kpmg

Film Council

Specialised Exhibition and Distribution Strategy

Appendices

KPMG

Contents

1 Appendix A1: Working Definition for Specialised Cinema and Specialised Film

Specialised cinema exists to satisfy the desire of audiences to see a diverse range of films, at a variety of cinemas or other locations. Specialised venues are often are driven by a broad educational remit and may offer discrete education activities. Typically they exhibit a majority of specialised films.

*Specialised film*s may be either feature-length or shorts, fact or fiction. They normally fall in to one or more of the following categories:

- Films which engage with current aesthetic, political, social and cultural issues, and seek to encourage their audiences to become similarly engaged.
- English language films that, because of the creative originality of their form or content challenge audience expectations, emotionally, aesthetically or intellectually.
- UK minority indigenous language films particularly those that, because of the creative originality of their form or content, challenge audience expectations, emotionally, aesthetically or intellectually.
- Foreign language films particularly those that, because of the creative originality of their form or content, challenge audience expectations, emotionally, aesthetically or intellectually.
- Films where ethnicity, sexual orientation or disability are important factors for makers and/or audiences.
- Classic films that reappear in cinema repertories over the years.
- Archive films, because of their place in the history of cinema, or because of their relevance to a particular community of interest or geographical community.
- Films that appeal to children or other underserved audiences, including those that, because of the creative originality of their form or content, challenge expectations, emotionally, aesthetically or intellectually.

2 Appendix A2: Film Council Working Group

The Film Council Specialised Exhibition and Distribution Working Group comprises:

- John Hill (Chair and Film Council Board)
- Parminder Vir (Film Council Board)
- John Woodward (Film Council Chief Executive Officer)
- Steve McIntyre (Scottish Screen/Four Nations Forum)
- Adrian Wootton (*bfi* Head of Exhibition)
- Carolyn Lambert (Film Council Head of Policy)
- Paul Brett (*bfi* Head of Cinema Services)
- Carol Comley (Film Council Deputy Head of Policy)
- Peter Packer (Film Council Strategy Adviser)
- Neil Watson (Film Council Policy Adviser)

3 Appendix A3: Questionnaire findings

In this section, we present graphical representations of the quantitative responses to some of the key questions from our exhibitors' and distributors' questionnaire. The findings from these surveys should only be used as a guide in understanding the issues which are of important to the specialised exhibition and distribution sector, as they are not statistically robust. It should also be noted that the questionnaire findings are only one of the many inputs into the development of the exhibition and distribution strategy. Other key inputs which have informed the strategy development include face-to-face and telephone interviews, literature review and model development.

In addition, a major survey exercise was undertaken to solicit qualitative views on the specialised exhibition and distribution sectors. A total of 85 interested parties responded as part of this qualitative survey.

The overall depth of the consultation programme is illustrated below. Around 250 people/organisations were contacted and the overall response rate is around 60%.

Summary of the consultation programme

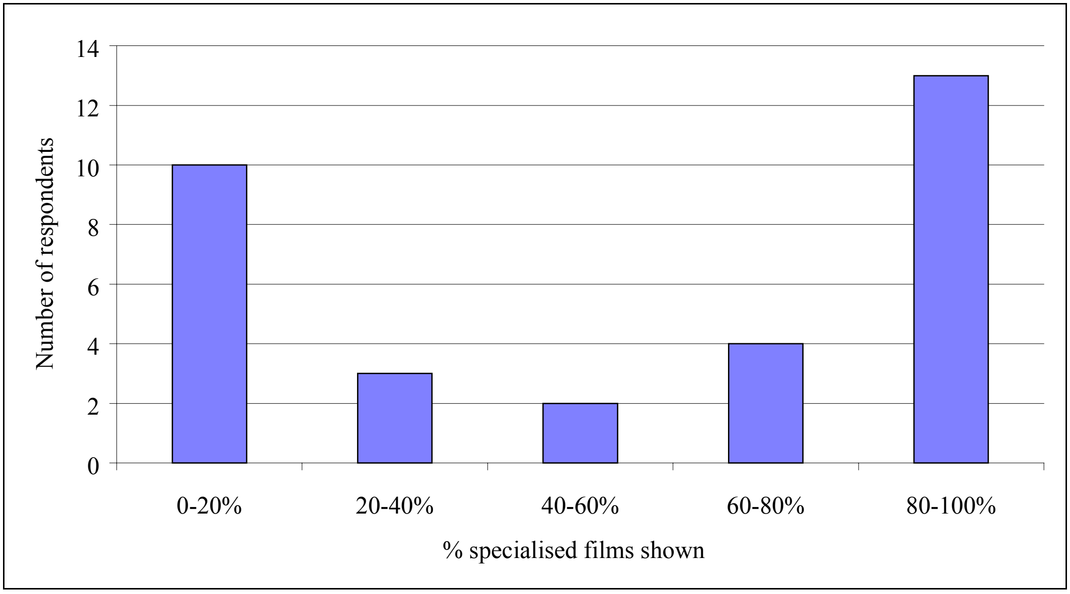
	Questionnaire returns (directly or filled in during consultation)	**Total contacted**	**% Response rate**
Distributor	27	38	71%
Exhibitor	40	72	56%
Other	80	136	59%
Total	**147**	**246**	**60%**

The significant points raised by the survey finding are addressed in the main body of the report in more detailed. In some cases we have added a short commentary here to expand on or interpret the results. Some of the additional comments to which we refer were written on the questionnaires – others came from our interviews with exhibitors.

3.1 Exhibition

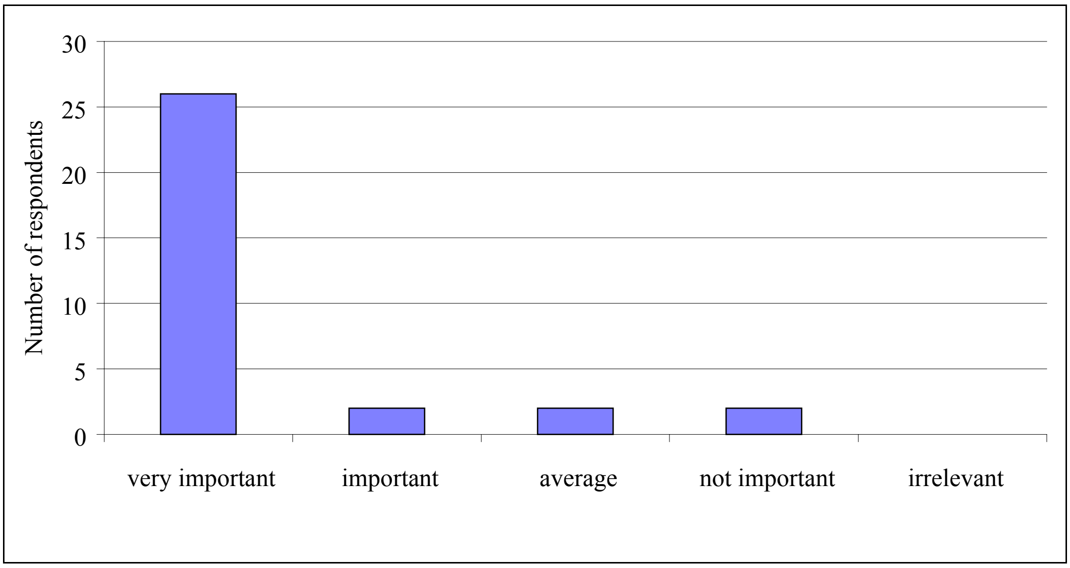
Quantitative responses from the exhibition survey are covered in this section.

Figure 3-1: What percentage of films shown in your cinema are specialised films?



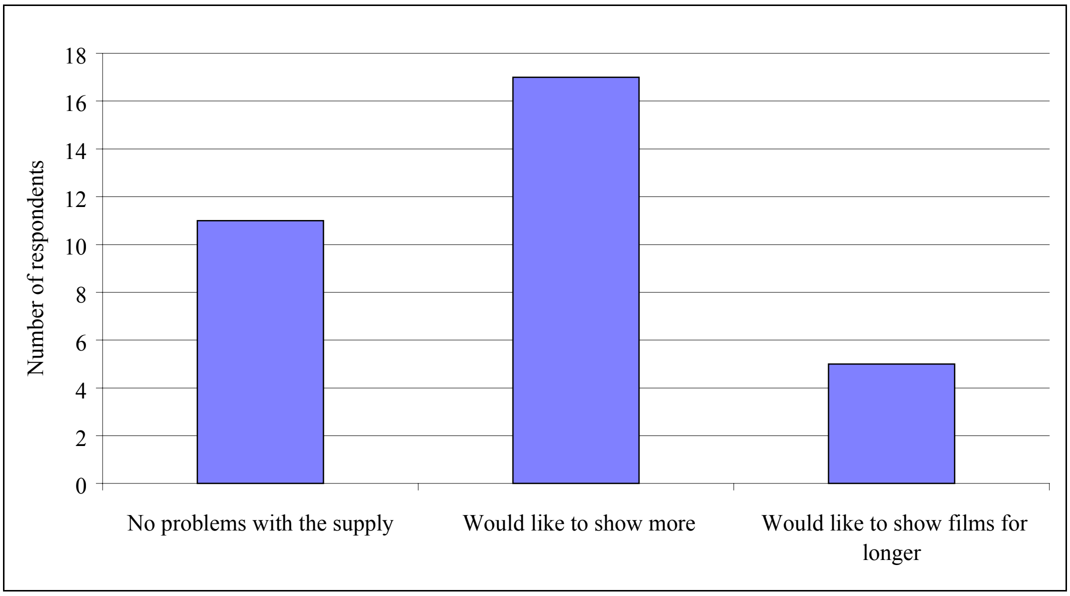
This demonstrates that the majority of cinema exhibitors who responded operate at the extremes – they show almost exclusively specialised film, or show hardly any. The exhibitors which identified themselves in the 80-100% category were all publicly-funded. There were several commercial operators (such as City Screen, Mainline, Zoo) which operate in the middle ground, showing a mixture of specialised and more mainstream product.

Figure 3-2: How important is specialised film to your cinema?



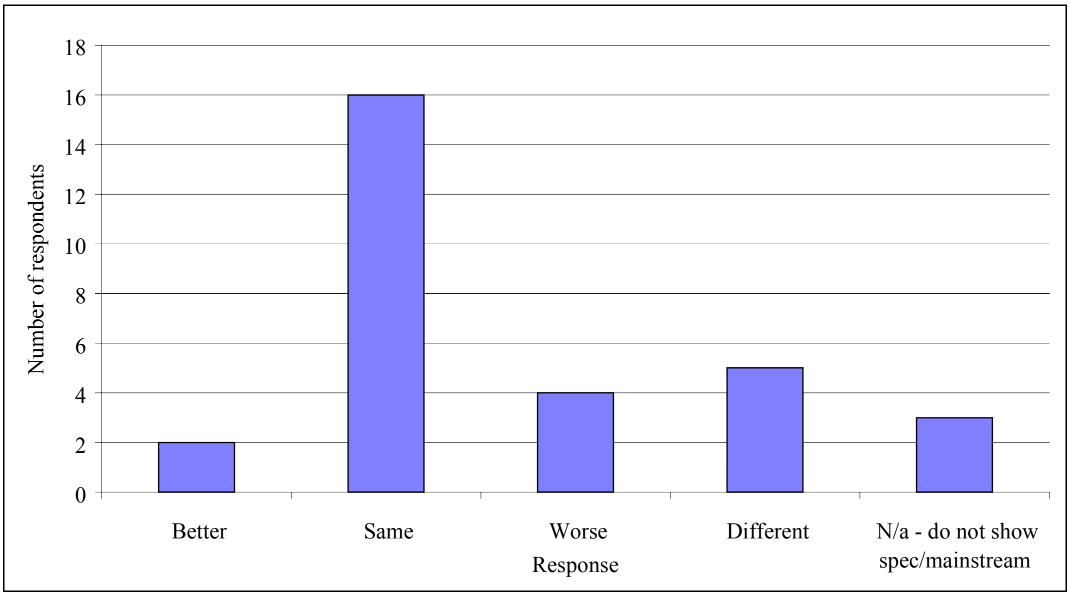
This showed a strong recognition of the importance of specialised film to all exhibitors, whether they are primarily operating in the specialised arena or not. Several respondents felt that it was "crucial" to their mission. One stated they tried to complement what was offered elsewhere. Others stated that it was important financially, and in terms of maintaining credibility.

Figure 3-3: Have you experienced any difficulty in accessing the specialised films that you would like to show?



Of the respondents who stated they would like to show more specialised films, some of them commented that the real problems were date availability. Some stand-alone exhibitors complained that they were low in the pecking order of distributors' priorities.

Figure 3-4: Do the terms on which distributors offer specialised films to you differ to those for mainstream films ?



The majority of exhibitors stated that the terms offered on mainstream films and specialised films were the same, although some also commented that because of the sliding scale payment system, a higher proportion of box office goes to a distributor if a film performs well. Some stated that specialised films sometimes required higher minimum guarantees. Many of the RFTs explained that they generally pay a flat percentage, rather than on a sliding scale.

Figure 3-5: If you are part of a group of companies where is your parent based?

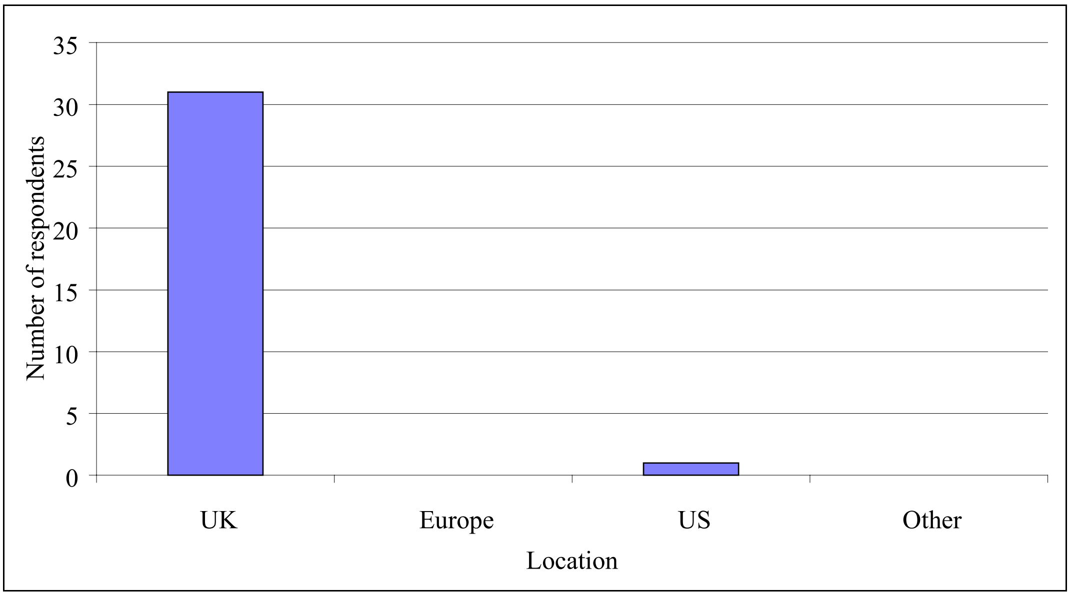


Figure 3-6: Do you operate as a circuit?

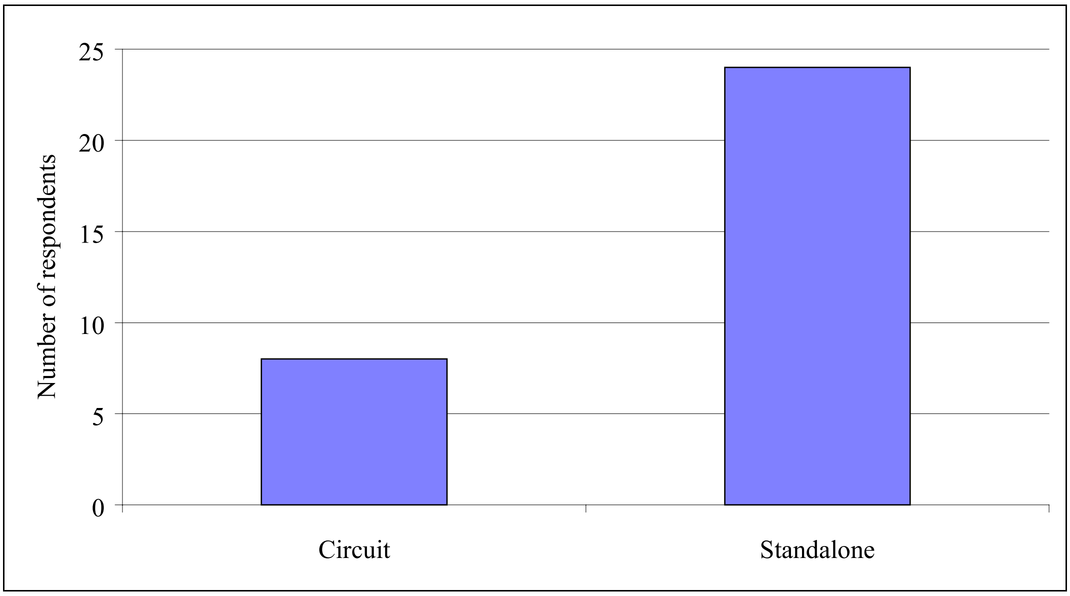
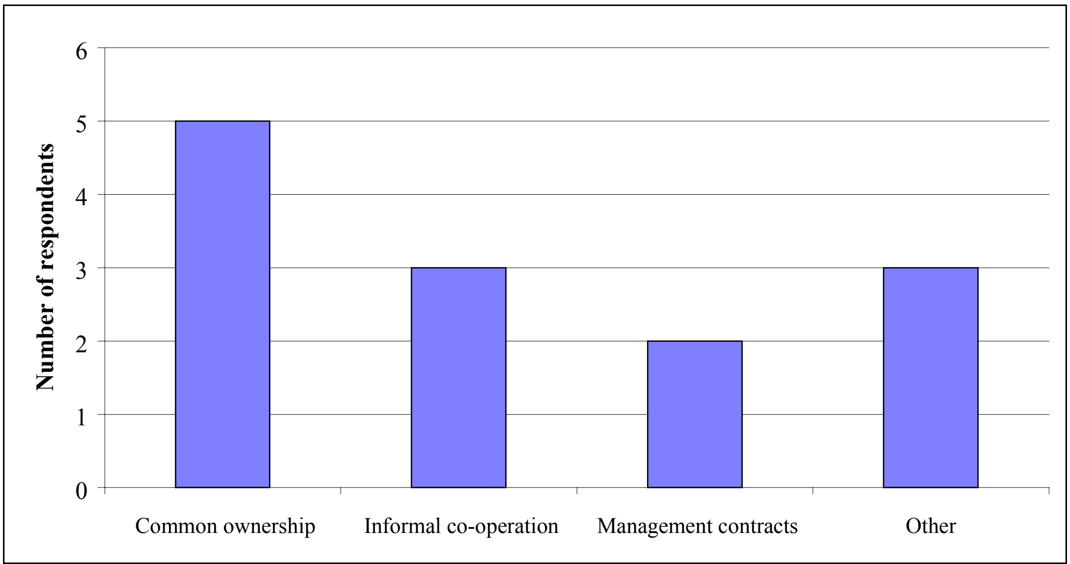
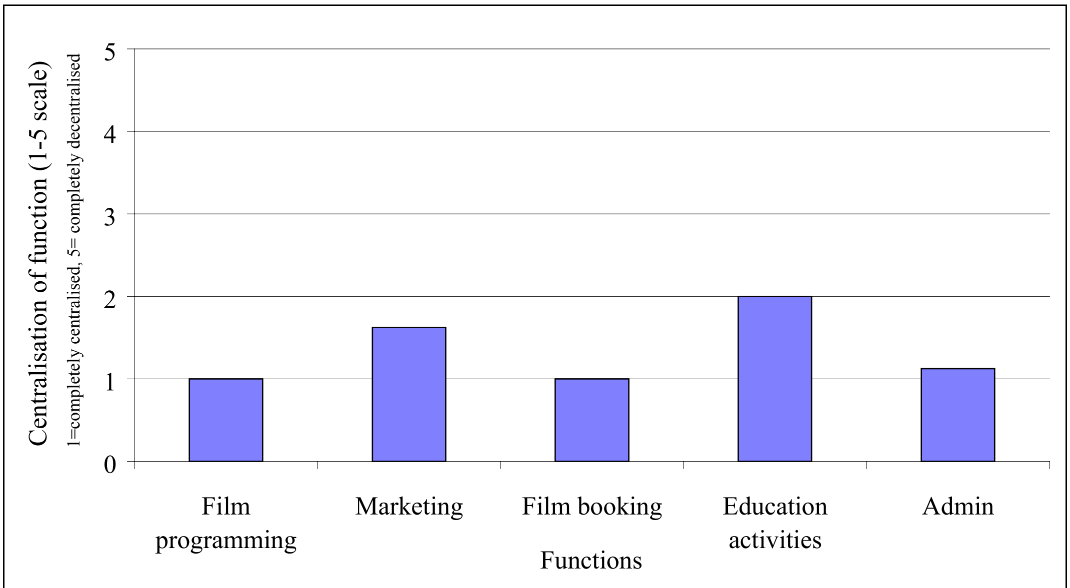


Figure 3-7: If you do operate as a circuit, what type of circuit do you operate as?



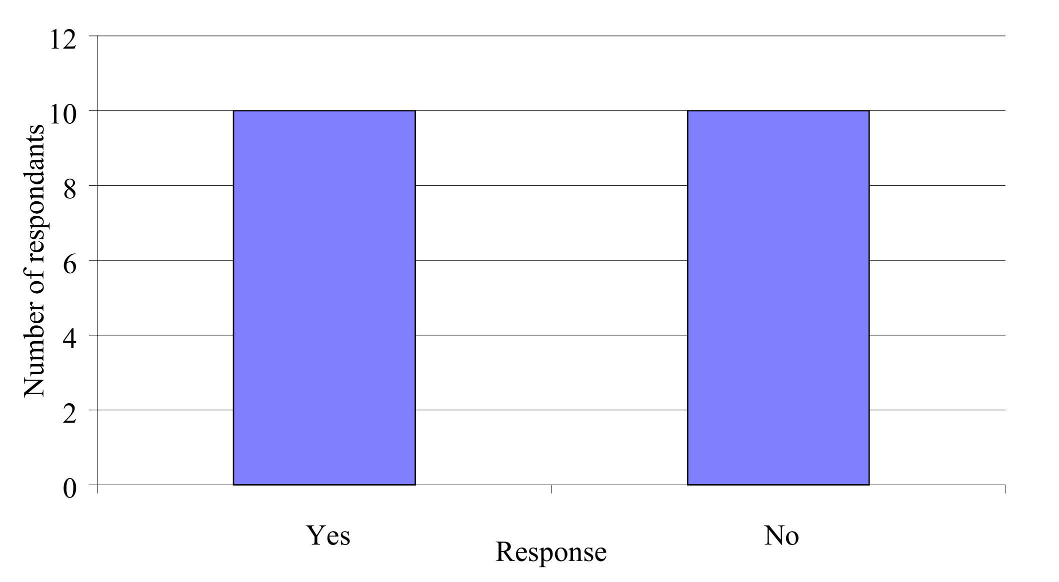
The majority of the "Other" responses were Regional Film Theatres which use *bfi* booking services (some RFTs also selected "Informal Cooperation").

Figure 3-8: If you operate in a circuit, how centralised / decentralised are the following functions?



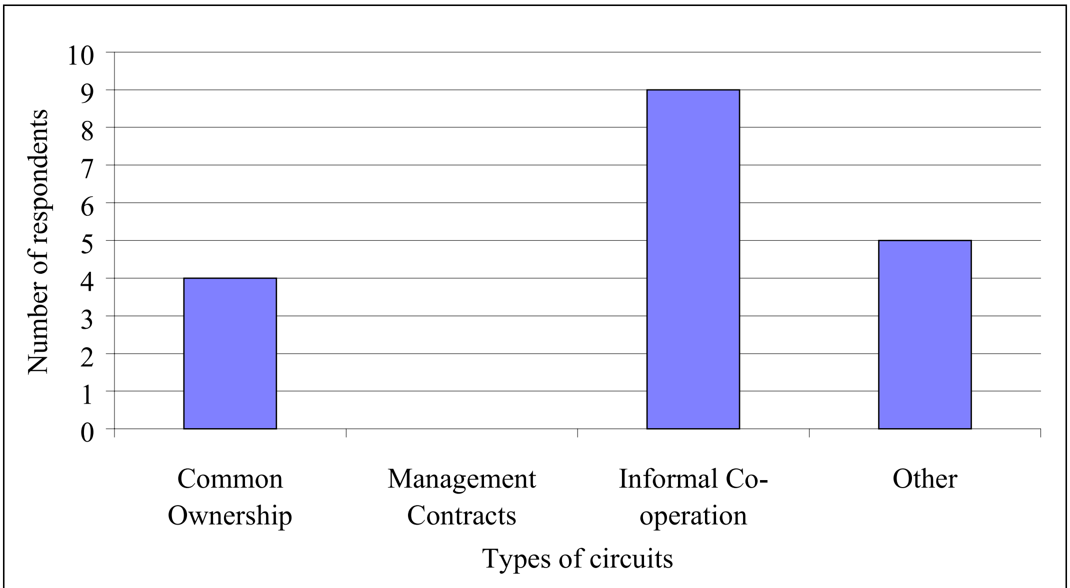
Those cinemas which presently operate as part of a circuit have a high degree of centralisation of all of these functions, with only education and marketing slightly less centralised, reflecting the importance of local input.

Figure 3-9: If you are not part of a circuit would you welcome the opportunity to participate in a circuit?



Those which responded positively overwhelmingly couched their responses with reservations regarding ownership of the circuit (membership-owned was one preference) centralisation of tasks (programming was a particular area which stand-alones were reluctant to give up control) and the "purpose", "agenda" and "goals" of the circuit.

Figure 3-10: If yes, what type of circuit would you like to be part of?



One of those who opted for common ownership explained this as meaning that organisation would lead a "regional strategic body". The majority favoured a level of informal co-operation. Those who selected the "Other" option were mostly RFTs referring to a variation on the Europa Alliance, a proposal which was initially put forward in 1999 under which there would be some pooling of resources (particularly booking) with a commercial specialised circuit.

Figure 3-11: What do you perceive to be the advantages of the way you operate? (Circuit only)

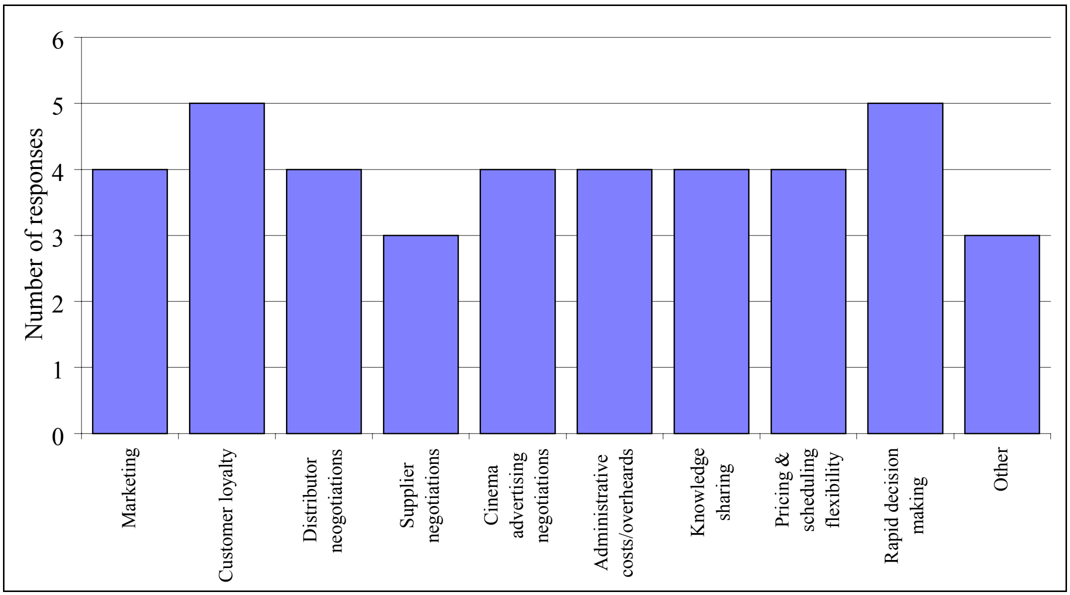


Figure 3-12: What do you perceive to be the advantages of the way you operate? (Standalone only)

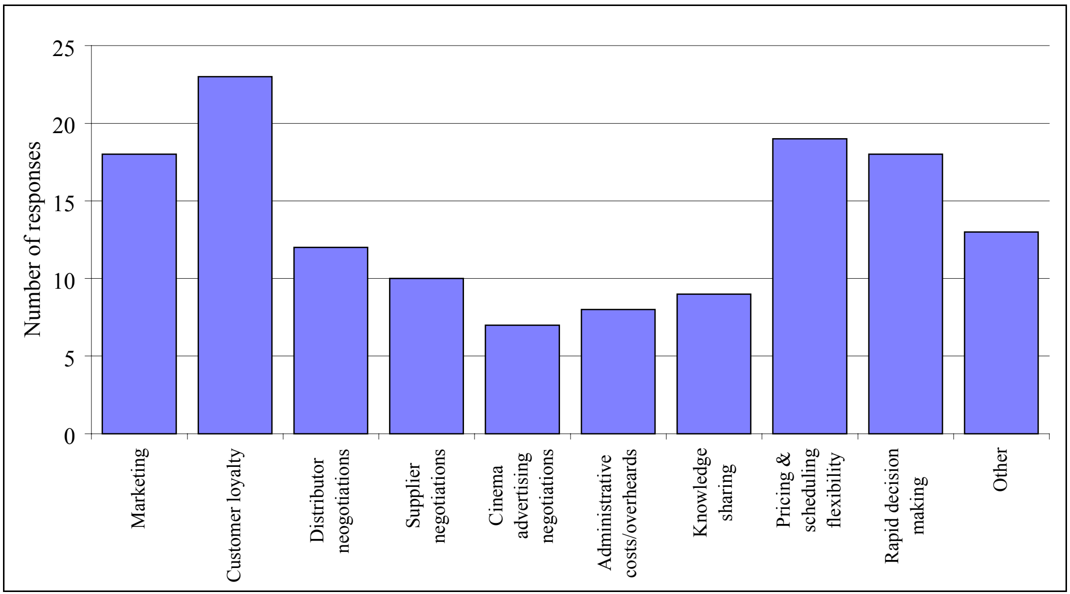


Figure 3-13: Where are you located (or where is your circuit mainly located)?

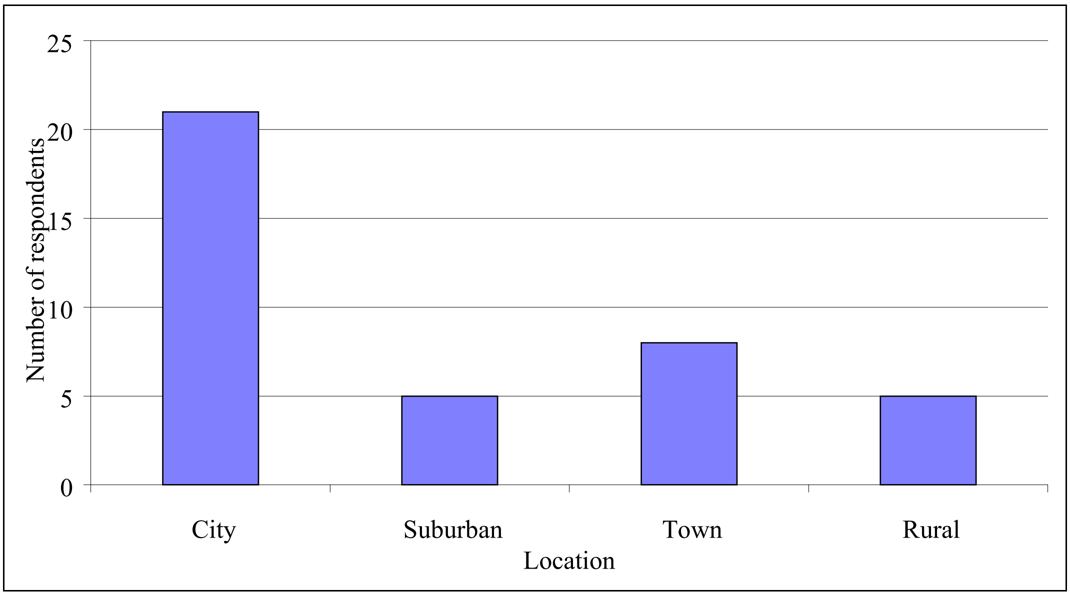


Figure 3-14: Do you think a circuit is more viable if?

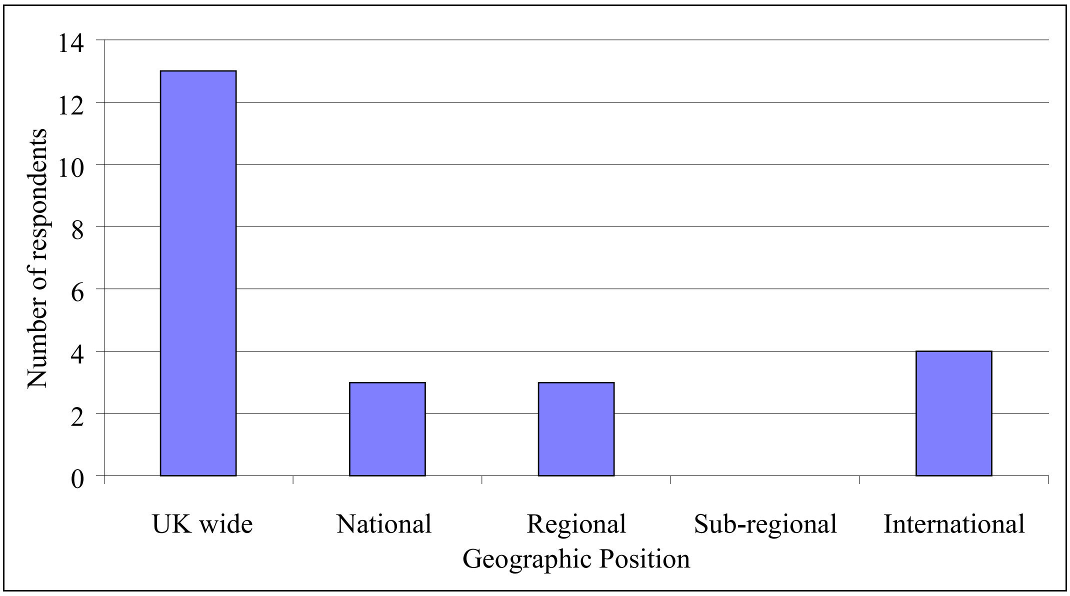
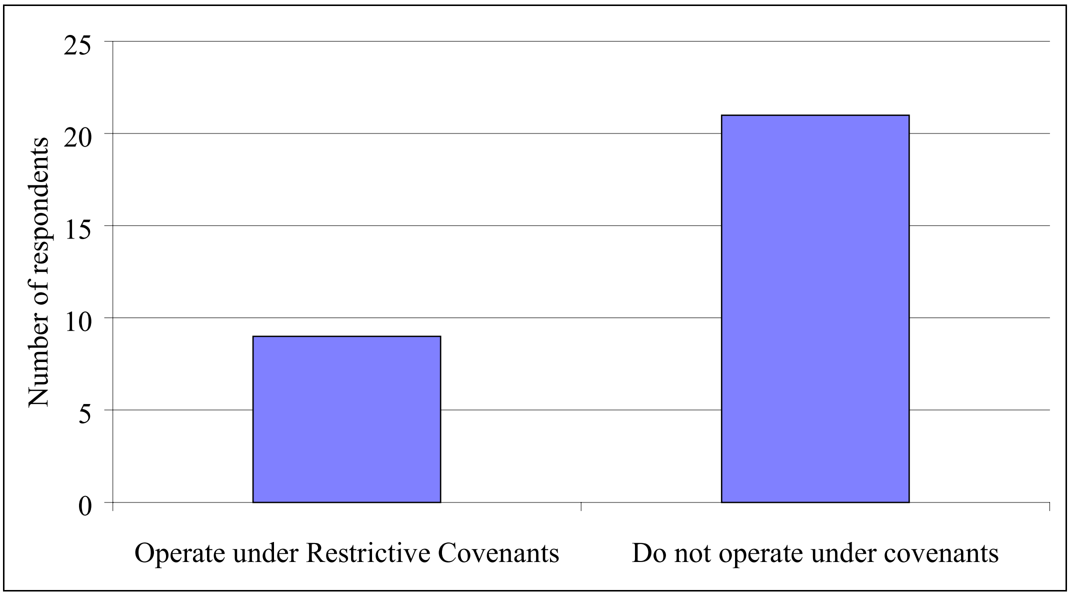
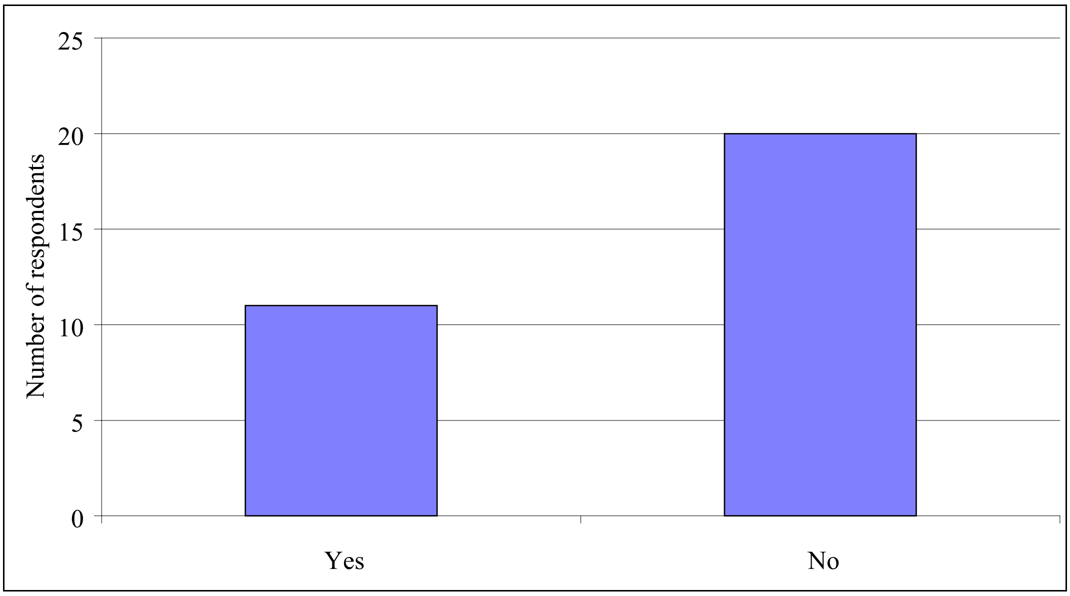


Figure 3-15: Do any of your cinemas operate under restrictive covenants?



Many of the restrictive covenants described were "complementary" to the cinemas – for example, the need for the buildings to be used for charitable purposes, or a restriction on change of use from a media centre. Sometimes they did harm the business (e.g. a restriction on opening hours which prevented late shows). There was a small minority of respondents who felt that restrictive covenants were being misused by exhibitors who feared competition. Others felt that they served legitimate business purposes.

Figure 3-16: Have planning regulations been a significant obstacle that your company has had to overcome?



The most common obstacle concerned listed buildings.

Figure 3-17: What influences your programming decisions?

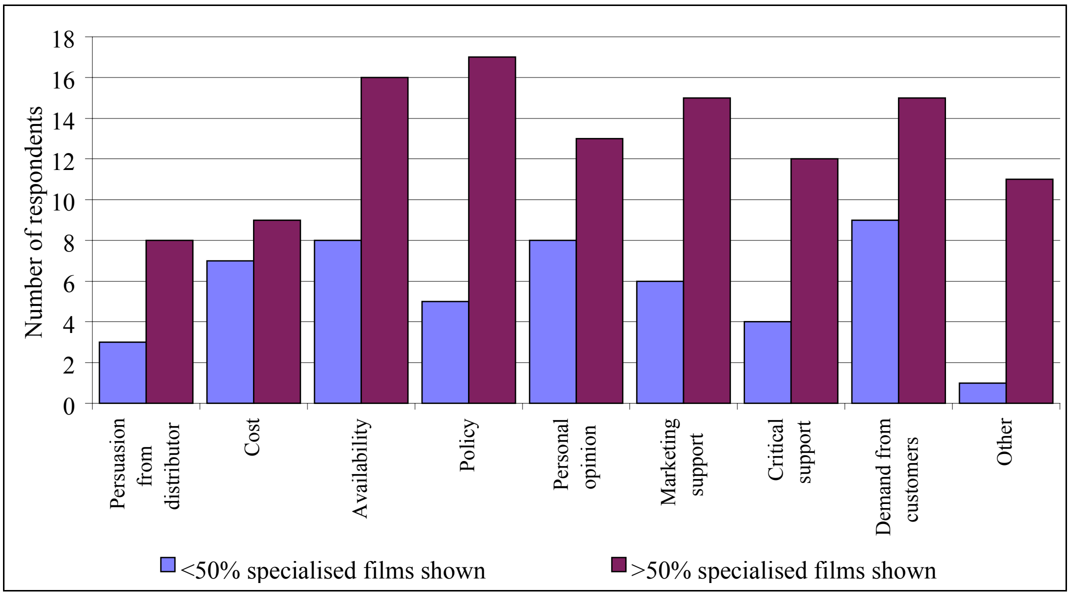
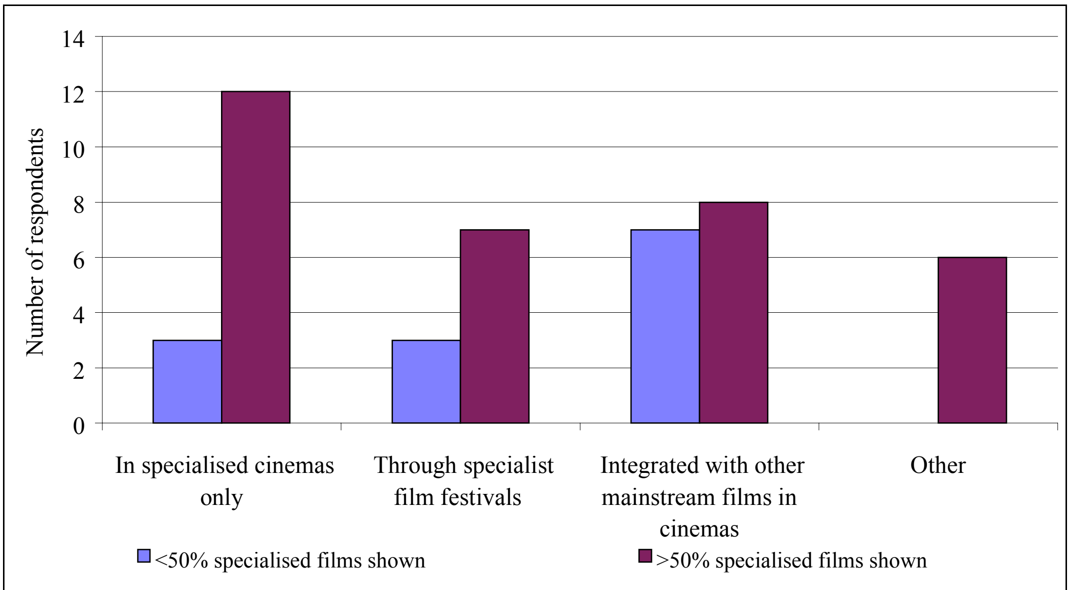


Figure 3-18: What do you consider the best strategy for exhibiting specialised films?



Those which selected the "Other" option most often felt that a combination of the approaches should be pursued. One respondent also suggested that models such as rural provision should be examined.

Figure 3-19: Are there specialised cinema(s) in your catchment area, excluding cinemas with the same ownership as yourself?

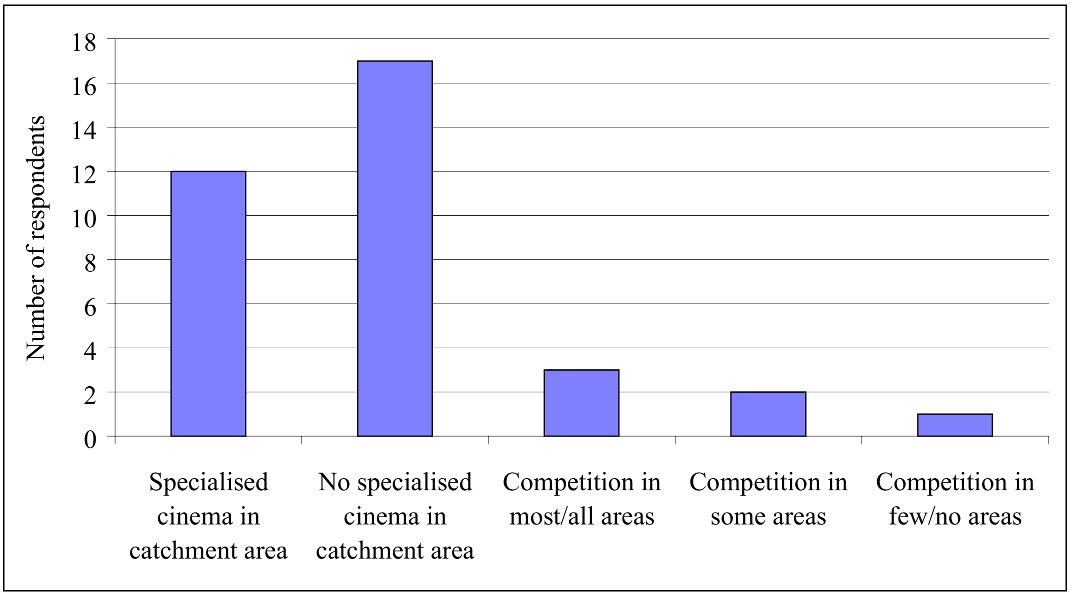
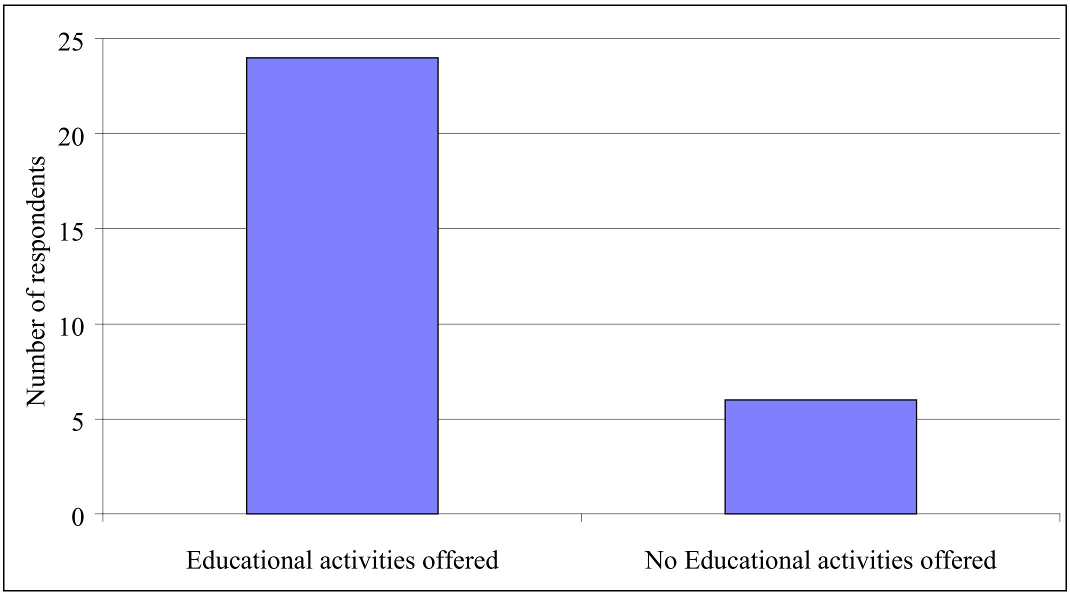


Figure 3-20: Does your company offer any educational activities?



The majority of cinemas surveyed offered some educational activities, although the scale varied considerably. Several commercial cinemas stated that they had screenings for schools. Publicly-funded cinemas typically offered a wide range of activities.

Figure 3-21: Are you familiar with the *bfi* Programme Unit?

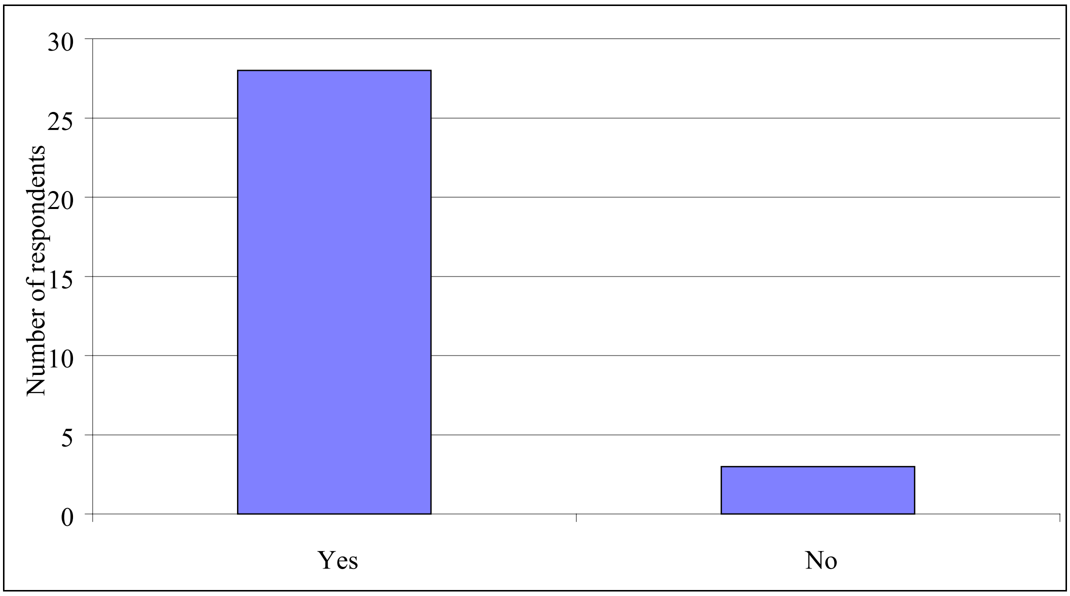


Figure 3-22: In terms of your audience for specialised films, please rank the following demographics in order of importance

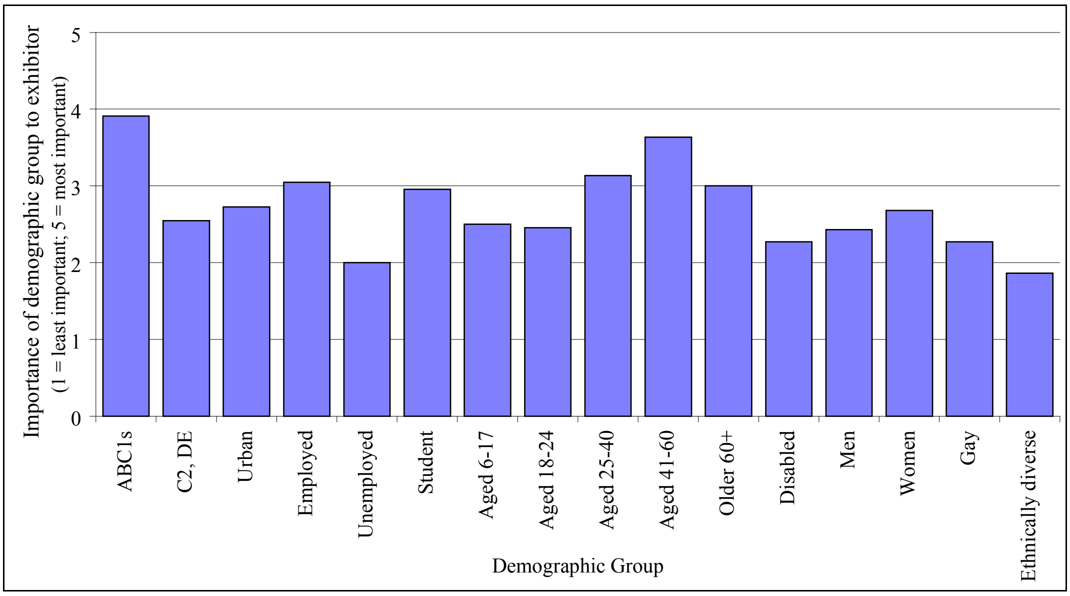


Figure 3-23: Do you have any audience development initiatives?

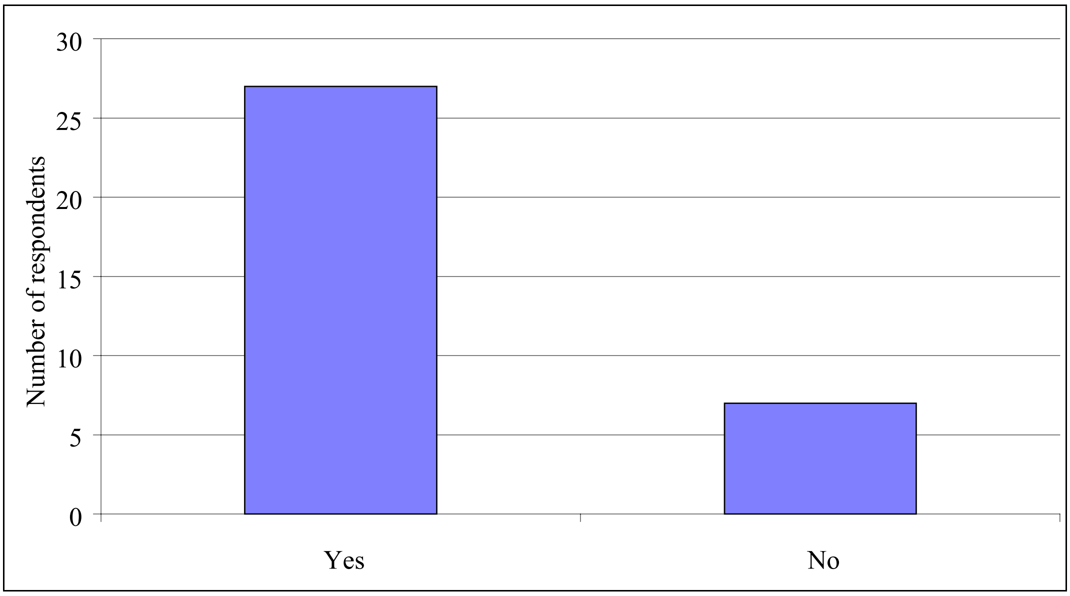


Figure 3-24: How many of your screens have access for wheelchair users, and have facilities for those with hearing and visual disabilities?

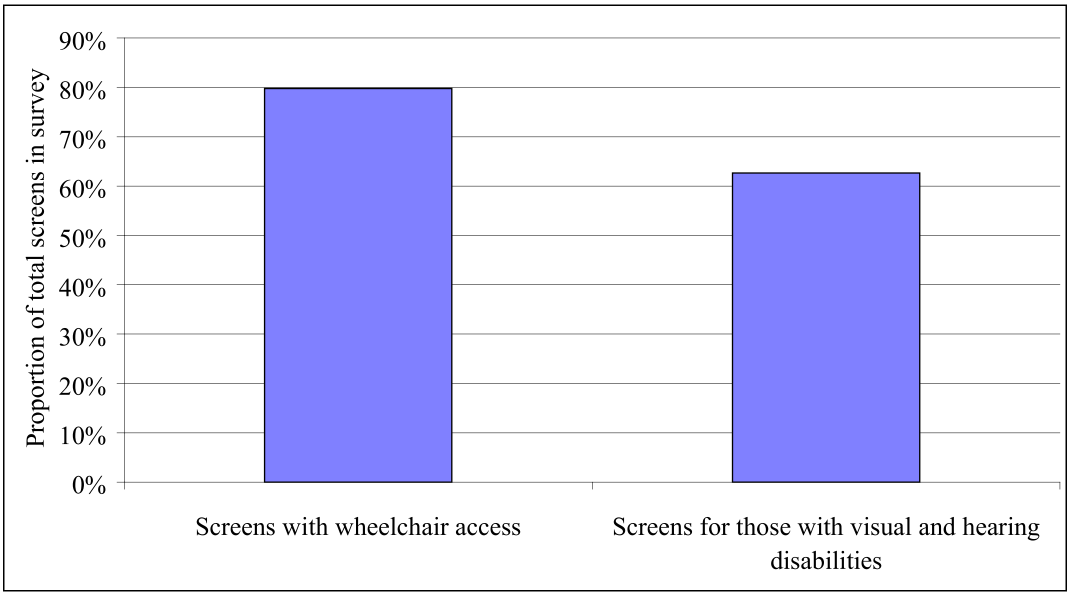


Figure 3-25: What could be done to assist you as an exhibitor of specialised films?

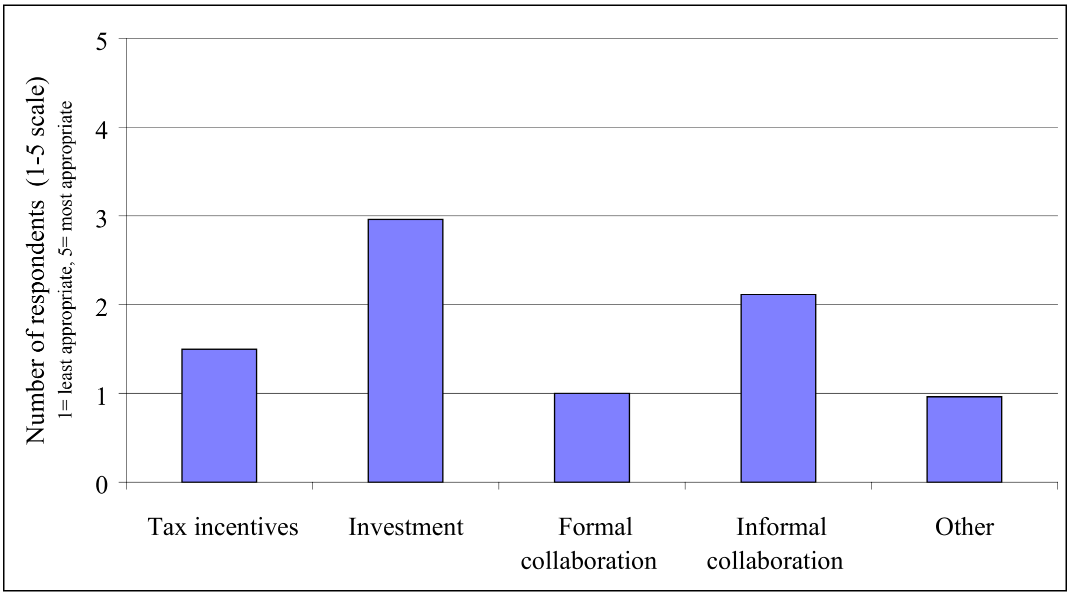


Figure 3-26: How do you perceive the audience demand for specialised film has changed in the last five years?

Figure 3-27: How do you perceive the audience demand for specialised film will change in the next 5 years?

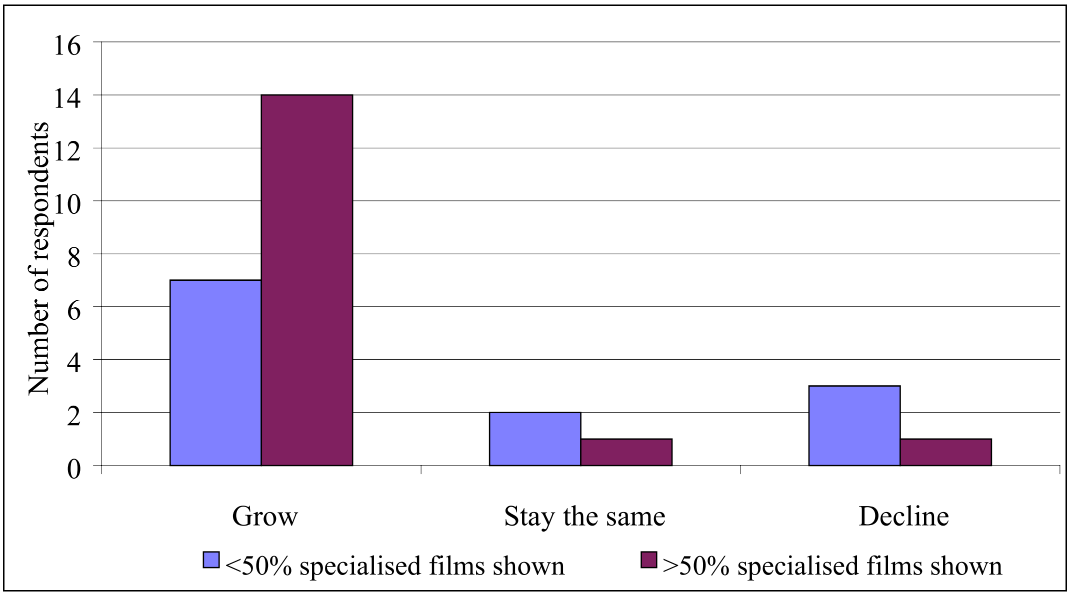
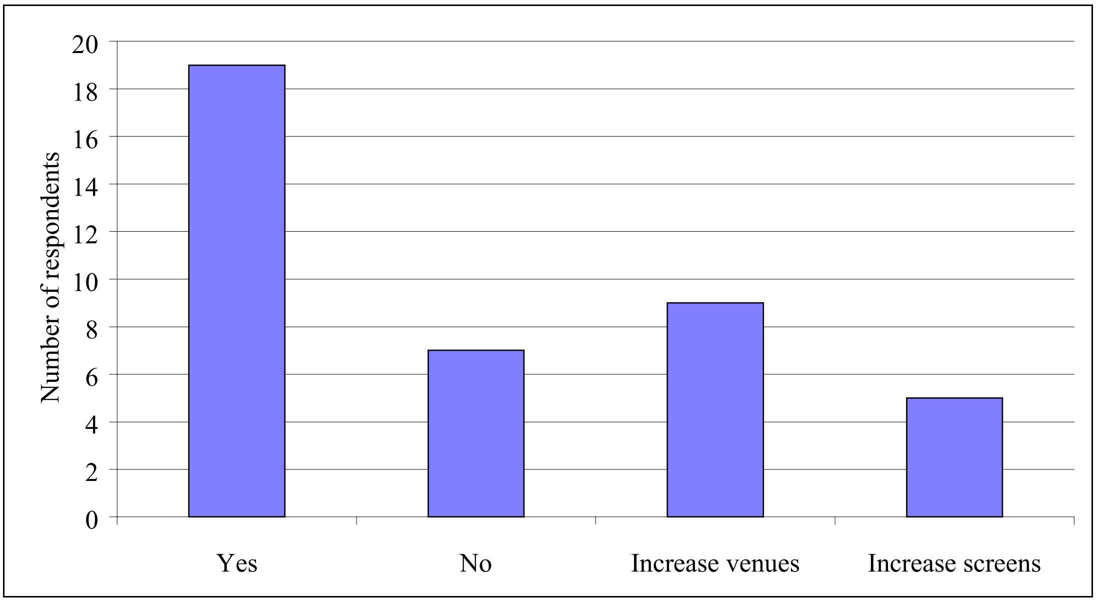


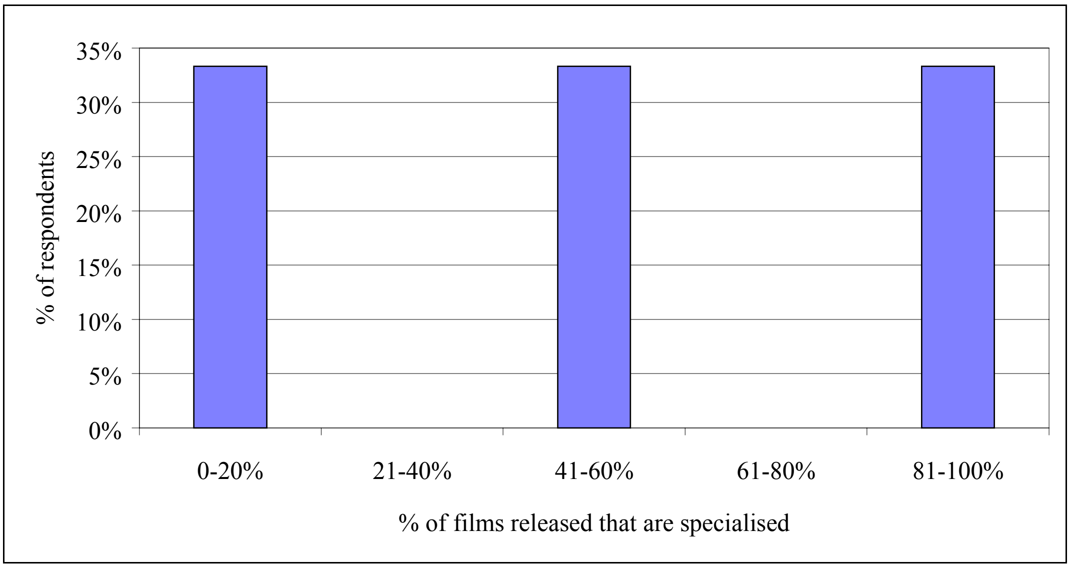
Figure 3-28: Do you have any plans for expansion?



3.2 Distribution

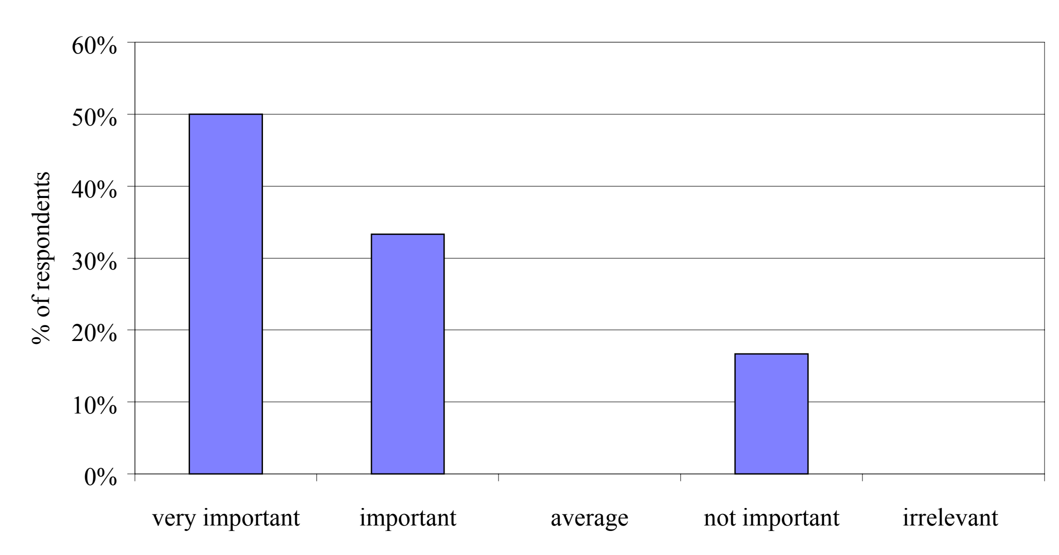
Analysis of the responses from the distribution survey are covered in this section. Note that these results contained in this section are based on small samples and should therefore be treated as indicative only.

Figure 3-29: What percentage of films distributed by your company are specialised films?



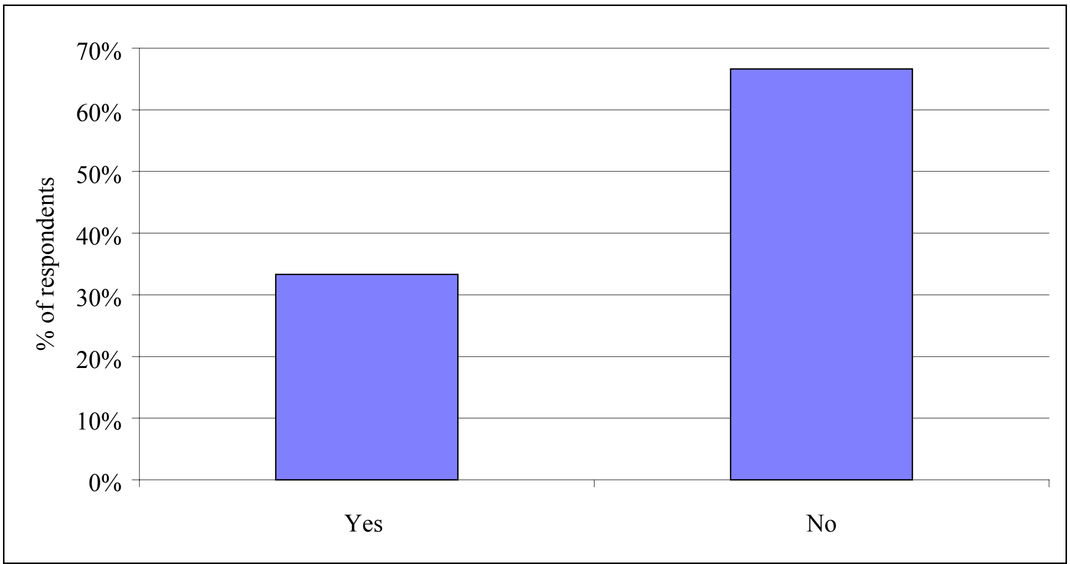
This demonstrates that the range of specialised films handled by distributors varies from a relatively small percentage to a portfolio entirely composed of specialised film.

Figure 3-30: How important is specialised film to your portfolio?



This showed a strong recognition of the importance of specialised film to most distributors, even those that primarily distribute mainstream films. Many respondents stated that having specialised film in their portfolio gave them credibility.

Figure 3-31: Have you experienced any difficulty in accessing the specialised films that you would like to ?



The majority of respondents stated that they had no problem accessing the specialised films that they would like. The main difficulty cited was in accessing US independent features which were often acquired by the US majors before they came to the UK.

Figure 3-32: Do you normally acquire the rights to the films you distribute?

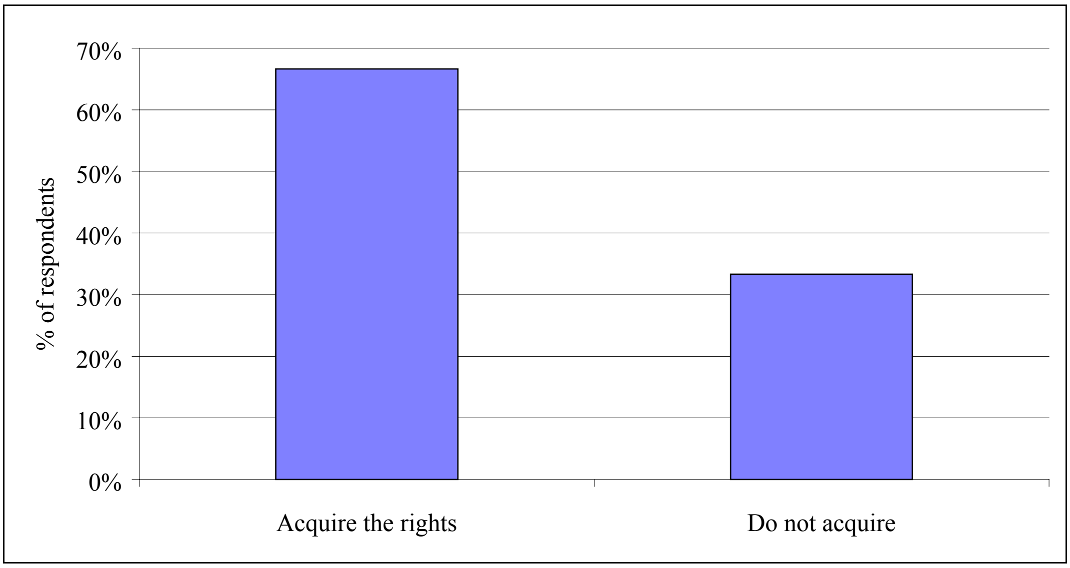
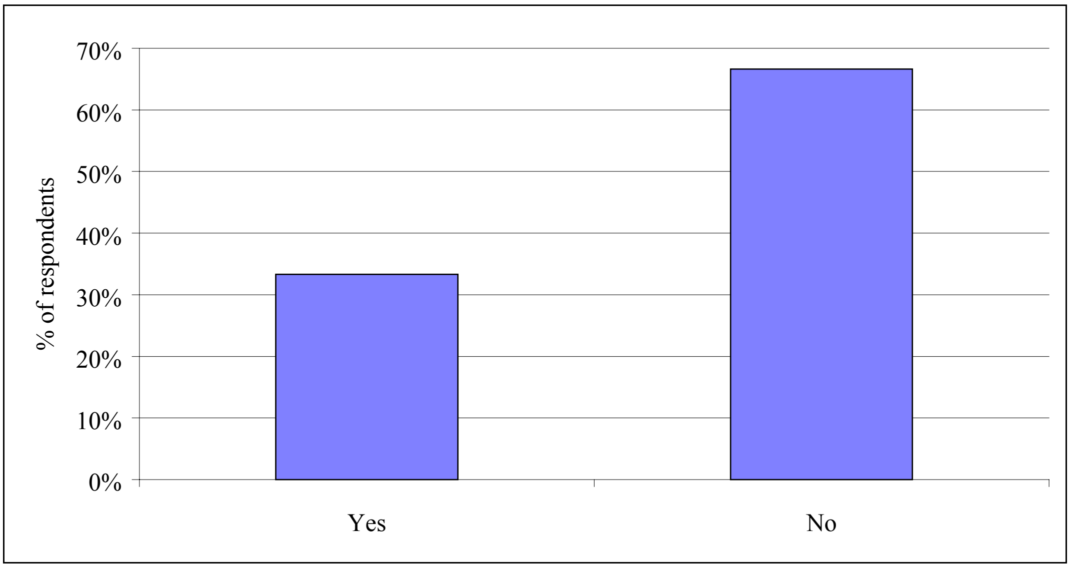
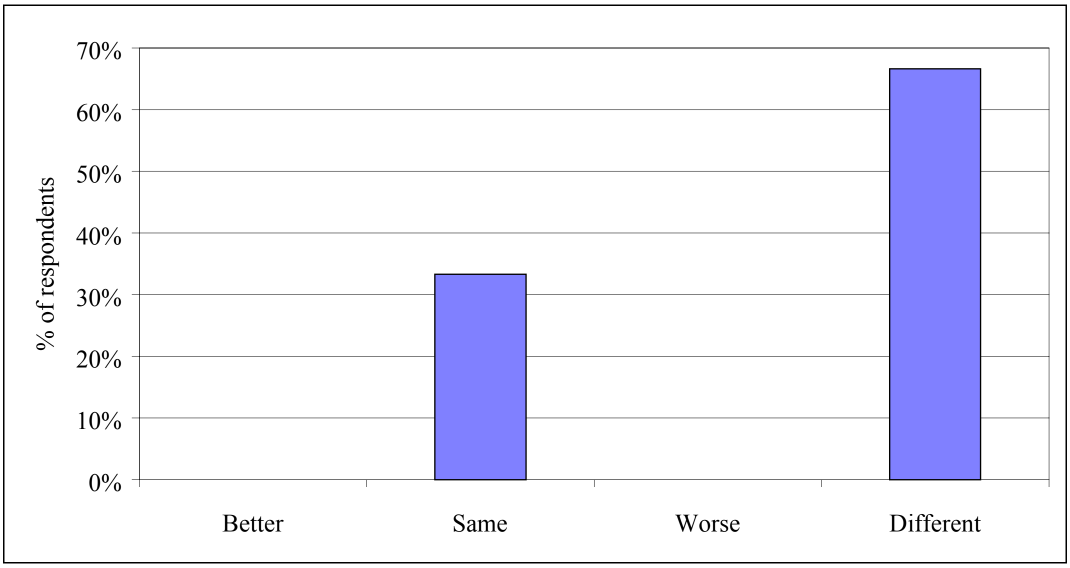


Figure 3-33: Do broadcasters' acquisition of television rights cause any difficulties?



The main issue pertaining to broadcasters' acquisition of television rights mentioned was that broadcasters no longer show as many specialised films as they did 10 years ago. This has the consequence that revenues to distributors from broadcast rights has fallen dramatically.

Figure 3-34: Do the terms on which you offer specialised films differ from those of mainstream films?



A majority of respondents noted that the terms offered for specialised films were different to those offered for mainstream features. This is largely a consequence of their interaction with the RFTs which have different standard terms to mainstream and commercial specialised cinemas.

Figure 3-35: Where is your parent company based?

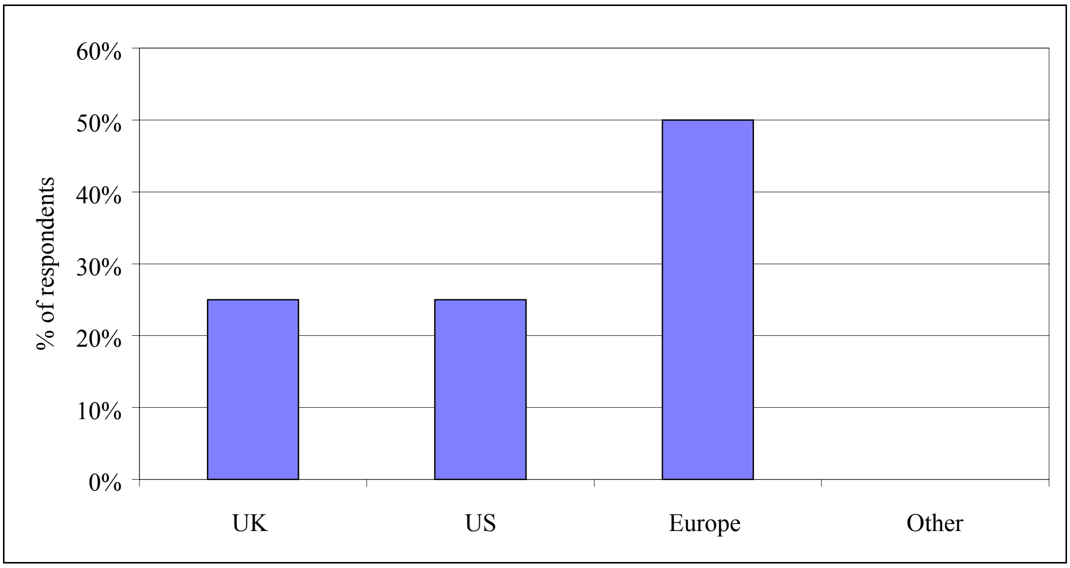
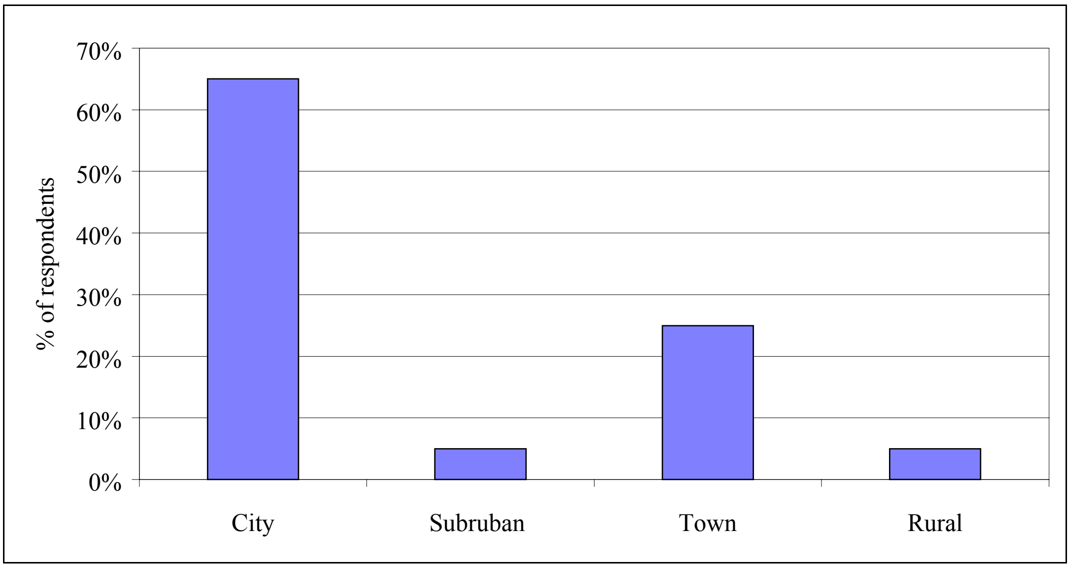


Figure 3-36: Where are your customers located?



The majority of the customers of the distributors surveyed are located in cities and towns.

Figure 3-37: Do you prefer to deal with circuits or standalone cinemas?

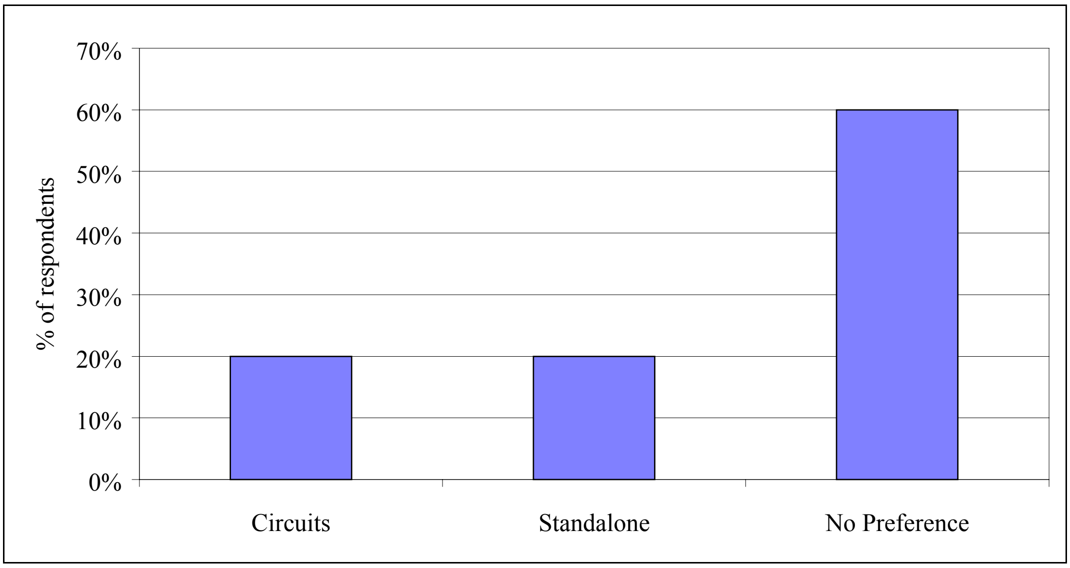
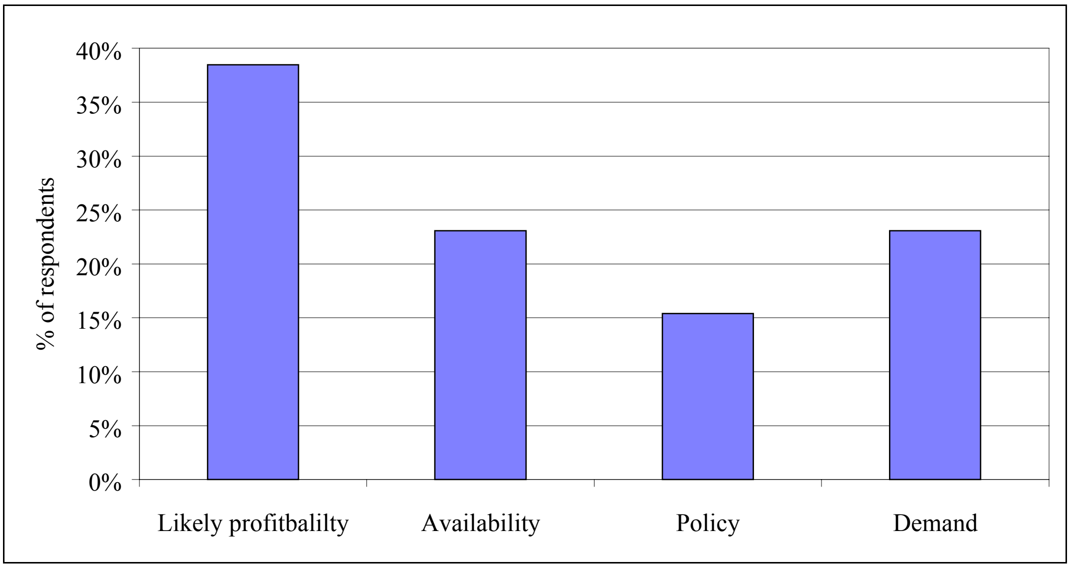


Figure 3-38: What influences your portfolio choices?



The distributors that responded cited likely profitability as the most important determinant for choosing films for their portfolio. However, of those distributors interviewed, policy or personal choice was often cited as a key determinant.

Figure 3-39: Would your customers like to show more specialised films?

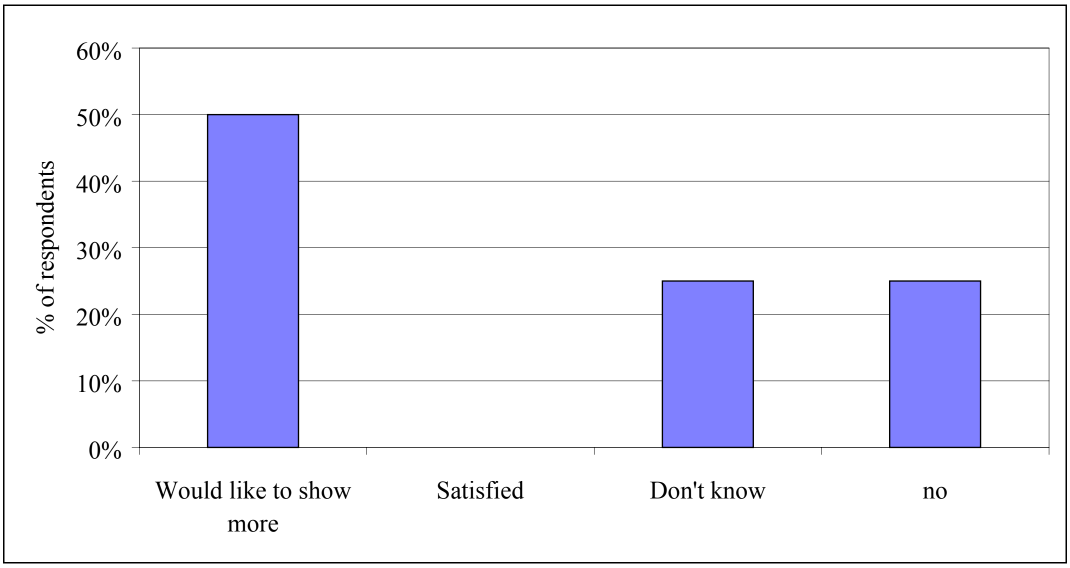
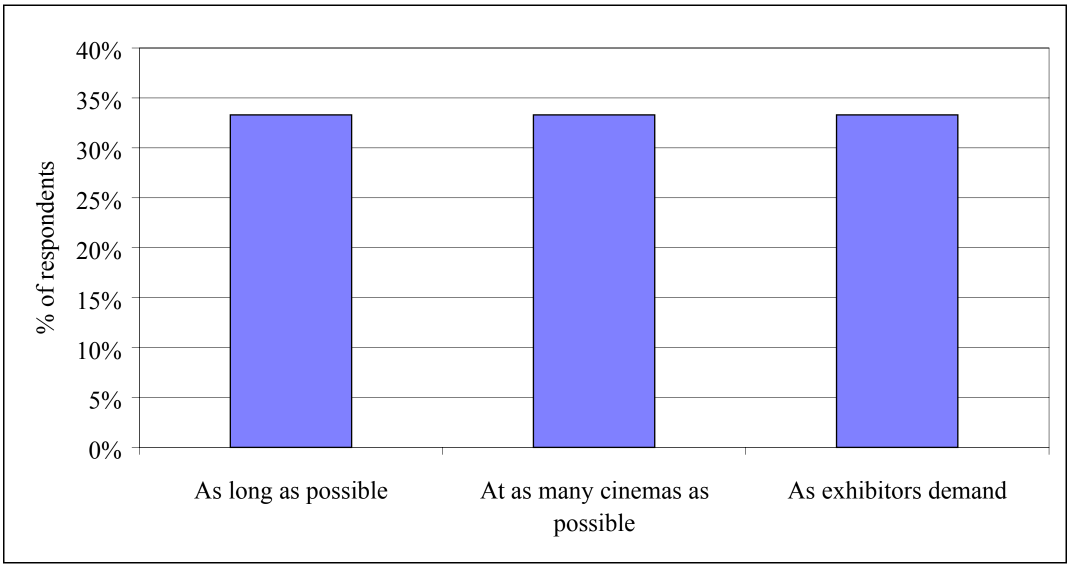


Figure 3-40: What do you perceive is the best strategy for distributing specialised films?



Although the respondents were evenly divided between the three options, it was cited that their distribution policy was constrained by the lack of availability of specialised screens to show the films on.

Figure 3-41: Are you generally able to achieve your distribution strategy?

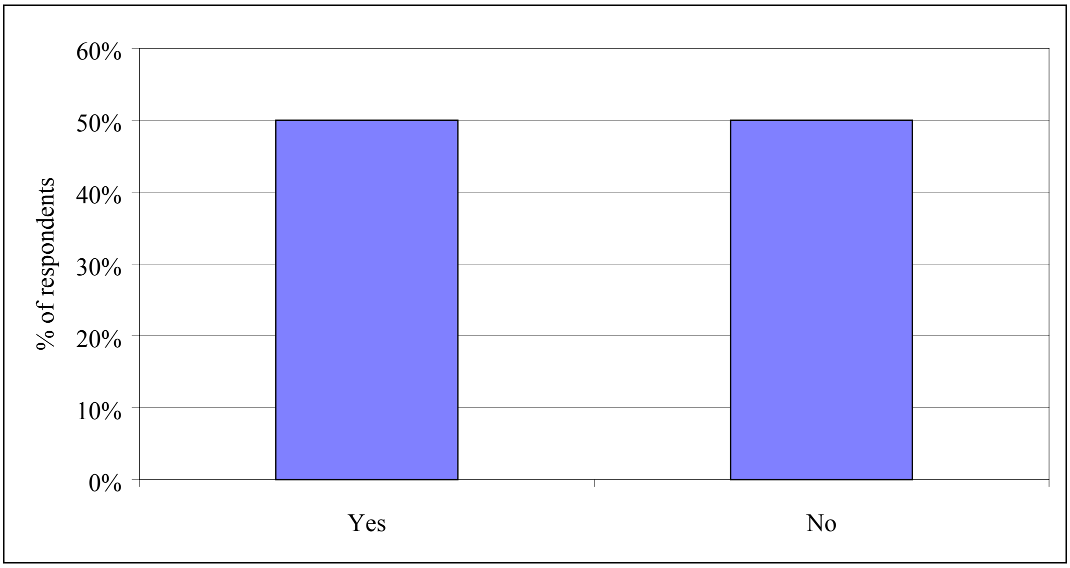
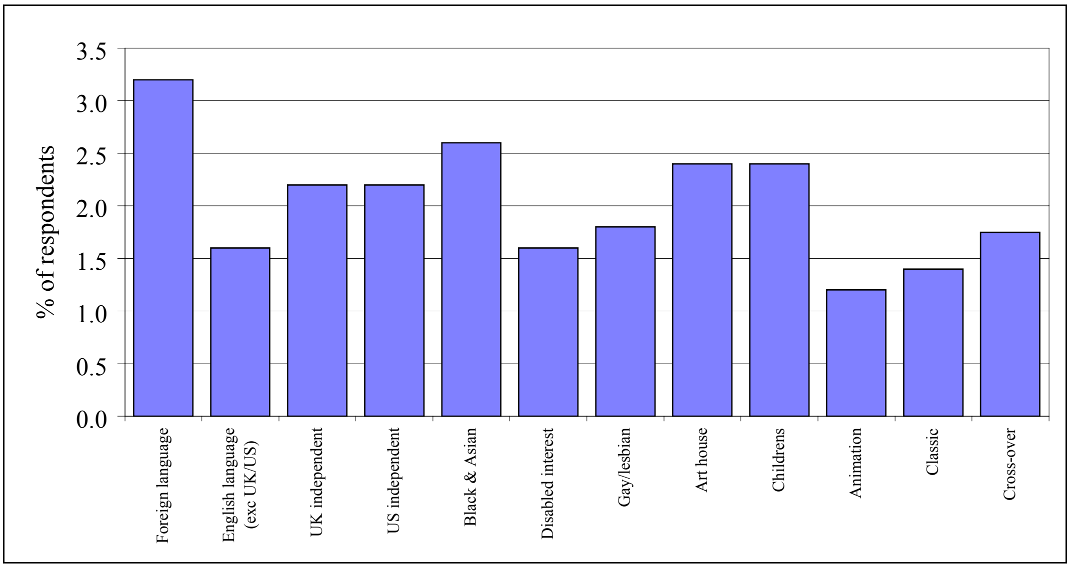
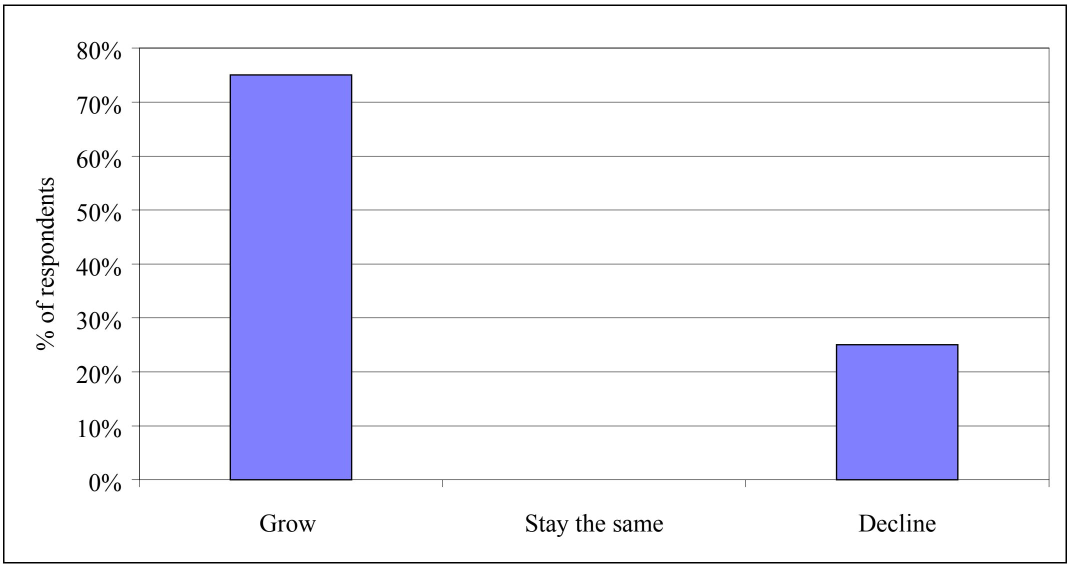


Figure 3-42: What type of specialised film do you distribute?



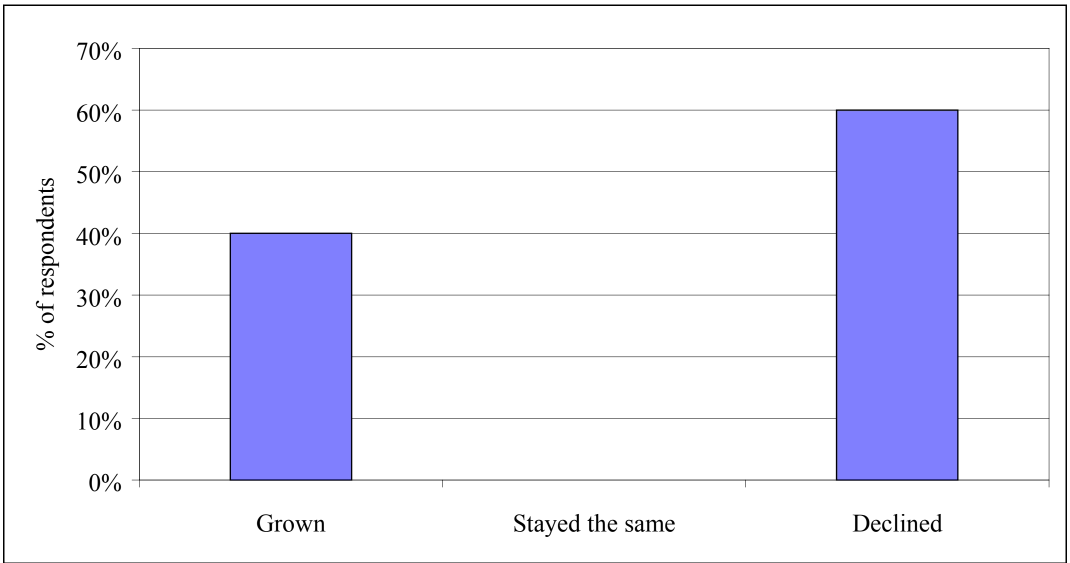
Foreign language films were the most popular type of specialised film distributed and this was followed by Black and Asian films.

Figure 3-43: How will demand for specialised film change in the next five years?



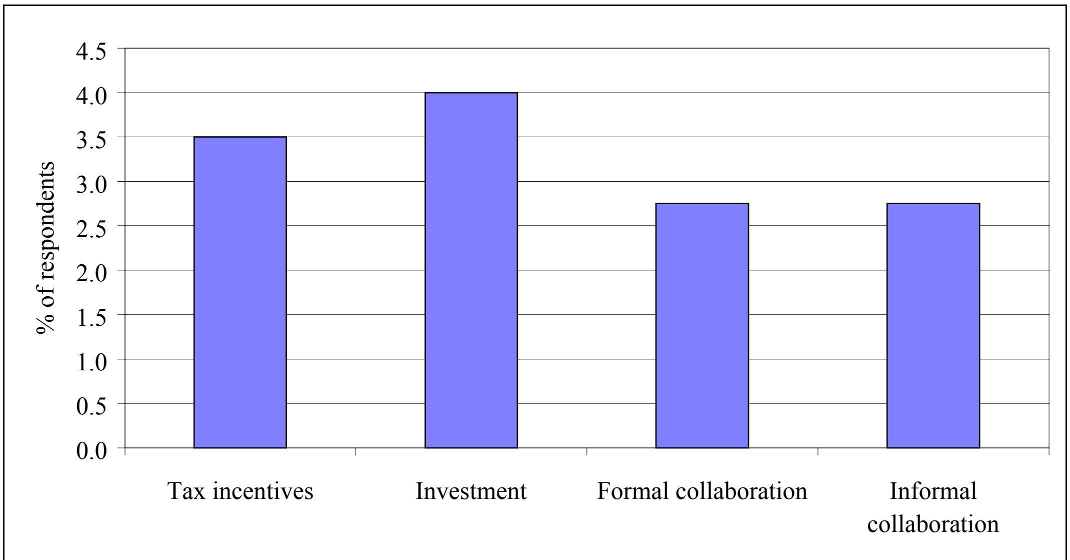
The opinion of the distributors who participated in this survey was generally positive with regard to the prospects of the sector.

Figure 3-44: How has the market for specialised film changed in the last 5 years?



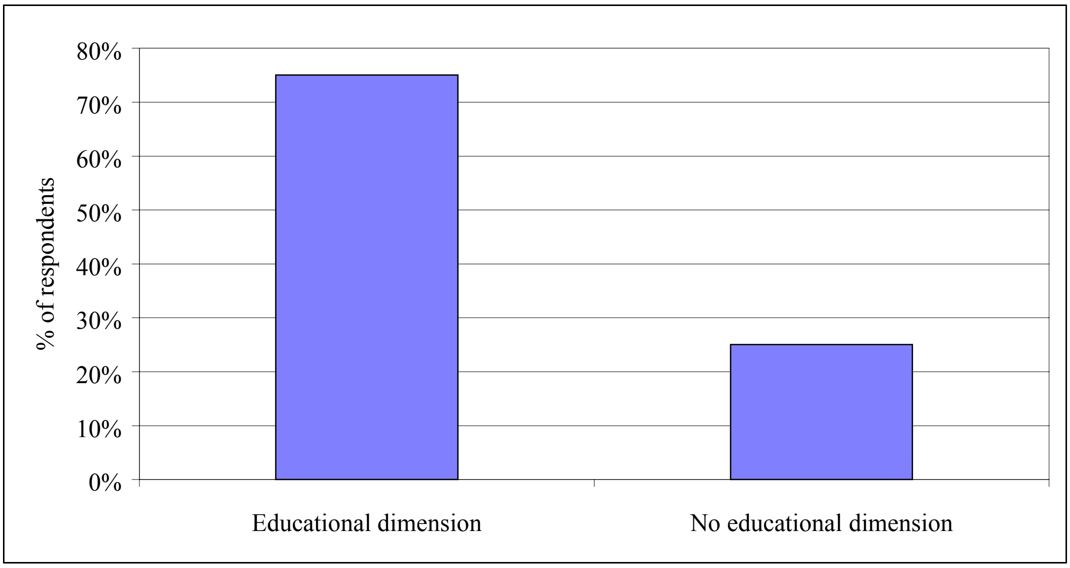
The majority of respondents suggested that the sector had declined in the past five years. Reasons for this included the perceived decline of the exhibition sector and fewer specialised films shown on television.

Figure 3-45: What measures would assist you in distributing specialised film?



The most popular measure to assist the distribution of specialised film was cited as investment in the sector. Many of the distributors surveyed specified that investment in the exhibition sector would greatly assist the distribution of specialised film as it would increase the number of screens available. Other measures cited included assistance with prints and advertising.

Figure 3-46: Do your films have an educational dimension?



4 Appendix A4: Consultation process

4.1 Key organisations consulted

Adam Smith Theatre, Kirkaldy
Arenaplex
Artificial Eye
Arts Council of England
Scottish Arts Council
Arts Council of Wales
Arts Council Northern Ireland
Asia Images
BBC
British Federation of Film Societies
British Film Institute (*bfi*)
bfi Education
bfi National Film Theatre
bfi London Film Festival
Black Exhibitors Forum
Bradford Film Festival & National Museum of Photography Film and Television
British Video Association
Broadway, Nottingham
Blue Dolphin/Goldcrest
Cardiff Chapter
Childrens Film Foundation
Cinema 3/Kent International Film Festival
Cine UK
Cinema Marketing Agency
Cinema Exhibitors Association
City Screen
Children's Film Foundation
Columbia Tristar
Cornerhouse, Manchester
Department of Environment, Transport & Regions
Docspace
Edinburgh Filmhouse
Europlex
Europa, Cinemas
Elite Cinema, Leyburn
Film Four
Glasgow Film Theatre
Himalaya Palace Cinema
ICA Projects
International Film Festival of Wales
Local Authority Officers

Momentum
Mainline
Metrodome
Metro Cinema, Derby
Media and Arts Consultants, J R Inglis and Sue Todd
Northern Ireland Film Commission
Nubian Tales
Odeon
Optimum Releasing
Ozseeker
PACT
Pathé Distribution
RDAs
Real Time Cinemas
Redbus
Regional Arts Boards x8
Regional Development Agencies x8
Revolution
Riverside Theatre
Scottish Screen
Screen Machine
Showroom Cinema / Showcommotion Film Festival, Sheffield
Short Circuit
Short Film Bureau
Slough Film Society
Sgrîn
Sheffield Media & Exhibition Centre
Society of Film Distributors
Southern Region Film Education
Ster Century
Theatre Clywd
Tyneside Cinema
UCI
UIP
UGC
Warner Bros
Watershed, Bristol
Zoo
Centre for Education Leadership and School Improvement
Olsberg/SPI and Kern European Affairs

4.2 Additional questionnaire received

Aldeburgh Cinema
Brief Encounters Short Film Festival
British Federation of Film Societies
CineFrance
Cinema City, Norwich
Cirencester College
Cosmo Leisure Group
Cumbria College of Art and Design
Darlington Arts Centre
Dominion Theatre, Edinburgh
Dundee Contemporary Arts
East England Arts
East Midlands Arts
Edinburgh International Film Festival
Eros International
Falkirk Council
Granada Cinemas
Guildhall Arts Centre
Ipswich Film Theatre
Knutsford Civic Centre
London Film and Video Development Agency
Lumiere Cinema, Edinburgh
Lux Cinema
MacRobert Arts Centre
Metro Cinema
mymovies.net
Phoenix Arts Centre, Leicester
Phoenix Cinema, London
Plaza Cinema, Liverpool
Plymouth Arts Centre
Prema Arts Centre
Reading Film Theatre
Regal Cinema, Leceistershire
Renaissance
RJ Towers & Partners
Robert Burns Centre Film Theatre
Rosehill Theatre
Sheffield International Documentary Film Festival
South West Media Development Agency
Strode Theatre
The NPH Cinema
The Reel Cinema
Theatre by the Lakes

Trinity Arts Centre
Warwick Arts Centre
Watermans

4.3 Other organisations contacted for research

All Industry Marketing for Cinema
Arts & Business
Broadcasters Audience Research Board (BARB)
British Federation of Film Societies
British Screen Development
British Video Association
CACI
Carlton Screen
Cinema Advertising Association (CAA),
Cinema and Video Audience Industry Research (CAVAIR)
Cinema Exhibitors Association (CEA)
Department for Culture, Media and Sport
Department of Transport, Local Government and Regions
Europa Cinemas
European Audiovisual Observatory
Local Government Association
Loughborough University Statistics Unit
Office for National Statistics (ONS)
Pearl and Dean
Society of Film Distributors (SFD)
The British Council
UK MEDIA Desk

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UK-Wide Cinema Exhibition Strategy, Consultation Document, British Film Institute (June 1999).

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A Bigger Picture, The Report of the Film Policy Review Group, Department for Culture, Media and Sport, 1998.

A Filmmakers' Guide to Distribution and Exhibition, Short Circuit and the *bfi* (2001).

A Report on the Supply of Films for Exhibition in Cinemas in the UK, Monopolies and Mergers Commission (1994).

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Broadcast
New Media Markets
Screen Finance
Screen Digest
Screen International

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www.produxion.com
www.informamedia.com
www.6degrees.co.uk
www.article27.com
www.bfi.org.uk
www.buyindies.com
www.dodona.co.uk
www.explodingcinema.org
www.exposure.co.uk
www.filmfestivalspro.com
www.filmunlimited.com
www.netribution.co.uk
www.nextwavefilms.com
www.onlinefilmsales.com
www.projector.demon.co.uk
www.reelplay.com
www.screendaily.com
www.shootingpeople.org
www.uk.imdb.com
www.watershed.co.uk/east
www.atomfilms.com
www.filmfour.com
www.ifilm.com
www.in-movies.com
www.alwaysindependentfilms.com
www.bigfilmshorts.com
www.bigstar.com

www.binarytheater.com
www.britshorts.com
www.cinemanow.com
www.dfilm.com
www.eveo.com
www.filmfilm.com
www.movieflix.com
www.mymovies.net
www.newvenue.com
www.popcorn.com
www.reelscreen.com
www.reelshorts.com
www.reeluniverse.com
www.undergroundfilm.com
www.stopforaminuite.com
www.mediasalles.it

6 Appendix A6: Databases

6.1 Exhibition

6.1.1 *Specialised cinemas in the UK (at least six screenings per week)*

Cinema Name	Organisation	Screens	Location
National Film Theatre	*bfi*/FC supported	3	London, South Bank
Barn	*bfi*/FC supported	1	Dartington, Totnes
Broadway Media Centre	*bfi*/FC supported	2	Nottingham
Chapter	*bfi*/FC supported	2	Cardiff
Cinema 3	*bfi*/FC supported	1	Canterbury
Cinema City	*bfi*/FC supported	1	Norwich
Cornerhouse	*bfi*/FC supported	3	Manchester
Dundee Contemporary Arts Cinema	*bfi*/FC supported	2	Dundee
Filmhouse	*bfi*/FC supported	3	Edinburgh
Forum	*bfi*/FC supported	1	Northampton
Glasgow Film Theatre	*bfi*/FC supported	2	Glasgow
Hull Screen	*bfi*/FC supported	1	Hull
Institute of Contemporary Arts	*bfi*/FC supported	2	London
Ipswich Film Theatre	*bfi*/FC supported	2	Ipswich
Metro Cinema	*bfi*/FC supported	1	Derby
Phoenix Arts	*bfi*/FC supported	1	Leicester
Pictureville	*bfi*/FC supported	2	Bradford
Queens Film Theatre	*bfi*/FC supported	2	Belfast
Showroom Cinema	*bfi*/FC supported	4	Sheffield
Tyneside Cinema	*bfi*/FC supported	2	Newcastle
Watershed Media Centre	*bfi*/FC supported	2	Bristol
Arts Picture House	City Screen (owned)	3	Cambridge
Belmont	City Screen	3	Aberdeen
City Screen York	City Screen (owned)	3	York
Clapham Picture House	City Screen (owned)	4	London
Duke of York's Picture House	City Screen (owned)	1	Brighton
Exeter Picture House	City Screen (owned)	2	Exeter
Harbour Lights Picture House	City Screen	2	Southampton
King Street Picture House	City Screen (owned)	2	East Grinstead
Phoenix Picture House	City Screen (owned)	2	Oxford
Stratford Picture House	City Screen (owned)	2	Stratford upon Avon
Arc (recently gone into receivership)	City Screen (prog'd)	1	Stockton on Tees
Campus West	City Screen (prog'd)	1	Welwyn Garden City
Curzon Mayfair	City Screen (prog'd)	1	West End, London
Curzon Soho	City Screen (prog'd)	3	West End, London

Little Theatre	City Screen (prog'd)	1	Bath
The Dukes Cinema	City Screen (prog'd)	1	Lancaster
The Electric	City Screen (prog'd)	3	West London
The Metro Cinema	City Screen (prog'd)	2	West London
Screen on Baker Street	Mainline	2	London
Screen on the Green	Mainline	1	London
Screen on the Hill	Mainline	1	West End, London
Odeon Covent Garden	Odeon	3	West End, London
Odeon Panton Street	Odeon	4	West End, London
Odeon Wardour Street	Odeon	4	West End, London
UGC Haymarket	UGC	3	West End, London
Cameo	Zoo	3	Edinburgh
David Lean Cinema	Zoo	1	Croydon
Everyman	Zoo	1	London
Gate	Zoo	1	West London
Greenwich Cinema	Zoo	3	Greenwich
Henley	Zoo	2	Henley
Phoenix East Finchley	Zoo	1	East Finchley
Richmond Film House	Zoo	1	Richmond
Ritzy	Zoo	5	Brixton London
Aberystwyth Arts Centre	Independent	1	Aberystwyth
Aldeburgh Cinema	Independent	1	Aldeburgh
Arnolfini	Independent	1	Bristol
Barbican Cinema	Independent	2	London
Brewery	Independent	3	Kendal
Chelsea	Independent	1	London, West End
Cine Lumiere	Independent	1	London, West End
Clwyd Theatr Cymru	Independent	1	Mold
Curzon Eastbourne	Independent	4	Eastbourne
Curzon Picture House	Independent	1	Bexhill-on-Sea
Eden Court Theatre	Independent	1	Inverness
Electric	Independent	2	Birmingham
Falmouth Arts Centre	Independent	1	Falmouth
Film Theatre	Independent	1	Shrewsbury
Grimsby Screen	Independent	1	Grimsby
Guildhall Arts Centre	Independent	2	Gloucester
Hebden Bridge Picture House	Independent	2	Yorkshire
Hereford Theatre & Arts Centre	Independent	2	Hereford
Hyde Park Picture House	Independent	3	Leeds
Light House	Independent	2	Wolverhampton
MAC	Independent	2	Birmingham
New Park Film Centre	Independent	1	Chichester
Plaza Cinema	Independent	1	Liverpool
Plymouth Arts Centre	Independent	1	Plymouth
Poole Arts Centre	Independent	1	Poole
Prince Charles	Independent	1	London, West End

Regal Cinema	Independent	1	Cranleigh
Renoir	Independent	2	London, West End
Rio Cinema	Independent	1	London
Riverside Studios	Independent	1	London, Hammersmith
Stamford Arts Centre	Independent	1	Stamford
The Ultimate	Independent	1	Oxford
The Wharf	Independent	1	Tavistock
Theatr Mwldan	Independent	1	Dyfed, Cardigan
Tricycle Theatre	Independent	1	London
Warwick Arts Centre	Independent	1	Coventry
Wellesley Cinema	Independent	1	Wellington
Wells Film Cinema	Independent	1	Somerset

Specialised cinemas analysis (at least six screenings per week)

	Cinemas	Screens
Film Council/*bfi* supported	21	40
City Screen	18	37
Independent	38	53
Mainline	3	4
Odeon	3	11
UGC	1	3
Zoo	9	18
Total	**93**	**166**

6.1.2 *Specialised cinemas in the UK (less than six screenings per week)*

Cinema Name	Organisation	Screens	Location
Adam Smith Theatre	*bfi*/FC supported	1	Kirkcaldy
MacRoberts Arts Centre	*bfi*/FC supported	1	Stirling
Stoke Film Theatre	*bfi*/FC supported	1	Stoke-on-Trent
Strode Theatre	*bfi*/FC supported	1	Somerset
Haverhill Arts Centre	City Screen (prog’d)	1	Haverhill
Minerva (seasonal opening)	City Screen (prog’d)	1	Chichester
Alnwick Playhouse Trust	Independent	1	Alnwick
Anvil	Independent	1	Basingstoke
Arts Centre	Independent	1	King’s Lynn
Beaford and Plough	Independent	1	Great Torrington
Blackfriars Arts Centre	Independent	1	Boston
Cinematheque	Independent	1	Brighton

Cirencester College	Independent	2	Cirencester
Civic Hall	Independent	1	Stanley, Co Durham
College Theatre	Independent	1	Coventry
Community Arts Centre	Independent	1	Windsor
Corn Exchange	Independent	1	Newbury
Cube (currently closed for refurbishment)	Independent	1	Bristol
Darlington Arts Centre	Independent	1	Darlington
Elgiva Theatre	Independent	1	Chesham
Falkirk Town Hall Cinema	Independent	3	Falkirk
Ferneham Hall	Independent	1	Fareham
Goethe Cultural Institute	Independent	1	London
Guildhall	Independent	1	Preston
Instituto Cervantes	Independent	1	Manchester
Italian Cultural Institute	Independent	1	London
Kino, University of Teesside	Independent	1	Middlesborough
Ludlow Assembly Rooms	Independent	1	Ludlow
Luton Library Theatre	Independent	3	Luton
Maltings Arts Centre	Independent	1	Berwick-Upon-Tweed
Millom Palladium	Independent	1	Millom
Nerve Centre	Independent	1	Derry
Playhouse	Independent	1	Harlow
Playhouse	Independent	1	Epsom
Prema Arts Centre	Independent	2	Uley (Stroud)
Priestly Centre for Arts	Independent	1	Bradford
Queens Hall Arts Centre	Independent	1	Hexham
Reading Film Theatre	Independent	1	Reading
Regal Arts	Independent	2	Worksop
Robert Burns Centre Film Theatre	Independent	1	Dumfries
Rosehill Theatre	Independent	1	White Haven
Roses Theatre	Independent	1	Tewkesbury
Royal Philharmonic Hall	Independent	1	Liverpool
Southport Arts Centre	Independent	1	Southport
Studio Cinema, Knutsford Civic Centre	Independent	1	Knutsford
Taliesin Arts Centre	Independent	1	Swansea
Theatr Ardudwy, Harlech	Independent	1	Gwynedd
Theatre	Independent	1	Chipping Norton
Theatre by the Lake	Independent	1	Keswick
Trinity Arts Centre	Independent	1	Gainsborough
Watermans Arts Centre (scheduled to re-open Spring 2002)	Independent	1	Brentford
Whitley Bay Playhouse	Independent	1	Tyne & Wear

Specialised cinemas analysis (less than six screenings per week)

	Cinemas	Screens
Film Council/*bfi* supported	4	4
City Screen	2	2
Independent	46	53
Total	**52**	**59**

6.1.3 *Cinema screens dedicated to Bollywood films in the UK*

Cinema Name	Location	No of Screens devoted to Bollywood*
Cineworld	Ashford	1
UCI	Basildon	1
Cineworld	Bexleyheath	1
Piccadilly Cinema	Birmingham	1
Star City	Birmingham	1
UGC	Birmingham (Broad Street)	1
UGC	Bolton	1
Warner	Bolton	1
Odeon	Bradford	1
Cineworld	Bristol	1
Warner	Bury	1
UCI	Cardiff	1
UCI	Clydebank	1
Safari	Croydon	1
UCI	Derby	1
UCI	Edinburgh	1
Cineworld	Feltham	5
Bombay Cinema	Glasgow	1
EMD	Gravesend	1
Safari	Harrow	2
UCI	Huddersfield	1
Cineworld	Huntingdon	1
Odeon	Leicester	1
Piccadilly Cinema	Leicester (Centre)	1
Piccadilly Cinema	Leicester (Evington)	1
Gosai	London (Ealing)	1

Boleyn Cinema	London (East Ham)	1
Cinemax	London (Edgware)	1
Curzon	London (Wood Green)	2
Cineworld	Luton	2
Cinecity	Manchester	1
UCI	Manchester	1
Odeon	Marble Arch	1
Cineworld	Milton Keynes	1
UCI	Milton Keynes	1
UCI	Norwich	1
UCI	Preston	1
Cineworld	Rugby	1
UGC	Sheffield	1
Princes Cinema	Smethwick	1
Himalaya Palace	Southall	1
Cineworld	Stevenage	1
Cineworld	Swindon	1
UCI	Telford	1
Cineworld	Wakefield	1
EMD	Walthamstow	1
Cineworld	Wolverhampton	3
Cineworld	Wood Green	2
Total Cinemas		**47**
Total Screens		**58**

Source: www.zindagee.co.uk , Dodona Cinemagoing 9, www.scoot.co.uk , KPMG

*The number of screens devoted to Bollywood in some cinemas can vary depending on the strength of current releases.

6.1.4 *Film Festivals in the UK*

Altrincham (September):	Festival of Fantastic Films
Bath (October):	Bath Film Festival
Belfast (September):	Belfast Film Festival
Belfast (November):	Belfast Festival at Queen's
Belfast (December):	Cinemagic - Northern Ireland's International Film Festival For Young People
Birmingham (November):	Birmingham International Film and Television Festival
Blackpool (Summer/Autumn):	Blackpool Film Festival
Bradford (March):	Bradford Film Festival
Bradford (September):	Bite The Mango Film Festival
Bradford (October):	Co-op Young People's Film and Video Festival
Bradford (October):	Bradford Animation Festival (BAF!)

Brighton (November):	Brighton Jewish Film Festival
Bristol (April):	Animated Encounters - Bristol Animation Film Festival
Bristol (October):	Wildscreen - International Festival of Moving Images From The Natural World (biennial; even years)
Bristol (November):	'Brief Encounters'- Bristol Short Film Festival
Cambridge (November):	Cambridge Film Festival
Cardiff (November):	International Film Festival of Wales
Celtic (March):	Celtic Film and Television Festival Peripatetic: venue varies - Scotland, Wales, Ireland, Cornwall, Brittany
Chichester (August):	Chichester Film Festival
Edinburgh (February):	Edinburgh Fringe Film and Video Festival
Edinburgh, Glasgow, London (April):	Italian Film Festival
Edinburgh (August):	Edinburgh International Film Festival
Edinburgh (November):	French Film Festival
Exeter (February):	Animated Exeter
Harwich (varies):	Harwich Film Festival
Leeds (October):	Leeds International Film Festival
Leicester (April):	Leicester Short Film Festival
Liverpool (March):	Video Positive biennial; even years
London (February):	British Academy Awards (BAFTA)
London (March/April):	London Lesbian and Gay Film Festival
London (May):	Onedotzero
London (June):	East West Film Festival
London (July):	Highgate Film Festival
London (July):	Portobello Film Festival
London (July/August):	Rushes Soho Shorts Festival
London (September):	BBC British Short Film Festival
London (September):	BFM International Film Festival
London (September):	Latin American Film Festival
London (September/October):	London Low Budget Film Festival
London (October):	Dance on Screen
London (October):	Greenwich Film Festival
London (October):	Raindance Film Showcase (and film market)
London (October):	Raindance Kids Film Festival
London (October):	Deaf Film and Television Festival
London (November):	European Short Film Festival
London (November):	Green Screen
London (November):	Jewish Film Festival
London (November):	Regus London International Film Festival
London (November):	Volcano Independent Film Festival
London (November):	Wandsworth Short Film Festival

London (various):	Food Film Festival
Londonderry (November):	Foyle Film Festival
Luton (June):	Filmstock: Luton Film Festival
Manchester:	Black Sunday – The British Genre Film Festival
Manchester (August):	International Festival of Fantastic Films
Manchester (October):	Kinofilm: Manchester International Short Film and Video Festival
Norwich (October):	FAN International Animation Festival
Nottingham (June):	Shots in the Dark – Crime Mystery and Thriller Festival
Sheffield (March):	Lovebytes Digital Arts Festival
Sheffield (October):	Sheffield International Documentary Film Festival
Wellingborough (July):	Play Film Festival
York (March):	York Independent Film Festival
York (May):	Daybreak Film Festival

Source: www.britfilms.com, www.filmfestivals.com, www.filmcentre.co.uk, BFI Film and Television Handbook, KPMG

6.2 Theatrical distribution

We have identified 18 main theatrical distributors of specialised films

Artificial Eye Film Company
bfi
Blue Dolphin Film and Video
Downtown Pictures
Film Four Distributors
Gala Film Distributors
Guerilla Films
Kino Kino
Metro Tartan Distributors
Metrodome Distribution
Millivres Multimedia
Momentum Pictures
Helkon SK
ICA
Icon Entertainment International
Optimum Releasing
Pathe Distribution
Winstone Film Distribution

There are also many more distributors (around 60) which have participated in the UK specialised film market with varying degree over the past 5 years. This full list has been included for completeness but some of these companies are not fully active in the sector.

Alibi Communications	Momentum Pictures
Arrow Film Distributors	Asian Film
Barbican/AFC	Beyond Films/NFT
Blue Light	Blue Star
Buena Vista International	Celluloid Dreams
Chain Productions	Cinenova
City Screen	Clarence Pictures
Columbia Tristar Films	Contemporary
Dangerous to Know	Documedia International Films
Entertainment Film Distributors	Eros Video
Feature Film Company	First Independent
Galeria Alaska Productions	GVI
Idea Productions	Indy UK
Istisnai Filmer	John Burder Films
Manga Entertainment	Melanda Films
Millennium Film	Miracle Releasing
Mosaic Films	Narsimha Enterprises
NFT	Peccadillo Pictures
Poseidon Film Distributors	Rio Cinema
Shernwali	Shweta Arts International
Sovereign Pictures	Spark
Squirrel Films Distribution	Stara Int.
Stars International	The MOB
The Sales	Theatrical Experience
Twentieth Century Fox	UFDL
United Artists Corporation	United International Pictures
United Media	Venus
Warner Bros Distribution	Yash Raj Films International

6.3 Video distribution

We have identified 42 video/DVD film specialised distributors. As with theatrical distribution, the majority of these concentrate on mainstream films, occasionally distributing specialised film.

Abbey Home Entertainment	BBC Worldwide
BMG Records	Buena Vista Home Entertainment
Carlton Video	Channel Four video
Columbia Tristar Home Video	DD Video
Entertainment	Film Four Distributors
High Fliers Distribution	Hit Entertainment
Manga Entertainment	Metrodome Distribution
MGM Home Entertainment	Momentum Pictures Limited
Mosaic Movies	Paramount Home Entertainment
Pathé Distribution	PT Video
Sony Music	Tartan Video
Telstar Video & Interactive Ent	Twentieth Century Fox Home Ent
Universal Pictures Video	Video Collection International
Warner Home Video	Warner Vision
Cinram	Coral Products PLC
Deluxe Video Services	Disctronics Manufacturing
Docdata	Future Video Services.
Macrovision	Panasonic Disc Services Corporation
S Gold & Sons	Sonopress
Supercomm	Technicolor Video Services
Total Home Entertainment (the)	The Entertainment Network

6.4 TV distribution

BBC
Channel 4
Sky
Channel 5
ITV Network
Granada
Carlton
Flextech
Ntl:
Video Networks
Yes TV
Kingston Communications

6.5 On-line internet retail distribution

www.buyindies.com
www.nextwavefilms.com
www.atomfilms.com
www.ifilm.com
www.alwaysindependentfilms.com
www.bigstar.com
www.britshorts.com
www.dfilm.com
www.filmfilm.com
www.mymovies.net
www.popcorn.com
www.reelshorts.com
www.undergroundfilm.com
www.explodingcinema.org
www.reelplay.com
www.filmfour.com
www.in-movies.com
www.bigfilmshorts.com
www.binarytheater.com
www.cinemanow.com
www.eveo.com
www.movieflix.com
www.newvenue.com
www.reelscreen.com
www.reeluniverse.com
www.stopforaminute.com

7 Appendix A7: Economic financial operating models

7.1 Assumptions

The assumptions underlying our indicative financial models are as follows. More details are given in the main body of the report.

7.1.1 Revenue assumptions

Number of admissions: Base levels of 57,500 – 42,500 per screen (the higher the number of screens, the lower the average).

	London	Outside London
Average ticket price	£4.50	£3.50

	Stand-alone	Circuit
Screen Advertising Revenue	6% of Box Office	8% of Box Office

Concession revenues: 25% of Box Office revenues

Other revenues: 2% of Box Office revenues

7.1.2 Cost assumptions

	London	Outside London
Staff costs per head	£18,000	£14,000
Rent/Utilities	£100,000 + £40,000 per screen	£80,000 + £32,000 per screen
Capital costs	121%	100%

	Stand-alone	Circuit
Marketing costs	£35,000 + additional 5% per screen	£30,000 + additional 5% per screen
Cost of concession sales	55%	45%

Staff numbers:

	Number of screens				
	1	2	3	4	5
Stand-alone	9	11	14	16	19
Circuit	8	10	13	15	18

7.2 Scenarios

We present 12 scenarios, each for a cinema with one, two, three, four or five screens.

	Outside London		London	
	Circuit	Stand-alone	Circuit	Stand-alone
Standard admissions	5-1	5-2	5-7	5-8
Low admissions	5-3	5-4	5-9	5-10
High admissions	5-5	5-6	5-11	5-12

The table indicates where each scenario may be found in this appendix. For example, the model representing a stand-alone cinema, situated outside London and with a high number of admissions can be found in Figure 5-6. Within that model, it details the number of admissions expected for each of a one, two, three, four and five-screen specialised cinema, and the associated operating revenues, costs and profit/loss.

The low level of admissions is 90% of the standard level as detailed in the assumptions above. The high level of admissions is 110% of the standard level.

The higher level of admissions may be achieved if an area is under-screened in terms of specialised cinema (e.g. a two-screen cinema in an area which could potentially generate the number of admissions necessary to support a three-screen cinema) or if a cinema operator is particularly successful at bringing in new audiences. Similarly, a lower level of admissions may be achieved if an area is over-screened or an operator is less successful at attracting audiences.

The models may be used to estimate the level of on-going revenue subsidy (excluding subsidy for education provision) which would be required in a given scenario to enable an operation to break even (the amount of subsidy equals the operating loss). For example, if a stand-alone specialised cinema is to be situated in a rural location outside London which would support approximately 50,000 admissions pa, then the estimated annual subsidy would be (from Figure 7-4 would be approximately £130,000). (Note that the models assume full-time cinema provision.)

Operating profit and loss are stated before interest, tax, depreciation and amortisation. The operating profit therefore also gives an indication of the level of private capital which might be expected to be invested in such an operation (estimated at eight times annual operating profit).

7.3 Operating models

Figure 7-1

Options					
London/Outside London (L/O)	O				
Standalone/Circuit (S/C)	C				
Admissions %	100%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	57,500	52,500	47,500	45,000	42,500
Total number of admissions per cinema	**57,500**	**105,000**	**142,500**	**180,000**	**212,500**
Revenues					
Box office	£201,250	£367,500	£498,750	£630,000	£743,750
Concession revenues	£50,313	£91,875	£124,688	£157,500	£185,938
Screen advertising	£16,100	£29,400	£39,900	£50,400	£59,500
Other	£5,353	£9,776	£13,267	£16,758	£19,784
Total revenue	**£273,016**	**£498,551**	**£676,604**	**£854,658**	**£1,008,971**
Costs					
Film hire	£86,538	£158,025	£214,463	£270,900	£319,813
Marketing	£30,000	£31,500	£33,075	£34,729	£36,465
Cost of concession sales	£22,641	£41,344	£56,109	£70,875	£83,672
Staff costs	£112,000	£140,000	£182,000	£210,000	£252,000
Utilities/Other	£112,000	£144,000	£176,000	£208,000	£240,000
Total costs	**£363,178**	**£514,869**	**£661,647**	**£794,504**	**£931,950**
Operating profit/loss	**-£90,162**	**-£16,318**	**£14,957**	**£60,154**	**£77,022**
Operating margin	-33%	-3%	2%	7%	8%

Figure 7-2

Options					
London/Outside London (L/O)	O				
Standalone/Circuit (S/C)	S				
Admissions %	100%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	57,500	52,500	47,500	45,000	42,500
Total number of admissions per cinema	**57,500**	**105,000**	**142,500**	**180,000**	**212,500**
Revenues					
Box office	£201,250	£367,500	£498,750	£630,000	£743,750
Concession revenues	£50,313	£91,875	£124,688	£157,500	£185,938
Screen advertising	£12,075	£22,050	£29,925	£37,800	£44,625
Other	£5,273	£9,629	£13,067	£16,506	£19,486
Total revenue	**£268,910**	**£491,054**	**£666,430**	**£841,806**	**£993,799**
Costs					
Film hire	£86,538	£158,025	£214,463	£270,900	£319,813
Marketing	£35,000	£36,750	£38,588	£40,517	£42,543
Cost of concession sales	£27,672	£50,531	£68,578	£86,625	£102,266
Staff costs	£126,000	£154,000	£196,000	£224,000	£266,000
Utilities/Other	£112,000	£144,000	£176,000	£208,000	£240,000
Total costs	**£387,209**	**£543,306**	**£693,628**	**£830,042**	**£970,621**
Operating profit/loss	**-£118,299**	**-£52,253**	**-£27,198**	**£11,764**	**£23,178**
Operating margin	-44%	-11%	-4%	1%	2%

Figure 7-3

Options					
London/Outside London (L/O)	O				
Standalone/Circuit (S/C)	C				
Admissions %	90%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	51,750	47,250	42,750	40,500	38,250
Total number of admissions per cinema	**51,750**	**94,500**	**128,250**	**162,000**	**191,250**
Revenues					
Box office	£181,125	£330,750	£448,875	£567,000	£669,375
Concession revenues	£45,281	£82,688	£112,219	£141,750	£167,344
Screen advertising	£14,490	£26,460	£35,910	£45,360	£53,550
Other	£4,818	£8,798	£11,940	£15,082	£17,805
Total revenue	**£245,714**	**£448,695**	**£608,944**	**£769,192**	**£908,074**
Costs					
Film hire	£77,884	£142,223	£193,016	£243,810	£287,831
Marketing	£30,000	£31,500	£33,075	£34,729	£36,465
Cost of concession sales	£20,377	£37,209	£50,498	£63,788	£75,305
Staff costs	£112,000	£140,000	£182,000	£210,000	£252,000
Utilities/Other	£112,000	£144,000	£176,000	£208,000	£240,000
Total costs	**£352,260**	**£494,932**	**£634,590**	**£760,326**	**£891,601**
Operating profit/loss	**-£106,546**	**-£46,236**	**-£25,646**	**£8,866**	**£16,473**
Operating margin	-43%	-10%	-4%	1%	2%

Figure 7-4

Options					
London/Outside London (L/O)	O				
Standalone/Circuit (S/C)	S				
Admissions %	90%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	51,750	47,250	42,750	40,500	38,250
Total number of admissions per cinema	**51,750**	**94,500**	**128,250**	**162,000**	**191,250**
Revenues					
Box office	£181,125	£330,750	£448,875	£567,000	£669,375
Concession revenues	£45,281	£82,688	£112,219	£141,750	£167,344
Screen advertising	£10,868	£19,845	£26,933	£34,020	£40,163
Other	£4,745	£8,666	£11,761	£14,855	£17,538
Total revenue	**£242,019**	**£441,948**	**£599,787**	**£757,625**	**£894,419**
Costs					
Film hire	£77,884	£142,223	£193,016	£243,810	£287,831
Marketing	£35,000	£36,750	£38,588	£40,517	£42,543
Cost of concession sales	£24,905	£45,478	£61,720	£77,963	£92,039
Staff costs	£126,000	£154,000	£196,000	£224,000	£266,000
Utilities/Other	£112,000	£144,000	£176,000	£208,000	£240,000
Total costs	**£375,788**	**£522,451**	**£665,324**	**£794,289**	**£928,413**
Operating profit/loss	**-£133,769**	**-£80,502**	**-£65,537**	**-£36,664**	**-£33,994**
Operating margin	-55%	-18%	-11%	-5%	-4%

Figure 7-5

Options					
London/Outside London (L/O)	O				
Standalone/Circuit (S/C)	C				
Admissions %	110%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	63,250	57,750	52,250	49,500	46,750
Total number of admissions per cinema	**63,250**	**115,500**	**156,750**	**198,000**	**233,750**
Revenues					
Box office	£221,375	£404,250	£548,625	£693,000	£818,125
Concession revenues	£55,344	£101,063	£137,156	£173,250	£204,531
Screen advertising	£17,710	£32,340	£43,890	£55,440	£65,450
Other	£5,889	£10,753	£14,593	£18,434	£21,762
Total revenue	**£300,317**	**£548,406**	**£744,265**	**£940,124**	**£1,109,868**
Costs					
Film hire	£95,191	£173,828	£235,909	£297,990	£351,794
Marketing	£30,000	£31,500	£33,075	£34,729	£36,465
Cost of concession sales	£24,905	£45,478	£61,720	£77,963	£92,039
Staff costs	£112,000	£140,000	£182,000	£210,000	£252,000
Utilities/Other	£112,000	£144,000	£176,000	£208,000	£240,000
Total costs	**£374,096**	**£534,806**	**£688,704**	**£828,681**	**£972,298**
Operating profit/loss	**-£73,779**	**£13,600**	**£55,561**	**£111,443**	**£137,570**
Operating margin	-25%	2%	7%	12%	12%

Figure 7-6

Options					
London/Outside London (L/O)	O				
Standalone/Circuit (S/C)	S				
Admissions %	110%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	63,250	57,750	52,250	49,500	46,750
Total number of admissions per cinema	**63,250**	**115,500**	**156,750**	**198,000**	**233,750**
Revenues					
Box office	£221,375	£404,250	£548,625	£693,000	£818,125
Concession revenues	£55,344	£101,063	£137,156	£173,250	£204,531
Screen advertising	£13,283	£24,255	£32,918	£41,580	£49,088
Other	£5,800	£10,591	£14,374	£18,157	£21,435
Total revenue	**£295,801**	**£540,159**	**£733,073**	**£925,987**	**£1,093,179**
Costs					
Film hire	£95,191	£173,828	£235,909	£297,990	£351,794
Marketing	£35,000	£36,750	£38,588	£40,517	£42,543
Cost of concession sales	£30,439	£55,584	£75,436	£95,288	£112,492
Staff costs	£126,000	£154,000	£196,000	£224,000	£266,000
Utilities/Other	£112,000	£144,000	£176,000	£208,000	£240,000
Total costs	**£398,630**	**£564,162**	**£721,932**	**£865,794**	**£1,012,829**
Operating profit/loss	**-£102,829**	**-£24,003**	**£11,141**	**£60,192**	**£80,350**
Operating margin	-35%	-4%	2%	7%	7%

Figure 7-7

Options					
London/Outside London (L/O)	L				
Standalone/Circuit (S/C)	C				
Admissions %	100%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	57,500	52,500	47,500	45,000	42,500
Total number of admissions per cinema	**57,500**	**105,000**	**142,500**	**180,000**	**212,500**
Revenues					
Box office	£258,750	£472,500	£641,250	£810,000	£956,250
Concession revenues	£64,688	£118,125	£160,313	£202,500	£239,063
Screen advertising	£20,700	£37,800	£51,300	£64,800	£76,500
Other	£6,883	£12,569	£17,057	£21,546	£25,436
Total revenue	**£351,020**	**£640,994**	**£869,920**	**£1,098,846**	**£1,297,249**
Costs					
Film hire	£111,263	£203,175	£275,738	£348,300	£411,188
Marketing	£30,000	£31,500	£33,075	£34,729	£36,465
Cost of concession sales	£29,109	£53,156	£72,141	£91,125	£107,578
Staff costs	£144,000	£180,000	£234,000	£270,000	£324,000
Utilities/Other	£140,000	£180,000	£220,000	£260,000	£300,000
Total costs	**£454,372**	**£647,831**	**£834,953**	**£1,004,154**	**£1,179,231**
Operating profit/loss	**-£103,352**	**-£6,838**	**£34,967**	**£94,692**	**£118,018**
Operating margin	-29%	-1%	4%	9%	9%

Figure 7-8

Options					
London/Outside London (L/O)	L				
Standalone/Circuit (S/C)	S				
Admissions %	100%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	57,500	52,500	47,500	45,000	42,500
Total number of admissions per cinema	**57,500**	**105,000**	**142,500**	**180,000**	**212,500**
Revenues					
Box office	£258,750	£472,500	£641,250	£810,000	£956,250
Concession revenues	£64,688	£118,125	£160,313	£202,500	£239,063
Screen advertising	£15,525	£28,350	£38,475	£48,600	£57,375
Other	£6,779	£12,380	£16,801	£21,222	£25,054
Total revenue	**£345,742**	**£631,355**	**£856,838**	**£1,082,322**	**£1,277,741**
Costs					
Film hire	£111,263	£203,175	£275,738	£348,300	£411,188
Marketing	£35,000	£36,750	£38,588	£40,517	£42,543
Cost of concession sales	£35,578	£64,969	£88,172	£111,375	£131,484
Staff costs	£162,000	£198,000	£252,000	£288,000	£342,000
Utilities/Other	£140,000	£180,000	£220,000	£260,000	£300,000
Total costs	**£483,841**	**£682,894**	**£874,497**	**£1,048,192**	**£1,227,215**
Operating profit/loss	**-£138,099**	**-£51,539**	**-£17,659**	**£34,130**	**£50,527**
Operating margin	-40%	-8%	-2%	3%	4%

Figure 7-9

Options					
London/Outside London (L/O)	L				
Standalone/Circuit (S/C)	C				
Admissions %	90%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	51,750	47,250	42,750	40,500	38,250
Total number of admissions per cinema	**51,750**	**94,500**	**128,250**	**162,000**	**191,250**
Revenues					
Box office	£232,875	£425,250	£577,125	£729,000	£860,625
Concession revenues	£58,219	£106,313	£144,281	£182,250	£215,156
Screen advertising	£18,630	£34,020	£46,170	£58,320	£68,850
Other	£6,194	£11,312	£15,352	£19,391	£22,893
Total revenue	**£315,918**	**£576,894**	**£782,928**	**£988,961**	**£1,167,524**
Costs					
Film hire	£100,136	£182,858	£248,164	£313,470	£370,069
Marketing	£30,000	£31,500	£33,075	£34,729	£36,465
Cost of concession sales	£26,198	£47,841	£64,927	£82,013	£96,820
Staff costs	£144,000	£180,000	£234,000	£270,000	£324,000
Utilities/Other	£140,000	£180,000	£220,000	£260,000	£300,000
Total costs	**£440,335**	**£622,198**	**£800,165**	**£960,211**	**£1,127,354**
Operating profit/loss	**-£124,416**	**-£45,304**	**-£17,238**	**£28,750**	**£40,170**
Operating margin	-39%	-8%	-2%	3%	3%

Figure 7-10

Options					
London/Outside London (L/O)	L				
Standalone/Circuit (S/C)	S				
Admissions %	90%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	51,750	47,250	42,750	40,500	38,250
Total number of admissions per cinema	**51,750**	**94,500**	**128,250**	**162,000**	**191,250**
Revenues					
Box office	£232,875	£425,250	£577,125	£729,000	£860,625
Concession revenues	£58,219	£106,313	£144,281	£182,250	£215,156
Screen advertising	£13,973	£25,515	£34,628	£43,740	£51,638
Other	£6,101	£11,142	£15,121	£19,100	£22,548
Total revenue	**£311,168**	**£568,219**	**£771,154**	**£974,090**	**£1,149,967**
Costs					
Film hire	£100,136	£182,858	£248,164	£313,470	£370,069
Marketing	£35,000	£36,750	£38,588	£40,517	£42,543
Cost of concession sales	£32,020	£58,472	£79,355	£100,238	£118,336
Staff costs	£162,000	£198,000	£252,000	£288,000	£342,000
Utilities/Other	£140,000	£180,000	£220,000	£260,000	£300,000
Total costs	**£469,157**	**£656,079**	**£838,106**	**£1,002,224**	**£1,172,947**
Operating profit/loss	**-£157,989**	**-£87,860**	**-£66,952**	**-£28,135**	**-£22,980**
Operating margin	-51%	-15%	-9%	-3%	-2%

Figure 7-11

Options					
London/Outside London (L/O)	L				
Standalone/Circuit (S/C)	C				
Admissions %	110%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	63,250	57,750	52,250	49,500	46,750
Total number of admissions per cinema	**63,250**	**115,500**	**156,750**	**198,000**	**233,750**
Revenues					
Box office	£284,625	£519,750	£705,375	£891,000	£1,051,875
Concession revenues	£71,156	£129,938	£176,344	£222,750	£262,969
Screen advertising	£22,770	£41,580	£56,430	£71,280	£84,150
Other	£7,571	£13,825	£18,763	£23,701	£27,980
Total revenue	**£386,122**	**£705,093**	**£956,912**	**£1,208,731**	**£1,426,974**
Costs					
Film hire	£122,389	£223,493	£303,311	£383,130	£452,306
Marketing	£30,000	£31,500	£33,075	£34,729	£36,465
Cost of concession sales	£32,020	£58,472	£79,355	£100,238	£118,336
Staff costs	£144,000	£180,000	£234,000	£270,000	£324,000
Utilities/Other	£140,000	£180,000	£220,000	£260,000	£300,000
Total costs	**£468,409**	**£673,464**	**£869,741**	**£1,048,096**	**£1,231,107**
Operating profit/loss	**-£82,287**	**£31,628**	**£87,171**	**£160,634**	**£195,866**
Operating margin	-21%	4%	9%	13%	14%

Figure 7-12

Options					
London/Outside London (L/O)	L				
Standalone/Circuit (S/C)	S				
Admissions %	110%				
No of screens	**1**	**2**	**3**	**4**	**5**
Base average admissions per screen	57,500	52,500	47,500	45,000	42,500
Revised average admissions per screen	63,250	57,750	52,250	49,500	46,750
Total number of admissions per cinema	**63,250**	**115,500**	**156,750**	**198,000**	**233,750**
Revenues					
Box office	£284,625	£519,750	£705,375	£891,000	£1,051,875
Concession revenues	£71,156	£129,938	£176,344	£222,750	£262,969
Screen advertising	£17,078	£31,185	£42,323	£53,460	£63,113
Other	£7,457	£13,617	£18,481	£23,344	£27,559
Total revenue	**£380,316**	**£694,490**	**£942,522**	**£1,190,554**	**£1,405,515**
Costs					
Film hire	£122,389	£223,493	£303,311	£383,130	£452,306
Marketing	£35,000	£36,750	£38,588	£40,517	£42,543
Cost of concession sales	£39,136	£71,466	£96,989	£122,513	£144,633
Staff costs	£162,000	£198,000	£252,000	£288,000	£342,000
Utilities/Other	£140,000	£180,000	£220,000	£260,000	£300,000
Total costs	**£498,525**	**£709,708**	**£910,888**	**£1,094,159**	**£1,281,482**
Operating profit/loss	**-£118,209**	**-£15,218**	**£31,634**	**£96,395**	**£124,034**
Operating margin	-31%	-2%	3%	8%	9%

8 Appendix A8: Glossary

ABC1	Social demographic group
ACE	Arts Council of England
ACP	Arts Capital Programme
ACW	Arts Council of Wales (ACW)
ADSL	Asynchronous digital subscriber line
AIM	All Industry Marketing
BARB	Broadcasting Audience Research Board
BBC	British Broadcasting Corporation
bfi	British Film Institute
BSL	British Sign Language
C2DE	Social demographic group
CAVIAR	Cinema and Video Industry Audience Research
CELSI	Centre for Education Leadership and School Improvement
CMA	Cinema Market Agency
DCMS	Department of Culture, Media and Sport
DfES	Department for Education and Skills
DNH	Department of National Heritage
DTI	Department of Trade and Industry
DVD	Digital video disc
EAO	European Audiovisual Observatory
ERDF	European Regional Development Fund
EU	European Union
FC	Film Council
ICAA	Spanish Film Authority

ITC	Independent Television Commission
MDA	Media Development Agencies
NESTA	National Endowment for Science, Technology and the Arts
NFT	National Film Theatre
NIFC	Northern Ireland Film Commission
P&A	Prints and Advertising
PR	Public Relations
QFT	Queens Film Theatre
RAB	Regional Arts Board
RFT	Regional Film Theatre
RSA	Regional Screen Agency
RIFE	Regional Investment Fund for England
SAC	Scottish Arts Council
SRB	Single Regeneration Budget
VAT	Value Added Tax
VOD	Video on Demand