



3D Cakes Reality TV Show



The Scottish "Cake Boss" meets "Project Runway"

Equity Investor Proposal for *Redacted*

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<p>Show Runner:</p> <p>Heather Hale  <a href="http://www.HeatherHale.com">www.HeatherHale.com</a>  <i>Contact Info Redacted</i></p> 	<p>Executive Producer:</p> <p>David Duncan  <i>Contact Info Redacted</i></p> 
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Sizzle Reel: <https://vimeo.com/127726989> Password: HAPPY

### Equity Investor Overview

The following proprietary information discloses how an equity investment of \$500,000 US\$ (~£319,000) would enable 3D Cakes to create a new joint venture entity entitled “3D Cakes TV Show” to bring David Duncan’s successful Edinburgh and Glasgow cake shops and clientele to an international audience via a profitable international television series, driving worldwide sales of 3D Cakes’ branded merchandise and tutorials.

## INVESTMENT PROPOSITION

Opportunities to affordably acquire an ownership interest in a fully owned, prudently executed, internationally marketable intellectual property are rare. Not to mention, getting a profit-partnership position on the ground floor of a potential brand powerhouse utilizing pre-existing, newsworthy and innovative merchandising and sales relationships with a year-over-year exponentially growing track record – and this is, indeed, a win-win opportunity from every angle. The deal is further sweetened by the additional augmentation of one televised ad spot per episode for your choice of your companies' products, services and/or any of the charities supported by the ~~Redacted~~ Trust.

In an economy where commissioned television orders are increasingly rare, our TLC distribution deal is already secured – in writing (see enclosed Commitment Letter) – ensuring our ability to deliver the first critical step: three hours of nationwide television exposure during this year's holiday season to the entire American market.

## USE OF FUNDS

The material that follows details how these initial funds would be used to produce the first partial season of six episodes and buy time to distribute them on TLC, a US cable channel owned by the Discovery Networks that reaches 96 million US households. This proposal also details how our plan to retain ownership of the television product empowers us to not only license the show for distribution in other countries around the world but also positions us to market 3D Cakes' line of endorsed and/or private labeled cake baking and decorating supplies, online tutorials and merchandise including DVD and books.

## TERMS OF THE DEAL

While “He who has the gold makes the rules,” we think we have presented the most aggressive and lucrative offer the project can sustain. The investment proposed is not preferred stock but rather represents an outright equity purchase that will position you as an owner/partner of this newly created entity, for which you will be entitled to 37.5% of the television show’s profits in perpetuity. Additionally, for as long as the show is on the air anywhere (which could be a decade), you will also receive a pro-rata percentage of the tutorial profits which promise to skyrocket with this television exposure.

### Highlighting Scotland



A love letter to Scotland, this series presents a consistent opportunity to truly highlight the beautiful scenery, unique architecture and quirky characters of your beloved homeland. While all of season one was shot in Edinburgh and Glasgow, future seasons will ensure that all but two

episodes will cover local residents, business owners and events, helping to stimulate tourism and local small businesses as well as enrich and empower the local crew base and media infrastructure.

### International Appeal

To broaden the show’s international appeal - and to be where the fashion action is - one episode each season will be shot outside of Scotland’s borders to capitalize on the various fashion weeks around the world. These episodes will be coordinated with one sporting or other

major event in that same city to make the most of production and logistical efficiencies. Additionally, exotic, endangered or indigenous animals could be highlighted in their natural habitat as well as edutainment about new eco-friendly environmental breakthroughs.

*It's more than just cake.*

### Charitable Giving

This platform provides a brilliant forum for all your charitable and philanthropic work as well. We'd be honored to install your sister, ~~Redacted~~, as 3D Cake's Charitable Director and agree on at least one charity cake per season. (Episode ideas follow below).

### Tax and Filming Incentives



We are currently researching our eligibility for any local filming incentives through Scottish Screen and Film Edinburgh as well as the possibility that the production budgets and/or costs associated with the charity cakes and their subsequent media promotion could be written off as charitable donations.



### Distribution



TLC has provided "3D Cakes" with a written commitment to air eight, half-hour, twenty-two minute episodes, in four one-hour blocks, 9 AM - 10 AM on Saturday mornings in the fourth quarter of 2015 to its subscriber base of 96 million homes in the United States. A pillar of their network, cake "build" shows have proven incredibly successful and especially popular with TLC's key demographic of women 19 - 54.

LETTER OF COMMITMENT FROM TLC (DISCOVERY NETWORKS)



January 23, 2015

Heather Hale  
Heather Hale Productions  
Heather@HeatherHale.com

Dear Heather

This letter serves to confirm TLC's commitment to running 3D Cakes on Saturday morning's from 9-10am in 4<sup>th</sup> qtr. 2015.

Since cakes are a programming pillar to the network, 3D Cakes will be a great fit. David Duncan and his colorful Scotts baking team will be a welcomed addition.

Since this has been approved on concept, final approval is reserved based on the delivery of first episode. Feel free to provide any rough cuts or more developed examples in advance.

Should any of your potential partners want to discuss, we'll gladly make ourselves available.

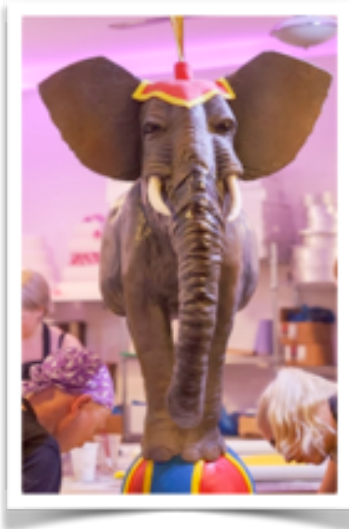
Kind regards,



**Series Concept**

"3D Cakes" is a new reality television show currently in production in Edinburgh and Glasgow, Scotland, wherein a fun, high-energy group of young, playful cake designers with world class sculpting skills create spectacular, incredibly realistic, three-dimensional, high-fashion and exotic animal-inspired cakes and deliver them to celebrities, high-profile clients and charities.

## SHOW FORMAT



Type:	Reality TV
Format:	Ensemble Build (Food/Workplace-based)
Length:	22:00
Shoot Dates:	August, 2015
Air Dates:	November/December 2015
Time Slots:	Saturdays 9 - 10 AM

Tracking the creative, collaborative process from the client's motivation to the creative design collaboration all the way through the research, architecture, baking and decorating of each cake to the precarious transport, dramatic unveiling and finally the emotional reactions of the clients, each episode of "3D Cakes" will have three storylines and multiple cakes per episode, with variations of the following format template: three, seven-minute segments with a suspenseful tease, the beginning, middle and end of three storylines braided and closing with a comedic tag or button:

- A Story: The main spectacle client cake
- B Story: Celebrity, charity media event, couture fashion or exotic animal cake
- Runner: The entrepreneurial challenges of running a cake shop and doing high-fashion photo shoots and their interpersonal dynamics

## CAST OF CHARACTERS

All the "characters" play "larger than life" (but authentic) versions of themselves. We will follow two teams: the Cake Designers of the 3D Cakes shops and the Glam Squad from our couture, high fashion photo shoots.

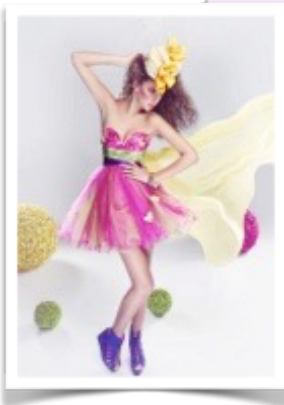


Cake Shop David Duncan, our “Hero,” is the Michelangelo of cake sculpting but Ian Nevin, his cheeky salesman buddy is forever promising the world to their clients. Picasso’ing out renderings of the impossible, Ian repeatedly forces David to pull magic rabbits out of his resourceful genius cap - always under the time gun. Ian smirks as he accepts all the kudos and gratitude from their clients for all “his” hard work. Cute Rachel, Hannah and Claire round out the rest of the cake baking/decorating team and make for a fun work environment.



Glam Squad Dawn, the amazing, creative photographer; Hayleigh, the cute and spunky hair stylist; and Carrie, the cool make-up head - each artists in their own right, create their magic, too, week after week with the models we get to know more about online.

#### EPISODE IDEAS



Fashion Week Imagine edible headdresses on the catwalk. With popular, international events in Paris, Milan, New York, London, Rome, Berlin,



Portugal and São Paulo, our plan is to coordinate one couture publicity stunt each season with a new fashion designer (such as Dior, Chanel or Louis Vuitton) during a different country’s fashion week. This will go a long way to stimulating international sales and awareness as well.

Sporting Events With our skeleton crew on foreign soil, we will maximize our production



efficiency and pursue the international - and male - audience by capitalizing on major coinciding sporting events such as the US Open Tennis overlapping with New York's Fashion week.



Department Store publicity stunts. Window displays in local Scottish department stores (such as Harrod's or Harvey Nichols) could entice passers-by on the street (and website viewers) to guess which of the designer shoes or handbags are actually 3D cakes. Duped women have actually tried to try on the cake shoes!



### Charities

This platform affords us the opportunity to raise awareness and funds for a great variety of charities. We intend to support at least one local charity every season and possibly one international one as well, to coincide with our one foreign fashion week/sporting event/animal episode (and to broaden our show's word of mouth abroad).

We'd also love to open up the opportunity to brand this for the ~~Redacted~~ Trust. As an example, for ~~Redacted~~, David could do a wonderful "Home is Where the Heart Is" showcase cake to raise awareness, donations - and fun! - for the disadvantaged youth living in ~~Redacted~~.

For ~~Redacted~~, 3D Cakes could do a wonderful lullaby character cake filled with musical instruments for infants and toddlers. We could work with the ~~Redacted~~ Federation to come up with a cool concept to integrate giving a voice, a place and a purpose to the disaffected youth across ~~Redacted~~ as part of the ~~Redacted~~ program.

Again, we could brainstorm with your sister, ~~Redacted~~, to identify a new charity each season - or one consistently under ~~Redacted~~ Trust banner - to raise awareness and funds for via a cake-inspired publicity stunt.

## Renewable Energy

In keeping with your significant business holdings, we might be able to do some cool windmills or solar panels or other iconic elements to honor the green movement – and educate children – and their parents – through our fun show and live cake cuttings about renewable energy.

### **Product Placement Opportunities**



The series is obviously rich with product placement opportunities and affiliated programming integration. As we own our content and time block, David would be free to cross-promote other programs in exchange for advertising. He could replicate the Project Runway contestants' designs; brides-to-be could have to select which of the wedding dresses on the mannequins are actually edible to win their dream wedding cake and their pick of the dresses. Costumes and characters from upcoming movies could also be teased.

We could collaborate with musical instruments manufacturers or music labels via event marketing promotion. One idea is to negotiate with Taylor Guitars and/or Sony to help us secure Irish guitar player, Niall Horan, the most popular star of One Direction, arguably one of the world's hottest bands right now (discovered during the 7th season of the UK's "The X Factor"), to see if their fans – or even Niall Horan himself – can tell the difference between his favorite guitar, the Taylor 814ce versus the 3D Cake replica.



We could encourage exotic animal education via our relationship with the local Safari Park and zoo. We could post the additional educational interviews with the animal caretakers on our

website and add them to the tutorials on those cakes. This could be another fine opportunity for charity events – anti-poaching, animal rights, etc.



David and his team could replicate the trophies for various awards shows such as the BAFTAs, Oscars, Emmys, People's Choice, Grammys, Cannes Film Festival, etc.

Floral displays are another reality-defying specialty of 3D Cakes. Contests could be held in a five star hotel lobby, at a casino or a resort, at high profile weddings or even at Dublin's New T2 Airport Terminal department where David's cakes have previously been displayed to great success.

### Ad Sales

"Half-hour" shows on television are typically just twenty-two minutes long, leaving eight minutes for advertising, in our case, via 16 thirty second ad slots. As part of our time buying arrangement, we will be allocated 11 of those commercial spots. Thus, if we give one away to you as additional incentive to promote your companies and/or charities, reserve one to market episode-synchronized tutorials and reserve a third per episode to barter with (for charities, fashion week, fashion designers, locations, the Safari Park, zoo, airlines, hotels, etc.), we still have 8 national commercials (times the number of episodes we shoot/air) to sell to advertisers targeting 19 – 54 year old women. It's a wonderful asset to have in our negotiating quiver.

On our team, we also have at our disposal Chad Faltz, in Business Development at [Cross Media Works](#). They specialize in television time buys and can potentially help us sell any additional commercial space we have remaining for a 15% commission.

## Ancillary Marketing Opportunities



3D Cakes has an entire line of private labeled baking supplies and cooking utensils as well as an entire library of 90-minute “How To” Videos – with new ones being shot every month. One such tutorial will be shot in coordination with each new episode, with one commercial hole reserved to advertise it within it’s

organic episode. Supplemental material for fans visiting the website or as part of a “give before you get” social media outreach and engagement strategy might include educational videos on the highlighted exotic animals in conjunction with the Safari Park or Edinburgh Zoo and paired with their respective cake episodes as well.



*On Top of the World's Best Selling Cakes®*

Culpitt, the largest trade supplier to the UK is owned by DecoPak, the largest trade supplier in the U.S. David

Duncan has reseller, private label wholesaling and fulfillment house arrangements with Culpitt and DecoPak would be quite likely upon the greenlight of hitting 96 million American homes with cake baking and decorating inspiration. As such, we think it’s likely that one or both might sponsor the whole series or at least an episode each and likely buy some commercial holes for their various win-win tiered and overlapping relationships.



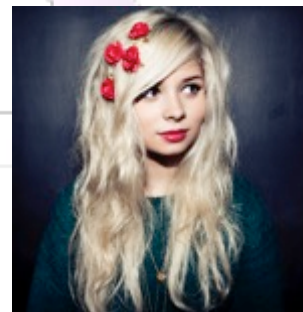
## Existing Assets

We have over 4 terabytes of high-definition, high-production value footage from the past two years of start-to-finish cake builds as diverse as the Taj Mahal, “Despicable Me”’s Minions, a Bus, the Scottish League Cup, the Circus Elephant, the H.M.S. Britannia to name just a few as

well as all sorts of fun establishing shots of the cast in famous Edinburgh locales - enough to complete probably 4 - 6 episodes (with new wrap around transitions and more dynamic interaction shot to augment the cake builds.

### Series Theme Song

In keeping with our desire to represent the very best of modern Scotland by highlighting Edinburgh and Glasgow's distinctive sense of place - and sound, we will solicit top forty and top iTunes Scottish Singer, songwriter and guitarist, Nina Nesbitt, to co-create our series theme song with the popular BagRock band, The Red Hot Chilli Pipers, who won the BBC talent show "When Will I Be Famous." We are hopeful they might agree to speculatively joint venture this with us and split the song rights 1/3, 1/3, 1/3 - that we will promote to 96 million Americans and around the world as a win-win-win of increased exposure for all.



### Locations



3D Cakes' original storefront is in Edinburgh with a separate, production-friendly commercial kitchen and teaching studio just seven doors down. Their newest storefront is opening next month in the heart of Glasgow's city center in George Square.

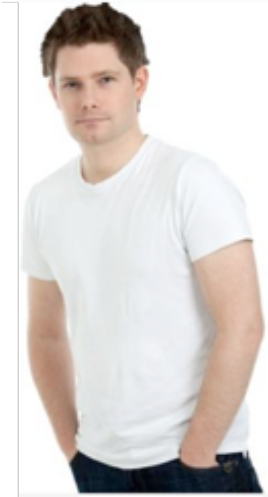




## Show Creators

### David Duncan

Owner of the successful 3D Cakes in Edinburgh and Glasgow, this young, hip Scotsman's creations create a spectacle wherever they are unveiled. His mad skills are most famous for his couture fashion heels and bags but equally impressive are his exquisite exotic animals and architectural culinary masterpieces. A culinary Michelangelo, he has earned an eclectic client list that boasts the British royal family, celebrity athletes, famous musicians and authors. As his business and fame have grown, his filmed-live cake decorating tutorials have attracted would be home-masters around the globe.

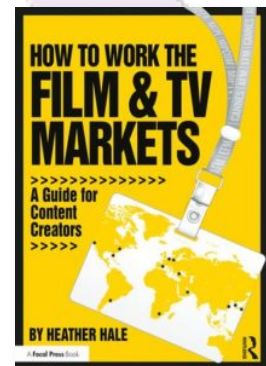


### Heather Hale



Ms. Hale is a film and television director, producer and screenwriter with fifty hours of credits which have won a couple Emmys, Tellys and Ace Awards each as well as "Best New Series Pilot." Her most recent feature, "Absolute Killers," starring Meatloaf, Ed Asner and Edward Furlong (Terminator 2) is available at major retailers across the U.S. Her \$5.5M Lifetime Original Movie, "The Courage to Love" (2000), starred Vanessa Williams, Diahann Carroll, Stacey Keach and Gil Bellows. Ms. Hale served as the Vice President of Event Programming for the National Association of Television Program Executives (NATPE)

where she helped create what is now PRO Pitch (formerly the LA TV Fest) and the brand new NATPE Reality Breakthrough Awards launched in Miami in 2015. She also served as the International Film and Television Alliance (IFTA)'s industry liaison for the American Film Market (AFM) in 2013. Ms. Hale is a member of the Television Academy (Emmy entity), Film Independent and Show Biz Mensans. Of Scottish heritage herself, Ms. Hale's fiancé (the editor of our original sizzle reel that got us the TLC deal), is a Dunfermline native and this scenario affords them the opportunity to live and work part of each year near his family and friends





## Proposed Crew

Negotiations are currently underway with the following potential players:

MULTIPLE EMMY AWARD WINNING EDITOR: REDACTED

*Headshot and Bio Redacted*

EMMY AWARD WINNING COMPOSER: REDACTED

*Headshot and Bio Redacted*

AWARD WINNING EDINBURGH CINEMATOGRAPHER: REDACTED

*Headshot and Bio Redacted*

AWARD WINNING EDINBURGH SOUND DESIGNER: REDACTED

*Headshot and Bio Redacted*

### THE 3D CAKES TUTORIAL TEAM

As a back-up to the television show crew, our tutorial production team might shoot on the same (or more likely adjacent) days and be available as alternates and for overflow work.

*Headshots and Bios Redacted*

## Chart Notes

### From a Comparable Reality Series:

The following charts were amalgamated from proprietary, audited CPA statements and wealth management reports based on actual distributors' sales reports from a real show which shall remain unidentified due to non-disclosure agreements but is offered as an excellent representative sample illustration of one potential scenario.

- The two comparable charts reflect only first and second run of international distribution revenues.
- The US distributor television license is valid in perpetuity.
- The production cost per show varied between \$250,000 to \$300,000.
- Net revenues averaged \$90,000 - \$140,000 per episode.
- The numbers do not include book or ancillary merchandising revenues that were significant. Their books sales alone totaled \$25 million for five books over the life of the series.

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[www.HeatherHale.com](http://www.HeatherHale.com) WORK SAMPLE: Customized Equity Investor TV Time Buy Investment Proposal

### Currency Note on the 3D Cakes Charts:

Wherever layout allowed, we endeavored to calculate both British sterling and US dollars as a convenient point of reference but please note: they are not used interchangeably in any one chart. For the purposes of clarity, whatever currency the business would likely be conducted in (i.e. local “boots on the ground” production expenses here in Edinburgh/Glasgow will be paid in pounds and were thus calculated as such while the US time buy and international sales revenues will likely be conducted in US dollars and are reflected accordingly). At the time these spreadsheets were prepared (August 23<sup>rd</sup>, 2015), the US dollar hovered around \$1.57 to one British pound, so that is the exchange variable we used throughout.

Actual 2005 - 2012 Numbers from a Comparable Reality Show							
Season	Episodes	Net First Run License Fees	Second Run Net License Fees	Net DVD Revenues Per Season	Total Net Int'l Revenue Per Season	Net US License Fees	Net WW License Fees
1	13	\$1,366,530	\$679,170	\$323,252	\$2,368,952	\$1,422,500	\$3,791,452
2	20	\$2,412,701	\$1,458,975	\$357,965	\$4,229,641	\$2,657,509	\$6,887,150
3	21	\$2,434,574	\$1,571,686	\$339,678	\$4,345,938	\$4,376,940	\$8,722,878
4	36	\$3,548,822	\$2,348,308	\$502,789	\$6,399,919	\$8,571,600	\$14,971,519
5-6	37	\$3,303,824	\$2,099,518	\$523,897	\$5,927,239	\$7,975,000	\$13,902,239
7	16	\$1,841,646	\$280,254	\$237,543	\$2,359,443	\$3,273,886	\$5,633,329
8-9	20	\$2,378,848	\$2,597,957	\$576,879	\$5,553,684	\$3,971,350	\$9,525,034
Australia	2	\$219,687	\$58,562	\$43,678	\$321,927	\$502,785	\$824,712
UK	2	\$290,710	\$71,705	\$58,912	\$421,327	\$528,931	\$950,258
Totals:	167	\$17,797,340	\$11,166,135	\$2,964,593	\$31,928,068	\$33,280,501	\$65,208,569

Per Episode Averages							
Season	Episodes	Average First Run Net License Fees Per Episode	Average Second Run Net Per Episode	Average DVD Sales Net Per Episode	Average Int'l Revenues Net Per Season	Average Avg 1 <sup>st</sup> US Run Net Per Hour	Average WW Revenues Net Per Season
1	13	\$105,118	\$52,244	\$24,866	\$182,227	\$109,423	\$291,650
2	20	\$120,635	\$72,949	\$17,898	\$211,482	\$132,875	\$344,358
3	21	\$115,932	\$74,842	\$16,175	\$206,949	\$208,426	\$415,375
4	36	\$98,578	\$65,231	\$13,966	\$177,776	\$238,100	\$415,876
5-6	37	\$89,293	\$56,744	\$14,159	\$160,196	\$215,541	\$375,736
7	16	\$115,103	\$17,516	\$14,846	\$147,465	\$204,618	\$352,083
8-9	20	\$118,942	\$129,898	\$28,844	\$277,684	\$198,568	\$476,252
Australia	2	\$109,844	\$29,281	\$21,839	\$160,964	\$251,393	\$412,356
UK	2	\$145,355	\$35,853	\$29,456	\$210,663	\$264,466	\$475,129
Totals:	167	\$106,571	\$66,863	\$17,752	\$191,186	\$199,284	\$390,470

#### Partners' Initial Seed Capital & Sweat Equity Contributions

David Duncan's Initial Seed Cash Outlay for Proof of Concept Pilot		Heather Hale's Sweat Equity Development Contributions	
Elephant	1,200£	Investor Presentation	\$ 5,000
Big Black Bag & Heels	1,070£	Intellectual Property	
Cameraman Peter	900£	(Format) Development/A/V Script	\$ 3,000
Cameraman Daniel	900£	Schedule, Budget, Comp Research	\$ 3,000
Heather Airfare & Wages	2,000£	Unpaid Physical Production Labor	\$ 15,802
Mics	135£	2 Years Speculative Development	\$ 20,724
Taxis/Cabs	100£	<b>NATPE 2015 Unreimbursed Development Expenses*</b>	
Batteries	9£	Airfare	\$ 700
Food	150£	Hotel	\$ 1,000
		Registration	\$ 1,500
David's wages	3,850£	<b>Heather Hale's</b>	
Editing/Post production	2,560£	<b>Sweat Equity Development Contribution \$ 50,726</b>	
		<i>In British Pounds</i> 32,310£	
<b>Pilot</b>		* Pitched to several targeted entities; procured the LOI and terms from TLC/Discovery	
	<b>12,874£</b>		

### David Duncan's Initial Seed Cash Outlay for Existing Footage

Music Licensing	500£
Taj Mahal	3,000£
Penguin Cake	1,000£
Bus Cake	1,100£
Boat Cake	1,200£
Chocolate model and wedding dress shoot	1,800£
Sizzle reel	600£
Television Marketing and Creative Consulting, Pitch Package Creation, Sizzle Edit	3,190£
Dave's wages	3,300£

NOTE: As of August 23<sup>rd</sup>, 2015: 1 US\$ :~= 1.57£

<b>Existing Footage</b>	<b>15,690£</b>
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<b>Total Receipted Initial Seed Cash from David Duncan</b>	<b>28,564£</b>
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*In US Dollars*    \$ 44,845

## Season One Production, Marketing & Advertising Budget

Production Budget Per Episode	Prep	Principal	Post	Low	High	Season Total (Low)	Season Total (High)	Notes
Executive Producer / Lead: David Duncan		21		550£	750£	11,550£	15,750£	DD paid for shoot days during principal photography (450 min. break even)
Executive Producer / ShowRunner: Heather Hale	18	21	8	550£	650£	25,850£	30,550£	Producer, Director, Writer, Line Producer, Physical Production and Post Supervisor Prep = 3 days per episode Post = 2 hrs per edit day for supervision/creative direction/feedback
Cinematographer: <i>Redacted</i>		21		400£	450£	8,400£	9450	
Equipment: Camera Rental		21				7,560£	39,900£	<b>Low</b> = Two 2K Black Magic Cameras <b>High</b> = Two Sony F55 4K cameras @ 950£/day (standard rate card rate - negotiable) = 39,900 £ Instead of renting cameras, it might prove to be smarter economy to buy 1 or 2 cameras (even used) and sell them for 70% of their purchase price (possibly even to the camera crew we're hiring) or even hold onto for future seasons. Alternately, we could buy one Sony F55 (High Budget) and one Black Magic (Low Budget).
Editor: <i>Redacted</i>			30	450£	450£	13,500£	13,500£	One option. He's in LA. Heather could drive/fly back and forth from AZ 1 or 2X.
Production Sound Recordist / 2nd		21		320£	400£	6,720£	8,400£	4 lav mics, mixer, boom

<b>Cameraman:</b> <i>Redacted</i>								
<b>Equipment: Audio Rental</b>		21		130£	130£	2,730£	2,730£	
<b>Post Production:</b> <i>Redacted</i>			18	300£	300£	5,400£	5,400£	3 days est. per episode (6 eps) includes: Color Grade, Sound Design and Mix, Titles, Animated 3D Logo, Bumpers, Tease, etc.
<b>Alternate 2nd Cameraman:</b> <i>Redacted</i>		6		400£	400£	2,400£	2,400£	2nd Cameraman est. 1 day per episode (6 eps = 6 days)
<b>Associate Producer / Assistant Editor:</b> <b>William Burns</b>	16	21	5	350£	400£	14,700£	16,800£	D.I.T., Assistant Editor, Audio Assist, Alternate 2 <sup>nd</sup> (or 3 <sup>rd</sup> ) Cameraman, Camera Assist, PA, Runner, Kraft Services, Production Coordinator (whatever is needed)
<b>Production Meals/Catering</b>		21		48£	48£	1,008£	1,008£	1 meal every five hours X 5 person crew
<b>Kraft Services</b>		21		2£	2£	42£	42£	Buy Bulk Food & Drink for Crew
<b>Expendables</b>		21		25£	25£	525£	525£	Various supplies: batteries, hard drives, memory cards, light bulbs, gaffer tape...
<b>Key Art, social media banners (Facebook and Twitter)</b>				1,440£	1,440£	0£	1,440£	Dog & Pony Creative ~\$2,200 US amortized over 1st 6 episodes
<b>Composer -</b> <i>Redacted</i>						3,822£	3,822£	Score 6 episodes and integrate (or create) theme song
<b>Social Media Publicist (Student Interns)</b>				Free	2,728£	2,728£	2,728£	Instagram, Twitter, (Culinary, TV, Fashion) 7 hours a week 7.5 throughout the day, every day 7.5 Assume 2 paid 1 hour a day, 7 days a week for six months; 2 for school credit
<b>Red Hot Chili Pipers (Theme Song)</b>						Free?	10,000£	Pitch for publicity to the American Market, very Edinburgh, hip cool



								modern rock with bagpipes (all instrumental)
Nina Nisbett (Singer/Songwriter? for theme song)							10,000£	Famous Edinburgh singer, to sing/songwrite the theme
Advertising: Facebook				16,548£	33,096£	16,548£	33,096£	6 months
Advertising: TLC				24,076£	118,692£	24,076£	48,153£	\$2,700 for :30 ad on TLC X 2 X week for 1 - 2 weeks; Might be able to trade w/ <i>Cake Boss</i> ? Or other TLC shows for spots
Cost to produce 1 <sup>st</sup> Season 6-episodes 21 shoot days					In British Pounds	131,011£	255,693£	Possibility of 50,000£ (or \$78,500 US) savings on High End: (i.e.: recoup 70% on 2 cameras via resales = ~27,930£; use all student interns, original theme song comped, etc.
					In US Dollars	\$205,687	\$401,438	
6 Tutorials				4,500£	4,500£	4,500£	4,500£	Tutorials budget possibly accommodated by negotiating the time buy price down significantly
6 Tutorial Ads				450£	450£	450£	450£	1 day editing for all 6 tutorial ads
Proposed Calendar								
5 shoot days per episode (for Season #1) * 3+ cakes per episode * 1 cake each episode from existing footage (Season #1) * 2.5 shoot days per NEW cake					Oct 15, 2015 Nov 1 – Feb 29, 2016 March 1 – April 30 May 1 – June 1 7/1		Fund Prep Principal Photography (6 episodes) Post Production (6 episodes) Delivery/Air (6 weeks)	
8 days post per episode * 5 days to edit each episode * 3 days per episode to do color grade, sound design and mixing and titles					Shoot Schedule: * Principal photography = 30 days * Six, 5-day shoot weeks (MTW 9 AM - 6 PM; Fri OR Sat Delivery 4 PM - 9 PM)			
					Cost to rent 2 Sony F55 cameras at the \$950/day rate card rate (negotiable) = 39,900 £ (Might be cheaper to buy and re-sell (or even hold onto for future seasons) Or could buy one Sony F55 and one Black Magic			

Projected Revenue Streams						Notes
Season #	1	2	3	4	5	This reflects just 5 years but 10 years or more is very reasonable
Episodes	6	12	13	13	13	<i>Ace of Cakes</i> and <i>Cake Boss</i> both aired for 10 seasons of 13 episodes each
Countries	2	15	45	90	180	
Investor Start-Up Capital	\$500,000	0	0	0	0	
Embedded Product Placement	48000	124800	156000	176800	208000	Series/Season = Culpitt and/or DecoPak PLUS episode sponsors
Advertising						8 minutes of ads for every half hour (16 :30 ad holes) Our time buy includes 11 ads Assuming 3 Comps (1 for Brian; 1 for Tutorials; 1 for Charity/Client/Publicity Stunt/In-Kind Trade), that leaves 8 available for sale per episode
5-8 Ad Spots @ \$2,700 minimum suggested retail Wholesale price = \$937 projected slight price increase projected as series grows	\$81,000	\$280,800	\$351,000	\$421,200	\$561,600	
Distribution						
US Domestic 1st Run (License Fee)	\$0	\$1,200,000	\$3,900,000	\$5,200,000	\$5,200,000	TLC = Bought time; 2nd US network or cable outlet = show sold/licensed (e.g.: The Food Network)
International Distribution	\$20,000	\$150,000	\$450,000	\$900,000	\$1,800,000	
International Revenues 1st Run (Minimum Guarantees)	\$33,000	\$960,000	\$2,400,000	\$3,600,000	\$4,000,000	Selling pre-sale commitments territory-by-territory (countries) internationally
International Format Rights	\$6,000	\$300,000	\$800,000	\$1,200,000	\$1,800,000	
DVD Direct Sales	\$0	\$105,000	\$315,000	\$630,000	\$1,260,000	
Merchandising and Licensing						
Home Shopping Network	TBD	TBD	TBD	TBD	TBD	3D Cakes Equipment Sales and Live Tutorials promoting the sales website and boosting video tutorial sales
Cake and Bake Show Events	TBD	TBD	TBD	TBD	TBD	
Culpitt (UK Trade)	\$3,975	\$7,950	\$19,875	\$59,625	\$159,000	
DecoPak (US Trade)	\$15,900	1.	\$79,500	\$238,500	\$636,000	
Supply Sites (David Duncan and UK Independent)	\$79,500	\$397,500	\$1,192,500	\$2,385,000	\$4,968,750	Pre-Orders can fund initial inventory order
Book Sales	\$30,000	\$75,000	\$120,000	\$165,000	\$300,000	Assumption = \$30K US/per book each year w/a 50% increase for each book Year 2; 1
50% of the Tutorials' Profit	\$1,458,000	\$6,336,000	\$6,969,600	\$7,666,560	\$8,433,216	US ONLY: Year #1 is based on 250,000 viewers watching 6 episodes (1.5 million viewers) x the assumption of 3% becoming subscribers @ \$6/mo w/a 60% attrition rate. Edinburgh has a population of less than 500,000 and the shop currently has 2,000 subscribers w/out a TV show (w/a 60% attrition rate after the expiration of the Groupon special); Year #2 is 500K x 13 eps
In Kind Trade Expense Savings (Int'l Airfare, Hotels, meals, Kraft Services, Equipment, etc.)	0	0	15000	15000	15000	Television programs are <u>not</u> eligible for the new UK <u>Film</u> Tax Relief (25% of 80% qualifying spend) but Creative Scotland screen investment may finance up to £150,000 - £500,000 from the Scottish Government and the National Lottery for content production. Film Edinburgh offers local (but not financial) support.
Tax Incentives	TBD	TBD	TBD	TBD	TBD	
Proposed Gross Revenue	\$2,275,375	\$9,937,050	\$16,768,475	\$22,657,685	\$29,341,566	
Estimated Expenses						
Production Budget	\$205,687	\$802,876	\$869,778	\$869,778	\$869,778	21 Days Principal Photography
Time Buy	\$303,000	\$250,000	\$492,375	\$303,000	\$250,000	S1 = Low Budget (205,687);
International Distribution Fee (~25%)	\$8,250	\$240,000	\$600,000	\$900,000	\$1,000,000	S2 = High Budget (\$401,438) X 2 (12 eps);=--\$67K/ep
International Distribution Expenses (~5%)	\$1,650	\$48,000	\$120,000	\$180,000	\$200,000	
Ad Sales Commissions (15%)	\$12,150	\$42,120	\$52,650	\$63,180	\$84,240	
Return of Investor Start-Up Capital		\$500,000				
Return of Owner Initial Cash Outlay			\$44,845			See Page 18 for David Duncan's Seed Cash Breakdown
Sweat Equity Partner Deferral				\$50,726		See Page 18 for Heather Hale's Deferred Development
Gross Expenses	\$530,737	\$1,882,996	\$2,134,803	\$2,315,958	\$2,404,018	
Net Revenue Per Season	\$1,744,638	\$8,054,054	\$14,633,672	\$20,341,727	\$26,937,548	
Net Revenue Per Episode	\$218,080	\$1,006,757	\$1,829,209	\$2,542,716	\$3,367,194	
Profit Per Season	329%	428%	685%	878%	1121%	
Waterfall						Totals
Brian @ 50%	\$872,319	\$4,027,027	\$7,316,836	\$10,170,864	\$13,468,774	\$35,855,820
David @ 25%	\$436,160	\$2,013,514	\$3,658,418	\$5,085,432	\$6,734,387	\$17,927,910
Heather @ 25%	\$436,160	\$2,013,514	\$3,658,418	\$5,085,432	\$6,734,387	\$17,927,910