

Patrick Houston

M +44 (0)7917 123 341

T +44 (0)20 3475 4877

patrick@bobandco.co.uk

culturalcapitalfund.co.uk

# Investment Update

July 2017

## Theatre

### **Beautiful – The Carole King Musical**

*Musical Theatre Production*



The Broadway hit musical has been showing since January 2014. With dynamic pricing in the USA the revenue effect of a 'hit' can be dramatic and gross receipts were through \$176m by May 2017. At the end of June the fund received its seventeenth 10% profit distribution. The show is now booking to December 2017.

The West End production launched at the 1,200 seat Aldwych Theatre in February 2015. In February 2016 the fund received a payment taking recoupment to 40%. The producers have confirmed that H1 2017 was tougher than expected and the show will close in August 2017 ahead of a UK tour commencing September.

The US Tour commenced in September 2015 (currently booking through to June 2018) and we maintained our investment position. The first repayment of 25% was received in December 2015 and by end May 2017 the fund had received eighteen 10% profit distributions.

<http://beautifulonbroadway.com/>

## In the Night Garden Live

Touring Theatre



The 2017 tour began in Blackheath on May 25<sup>th</sup> and ends in Manchester on August 28<sup>th</sup>. There are no new locations this year. Sales for 2017 are currently tracking below target with the indication that families are buying fewer tickets and spending less on goody bags.

Like for like the 2016 tour ended around 20% up on the previous year. Following a previously disclosed charge against an unfit new seating stand the fund distribution came in below the expected £15,000 at £8,333.

The 2017 tour will enjoy more days at the two strongest locations.

<https://www.nightgardenlive.com/>

## Wicked (UK/International Tour)

Theatre Production



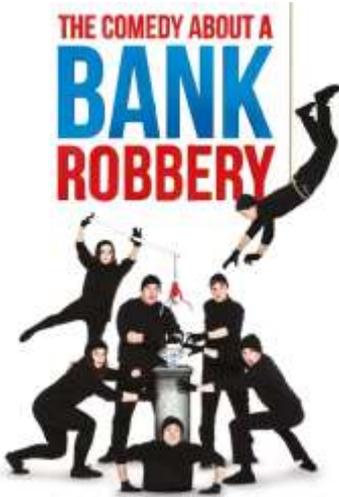
The musical *Wicked* has been a phenomenon. Seen by over 50m people in 14 countries since the Broadway premiere in 2003, the 63 week World Tour began on July 20th 2016.

The show began with a short run at the Bradford Alhambra where 97% of capacity was sold however the experience in Asia has been mixed. Of most importance is the fact that the Macau (economy) and Istanbul (terrorism) dates were cancelled and no replacements found. The lost weeks have a serious impact on the likelihood of recoupment.

Our investment is very modest (£20,000) and while we invested expecting a return it was also made in part to gain greater insight into the Asian tour market which will undoubtedly be a major growth opportunity in future years. We have received 25% recoupment payments.

## **The Comedy About A Bank Robbery**

*Theatre Production*



Theatre company 'Mischief Theatre' and producer Kenny Wax are well known to Bob &Co through *The Play That Goes Wrong* which has returned a multiple of the original investment over 3 years and *Peter Pan Goes Wrong*.

*A Comedy About a Bank Robbery* opened at the Criterion Theatre (588 seats) in April 2016 and was very well received by the critics. The play is a step-up from the previous offers, with a larger cast and more ambitious staging. Booking has already been extended to April 1<sup>st</sup> 2018. As of February 2017 we had recouped our original investment and a profit pay out of an additional 21%.

May is always a tough month seasonally and June was tough across the industry as a result of terrorist activity. Assuming no further incidents there should be a steady pickup from here for 'Bank Robbery' as UK tourist numbers grow strongly year on year. The position of the theatre allows healthy 'walk up' sales on top of the underlying demand.

<http://www.criterion-theatre.co.uk/home>

## **Paper Dolls**

*Musical Theatre Development*



*Paper Dolls* (first shown at the Tricycle in February 2013 and now being developed in the US) continues to receive an encouraging degree of interest from parties spanning across various different media platforms.

Plans are underway to stage the show in the US at the Mosaic Theatre, Washington DC between March 29<sup>th</sup> and April 22<sup>nd</sup> 2018. It is hoped that this will create interest from other Theatres.

In addition, a search for a writer has commenced with a view to examining the options around a television series for what is an extraordinary story.

## **Red Shoes**

*Theatre Production*



Sir Matthew Bourne's original ballet version of the classic Oscar-winning dance film *The Red Shoes* premiered in Plymouth in Q4 2016 before moving to the Sadler's Wells for a Christmas run which was sold 90% of capacity through the run. The reviews were very strong.

The UK tour is now booking through July 2017.

In March 2017 we received a repayment of 100% of our original investment and we anticipate a first profit payment imminently.

<http://www.new-adventures.net/the-red-shoes>

## **Shrek The Musical**

*Theatre Production*

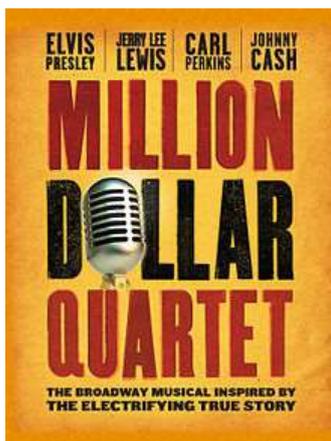


The first UK Tour of Shrek was a commercial success and we are pleased to have invested £75,000 in the 2017 tour which commences in December 2017 and is booking through 2019.

This tour is largely visiting new locations through the UK.

## **Million Dollar Quartet**

*Theatre Production*



*Million Dollar Quartet* is a feel good musical with an underlying story based on a legendary jamming session at Sun Records, Memphis, in 1956. These were the studios of legendary record producer Sam Phillips and the impromptu session with Elvis Presley, Jerry Lee Lewis, Carl Perkins and Johnny Cash would become one of the seminal moments in Rock and Roll history.

The current UK tour is attractively capitalised with comparatively low weekly costs. Following a summer break and short overseas visit the show recommences for the third stage of the run in September.

We have already received the return of 50% of our original investment.

<http://milliondollarquartetlive.co.uk/tour-dates/>

## Dreamgirls

### Theatre Production



*Dreamgirls* the musical debuted on Broadway in 1981 (6 Tony awards, 4 year run), was released as a film in 2006 (2 Oscars) and is often said to represent in some way the story of the challenges and successes of The Supremes.

This show is the UK premiere for this well-known musical and stars Amber Riley (star of TV hit 'Glee') supported by a cast of over 30 and a 14 piece band. The reviews have been very strong and the recent announcement of two Olivier awards and the release of the cast album are all helpful!

The first preview at The Savoy Theatre (1150 seats) was on November 19th 2016 and booking is currently until October 2017.

Notwithstanding the quiet Q2 referred to before the advance has held up and we expect a pickup into H2. A first 10% recoupment has been received.

<http://www.dreamgirlswestend.com/>

## Minor Entertainment

### Family live Events



In December 2016 the fund made an investment of £100,000 for a 5.56% shareholding in Minor Entertainment, a business that was created in 2009 to produce spectacular family theatre events in unique spaces. Their main project over that period has been the annual tour of 'In the Night Garden Live' which is hosted in their own unique inflatable tent and for which they own all of the ticketing.

We see substantial demand for the skills that the team has developed and at least two new projects are in advanced discussions.

In 2016 Minor purchased the Chichester Festival Theatre Tent (1412 seats).

[www.minorentertainment.com](http://www.minorentertainment.com)

## Footloose

### Touring Theatre Production



Selladoor is a production company that targets the UK touring middle market and is starting to explore overseas venues (EMEA). They have impressed us with their attention to detail, cost control and clear focus. They achieved excellent returns with the 2016 *Footloose* tour and a 6 month tour of the same title started on April 21<sup>st</sup> ending October 2017.

<http://footloose-musical.com/>

## Flashdance

Touring Theatre Production

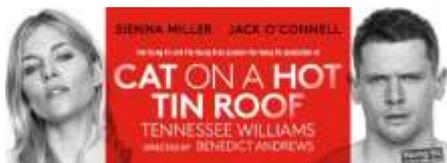


Also produced by Selladoor, the Flashdance revival tour starts in August in Glasgow and is booking out through July 2018. At the time of writing rehearsals are in process with Joanne Clifton (Strictly Come Dancing) the lead.

[www.flashdanceuktour.co.uk](http://www.flashdanceuktour.co.uk)

## Cat on a Hot Tin Roof

Theatre Production



This high profile production of Tennessee Williams *Cat On A Hot Tin Roof* stars Sienna Miller and Jack O'Connell. Colm Meaney was recently announced in the role of Big Daddy. This will be the first Young Vic production to open straight to the West End (July 13<sup>th</sup> – Oct 7<sup>th</sup>, Apollo Theatre).

Bob and Co business Ghostlight acted as a consultant to the Young Vic for this production.

Initial sales have been very strong and as of end June the show had recouped 68% of the capitalisation.

<http://www.theatrepeople.com/shows/cat-on-a-hot-tin-roof>

## Wait Until Dark

Touring Theatre Production



Following good demand for tickets for the UK tour of *Night Must Fall* we have invested in another psychological thriller whereby a blind housewife is terrorized by a group of criminals who believe she is in possession of a doll stuffed with heroin.

*Wait Until Dark* was written by the author of *Dial M For Murder* Frederick Knott. The 1967 film version starring Audrey Hepburn and Alan Arkin (*Catch 22*) was a dark psychological thriller and the staging lends itself to a play.

The tour commences in the autumn of 2017.

<http://www.originaltheatre.com/>

## Room

### Theatre Production



*Room*, the novel by Emma Donoghue was first published in 2010. Later in 2014, it was adapted highly successfully for cinema, receiving international acclaim and nominations for various awards. *Room* has been adapted once more for its theatre debut this year. *Room* has completed the run at the Theatre Royal Stratford East and is currently playing at the Abbey Theatre Dublin.

This is a development project giving the CCF a number of rights over all future commercial runs.

Following this initial run the full team will discuss the next stage in the development of the play.

<http://www.stratfordeast.com/whats-on/all-shows/room>

## The Ferryman

### Theatre Production



After a five star, sold out run at the Royal Court Theatre, Jez Butterworth's new play *The Ferryman* transferred to the Gielgud Theatre in late June 2017. Directed by Sam Mendes, the cast includes multi award-winning actor Paddy Considine, Laura Donnelly and Genevieve O'Reilly.

The CCF was able to secure a £45,000 investment and we were pleased to see an announcement of an immediate extension to January 6<sup>th</sup> 2018.

<http://www.gielgudtheatre.co.uk/>

## Hetty Feather

### Theatre Production



We are pleased to note that family show Hetty Feather has been selected for the Christmas season at the Nuffield Theatre, Southampton. Your fund has already benefited from two tours of Hetty Feather and as the Nuffield will be staging the same version of the show (Sally Cookson directed) the CCF will receive a share of the licence fee.

<http://www.hettyfeatherlive.com/>

Patrick Houston

M +44 (0)7917 123 341

T +44 (0)20 3475 4877

patrick@bobandco.co.uk

culturalcapitalfund.co.uk

## Closed productions awaiting final accounts

### *Kenneth Branagh*

#### Theatre Production



The Kenneth Branagh 'season' opened with *The Winters' Tale* on October 17th 2015 and closed with *The Entertainer* by John Osborne in November 2016 with several plays in between.

While *Red Velvet* lost money the other four plays made a profit with *The Painkiller* and *Romeo and Juliet* achieving the best returns.

We are yet to see the final accounts but have already received a profit pay out of 40% and a further small payment is expected.

<http://www.branaghtheatre.com/>

## Night Must Fall

### Theatre Production



This was the first investment the fund made in a play produced by The Original Theatre Company. The psychological thriller attracted healthy audiences and we will make around a 15% return including tax credit.

## Travesties

### Theatre Production



The fund was fortunate to be able to invest in Tom Stoppard's Travesties, starring Tom Hollander, only days before opening. This not only minimises the length of time that money is tied up in the investment but also allowed us excellent visibility on the sales advance for the 12 week run.

Despite not winning any of the 5 Olivier's for which it was nominated Travesties audience grew strongly through the run and finished with a sell-out week.

We anticipate a 30% profit on final accounts.

## Television

### That Day We Sang

#### TV Drama Production



This TV musical drama starring Michael Ball and Imelda Staunton was the first and last to be written and directed by comedian Victoria Wood who tragically died in April 2016.

The show premiered on the BBC at Christmas 2014 and revenues have accrued from TV, Airlines and DVD sales, albeit more slowly than expected. The television distribution market is undergoing very significant change and demand is currently for series rather than a 'one-off' musical film. Appearances at the Chicago Film Festival and other events have yet to lead to a major sale, however the recent success of La La Land suggests the format is not without fans.

While the untimely death of Ms Wood has been a blow, our investment in this film was made on the basis of a long term and multi-faceted approach to a timeless story. Progress on the development of a stage musical will begin in 2017.

## Q Pootle 5

Children's TV Animation Production



This 52x11 minute animation series targeting 3-5 year olds has been sold to over 90 countries. A typical contract is 5-7 years. CBeebies began airing the program in Sept 2013.

As previously mentioned Licensing and Merchandising (L&M) has been disappointing. For children's programs this is the key long term revenue driver and as a result the in 2016 Board agreed to appoint Larkhead Media on a retainer to help improve the commercial position.

Discussions around the potential for a second series are being discussed.

It is not irrelevant that manned space travel appears to back on the agenda.

## Q Pootle 5 Christmas Special

Children's TV Animation Production



Sold separately as a 27 minute 'one-off', the international sales for the Christmas Special are to some degree dependant on the reception for the brand where the 52 episodes of the daily are aired.

## Mandela, My Dad and Me

TV Documentary Production



This documentary co-produced by Woodcut Media follows Idris Elba during the year he produced music album *Mi Mandela in Africa* and portrayed Nelson Mandela in *Mandela: Long Walk to Freedom*. Idris' profile continues to rise across the globe.

Steady progress is being made in terms of international sales which were \$182,000 at the end of 2016.

## Defenders of the Sky

TV Documentary Production



Fund investment Airfields is a 10 part documentary series, developed and produced by Woodcut Media. The first showing was on the History Channel in the UK under the name of *Defenders of the Sky*.

International Sales have been slower than anticipated but where they have been made are in line with forecasts

Demand for history based factual series is solid however subtle differences can impact the ability to sell to certain countries.

The distributor for this program was put on notice in H2 2016 and the rights have been transferred to TCB in Q2 2017 who have proven success with other history programs. Next year is the 100<sup>th</sup> anniversary of the founding of the RAF and this has to be an opportunity.

## Combat Ships

Documentary loan



A loan for £115,000 was extended to Woodcut Media in January 2017 secured against the pre-sales for Combat Ships. The repayments will be in tranches over the next year. This is the latest in the 'Combat' series which have found good demand for the programmes around the world.

The UK series began on the History channel in February 2017.

## World's Most Evil Killers

Documentary loan



Woodcut Media is a fast growing factual and documentary maker connected to the Bob & Co family. Recent success with the format 'World's Most Evil Killers' led to a second series being commissioned almost immediately but as is typical some of the main channels are unable or unwilling to pay upfront.

This provides an opportunity for the Cultural Capital Fund to lend smaller amounts of money on more flexible terms than banks will at the present time. We have also negotiated a share of the 'back end' (post recoupment profits) in return for a slightly lower interest rate which we believe will lead to an improved overall return and repeat revenues for many years as such programs can sell for a long time.

The quality of the counterparties (BSkyB, CBS) lends comfort.

## Duchess Street Productions

Development loan

**DUCHESS  
STREET.**  
PRODUCTIONS

Duchess Street is a high end scripted drama business, part of the Bob and Co family. The loan of £25,000 is to cover the development of a number of projects. As there are no specific cash flows to attach to this loan we have agreed a director's guarantee to back the loan with a coupon of 15%.

## Film

### Peggy Guggenheim – Art Addict

Documentary Film



This feature documentary about the life of art icon Peggy Guggenheim was shown at the Tribeca Film Festival in New York on April 20th 2015, premiered in the US in October and in the UK on November 30th.

The cinema release was extensive and beat expectations. Sales to television sales are underway and the DVD has been released.

One of the reasons we are attracted to the Peggy Documentary is that the unique content and narration by Peggy herself suggests this piece will never be bettered. Satisfying this 'long tail' demand is a major focus for the producer.

The first draft of a script has been received. It is intended that this will lead to a sale in time which would lead to an additional revenue stream for the fund.

<http://www.guggenheimfilm.co.uk/>

## ***Girl at the Lion D'Or***

*Feature Film Development of a book by Sebastian Faulks*



Since early 2016 we have had a script that Director Anand Tucker, producer David Parfitt (Trademark Films) and writer Sebastian Faulks were all happy to take forward. Initial financing talks were also encouraging.

The challenge since then has been with casting (especially the crucial leading lady) as lead actors are seeking long-run television series in preference to films. The most recent development is the involvement of a (West Coast) distribution partner who, at their request, are taking a proactive approach to solving the casting issue. Consultant to Bob and Co David Parfitt is working with the fund on this project.

Once filming commences' the Fund will not only receive its capital and premium, but will also be in line for producer fees.

## ***The Winter Ghosts***

*Feature Film Development*



The first draft of the script by Kate Mosse was received and the conclusion was generally positive. The second draft has been received and undergone further assessment with the likelihood being that a further reworking is needed.

It is felt that a successful completion of *The Girl at the Lion D'Or* project will help the process with respect to *The Winter Ghosts*.

## ***The Indian Job***

*Feature Film Development*

Following the completion of the latest version of the script in Q3 2017, approaches were made to various financing and casting organisations. Feedback has been that the script needs to have a more authentic Indian voice and producer David Parfitt is leading this discussion.

## Lilting

### Feature Film Production



Following UK theatrical release in September 2014, critically acclaimed film *Lilting* entered recoupment for investors in early 2015. The profile of lead Ben Whishaw continues to rise (*James Bond*, *London Spy*, *The Crucible* (Broadway)) which is helpful.

A meeting was held with the sales agent Protagonist in February 2017 to encourage a more proactive approach.

## Finding Your Feet

### Feature Film Production



*Finding Your Feet* is a feature length comedy drama unashamedly targeting the grey pound but which is appropriate for all ages and demographics. Funny and heart-warming, there have been two test screenings to date which show that the Director is not scared of addressing real life issues.

Filming ended in December 2016 and on the back of the early feedback the UK premiere has been brought forward at the request of distributor EOne to October 6<sup>th</sup>. Joanna Lumley, Imelda Staunton, Celia Imrie and Timothy Spall headline.

The Cultural Capital Fund is positioned at the top of the waterfall with a significant coupon. We own a one third share in the stage rights. The underlying theme is one that will translate well.

## Digital Media

### MUBI

#### Digital Online Cinema Distribution



MUBI 'The stay at home film festival' is ten years old and ended 2016 with approximately 60,000 subscribers.

2016 was a disappointing year. CEO Efe Cakarel spent a lot of time on corporate activity initiated by the January 2016 offer of investment from Chinese media company Huanxi Media at a post money valuation substantially above the previous round. On June 18<sup>th</sup> the transaction was terminated as a result of 'the regulatory environment in China'.

While MUBI did in fact raise \$2m from Huanxi Media Group in Q4 at a substantially higher price (\$1.40 per share) we expect a funding down round during 2017.

The strategic reason for MUBI to exist has never been clearer. While previously released 'classics' are hard to find an increasing number of independent and arthouse movies are also failing to get distribution. For movie fans it has never been tougher to access films outside the blockbusters and MUBI has the technology to enable this.

Two new Directors were appointed in early 2017 and the CEO is being encouraged to focus on cash control and subscriber acquisition. The latest update (April 21<sup>st</sup>) went some way to demonstrating he is listening.

[www.MUBI.com](http://www.MUBI.com)

## Investments completed in the period

---

### **Photograph 51**

*Theatre Production*

This West End drama starring Nicole Kidman ran from September 5th to November 21st 2015. Our investment was entered into in August 2015, and in late November we received full repayment of our original £10,000 investment. A further payment of £9,721 has since been received representing a very successful return.

### **Barnum**

*Touring Theatre Production*

The extensive 11 month long Barnum UK tour finished in Cardiff in August. Costs were overall below budget and revenues largely in line resulting in a profit of £18,544 over 14 months (21%). Should any international deals be signed there is further potential for licence fees to be earned.

### **Hetty Feather 2014/2015/16**

*Touring Theatre Production*

The first tour of *Hetty Feather* returned a £13,608 profit on an investment of £29,250.

The second tour returned a £21,575 profit on an initial investment of £60,180.

### **Animal Antics**

*Non-scripted entertainment loan*

A loan of £98,221 was extended to Woodcut Media documentary project *Animal Antics* in April 2016. This was against a distributor guarantee.

Repayment in full of £109,260 was received in January 2017.

## ***Sleeping Beauty***

---

### ***Ballet Production***

The *Sleeping Beauty* tour returned a £10,090 profit on an original investment of £10,000. The capital was invested for just under 21 months (3<sup>rd</sup> August 2015 to full repayment on 26<sup>th</sup> April 2017) recoupment achieved by the end of March 2016.

---

## Disclaimer

This document constitutes a financial promotion relating to shares in The Cultural Capital Fund Limited (“the Fund”), which has been approved by Bob and Co Partners LLP, a firm authorised and regulated by the Financial Conduct Authority (FCA). The Cultural Capital Fund Limited is a collective investment scheme established in Jersey as an Expert Fund and being categorised as a Closed Fund within the meaning of the Expert Fund Guide published by the Jersey Financial Services Commission. Bob and Co Partners LLP provides investment advisory services to the Fund and performs some management services in respect of the Fund’s portfolio. Bob and Co Partners LLP provides no investment advice on the merits of subscribing for Shares of the Fund to any prospective investor.

This document has been prepared solely for the information of the person to whom it has been delivered. The information contained herein is strictly confidential and is only for the use of the person to whom it is sent. The information contained herein may not be reproduced, distributed or published by any recipient for any purpose without prior written consent.

This document is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. It is intended for distribution in the United Kingdom, Switzerland, Guernsey, Jersey and Monaco.

Prospective investors should review the Private Placement Memorandum, including the risk factors in the Private Placement Memorandum, before making a decision to invest.

An investment in Shares of the Fund involves a high degree of risk and in particular attention is drawn to the section entitled “Risk Factors” in the Private Placement Memorandum. Prospective investors should be aware that the value of their investments and any income produced by them can fall as well as rise. Investors may not get back the value of their original investment. The summary description of the Fund’s strategy included herein and any other materials provided to you are intended only for information purposes and convenient reference. No reliance may be placed for any purpose on the information and opinions contained in this document or their accuracy or completeness.

This information is not intended to provide and should not be relied upon for accounting, legal or tax advice or investment recommendations. You should consult your tax, legal, accounting or other advisers about the issues discussed. Neither Bob and Co Limited nor Bob and Co Partners LLP offers any comment on the merits for a prospective investor of subscribing for Shares of the Fund. If you have any doubt as to suitability of this investment you should contact your financial adviser or a professional adviser.