

## **British film, high-end television programmes, animation television programmes, children’s television programmes and video games certification<sup>1</sup> Quarter 1 2018**

BFI Research and Statistics Unit

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### **1. Key Points**

- A total of 68 films received final certifications under the cultural test in quarter 1 (Q1) 2018, with a UK spend of £230 million and a total budget of £405 million. Co-productions are not published for disclosure reasons.
- In the last 12 months, April 2017-March 2018, 287 films received final certification, with a UK spend of £1.4 billion and total budget of £2.1 billion. Of these 272 were cultural test films, with a UK spend of £1.3 billion and total budget of £2.0 billion million; 15 films were co-productions, with a UK spend of £27 million and total budget of £79 million
- In the last 12 months, 105 high-end television programmes received final certification under the cultural test, of which 22 received final certification in Q1 2018. Total UK spend and total budget in Q1 2018 was £186 million and £232 million respectively. No co-productions received final certification in this period.
- In April 2017-March 2018, a total of 51 animation television programmes received final certification under the cultural test, of which 20 received final certification in Q1 2018. These had a UK spend of £19 million and total budget of £36 million. Co-productions are not published for disclosure reasons.
- In April 2017-March 2018, 60 children’s television programmes received final certification under the cultural test. Of these 20 received certification in Q1 2018, with a UK spend of £19.3 million and total budget of £19.5 million. Co-productions are not published for disclosure reasons.
- In Q1 2018, 49 video games received certification under the cultural test, with an EEA/UK spend of £40 million and a total budget of £44 million. In the last 12 months, 201 video games have received final certification, with EEA/UK spend of £248 million and total budget of £262 million.

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<sup>1</sup> For definition and outline of certification, see Notes.

**Table 1 Final certifications for film, high-end television programmes, animation television programmes children’s television programmes and video games Q1 2018**

	<b>Film</b>	<b>High-end television</b>	<b>Animation television programmes</b>	<b>Children’s television programmes</b>	<b>Video games</b>
Cultural test (number)	68	22	20	20	49
Co-production (number)	c	-	c	-	N/A*
UK spend £m	229.8 <sup>†</sup>	185.9	19.5 <sup>†</sup>	19.3	40.1
Total budget £m	404.6 <sup>†</sup>	231.7	36.2 <sup>†</sup>	19.5	43.7
UK spend as % of budget	56.8 <sup>†</sup>	80.22	53.7 <sup>†</sup>	99.4	91.7

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.

‘c’ Data are suppressed for disclosure reasons

<sup>†</sup> Data for cultural test UK spend and budget only, because co-production data has been suppressed.

\*There are no video-games co-productions as the legislation only covers certification under the cultural test.

## 2. Feature film certification

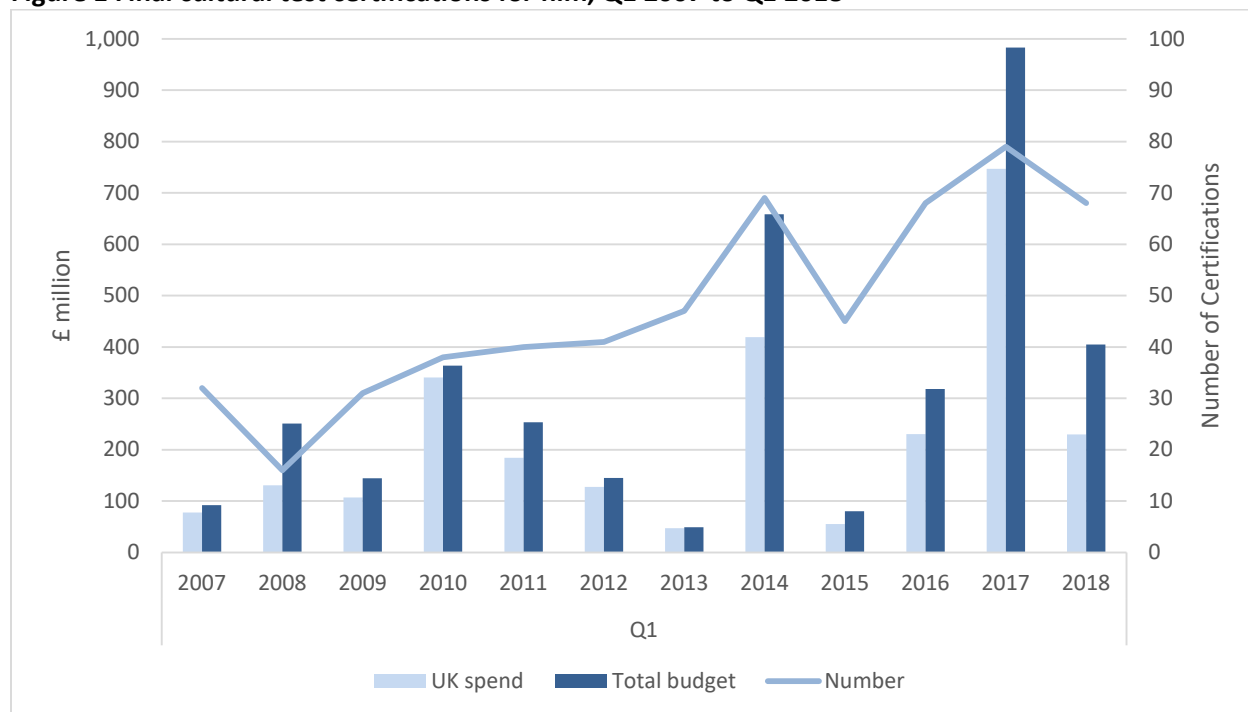
### 2.1 Certification - numbers of applications and values

#### 2.1.1 Final certifications

A total of 68 films received final certification as British under the cultural test in quarter 1 (Q1) 2018, down from 79 in Q1 2017 (Figure 1). The total UK spend and budget of these films was £230 million and £405 million respectively, a substantial decrease from a UK spend of £747 million and total budget of £923 million in Q1 2017. This is mainly due to there being 32 films with a high (£10 million- £29.9 million) and very high (greater than £30 million) budget and UK spend of over £20 million being awarded final certification in Q1 2017 compared to six in Q1 2018. UK spend, as a percentage of budget, was also down on Q1 2017, at 57%.

Films with final certification as co-productions in Q1 2018 are not shown for disclosure reasons; co-production applications have remained low following the changes in tax relief in 2007. Previous years are not shown for disclosure reasons.

**Figure 1 Final cultural test certifications for film, Q1 2007 to Q1 2018**



Source: BFI

'Total Budget' the sum of production activity in the UK and production activity outside the UK.

See Appendix A for supporting data

This release looks at UK spend, total budget and the number of films certified as British in a rolling year highlighting the changes in the number of applications, UK spend and total budget in 12 month periods, from April 2007. Rolling year data give a broader representation of certification trends. In this release the rolling year period covered is April 2007-March 2008 to April 2017-March 2018.

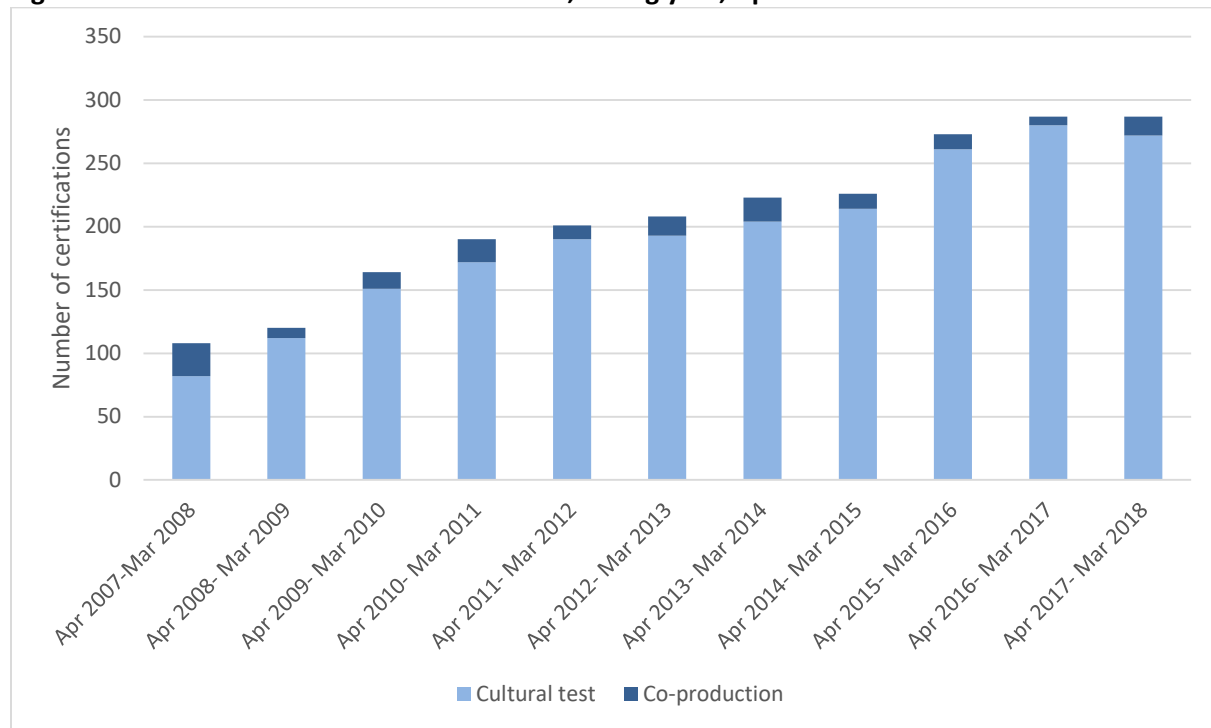
The number of films with final certification has increased rolling year on rolling year since April 2007, peaking at 287 films in April 2016-March 2017. The number of films with final certifications has stayed

the same, 287, for April 2017-March 2018 (Figure 2). UK spend and total budget in April 2017-March 2018 have decreased to £1.4 billion and £2.1 billion respectively from £1.5 billion and £2.3 billion in April 2016-March 2017. Overall, there has been an upward trend for the number of films, UK spend and total budget over the period, with April 2011-March 2012, April 2013-March 2014, April 2016-March 2017 and April 2017-March 2018 as stand-out years (Figure 3). This is driven by the number of films with final certification under the cultural test.

Cultural test films have decreased slightly from a peak of 280 in April 2016-March 2017 to 272 in April 2017-March 2018. UK spend and total budget have also decreased, falling from £1.5 billion and £2.2 billion respectively in April 2016-March 2017 (the highest of the period) to £1.3 billion and £2.0 billion. The stand out years mentioned above are due to the certification of US studio inward investment films (e.g. *Harry Potter and the Deathly Hallows Parts 1 and 2*, *Pirates of the Caribbean: On Stranger Tides* and *Hugo*, *Doctor Strange* and *Rogue One: A Star Wars Story*) and also when final certification is claimed; in April 2016-March 2017 there were higher than usual numbers of UK studio-backed and films with medium (£2.0 million- £9.9 million), high (£10 million- £29.9 million) and very high (greater than £30 million) budgets receiving final certification, such as *The Jungle Book* and *Alice Through the Looking Glass*.

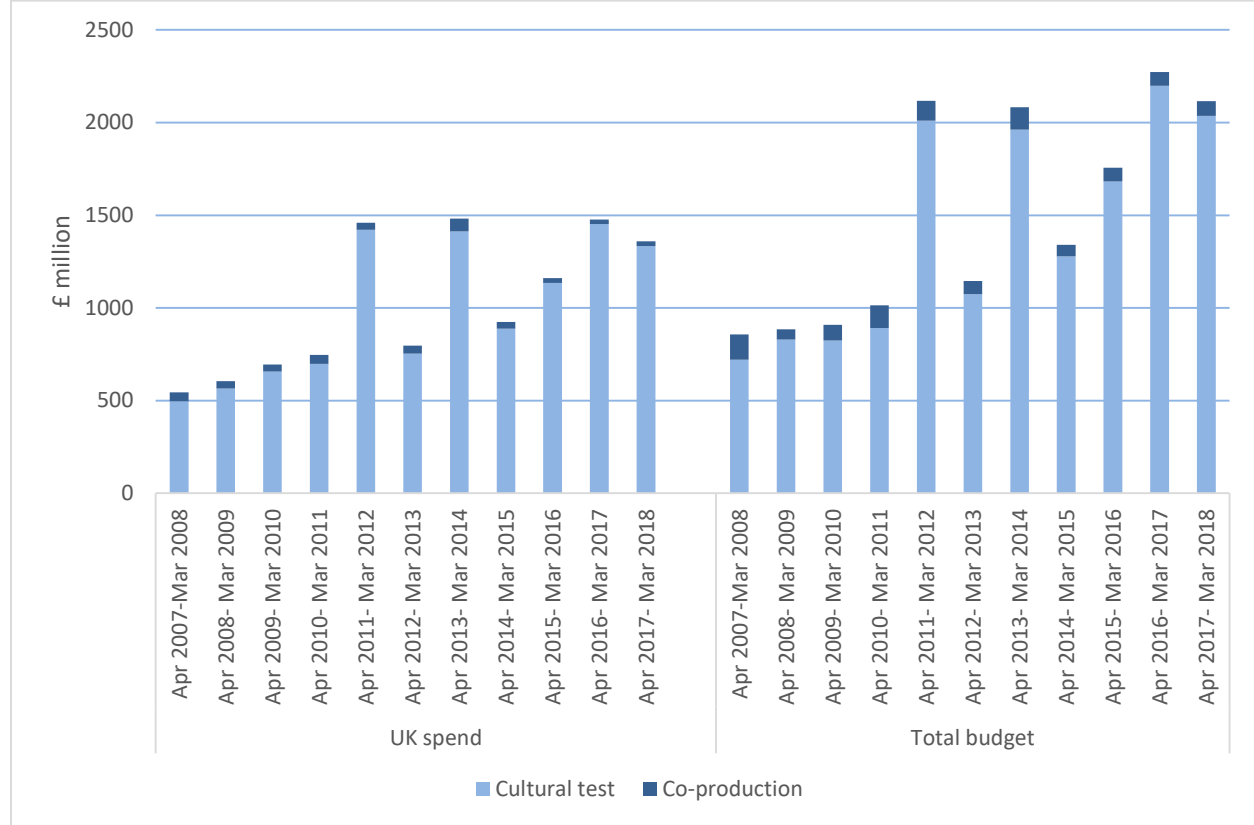
April 2017-March 2018 saw 15 official co-productions receive final certification, with a UK spend of £27 million and a combined budget of £79 million, all up on the previous 12 months. The number of co-productions and total budget has fluctuated over the time period, whereas UK spend has been more stable. Since its peak of £69 million in April 2013-March 2014, UK spend has declined.

**Figure 2 Number of final certifications for film, rolling year, April 2007 to March 2018**



Source: BFI  
See Appendix A for supporting data

**Figure 3 UK spend and total budget of final certifications for film, rolling year, April 2007 to March 2018**



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-production it is the sum of investments made by all participating countries in the film.

See Appendix A for supporting data

### 2.1.2 Interim certifications

Interim certification indicates the expected future level of official film production. A total of 74 films received interim certification, under the cultural test and one of the co-production treaties, in Q1 2018 with a UK spend and total budget of £622 million and £934 million respectively (Table 2). As a percentage of budget, UK spend was 67%, being at a similar level as in Q1 2016. A comparison to Q1 2017 and the trend since Q1 2007 are not shown for disclosure reasons due to the low number of co-productions with interim certifications.

**Table 2 Interim cultural test certifications for films, Q1 2018**

	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Cultural Test	69	619.2	923.4	67.1
Co-production	5	3.0	10.3	29.1
<b>Total</b>	<b>74</b>	<b>622.2</b>	<b>933.6</b>	<b>66.6</b>

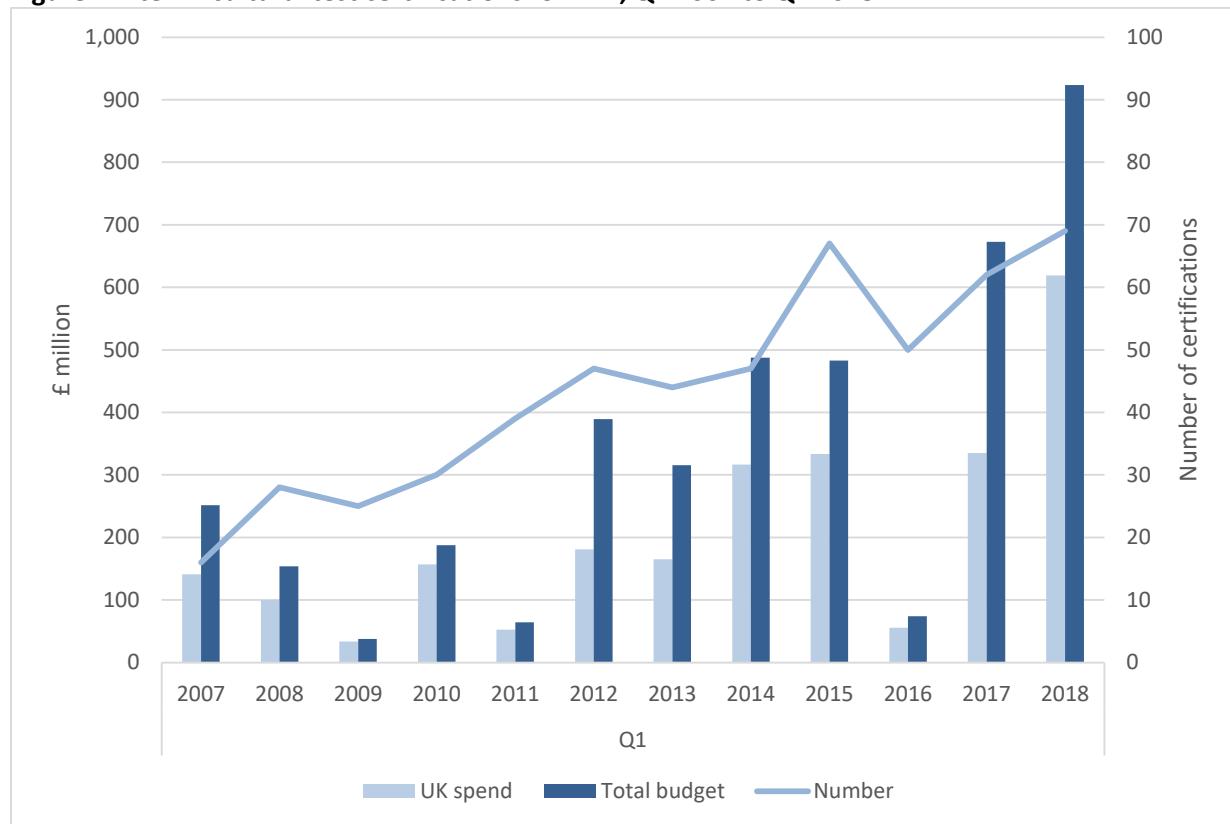
Figure 4 shows the number, UK spend and total budget of films with interim certification under the cultural test. In Q1 2018 69 films received interim certification under the cultural test, with a UK spend of £619 million and total budget of £923 million; the highest for the time period Q1 2007 to Q1 2018.

Overall there is an upward trend in the number of interim certifications under the culture test. For UK spend and total budget, although these have increased over time, the trend is more variable.

UK spend is almost 85% higher than in Q1 2017 and total budget is a third higher. As a percentage of total budget UK spend is 67%, returning to a level similar to that in Q1 2015.

A total of five co-productions received interim certification, with a UK spend of £3 million and a total budget of £10 million. This is the second lowest of the time period. Co-productions are not compared to previous Q1 and are not shown in Figure 4 for disclosure reasons.

**Figure 4 Interim cultural test certifications for film, Q1 2007 to Q1 2018**



Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

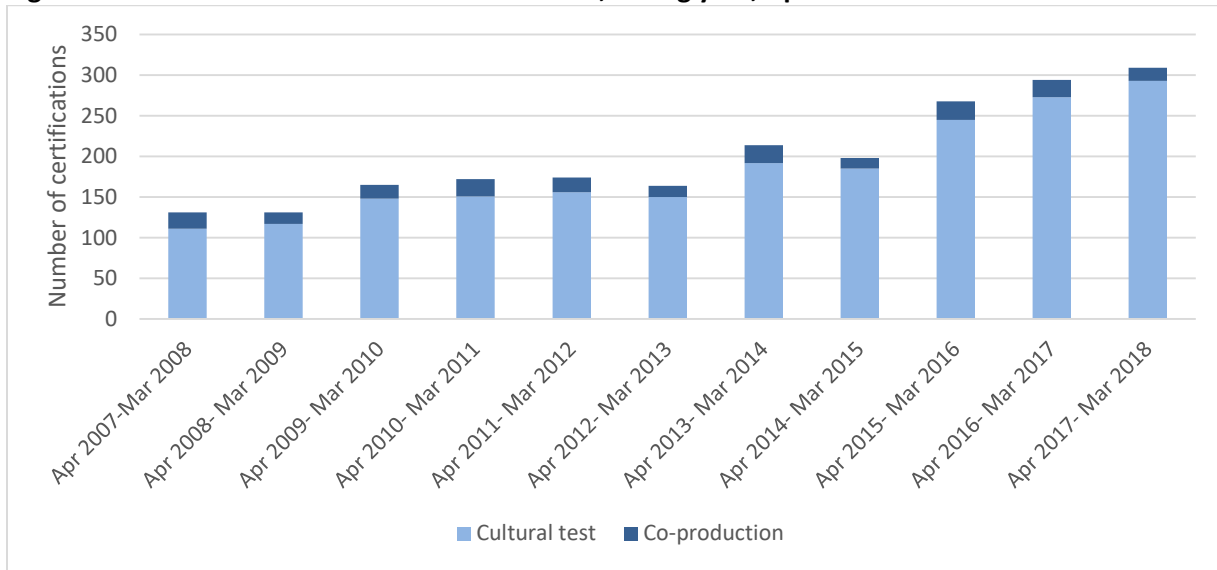
See Appendix A for supporting data

There were 309 films with interim certification in April 2017-March 2018, up from 294 films in April 2016-March 2017; UK spend was £2.4 billion and total budget was £4.0 billion. There is an upward trend in number of films with interim certification, peaking in April 2016-March 2017. This due to a higher than usual number of films with very budgets, which were certified under the cultural test.

In April 2017-March 2018, 293 films received interim certification under the cultural test, with a UK spend of £2.38 billion and a total budget of £3.9 billion. UK spend was 61% of total budget. This is up on the previous 12 months, where a total of 273 films had a UK spend of £1.7 billion and budget of £2.8 billion. Sixteen official co-productions received interim certification in April 2017-March 2018 down from 21 in the previous 12 months. These films had a UK spend of £34 million and a total budget of £70

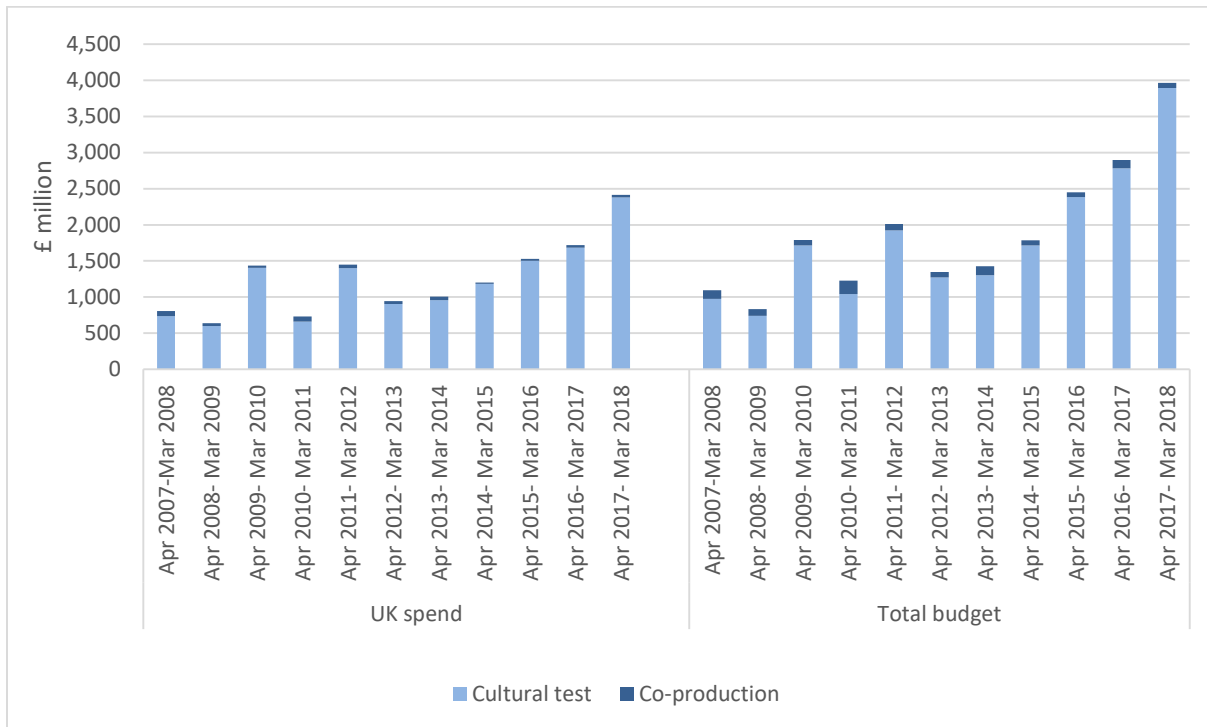
million, again a decrease on the previous 12 month, but higher than levels seen in April 2013-March 2015 and April 2015-March 2016.

**Figure 5 Number of interim certifications for film, rolling year, April 2007 to March 2018**



Source: BFI  
See Appendix A for supporting data

**Figure 6 UK spend and total budget of interim certifications for film, rolling year, April 2007 to March 2018**



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-production it is the sum of investments made by all participating countries in the film.  
See Appendix A for supporting data

## 2.2 Total Budgets

The median budget for interim cultural test certifications has been decreasing from 2007 to 2018, with 2013 having the lowest median budget, at £0.7 million (Table 2). Since 2016 median budget has plateaued at around £0.8 million. The highest median budget was £1.8 million in 2007.

**Table 3 Median budgets of interim cultural test certifications**

Year	Median budget £m	Year	Median budget £m
2007	1.8	2013	0.7
2008	1.5	2014	0.9
2009	1.0	2015	0.9
2010	1.1	2016	0.8
2011	0.9	2017	0.8
2012	1.0	Q1 2018	0.8

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 disclosure reasons, the median budget for co-productions is not presented.

## 2.3 Co-production treaties

The co-productions given final and interim certification in Q1 2018, qualified under the European Convention on Cinematographic Co-production and UK/Canada treaty. The number of films under these agreements is not reported for disclosure control reasons.



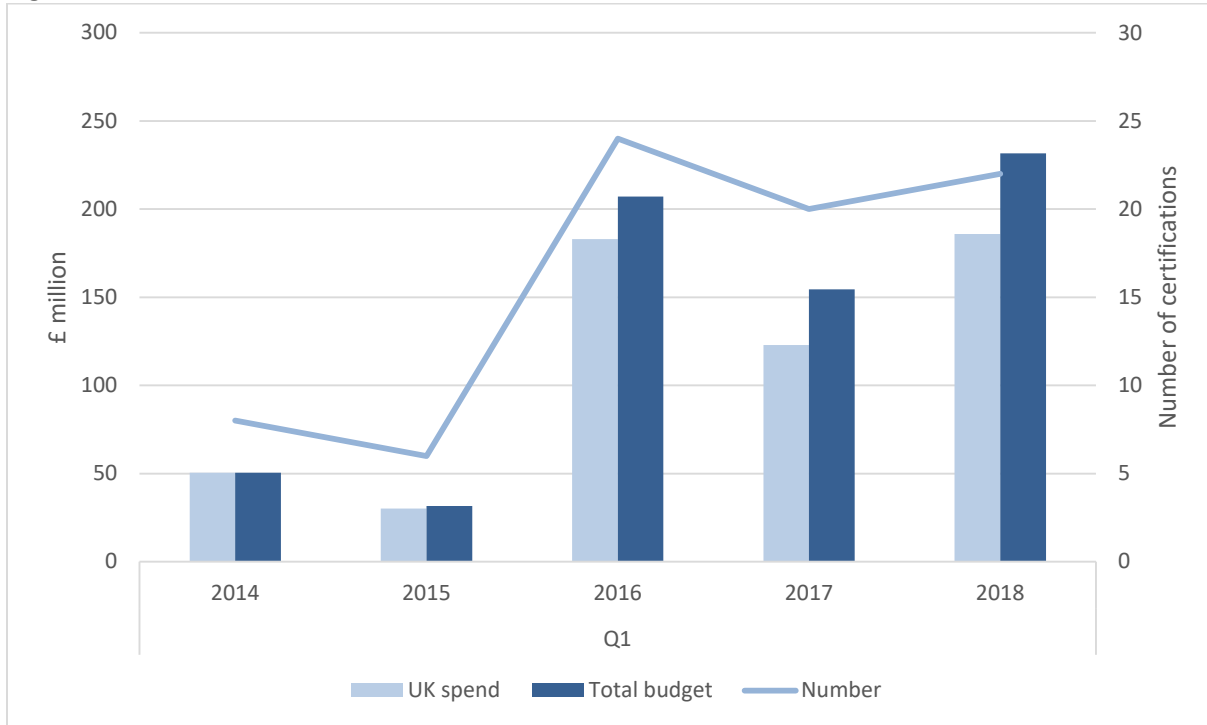
### 3. High-end television programme certifications

#### 3.1 Certification – numbers of applications and values

##### 3.1.1 Final certifications

A total of 22 HETV programmes received final certification under the cultural test in Q1 2018, this is an increase from 20 in Q1 2017. The number of HETV programmes has stayed at a similar level since Q1 2016. UK spend and total budget for programmes in Q1 2018 was £186 million and £232 million respectively (Figure 7. Total budget was at the highest level for the period and UK spend was the second highest. UK spend was 80% of total budget, staying at a similar level as in Q1 2017. No HETV co-productions were awarded final certification in any Q1 periods.

Figure 7 Final cultural test certifications for HETV, Q1 2014 to Q1 2018



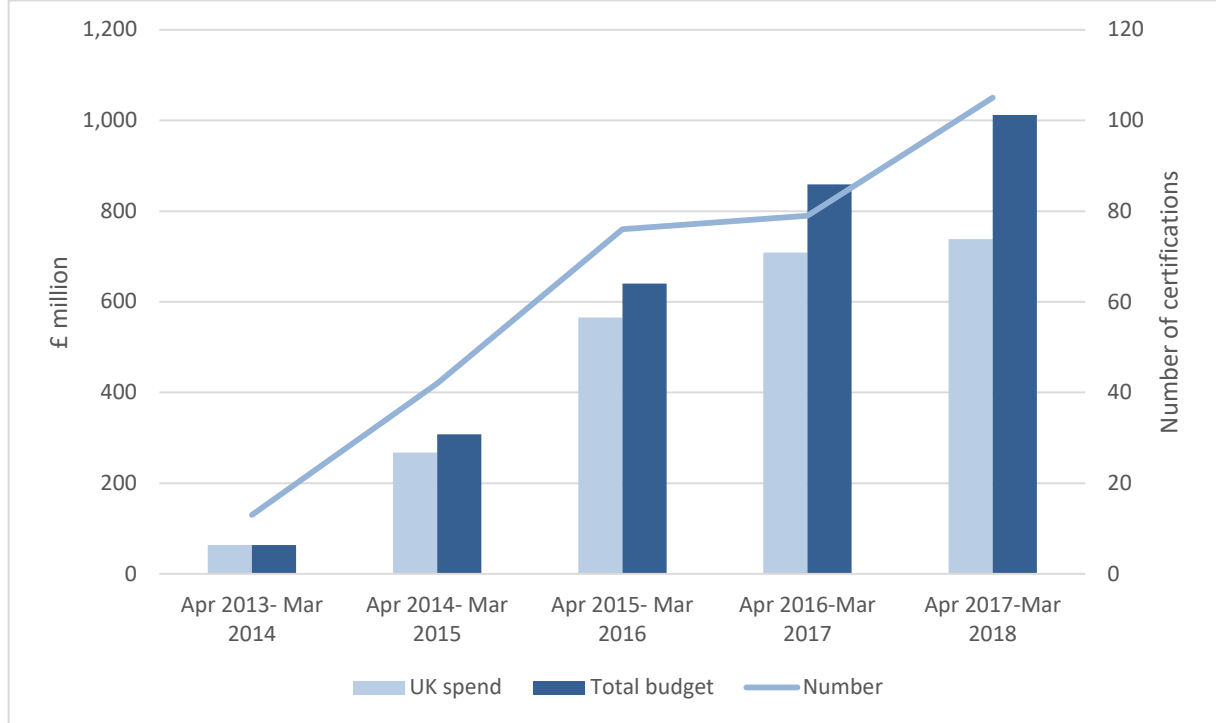
Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

See Appendix A for supporting data

In the rolling years from April 2013 to March 2018 there has been a year on year increase in the number, and associated UK spend and total budget of HETV programmes receiving final certification under the cultural test. In April 2017-March 2018 a total of 105 programmes received final certification under the cultural test, with a UK spend of £738 million and a total budget of £1,012 million (Figure 8). This is an increase from 79 programmes in April 2016-March 2017, with a UK spend of £709 million and total budget of £859 million. UK spend as a percentage of total budget fell from 83% to 73%.

**Figure 8 Cultural test final certifications for HETV, rolling year, April 2013 to March 2018**

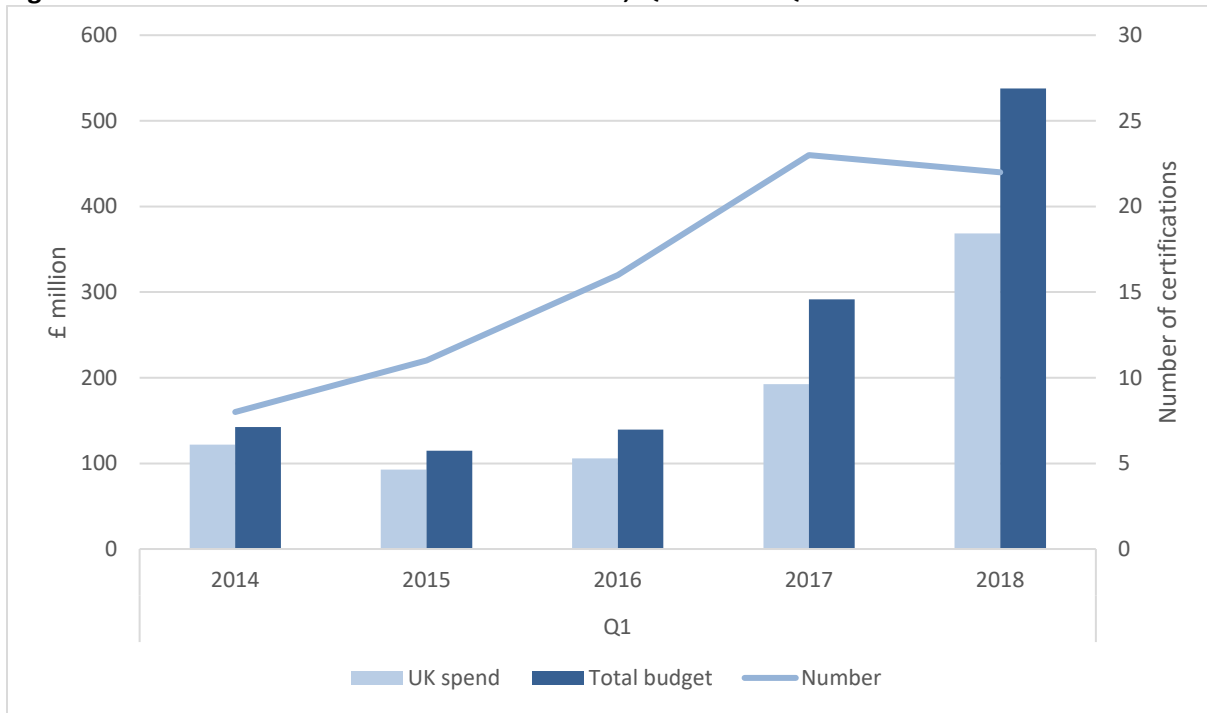


Source BFI.  
 'Total budget' is the sum of production activity in the UK and production activity outside the UK.  
 See Appendix for supporting data

### 3.1.2 Interim certifications

As with film, interim certifications indicate the expected future level of official UK HETV production. For number of HETV programmes with interim certification and associated UK spend and total budget, there is an overall upward trend. In Q1 2018, a total of 22 HETV programmes received interim certification under the cultural test, one less than in the Q1 2017 when the number of programmes peaked at 23. UK spend and total budget are the highest of the period (Q1 2014 – Q1 2018) at £368 million and £538 million respectively (Figure 9). Since Q1 2017 UK spend and total budget have almost doubled. No HETV co-productions have been awarded interim certification since Q1 2014, where less than five were certified (details are not shown for disclosure reasons.)

**Figure 9 Cultural test interim certification for HETV, Q1 2014 to Q1 2018**

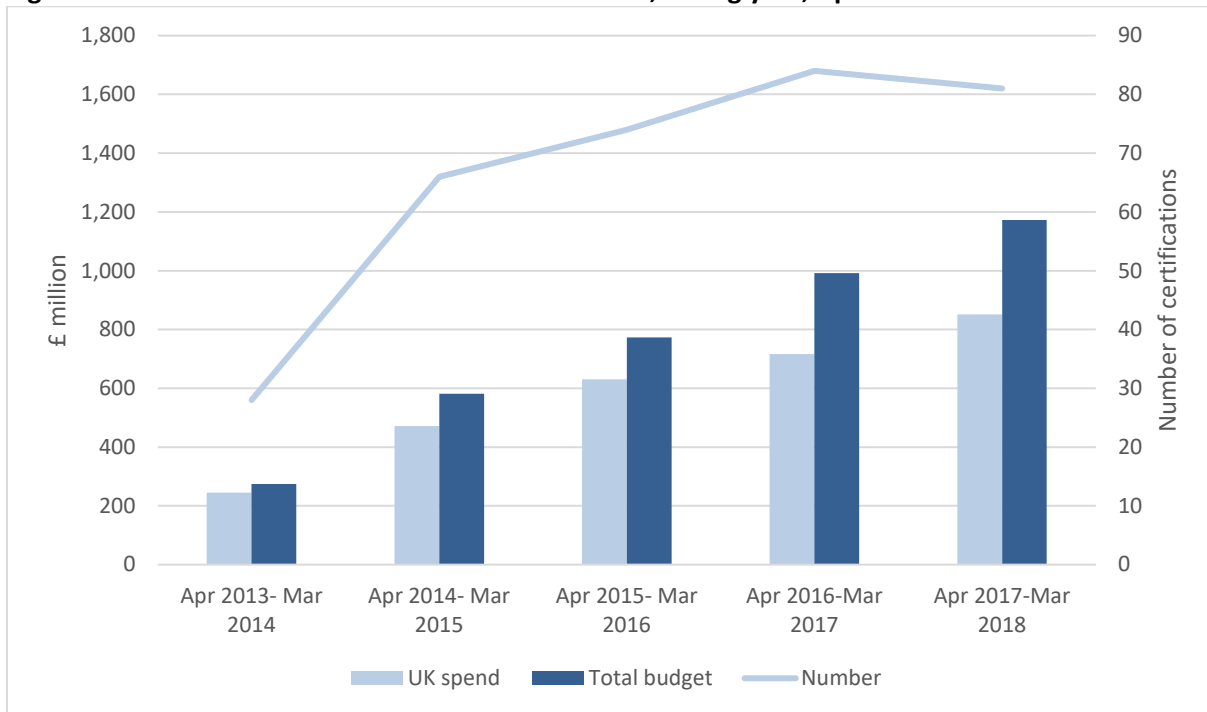


Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.  
See Appendix A for supporting data

Looking at the rolling year from April 2013-March 2014 to April 2017-March 2018, the number of HETV programmes with interim cultural test certification increased year on year to a peak on 84 in April 2016-March 2017. Since then, the number of programmes fell slightly to 81. UK spend and total budget has increased rolling year on rolling year, being £851 million and £1,173 million respectively in April 2017-March 2018 (Figure 10). UK spend as a percentage of total budget was 73% in April 2017-March 2018, staying at a similar level as in the previous 12 months. HETV co-productions are not shown for disclosure control reasons.

**Figure 10 Cultural test interim certifications for HETV, rolling year, April 2013 to March 2018**



Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

See Appendix A for supporting data

### 3.2 Total Budgets

This release presents the median total budget per minute of content for HETV instead of median total budget, as in previous releases<sup>2</sup>. The median budget per minute of interim cultural test HETV projects Q1 2018 was £30,082, the highest since the relief began (Table 3). Overall there has been an upward trend in median budget, but the increase in median budget has been seen since 2016. From 2013 to 2016, median budget plateaued around £22,000.

**Table 4 Median budget per minute of interim HETV cultural test certifications**

<b>Year</b>	<b>Median budget per minute £<sup>1</sup></b>
2013*	22,243
2014	21,759
2015	23,729
2016	22,289
2017	25,622
Q1 2018	30,082

Source: BFI

<sup>1</sup> Median budget is actual amount, unlike film and video games certification median budget which is reported in £ million

\*As the tax relief for HETV programmes commenced in April 2013, median budget for 2013 is for Q2-Q4.

For disclosure control reasons, median budget per minute for interim co-productions is not provided.

### 3.3 Co-production treaties

As there were no co-productions with final or interim certification in Q1 2018, no treaties are reported.

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<sup>2</sup> Certification applications are received for one-off programmes as well as series (that can be any length of time greater than 31 minutes), this median provides a better representation of the average HETV programme budget. Advice was obtained from the Producers Alliance for Cinema and Television (Pact) regarding appropriate median budgets.

## 4. Animation television programme certifications

### 4.1 Certification – numbers of applications and values

#### 4.1.1 Final certifications

Similar to HETV programmes there was an upward trend in the number of animation television programmes receiving final certification under the cultural test over the period Q1 2015 to Q1 2018, but their association UK spend and total budget varied. Number of certifications, UK spend and total budget peaked in Q1 2018, where a total of 20 animation programmes received final certification (double the number certified in Q1 2017) with a UK spend and total budget of £19 million and £36 million respectively (Table 8). UK spend was 54% of total budget in Q1 2018, the lowest of the period. Q1 2014 cultural test certification and co-production are not reported for disclosure reasons.

**Table 5 Final cultural test certifications for animation television programmes, Q1 2015 to Q1 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Q1 2015	8	12.6	19.7	64.0
Q1 2016	9	6.4	7.4	86.8
Q1 2017	10	7.5	10.6	70.7
Q1 2018	20	19.5	36.2	53.7

Source: BFI

'Total budget' is the sum of production activity in the UK and production activity outside the UK.

The number of certifications, UK spend and total spend has varied throughout the period April 2014-March 2015 to April 2017-March 2018. In the last 12 months, April 2017-March 2018, a total of 51 animation programmes received final certification under the cultural test with a UK spend of £57 million and total budget of £78 million (Table 5). This was the second highest number of programmes certified, after 52 programmes in April 2015-March 2016, and highest level of UK spend and total budget in the period. UK spend as a percentage of total budget was at its second highest in last 12 months, at 73%, after 76% in April 2015-March 2016. Data for April 2013-March 2014 and co-production data are not shown for disclosure reasons.

**Table 6 Cultural test final certifications for animation television programmes, April 2014 to March 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Apr 2014-Mar 2015	21	22.7	40.8	55.7
Apr 2015-Mar 2016	52	56.0	74.1	75.6
Apr 2016-Mar 2017	39	45.6	65.5	69.7
Apr 2017-Mar 2018	51	57.0	78.0	73.1

Source BFI.

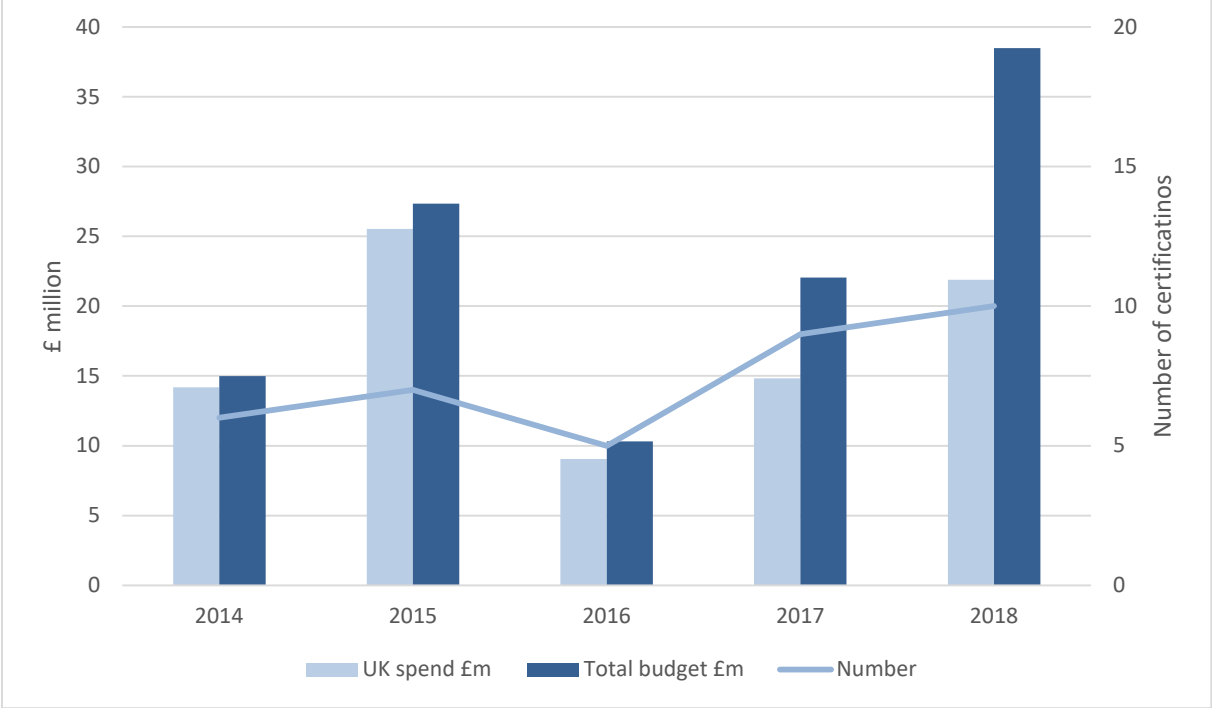
'Total budget' is the sum of production activity in the UK and production activity outside the UK.

#### 4.1.2 Interim certifications

As with film and HETV, interim certifications indicate the expected future level of official UK animation television programme production. Across the period, Q1 2014 to Q1 2017, there is generally an upward trend in the number of animation programmes with interim certifications, but UK spend and total

budget is more varied. A total of 10 animation programmes received interim certification under the cultural test in Q1 2018, with a UK spend of £22 million and a total budget of £38 million (Figure 11). This is up on Q1 2017, which saw nine animation television programmes receive interim certification. UK spend has increased by 48% from £15 million and total budget has increased by 75% from £22 million in Q1 2017. Animation television programme co-productions are not shown for disclosure reasons.

**Figure 11 Cultural test interim certification for animation television programmes, Q1 2014 to Q1 2018**

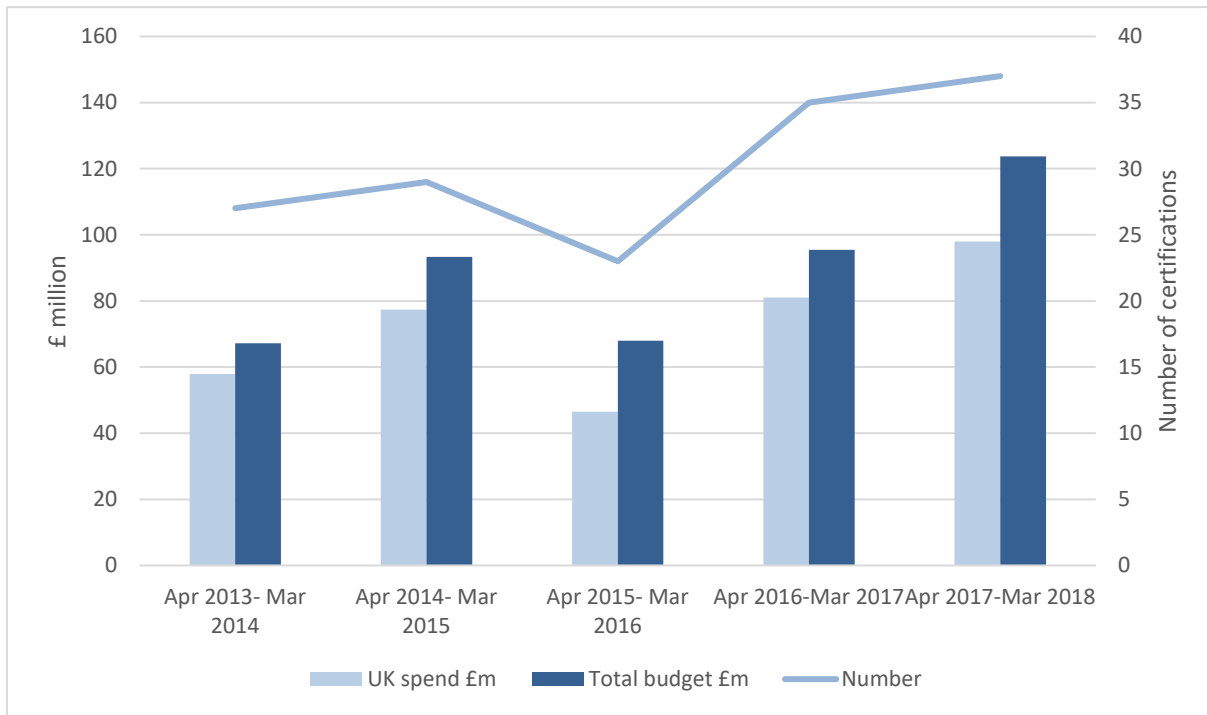


Source BFI.  
 'Total budget' is the sum of production activity in the UK and production activity outside the UK.  
 See Appendix A for supporting data

The trend for animation programmes with interim certification under the cultural for rolling year reflects that seen for Q1. In the last 12 months, 37 programmes were awarded interim certification, with a UK spend of £98 million and a total budget of £124 million (Figure 12). All up from April 2016-March 2017 where there were 35 programmes with a UK spend of £81 million and a total budget of £95 million. UK spend as a percentage of total budget is at its lowest in the period at 79%; the highest was seen in April 2013-March 2014 at 86%.

A small number of animation television programmes have been awarded interim certification as a co-production since April 2013-March 2014. There were no programmes awarded certification as a co-production in April 2017-March 2018. In April 2014-March 2015, there were six co-productions, with a UK spend of £5 million and a total budget of £11 million. Interim co-productions for April 2013-March 2014, April 2015-March 2016 and April 2016-March 2017 are not shown for disclosure reasons.

**Figure 12 Cultural test interim certifications for animation television programmes, April 2013 to March 2018**



Source BFI.

'Total budget' is the sum of production activity in the UK and production activity outside the UK.

See Appendix A for supporting data



#### **4.2 Total Budgets**

As with HETV programmes, this release presents the median total budget per minute of content for animation television programmes instead of median total budget<sup>3</sup>. The median budget per minute of interim cultural test animation television programmes in Q1 2018 was £10,825, the highest of the period (Table 6).

**Table 6 Median budget per minute of interim animation programme cultural test certifications**

<b>Year</b>	<b>Median budget per minute £<sup>1</sup></b>
2013*	6,263
2014	9,367
2015	7,867
2016	7,708
2017	9,485
Q1 2018	10,825

Source: BFI

<sup>1</sup> Median budget is actual amount, unlike film and video games certification median budget which is reported in £ million

\*As the tax relief for animation programmes commenced in April 2013, median budget for 2013 is for Q2-Q4.

For disclosure control reasons, median budget per minute for interim co-productions is not provided.

#### **4.3 Co-production treaties**

Co-productions with final certification in Q1 2018 were all under the UK/Canada treaty. As there were no co-productions with interim certification in Q1 2018, no co-production treaties can be reported.

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<sup>3</sup> Certification applications are received for one-off programmes as well as series (that can be any length of time), this median provides a better representation of the average animation programme budget. Advice was obtained from Pact regarding appropriate median budgets.

## 5. Children's television programme certifications

### 5.1 Certification – numbers of applications and values

#### 5.1.1 Final certifications

In Q1 2018, 20 children's television (CTV) programmes received final certification under the cultural test, down from 25 in Q1 2017. The associated with a UK spend and total budget was of £19.3 million and £19.5 million respectively, both up from £11.5 million and £11.7 million in Q1 2017. In Q1 2018, UK spend was 99% of total budget, staying at a similar level as in the previous Q1 period. Q1 2016 data is not published here for disclosure reasons.

**Table 7 Cultural test interim certification for CTV programmes, Q1 2017 to Q1 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Q1 2017	25	11.5	11.7	98.4
Q1 2018	20	19.3	19.5	99.4

In April 2016-March 2017, the number of CTV programmes awarded final certification under the cultural test and their associated UK spend and total budget were the highest since reporting began in April 2015: 60 programmes had a UK spend of £54 million and a total budget of £58 million (Table 8). This is up from 54 programmes with a UK spend and total budget of £33.5 million and £34 million respectively in April 2016-Mar 2017. CTV programmes awarded final certification as co-productions in April 2017-March 2018 are not shown for disclosure reasons. No co-productions received final certification in April 2015-March 2016 and April 2016-March 2017.

**Table 8 Cultural test final certifications for CTV programmes, April 2015 to March 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Apr 2015-Mar 2016	8	3.7	3.7	100.0
Apr 2016-Mar 2017	54	33.5	34.0	98.3
Apr 2017-Mar 2018	60	54.0	57.6	93.7

Source BFI.

'Total budget' is the sum of production activity in the UK and production activity outside the UK.

### 5.1.2 Interim certifications

As with the other tax reliefs, interim certifications indicate the expected future level of official UK CTV programme production. In Q1 2018, a total of four CTV programmes received interim certification under the cultural test, with a UK spend and total budget each of £7.5 million, making UK spend 100% of total budget (Table 9). This is decrease from eight programmes with a UK spend and total budget of £11.7 million each in Q1 2017. No programmes have been given final certification as co-productions in a Q1 period since the inception of the CTV tax relief.

**Table 9 Cultural test interim certification for CTV programmes, Q1 2016 and Q1 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Q1 2016	6	3.9	4.1	95.4
Q1 2017	8	11.7	11.7	99.9
Q1 2018	4	7.5	7.5	100.0

Source BFI.

'Total budget' is the sum of production activity in the UK and production activity outside the UK.

In April 2017-March 2018, 34 CTV programmes were given interim certification under the cultural test. Although the number of certifications is the same as in the previous 12 months, UK spend and total budget increased to £53 million and £69 million respectively, from £43 million and £44 million (Table 10). Total budget went up by over 57%. A decrease is seen in UK spend as a percentage of total budget, falling from 98% to 76%.

**Table 10 Cultural test interim certification for CTV programmes, April 2015 to March 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Apr 2015-Mar 2016	21	18.9	22.5	82.2
Apr 2016-Mar 2017	34	43.2	43.9	98.3
Apr 2017-Mar 2018	34	52.8	69.2	76.4

Source BFI.

'Total budget' is the sum of production activity in the UK and production activity outside the UK.

## 5.2 Total Budgets

As with HETV and animation television programmes, this release presents the median total budget per minute of content for CTV programmes instead of median total budget<sup>4</sup>. There is an upward trend in median budget from 2015 to Q1 2018 for CTV programmes with interim cultural test certifications (Table 11). Median budget has increased year on year from £2,433 in 2015 to £5,531 in Q1 2018.

**Table 11 Median budget per minute of interim CTV programme cultural test certifications**

<b>Year</b>	<b>Median budget per minute £</b>
2015*	2,433
2016	2,737
2017	3,045
Q1 2018	5,531

Source: BFI

1 Median budget is actual amount, unlike film and video games certification median budget which is reported in £ million

\*As the tax relief for animation programmes commenced in April 2015, median budget for 2015 is for Q2-Q4.

As there are a very low number of co-productions since the inception of the tax relief, median budget per minute for these productions cannot be reported for disclosure reasons.

## 5.3 Co-production treaties

As there are no co-productions in Q1 2018, co-productions treaties cannot be reported.

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<sup>4</sup> Certification applications are received for one-off programmes as well as series (that can be any length of time), this median provides a better representation of the average CTV programme budget. Advice was obtained from Pact regarding appropriate median budgets.

## 6. Video Games Certification

### 6.1 Certification – numbers of applications and values

#### 6.1.1 Final certifications

A total of 49 video games received final certification in Q1 2018, down from 60 in Q1 2017, EEA/UK<sup>5</sup> spend was at a similar level as the previous Q1 at £40 million (Table 12). Total budget fell from £59 million in Q1 2017 to £44 million in Q1 2018. There are no co-production treaties for video games, as such no statistics are available. Q1 2015 data are not shown for disclosure reasons.

**Table 12 Cultural test final certification for video games, Q1 2016 to Q1 2018**

Year	Number	EEA/UK spend £m	Total budget £m	UK spend as a % of total budget
Q1 2016	35	22.3	24.6	90.9
Q1 2017	60	41.1	58.6	70.1
Q1 2018	49	40.1	43.7	91.7

Source: BFI

'Total Budget' is the sum of development activity in the UK and production activity outside the UK.

In the last year, April 2017-March 2018, 201 video games received final certification, down from 214 in April 2016-March 2017 (Table 13). EEA/UK spend increased to £248 million from £221 million and total budget increased from £258 million to £263 million. UK spend as a percentage of total budget also increased to 94%.

**Table 13 Cultural test final certification for video games, April 2014 to March 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Apr 2014-Mar 2015	19	14.4	15.1	95.2
Apr 2015-Mar 2016	133	189.1	275.3	68.7
Apr 2016-Mar 2017	214	220.8	258.4	85.5
Apr 2017-Mar 2018	201	247.8	262.5	94.4

Source: BFI

'Total Budget' is the sum of development activity in the UK and production activity outside the UK.

<sup>5</sup> As the regulations for video-games refers to spend not just in the UK but also in the European Economic Area (EEA), we report UK/EEA spend rather than only UK spend.

### 6.1.2 Interim certifications

For interim certification, in Q1 2018 54 video games received interim certification under the cultural test, with an EEA/UK spend at £258 million and total budget at £810 million (Table 14). This is an increase on Q1 2017 where there were 52 video games, with an EEA/UK spend at £152 million and total budget at £164 million. Total budget in Q1 2018 is almost four times larger than in Q1 2017, mainly due to one development with a very large budget and an additional three developments with budgets over £10 million. EEA/UK spend as a percentage of total budget in Q1 2018 is substantially down on that in Q1 2017, 32% compared to 93%.

**Table 14 Cultural test interim certification for video games, Q1 2015 to Q1 2018**

Period	Number	EEA/UK spend £m	Total budget £m	EEA/UK spend as a % of total budget
Q1 2015	25	114.0	121.4	93.9
Q1 2016	40	141.8	148.9	95.2
Q1 2017	52	152.4	164.3	92.8
Q1 2018	54	258.4	809.7	31.9

Source: BFI

'Total Budget' is the sum of development activity in the UK and production activity outside the UK.

In April 2017-March 2018 184 video games received interim certification with an expected EEA/UK spend of £542 million and a total budget of £1,109 million (Table 17). This is a slight decrease on number of video games with interim certification April 2016-March 2017, which was 188, but an increase on UK spend and total budget, which were £542 million (the second largest of the period) and £1,109 million (the largest of the period) respectively. Total budget has increased 130% on the previous rolling year; this is due one development with a very large budget plus 11 further developments with budgets of over £10 million.

**Table 15 Cultural test interim certification for video games, April 2014-March 2018**

Year	Number	EEA/UK spend £m	Total budget £m	UK spend as a % of total budget
Apr 2014-Mar 2015	48	158.7	167.5	94.8
Apr 2015-Mar 2016	136	575.8	631.2	91.2
Apr 2016-Mar 2017	188	412.3	482.3	85.5
Apr 2017-Mar 2018	184	541.9	1,108.7	48.9

Source: BFI

'Total Budget' is the sum of development activity in the UK and production activity outside the UK.

## **6.2 Total Budgets**

Median budget in Q1 2018 was £0.4 million. Since 2016 median budget has plateaued at £0.4 million, following its peak of £0.6 million in 2015.

**Table 16 Median budgets of interim video game cultural test certifications**

<b>Year</b>	<b>Median budget £m</b>
2014*	0.2
2015	0.6
2016	0.4
2017	0.4
Q1 2018	0.4

Source: BFI

\*As the tax relief for video games commenced in April 2014, median budget for 2014 is for Q2-Q4.

## Appendix A

**Table A1 Final cultural test certifications for film, Q1 2007 to Q1 2018**

<b>Year</b>	<b>Number</b>	<b>UK Spend £ m</b>	<b>Total Budget £m</b>	<b>UK as a % of budget</b>
Q1 2007	32	77.8	92.0	84.6
Q1 2008	16	130.8	250.9	52.1
Q1 2009	31	107.2	144.6	74.1
Q1 2010	38	340.7	363.5	93.7
Q1 2011	40	184.5	253.3	72.8
Q1 2012	41	127.4	144.8	88.0
Q1 2013	47	47.0	49.3	95.3
Q1 2014	69	419.2	658.4	63.7
Q1 2015	45	55.4	80.3	68.9
Q1 2016	68	230.5	318.3	72.4
Q1 2017	79	747.1	982.8	76.0
Q1 2018	68	229.8	404.6	56.8

Source: BFI

'Total Budget' the sum of production activity in the UK and production activity outside the UK.



**Table A2 Final certifications for film, rolling year, from April 2007 to March 2018**

Type of certification	Apr 2007- Mar 2008	Apr 2008- Mar 2009	Apr 2009- Mar 2010	Apr 2010- Mar 2011	Apr 2011- Mar 2012	Apr 2012- Mar 2013	Apr 2013- Mar 2014	Apr 2014- Mar 2015	Apr 2015- Mar 2016	Apr 2016- Mar 2017	Apr 2017- Mar 2018
<b>Cultural Test</b>											
Number	82	112	151	172	190	193	204	214	261	280	272
UK spend £m	495.4	564.8	656.5	697.5	1,421.4	753.7	1,413.5	888.9	1,135.0	1,453.3	1332.9
Total budget £m	720.3	828.8	823.7	891.4	2,009.8	1,074.3	1,962.5	1,278.9	1,682.9	2,198.0	2036.5
UK spend as a % of total budget	68.8	68.2	79.7	78.3	70.7	70.2	72.0	69.5	67.4	66.1	65.5
<b>Co-production</b>											
Number	26	8	13	18	11	15	19	12	12	7	15
UK spend £m	48.4	40.0	37.9	49.1	39.0	42.8	69.1	35.8	26.4	23.9	27.2
Total budget £m	136.7	55.2	85.9	122.6	107.6	71.2	120.6	61.8	73.9	75.4	79.4
UK spend as a % of total budget	35.4	72.6	44.1	40.1	36.3	60.2	57.3	57.9	35.7	31.7	34.2
<b>All Types</b>											
Number	108	120	164	190	201	208	223	226	273	287	287
UK spend £m	543.8	604.9	694.4	746.7	1,460.4	796.6	1,482.6	924.7	1,161.4	1,477.2	1,360.1
Total budget £m	857.0	884.0	909.6	1,014.0	2,117.4	1,145.5	2,083.1	1,340.7	1,756.8	2,273.4	2,115.9
UK spend as a % of total budget	63.5	68.4	76.3	73.6	69.0	69.5	71.2	69.0	66.1	65.0	64.3

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-production it is the sum of investments made by all participating countries in the film.

**Table A3 Interim cultural test certifications for film, Q1 2007 to Q1 2018**

<b>Year</b>	<b>Number</b>	<b>UK Spend £ m</b>	<b>Total Budget £m</b>	<b>UK as a % of budget</b>
Q1 2007	16	140.8	251.8	55.9
Q1 2008	28	100.0	153.8	65.0
Q1 2009	25	33.7	37.7	89.4
Q1 2010	30	156.9	187.8	83.5
Q1 2011	39	52.2	64.0	81.6
Q1 2012	47	181.0	389.0	46.5
Q1 2013	44	164.8	315.6	52.2
Q1 2014	47	316.3	487.4	64.9
Q1 2015	67	333.3	482.6	69.0
Q1 2016	50	55.8	73.9	75.5
Q1 2017	62	335.0	672.7	49.8
Q1 2018	69	619.2	923.4	67.1

Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

**Table A4 Interim certifications for film, rolling year, from April 2007 to March 2018**

Type of certification	Apr 2007- Mar 2008	Apr 2008- Mar 2009	Apr 2009- Mar 2010	Apr 2010- Mar 2011	Apr 2011- Mar 2012	Apr 2012- Mar 2013	Apr 2013- Mar 2014	Apr 2014- Mar 2015	Apr 2015- Mar 2016	Apr 2016- Mar 2017	Apr 2017- Mar 2018
<b>Cultural Test</b>											
Number	111	117	148	151	156	150	192	185	245	273	293
UK spend £m	737.2	598.1	1,406.7	661.9	1,400.3	904.8	958.0	1,182.2	1,503.7	1,681.7	2380.1
Total budget £m	974.6	741.4	1,713.5	1,041.6	1,923.8	1,269.4	1,301.0	1,716.3	2,383.3	2,781.7	3896.5
UK spend as a % of total budget	75.6	80.7	82.1	63.5	72.8	71.3	73.6	68.9	63.1	60.5	61.08
<b>Co-production</b>											
Number	20	14	17.0	21	18	14	22	13	23	21	16
UK spend £m	69.5	39.4	28.7	67.1	50.0	40.8	49.1	19.0	23.2	38.5	33.7
Total budget £m	120.0	90.6	78.1	185.5	89.8	78.4	127.8	67.7	66.0	117.0	70.2
UK spend as a % of total budget	57.9	43.5	36.8	36.2	55.7	52.1	38.4	28.1	35.2	32.9	48.0
<b>All Types</b>											
Number	131	131	165	172	174	164	214	198	268	294	309
UK spend £m	806.6	637.5	1,435.4	729.0	1,450.3	945.6	1,007.1	1,201.2	1,526.9	1,720.2	2,413.8
Total budget £m	1,094.6	832.0	1,791.6	1,227.0	2,013.7	1,347.8	1,428.8	1,784.0	2,449.3	2,898.8	3,966.8
UK spend as a % of total budget	73.7	76.6	80.1	59.4	72.0	70.2	70.5	67.3	62.3	59.3	60.9

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-production it is the sum of investments made by all participating countries in the film.

**Table A5 Final cultural test certifications for HETV programmes, Q1 2014 to Q1 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Q1 2014	8	50.6	50.6	100.0
Q1 2015	6	30.1	31.6	95.2
Q1 2016	24	183.0	207.1	88.4
Q1 2017	20	122.9	154.6	79.5
Q1 2018	22	185.9	231.7	80.2

Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

**Table A6 Final cultural test certifications for HETV programmes, rolling year, from April 2013 to March 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Apr 2013-Mar 2014	13	63.8	63.8	100
Apr 2014-Mar 2015	42	267.7	308.0	86.9
Apr 2015-Mar 2016	76	565.7	640.1	88.4
Apr 2016-Mar 2017	79	708.8	859.0	82.5
Apr 2017-Mar 2018	105	738.5	1012.2	73.0

Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

**Table A7 Interim cultural test certifications for HETV programmes, Q1 2014 to Q1 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Q1 2014	8	122.0	142.4	85.7
Q1 2015	11	92.8	114.9	80.8
Q1 2016	16	105.7	139.4	75.8
Q1 2017	23	192.7	291.6	66.1
Q1 2018	22	368.4	538.0	68.5

Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

**Table A8 Interim cultural test certifications for HETV programmes, rolling year, from April 2013 to March 2018**

Year	Number	UK spend £m	Total budget £m	UK spend as a % of total budget
Apr 2013-Mar 2014	28	245.3	274.3	89.4
Apr 2014-Mar 2015	66	471.6	581.1	81.2
Apr 2015-Mar 2016	74	630.9	773.2	81.6
Apr 2016-Mar 2017	84	716.3	991.9	72.2
Apr 2017-Mar 2018	81	850.9	1172.9	72.5

Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

**Table A9 Cultural test interim certification for animation television programmes, Q1 2014 to Q1 2018**

<b>Year</b>	<b>Number</b>	<b>UK spend £m</b>	<b>Total budget £m</b>	<b>UK spend as a % of total budget</b>
Q1 2014	6	14.2	15.0	94.8
Q1 2015	7	25.5	27.4	93.4
Q1 2016	5	9.1	10.3	87.7
Q1 2017	9	14.8	22.0	67.3
Q1 2018	10	21.9	38.5	56.9

Source: BFI

'Total Budget' is the sum of production activity in the UK and production activity outside the UK.

**Table A10 Cultural test interim certifications for animation television programmes, April 2013 to March 2018**

<b>Year</b>	<b>Number</b>	<b>UK spend £m</b>	<b>Total budget £m</b>	<b>UK spend as a % of total budget</b>
Apr 2013-Mar 2014	27	57.9	67.2	86.1
Apr 2014-Mar 2015	29	77.3	93.4	82.8
Apr 2015-Mar 2016	23	46.5	68.0	68.4
Apr 2016-Mar 2017	35	81.1	95.5	84.9
Apr 2017-Mar 2018	37	98.0	123.7	79.2

Source BFI.

'Total budget' is the sum of production activity in the UK and production activity outside the UK.

## Notes:

### 1. **British film, high-end television programmes (HETV), animation television programmes, children's television programmes (CTV) and video games certification statistics collected and reported by the BFI**

The British film, high-end television programmes, animation television programmes, children's television programmes and video games certification statistics in this report are based on data collected by the BFI's Certification Unit, on behalf of DCMS. The data reported are all British films, HETV programmes, animation television programmes, CTV programme and video games certified as British in the reference period, not a sample. This release is complemented by the Creative Industries Statistics produced by HMRC which can be found at <https://www.gov.uk/government/collections/creative-industries-statistics>

The BFI Certification Unit assesses all British films, HETV programmes, animation television programmes, CTV programmes and video games certification applications on behalf of DCMS and makes recommendations to the Secretary of state. The certificates are then issued by the BFI Certification Unit. Certification may occur some time after both the production/development and release (theatrical or broadcast in the case of films, HETV, animation television programmes and CTV programmes or supply in the case of video games) of the film, television programme or video game.

### 2. **Definitions**

**Cultural test films** are British films certified under the cultural test (as amended in April 2014 in the Films Act 1985). To qualify under this definition, films commencing principal photography on or after 1 April 2014 must pass a UK cultural test awarding points for UK and EEA elements in the story, setting and characters, cultural contribution 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, 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, cultural contribution 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 HETV programmes to those programmes that meet the criteria and final certification once the 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 HETV programme is complete.

A HETV 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 HETV 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 animation television programmes** are British animation programmes certified under the cultural test, 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 and EEA state elements in the story, setting and characters, cultural contribution and for where and by whom the animation 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 animation television programmes to those programmes that meet the criteria and final certification once the 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.

**Cultural test children's television programmes** are British children's television programmes certified under the cultural test, Schedule 16 to the Finance Act 2013. To qualify under this definition, animation programmes commencing principal photography on or after 1 April 2015 must pass a UK cultural test awarding points for UK and EEA state elements in the story, setting and characters, cultural contribution and for where and by whom the children's 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 CTV programmes to those programmes that meet the criteria and final certification once the 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.

**Cultural test video games** are British video games certified under the cultural test, Schedule 17 and 18 to the Finance Act 2013. To qualify under this definition, video games commencing principal development on or after 1 April 2014 must pass a UK cultural test awarding points for UK and EEA elements in the story, setting and characters, cultural contribution and for where and by whom the video game 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 video game to those video games that meet the criteria and final certification once the video game 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 video game is complete.

**Official UK co-productions** are British films, HETV programmes, animation television programmes or CTV programmes certified under one of the UK's official co-production treaties. Interim certification is granted in conjunction with the co-producing party competent authority or authorities for multi-lateral projects prior to the start of principal photography to films, HETV, animation television programmes or CTV programmes that meet the criteria and final certification once the film, HETV, animation television programme or CTV programme has been completed and final documents submitted. Films, HETV programmes, animation television programmes or CTV programmes made as official co-productions are not required to pass the film, HETV programme, animation television programme, or CTV programmes cultural tests.

For full details for the cultural test, 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 the production or development activities in the UK cultural tests and UK expenditure for co-productions (bilateral and European Convention of Cinematographic Co-production). UK spend for co-productions may include some expenditure on UK goods and services which took place outside the UK.

### **3. Revisions**

As the status and certification dates of individual films, HETV programmes, animation television programmes CTV programmes or video games 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 quarter, so the latest release should be referred to as the most accurate summation available of the certification numbers.

### **4. Disclosing individual film, HETV programme, animation programme, children's television programme and video games information**

Film, HETV programme, animation television programme, CTV programme and video game data (number of films, programmes and video games, UK spend, UK/EEA spend and total budget) are not disclosed when the number of films, programmes or video games is five or fewer.

### **5. Feedback**

We welcome feedback from users of our statistics releases to help us improve what we do. If you have any feedback on these statistics or if you wish to make a complaint, in the first instance please contact us using the named contact details listed below.

### **6. Statistical contact details**

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