million.

Table 3 Median budgets of interim cultural test films, 2007-2013

| Year | Median budget £m |
|------|------------------|
| 2007 | 1.8 |
| 2008 | 1.5 |
| 2009 | 1.0 |
| 2010 | 1.1 |
| 2011 | 0.9 |
| 2012 | 1.0 |
| 2013 | 0.7 |

Source: BFI.

Interim cultural test certifications have only been issued since 2007, when the new film tax relief came into effect. The 'median' is the middle value, i.e. half the productions have higher budgets than the median; the other half have lower budgets.

For co-productions receiving interim certification, the median budget decreased over £2 million from £6.1 million in 2012 to £4 million in 2013 (Table 4). From 2003 to 2011 there had been a trend of slightly decreasing median budgets (with exceptions in 2006 and 2008). However, a sharp rise of nearly £4 million was seen in 2012, from £2.1 million in 2011 to £6.1 million.

Table 4 Median budgets of interim co-production certifications

| Year | Median budget £m |
|------|------------------|
| 2003 | 4.3 |
| 2004 | 4.2 |
| 2005 | 4.0 |
| 2006 | 5.1 |
| 2007 | 3.7 |
| 2008 | 4.7 |
| 2009 | 3.3 |
| 2010 | 3.7 |
| 2011 | 2.1 |
| 2012 | 6.1 |
| 2013 | 4.0 |

Source: BFI.

The 'median' is the middle value, i.e. half the productions have higher budgets than the median; the other half have lower budgets.

1.3 Co-production treaties

Table 5 shows the numbers of final co-production certifications by treaty from 2007 to 2013. In 2013, 12 of the 17 final co-production certifications were under the

European Convention on Cinematic Co-production, four were under the UK-Canada treaty and one was under the UK-Australia treaty.

Table 5 Final co-production certifications by treaty, 2007-2013

| Treaty | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------------------------|-----------|----------|----------|-----------|-----------|-----------|-----------|
| European Convention | 46 | 5 | 5 | 14 | 8 | 8 | 12 |
| European Convention & UK - Canada | - | 1 | - | - | - | - | - |
| UK - Australia | 1 | 1 | 1 | 2 | 1 | | 1 |
| UK - Canada* | 5 | | 1 | 2 | 3 | 1 | 4 |
| UK - France | 4 | 1 | - | - | - | - | - |
| UK - New Zealand | - | 1 | - | 1 | 1 | - | - |
| UK - South Africa | - | - | 1 | - | 1 | 4 | - |
| Total | 56 | 8 | 8 | 19 | 14 | 13 | 17 |

Source: BFI.

*For 2013, one film used an additional treaty between Canada and Mexico, included in count for UK - Canada treaty

Table 6 shows the numbers of interim co-production certifications by treaty from 2007 to 2013. The total number of interim co-production certifications in 2013 was 19, one more than 2012. Of these, 14 were under the European Convention on Cinematic Co-production, two were under the UK-New Zealand treaty and one each were under the European Convention and UK-South Africa, UK-Canada and UK-South Africa treaties.

Table 6 Interim co-production certifications by treaty, 2007-2013

| Treaty | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| European Convention* | 14 | 10 | 9 | 14 | 15 | 12 | 14 |
| European Convention & UK - South Africa | - | - | - | - | - | - | 1 |
| UK - Australia | - | 3 | 1 | 1 | - | 1 | - |
| UK - Canada | 4 | 1 | 3 | 2 | 2 | 2 | 1 |
| UK - France | - | - | - | - | - | 1 | - |
| UK - Israel - France | - | - | - | - | - | 1 | - |
| UK - New Zealand | 1 | - | 1 | 2 | - | - | 2 |
| UK - Norway | 1 | - | - | - | - | - | - |
| UK - South Africa | - | 1 | - | 4 | 1 | 1 | 1 |
| Total | 20 | 15 | 14 | 23 | 18 | 18 | 19 |

Source: BFI.

*For 2013, one film used an additional treaty between Germany and Brazil, included in count for European Convention treaty

2. High-end television certifications

2.1 Certification – numbers and values

A total of five HETV programmes received final certification in April – December 2013; no co-productions received final certification in this period (Table 7). The total UK spend of HETV which received final certification was £13 million, This was the same as the total budget, showing that all of the budgets were spent within the UK.

As can be seen from the number of interim certifications (Table 8), it is expected that the number of final certifications will increase over the coming months. It is important to note that while the legislative process for the HETV tax reliefs were not completed until August 2013, in total 38 applications for HETV have been processed since 01 April 2013, with each application receiving a letter of comfort, interim certification or final certification.

Table 7 Final certification high-end television, April-December 2013

| Type of Certification | Number | UK Spend £m | Total budget £m | UK spend as % of budget |
|------------------------------|---------------|------------------------|----------------------------|------------------------------------|
| Cultural Test | 5 | 13.2 | 13.2 | 100 |
| Co-production | - | - | - | - |
| All Types | 5 | 13.2 | 13.2 | 100 |

Source: BFI

'Total Budget' in the case of cultural test HETV programmes is the sum of production activity in the UK and production activity outside the UK; in the case of co-productions it is the sum of investments made by all participating countries in the film.

Table 8 Interim certification, high-end television, April-December 2013

| Type of Certification | Number | UK Spend £m | Total budget £m | UK spend as % of budget |
|------------------------------|---------------|------------------------|----------------------------|------------------------------------|
| Cultural Test | 21 | 130.4 | 139.0 | 93.8 |
| Co-production | 1 | * | * | * |
| All Types | 22 | * | * | * |

Source: BFI

* Fields marked with an asterisk have been suppressed to avoid disclosing budget data for individual titles 'Total Budget' in the case of cultural test high-end television programmes is the sum of production activity in the UK and production activity outside the UK; in the case of co-productions it is the sum of investments made by all participating countries in the film.

As with feature films, interim certifications give an indication of the future level of official UK HETV production. The total number of programmes receiving interim certification in April-December 2013 was 22, of which, 21 were cultural test and one was a co-production.

The anticipated UK spend of cultural test HETV programmes was £130 million, being 94% of the total budget. Because there was only one co-production, budget and UK spend for this programme cannot be disclosed.

2.2 Budgets

The median budget of interim cultural test certifications for the period was £5.3 million. For disclosure reasons, a median budget value is not reported for interim co-production certifications.

2.3 Co-production agreements

The one interim HETV co-production certification was under the UK-Canada agreement.

3. Animation programme certifications

3.1 Certification – numbers and values

A total of two animation programmes received final certification in April-December 2013; no co-productions received final certifications in this period. Unlike feature film and HETV, the total UK spend for animation programmes cannot be released for disclosure reasons.

As can be seen from the number of interim certifications (Table 9), it is expected that the number of final certifications will increase over the coming months. It is important to note that while the legislative process for the animation programme tax reliefs was not completed until August 2013, in total 32 applications for animation programme have been processed since 01 April 2013, with each application receiving a letter of comfort, interim certification or final certification

Table 9 Interim certification animation programmes, April-December 2013

| Type of Certification | Number | UK Spend £m | Total budget £m | UK spend as % of budget |
|------------------------------|---------------|------------------------|----------------------------|------------------------------------|
| Cultural Test | 21 | 43.7 | 52.2 | 83.6 |
| Co-production | - | - | - | - |
| All Types | 21 | 43.7 | 52.2 | 83.6 |

Source: BFI

'Total Budget' in the case of cultural test animation programmes the sum of production activity in the UK and production activity outside the UK; in the case of co-productions it is the sum of investments made by all participating countries in the film.

As with feature films and HETV programmes, interim certifications give an indication of the future level of official UK animation programme productions. The total number of animation programmes receiving interim certification for April-December 2013 was 21, all of which were under the cultural test.

The anticipated UK spend of certified animation programmes was £44 million, being 84% of the total budget.

3.2 Budgets

The median budget of interim cultural test certifications for the period was £2.3 million. Due to there being no interim or final co-production certifications, it is not possible to produce a median budget for co-productions.

Technical notes:

1. British film certification statistics collected and reported by the BFI

The British film certification statistics in this report are based on data collected from the BFI's Certification Unit and the Department for Culture, Media and Sport (DCMS). The data reported are all British films, HETV and animation programmes certified in the reference period, not a sample.

The BFI Certification Unit assesses all British film, HETV and animation programmes certification applications on behalf of the DCMS and makes recommendations to the Secretary of State who signs the certificates. The certificates are then issued by the BFI Certification Unit.

Figures shown in the tables are for British films, HETV and animation programmes certified during the reference periods shown. Certification may occur some time after both the production and theatrical release of the film.

2. Definitions

Cultural Test films are British films certified under the cultural test of Schedule 1 to the Films Act 1985. To qualify under this definition, films commencing principal photography on or after 1 January 2007 must pass a UK cultural test awarding points for UK elements in the story, setting and characters and for where and by whom the film was made.

On the basis of recommendations made by the BFI, the Secretary of State grants interim certification prior to the completion of the film to those films that meet the criteria and final certification once the film has been completed and final documents submitted. Under the cultural test, applicants are not obliged to apply for interim certification and can apply just for final certification when the film is complete.

Cultural test high-end television programmes are British television programmes certified under the cultural test of Schedule 16 to the Finance Act 2013. To qualify under this definition, television programmes commencing principal photography on or after 1 April 2013 must pass a UK cultural test awarding points for UK and EEA state elements in the story, setting and characters and for where and by whom the television programme was made.

On the basis of recommendations made by the BFI, the Secretary of State grants interim certification prior to the completion of the television programmes to those television programmes that meet the criteria and final certification once the television programme has been completed and final documents submitted. Under the Cultural test, applicants are not obliged to apply for interim certification and can apply just for final certification when the television programme is complete.

A high-end television programme is a drama (which includes comedy) or documentary production that is intended for broadcast and has core expenditure per hour of slot length of not less than £1 million. The slot length in relation to the high-end television programme must also be greater than 30 minutes. Slot length

in relation to a television programme means the period of time which the programme is commissioned to fill.

Cultural Test television animation programmes are British animation programmes certified under the cultural test of Schedule 16 to the Finance Act 2013. To qualify under this definition, animation programmes commencing principal photography on or after 1 April 2013 must pass a UK cultural test awarding points for UK, EEA state and undetermined location and characters in the story, setting and characters and for where and by whom the animation programme was made.

On the basis of recommendations made by the BFI, the Secretary of State grants interim certification prior to the completion of the animation programme to those animation programmes that meet the criteria and final certification once the animation programme has been completed and final documents submitted. Under the cultural test, applicants are not obliged to apply for interim certification and can apply just for final certification when the animation programme is complete.

Official UK Co-productions are British films, HETV programmes or animation programmes certified under one of the UK's official co-production treaties. Interim certification is granted prior to the start of principal photography to films that meet the criteria and final certification once the film, high-end television or animation programme has been completed and final documents submitted. Films, HETV or animation programmes made as official co-productions are not required to pass the film, HETV or animation programme cultural tests.

For full details of the cultural tests, co-productions and other information on British film certification see <http://www.bfi.org.uk/film-industry/british-certification-tax-relief>.

UK spend is the value of production activities in the UK for cultural test films/HETV/animation programmes and UK expenditure for co-productions. The UK expenditure for co-productions may include some expenditure on UK goods and services which takes place outside the UK.

Total production value is the sum of total budget for cultural test films/HETV/animation programmes and total investment for UK co-productions.

Total investment (in relation to co-productions) is the sum of each participating country's investment in the co-production and approximates the production budget.

3. Revisions

As the status and certification dates of individual films, HETV or animation programme may change as a result of changing circumstances, the numbers published in this release are subject to revision. Each release in this series includes revisions of previous quarters, so the latest release should be referred to as the most accurate summation available of the certification numbers.

Pre-release Access

This release has been prepared according to the Code of Practice for Official Statistics published by the UK Statistics Authority. Pre-release access has been granted to the following:

Amanda Nevill, Chief Executive, BFI
Tim Cagney, Deputy Chief Executive, BFI
Carol Comley, Head of Strategic Development, BFI
Wendy Parker, Deputy Head of Strategic Development, BFI
Chris Travers, Director of Marketing, Communications and Audiences, BFI
Nick Mason Pearson, Director of Press and Public Affairs, BFI
Anna Mansi, Head of Certification, Certification Unit, BFI
Isabel Davis, Head of International, BFI
Emma Hewitt, Head of Press and PR, BFI
James Butler, Department for Culture, Media and Sport
Jane Glastonbury, Department for Culture, Media and Sport
Ken Hunt, Department for Culture, Media and Sport

Statistical contact details

This release was prepared by Alex Tosta, Research and Statistics Unit, BFI, Alex.tosta@bfi.org.uk, tel: +44 (0)20 7957 4815.

(end)