



Production finance

Direct commission

The majority of the company's productions are produced as direct commissions - that is to say that the production is fully financed by a client or group of clients.

The project is developed to match the client's budget frame, and the client received a project proposal and formal quotation as the basis for deciding to proceed with production.

	B	C	D	E
25	2. del - PRODUKTIONSTEKNISKE FACILITETER			
26	EFP optageenhed	dage	36,00	5,00
27	Forredigeringsuite	dage	36,00	50
28	Redigeringsfaciliteter	dage	60,00	6,00
29	Lydstudie - Musikproduktion	dage	12,00	3,50
30	Lyddubbing	dage	12,00	3,50
31				
32	2. del - i alt			
33				
34	3. del - VAREFORBRUG			
35	Videobånd EFP	stk	120,00	11
36	Audiobånd EFP	stk	0,00	
37	Videobånd studie	stk	24,00	18
38	Videobånd Master	stk	12,00	67
39	Audiobånd Musik	stk	2,00	1,25
40	Audiobånd dubbing	stk	2,00	47
41	Stillsfilm	stk	12,00	5
42	VHS Godkendelseskopier	stk	12,00	4
43	Forbrugsvarer EFP	i alt	12,00	1,00

Production budget

The degree of detail in the production budget, which accompanies the quotation, depends on client's requirements and the nature of the project.

Many production budgets are compiled many weeks or months before the script is written and the actual production costs can be calculated, so a degree of experience is required when making a fixed-price and competitive quotation for a project.

Productions for clients in Denmark are normally subject to Danish VAT (MOMS) - it is therefore important, when drawing up a project proposal, that we know whether the client is registered for VAT or not, as this may influence the available production budget.

When the customer places an order for a production, a written production contract is between the client and Channel 6 Television is entered into.

The production price and schedule for staged-payment is specified in the production contract.

Most projects are billed in stages - typically with each stage corresponding to a particular phase of the production and usually a phase-approval by the client.

The number and amount for each stage will depend on the nature of the project, the overall budget and the duration of the production process.

Channel 6 Television prefers to produce to a fixed-price. The terms for the production price to remain unchanged are defined in the production contract.

The basic principle is that the agreed price remains fixed, unless the client desires modifications to the production and both parties enter into a written agreement concerning such changes.

At the time the production contract is signed there may be certain budget posts, which cannot be specified accurately. In such cases the contract includes an agreement, which defines how, and at which stage of the production such costs shall be agreed.

The production contract and budget usually covers all the costs relating to production, and post-production up to the approval of the final cut, including a small quantity of copies of the customer for screening and approval.

The cost of authoring CD and DVD copies, together with the production of VHS, CD or DVD copies and accompanying printed matter is usually billed separately.

For projects with extensive duplication and distribution costs the company will usually prepare a quotation - often to a fixed-price.



Indirect funding

A major proportion of the company's productions are funded via public funds and/or private foundations. Such funding can be sought for both in-house productions and productions to be developed and realised in co-operation with other organisations or companies.

Where another organisation or company assumes sole responsibility for funding applications Channel 6 Television will usually provide a quotation for the relevant part of the production, but otherwise our involvement in the project development will be limited.

Where another organisation or company seeks a co-operation with Channel 6 Television on the development of a project, we will usually invest the creative and administrative resources necessary to produce the required funding applications.

Such projects usually result in a formal co-production agreement between those involved, so that the division of responsibility and investment in the project - and the division of income from any successful funding is clearly defined.

Similarly, such agreement also covers questions relating to the use of the finished production and the division of rights and royalties.

When developing any form of joint venture or co-production, Channel 6 Television seeks to ensure that all issues are addressed and agreement reached thereupon, before funding is sought and secured.

This model for co-operation is particularly suitable for funding-eligible organisations or companies that have a production requirement and require a professional media partner for development and production. See also our information about co-production.

This model is also applied in relation to some of the company's in-house projects, which may be realised in co-operation with other organisations.