



# Economic Achievements 2008/09



**£1.4m invested**

**£16m inward investment**

**898 crew jobs**

plus

**Ground-breaking  
EMMI fund**

**EM Media is the Screen Agency for England’s East Midlands.**

**One of a network of nine agencies covering the country, EM Media secures finance, nurtures talent and invests in success whilst consistently setting a ground-breaking and progressive agenda.**

Digital content industries are essential to both the cultural and economic growth of the East Midlands. Throughout 2008/09, EM Media continued to demonstrate the sector’s economic value to the region, as well as its ability to act as a catalyst for ambition, dynamism and growth of the creative economy.

In December 2008 EM Media made its 65th and final investment from the unprecedented EMMI (East Midlands Media Investments) Fund. Investing £6m of European Regional Development Fund (ERDF) finance into a range of film and digital media products generated £33.2m in partnership finance.

The first investment made with the fund was the feature film *Brothers of the Head* which won the Michael Powell Award for Best British Feature Film at the Edinburgh International Film Festival in 2006. The final investment made was in the prototype *mixm8*, an online virtual music world. The two investments which bookend that fund are representative of EM Media’s investment portfolio; bold and innovative - some of the finest creative work of recent years.

*“We are proud to have invested ERDF finance smartly and creatively and to have fulfilled the many targets and outputs of the fund. We couldn’t have succeeded without the incredibly vibrant and talented creators who reside in this region, whose work has global appeal. What’s more, the investments have recouped ensuring a continuation of finance to reinvest in the region’s digital content industries.”*

DEBBIE WILLIAMS • CHIEF EXECUTIVE • EM MEDIA

**The tangible impacts and achievements of the fund are highlighted in this document, as are the investments which impacted during 2008/09. Our accompanying review spotlights the year’s stories and creative achievements. Further information can be found on our website: [www.em-media.org.uk](http://www.em-media.org.uk)**

**EM Media: committed to driving the creative economy of the East Midlands.**

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# Our Investment Year

- £1.4m invested in digital content industries
- £16m inward investment
- 18% of UK domestic features were filmed or produced in the region
- 898 crew jobs created
- 288% increase in recoupment

## It was a year of continued growth

EM Media made 78 investments in projects and activity including co-financing **eight** feature films<sup>1</sup>, six by first time feature directors ranging from *The Unloved*, the directorial debut of Nottingham's Samantha Morton to the micro-budgeted *Dig Your Own Grave*. These investments contributed to a fifth consecutive year of increased production activity and EM Media recorded a 6% increase in the number of shooting days in the region. Filming created employment for almost **900 freelance crew** with an increased proportion sourced from EM Media's crew database. Film and TV productions brought **£16m** inward investment into the East Midlands.

## It was a year of opportunity

The skills base in the region widened and deepened as EM Media continued to provide quality training opportunities. These ranged from the provision of **500 training days** on EM Media co-financed feature films to support for training initiatives such as *Inside Pictures*, the international film business training programme which provided local film producers with valuable access to a wide range of experienced industry figures.

## It was a year of global success and increased recoupment

Throughout the year content made in the East Midlands could be seen in every continent of the world (bar Antarctica), as the number of territories buying and screening content expanded. Recoupment from investments continued to accelerate and film investments contributed 60% to the overall total which is on course to exceed £1m in 2010.

## It was a year of completion

EM Media **successfully completed** the ground-breaking EMMI Investment Fund; the first use of European funds for regional and sectoral purposes, which saw **£6m** invested in **65 film, game, TV and interactive** projects between 2006 and 2008. A total of **£33.2m** in partnership finance was leveraged into the region and the ERDF investments brought a total estimated economic benefit of over **£70m to the East Midlands**, **£68m** of which, was inward investment generated by filming activity. Read about the investments made and the fund's impacts on pages 6 and 7.



1. *A Boatload of Wild Irishmen, A Boy Called Dad, Bunny & the Bull, Crying With Laughter, Dig Your Own Grave, She, A Chinese, Skeletons, The Unloved*

# Our Investment Year

## 18% of UK domestic features were filmed or produced in the region

EM Media invested in **eight** UK domestic feature films and one feature documentary in the nine month period from April to December 2008 (the cut-off point for investments through the EMMI £6m Investment Fund).

A total of 66 UK domestic films were made during 2008<sup>1</sup>. In addition to the nine EM Media co-financed features three externally produced features filmed in the region accounting for **18%** of overall domestic production. This makes the East Midlands the most significant film producing region in England that does not have a permanent film studio.

## A 6% increase in shooting days

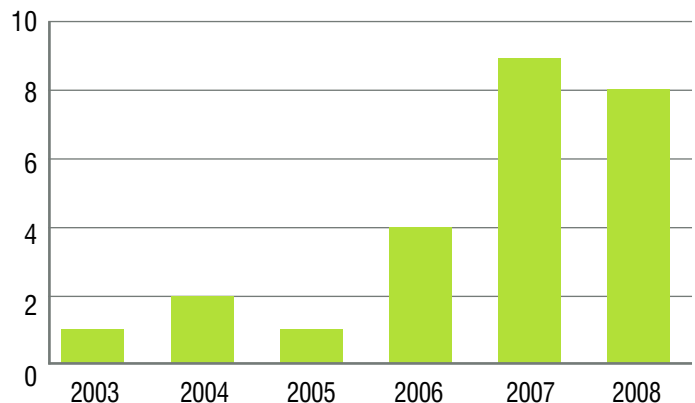
The East Midlands enjoyed a fifth consecutive year of growth in the number of days shooting in the region (up by 6%), driven largely, but not entirely by EM Media co-financed features. This growth occurred against a backdrop of reduced production in the UK, due to economic conditions and the continued impact of the US Writers' strike, which prevented a number of co-productions coming to the UK in the year, let alone to the East Midlands region.

## Games and interactive investments launch

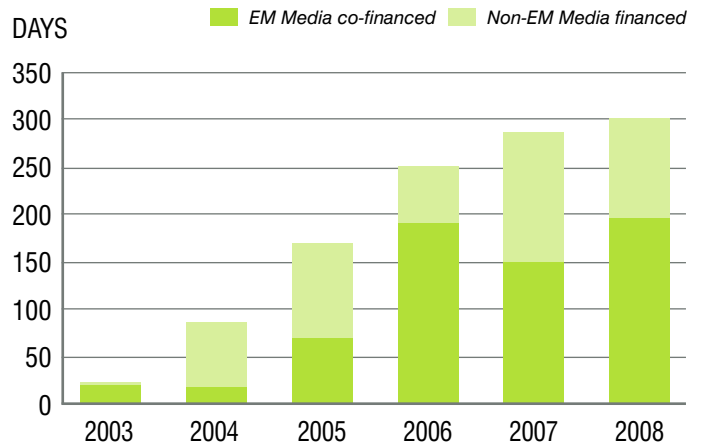
Film dominated the investment portfolio but EM Media remained an active investor in, and supporter of the Games, TV and Interactive industries. Much time was spent with companies developing their ideas further and helping increase the profile of their products. *Geon: Emotions* continued to sell on the Xbox Live Arcade platform and an earlier investment in the *Hunter's World* prototype was completed, enabling developer Monumental Games to begin attracting finance to move into full production of their massively multiplayer online game. *Beauty Salon* and *Space Ark* are both due to reach the marketplace by Christmas 2009 and EM Media has been instrumental in helping these companies develop their final product.

An investment made in 2005 reached the international marketplace when AIMS Solutions launched *Manifest*, an online emergency incident simulator, designed for the emergency planning markets. Three years in the making the product has been successfully adapted to ensure appeal to a broader market. Two game prototypes were also launched. Read about *Manifest*, *mixmap* and *Spell Souls* in the accompanying review.

## NUMBER OF FEATURE FILM INVESTMENTS



## FILM PRODUCTIONS - DAYS SHOT IN EAST MIDLANDS

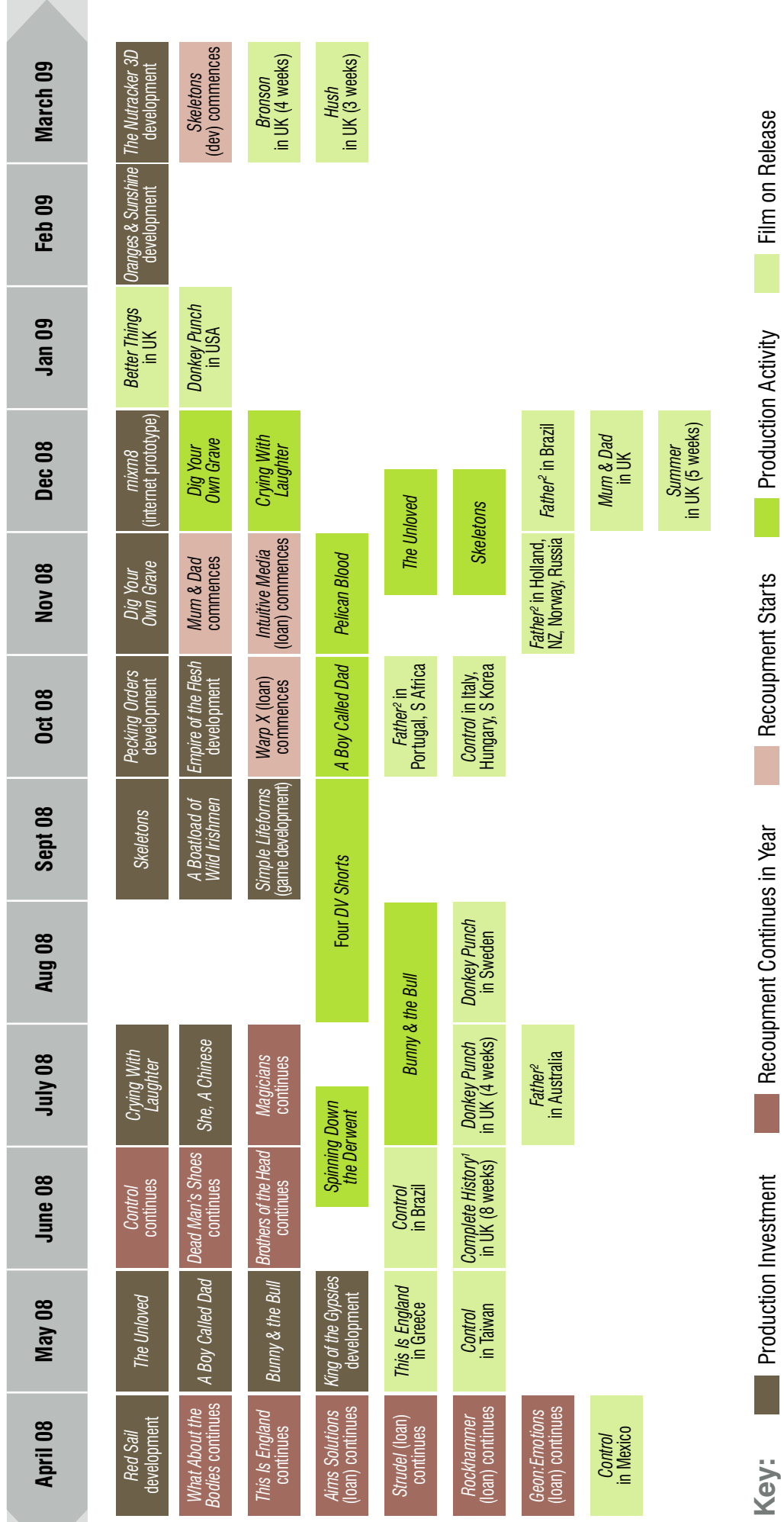


## AIMS SOLUTION'S MANIFEST - TIMELINE OF EM MEDIA INVOLVEMENT

2009/10	Manifest continues to expand Recoupment continues, production loan to complete
2008/09	Manifest launched Recoupment continues, 70% paid off by year end
January 2007	Production loan starts to repay
April 2006	Development loan starts to repay
August 2005	Further investment in production, loan of £90,000
March 2005	Initial development investment, loan of £10,000

1. UK Film Council Statistical Yearbook 2009

# Snapshot of Our Investment Year



**Key:** ■ Production Investment ■ Recoupment Continues in Year ■ Recoupment Starts ■ Production Activity ■ Film on Release

See the full range of markets and territories for EM Media product in the accompanying document.

1. A Complete History of My Sexual Failures
2. And When Did You Last See Your Father?

◀ 2007/08

2009/10 ▶

## EMMI £6m Investment Fund: 2006-2008

In 2003 EM Media set a precedent by securing £6m of European Regional Development Fund finance to establish the first region of England, sector specific, Venture Capital Loan Fund. Operating as an economically driven fund, investment activity commenced in March 2006.

- 65 investments made • £6m invested • £33.2m additional finance leveraged
- 41 permanent jobs created • 563 temporary jobs for film crew created
- 262 businesses assisted • £70m economic benefit

The Investment Fund successfully completed at the end of December 2008. The 65 investments included the award-winning and commercially successful feature films *This Is England* and *Control* and investments in game product led to the creation of permanent jobs in the region in companies such as Strawdog Studios, Derby-based developers of multi-platform games and Outso, a new Nottingham-based company formed in 2008.

### How did EM Media invest £6m?

EM Media made **46 film, 11 game, 3 TV and 5 interactive** loan and equity investments in a range of projects which met the fund's aims and objectives. The portfolio breaks down as follows:

Investment Source	No. of Investments	EMMI	Other Public Finance	Private Investment
Loan	26	£1,137,956	£739,137	£1,992,861
Equity	39	£4,862,044	£13,619,667	£16,844,343
<b>Total</b>	<b>65</b>	<b>£6,000,000</b>	<b>£14,358,804</b>	<b>£18,837,204</b>

### Financial Returns

- £6m secured - £6m invested
- £33.2m additional finance leveraged (Target: £6m)
- Portfolio valued at £3m

The returns on the EMMI investments took the form of financial and non-financial returns. Financial returns on investments were generated in the form of loan repayments and equity recoupment. The EMMI Investment Fund successfully delivered the outputs required by the European Commission, in terms of match finance and jobs created.

In August 2008 EM Media's portfolio was valued at over £3m. This valuation came ahead of the completion of the fund. EM Media's portfolio continues to earn financial returns and will therefore play a key role in financing investments in the film and digital content sectors in future years.



*Control*



*Hunter's World*



*Manifest*

# Non Financial Returns

- 563 temporary jobs for film crew created
- 30 awards won
- 262 businesses assisted

The EMMI fund generated a significant and valuable number of non-financial returns.

EM Media assisted **262 businesses**; working with them to develop and further their ideas, their companies and their projects. EM Media played a key role throughout the life cycle of investments from development and production through to distribution. Targeted interventions such as marketing, promotion, advocacy and networking, helped build word-of-mouth and brokered vital connections to ensure the products had the best chance of success upon completion.

Almost 600 freelance crew were employed over the lifetime of the fund on EM Media co-financed feature films and our decisions to invest in unique and creatively strong projects were endorsed by the wider industry. East Midlands produced content garnered critical and audience acclaim, winning over 30 international awards ranging from BAFTAs for Best British Feature Film, Best Short Film and Best Supporting Actor to Locarno Film Festival's top honour The Golden Leopard.

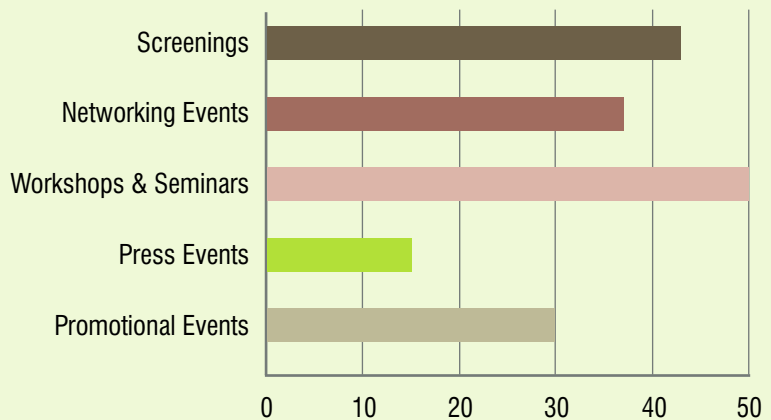
EM Media also hosted 175 events over the fund's lifetime. These events aimed to support and promote the region, the fund, the sector and the products and companies EM Media had invested in.

## Impact of the fund

Crucially, investments have recouped ensuring a continuation of finance to reinvest in local talent and content. Following initial investments in prototypes, games companies have secured further finance to take projects into full production. Clusters of games and interactive companies have developed in two major cities; Derby and Nottingham, creating products for a range of platforms and exploring new routes to market.

The East Midlands has become synonymous with creativity and innovation and **'Made in the East Midlands'** is a recognised hallmark of talent.

## EVENTS ORGANISED IN SUPPORT OF EMMI FUND



## The East Midlands - a significant film producing region

Between 2006 and 2008 on average over 20% of UK domestic features were based in or filmed wholly or partly in the East Midlands. This level of production activity is significant for a region without a studio-based production infrastructure. Within this same period filming alone generated £68m of inward investment and the East Midlands carved out a niche as a natural and supportive home to location-based feature films and low budget independent film production.



# Approved Investments 2008/09

## Investments approved 2008/09

Organisation Name	Project Title	Fund	Investment Amount
Revolution Films	<i>The Unloved</i> film production	EMMI <sup>1</sup>	£250,000
Made Up North	<i>A Boy Called Dad</i> film production	EMMI	£250,000
Frisky Films	<i>Crying With Laughter</i> film production	EMMI / RIFE Lottery <sup>2</sup>	£160,000
Forward Films	<i>Skeletons</i> film production	EMMI	£160,000
Warp X (Bunny)	<i>Bunny &amp; the Bull</i> film production	EMMI	£73,812
MACE	Organisational Development	RIFE Treasury <sup>3</sup>	£65,000
PBQ Consortium	Film Audience Development Services	RIFE Treasury	£59,809
Warp Films	<i>King of the Gypsies</i> script development	EMMI	£46,375
Warp X (La Chinoise)	<i>La Chinoise</i> (became <i>She, A Chinese</i> ) film production	EMMI	£31,167
Sixteen Midlands	<i>Oranges &amp; Sunshine</i> script development	RIFE Lottery	£25,000
Brightspark Studios	<i>A Boatload of Wild Irishmen</i> film production	EMMI	£20,795
Simple Lifeforms	<i>Simple Lifeforms</i> online social gaming development	EMMI	£20,000
Bertie Films	<i>The Nutcracker3D</i> research and development	RIFE Lottery	£19,400
PBQ Consortium	Film Audience Development Services (Research)	RIFE Treasury	£19,191
Derby QUAD	<i>QUAD Shorts</i> short film development and production	RIFE Lottery	£17,000
Warp X (Bunny)	Trainee attachments on <i>Bunny &amp; the Bull</i>	RIFE Lottery	£15,000
Outso	<i>mixm8</i> prototype production	EMMI	£13,397
18db	<i>World of Pain</i> script development*	EMMI	£12,177
Sixteen Midlands	<i>Red Sail</i> script development	RIFE Lottery	£10,000
Qwerty Films	<i>Inside Pictures</i> training programme	RIFE Lottery	£10,000
Made Up North	Trainee attachments on <i>A Boy Called Dad</i>	RIFE Lottery	£10,000
Culture East Midlands	Creative Programmer	RIFE Lottery	£10,000
Spool Films	<i>Pecking Orders</i> script development	RIFE Lottery	£9,989
2am Films	<i>Empire of the Flesh</i> script development	RIFE Lottery	£9,950
Sodalite Films	Company skills and project development	RIFE Lottery	£9,873
Veridical	Trainee attachments on <i>Skeletons</i>	RIFE Lottery	£9,661
Wellington Films	Trainee attachments on <i>Crying With Laughter</i>	RIFE Lottery	£9,578
Glimmer Films	Documentary features slate development	RIFE Lottery	£8,750
Tim Cunningham	<i>Dig Your Own Grave</i> film production	EMMI	£7,904
Anonymous Room Productions	<i>Big Things</i> marketing Support	RIFE Lottery	£7,778
Met Film / Glimmer Films	<i>The Great Hip Hop Hoax</i> documentary film development	RIFE Lottery	£7,550
The Hobo Film Company	<i>I Love Luci</i> film production	RIFE Lottery	£5,000
Triffic Films	<i>Egg</i> animated feature development	RIFE Lottery	£5,000
Unloved Films	<i>The Unloved</i> festival submissions	RIFE Lottery	£4,963
Tigerlily Films	<i>More on Terror</i> script development	RIFE Lottery	£4,750
The Richard Attenborough Centre	<i>Oska Bright on the Road</i> film festival	RIFE Lottery	£4,105
Mayhem Horror Film Festival	<i>Mayhem</i> horror film festival business development	RIFE Lottery	£4,050

Parallax Six	Director and producer training	RIFE Lottery	£3,704
IWC Media	<i>Adha Cup</i> film production	RIFE Lottery	£3,400
2am Films	<i>Mum &amp; Dad</i> music clearance	RIFE Lottery	£2,500
Mark Ashmore	Film festival attendance*	RIFE Lottery	£2,418
Chris Byrne	Visual effects training	RIFE Lottery	£2,250
James Sharpe	Film festival attendance, director training and script development mentor	RIFE Lottery	£1,665
Better Things	Attendance at Cannes and Edinburgh film festivals	RIFE Lottery	£1,428
Wellington Films	Attendance at Toronto International Film Festival	RIFE Lottery	£1,301
Split Second Films	Market support for <i>The Imaginary Girl</i> and <i>Over The Hill</i> (DV Shorts films)	RIFE Lottery	£1,160
Richard Porter	Attendance at Edinburgh International Film Festival	RIFE Lottery	£989
Peter Baynton	Attendance at Encounters and Edinburgh film festivals	RIFE Lottery	£784
Tanya Stephan	Interdoc Workshop attendance	RIFE Lottery	£611
Split Second Films	Pre-production training	RIFE Lottery	£572
Phil Nodding	Attendance at Cannes Film Festival	RIFE Lottery	£550
David Smith	Writing and directing training	RIFE Lottery	£449

\*Application later withdrawn

Further non-financial investments were made in support of Digital Shorts development for the following individuals and their short film projects: Sasha Andrews, Sally-Anne Betts, Jimmy Cheng, Mehul Desai, Marcella Forster, Roger Hadfield, Deborah Haywood, Piers Hill, Tony Kelly, Ayden Peach, Richard Porter, Darren Robinson, John Ross, David Smith, Andy Taylor Smith and Mark Withers.



## Summarised Accounts

### Summarised Balance Sheet - 31 March 2009

Fixed assets	£10,172
Current assets	£4,988,605
Current Liabilities	£2,193,774
Accruals and Deferred Income	£2,597,830
<b>Net Assets</b>	<b>£207,173</b>

### Profit and Loss Account 2008/09

<b>Income:</b>	
EMMI Income	£1,812,854
RIFE Treasury	£590,000
RIFE Lottery	£486,079
ERDF Business Support	£210,744
Release of Deferred Income	£854,759
Other Income	£438,836
	<b>£4,393,272</b>
<b>Expenditure and Investments:</b>	
RIFE Investments Committed	£560,231
Other Investments Committed	£1,672,021
Other Costs (inc tax)	£1,323,137
Provisions and Amortisation	£784,913
	<b>£4,340,302</b>
Surplus for the Year	<b>£52,970</b>

1 EMMI Investment Fund

2 Regional Investment Fund for England Lottery (National Lottery)

3 Finance from the UK Film Council

# 2008/09 Returns on Investment

## Film

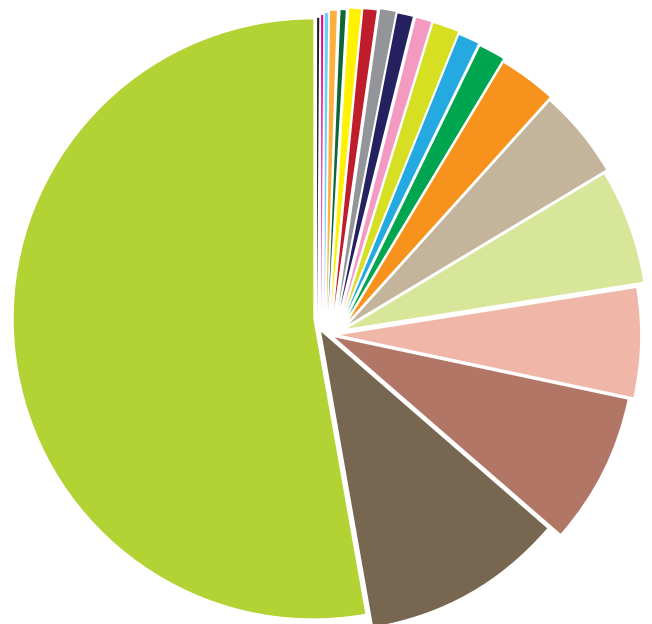
Film production spend in the East Midlands generated **£16m inward investment**<sup>1</sup> (meeting our business target of £15-20m) generating **8,270 hotel bed nights** and over **£50,000 in location fees** for owners of the locations which appeared on screen. The number of **crew employed** fell slightly to **898** (compared to last year's record high), however, over **500 training days** were created in the form of trainee placements on EM Media co-financed feature films. The impact of incoming productions was much reduced this year, both within the region and in the country as a whole, largely as a result of the writers' strike in the US and global recession. The UK saw a 23% reduction in the value of film production according to the UK Film Council's Statistical Yearbook 2009. By contrast, evidence suggests the theatrical film market is recession resistant with 2008 cinema attendances on a par with 2007. Market analysts attributed the buoyancy of cinema admissions to the quality of product produced, the scaling back of personal expenditure not including trips to the cinema and an increased demand for escapism.<sup>2</sup>

## EM Media's films earn £16m

In spite of the economic downturn the global reach of our investments continued to expand. Films **Made in the East Midlands** have been seen in every continent of the world, bar Antarctica. EM Media co-financed films have earned over £16m across the globe with almost half of the box office earned overseas proving a global appetite for local content.

### GLOBAL BOX OFFICE TO MARCH 2008

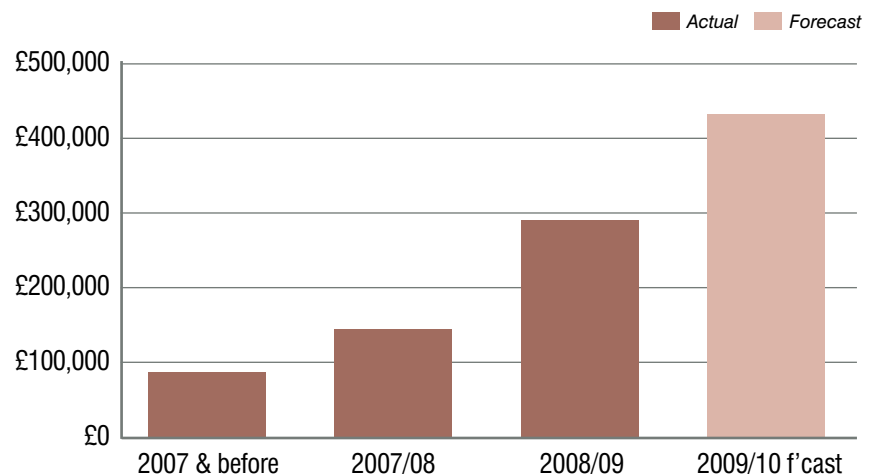
■ South Africa	■ Scandinavia	■ Germany
■ South Korea	■ Benelux	■ Australia
■ Taiwan	■ New Zealand & Fiji	■ Sweden
■ Russia	■ Norway	■ France
■ Central & South America <sup>3</sup>	■ Netherlands	■ USA
■ Greece	■ Rest of Europe <sup>4</sup>	■ UK
■ Denmark	■ Spain	



## Games, TV and Interactive

Games investments continued to recoup during the year. By the end of April 2010 this figure will exceed £400,000. Returns are largely, but not exclusively, from the repayment of loans. One loan began repaying in the year; the 2007/08 investment in Intuitive Media's *Community in My Pocket* and an equity investment in *Space Ark* is expected to begin generating returns in 2010.

### CUMULATIVE GAMES, TV AND INTERACTIVE RECOUPMENT



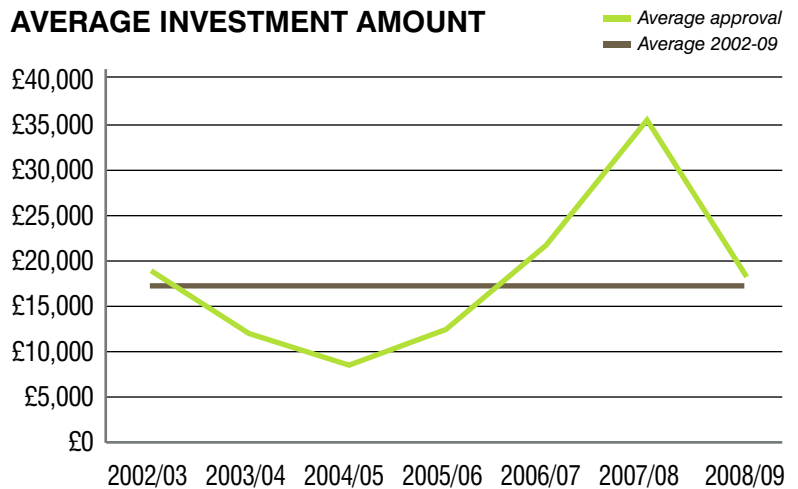
1. The impact of total production budgets for East Midlands-registered production companies and inward investment from production companies filming on location within the East Midlands  
 2. UK Film Council's Statistical Yearbook 2009  
 3. Mexico and Brazil  
 4. Austria, Croatia, Czech Republic, Finland, Hungary, Iceland, Italy, Portugal, Serbia and Slovenia

# Trend Analysis

## Investment

Since 2002 EM Media has invested over £11m in over 600 East Midlands' projects. As forecast, EM Media made fewer investments in 2008/09 (78 investments, compared to 87 in 2007/08). This was largely due to the completion of the EMMI Investment Fund in December 2008. The average investment made was £18,000 reflecting the maturity and scale of the projects. This figure remained above EM Media's average yearly investment and we continued to invest according to the purpose, need and potential of the project and to ensure maximum impact.

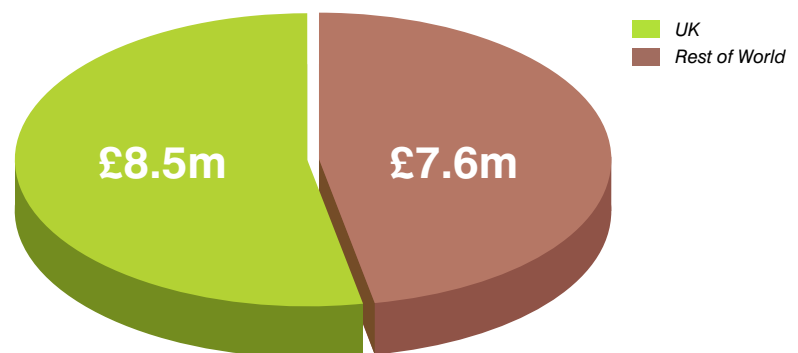
**AVERAGE INVESTMENT AMOUNT**



## Box Office 2008/09

EM Media co-financed feature films have grossed over £3.4m at the international box office. This figure is set to increase as the number of territories screening EM Media content continues to grow. The seven<sup>1</sup> EM Media co-financed feature films released in 2008/09 contributed over £1.4m to this figure. In addition EM Media's films have now sold one million DVD copies across the world. Whilst box office is not the sole indicator of a film's financial success, it is a significant indicator of the worldwide reach of East Midlands content. See pages 20/21 of the accompanying review for more details.

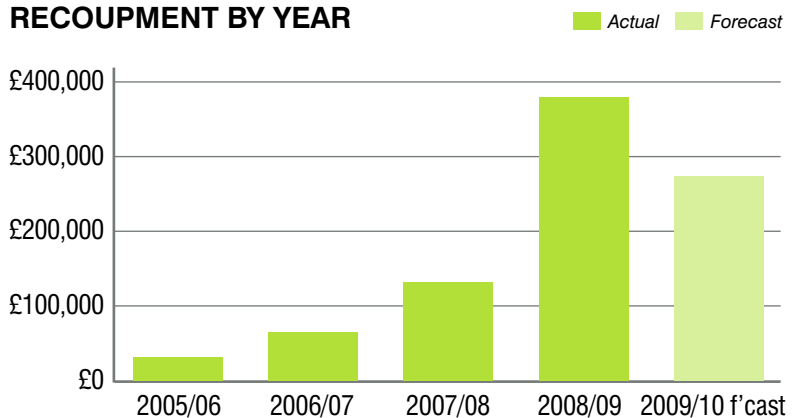
**GLOBAL BOX OFFICE REVENUES TO DATE**



## Recoupment

Total recoupment is on course to exceed £1m during 2010, having reached almost £400,000 in 2008/09, generated by a mix of successful loan and equity investments. Approximately 60% of this recoupment derived from film investments, reflecting the more established route to recoupment in film. Nevertheless some of our most successful recoupment in terms of percentage return came from EM Media's investments in game and interactive content.

**RECOUPMENT BY YEAR**



*“EM Media was recently cited as one of the leading public funders of British film production. The economic climate in 2010 and beyond will challenge our role as a cornerstone investor in film and digital content. However, we remain confident in the resilience of the sector. EM Media is ready to play its part in ensuring local stories with global appeal continue to achieve global reach and financial returns in years to come.”*

DEBBIE WILLIAMS • CHIEF EXECUTIVE • EM MEDIA

Keep up to date with EM Media's progress and track the continuing reach of product from the East Midlands here: [www.em-media.org.uk](http://www.em-media.org.uk)

1. A Complete History of My Sexual Failures, Better Things, Bronson, Donkey Punch, Hush, Mum & Dad and Summer.

For a list of image credits see the accompanying review

# EM Media Aims

## Talent Development

Identifying, growing and supporting the cultural, creative and economic ambitions of the region's dynamic talent pool and enhancing the region's reputation for innovative practice and distinctive voices.

## Markets and Audiences

Developing the range of markets, audiences and opportunities for consumption of digital product and encouraging participation, understanding and engagement with all forms of media product, especially as tools for learning. Benefit from the new market opportunities created by digital platforms.

## Business

Utilising key business functions and practices (R&D, feasibility testing, fundraising, market intelligence and communication) to shape our business to inform and invest in film and media businesses.



If you share EM Media's mission and aims and wish to find out more please get in touch.

Chief Executive DEBBIE WILLIAMS

Finance and Monitoring MARK DURKIN

Communications and Inward Investment EMILY LAPPIN

Market and Audience Development JOHN TOBIN

Content Creation SUZANNE ALIZART



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