

## British film certification, H1 2013

BFI Research and Statistics Unit

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A total of 95 British films received final certification in H1 2013, one fewer than in H1 2012. The majority (88 of the 95) of the finally certified films in H1 2013 were Cultural Test films (Table 1).

The total production budget for H1 2013 final Cultural Test certifications was £186 million, which is lower than the high values seen in the first halves of 2010 to 2012, but similar to the levels seen in the first halves of earlier years. Note that these data are for final certifications, so include films produced over the previous one to three years.<sup>1</sup> Cultural Test films include high budget UK/USA films as well as low budget UK films, so the aggregate budget is influenced by the number and timing of inward investment UK/USA productions. In H1 2013, UK spend for finally certified Cultural Test films was 86% of total budget, the second highest percentage of the period shown in Table 1. Significant titles receiving final certification in H1 2013 included *Hyde Park on Hudson*, *Les Misérables*, *Quartet* and *Spirit of '45*.

**Table 1: Final Certifications, H1 2007 to H1 2013**

Type of certification		H1 2007	H1 2008	H1 2009	H1 2010	H1 2011	H1 2012	H1 2013
Cultural Test	Number	42	37	71	74	93	91	88
	UK spend £m	92.3	176.4	158.4	528.7	419.9	492.0	160.9
	Total budget £m	113.2	299.7	202.6	574.2	670.8	685.6	186.3
	UK spend as % of budget	81.5%	58.8%	78.2%	92.1%	62.6%	71.8%	86.4%
Co-production	Number	42	2	6	13	11	5	7
	UK spend £m	98.5	8.8	20.2	38.0	43.6	10.6	7.4
	Total budget £m	284.0	12.7	44.7	75.7	73.1	20.1	20.2
	UK spend as % of total budget	34.7%	69.3%	45.3%	50.1%	59.6%	52.9%	36.7%
<b>All types</b>	<b>Number</b>	<b>84</b>	<b>39</b>	<b>77</b>	<b>87</b>	<b>104</b>	<b>96</b>	<b>95</b>
	<b>UK spend £m</b>	<b>190.8</b>	<b>185.1</b>	<b>178.6</b>	<b>566.7</b>	<b>463.5</b>	<b>502.6</b>	<b>168.4</b>
	<b>Total production budget £m</b>	<b>397.2</b>	<b>312.4</b>	<b>247.3</b>	<b>649.9</b>	<b>743.9</b>	<b>705.7</b>	<b>206.5</b>
	<b>UK spend as % of total budget</b>	<b>48.0%</b>	<b>59.3%</b>	<b>72.2%</b>	<b>87.2%</b>	<b>62.3%</b>	<b>71.2%</b>	<b>81.5%</b>

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.

H1 is the first half of the year, ie 1 January to 30 June.

<sup>1</sup> The latest production statistics are published separately in *Film production in the UK, first half year(H1) 2013*.

Interim certifications give an indication of the future level of official UK film production. Table 2 shows the numbers, UK spend and production value of British films receiving interim certification in H1 2007 to H1 2013. The number of interim-certified Cultural Test films rose to 87 (83 in H1 2012) while the number of interim-certified official Co-productions decreased by two from 10 to eight.

The expected UK spend of interim-certified Cultural Test was £292 million in H1 2013 (a decrease compared with H1 2012, but the third highest level over the period shown in the Table). The expected UK spend for interim certified Co-productions, at £29 million was, again, a decrease on the level seen for H1 2012, but the second highest over the period shown in the Table. UK spend for all certifications was £321 million in H1 2013, compared with £643 million in H1 2012 and £295 million in H1 2011.

Under the publication rules agreed between the Department for Culture, Media and Sport (DCMS) and the Certification Unit, titles of films being certified are not released until they receive their final certifications.

**Table 2: Interim Certifications, H1 2007 to H1 2013**

Type of certification		H1 2007	H1 2008	H1 2009	H1 2010	H1 2011	H1 2012	H1 2013
Cultural Test	Number	49	58	63	63	69	83	87
	UK spend £m	494.1	181.6	257.7	250.3	270.1	591.3	291.8
	Total budget £m	707.8	261.2	284.4	385.3	355.8	865.2	462.2
	UK spend as % of budget	69.8%	69.5%	90.6%	65.0%	75.9%	68.3%	63.1%
Co-production	Number	8	9	8	11	13	10	8
	UK spend £m	12.6	30.7	18.5	24.1	25.4	51.7	28.7
	Total budget £m	30.2	65.4	54.5	55.3	49.0	101.4	46.3
	UK spend as % of total budget	41.7%	47.0%	33.9%	43.5%	51.8%	50.9%	61.9%
<b>All types</b>	<b>Number</b>	<b>57</b>	<b>67</b>	<b>71</b>	<b>74</b>	<b>82</b>	<b>93</b>	<b>95</b>
	<b>UK spend £m</b>	<b>506.7</b>	<b>212.3</b>	<b>276.2</b>	<b>274.3</b>	<b>295.5</b>	<b>642.9</b>	<b>320.5</b>
	<b>Total production budget £m</b>	<b>738.1</b>	<b>326.6</b>	<b>338.9</b>	<b>440.6</b>	<b>404.8</b>	<b>966.7</b>	<b>508.5</b>
	<b>UK spend as % of total budget</b>	<b>68.7%</b>	<b>65.0%</b>	<b>81.5%</b>	<b>62.3%</b>	<b>73.0%</b>	<b>66.5%</b>	<b>63.0%</b>

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.

## Budgets

Table 3 shows the median budget of interim Co-productions since 2003, and Table 4 shows the median budget of interim Cultural Test certifications since 2007. In H1 2013 the median budget of Co-productions receiving interim certification was £5.4 million. From 2003 to 2011 there had been a downward trend in median budgets, and 2011's median budget was £2.3 million. Between 2011 and 2012 there was an increase to £6.1 million. The median for H1 2013 has decreased from the 2012's high figure, but it is the second highest median budget for the period shown in the Table.

**Table 3: 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	3.5
2010	3.7
2011	2.3
2012	6.1
H1 2013	5.4

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.

The median budgets of interim Cultural Test certifications are generally lower than those of Co-productions, as Table 4 shows. There has been a decreasing trend in median budget for Cultural Test films since 2007, and the figure for H1 2013, at £0.6 million, is the lowest for all years shown in the Table.

**Table 4: Median budgets of interim Cultural Test certifications**

Year	Median budget £m
2007	1.8
2008	1.5
2009	1.1
2010	1.0
2011	0.9
2012	1.1
H1 2013	0.6

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.

### **Co-production agreements**

In H1 2013, six of the seven final Co-production certifications were under the European Convention, and the other was under the UK-Canada agreement.

Of the eight interim Co-production certifications in H1 2013, seven were under just the European Convention, and the other was under both the European convention and the UK-South Africa agreement.

## 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 certified in the reference period, not a sample.

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

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

Figures for Cultural Test film certification include certificates issued under the old production costs test, transitional Cultural Test (32 points) and the Cultural Test (31 points).

Interim certification (applicable to Cultural Test films from January 2007) is not a pre-requisite for receiving final certification under the Cultural Test. Some films receive their final certification without having received an interim certificate.

### 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 before 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. Applicants may claim film tax relief during production of their films if they have received interim certification.

**Official UK Co-productions** are British films certified under one of the UK's official Co-production agreements or the European Convention on Cinematographic Co-production. Interim certification is granted before the start of principal photography to films that meet the criteria and final certification once the film has been completed and final documents submitted. Films made as official Co-productions are not required to pass the Cultural Test for British film. Applicants may claim film tax relief during production of their films if they have received interim certification.

For full details of the Cultural Test and other information on British film certification see [www.bfi.org.uk/film-industry/british-film-certification-tax-relief](http://www.bfi.org.uk/film-industry/british-film-certification-tax-relief)

**UK spend** is the value of production activities in the UK for Cultural Test films 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 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 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**

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