

DRACULA

Bram Stoker's classic novel reimagined

INFORMATION OUTLINE

Dracula Films Ltd

WARNING

The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets involved.

**Please note that there is no guarantee that the film will go into production. Development finance is always the riskiest type of film finance. Potential investors should always take professional advice before investing.
You may not get back what you invest.**

10 February 2015

www.draculathefilm.co.uk

IMPORTANT NOTICE

The Directors of Dracula Films Ltd (the '**Company**'), whose names appear on page 12, accept responsibility for the information contained in this Information Memorandum ('**IM**'). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the material facts and does not omit anything likely to affect the import of such information. All information in this IM is believed to be accurate but no liability whatsoever will be accepted by the Company, the Directors or any advisers of the Company for any act or omission or for any costs, expenses or losses suffered (including, without limitation, liability for indirect, economic or consequential loss) as a result of persons acting upon information or projections contained in this IM or in any documentation supplied with or separately or at a later date and, to the widest extent permitted by law, all such liability is excluded.

The Shares are offered solely on the basis of the information and representations contained in this IM and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or the Directors. Neither the delivery of this IM nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment in the Company. Prospective investors should not treat the contents of this IM as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers. Neither the Company nor the Directors accept any duty of care to any prospective investor. Any person who is in doubt about the contents of this IM should consult an authorised person specialising in investment activities.

Reliance on this IM for the purposes of engaging in any activity may expose an investor to a risk of losing all of his or her investment. Prospective investors are referred in particular to the section entitled 'Risk Factors' on pages 18 & 19 of this document. Prospective investors should note that applications to participate in the Company are not covered by the Financial Services Compensation Scheme.

Restrictions on Distribution

This IM is important. If you are in any doubt about the contents of this IM you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 ('**FSMA**') who specialises in advising on the acquisition of shares and other securities or from another appropriately independent adviser. This opportunity is made to or directed at fewer than 100 persons, other than qualified investors. Therefore, it does not constitute an offer of securities to the public that would otherwise need to comply with the prospectus requirements in Part VI of the FSMA.

This IM falls within the restriction on financial promotion in section 21 of the FSMA relating to invitations or inducements to engage in investment activity. This requires a financial promotion to be issued, or the contents approved, by a person who is authorised by the Financial Services Authority ('**FSA**') or that it falls within an exemption in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529) ('the Financial Promotion Order'). The Company is not authorised by the FSA and this document has not been approved by an FSA authorised person. Therefore, this opportunity is only available to those persons who fall within an exemption in the Financial Promotion Order. The Company consider the exemptions relating to 'investment professionals', 'certified high net worth individuals' and 'self-certified sophisticated investors' in Articles 19(5), 48(2) 50 and 50A respectively of the Financial Promotion Order to apply to those persons that receive this document. If you receive this document and do not fall within these exemptions, and are not able to fall within any other exemption in the Financial Promotion Order, you should return the document immediately to the Company and consider the opportunity to take part in this venture withdrawn.

The requirements for a person to become a certified high net worth individual

A certified high net worth individual is an individual who has in the preceding twelve months, ending with the day on which this communication is made, signed the statement in Part I of Schedule 5 of the Financial Promotion Order and satisfies the conditions included in that statement.

The requirements for a person to become a self-certified sophisticated investor

A self-certified sophisticated investor is an individual who has in the preceding twelve months, ending with the day on which this communication is made, signed the statement in Part II of Schedule 5 of the Financial Promotion Order and satisfies the conditions in that statement.

The opportunity to invest in the Shares is being made available in the United Kingdom only to persons falling within a relevant exemption to the Financial Promotion Order and other persons should not make any use of this IM.

This document may not be distributed to persons in or into the United States, Canada, Australia, Japan, the Republic of Ireland or South Africa (including the territories, possession and all areas subject to their jurisdiction) or any country or jurisdiction where its distribution will require compliance by the Company with any governmental or regulatory procedure or any similar formalities. Any such distribution may result in a violation of the relevant country's securities laws. Persons into whose possession this document comes are required to inform themselves as to and observe any such restrictions, laws or formalities.

Notice Concerning Forward Looking Information

The following paragraphs apply to any targeted returns, illustrative returns, estimates, beliefs, opinions or similar information in this IM ('Forward Looking Information'). This IM contains Forward Looking Information, which is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified in this IM. Forward Looking Information is provided for illustrative purposes only and is not intended to serve as, and must not be relied on by any prospective investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company and its advisers.

Some important factors that could cause actual results to differ materially from those in any Forward Looking Information include, without limitation, changes in interest rates, taxation legislation, or domestic and foreign business, market, financial, political and legal conditions. There can be no assurance that any particular Forward Looking Information will be realised, and the performance of the Company may be materially different from the Forward Looking Information. The calculations in any Forward Looking Information have been prepared without a view necessarily towards public disclosure or compliance or conformity with published guidelines or with generally accepted accounting principles of the UK in each case whether relating to historical or other financial or statistical information or data. Such Forward Looking Information should be considered in conjunction with all the other information contained in this IM, including the information contained in the section entitled 'Risk Factors' on pages 18 & 19.

Risk Factors

Investment in the Company carries substantial risk. There can be no assurance that the Company's investment objectives will be achieved and results may vary substantially over time. Prospective investors should carefully consider whether an investment in the Shares is suitable for them in light of their circumstances and financial resources (see further under 'Risk Factors'). If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

Confidentiality

This document is being provided to recipients on the basis that they will keep confidential any information contained herein or otherwise made available, whether oral or in writing, in connection with the Company. This document is confidential and must not be copied, published, reproduced, distributed or passed in whole or in part to others at any time without the prior written consent of the Company.

Dracula – introduction

Fluidity Films, the production company that made the EIS-financed feature film of Michael Morpurgo's *Private Peaceful*, has acquired the option to a new script based on Bram Stoker's *Dracula* set in the present day, as a predominantly low budget 'found footage' genre film.

The screenplay has been written by Jonathan Williamson, who will also co-direct the film. Guy de Beaujeu and Simon Reade of Fluidity Films will produce the film.

As part of the funding for the film, the company is raising up to £150K through a tax-efficient Seed Enterprise Initiative Scheme (S-EIS), with a view to shooting *Dracula* in early 2015. The film's final budget is estimated at between £300-400K, depending on the involvement (or not) of other equity funds and/or UK film industry funding bodies.

Qualifying investors will receive a reduction from their income tax bill of 50% of their original cash equity investment from HMRC. There is no CGT payable on profits from S-EIS investments.

S-EIS shares in *Dracula* Films Ltd will sit *pari passu* with all other equity shares whether EIS or not, (if such shares are required).

After costs, debts and deferrals (if applicable) are paid, equity investors will receive 100% of their investment back before the net profits are split 50/50 between all equity investors and the producers in the most tax-efficient way possible within the rules governing S-EIS investment.

NB that the producers are responsible for paying actors, creatives and executive producers (if any) 'points' from their share (the producers' net). Investors in the S-EIS Fund will join the team on the journey from development to distribution; they will receive regular updates and be given the opportunity to meet the principal members of the creative team as well as attend the film's premiere.

Dracula – SEED-EIS development & production fund

Fluidity Films has set up a new Company limited by shares (Dracula Films Ltd) as an SPV (Single Purpose Vehicle) to part-finance Dracula as a low budget feature film under the government's Seed Enterprise Initiative Scheme (S-EIS).

HMRC has confirmed its assurance of the Dracula Films S-EIS in a letter dated 20 October, 2014.

The company has signed a Deed of Assignment with Poonamallee Productions transferring all rights in the screenplay by Jonathan Williamson to Dracula Films Ltd. Poonamallee Productions is owned by producer Simon Reade and was the original owner of the screenplay option. Fully executed copies of the Deed of Assignment are available from Fluidity Films on request.

Terms

1. The Minimum Investment will be £1,000 in £1 ordinary shares.
2. We will raise a Maximum Amount of £150K as S-EIS (the maximum allowed).
3. We do not anticipate raising more than £400K in total equity in the film (through S-EIS, EIS or other equity funds).
 - a) We will raise a Minimum Amount of £85K before we commence development.
4. Once the debts and deferrals of the production have been repaid, S-EIS Investors in the Company will be repaid 100% of their initial capital investment in the most tax-efficient manner *pari passu* with all other equity investors
 - a) Once debt and deferrals have been paid and all equity investors have received 100% of their initial capital investment the production will be deemed to be in 'net profit'.
 - b) NB that under S-EIS rules, Investors must wait three years before accessing S-EIS funds – funds will be held on deposit in escrow earning interest for investors where possible.
5. The net profits in the production will be split 50/50 with the producers – ie 50% of net profits will be paid to the Investor pool and 50% of the profits will be paid to the producers for distribution among the producers' net points holders.
6. If after three years the film has not gone into net profit and is deemed unlikely so to do, in consultation with the Investors the Company can be wound up in the most tax-efficient manner.
7. The total number of S-EIS, EIS or other repayable equity shares issued is not expected to exceed £400K. The minimum budget will be £250K, the maximum budget is not expected to exceed £500K without the consent of the equity shareholders (the difference between shares issued and actual budget is made by (but not limited to) UK Tax credits, post production deals, gap finance and deferrals).

8. Dracula Films Ltd will be the development and production vehicle for the film. S-EIS shares will be issued, followed by further equity shares in the manner and order prescribed by HMRC.
 - a) NB that the S-EIS fund is not able to own assets of more than £200K when the shares are issued and shares in S-EIS cannot be issued until 70% of the investment has been spent.
 - b) Once 70% of the investment has been spent, the company can then issue S-EIS shares AND further equity shares as EIS (or not) in the company.

S-EIS outline

The investment rules and regulations are similar to EIS. To benefit, investors must be UK tax payers with a tax liability equal to or larger than the amount to be rebated. In some cases investors may carry back rebates. **The information below is a brief summary and your financial advisor is best placed to advise you depending on your personal circumstances.**

1. S-EIS returns investors 50% of their investment by way of a tax rebate. If the scheme is successful any profits made from the sale of the shares is CGT-free.
2. If the scheme is unsuccessful investors have further options to gain additional tax relief. These include (but are not limited to):
 - a) writing off 50% of the remaining investment against income tax at their highest prevailing income tax rate
 - b) writing off 50% of the remaining investment against any CGT liability they have at 28%

50% income tax relief		28% CGT relief	
Initial investment	-£10,000	Initial investment	-£10,000
S-EIS rebate 50%	£5,000	S-EIS rebate 50%	£5,000
Remaining	-£5,000	Remaining	-£5,000
Set against income tax @ 45% rate	£2,250	Set against CGT @ 28%	£1,400
Total loss	-£2,750	Total loss	-£3,600

If the film goes into production the gain might look like the table below:

Potential gain	
Initial investment	-£10,000
S-EIS rebate 50%	£5,000
Repayment of investment	£10,000
Share of net profit	£4,500
Total gain	£9,500

3. Investors may only invest a maximum of £100K in S-EIS in any one tax year.
4. No investor may control more than 30% of the business.

Further information on S-EIS is available on the HMRC [website](#).

These figures are for illustration only and do not form any sort of guarantee or investment recommendation from the Company.

Dracula – potential finance plan

The finance plan below gives an outline of how the film MIGHT be financed at a £350K budget level assuming the involvement of either the Creative England Film Fund or the BFI Production Fund.

BUDGET	£350,000	
SEIS equity	150,000	
post production equity deal (c. 5% of budget)	17,500	
Creative England/BFI fund	75,000	
TOTAL EQUITY		£242,500
Pre-sales	18,250	
UK tax credit (c.18% of budget)	63,000	
deferments (c. 7.5% of budget)	26,250	
SOFT FINANCE TOTAL		£107,500
TOTAL		£350,000

Dracula – development and production team

Fluidity Films is the independent British film production company that made the feature films of Michael Morpurgo's *Private Peaceful* and Filter Theatre's *What You Will*, led by producers Guy de Beaujeu and Simon Reade.

The company has recently agreed terms on a co-production deal with Goldcrest Films to make Jane Austen's *Sanditon* with an anticipated budget of £6M in summer 2015.

The company raised over £2.75M to make *Private Peaceful*, using an EIS (Enterprise Initiative Scheme) to fund a substantial part of the budget. The film starred the late Richard Griffiths (in his last film role), Frances de la Tour, Maxine Peake, George Mackay and Jack O'Connell.

The company's philosophy is to create the very best British feature films, putting as much money on screen and rewarding artists and collaborators appropriately, while keeping the servicing of finance costs and office overheads to a minimum.

Fluidity Films' literary and artistic connections have enabled it to build a bank of ideas and contacts and create an ever-growing development slate of works that cross genres, budgets and styles. Current projects include works by Christopher Isherwood, RC Sherriff and Eva Ibbotson.

The company is not bound by dogma or a commercial straitjacket, working with a variety of creative sources including literary, theatrical and original screenplays that deliver a strong British theme.

Both Guy and Simon are also writers and creative producers, giving the company valuable insights into the creative and commercial process.

Jonathan Williamson – writer/director

Jonathan is a graduate of the London Film School. During his time there his short film scripts won numerous awards, including Victor Hugo Award, Chicago Film Festival; Best Short film, Oporto and Sitges Film Festivals.

He then spent a decade producing commercials and corporate films for major companies such as Virgin Atlantic, Cadbury's and the Discovery Channel. Jonathan then took a year out to return to his writing and graduated with an MA from the screenwriting program at Bath Spa University, where he was mentored by Doug Chamberlin (*Screenwriter: Toy Story 2*) and Robin Mukherjee (*Screenwriter: Lore*).

Since graduating in 2010, he has had horror story scripts optioned by Archer Street Productions and Mutant Robot.

Guy de Beaujeu – producer

Guy is the lead producer on a range of projects on Fluidity Films' slate including RC Sherriff's *Journey's End*, Jane Austen's *Sanditon* (developed as an S-EIS), Christopher Isherwood's *Prater Violet*, Eva Ibbotson's *Journey to the River Sea* and the true story of US/STASI spy, *Jeff Carney*.

He produced *Private Peaceful*, raising the finance and creating an EIS to fund the project. He also produced and co-wrote the comedy feature doc *What You Will*, released on DVD by Soda Pictures in 2013.

He is also a scriptwriter and worked previously in advertising and PR.

Simon Reade – producer

Simon wrote the screenplay and produced *Private Peaceful*. He directed and produced Fluidity Films' comedy drama *What You Will*.

He has recently delivered screenplays for *Sanditon*, his adaptation of Jane Austen's last unfinished novel, and *Prater Violet*, his adaptation of Christopher Isherwood's satire of the movie business, both of which he will produce for Fluidity Films.

Simon will also produce a number of projects on Fluidity Films' slate including RC Sherriff's *Journey's End*, Eva Ibbotson's *Journey to the River Sea* and the true story of US/STASI spy, *Jeff Carney*.

He is also a theatre producer, dramatist and director with extensive credits.

He previously worked as a development producer and script editor for Tiger Aspect Productions and BBC Television.

Dracula – history

Bram Stoker first began taking notes for *Dracula* on 8 March 1890 while on holiday in Whitby, origin of Captain Cook's famous Pacific voyages. He entered his last note six years later and published the novel with Constable in the Diamond Jubilee Year 1897.

Late-Victorian audiences loved vampire stories and, although no American publisher accepted it until Doubleday & McClure in 1899, the novel almost immediately sold well both in England and later on the Continent, its first translation, *Makt Mgrkanna* meaning *The Prince of Darkness*, appearing in Iceland in 1898.

Since that beginning, Stoker's story, which appeared in a poor quality yellow binding due to the extra cost involved in a last-minute change to its title, has been translated into forty-three more languages.

(Extract from the introduction to the Wordsworth Classics edition of Dracula by David Rogers, Principal Lecturer Kingston University. © David Rogers 2000).

Dracula – creative outline

The script brings Dracula to the 21st Century, closely following the original book, mimicking Stoker's use of third party journals, news reports, ships logs and police statements. But these are now found footage, CCTV, TV news reports, police officer cams, tweets and selfies.

Dracula is one of the most remade films in cinematic history – but no one has made it like this. And not for a budget less than £500K.

As in the book, (and unlike almost every other Dracula film), Dracula does not feature a great deal – it is the heinous results of his work and the psychological stress we see as the narrative unfolds more than the vampire and his pointy teeth.

But in the modern world, unlike the 19th Century, as our heroes begin the fight back against Dracula, they lay themselves open to accusations of gruesome murder.

Dracula lends itself perfectly to the found footage genre – and the protagonists quickly realise they must film their murderous activities because otherwise no one will believe they are innocent.

This modern 21st Century iteration of Dracula will allow us to explore a multimedia platform – the character of Bram Stoker's vampire expert Van Helsing is replaced by a dark internet portal (www.vanhelsi.ng) based in Nigeria (we own the domain name).

Much of the footage will be internet and social media-based, enabling us to merge film and media platforms for promotion and marketing.

Dracula – Synopsis

Found footage, video dairies, selfies, CCTV, TV and radio news reports, Twitter feeds, Facebook and other social media have been collated by an unseen hand....

Estate agent Jonathan Harker undertakes to schmooze a new client in Romania looking to buy property in the UK. It is a decision that leads him and his friends into a terrifying battle to the death with vile, supernatural forces.

The client is Dracula, master of the undead, a cold, manipulative and selfish creature who imprisons Jonathan while he plans his arrival in England.

Mina, Jonathan's girlfriend, is perplexed and worried, as Jonathan has stopped communicating with her. Then a ship crashes onto the local beach and bizarre events begin to occur: a dog is mauled to death, a local man is murdered and Mina's friend Lucy is attacked by a stranger.

Finally Jonathan escapes from his imprisonment and returns to Mina a broken man. When Lucy dies in agony from a mystery illness, Jonathan slowly realises the alarming truth and convinces his friends the cause of her traumatic death is Dracula.

But no one will believe their tale, forcing them to undertake unimaginable steps to save themselves and others. All the while recording everything in an effort to prove their innocence.

First they face the horrifying task of destroying their beautiful friend Lucy, who has become one of the grotesque undead. They must pursue her, hammer a stake through her heart and decapitate her.

In revenge Dracula strikes at Mina – leaving her inexorably to become one of the undead. To save Mina the hunted become the hunters.

Dracula viciously murders Mina's cousin Renfield to stop them finding him. But Mina's growing mental connection with Dracula leads them to his lair.

As the sun sets, Dracula rises. The friends are impotent against his power but Mina, choosing between Jonathan and Dracula, dispatches Dracula with a thundering blow from a crucifix.

© Fluidity Films 2015

Dracula – script

A draft script is now available from the producers.

Directors of the company:

Guy de Beaujeu guy@fluidityfilms.com

Simon Reade simon@fluidityfilms.com

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FLUIDITY FILMS

Dracula Films Ltd – investing in the company – small print and application form

The Company has received S-EIS approval from HMRC.

The clearance of a Company for S-EIS purposes by HMRC in no way bears on the commercial viability of the investments to be made, neither does it guarantee the availability, amount or timing of relief from income tax or CGT.

Terms of the Offer

Under the Offer, up to 150,000 B Ordinary Shares are being offered to Investors. The allocation of B Ordinary Shares will be entirely at the discretion of the Company.

The Minimum Subscription per Investor is £1,000. Investors should be aware they are only allowed to invest a maximum of £100,000 annually in S-EIS.

Only one application per Investor can be made to the Company. Joint applications will not be accepted. Spouses and civil partners may apply independently. The Minimum Amount to be raised in respect of this Offer is £85,000.

If the Minimum Amount is not raised under this offer, subscription funds will be returned to Investors in full within ten days of the closing date (31 March 2015).

How to Invest

An Investor must complete the Application Form. Please note that on acceptance of an Application Form by the Company, a binding contract will exist between the Investor and the Company.

- a) Funds may be transferred electronically to Royal Bank of Scotland:

Fluidity Films Ltd	(ref: Dracula)
Sort code	16-00-55
Account	10003650
- b) Cheques should be made payable to Dracula Films Ltd and sent with this application.
- c) The completed and signed application form should be returned to Dracula Films Ltd, c/o Fluidity Films, 3 Etsome Hill Cottages, Somerton, Somerset TA11 6JD.

Governing law

The terms and conditions of the Offer as set out in this document and the Application Form shall be governed by, and construed in accordance with, English law. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offer, this document and the Application Form.

By taking up their entitlements under the Offer in accordance with the instructions set out in this document and the Application Form, Investors irrevocably submit to the exclusive jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

APPLICATION FORM

TERMS & CONDITIONS OF SUBSCRIPTION FOR SHARES

- (1) I hereby acknowledge that the acceptance and basis of application of the Shares of the Company is in the absolute discretion of the Directors and that they have reserved the right to reject in whole or in part or to scale down any application. If any application is not accepted, or is accepted for fewer Shares, then the number applied for the application moneys or the balance thereof (as the case may be) will be returned by sending the applicant's cheque or banker's draft, or a crossed cheque in favour of the applicant in each case by post or by hand and at the risk of the person entitled thereto to the address of the applicant without interest.
- (2) In consideration of the Directors agreeing that they will consider and process applications for the Shares and as a separate contract with the Company which will become binding on dispatch by post of this application form: -
 - (a) I warrant that my cheque or banker's draft will be honoured on first presentation and agree that if such cheque or banker's draft is not so honoured I will not be entitled to receive a share certificate for any Shares unless and until I make payment in cleared funds for such Shares and such payment is accepted by the Company in its absolute discretion (which acceptance may be on the basis that I indemnify the Company against all cost, damages, losses, expenses and liabilities arising out of or in conjunction with the failure of my remittance to be honoured on the first presentation).
 - (b) I understand that any application by me to invest in the Company shall be deemed to be an offer up to the value of my application and that such offer shall be deemed to take effect on dispatch by post with this application form.
 - (c) I confirm that I am not relying on any information or representation in relation to the Company other than that contained in the Information Memorandum and agree that neither the Company nor any person responsible for the IM or any part of it shall have any liability for any information or representation not so contained.
 - (d) I hereby authorise the Company to send a cheque for any moneys returnable to me by first class post at my risk to the address given above.
 - (e) I agree that my application for Shares is irrevocable.
 - (f) I warrant that if I have signed this application form on behalf of any other person I have due authority to do so, and that such person will also be bound accordingly and be deemed to have given the confirmations, warranties and undertakings contained in this IM.
 - (g) I warrant that I am not nor am I applying on behalf of a person who is under the age of 18.
 - (h) I hereby warrant and declare that:
 - (i) I am not connected with the Company and I will notify the Directors immediately in writing if I become so connected as defined in section 166 of the Income Tax Act, 2007;
 - (ii) I agree that this application form shall be construed in accordance with and governed by the laws of England and Wales.

- (i) I hereby declare that I have read a copy, understood and agreed to the terms and conditions contained in the IM and this application form including the risk factors on pages 18 & 19 of the IM and have taken all the appropriate professional advice which I consider necessary before submitting my application and that I am aware of the special risks involved in participating in an investment of this nature, and I understand that my application is made upon the terms of the IM and this application form.
- (j) I acknowledge that in relation to the transactions in the IM, advisers of the Company mentioned therein are acting for the Company and not for me or on my account and that accordingly will not be responsible to me for providing protections afforded to their clients, for advising me on any transaction described herein, or for ensuring that any such transaction is suitable for me.
- (k) I agree that acceptance of an application form will have the meaning set out in the IM unless the context requires otherwise. I warrant that I am resident and ordinarily resident in UK and that I have been so resident and expect to remain so resident and I will notify the Directors immediately in writing if I cease to be so resident.
- (l) Save where the context otherwise requires, words and expressions defined in the IM have the same meaning when used in the application form and any explanatory notes in relation thereto.

APPLICATION FORM

This application form, together with your cheque or bankers' draft (if not paying electronically – see page 14) made payable to Dracula Films Ltd should be sent to Dracula Films Ltd, c/o Fluidity Films, 3 Etsome Hill Cottages, Somerton, Somerset TA11 6JD.

The Offer will open at 10am on 8 September, 2014. The initial closing date is 31 March, 2015 at 5.30 pm unless extended by the Directors.

Offer for subscription of Shares payable in full on application

Number of £1.00 Shares applied for (minimum 1,000) :

Total value (minimum £1,000) : £

To: Dracula Films Ltd, I hereby irrevocably offer to subscribe for the number of fully paid Shares on the terms of the Information Memorandum dated 10 September 2014 and subject to the terms and conditions set out on the previous page and the Memorandum and Articles of Association of the Company.

I have paid electronically/I enclose a cheque made payable to Dracula Films Ltd for (delete as appropriate) the amount specified above, and agree that this may not be satisfied if the offer is oversubscribed.

I request and authorise you to register any Shares for which this application is accepted in the name(s) set out below:

Surname:

Title and Forenames:

Address:

Post Code:

Tel:

E-Mail:

Signature:

Date:

**STATEMENT FOR CERTIFIED
HIGH NET WORTH INDIVIDUALS**

I declare that I am a certified high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

I understand that this means:

1. I can receive financial promotions that may not have been approved by a person authorised by the Financial Services Authority;
2. the content of such financial promotions may not conform to rules issued by the Financial Services Authority;
3. by signing this statement I may lose significant rights;
4. I may have no right to complain to either of the following:
 - i. the Financial Services Authority; or
 - ii. the Financial Ombudsman Scheme;
5. I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a certified high net worth individual because at least one of the following applies –

- a) I had, during the financial year immediately preceding the date below, an annual income to the value of £100,000 or more;
- b) I held, throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more. Net assets for these purposes do not include-
 - i. the property which is primary residence or any loan secured on that residence;
 - ii. any rights of mine under a qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or
 - iii. any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependents are), or may be, entitled.

I accept that I can lose any property and other assets from making investment decisions based on financial promotions.

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

Signature:

Date:

RISK FACTORS

The Directors consider the risk factors below to be significant to potential investors in the Company. In addition to these risk factors, there may also be other factors which are currently unknown to the Directors and which may have a material adverse impact on the Company.

Risks relating to the Company's business model, structure and share capital

The opportunity described in this Offer Document may not be suitable for all recipients. Potential investors are recommended to consult an investment adviser, authorised under the FSMA, with suitable experience in advising on unlisted securities in UK companies. Potential subscribers should also consider taking specialist tax advice.

Ordinary Shares in the Company will not be listed or dealt in on any stock exchange. An investment in an unquoted company is inherently speculative as an investment in Ordinary Shares in the Company may be difficult to realise. Investors should not apply for Ordinary Shares in the Company unless they can afford to lose their investment.

The value of the Company's Ordinary Shares may go down. Investors may therefore realise less than their original investment, or possibly nothing.

Subject to Shareholders' consent, the Company may raise additional capital in the future. Any equity offering to new investors may result in dilution of the holdings of investors in this Offer.

The Company has been incorporated as a vehicle for the development and production of Dracula. It currently has no other revenue sources and its viability (and the availability of any funds to return to shareholders) is dependent on the success of Dracula.

There is no certainty that the funds to be raised pursuant to the Offer will be sufficient to complete production of Dracula.

Dracula may require funding in addition to that provided pursuant to the Offer. There is no guarantee that such alternative funding will be available on attractive terms to the Company, if at all. This could have a material adverse impact on the ability of the Company to complete the development and production of Dracula.

Investment in new businesses carries high risk as well as the possibility of high rewards. It is highly speculative and potential investors should be aware that no established market exists for the trading of shares in private companies. Before investing in a project about which information is given, investors are strongly advised to verify all material facts and information for themselves and to take advice from a person authorised under the FSMA 2000 who specialises in investments of this kind.

Subscription for Ordinary Shares is not covered by the Financial Services Compensation Scheme established by the Financial Services Authority.

Risks relating to film development and production

The Company is operating in a competitive sector where the commercial risks are high. Industry reaction to Dracula may not be favourable and it may prove impossible to get Dracula financed or distributed. Accordingly, any investment in the Company is speculative.

Low budget films can carry a higher risk than bigger budget productions as there is no guarantee that the project will ever be distributed. There may be no pre-sales or a completion guarantee available to the Company in relation to the production to mitigate such risks. The value of rights in a film project may be worthless if the project never proceeds to distribution.

The Company is dependent upon the principal members of its management staff, in particular Guy de Beaujeu and Simon Reade for potential revenue. The loss of their services would severely impair the prospects of the Company.

Income from Dracula may be zero.

Legal and tax risks

Changes in government policy could affect the return on investment in the Company and may result in changes in tax rates and reliefs.

Neither the Company, the Directors nor the Company's advisers give any warranties or undertakings that S-EIS Relief will be available or that, if given, such relief will not be withdrawn. If the Company ceases to carry on the business outlined in this document during the three year period from the last allotment of Ordinary Shares, or the date of commencement of trading if later, this could prejudice the qualifying status of the Company under the S-EIS scheme. This situation will be carefully monitored with a view to preserving the Company's qualifying status, but this cannot be guaranteed.

Investors wishing to obtain S-EIS income tax relief must retain their Ordinary Shares for three years from the date of issue or from the date of commencement of the Company's trade if this is later. If the Ordinary Shares are not held for such three-year period, the tax reliefs obtained initially will be lost, and must be repaid with interest. Accordingly, for investors wishing to obtain S-EIS Relief, investment in the Company is not suitable as a short-term investment. In addition, there are various additional conditions attached to S-EIS Relief that individual investors must satisfy for specified periods and it is therefore vital that potential investors take advice from their own professional advisers on the likelihood of them qualifying for S-EIS Relief.

Provisional advanced assurance has been received from HMRC in respect of the qualifying status of the Company for S-EIS purposes. However, no guarantee is given that such relief will not be withdrawn.