

The Cultural Capital Fund Quarterly Investor Update - January 2015

Please call me on 07917 123341 if you have any questions pertaining to the fund or the assets referred to in the update below.

Patrick

Investments

Barnum

Overall ticket revenues for the first 3 months of Barnum's UK Tour were slightly below budget with some cities above and some below (Aberdeen and Manchester performing the worst). This was offset to some degree by costs coming in below budget. The Barnum tour began again in Woking on January 20th and sales for the spring look to be tracking better against budget at this stage with January around 6% ahead of budget as of January 12th.

Beautiful, The Carole King Musical

The musical has been showing at the Stephen Sondheim Theatre on Broadway since January 2014. The show has continued its success since winning two Tony awards in July. Attendance on Broadway remains at a high level (98% in December). The CCF has now recouped 100% of its \$25,000 investment and received its first profit distribution of \$1,250. As a consequence of being the only non-US investor in the Broadway production, Bob and Co had the right to follow-on their investment in the UK production. This opens at the Aldwych Theatre on February 25th with previews beginning February 10th.

Girl at the Lion D'Or

We are nearing the final stages of agreeing the terms for Anand Tucker's contract as director. Andy Brunskill has been a part of the of overall budget conversations with David Parfitt (Producer) and Mark Cooper (Line Producer), from which a budget has been drawn up. An in-depth script meeting has been held, including the producers, director and writers, from which a set of notes will be compiled for the writers. These notes will form the basis for the next, "Directors", draft. This draft will be used to approach commissioners and financiers.

Hetty Feather is a family play with music based on the best-selling novel by Jacqueline Wilson which played at the Vaudeville Theatre from 10th September to 7th October following an initial run in Kingston earlier this year. This period included *Children's Week*. Gross sales of £345,000 over the 5 week West End run led to recoupment of the £29,250 investment and an additional payment of £12,069, an ROI of 41%. The CCF will hereby have the option to invest further in any future runs of the show. A UK tour is currently being planned for late 2015.

HOOPMUSIC

Satellites second record (02) achieved some critical acclaim (released Q4 2014) and the team are confident of a strong reception for Satellites 03 across Europe and the US in Q2 2015. A striking packaging concept is in development demonstrating the intention of establishing the Hoop Music acts as something different. Tom the Lion will also have a new album out in 2015 which has been substantially written already. For both artists live schedules will pick up towards the end of Q1 and we will share any dates when we know them.

The Indian Job

The script needs more work and the idea of a new writer is being considered. Andy Brunskill, combined with the Endor team, has sent the latest draft out to both Indian based and UK based casting directors. Casting of the Indian actors is key and we are establishing a shortlist. Once completed, we will be in a position to identify whether the film should be predominantly Indian or UK facing. A budget is being assembled.

In the Night Garden Live

The 2014 tour net earnings came in below expectations at £65K against £169K in 2013. There are 2 main reasons.

Firstly final ticket sales were 115,000 against 118,000 forecast. This reflected two unforeseen issues, the larger of which was the result of the Glasgow Local Authority deciding to cancel performances which impacted 2,000 ticket sales. Management decided on a full refund ticket sales and rebooked ticket holders in other performances. As Glasgow was budgeted to break even (this being the first time the city was included on the tour) the impact was to make the visit lossmaking. The insurance claim was not sufficient to offset all of the impact. Encouragingly for traction in 2015 ticket demand in Glasgow was strong and merchandise and ancillary sales improved once again across all cities.

The second reason is that management have included around £48K of costs that should not recur in 2015 (including expensing capex as opposed to amortising it). In addition finance costs of £27K should be significantly lower in 2015.

Expectations are for a rebound in profits in 2015 to the levels of 2013 are predicated on a non-recurrence of the seating issues (resulting in around 3000 more sales), a move into profit for Glasgow and the reduction in the one-offs.

Lilting

The Cultural Capital Fund has received its first allocation of net revenue participation approximately 12 months after being shown for the first time at the Sundance Festival. Lilting was released in UK cinemas in August 2014 to a good reception. DVD release and online availability through Curzon Cinema commenced in Q4 as did a limited release overseas. Writer/Director Hong Khaou was

nominated for a BAFTA in the 'Outstanding debut by a British writer, director or producer' category but lost out to *Pride* (Stephen Beresford, David Livingstone).

MUBI

The quarter to end Sept 2014 showed 6.6% Q/Q revenue growth and 12% subscriber growth. In the quarter to Dec 2014 Q/Q subscriber growth accelerated to 18% (41,000 subscribers at quarter end) as, following a period of focus on product (and the capital raise), the company refocused on improving subscriber numbers. A full update will be released in February.

Paper Dolls

Paper Dolls enjoyed a successful development run at the Tricycle in February 2013. In Q1 2015 a workshop is being held in the US which may lead to a sale of the theatrical rights while retaining the film rights.

Peggy Guggenheim

This feature documentary about the life of art icon Peggy Guggenheim has been completed and a substantial proportion of the \$1.060m budget has already been recouped through pre-sales with some major territories yet to be inked. DVD, pay-per-view and OTT rights will be explored in future.

Q Pootle 5

Q Pootle 5 first aired on CBeebies in July 2013 and merchandise entered the UK shops as planned in November 2014. The Christmas special DVD also went on sale. The special was well received and aired several times in the UK over the holiday as well as being sold to 4 other countries.

For the 52 episode series gross international broadcasting sales enjoyed a solid H2 2014 with sales totalling Eur340K. When all monies are received this will mean that 90% of the Eur500K advance has been repaid to ZDFE. An update on the toy and DVD sales is still awaited.

That Day We Sang

This TV musical drama enjoyed an encouraging premier on BBC2 on Boxing day. The BARB audience data showed a 'live' audience of 1.991m and an audience over the first week of 2.57m. This is more than was expected given the channel, time slot and consequent competition for eyeballs. iPlayer data is not yet known. Reviews both before (Radio Times pick of the day) and after were also generally positive.

A DVD advance deal for sales in all territories other than Australia and New Zealand has been agreed.

An International sales agent is yet to be appointed.

The Winter Ghosts

The agreement with the writer Rory Kinnear has been terminated following a serious delay in delivery of the second draft. The author of The Winter Ghosts, Kate Mosse, has been contracted to deliver the next draft and as such we are proceeding within the approved budgets and anticipate delivery before the end of Q1.

Key Dates:

Barnum

Woking New Victoria	20th-24th January 2015
Wolverhampton Grand	27th-31st January 2015
Nottingham Theatre Royal	3rd-14th February 2015
Newcastle Theatre Royal	17th-28th February 2015
Norwich	3rd-14th March 2015
Bromley	17th-21st March 2015
Glasgow	31st March-4th April 2015
Sheffield Lyceum	7th-11th April 2015
Leeds Grand	14th-25th April 2015
Dublin Bord Gais Theatre	28th April-2nd May 2015
Milton Keynes	12th -16th May 2015
Liverpool Empire	19th-23rd May 2015
Plymouth Theatre Royal	26th May-6th June 2015
Southampton Mayflower	9th-20th June 2015
Canterbury Marlowe	23rd June-4th July 2015
Birmingham Hippodrome	7th July-1st August 2015
Salford The Lowry	4th-8th August
Cardiff Wales Millenium Centre	11th-14th August

Q Pootle 5

CBeebies	Daily (7.50am)
Germany	From Feb 2 nd 2015

Beautiful: The Carole King Musical

Aldwych Theatre, London Opens February 25th (previews from Feb 10th)

'In the Night Garden Live'

The 2015 tour will go on sale w/c 26th January.

London, O2	26th May - 13th June
London, Richmond Old Deer Park	20th June - 4th July
Birmingham, Cannon Hall Park	11th July - 25th July
Manchester, The Trafford Centre	1st - 22nd August
Glasgow, Queens Park	29th August - 12th September