



**Centtrip**  
Stories

**Parkhouse Pictures**

# Parkhouse protects its film project with currency strategy

*“The bigger you get, the bigger films you make, the greater the likelihood you’ll get foreign finance,” says UK film producer Steve Jarvis.*

With five films in five years, Parkhouse Pictures, the company owned by producers Tracy and Steve Jarvis, is getting bigger all the time. Its first film, *Anna and the Apocalypse*, was picked up by MGM’s Orion Pictures, enjoyed a big US cinematic release and was sold to 20 territories. Parkhouse Pictures’ film projects attract a rich cross-section of both rising and established acting talent, including Robert Lindsay, Juliet Aubrey, Paul Kaye, Tanya Burr, Tyger Drew-Honey and Luke Treadaway.

For its recent project, *A Gift from Bob* (sequel to the highly acclaimed film *A Street Cat Named Bob*), the Parkhouse team raised multi-million-dollar financing from various sources, with a substantial amount coming from a European finance house.


“It was the first film where Parkhouse Pictures was receiving our finance in euros,” Jarvis recalls.

However, the film would be shot in the UK and the production budget was in pounds sterling. It was a period when, with the ongoing Brexit debate, the sterling to euro exchange rate was particularly volatile.

“I just thought, we can’t take the risk here because the rates were fluctuating so much,” he says.

Jarvis anticipated a six-week gap between financing being agreed and the money arriving. Even a relatively small change in the exchange rate over that period could result in a substantial difference in the sterling sum received.

“A shortfall would have caused us a serious issue,” explains Jarvis. “It would mean that we were no longer fully funded and potentially in breach of our completion bond. A sudden fluctuation in currency could have meant looking for big budget cuts or a dash for additional funding.”



*“A sudden fluctuation in currency could have meant looking for big budget cuts or a dash for additional funding.”*

Steve Jarvis, Film Producer and Co-Owner, Parkhouse Pictures



# Reducing the film's finance risk

As Jarvis considered how to reduce the project's currency risk, he spoke with Centtrip.

"I knew about Centtrip through another producer with whom we were working and we'd spoken with them about using Centtrip cards. It turned out our accountant had also used Centtrip on previous films," he recalls.

"For me it was about dealing with somebody that had been recommended. It was a case of feeling comfortable and working with a company that's doing well. I'd only heard good reports about Centtrip."

Centtrip's unique understanding of the film industry means that it is able to find favourable solutions for its clients, who often struggle to find the critical finance funding that can be required to place forward contracts.

In Parkhouse Pictures' case, the Centtrip strategic currency team recommended a flexible, forward contract which would fix the exchange rate at which Parkhouse Pictures' euro financing would be converted when it was received. The contract locked the EUR/GBP exchange rate at 1.1250.



*"For me it was about dealing with somebody that had been recommended. It was a case of feeling comfortable and working with a company that's doing well. I'd only heard good reports about Centtrip."*



*“We locked our rate at 1.125 and the actual rate ended up being 1.17, a movement of 4-5%. Without hedging, we would have had a shortfall of £130,000 to £140,000.”*

# Guaranteed FX defends against last-minute cuts

**With the forward contract in place, Parkhouse Pictures' production budget was guaranteed, whatever happened in the currency markets.**

“It meant we could confirm back to our completion bond insurer that, whatever happened with currency fluctuations, we had a locked exchange rate,” says Jarvis.

“Centtrip gives you peace of mind. You don't have to worry about exchange rate changes.”

By the time Parkhouse Pictures received its European funding, the exchange rate had worsened.

“In the event, the exchange rate fluctuation was quite big,” Jarvis explains. “We locked our rate at 1.125 and the actual rate ended up being 1.17, a movement of 4-5%. Without hedging, we would have had a shortfall of £130,000 to £140,000.”

At such a late stage, a shortfall in funds would have been serious for the film.

“We would have had to go out and try to raise £140,000 at the last minute, or find some deep cuts in the budget that met with the insurers' approval, so hedging was a really important part of the process for us.”

# The benefits of a flexible contract

Unlike many forward contracts provided by banks and mainstream institutions, Centtrip provides flexible contracts that can be extended (or shortened) if circumstances require.

For Parkhouse Pictures, a delay in signing off the presales figures on which financing was based meant that the funds were not available until three weeks later than originally expected. After a discussion with Centtrip, the contract was simply rolled over for a further period.

As Jarvis says, "If we'd had a fixed contract, with a fixed, drop-dead date, it would have been tough for us."



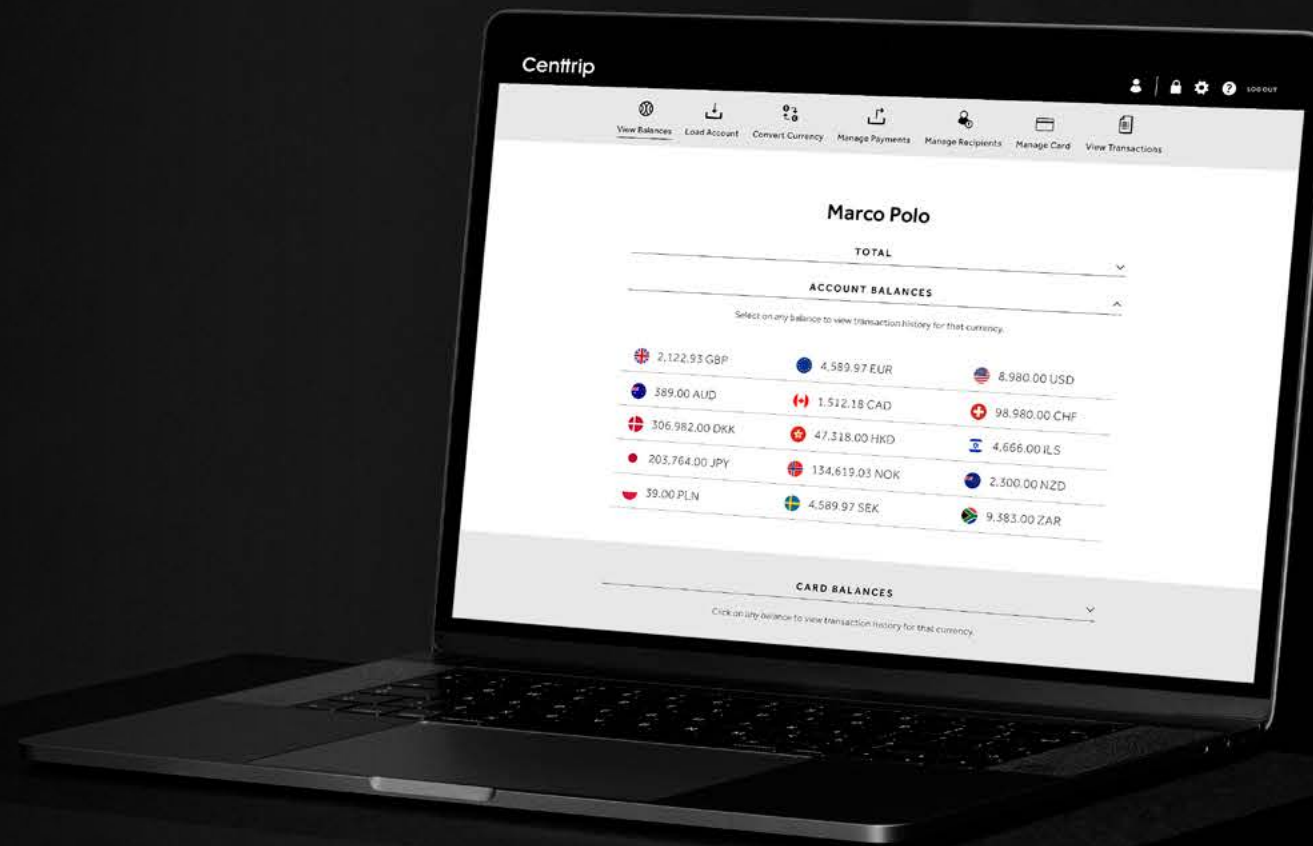
# Currency management – a critical aspect of film finance

A Gift from Bob is now at the editing stage and Parkhouse Pictures has two more projects in the pipeline which will have international financing. For Jarvis, currency hedging will remain a central part of the production process.

"Many producers wouldn't think about currency hedging. They'd be so busy, with their heads down, trying to get their film made. But, if you're getting your finance in a foreign currency it should be top of your list. Thinking ahead and working with currency experts like Centtrip, you can save yourself a lot of heartache and aggro."







Centtrip is an award-winning financial technology company with global reach. We provide intelligent real-time treasury and payment solutions to companies of all sizes.

Our cutting-edge technology is used by over 16,000 clients worldwide and our premier financial services and dedication to customer experience have made us industry leaders in the marine and music sectors, paving the way for successful partnerships in other industries, including aviation, film and TV, sports and media.

To discuss how Centtrip can support you, contact us today

📞 **UK** +44 (0)20 3735 1735    📞 **NL** +31 (0)20 240 0886

✉️ [hello@centtrip.com](mailto:hello@centtrip.com)    🌐 [centtrip.com](https://centtrip.com)



# Centtrip

Always on the money.

Centtrip Limited is an Electronic Money Institution authorised and regulated by the Financial Conduct Authority (FCA; FRN 900717). For more information on EMIs please visit the FCA's website: <https://www.fca.org.uk/firms/electronic-money-payment-institutions>. The Centtrip Prepaid Mastercard is issued by PFS Card Services (Ireland) Limited (PCSIL) pursuant to a licence from Mastercard International Incorporated. Centtrip Limited is an Authorised Distributor of PCSIL which is regulated and authorised by the Central Bank of Ireland, registration number C175999 for the issuing of electronic money. The PCSIL registered address is Front Office, Scurlockstown Business Park, Trim, Co. Meath, C15 K2R9. Centtrip Limited is based in the United Kingdom and registered at 1 Mark Square, London EC2A 4EG. Company number 08651138.