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Private investors tune in to children's television

Andrew Bounds, Enterprise Editor

Production groups offer big returns if shows are a hit



This Christmas, Sue Turner was able to give her three grandchildren a unique present: she paid for a Christmas special featuring some of their favourite TV characters.

The retired property manager is among hundreds of people who have invested in *Pip Ahoy!*, a cartoon narrated by Sir David Jason and Stacey Solomon, which airs on Channel Five's children's slot Milkshake!.

With television channels increasingly unwilling to pay for content up front, some companies have turned to private investors to raise funds, promising a return if the show is successful.

CHF Media, which as Cosgrove Hall made the [original *Danger Mouse*](#) cartoons and won a Bafta for *The Wind in the Willows*, has gone furthest, devising its own investment fund.

Once enough money has been raised to make a pilot, it seeks a commission. A return on the investment should be forthcoming if the rights are sold worldwide and if there is any merchandise.

The regular *Pip Ahoy!*, which follows the adventures of a puppy in a seaside town, needed £5.5m to make 52 episodes. When Channel 5, which broadcasts it daily, wanted a Christmas special, CHF went back to investors for another £350,000.

Mrs Turner, 70, from Ticehurst in East Sussex, invested a total of about £50,000. The CHF Media Fund qualifies for tax relief under the [Enterprise Investment Scheme](#) and Sir David himself is among the investors.

EIS offers income tax relief at 30 per cent of an investment when it is made and deferrals on capital gains tax liabilities. After they have been held for two years, EIS shares also qualify for business property relief, meaning they are exempt from inheritance tax.

The catch? [If the programme flops, investors can lose 39 per cent of their money](#), factoring in tax-deductible losses.

Mrs Turner said a friend at a dinner party back in 2013 mentioned the scheme. “He said it was Cosgrove Hall and they had won Baftas. I was looking for a reasonably well founded EIS scheme as I don’t like paying too much tax, so I rang them.

“I have grandchildren of that age. I have got an idea of what was good and I thought it looked really fun — not only for the kids. I still laugh.”

The perks of investing included a visit to the company’s headquarters in south Manchester, where the walls are plastered with the bright drawings and printouts of shows yet to come. “It is awe inspiring to meet the people who have the ideas,” she said. *Pip Ahoy!*’s team include Jean Flynn, who directed the original *Danger Mouse*, and Ben Turner, who drew it.

She also went to Soho Studios in London to watch episodes being recorded, as well as the launch of the toy range at the Olympia exhibition centre.

Simon Hall, son of Mark Hall, the studio’s co-founder, says merchandise plays a key role. “We have to consider it from the beginning. We had to change the shape of the lighthouse to make sure they could make a toy from it. But it is still about creating quality stories. It is the stories that sell.”

However, the power of merchandising favours old shows, he adds. *Danger Mouse*, which is now owned by Fremantle Media, has been revamped and *Clangers*, the knitted puppets that live in space, brought back from the 1970s. “It is a safe bet — the parents who know the programmes will buy the lunchbox and toys,” said Mr Hall.

CHF has recruited Jenny Johnstone, who has worked on merchandising for characters such as Power Rangers and Super Mario.

It is working on a range of other shows. The company has raised £600,000 for *HeroGliffix*, which it hopes to make interactive: the hieroglyphs can be captured on a child’s tablet or phone as they watch and then used to play online games. *Horatio*, about a young alien detective, has raised £250,000.

Adrian Wilkins, chief executive of CHF Enterprises, said it was a “successful and sustainable investment model for the entertainment sector”. *Pip* could be screened in China, he added, and the fund was already profitable.

The fund had widened its scope to encompass investment options, from apps and children’s fitness concepts to full-scale animation projects.

Mrs Turner has already bought the Christmas episode on DVD. “It’s a riveting investment,” she said.