



Autograph Sound Recording  
2 Spring Place  
London  
NW5 3BA



Universal Pixels Limited  
Unit 4 Tring Industrial Estate  
Tring  
HP23 4JX

Thursday 19th March 2020

The Right Honourable Rishi Sunak MP  
Chancellor of the Exchequer  
11 Downing Street  
London  
SW1A 2AB

Dear Chancellor,

We write on behalf of all UK equipment rental companies in the entertainment and events industry, regarding the cataclysmic business impacts we are feeling right now from COVID-19 and to ask you to do what it takes to safeguard our industry.

Our industry provides the lights, the microphones, the speakers, the visual effects, the transport and all the ancillary equipment to major West End shows, touring & regional theatres, film & TV studios, music events & festivals, sporting events and corporate conferences.

The UK has become a global leader in this industry. While we fully understand the scale of this national emergency we need to make it clear that our sector provides a large direct contribution to the UK economy, enables a still larger contribution from the sectors we serve and generates significant export revenue for the UK. Our contribution to the UK economy is estimated to be in excess of £11bn - before indirect revenue from tourism, broadcasting rights etc.

Most of our companies are small to medium sized with dozens of employees, not hundreds. They do not have large reserves and acute problems are being felt right now. Indeed some companies have already laid off staff.

Providing the best shows in the world means we must remain at the cutting edge of technology. This means we have very capital-intensive business plans and extensive lease costs each month (measured in tens, even hundreds of thousands of pounds) to finance equipment. The only way we meet these costs is by renting equipment to shows & events. No other sources of revenue exist for us.

Until very recently our industry was performing strongly but with 100% cancellation of shows & events in the past few days, incoming cash has dried up totally. We do not expect anyone to see any revenue for a minimum of three months, more likely six, with a worst case of eighteen months if Public Health England are correct.

The loan scheme you offered on Tuesday will undoubtedly be very useful for many businesses in other sectors who are seeing specific short-term issues or facing increased costs of working. However, in our industry, as long as the ban on events and meetings continues, we have absolutely no income, we currently cannot see a time when business will have recovered sufficiently to be able to make repayments.

It would be both commercially unwise and morally questionable for any of our businesses to accept loans knowing that we have no means to repay. Indeed, we probably would not pass the going-concern test, obliging us to wind up our companies.

It's crucial that policy for the leisure and cultural sectors - where revenues have fallen precipitously to zero - takes full account of the needs of smaller capital-intensive companies like ours. Our fear is that we will be overlooked as we fall into the cracks between sector aid packages.

Our plea is that you ensure that the very specific needs of our sector, as defined by Standard Industrial Classifications (see appendix) are taken account of in any aid package.

Two specific initiatives could help.

First, most, if not all the rental companies, have ongoing lease agreements for their equipment and will struggle massively to honour the pre-arranged repayment schedules they are contracted to fulfill, An amnesty on repayments, similar to that being offered to mortgage holders, could be the difference between continuation or failure.

Second, rather than loans, we urge consideration of cash grants from the government in exchange for equity stakes in our companies - when the crisis is over we would aim to buy out the state's interest in our companies, effectively a much smaller scale version of the bank bail-out of 2008. This partial nationalisation of our sector would be unwelcome (we are an industry of entrepreneurs), but preferable to closure, with all the consequences for our staff, for the cultural and other organisations we serve, for the UK economy and for its cultural life.

We implore an urgent response - we are talking days not weeks for survival.

This letter is being copied to Caroline Dineage, the arts minister at DCMS, and to our constituency MPs.

Yours Sincerely

Oliver Luff  
Director, Universal Pixels

Terry Jardine  
Director, Autograph Sound Recording



And with the support of:

## **APPENDIX**

A limited example of Standard Industrial Classifications serving the Entertainment Industry:

**49410** - Freight transport by road

*Luckings Transport Ltd, Paul Mathew Transport Limited, R Jameson Limited*

**61900** - Other telecommunications activities

*Autograph Sound Recording Limited*

**74100** - Specialised design activities

*Hawthorns Theatrical Limited*

**74909** - Other professional, scientific and technical activities not elsewhere classified

*Blue-I Theatre Technology Ltd, Tait Technologies UK Ltd*

**77291** - Renting and leasing of media entertainment equipment

*Production Resource Group*

**77390** - Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified

*Stage Sound Services Ltd*

**90020** - Support activities to performing arts

*Anagram Production Services Limited, Sparks Theatrical Hire Limited, Universal Pixels Ltd, White Light Ltd*

**96090** - Other service activities not elsewhere classified

*Orbital Sound Ltd*