

## British film certification, H1 2012

BFI Research and Statistics Unit

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A total of 96 British films received final certification in H1 2012, down from 104 in H1 2011. The majority (91 of the 96) of the finally certified films in H1 2012 were Cultural Test films (Table 1).

The total production budget for H1 2012 final Cultural Test certifications was £686 million, compared with £671 million in the first half of 2011 and £574 million in H1 2010. 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 2012, UK spend for finally certified Cultural Test films was 72% of total budget, up from 63% in 2011, but lower than 2010's 92%. Significant titles receiving final certification in H1 2012 included *The Best Exotic Marigold Hotel*, *The Inbetweeners Movie*, *John Carter*, *Salmon Fishing in the Yemen*, *War Horse* and *X-Men: First Class*.

**Table 1: Final Certifications, H1 2007 to H1 2012**

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

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.

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

<sup>1</sup> The latest production statistics are published separately in *Film Production in the UK – H1 2012*

films receiving interim certification in H1 2007 to H1 2012. The number of interim-certified Cultural Test films rose to 84 (69 in H1 2011) while the number of interim-certified official Co-productions decreased by three from 13 to 10.

The expected UK spend of interim-certified Cultural Test was £592 million in H1 2012 (compared with £270 million in H1 2011), the highest UK spend in H1 over the period included in the Table. The expected UK spend for interim certified Co-productions, at £52 million, was also the highest of the years shown in the Table, and was twice as high as the figure for H1 2011. UK spend for all certifications was £644 million in H1 2012, compared with £296 million in H1 2011 and £276 million in H1 2010.

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 2012**

Type of certification		H1 2007	H1 2008	H1 2009	H1 2010	H1 2011	H1 2012
Cultural Test	Number	49	58	63	64	69	84
	UK spend £m	494.1	181.6	257.7	251.5	270.1	592.2
	Total budget £m	707.8	261.2	284.4	386.6	355.8	867.9
	UK spend as % of budget	69.8%	69.5%	90.6%	65.1%	75.9%	68.2%
Co-production	Number	8	9	8	11	13	10
	UK spend £m	12.6	30.7	18.5	24.1	25.4	51.7
	Total budget £m	30.2	65.4	54.5	55.3	49.0	101.4
	UK spend as % of total budget	41.7%	47.0%	33.9%	43.5%	51.8%	50.9%
All types	Number	57	67	71	75	82	94
	UK spend £m	506.7	212.3	276.2	275.6	295.5	643.9
	Total production budget £m	738.1	326.6	338.9	441.9	404.8	969.3
	UK spend as % of total budget	68.7%	65.0%	81.5%	62.4%	73.0%	66.4%

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 2012 the median budget of Co-productions receiving interim certification was £8.4 million, the highest of the period, and nearly £6 million higher than the figure for 2011. This shows a different pattern from recent years as from 2006 to 2011 there had been a downward trend in median budgets.

**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
H1 2012	8.4

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. The median budget in H1 2012, at £1.1 million, was the same as for all 2009 and 2010 interim Cultural Test certified films, and an increase on 2011's £0.9 million.

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

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

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 2012, two of the five final Co-production certifications were under the European Convention, two were under the UK-South Africa agreement and the other was under the UK-Canada agreement.

Of the 10 interim Co-production certifications in H1 2012, five were under the European Convention, and one each under the UK-Australia, UK-Canada, UK-France, UK-Israel and UK-South Africa agreements.

## 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 approval 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.

**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 approval' is granted prior to 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.

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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