

**Strategic Report of the Director and
Financial Statements for the Year Ended 30 March 2018**

for

Altus Media (Two) Limited

Previously known as Altus Media (Two) Plc



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Altus Media (Two) Limited
Company Information
for the Year Ended 30 March 2018

DIRECTORS: C Mulholland (appointed 30 May 2019)
J J Fields (resigned 30 May 2019)
PAP Brett (resigned 30 May 2019)

SECRETARY: Richard Horsley & Co Limited (resigned 30 May 2019)

REGISTERED OFFICE: 7 St. John's Road
Harrow
Middlesex
HA12EY

REGISTERED NUMBER: 08260708 (England and Wales)

SENIOR STATUTORY AUDITOR: David Segall

AUDITOR: Macalvins Limited
7 St John's Road
Harrow
Middlesex
HA12EY

Altus Media (Two) Limited
Strategic Report
for the Year Ended 30 March 2018

The director presents the strategic report for the year ended 30 March 2018.

APPOINTMENT OF DIRECTOR

I was appointed as director on 30th May 2019 as a result of shareholders' concerns. The incumbent directors resigned on the same date.

PRINCIPAL ACTIVITY

The company was promoted by Chancery UK LLP and the principal activities promoted for the company were the production, co-production and exploitation of high quality commercial independent film and television projects. The company was also established to comply with the Enterprise Investment Scheme rules in the United Kingdom as promulgated by HMRC to enable the investors to claim certain personal tax reliefs for their investment in the share capital of the Company.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company has in the past entered into production agreements for, or incurred costs in relation to services provided to develop Sin City 2, Welcome to New York, the Journey, Exeter (f.k.a. Backmask), Better Living through chemistry, Chef, Echo Lake Development Slate, Last Days of Mars, Madame Bovary, Nina, Wolf Hall and The Hallow (f.k.a. The Woods).

The company continues to hold rights to these projects, but no new projects were entered into during the year. The company is in the process of finalising all arrangements entered into and this is expected to be completed early in the year ended 31 March 2020.

Net assets have been reviewed to ensure they are carried at a realistic amounts and adjustments made where required.

GOING CONCERN

The director has prepared the accounts on a break up basis as it is inappropriate to assume the company is a going concern. A provision of £50,000 has been included to cover costs to closure.

PRINCIPAL RISKS AND UNCERTAINTIES

The commercial success of a film is always uncertain and failure of a film project is a principal risk to the company.

Another principal risk of the company is for the director to ensure the company complies with all relevant legislation. HMRC opened an inquiry into the affairs of the company in 2017 and which concluded that the company has made potentially negligent or fraudulent statements to HMRC to obtain certain clearances in respect of the ability to issue EIS 3 certificates to shareholders. As a result of the inquiry, HMRC have withdrawn personal reliefs claimed by shareholders.

KEY PERFORMANCE INDICATORS

The key performance indicator for the company is the Net Asset Value and whether it is increasing or decreasing.

The Net Asset Value as at the year end date is £2,434,069 (2017: £2,541,223) which includes £2,429,664 of funds lent to investors that are apparently held with a third party that have not been available to the company from inception.

ON BEHALF OF THE BOARD:



C. Mulholland – Director

Date: 8/10/2019

Altus Media (Two) Limited
Report of the Director
for the Year Ended 30 March 2018

The director presents his report with the financial statements of the company for the year ended 30 March 2018.

CHANGE OF NAME

The company passed a special resolution on 5 April 2017 changing its name from Altus Media (Two) Plc to Altus Media (Two) Limited.

DIVIDENDS

No dividends will be distributed for the year ended 30 March 2018.

DIRECTORS

The directors shown below have held office during the period from 1 April 2017 to the date of this report.

C. Mulholland (appointed 30 May 2019)

J J Fields (resigned 30 May 2019)

PAP Brett (resigned 30 May 2019)

ISSUANCE OF SHARES

The company received monies from its investors in two ways, firstly by cash paid directly to the Altus Media (Two) plc mandated bank account under the control of the incumbent directors and secondly through entering a loan agreement with a lender, Tech Guarantees Limited, with the funds to be transferred directly to a third party, R&D Marketing Development Limited.

The founding directors and company secretary issued fully paid up shares to the investors for the gross investment of £3,975,537, comprising the cash paid directly to the company and the monies obtained by way of loan that were to be transferred to the third party, R&D Marketing Development Limited.

Section 583 of the Companies Act 2006 states that such payments to a third party should be deemed to be consideration other than cash. Accordingly, the share capital has been recategorized as partially paid with £1,545,873 being fully paid up with cash and £2,429,664 being apparently paid to a third party and being for consideration other than cash.

RESTRICTION ON FUNDS HELD WITH THIRD PARTY

The founding directors of the company entered into arrangements with the lender for receipt of the monies obtained by investors to be held in a mixed account with other business funds. An agreement was entered that the funds could not be used by the company until such times as the lender was repaid the loans advanced through the injection of new funds. The lender also is considered to have an effective charge on the funds held with R&D Marketing Development Limited. Accordingly, the funds were not available for investment as marketed by the promoter and were not invested during the EIS investment timeframe in accordance with EIS investment rules. The funds held with R&D Marketing Development Limited have not been available for company use from inclusion in the financial statements.

Furthermore the founding directors, the lender or R&D Marketing Development Limited have not provided probative evidence to the current director as to the existence of the loan monies that were to be transferred by the lender to R&D Marketing Development on behalf of certain investors.

SHARE CAPITAL HELD WITH THIRD PARTY

The director has classified the loans obtained from Tech Guarantees Limited of £2,429,664 as Share Capital held with third party within debtors.

In accordance with Section 6 of the Companies Act 2006, the company is evaluating options to reduce the Shares originally issued in the amount of £2,429,664 as fully paid up in cash and which have not been available for investment by the company to accord with its promoted mission and therefore cancel the share capital against amounts included within debtors that are not available to company.

Altus Media (Two) Limited
Report of the Director
for the Year Ended 30 March 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the break up basis as it is inappropriate to presume that the company will continue in business as a going concern.

DUTY TO KEEP ACCOUNTING RECORDS

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Section 386 of the Companies Act 2006 outlines the duty that every company must keep adequate accounting records. Adequate accounting records means records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy, at any time, the financial position of the company at that time, and to enable the directors to ensure that any accounts required to be prepared comply with the requirements of this Act (and, where applicable, of Article 4 of the IAS Regulation).

Accounting records must, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place, and a record of the assets and liabilities of the company.

The director has requested from all relevant parties confirmation of the existence and value of funds held with R&D Marketing Development Limited without success.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ON BEHALF OF THE BOARD:



C. Mulholland – Director

Date: 8/10/2019

REPORT OF THE AUDITORS TO THE MEMBERS OF ALTUS MEDIA (TWO) LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Altus Media (Three) Ltd (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

We have been unable to obtain sufficient audit evidence to satisfy ourselves on the existence or recoverability of the amount shown under Current Assets on the Balance Sheet as "Share Capital held with third parties".

Opinions on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

REPORT OF THE AUDITORS TO THE MEMBERS OF ALTUS MEDIA (TWO) LIMITED

Responsibilities of director

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

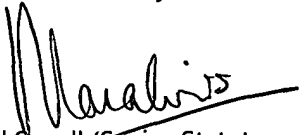
Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Segall (Senior Statutory Auditor)
for and on behalf of Macalvins Limited
Chartered Accountants
and Statutory Auditors
7 St John's Road
Harrow
Middlesex
HA1 2EY

Date: 9/10/2019

Altus Media (Two) Limited**Income Statement**
For the Year Ended 30 March 2018

	Notes	30.3.18 £	31.3.17 £
TURNOVER		18,328	25,235
Administrative expenses		(128,332)	(50,889)
		(110,004)	(25,654)
Other operating income		2,850	6,426
OPERATING LOSS and LOSS BEFORE TAXATION		(107,154)	(19,228)
Tax on loss	5	-	-
LOSS FOR THE FINANCIAL YEAR		(107,154)	(19,228)

The notes form part of these financial statements

Altus Media (Two) Limited

Other Comprehensive Income
For the Year Ended 30 March 2018

	Notes	30.3.18 £	31.3.17 £
LOSS FOR THE YEAR		(107,154)	(19,228)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(107,154)</u>	<u>(19,228)</u>

The notes form part of these financial statements

Altus Media (Two) Limited (registered number: 08260708)

Balance Sheet
30 March 2018

	Notes	30.3.18 £	31.3.17 (restated) £
CURRENT ASSETS			
Debtors	7	20,123	73,868
Share Capital held with third party	8	2,429,664	2,429,664
Cash at bank		63,395	88,564
		<u>2,513,182</u>	<u>2,592,096</u>
CREDITORS			
Amounts falling due within one year	9	<u>(79,113)</u>	<u>(50,873)</u>
NET CURRENT ASSETS		2,434,069	2,541,223
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,434,069</u>	<u>2,541,223</u>
CAPITAL AND RESERVES			
Called up and partially paid share capital	10	3,975,537	2,975,537
Retained earnings	11	<u>(1,541,468)</u>	<u>(1,434,314)</u>
SHAREHOLDERS' FUNDS		<u>2,434,069</u>	<u>2,541,223</u>

The financial statements were approved by the Director on 8/10/2019 and were signed by:



C. Mulholland - Director

Altus Media (Two) Limited

Statement of Changes in Equity
For the Year Ended 30 March 2018

	Paid up Share Capital £	Retained earnings £	Total Equity £
Balance at 1 April 2016 (restated)	1,545,273	(1,415,086)	130,787
Changes in equity			
Total comprehensive income	-	(19,228)	(19,228)
Balance at 31 March 2017 (restated)	1,545,273	(1,434,314)	111,559
Changes in equity			
Total comprehensive income	-	(107,154)	(107,154)
Balance at 30 March 2018	1,545,273	(1,541,468)	(4,405)

The notes form part of these financial statements

Altus Media (Two) Limited**Cashflow Statement****For the Year Ended 30 March 2018**

	Notes	30.3.18 £	31.3.17 £
Cash flows from operating activities			
Cash generated from operations		(33,229)	30,351
Net cash from operating activities		(33,229)	30,351
Cash flows from financing activities			
New loans in year		(5,518)	(12,115)
Loan repayments in year		16,428	50,574
Interest on related company loan		(2,850)	-
Net cash from financing activities		8,060	38,459
Decrease in cash and cash equivalents		(25,169)	68,810
Cash and cash equivalents at beginning of year	2	88,564	19,754
Cash and cash equivalents at end of year	2	63,395	88,564

The notes form part of these financial statements

Notes to the Cash Flow Statement
For the Year Ended 30 March 2018

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.3.18 £	31.3.17 £
Loss before taxation	(107,154)	(19,228)
Provision against amount due	64,998	2,483
Exceptional Items	50,000	-
Decrease in trade and other debtors	53,745	40
(Decrease) / Increase in trade and other creditors	(28,360)	47,056
Cash generated from operations	(33,229)	30,351

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 March 2018	30.3.18 £	31.3.17 £
Cash and cash equivalents	63,395	88,564
 Year ended 31 March 2017	 31.3.17 £	 31.3.16 £
Cash and cash equivalent	88,564	19,754

Altus Media (Two) Limited

Notes to the Financial Statements **For the Year Ended 30 March 2018**

1. STATUTORY INFORMATION

Altus Media (Two) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover comprises net invoiced sales of film production services, excluding value added tax.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

After reviewing the company's financial position and the expected activities, the director does not have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements. The company therefore has adopted the break up basis for the preparation of the accounts.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The director has included £50,000 to cover the costs of closure.

Altus Media (Two) Limited**Notes to the Financial Statements**
For the Year Ended 30 March 2018**4. OPERATING (LOSS)**

The operating loss (2017 - operating loss) is stated after charging/(crediting):

	30.3.18	31.3.17
	£	£
Auditors' remuneration	1,300	3,700
Foreign exchange differences	<u>1,270</u>	<u>(1,315)</u>

5. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 March 2018 nor for the year ended 31 March 2017.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.3.18	31.3.17
	£	£
Loss before tax	<u>(107,154)</u>	<u>(19,228)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 – 20%)	(20,359)	3,846
Effects of:		
Expenses not deductible for tax purposes	50,000	600
Utilisation of tax losses	<u>29,640</u>	<u>3,246</u>
Total tax charge	<u>-</u>	<u>-</u>

The company has £1,395,989 (2017: £1,425,630) tax trading losses to carry forward.

6. EMPLOYEES AND DIRECTORS' STAFF COSTS

There were no employees during the year (2017: £Nil).

7. DEBTORS

	30.3.18	31.3.17
	£	£
Amounts falling due within one year:		
Trade debtors	20,123	-
Amounts owed by related companies	-	73,058
VAT	<u>-</u>	<u>810</u>
	<u>20,123</u>	<u>73,868</u>

Altus Media (Two) Limited**Notes to the Financial Statements**
For the Year Ended 30 March 2018**8. SHARE CAPITAL HELD WITH THIRD PARTY**

	30.3.18	31.3.17
	£	£
Share Capital held with third party	2,429,664	2,429,664
	<u>2,429,664</u>	<u>2,429,664</u>

Included in debtors is an amount of £2,429,664 (2017: £2,429,664) representing Share Capital held with a third party. This relates to funds provided by investors that were obtained from a lender and transferred directly to a third party connected to the lender. The founding directors entered into arrangements to restrict the use of such funds. Under the terms of an undertaking provided, the funds cannot be recovered until such time as one or more loans made by one or more lenders to the shareholders of the company are repaid by the shareholders from the injection of new funds. These funds have not been available for use by the company.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.3.18	31.3.17
	£	£
Trade creditors	-	4,300
Amounts owed to related companies	-	-
VAT and other taxes	18,669	-
Accrued expenses	60,444	46,573
	<u>79,113</u>	<u>50,873</u>

The director has included a provision of £50,000 to cover the costs of closure which are included in accrued expenses totalling £60,444.

10. CALLED UP SHARE CAPITAL**Allotted, issued and partly paid:**

Number:	Class:	Nominal Value:	30.3.18	31.3.17
			£	(restated)
				£
1,545,873	Ordinary	£1	1,545,873	1,545,873

Allotted, issued and paid in consideration other than cash:

Number:	Class:	Nominal Value:	30.3.18	31.3.17
			£	(restated)
				£
2,429,664	Ordinary	£1	2,429,664	2,429,664
Partially paid share capital			<u>3,975,537</u>	<u>3,975,537</u>

The shares allotted, issued and paid for in consideration other than cash amount to £2,429,664 and relate to investors funds obtained from a lender which transferred the funds to a third party connected with the lender and which are disclosed as Share Capital held by third party within debtors of £2,429,664.

Altus Media (Two) Limited

Notes to the Financial Statements **For the Year Ended 30 March 2018**

11. RESERVES

	Retained earnings £
At 1 April 2017	(1,434,314)
Loss for the year	(105,949)
At 30 March 2018	<u>(1,540,263)</u>

12. CONTINGENT LIABILITIES

The shareholders of the company have borrowed £2,429,664 from a lender. The company has amounts classified as Share Capital held with a third party amounting to £2,429,664 (2017: £2,429,664). The lender or lenders have rights to claim repayment from balances held with a third party in the event of the shareholders not repaying the loan or loans made to them by the lender.

The director is of the opinion that this amount is appropriately classified as share capital held with third party and that the funds have never been available to the company for investment. Furthermore the founding directors, lender or R&D Marketing Development have never confirmed the existence of the funds.

13. OTHER FINANCIAL COMMITMENTS

The company had no capital commitments as at 30 March 2018.

14. RELATED PARTY DISCLOSURES

During the year, the company had made and received loan advances to and purchased services from the entities listed below, which are considered to be related parties by virtue of common directorship.

Included within amounts owed by related companies is £Nil after provision of £1,205 in relation to Altus Media (Six) Limited which is in Liquidation. During the year, £16,431 of this loan was repaid, a further £5,521 was advanced and a provision was included to write off the balance. Included within amounts owed by related companies is £Nil after provision of £66,276 (2017: £2,484) in relation to Altus Media (Five) Limited which is in Liquidation. Amounts provided to or received from other Altus Media companies were invested in films or film related products that were to provide participating rights in those underlying investments.

During the year accountancy fees of £5,400 (2017: £Nil) and bookkeeping fees of £117 (2017: £Nil) were payable to Valhalla Private Client Services LLP.