

THE LAST STATUS

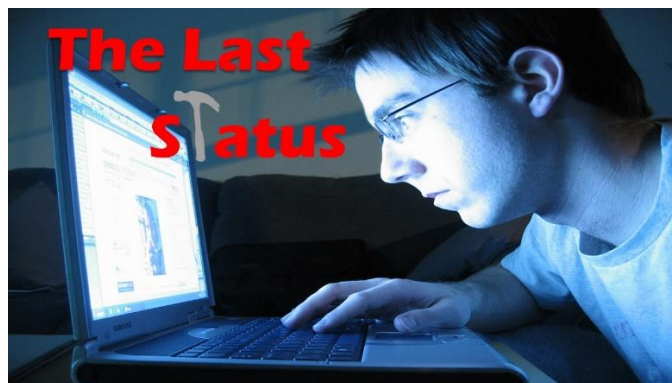
MR Screenplays



Be careful what you wish for...

LOGLINE:

Businessman Kevin Brice, 35, sees a post on social media showing a brutal man savagely beating a dog into unconsciousness. He responds with a throwaway comment stating what he would do to the man given five minutes alone with him. He gets a 'Like' from a friend, a response and then a text for a meeting. From this point Kev's life descends in an evil spiral.



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DISCLAIMER

THE CONTENTS OF THIS DOCUMENT SHOULD NOT BE TREATED AS ADVICE. IF YOU ARE IN ANY DOUBT ABOUT THE OFFER OR THE CONTENTS OF THIS DOCUMENT AND/OR ANY ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT AN INDEPENDENT FINANCIAL ADVISER OR OTHER PERSON AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FSMA) WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES. RELIANCE ON THIS DOCUMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INVESTOR TO SIGNIFICANT RISK OF LOSING SOME OR ALL OF THE CAPITAL INVESTED. THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. THIS DOCUMENT IS INTENDED TO CONSTITUTE AN EXEMPT COMMUNICATION AND THEREFORE THE CONTENT OF THIS DOCUMENT HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON WITHIN THE MEANING OF THE FINANCIAL SERVICES AND MARKETS ACT 2000.



The Last Status is a low budget production (under £1 million). This budget level with a readily marketable genre allows for good returns to be made even without a broad theatrical release. With the release arrangements in place, the producers believe that even the worst-case scenario would still generate returns for the company from UK and international distribution. Even without theatrical release the projected income from DVD and VOD would cover budget outlay, minimising investment risk. The best-case scenarios depend on how well the film is received. The premise of the film is based on comments made on Facebook and this message will be readily understood by Facebook users, of which there are 1.44 billion active monthly users around the world. A large percentage of these users fall within the film's target audience of 15 to 45 year olds. The producers are very confident of delivering a first class film. Internationally it will also sell on its genre elements as a horror/thriller.

The directors also believe that by basing the film in the North of England, rather than in a large city such as London, it adds another edge. It is felt that this will also appeal to international audiences, keen to experience the ways of life of other areas of the United Kingdom, as it did for the '**The Full Monty**'.

In the eventuality that there is a budget shortfall there are backup plans in place to create a safety net for investors. In the first instance we would look towards further funding from creative industry sources, grants, etc. to bring the budget up to full expectation. It would also be possible to produce the film on a lower budget with the idea of going straight to DVD with a corresponding reduction in the marketing costs in this scenario. With this in mind we could still produce a viable product with only half of the budget in place.

Running the production company, Last Status Ltd, under EIS and SEIS compliancy means that any investment carries a 30% or 50% tax benefit which will also act a buffer against loss. (See appendix 2 for more detail.)

REVENUE ILLUSTRATION

Predicting revenues is notoriously difficult in the film business not least because factors outside the control of the producers can affect the reception of a movie. Critical opinion can combine with competitive products in the marketplace to impact sales. However, a guide to the potential value of a film can be drawn from looking at similar productions (in budget, cast, scale, genre etc.) and seeing how they performed.

Internet use, social media, and chatrooms have grown and changed drastically over the past couple of decades or so, and what better way to depict the human obsession with modern technology than through the moving image medium of film? The internet has been a revelation in its ability to connect the world together, and many movies have dedicated themselves to reflecting the wonders of the world wide web; some good (The Matrix, Her), some not so good (The Net, Swimfan), while some unabashedly resembling feature-length commercials for the likes of AOL and Google (You've Got Mail, The Internship).

In recent years there have been several successful films based largely or loosely on social media. Unfriended (budget \$1,000,000 – grossed \$16,000,000 opening theatrical weekend), Chatroom (filmed mainly on location as intended for The Last Status), Catfish grossed \$250,000 opening theatrical weekend on only 12 screens but grossed \$2.6 million after one month and \$3.3 million after three months, with the number of screens growing from 12 to 146.

The above gives some indication about the flexibility of the medium and differing returns. All the figures quoted are purely theatre turnover, not taking into account the later income from DVD, VOD, etc.

The LOW estimates below are those generated by an example film made for a budget of under £1million with a little known cast. Released in just 5 cinemas in the UK (a platform release) with a Prints & Advertising spend of just £50k it earned £80k gross. Subsequently released on DVD, it sold 100,000 units in its first month. It has shifted 1 million units since then and, demonstrating the long tail for some films, it continues to sell 2,000 units a month. Internationally it generated sales of \$3.2million.

With a P&A budget 4 times that of this example the producers hope to outperform this film and would target a release to 70-100 cinemas. We are also approaching known television faces for the lead role. We feel that casting the role of Kevin with a comedian, rather than an actor, will serve two key purposes. Firstly, there will be a greater transition from Kevin's early genial appearance to how he is when he is drawn into Frank's violent world. Secondly, the fact that a known comedian already has a good fan base will generate a kick start audience for the film. The Last Status will dramatically depict the danger of throwaway comments on social media sites. It underlines the old adage "Be careful what you wish for – it might just come true," and the directors believe that this will strike a big chord with a large audience.

INCOME and INVESTMENT in LAST STATUS LTD

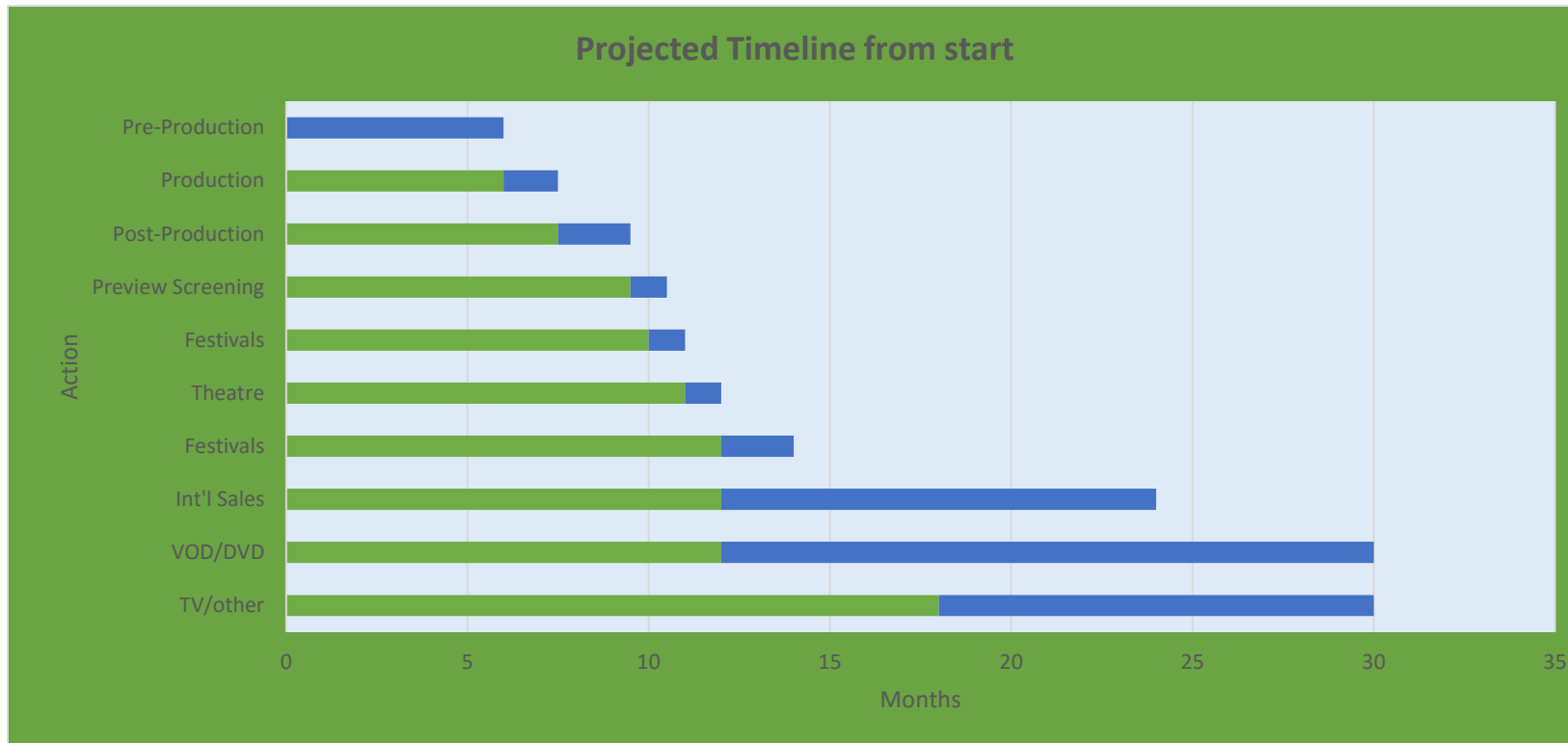
(These figures are for guidance only and not guaranteed returns on investment)

SALES			REVENUE	POOR	LOW	TARGET°
(Exhibitor retains 70%)			GROSS BOX office	£18,000	£80,000	£1,000,000
(Guaranteed 50k Dist.fee)			Net theatrical	-£45,000	-£26,000	£250,000
			International sales	£480,000	£1,600,000	£2,700,000
			DVD – full price (initial release)	£55,000	£305,000	£1,100,000
			DVD – discounted (over 2yrs)	£147,000	£306,000	£2,200,000
			VOD	£118,000	£255,000	£600,000
			TV/ancillary	£27,000	£60,000	£150,000
			Company revenue	£800,000	£2,500,000	£8,000,000
(Budget deducted)			Profit	£300,000	£2,000,000	£7,500,000
(Corporation Tax deducted)			Nett	£240,000	£1,600,000	£6,000,000
INVESTMENT			'A' + 'B' Share Total	£120,000	£800,000	£3,000,000
			£10 Share Value	£14.40	£26.00	£70.00
Investment	Shares	Equity		'B' Share	Dividend	(Inc Capital)
£5,000	500			£7,200	£13,000	£35,000
£10,000	1000			£14,400	£26,000	£70,000
£25,000	2500			£36,000	£65,000	£175,000
				'A' Share	Div'd (+ Eq'ty)	(Inc Capital)
£5,000	500	1%		£8,400	£21,000	£65,000
£10,000	1000	2%		£16,800	£42,000	£130,000
£25,000	2500	5%		£40,800	£97,000	£295,000

° Target estimates are the producers' goal. All figures are net of duplication costs and distributor's fee of 15% (with guaranteed fee). Int'l figures are net of sales agent fee of 15%.

The table above sets out potential scenarios. The figures are based on standard figures from an industry company who provide pricing and margin guidelines. They are not specific estimates for The Final Status but guidelines drawn from past experience and are for illustrative purposes only. The directors do not guarantee that they are achievable.

PROJECTED TIMELINE



The timeline above represents the peak timings for sales which would be expected to carry on at reducing levels for at least a further 12 months.

SYNOPSIS

Message received and understood...



An 'ordinary' businessman, **Kevin 'Kev' Brice (35)**, is enjoying a rare day off from work when sees a post on social media containing pictures of a man purportedly punching and kicking his dog into unconsciousness.

Kevin responds and states that, if he had five minutes alone with the man, he would stick a knife in his neck such is his disgust for the individual's cruelty against the defenceless animal.

A short while later, his comment receives the attention of **Frank Bromington (38)**, a highly intelligent, former UK Special Forces operative and mutual acquaintance of Kevin's. Frank's post simply states, "Message received and understood, brother."

A couple of days later, Frank entices Kevin to his lockup with the promise of a surprise. Upon entering the lockup, Kev is presented with the form of a hooded man in the centre of the room, tied to a chair that is secured to the floor. Kev is understandably uneasy about the situation and demands to know what is going on. Frank informs Kev

that this is the guy - *the* guy and that he has brought him to the location for Kev to kill him as detailed in his social media comment.

Kev refuses to go along with the insane plan, much to Frank's immense annoyance, resulting in Frank mercilessly killing the man himself, implicating Kevin in the process. When Frank handed Kevin the knife he was wearing gloves, leaving Kevin's the only prints on the murder weapon.

The next few days will never be the same for Kevin as we learn more about Frank's plan; Kevin's own blackmail scheme that has brought him this unwanted attention and the descent of Kev's life into anarchy as Frank ruthlessly spirals him into a series of terrifying situations.

Kev seeks the help of mutual friend, **Alan Michaels (40)**, and they devise a plan to take Frank out. Is this a way out for Kev... or another piece of Frank's intricate web for to ensnare Kevin?

FEES, EXPENSES AND AGREEMENTS

The rights will be licensed to Last Status Limited as set out below. Production is to be entirely funded through private equity with the continued support of the individual directors who have developed the film to date and who will also have an equity stake through equity holdings of A Shares.

It is the intention of the directors to keep administrative costs to a minimum nevertheless the company will annually incur costs in relation to accounting and other professional fees. Other administrative expenses are covered by the Service Agreement described below.

Agreements

Last Status Limited will enter into two agreements with MR Screenplays:

1. License for the rights

MR Screenplays will grant Last Status Limited the right to produce and exploit the movie for a period of ten years for consideration of:

- a) An advance fee (circa £20,000); and
- b) A 50% share of accumulated company profits (profit to include the benefit of any film tax credit received) before tax and after full amortization of production & marketing costs.

2. A Service Agreement

A monthly overhead fee of £1,000/month will be due to MR Screenplays for the provision of administration facilities.

- 3. The company will enter into agreements with certain members of the creative team that will entitle them to a deferred fee and or a share of profits.

INVESTMENT AND RETURN

Offer for subscription of new Shares under The Enterprise Investment Scheme

The business of Last Status Ltd (the Company) is to produce and exploit a feature film entitled **The Last Status** (working title). The Company will ensure that when entering into any agreements that they are compatible with the EIS. When the investment is returned with accrued interest after the qualifying period of three years minimum the relevant SEIS/EIS certificates will be supplied to investors to allow their claim of 50%(SEIS) or 30%(EIS) tax benefit. The initial £150,000 will qualify for SEIS, the balance for EIS. A certificate of compliance with SEIS and EIS conditions has been received.

The Producers seek total funding of £500,000, including the initial £50,000 development fund. The costs of raising these funds is not expected to exceed 5%. Subject to these costs £250k of this will be used on production costs of the film and £200k will be used on distribution costs.

The funds will be raised by the sale of Ordinary 'A' and 'B' shares with the benefits as following.

INVESTMENT INFORMATION

Finance will be raised by the private offering of shares:

Offer of up to 45,000 Ordinary B shares of £1 at £10 each (including a premium of £9 each).

The offer is eligible for tax benefits available under the terms of the Enterprise Investment Scheme or SEIS. (See Appendix 3)

Minimum Subscription per investor	(500 B Shares)	£5,000
Minimum Total Subscription	(30,000 B Shares)	£300,000
Maximum Total Subscription	(45,000 B Shares)	£450,000

Expected Share Capital Assuming Full Subscription

Number issued	Nominal	Amount	Share
Premium Total Share Capital			
5000 Ordinary A Shares of £1 each	£5000	£45,000	£50,000
45,000 Ordinary B Shares of £1 each	£45,000	£405,000	£450,000

LOW RETURN EXAMPLE

These are for illustrative purposes only and are based on the “Low” revenue illustration set out above, and subject to the fees, expenses and agreements set out. No guarantee that these returns will be achieved is being given although the Directors are of the opinion that they are achievable subject to market conditions, budgets being adhered to and tax credits being obtained.

Amount Invested	£25,000	£25,000
Initial Tax Relief on initial EIS investment	(£7,500)	SEIS (£12,500)
Net initial investment	£17,500	£12,500
Illustrative return after 3 years – initial capital + gain	£34,000	£34,000
Overall profit	£16,500	£21,500
As a % of net initial investment	94%	172%

Dividend Policy

The Directors expect to retain any profits in the Company for a period of three years from the closing date of the Offer. Dividends may be paid in subsequent years following this initial three year period. This is important to note because it means that Investors should not anticipate any of their initial capital being returned before this time has elapsed and there is no guarantee that any dividends will be paid after this period.

The Directors have considered the ways in which the best returns for Investors may be achieved. Dividend income is taxable and therefore the Directors are aiming for capital growth in the value of shares in the Company, which should be free of capital gains tax for qualifying shareholders after three years, as stipulated in EIS rules. In order to maximise the capital value of the Company, it is the intention of the Directors not to pay any dividends during the first three years following the Offer, although they may be paid in subsequent years in accordance with applicable legislation and the Company's Articles of Association.

Realisation of the Investment

Once the three year period during which the obtaining of EIS Relief is conditional (under current legislation) has elapsed, the Directors plan to consult with the shareholders in order to reach agreement in the most efficient way in which the shareholders may realise the value of their investment. Available means to do so may include, for the sake of example only and without limitation:

- The acquisition of the Investors' shareholdings by the Company itself;
- The sale of part or the whole of the shareholding of the Company to a third party;
- The introduction of new Investors as additional shareholders in the Company;
- The sale of the rights that the Company has produced to a library;
- The liquidation of the Company's assets and the subsequent distribution of the proceeds;
- Sale to the Company's shareholders.

Whatever opportunities may arise in practice at the relevant time, the Directors will give full consideration to the most appropriate method of realisation of the Investors' interests in the Company, having regard to all relevant factors (including the status of the Company's business at the time), and will then make their recommendation to the shareholders.

Future Development

On successful completion of the initial production it is intended to move on and grow the company by:

- Developing further productions, either as sole production company or in partnership with others
- Development of screenplays with the aim of optioning rights to other production companies or studios
- Carrying on any other business within the industry which may prove beneficial to the company.

FILM BUSINESS REVENUE STREAMS

Films generate worldwide royalties and licence fees every time a production is (i) exhibited in movie theatres (ii) broadcast on television (iii) re-used in commercials, film trailers, other advertisements or placed in other media (vi) released on a physically recorded or mechanical format and (vii) downloaded from legal on-line retailers.

The film business is notoriously difficult to make money in. However, in the UK it is a business that retains its popularity (UK is the world's third largest consumer market for film - BFI). Whilst most of the £1billion box office generated in the UK and £1.57billion generated overseas was by a few significant hits, there is a growing appetite for lower budget fare in the 36% of admissions that are for UK product in the UK.

With new technologies and techniques, lower budget films can outperform their more extravagant rivals and profits can be generated with only moderate performance. This opens up opportunities for independent films that have a strong story to tell.

One of the most significant hurdles independent films face is achieving distribution through mainstream channels. The British Film Institute ("BFI") estimates that only 49% of UK films are distributed theatrically within two years of their production. VOD, DVD/ online and TV sales are considerably enhanced with the PR and advertising benefit of theatrical distribution as is the film's value in international markets.

This is why the producers are in advanced negotiations to secure UK distribution and international representation. By allocating £200,000 of its own money to P&A (Prints and Advertising) expenditure, the company will be able to dictate the film's release and reduce the commission due to the UK distributor.

Distribution Income Flows

In the UK, exhibitors (cinema owners) retain 60-70% of the box office gross. The remainder usually goes to the Distributor who recoups any expenditure (P&A etc.) before deducting their fee of 30%. Remaining sums go to the backers of the film for them to recoup their investment before the film enters profit.

In the case of The Last Status, the intention is to fund P&A from equity and to employ independent industry consultants to execute distribution. Overseas sales will be coordinated by an appropriate sales agent. Contracts will be finalized at the appropriate time, but an independent distributor has produced sales estimates. Retained territories will include the UK and Ireland and the US. Other territories are likely to be subject to a 20% sales commission.

Television

Each time a feature film or TV production is broadcast the owner of the rights will earn revenue. The audiences for feature films on TV remain good and the value to UK TV (pay TV excluded) of all feature films is an estimated £1.4 billion (BFI). This means audience appetites for feature film on TV remains good and consequently their popularity with broadcasters remains high. A film that enjoys continual repeat transmission will generate substantial performance income. With repeat broadcasts the income stream continues worldwide and in perpetuity.

DVD and VOD

Much has been made in the press of the decline of DVD sales. In 2010 DVD/BluRay sales of feature films reached 160 million units and in 2011 it dropped to 152 million (BFI).

Average prices also fell slightly from the peak in 2010. The DVD market remains an important source of revenue for film companies.

To some extent, the decline in DVD sales has been countered by the rise of VOD (Video on Demand). Whilst this market remained small in 2011 (est. £52 million), that figure represented a 32% increase on 2010. With intense competition in the market the returns per unit to film distributors from this new sector are close to that achieved by the discounted DVD market.

Other

Sales to airlines and cable TV and other closed distribution networks represents a final opportunity to generate revenue and whilst small on an individual basis, these sales can add up to a reasonable income which for lower budget films can be significant.

RISK FACTORS

Investors should consider carefully the following risk factors and other information in this Offer Document before they decide to invest in B Shares. An investment in B Shares involves risks and Investors may lose part or all of their investment.

All of the information contained in this Offer Document should be considered in the light of the risk factors set out below.

The principal risk factors considered by the Directors to be relevant when considering an investment in B Shares are as follows (this is not an exhaustive list and Investors should consult their financial advisers before investing):

Risks relating to an investment in shares

—Investing in the Ordinary B Shares is speculative and involves a high degree of risk and should only be made by Investors who can afford to lose their entire investment.

Additionally, there is no guarantee of return on an investment in the B Shares. If there is a return it is likely that this will vary in amount from time to time. The value of stocks or shares may go down as well as up. Any investment in the B Shares should be seen as a medium to long-term investment.

—As the Shares in the Company are unlisted/unquoted on a public market, it will be difficult to obtain valuation information and information regarding the extent of the risk involved. There are often greater risks involved in unquoted shares than quoted shares/ securities. The directors have no plans to list the shares on any recognized Stock Exchange.

—You may have difficulty selling this investment at a reasonable price and, in some circumstances, it may be difficult to sell it at any price.

Risks relating to operating history, past performance and future performance

—Past performance and historical information is not an indication of future performance. The Company's actual performance could differ materially from projections. The Company will be operating in a competitive industry where the commercial risks are high. Audience reaction, initial reviews and public taste cannot be predicted. Any investment in a business such as the Company is, therefore, highly speculative and no guarantee of any return may be given.

—The Company has not traded and has no established business or trading history. Consequently, evaluating the Company's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by early-stage companies.

Risks relating to taxation

—Changes in government or government policy could affect the tax treatment of the business and any investments. This could have a material effect on the performance of the Company and any investment in the Company.

—To benefit from EIS Relief or EIS Deferral Relief the Company is required to carry on the business outlined in this Offer Document during the three year period from the last allotment of B Shares, or the date of commencement of trading if later. The Company fully intends to trade but failure could prejudice the continuing application of tax relief.

—Investors wishing to obtain EIS tax relief must satisfy certain criteria (such as retaining their shares for three years from the date of issue). Failure to meet these requirements will result in the tax relief not applying. Investors are advised to seek professional advice in this respect.

Provisional clearance has been requested from the H.M. Revenue and Customs in respect of the qualifying status of the Company for EIS purposes. There is no guarantee that relief will be ultimately obtained. This could have a material effect on the performance of the Company and any investment in the Company.

Risks relating to income

—If there is any return on the investment it is unlikely that this (or the initial capital invested) will be distributed to Investors before the expiry of three years from the closing date of the Offer. As a result of this and the tax rules, investing in the Company should not be seen as a short-term investment.

In circumstances where the Company seeks funding from sources other than from the Offer, these may need to be repaid in preference to any payment to Investors. This will reduce the amounts of any revenues available to Investors.

Risks Relating to the Film Industry

The film industry is a high-risk sector and there is a significant risk that the Company may lose all of its investment in the rights as a consequence of which the entirety of an Investor's investment could be lost. Third parties may not enter in to definitive legal documentation in respect of the distribution and sales of the film and the Company may be unable to enter into binding agreements with a distributor or sales agent and this would have a detrimental effect on the film's potential success, and consequently also the investor's investment.

Other risks

—The investment described in this Offer Document may not be suitable for all recipients, and Investors are strongly advised to consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

—There is a risk that insufficient funds will be raised under the Offer to enable the Company to proceed with the project envisaged, or that additional funds that may be required to complete the project are unable to be raised, and in such circumstances an Investor could lose all of their investment. However the directors will not commence work on the project until the minimum sum has been raised, in order to minimise this risk.

—Inflation and economic risk could increase the costs of production, purchase and profit margins.

—Deflation could reduce the value of an investment in the Company and any return that may be achieved.

—If the Offer is less than fully subscribed or if the cost budget has to be increased, the Directors may seek to raise additional finance. Such additional finance may be obtained through a combination of loans from third parties, qualifying tax schemes, or by paying suppliers on a deferred basis. Investors should note that any loan repayments or deferred payments will have to be made out of Gross Receipts before Investors receive any of their initial capital or return on their investment.

—If there is any return on the investment, it is unlikely that this, or the initial capital invested will be distributed to Investors before the expiry of three years from the closing date of the Offer and Investors must therefore take a medium to long-term view of their investment.

—The possibility does exist that a different team to that outlined in this Offer Document may be employed if the Directors believe that such changes are in the best interests of the Company.

—Agreements may contain "force majeure" clauses, which may enable the relevant party to terminate or suspend the agreement in certain circumstances, which are outside the control of the parties.

—Subscription for shares in EIS companies is not covered by the Shareholders' Compensation Scheme established by the Financial Services Authority.

—Piracy may reduce film distribution revenue.

—Neither the Company, the Directors, nor the Company's advisers give any warranties or undertakings that EIS Relief, capital gains deferral relief or any other relief described in this document will be available or that, if given, such relief will not be withdrawn.

APPLICATION PROCEDURE

The minimum investment that Shareholders may make is 500 B Shares at £10 each and thereafter in multiples of 500 B Shares at £10 each.

Whilst there is no maximum investment, Shareholders are advised that the maximum investment for which certain tax reliefs can be claimed under the EIS is £1,000,000 per tax year. Shareholders should discuss this with their professional tax advisers.

Individuals wishing to subscribe for Shares on the basis of this IM should complete and return the Application Form contained in Appendix 1 below.

Correctly completed Application Forms should be returned to the address as noted in Appendix 1.

The following instructions should be read in conjunction with the Application Form:

1. Insert your full name, address and other details in Block Capitals in Section 1.

Applications may only be made by persons aged 18 or over.

2. Insert in Section 2 in figures the number of Shares for which you are applying.

Your application must be for a minimum of 500 B Shares and thereafter in 500 B Share increments.

3. Insert in Section 3 in figures the amount of your payment.

Your payment of the subscription price may be made by electronic transfer, cheque or bankers' draft and should be for the amount which represents £10 multiplied by the number of B Shares inserted in Box 2. Although EIS income tax relief is capped at £1,000,000, capital gains tax deferral relief is available on investments in excess of £1,000,000 and applications may be made for amounts in excess of £1,000,000.

4. You must affix to the completed Application Form a cheque or bankers' draft for the full amount payable.

Your cheque or bankers' draft must be payable to "Last Status Limited" for the amount payable on application inserted in Box 3 and should be crossed "A/C Payee". No receipt will be issued for this payment. All bank transfer charges are payable by the transferor. If the full remittance is not received, the number of shares will be correspondingly reduced.

5. The payment must be accompanied by two documents for personal identification purposes:

a) the first such document must be a true copy of the Applicant's passport or driving licence certified by a solicitor, accountant, banker or regulated financial services professional, who should provide their full name, profession and business address as part of the certification; and

b) the second such document must be a bank, building society or credit card statement or utility bill in the Applicant's name and showing the Applicant's current residential address, which must be less than three months old in each case.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and rejection of an Application Form (but without limiting the Company's right to require verification of identity as indicated above). Please do not send original documents but if you do they will be returned by post at the Applicant's own risk.

Please note that if the above requirements are not fulfilled and suitable evidence of identity cannot be obtained, the application will not be accepted.

Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations 2007, the Company requires verification of identity from any person lodging an Application Form (the "Applicant") and, without prejudice to the generality of the foregoing, in particular any person who either:

- a) Tenders payment by way of cheque or bankers' draft drawn on an account in the name of a person or persons other than the Applicant; or
- b) Appears to be acting on behalf of some other person.

In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

Cheques and bankers' drafts must be drawn in sterling on an account at a UK branch of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided for the members of either of those entities and must bear the appropriate sort code number in the top right hand corner.

Where possible, Applicants should make payment by their own cheque. If a third-party cheque, bankers' draft or building society cheque is used or a cheque is signed by the bank or building society and which does not quote the name of the Applicant, the Applicant should write their name and address on the back of the draft or cheque and, in the case of an individual, record his/her date of birth against their name.

Please ask the bank or building society to endorse on the reverse of the draft or cheque with the full name and account number of the person whose account is being debited and stamp such endorsement.

6. Sign and date the Application Form

If the Application Form is signed under a power of attorney, such power of attorney or a duly certified copy thereof must accompany the Application Form.

7. Send the completed Application Form together with the cheque or bankers' draft by post or courier to the following address:

Last Status Ltd Company Number 09845459 ADDRESS 5 Higham Gardens, Guestling Green, E Sussex TN35 4HR

If you post your Application Form you are recommended to use first class post and to allow at least two working days for delivery. Photostat or faxed copies of the Application Form will not be accepted.

Applicants are strongly recommended to submit applications and cheques as soon as possible.

In the event that applications are received for an amount in excess of the maximum subscription, Shares will normally be allocated on a first-come first-served basis.

The Directors' reserve the right to accept any application in part or reject any application in full.

8. A share certificate will be sent to you incorporating details included in Section 1 of the Application Form within 30 days of the allotment and issue of B Shares under the Offer.

9. If you have any queries on the procedure for application and payment, you should contact Mike Harris on +44 (0)7737 513427 or email:

mike@mrproductions.co.uk



PRIVATE PLACING

INFORMATION MEMORANDUM

Offer of up to 45,000 Ordinary B shares of £1 at £10 each (including a premium of £9 each).

The offer is eligible for tax benefits available under the terms of SEIS* or EIS* (*delete as required).

Document number _____

Name of recipient _____

Signature of recipient _____

Appendix 1 - Application form Last Status Ltd

Section 1 – Personal details

Mr, Mrs, Miss or Title _____

Full Name _____

Address (in full) _____

Postcode _____

Daytime Tel. No. _____

Email Address _____

Date of Birth _____

Nationality _____

National Insurance No. _____

Section 2 – Application and Amount Payable

I apply for the following:

Number of A or B Shares (please specify type) _____

Subscription amount at £10 per share £ _____

Section 3 – Payment for Shares

a) I attach a banker's draft or cheque for the amount of £_____ payable to Last Status Limited; or

b) I have transferred funds electronically to the following account:

Account Name: Last Status Limited

Bank Name: Barclays Bank PLC

Account Number: 33792056

Sort code: 20-15-70

Reference: Last name, first name of investor

Section 4 – Distribution Instructions

For future payment of distributions on Shares, please provide us with details of the bank account into which you would like these paid:

Name of Account: _____

Bank Name: _____

Bank Address: _____

Account Number: _____ Sort Code: _____

Section 5 – Identification

Along with your Application Form, you will need to provide us with supporting identification for our records as we are required by UK law and regulations to verify your identity. The documents required to verify your identity are:

Identification: Original or true copy of your current signed and valid passport.

We can accept a copy of your passport provided that the copy has been certified as a true copy of the original either by a solicitor or an accountant currently practicing in the UK, or an independent financial adviser.

Address Verification: Please submit one of the following (which must be dated no earlier than 3 months before the date of your application in the case of items marked*):

- Current and valid UK driving licence (Paper-style UK provisional licences are not acceptable.); or
- Utility bill, i.e a gas*, electricity*, water* or telephone bill* but not a mobile phone bill; or
- Most recent bank or building society statement*; or
- Local authority tax bill for the current year; or
- Credit card statement* (Mastercard or Visa only).

Section 6 – Confirmation

By signing this form I HEREBY DECLARE THAT:

- a)** I have received the Information Memorandum dated October 2015 and have read the procedure for application contained therein and agree to be bound by all the terms and conditions set out therein and in this Application Form and the Memorandum and Articles of Association of Last Status Limited; and
- b)** to the best of my knowledge and belief, the particulars I have given are correct.
- HMRC may inspect this declaration. It is a serious offence to make a false declaration.

Signature_____

Date_____

Delivery of Application Form

Send the completed Application Form, together with your cheque or banker's draft by post to:

Last Status Limited

Company Number 09845459

Address:

5 Higham Gardens, Guestling Green, E Sussex TN35 4HR

If applying as an Investment Professional

As an investment professional: I make this statement so that I,

Name _____

On behalf of (please insert company name) _____

with FSA Firm Register number: _____

Am able to receive financial promotions which are exempt from the restrictions on financial promotion in the Financial Services and Markets Act 2000. I accept, on behalf of the Company named in this application, that the contents of such financial promotions and other material I receive may not:

- 1) conform to the rules issued by the Financial Services Authority;
- 2) be subject to the controls which would apply if the promotion was made or approved by an authorised person;
- 3) have been approved by a person authorised by the Financial Services Authority.

As any of the above:

—I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

—I confirm that I hold a valid Statement which confirms that I am an Investment Professional, a High Net Worth Individual or a Sophisticated Investor within the meaning of the Financial Services and Markets Act 2000.

Signature Please sign for one of the following choices:

I am a self-certified high net worth individual _____

I am a self-certified sophisticated investor _____

I am an investment professional _____

Name _____

Date _____

Appendix 2 – The Enterprise Investment Scheme (EIS and SEIS)

The Enterprise Investment Scheme (“EIS”) was introduced under the Finance Act 1994 with the aim of encouraging investment in small, higher-risk, trading companies as a means to help alleviate the problems faced by such companies in raising finance. The EIS encourages investment by providing income and capital gains tax relief to “qualifying individuals” who invest in “relevant shares” in a “qualifying company”. SEIS is the Seed Enterprise Investment Scheme valid for investment to a total of £150,000.

Summary of Legislation

This is a summary of the main provisions of the EIS/SEIS so far as relevant to the Company as set out in Section 156 and subsequent sections of ITA 2007, Schedule 5B of TCGA 1992, and other relevant legislation. This summary does not set out any of the provisions in full and intending Shareholders are strongly advised to seek professional advice as to the tax relief that their particular investment will attract and the tax consequences of selling or otherwise disposing of their shares.

Qualifying Individuals

Investors must be individuals to qualify for income tax relief. In addition, they must be resident and ordinary resident in the UK if they are to qualify for CGT deferral relief. Trustees of certain trusts can get CGT deferral relief, but not income tax or CGT-free sales.

Broadly, the individual must not be connected (in a period beginning two years before the share issue and ending three years after the later of the issue of the shares or commencement of trade) with the company in which they invest which means:

- He and his associates must not own more than 30% of: the ordinary shares, or the voting rights, or the total issued share capital, or assets on a winding up. (Associates include business partners and relations i.e. spouse/civil partner, grandparents, parents, children and grandchildren – but not brothers or sisters – In addition to trustees of certain trusts).
- He must not be a paid director of the company except in limited circumstances.
- He must not receive value from the company e.g. repayment of certain loans, receipt of excessive dividends, assets transferred at an under/over value, repayment of share capital.
- He must not be an employee of the company or any of its 51% subsidiaries.

The rules are complex and have not been covered here in detail. This appendix provides an overview of the rules only and professional advice should be sought.

Not all the above conditions apply if only CGT deferral is being claimed.

Relevant Shares

An investor must be issued relevant shares in order to qualify for EIS/SEIS relief. For the company’s shares to be relevant for EIS/SEIS:

- the shares must be subscribed for wholly in cash and fully paid up at the time of issue.
- the shares must be issued to raise money for the purpose of a “qualifying business activity” (see below).
- the money raised by the share issue must be employed for the purpose of the qualifying business activity for which it was raised and no more than an insignificant amount of it can be used for any other purpose.
- the shares must be new ordinary shares. Preferential rights are only allowed in restricted circumstances. The funds raised by the issue must be employed by the company for its qualifying business activity within 24 months of the share issue. However, if the company is preparing to carry on a qualifying business activity i.e. it is a new trade, then this deadline is extended to 12 months after the date on which trading commences.

The shares must be subscribed for, and issued, for bona fide commercial reasons only (which means that they cannot be issued primarily for tax avoidance purposes).

Qualifying Companies

To qualify for EIS, the company must:

- on the date and issue of the EIS shares, be unquoted and there must be no arrangements for it to cease to be unquoted when the shares are issued (companies listed on AIM or PLUS markets are treated as unquoted for these purposes);
- be a company (or the parent of a company or group of companies), whose only purpose of existence (apart from purposes incapable of having any significant effect on the extent of its activities) is that of carrying on one or more qualifying trades;
- not be under the control of another company, or control another company other than a “qualifying subsidiary” (see below); and
- hold assets that do not exceed £15 million in value immediately before the EIS shares are issued, and do not exceed £16 million immediately afterwards;
- have a UK permanent establishment;
- at the time of the issue of the shares, the company meets the financial health requirement.

SEIS qualification applies only to the first £150,000 of shares issued.

A “qualifying subsidiary” is one which is a 90% subsidiary. Where a parent company is raising the funds but the “qualifying business activity” (see below) will be carried on by a subsidiary, the subsidiary must be a 90% subsidiary.

Qualifying Business Activity

To be carrying on a qualifying business activity, a company must be carrying on a “qualifying trade”, or preparing to carry on a qualifying trade, in which case the company must begin to carry on the trade within two years of the date of issue of the shares.

There is no requirement that the qualifying company is resident in the UK but the company must have a “permanent establishment” in the UK.

Qualifying trade

Broadly speaking, most trading companies will be regarded as carrying on a qualifying trade for EIS purposes, except for certain excluded activities, provided that, throughout the period of three years from commencement of trading, the trade is conducted on a commercial basis with a view to making profits.

The excluded activities include dealings in land, commodities, futures or shares, securities or other financial instruments, financial activities, legal or accountancy services, and property based activities.

Although the leasing or receiving of royalties or license fees is an excluded activity, there is an exception such that the Company’s trade will constitute a qualifying trade provided that the royalties and license fees received by the Company are attributable to the exploitation of intellectual property, the greater part of which (by value) has been created by the Company (or a 90% subsidiary).

The Tax Reliefs

SEIS attracts 50% Income Tax Relief – EIS attracts 30%

This relief takes the form of a reduction in the investor’s liability to UK income tax for the year in which the shares are issued. The relief is calculated at 30% or 50% on the amount which the investor subscribes for the shares, subject to there being sufficient personal tax liability to absorb the relief.

The maximum investment on which income tax relief is available is £1,000,000 per tax year in respect of all investments in EIS shares (£100,000 in SEIS shares).

Capital Gains Tax Exemption

Any capital gain on the disposal of shares that qualify for EIS Income Tax Relief (and in relation to which, Income Tax Relief has not been withdrawn) after the end of the three-year period from commencement of trading will be exempt from CGT.

Example (investment £50,000)

After Tax:	EIS		SEIS
Realised value of Investment after 3 years	£65,000		
Less initial Investment	£50,000		
Tax Free Gain	£15,000		
Add income tax refund (30%)	£15,000	(50%)	£25,000
Total Tax Free Cash Returned	£80,000		£90,000
Net Tax Free Cash Gain	£30,000		£40,000

CGT Deferral Relief

CGT on a gain from the disposal of any asset can be deferred by reinvesting an amount equal to the gain to be deferred into EIS shares. To qualify, the reinvestment must be made during the period beginning one year before and ending three years after the disposal of the relevant asset.

The tax on any gain deferred in this way becomes due on the disposal of the EIS shares (whether the disposal of the EIS shares gives rise to a profit or loss) or, if the individual ceases to be UK resident, within three years of issue of the shares.

There is no requirement to obtain income tax relief to qualify for CGT Deferral Relief and the amount of the gain that can be deferred is unlimited.

To obtain CGT Deferral Relief an individual must be resident or ordinarily resident in the UK at the time of the accrual of the capital gain and at the time he or she makes the qualifying investment.

Loss Relief

If a capital loss arises on the disposal of relevant shares in an EIS company after the end of the three-year period from the earlier of the share issue or commencement of trading, then subject to adjustment for the income tax relief previously claimed that capital loss would be available to the investor. This relief can be claimed by offsetting the loss against capital gains in the tax year in which the loss occurred, by carrying the loss forward against capital gains in subsequent tax years or, at the election of the investor, by offsetting the loss against taxable income in the year the loss arises or the previous year. Loss relief can reduce the investor's exposure to either 42% of the original investment (assuming a 40% tax payer offsetting against income tax relief) or 38.5% (assuming a 45% tax payer offsetting against income tax relief). Losses offset against capital gains tax will obtain relief at either 18% or 28% for the tax year 2014/15 and at the prevailing rate in subsequent years. In the event of a capital loss on disposal of SEIS shares this loss can be offset against tax due. If tax due is less than loss then tax due will be zero.

Please note that at the date of issue of this Information Memorandum, a proposal to cap some reliefs at the greater of £50,000 or 25% of an individual's income. The reliefs to be capped include (inter alia) trade loss relief against general income, loss relief in the first four years of trading, unquoted share loss relief and relief for qualifying loan interest. However, it is indicated that this restriction will not apply to EIS/SEIS qualifying shares.

Inheritance Tax Exemption

Investments in unquoted trading companies normally count as “business property” and should qualify for 100% business property relief. This relief gives up to 100% exemption from inheritance tax, provided that the investment has been held for at least two years before death and with the other benefits of the EIS, the effective cost of investment may be substantially reduced as indicated in the example below:

Withdrawal of Relief

In addition to the points, which follow, there are a number of anti-avoidance provisions that can apply to both EIS Income Tax relief and EIS CGT Deferral relief which are beyond the scope of this summary.

a) Income Tax Relief

If the Company ceases to be a qualifying company, as described above, within the three years commencing with the commencement of the qualifying trade all EIS income tax relief is withdrawn. If shares are disposed of within three years of their issue, relief is withdrawn in respect of those shares to the extent of the amount or value of the consideration received for them, unless the disposal is not at arm’s length when all relief in respect of them is withdrawn.

EIS Income Tax Relief will be withdrawn if a Shareholder from the Company or a person connected with the Company or in more limited circumstances by other shareholders receives value, within the period commencing one year before the share issue and ending three years after commencement of the qualifying trade. The circumstances in which value is received for these purposes are extensive although it may be disregarded if the value received is insignificant or the original supplier of value to an investor receives replacement value from the investor. There are also more limited circumstances where value received by other shareholders in the same time limits will cause withdrawal of Income Tax Relief.

b) CGT Deferral Relief

The gain that is deferred becomes an assessable gain when a Shareholder disposes of the shares (other than to a spouse) or ceases to be resident within the three years commencing with the issue of the shares (or commencement of the qualifying trade if later).

EIS Deferral Relief is withdrawn if the Company ceases to be a qualifying company, if the Company ceases to carry on the qualifying business activity, or the proceeds of the share issue are not used within the time limits. The deferred gain is deemed to arise on the date on which these circumstances arise. EIS Deferral Relief will also be withdrawn if value is received by a Shareholder from the Company or a person connected with the Company within the period commencing one year before the share issue and ending three years after the commencement of the qualifying trade.

The circumstances in which value is received for these purposes are extensive although it may be disregarded if the value received is insignificant or the original supplier of value to an investor receives replacement value from the investor. There are also more limited circumstances where value received by other shareholders in the same time limits will cause withdrawal of deferral relief.

1. How you can benefit

Eligible Investors should be able to benefit from various EIS tax relief as follows:

Type of Relief	Maximum rate	Maximum annual investment	Maximum tax saving
EIS income tax relief	30%	£1,000,000/single person	£300,000/single person
EIS capital gains tax deferral	28%	No upper limit	

Capital Gains Tax Deferral can defer tax of up to 28% of the amount invested.

2. How much tax therefore can I potentially save/defer when I invest?

	Amount invested	Tax relief	Initial net cost to Investor
a) Investors claiming EIS income tax relief	£25,000	£7,500	£17,500
b) Investors claiming EIS CGT deferral at 28%	£25,000	£7,000	£18,000
c) Investors claiming both EIS income tax relief and CGT deferral at 28%	£25,000	£14,500	£10,500

(CGT deferred will become payable at the rate in force at the time when the investment is realised or ceases to qualify)

Eligible Investors may therefore be able to combine the above reliefs so as to achieve initial relief of 58p in the £1.

Examples (b) and (c) above are calculated on the assumption that an Investor would otherwise pay tax at 28% on the chargeable gain which is the highest prevailing rate since 6 April 2010.

3. What would happen if I were to sell my shares after three years at a profit?

You will not have to pay any tax at all on any profits made from the sale of your shares (provided that the Company retains its EIS investment status) if you sell them after three years or if the Company is wound up and the assets distributed.

The tables below demonstrate the percentage returns that an Investor would receive if his/her shares were sold at £15.00 per share compared to the original purchase price of £10.00 per share.

Table (A)

Net cash amount invested for 2,500 shares (assuming only income tax relief at 30% applied)	£17,500
Cash received from sale of 2,500 shares	£37,500
Net cash profit received from sale of 2,500 shares	£20,000
Percentage return on net cash amount invested	114.3%

The example given in table (A) assumes only income tax relief at 30% has been applied.

Table (B)

Net cash amount invested for 2,500 shares (this assumes both CGT deferrals at 28% and income tax relief at 30% have been applied)
£10,500

Cash received from sale of 2,500 shares	£37,500
CGT payable at 28% on deferred gain (Assumes Higher rate Taxpayer)	£7,000
Net cash profit received from sale of 2,500 shares	£20,000
Percentage return on net cash amount invested	190.5%

The example given in table (B) assumes both CGT deferrals at 28% and income tax relief at 30% have been applied plus CGT payable on crystallised deferred gain at 28% (Higher rate Taxpayers).

4. What would happen if I were to lose money?

If an investor's shares are disposed of at a loss (to the subscription price) the allowable loss for capital gains tax purposes is calculated by reducing that loss by the amount of the EIS income tax relief. The reduced loss can be set against gains or by election against income. The tables below demonstrate the loss an Investor would incur if his/her shares were sold at £5.00p per share compared to the original subscription price of £10.00 per share.

Table (A)

Net cash amount invested for 2,500 shares (assuming only income tax relief at 30% applied)	£17,500
Cash received from sale of 2,500 shares	£12,500
Tax Relief at 45% on net loss set against income	£2,250
Net cash loss on sale of 2,500 shares	£2,750

The example given in table (A) assumes only income tax relief at 30% has been applied and that the investor is a 45% taxpayer in the year of disposal.

Table (B)

Net cash amount invested for 2,500 shares	
(assuming both CGT deferral at 28% and income tax relief at 30% applied)	£10,500
Cash received from sale of 2,500 shares	£12,500
Tax Relief at 45% on net loss set against income	£2,250
CGT payable at 28% on deferred gain after loss on EIS shares	£7,000
Net cash loss on sale of 5,000 shares	£2,750

The example given in table (B) assumes both CGT deferral at 28% and income tax relief at 30% have been applied plus CGT payable on crystallised deferred gain at 28% as well as that the investor is a 45% taxpayer in the year of disposal.

As stated above, the examples given in this section are illustrative only and assume that at all times the Company and individual qualify for EIS relief. They are not and should not be construed as forecasts of the likely performance of the investment described in this document.

4a Loss of capital if shares were issued under SEIS compliance

Losses on the disposal of SEIS shares are allowable. The amount of the capital loss is reduced by the amount of the Income Tax relief still attributable to the shares disposed of.

Appendix 3 - IMPORTANT NOTICE TO RECIPIENTS

This document which has been prepared by Last Status Limited ("the Company") is exempt from the general restrictions contained in section 21 of the Financial Services and Markets Act 2000 ("FSMA") relating to the communication of an invitation to engage in investment activity by virtue of the restricted availability described below and therefore has not been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA"). The document comprises an Information Memorandum which has been prepared in connection with a proposed subscription of shares in the Company.

No shares in the Company are being offered to the public for the purposes of the Prospectus Regulations 2005 and no application has been or will be made for the admission of any of the Company's shares to the official list of the UK Listing Authority, to trading on the AIM or to trading on any other recognised investment exchange.

This Information Memorandum is confidential and intended only for the person to whom it has been delivered (each a "**Recipient**"). Except where required by the operation of applicable law or regulation, or in respect of a Recipient's professional advisers who are subject to confidentiality requirements equivalent to those detailed herein, under no circumstances may a copy of this Information Memorandum be shown, copied, transmitted or otherwise provided to any person other than the Recipient. This Information Memorandum shall remain the property of the Company, which reserves the right to require that the Recipient promptly return or delete all materials received from the Company, any copies made thereof and any notes or analyses derived therefrom.

This Information Memorandum is for illustration and discussion purposes only and is not intended to be, nor should it be construed as, financial, legal, tax or investment advice.

Potential investors should take independent financial, legal, tax and investment advice.

No representation or warranty is made by the Company as to the accuracy, reliability or completeness of the information, opinions or representations contained herein.

Except where imposed by the operation of applicable law or regulation, the Company, and any officer, member, agent, employee or advisor of the Company shall not be liable for any loss or damage suffered by any person who has relied upon this Information Memorandum.

This Information Memorandum is exempt from the general restriction in section 21 of The FSMA on the communication of invitations or inducements to engage in investment activity on the grounds that it being distributed in the United Kingdom only to qualifying individuals. SEIS and IES tax benefits only apply to UK-based residents. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons.

"Investment Professional" is defined in Article 19 of the FMSA Order, as (a) an authorised person; (b) an exempt person where this Information Memorandum relates to a controlled activity which is a regulated activity in relation to which the person is exempt; (c) any other person: (i) whose ordinary activities involve carrying on the controlled activity to which this Information Memorandum relates for the purpose of a business carried on by the Recipient; or (ii) who it is reasonable to expect will carry on such activity for the purposes of a business carried on by the Recipient; (d) a government, local authority (whether in the United Kingdom or elsewhere) or an international organisation; or (e) a person ("A") who is a director, officer or employee of a person ("B") falling within any of the foregoing sub-paragraphs (a) to (d) where this Information Memorandum is made to A in that capacity and where A's responsibilities when acting in that capacity involve the Recipient in the carrying on by B of controlled activities. This Information Memorandum is directed at persons having professional experience in matters relating to investments, and any investment or investment activity to which this Information Memorandum relates is available only to, and will be engaged in only with, such persons. Persons who do not have professional experience of matters relating to investments should not rely upon this Information Memorandum.

Nothing in this document shall be construed as the giving of investment advice by the Company or any other person. If you are in any doubt as to whether to invest in the shares described herein, you should consult an independent financial advisor who is qualified to advise on investments of this nature.

The Financial Illustration section in this Information Memorandum is purely illustrative and does not constitute by the Directors of the Company or advisors a forecast of what may arise.