

2.16B

The Insolvency Act 1986

Notice of statement of affairs

Name of Company Arise Capital Limited	Company number 08038304
In the High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	Court case number 711 of 2014

We, Phillip Sykes
Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Neville Side
Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

attach a copy of -

*Delete as
applicable

*the statement(s) of affairs,
*the statement(s) of concurrence,
~~*a copy of the court order limiting disclosure in respect of the statement of affairs~~

in respect of the administration of the above company

Signed

Phillip Sykes
Joint Administrator

Dated

06/11/14

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public records

Phillip Sykes
Moore Stephens LLP,
150 Aldersgate Street
London
EC1A 4AB

DX Number

020 7334 9191
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

SATURDAY



A11 08/11/2014 #261
COMPANIES HOUSE

STATEMENT OF AFFAIRS

Name of Company

Arise Capital Limited

Company Number

08038304

In the

High Court of Justice, Chancery Division, Leeds District Registry

Court case number

711 / 2014

Statement as to the affairs of

Arise Capital Limited

5 Keble House

Manor Fields

Putney

London

on the 29 August 2014, the date that the company entered administration

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 29 August 2014 the date that the company entered administration

Full Name CHRISTOPHER PETTIT

Signed 

Dated

01 11 14

Insolvency Act 1986

Arise Capital Limited
Statement Of Affairs as at 29 August 2014

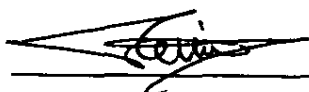
A - SUMMARY OF ASSETS

	Cost or Book Value £	Estimated to Realise £
Assets subject to fixed charge -	0	0
Assets subject to floating charge -	0	0
Uncharged assets -		
Cash at Bank - £753	753	753
Cash at Bank - US\$977,204 (Note D)	599,512	599,512
Sin City 2' & 'Machete Kills' - Deferred Revenue (Note E)		0

Estimated total assets available for preferential creditors

600,265

Signature



Date

01.11.14

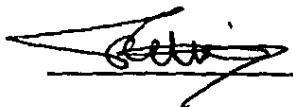
Insolvency Act 1986

Arise Capital Limited
Statement Of Affairs as at 29 August 2014

A1 - SUMMARY OF LIABILITIES

	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from Page A)	600,265
Liabilities -	
Preferential Creditors -	0
Estimated (deficiency) / surplus as regards preferential creditors	600,265
Debts secured by floating charge pre 15 September 2003	0
Estimated prescribed part of net property where applicable (to carry forward)	0
Estimated total assets available for floating charge holders	600,265
Debts secured by floating charge post 15 September 2003	0
Estimated (deficiency) / surplus of assets after floating charge holders	600,265
Estimated prescribed part of net property where applicable (brought down)	0
Total assets available to unsecured creditors	600,265
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(530,181)
Estimated (deficiency) / surplus of assets after non-preferential creditors	70,084
Estimated deficiency after floating charge where applicable (brought down)	0
Estimated (deficiency) / surplus as regards creditors	70,084
Issued and called up capital -	(1,000)
Estimated total (deficiency) / surplus as regards members	69,084

Signature



Date

01.11.14

Arise Capital Limited
Statement Of Affairs as at 29 August 2014

B COMPANY CREDITORS

Note: You must identify creditors under hire-purchase, chattel leasing or conditional sale agreements AND customers claiming amounts paid in advance of the supply of goods or services AND creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Gayle Adrian	Flat B, 12 Paveley Drive, Battersea, London, SW11 3TP	351 452	Claims to have floating charge/pledge charge over Company's assets. The validity of the claim is disputed		
APFB Services Limited	25 28 Ransome's Dock, 35-37 Parkgate Road, London SW11 4NP	75 847	None		
Robbins Stephen	62 Main Street, Stonnall, Walsall, West Midlands, WVS 9DX	40 082	None		
Farrer & Co LLP	66 Lincoln's Inn Fields, London, WC2A 3LH	18 840	None		
Maurice Andrews HMRC	Grove House, 25 Upper Mulgrave Road, Chesham, Surrey SM2 7BE	4 656	None		
Companies House		37 804	None		
		1 500	None		
		530 181 00			

Signature

Date 01/11/14

C - COMPANY SHAREHOLDERS

[illegible]

Signature:

[Signature]

Date _____

7711.19

TOTAL

100

Arise Capital Limited
Statement Of Affairs as at 29 August 2014
D - NOTES TO STATEMENT OF AFFAIRS

A	Costs in the administration (incl those relating to Adnan Gayler's Application for an administration order / referenced in the Administration Order dated 29 08 14) are NOT included in the Statement of Affairs
B	Moore Stephens LLP fees and expenses are NOT included in the Statement of Affairs
C	Potential amounts (interest, fees and expenses) which Adnan Gayler claims are owed to him are disputed are NOT included in the Statement of Affairs
D	The Company has US\$977,204.37 in bank accounts at Coutts & Co. An exchange rate of US\$1.630 £1 has been used to prepare the Statement of Affairs. It is subject to change.
E	The poor performance of 'Sin City 2' & 'Machete Kills' at the box office vs the cost of production and distribution of the films combined with Company's position in the recoupment waterfall means it is unlikely Company will receive any deferred revenues from these films.

Signature



Date

31 11 14

Rule 2.29

Statement of Concurrence

Name of Company

Arise Capital Limited

Company number

08038304

In the
High Court of Justice, Chancery Division,
Leeds District Registry

(full name of court)

Court case number
711 of 2014

(a) Insert full name and address of registered office of company to which statement of affairs relates

(b) Insert date statement of truth on the statement of affairs was made

(c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with

With regards to the Statement of Affairs of (a)
Arise Capital Limited
(‘the company’)

made on (b)

17 SEPTEMBER AND CALCULATED AS AT
29th AUGUST 2014

by (c)

CHRISTOPHER PETTIT

Statement of Truth

(d) Insert full name and address of person making statement

*Delete as applicable

1(d) STEPHEN CHARLES BEVAN ROBBINS
62, MAIN STREET, STONDALE, WALSALL WS9 9PX

*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

OR

*concur with the Statement of Affairs of the above company, subject to the following qualifications

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them

(e) PLEASE SEE ATTACHED

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

Full name

STEPHEN CHARLES BEVAN ROBBINS

Signed

Dated

8th OCTOBER 2014

ARISE CAPITAL LIMITED IN ADMINISTRATION ('COMPANY')

STATEMENT OF NON-CONCURRENCE- STEPHEN CHARLES BEVAN ROBBINS

8TH OCTOBER 2014

SUMMARY

I WOULD REFER YOU FIRST TO THE SUBHEADINGS 'SUMMARY' AND 'PROPOSED DISBURSEMENTS' WHICH APPEAR AT THE END OF THIS STATEMENT AND AHEAD OF THE EXHIBITS THERETO.

Roles & Responsibilities/Directorial Consideration to the Company

- 1 I was required to assign 100% of my time to the Company and to have no other active business interests outside the Company
- 2 APFB was required to assign 50% of Mr Pettit's time (in lieu of those services to be provided by him in his capacity as 'General Counsel' as defined and recorded in the last draft of those Organisation Guidelines and Regulations dated 12 March 2013 the relevant excerpts of which are attached as part of Exhibit A), and that of Mr Ashwin Desai, to the Company in line with and as agreed by all shareholders of the Company This in return for a 50% contractual financial contribution by the Company to the overhead of APFB Services Limited including the costs of engaging Mr Ashwin Desai
- 3 Mr Gayler was required to assign 0 % of his time to the Company for those reasons detailed in Paragraph 19 below
- 4 Between 1 March 2013 and 2 May 2013, Mr Gayler attended to Company matters only either remotely by email or by sporadic attendance at the Company's offices

Any physical attendance at the Company's office by Mr Gayler was solely to meet and discuss with Mr Pettit those of their other interests outside of the Company as detailed in paragraphs 11 – 16 below ('**Other Interests**') in which Mr Gayler was involved. Neither Mr Gayler nor Mr Pettit, nor any entity associated with or established for and in connection with the Other Interests, made any contribution to the overhead of Anise Pictures Limited in lieu of such Other Interests notwithstanding the Company's contribution to same.

- 5 From 2 May 2013 to date Mr Gayler has not attended to any of the Gayler Duties, as defined in Paragraph 19, or attended the Company offices on a single occasion. Despite repeated requests, by both myself and Mr Pettit, Mr Gayler was unwilling to engage in the Gayler Duties or any other matter during such period either verbally in writing or in person, for and on behalf of the Company except in relation to the Disputed Gayler Costs as defined in paragraph 32 below. Furthermore, even with regard to both the Disputed Gayler Costs and the Company Dispute, also as defined below, at no point between 2 May 2013 and 23 June 2014 was Mr Gayler willing either to meet or speak with Mr Pettit and myself, Stephen Robbins, both of whom made themselves, with notice, consistently available.
- 6 Mr Mukhera was required to assign 0% of his time to the Company prior to being appointed, if ever, Chief Financial Officer of the Company.
- 7 I introduced the SC2 Facility, as defined in paragraph 20 below, to the Company.
- 8 I was given sole authority, by all of Mr Gayler, Mr Pettit and the Company to (a) liaise, without consultation with the other directors and shareholders of the Company, with all parties to the SC2 Facility and (b) oversee repayment of the SC2 Facility. See Exhibit B.
- 9 On 19 March 2013 I wrote to Mr Gayler asking '*Do we also need to sort out job specs for you (Mr Gayler) and Chris?*' (Mr Pettit). Mr Gayler responded stating '*Steve, Critical stuff is to sort your JD (Job Description) & consulting agreement resolved & get your feet under the desk. I'll sort a BoD roles & responsibilities doc for Chris & I.*'

10 On 10 April 2013 Mr Gayler wrote to me, copying Mr Pettit, with regard to the CEO consultancy agreement for myself stating *'I've accept all changes'* Please feel free to highlight the few remaining points that you want to clarify and/or discuss, which we'll address this week Chris (Pettit) will then conduct a final review next Monday, then we should be in good shape to have a brief conversation regarding the commercial aspects of the Agreement as previously agreed and then sign the final document My role as CEO/Head of Lending of the Company, as drafted by Farrei & Co and approved by Mr Gayler and Mr Pettit, is set out in part of Exhibit A

'Other Interests'

- 11 APFB Holdings Limited maintains a significant, I believe 100%, interest in Arise Pictures Limited Mr Pettit was entitled to a monthly fee of £3,125 plus expenses in consideration for such provision of his services to Arise Pictures Limited
- 12 Mr Pettit retained an interest, in a percentage unknown to myself and without the authority of either the Company or the shareholders of APFB Holdings Limited, in a sports agency business whose offices were maintained at the premises of the Company
- 13 Mr Pettit and Mr Gayler were joint promoters and prospective shareholders, in percentages unknown to myself and without the authority of either the Company or the shareholders of APFB Holdings Limited, in a US\$1 billion vintage car museum, Formula 1 racetrack and hotel funding venture to be based either in Singapore or Hong Kong Flight tickets had already been purchased by Mr Gayler on a non-refundable basis for himself and Mr Pettit to promote such funding venture I refer you to all emails between Mr Gayler, Mr Pettit and Matthew Chew
- 14 Mr Pettit and Mr Gayler were joint promoters and prospective shareholders, in percentages unknown to myself and without the authority of either the Company or the shareholders of APFB Holdings Limited, in a US based gold exploration and exploitation funding venture

- 15 Mr Gayler maintains an interest, in a percentage unknown to myself, in Monza Capital Limited as approved by the Company
- 16 Mr Gayler was promoter and shareholder of Afghan Retrograde Special Opportunities Investments, an entity established for the purchase, repatriation and on sale of second hand munitions used in the war in Afghanistan See Exhibit C
- 17 Mr Mukhera was, until summer 2013 a full time employee of BAI, with the approval of the Company, and thereafter retained an interest, again with the full knowledge of the Company and in a percentage unknown to myself, in all of Abingdon Securities/Corporate Finance Limited, Athena Corporate Finance Limited and miscellaneous other interests

Undisputed Remuneration

- 18 Mr Gayler's original investment in the Company of £350,000 ('**Gayler Loan Principal**'), as evidenced by that Shareholder's Agreement dated 23 October 2012, was based upon a 'London Cost' in the aggregate amount of £400,000 On 1 March 2012 the Company wrote to Mr Gayler attaching certain 'Supplementary Information' detailing the breakdown of that £400,000 'London Cost' including, inter alia, an entitlement of myself, Stephen Robbins the 'CEO/Head of Lending', to consultancy fees of £140,000 per annum, an entitlement of APFB Services Limited/Mr Pettit, the 'COO/Head of Legal & Business Affairs' to consultancy fees of £95,000 per annum and an entitlement of Mr Gayler to consultancy fees of zero per annum with no commitment, verbal or in writing, from any of the Company, APFB Services Limited, APFB Holdings Limited, Chris Pettit, Abhi Mukhera or myself, Stephen Robbins, to Mr Gayler being paid consultancy fees of anything other than zero See Exhibit D
- 19 Mr Gayler's entitlement to zero consultancy fees, as detailed in paragraph 18, was to reflect (a) the consideration for Mr Gayler's investment in the Company being a 51% shareholding therein together with a coupon ('**Coupon**') of 8 % per annum on the Gayler Loan Principal (b) Mr Gayler's only key roles in the Company being those detailed in Exhibit E ('**Gayler Duties**') (c) Mr Gayler being wholly entitled to pursue

his interests outside of the Company with the exception of those Other Interests **that might or did encroach on** Mr Pettit's and APFB Services Limited's ability to perform their obligations to the Company and to Arise Pictures Limited and (d) Mr Gayler not being required to contribute anything to the business development and revenue streams of the Company

Company Investments & Returns

- 20 Between the Company's inception and 1 March 2013 the Company invested (a) US\$560,000 in a facility for After Dark Films Inc Inc ('**ADFI Facility**') and (b) US\$1,500,000 in a facility introduced by me to the Company ('**SC2 Facility**') for the ultimate benefit of the producers of the film "Sin City 2"
- 21 The ADFI Facility and the SC2 Facility were the only investments in the lifetime of the Company
- 22 The ADFI Facility was drawn down 20 April 2012 and repaid 24 January 2013 generating US\$154,000 of income for the Company
- 23 The SC2 Facility was repaid 3 September 2013 generating US\$603,938 of income for the Company in addition to a performance related deferred entitlement to US\$489,360 which, post release of the film, now has an anticipated value of nil
- 24 No further investments were made by the Company, and no further income was generated by the Company, it becoming dormant pursuant to Coutts and Company's freezing of the Company's bank accounts which freezing in itself was pursuant to that Company Dispute instigated by Mr Gayler as per paragraphs 28 and 29 below Total income generated by the Company between inception and 3 September 2013 was therefore US\$757,938

Actual Company Disbursements

- 25 As at the date of this Statement of Non-Concurrence total expenses, consultancy fees and Coupon on the Gayler Loan Principal, in each and every case approved by all

parties and paid, amounted to the following

- £53,978 (comprising £24,000 (a '**round sum payment**' as per the Company 'Creditors' Questionnaire/Statement of Claim' form) of consultancy fees and £29,978 of expenses) to APFB Services Limited,
- £20,337 (comprising £16,000 (a '**round sum payment**' as per the Company 'Creditors' Questionnaire/Statement of Claim' form) of consultancy fees and £4,337 of expenses (paid as to £1,519 in January 2013 and £2,818 April 2013) to myself Stephen Robbins,
- £5,000 of consultancy fees to Abhi Mukhera, and
- £28K of Coupon to Mr Gayler

26 All payments were specifically pre-approved by Mr Gayler

27 No disbursements have been made by the Company since 25 April 2013. However Mr Gayler requested the retention on account, from any future revenues generated for the Company from the SC2 Facility, of 6 months' costs (expenses) and consultancy fees. See Exhibit F

Company Dispute

28 Notwithstanding Paragraph 27 herein, on 4th September 2013 namely the first business day following repayment of the SC2 Facility and receipt by the Company of income of US\$757,938 from the proceeds of the SC2 Facility, Mr Gayler converted his floating charge over the bank accounts of the Company into a fixed charge over the bank accounts of the Company. This precipitated, also 4th September 2013, the freezing of the Company bank accounts by Coutts & Company.

29 On 8th September 2013, the first of several occasions, including a formal demand (circa 17 July 2014) to accept repayment but which was never submitted having been pre-empted by that Application defined in Paragraph 32 below, the Company offered in writing to repay the Gayler Loan Principal plus all then outstanding Coupon payments and associated withholding taxes (together with the Gayler Loan Principal and Coupon '**Gayler Debt**'), it having sufficient funds to repay all such amounts (**this**

seemingly being unknown to the Court until that hearing dated 19th September 2014) but Mr Gayler either ignored or declined all such offers

30 On 20 June 2014 a 'final draft Deed of Settlement' was circulated by APFB Holdings Limited providing for (a) the payment of the sum of £25,000 to myself, Stephen Robbins, which APFB Holdings Limited had previously agreed notwithstanding that such agreement would eliminate any possibility of APFB Holdings Limited receiving any further revenues from the Company other than those expenses (as opposed to consultancy fees) detailed in that statement of affairs dated 17 September 2014 and calculated as at 29 August 2014 ('Statement of Affairs') and (b) the appointment of independent auditors to calculate the liabilities of the Company to Her Majesty's Revenues and Customs

31 On 23 June 2014 Mr Gayler wrote to the parties suggesting a conference call so as to attempt to resolve the Company Dispute and I agreed. On 26 June 2014 I reiterated this suggestion of a conference call between the parties and counsel to Mr Gayler responded (a) not disagreeing with my receiving the sum of £25,000 and (b) agreeing that *'a conference call may still be a good idea'*. APFB Holdings Limited declined such request for a conference call between the parties on the grounds that it was *'no longer in our (APFB's) best interests to settle this dispute'*. Ultimately the resolution of the Company Dispute was rendered impossible by virtue of the differential of opinion between Mr Gayler and APFB Holdings Limited as to the wording and distinction between those warranties, representations, and indemnities to be provided for in the final draft Deed of Settlement referenced in Paragraph 30. Pursuant to this differential all previously proposed amounts to be paid in lieu of expenses and consultancy fees, including for the avoidance of doubt those amounts provided for in the Statement of Affairs and all preceding such statements and associated invoices as prepared by APFB Holdings Limited, with or without my agreement, are null and void and are superseded by the contents of this Statement of Non-Concurrence. No further invoices have been attached either to this or to any other 'Statement of Claim' form as these are considered unnecessary pending the decision of Moore Stephens LLP.

32 On 30 June 2014 Mr Gayler submitted an application ("**Application**") to the court

for the administration of the Company claiming, inter alia, costs in the amount of £116,574 ("**Disputed Gayler Costs**") purportedly incurred in the enforcement of repayment of the Gayler Loan Principal and then outstanding Coupon for which Mr Gayler had already been offered full payment from available funds of the Company. No timesheets of any nature have at any time been provided to the Company by Mr Gayler with regard to such Disputed Gayler Costs.

- 33 On 10 July 2014 on a conference call with Farrer & Co at 10.15 am (who I understand had already approached Moore Stephens LLP 8 July 2014), Mr Pettit confirmed that APFB Holdings Limited and its primary shareholder Mr Peter Aitken, and not the Company, would be responsible for and liable for the costs, incurred after such conference call, of any barristers and Queen's counsel engaged by APFB Holdings Limited and/or APFB Services Limited in connection with the Disputed Gayler Costs.
- 34 On 10 July 2014 I advised APFB Holdings Limited that I was in no way supportive of the Company engaging either Manleys Solicitors Limited or Stephen Schaw Miller of 12 New Square in connection with the submission of a witness statement ("**Pettit Witness Statement**") to the court in response to the Application. Any costs of APFB Holdings Limited in the preparation of the Pettit Witness Statement ("**APFB Disputed Costs**") other than those to Farrer & Co (in the amount of £23,840 plus VAT inclusive of the costs of Hannah Thornley of 3-4 South Square) ("**Farrer Costs**") and South Square incurred prior to 10 July 2014, were specifically not approved by myself.
- 35 On 11 July 2014 the Pettit Witness Statement was submitted to the Court for and on behalf of myself, Stephen Robbins to the extent it incorporated advice pursuant to the Farrer Costs and not, for the avoidance of doubt, the APFB Disputed Costs, citing, inter alia, *"in essence, to the extent that Mr Gayler has an undisputed claim, he refuses to permit the company to pay him. To the extent of his disputed claim, he is using the administration process as a dispute resolution mechanism"*. Also included in the Pettit Witness Statement were, inter alia, (i) details of APFB Holdings Limited disputing the Gayler Disputed Costs and (ii) reference to a loss of £4,147.85 ('**FX Loss**') incurred by the Company further to exchange rate movements between (a) the

dates of Mr Gayler's refusal to accept repayment of the Gayler Loan Principal plus all then outstanding Coupon and (b) 11 July 2014

- 36 The Company has no liability for the Disputed Gayler Costs which instead are for the account of Mr Gayler (a) on the grounds that Mr Gayler rejected all offers by the Company to repay the Gayler Loan Principal and then outstanding Coupon (b) in accordance with the arguments contained within the Pettit Witness Statement (c) on the further basis that the Disputed Gayler Costs were not pre-agreed by the Company and (d) as the Disputed Gayler Costs are neither potential liabilities of the Company nor legitimate. This effectively means that the Company is **not** insolvent
- 37 The Company has no liability for the APFB Disputed Costs, which are for the account of APFB Holdings Limited, in accordance with paragraph 34 above
- 38 Mr Gayler disputes the Farrer Costs which were however only incurred and approved by the Company as a direct result of Mr Gayler instigating the Company Dispute
- 39 Pursuant to Exhibit G, which prohibited any possibility of the financial position of the Company deteriorating or the cumulative liabilities of the Company (potential or actual) increasing further, I dispute all penalties and interest accrued (**'Third Party Disputed Costs'**) after 7 August 2014 with all of Her Majesty's Revenue and Customs, Farrer & Co and Maurice Andrews

SUMMARY

On the basis that,

- I have been solely responsible within the Company for the introduction and repayment of the SC2 Facility which in turn generated 79.68% of the total revenues of the Company. None of Mr Gayler, Mr Pettit, Mr Mukhera or APFB Services Limited had either the experience to provide such a role and, as such, were in no way required to perform such a role. Any input into such matters, by either Mr Gayler or Mr Pettit, albeit both negligible and, invariably inaccurate, was proffered on a pro bono basis.

- I am the only individual or entity whose time was 100% allocated (**'SR Allocation'**) to the Company with no entitlement to pursue any other interests (including for the avoidance of doubt the Other Interests none of which I had any involvement in) or associated Coupon entitlement or compensation entitlement For the avoidance of doubt my 50% interest in Perpetual Media Holdings Limited and, indirectly, 20% interest in Perpetual Media Capital Limited, both as detailed in Form 2 15B, extend only to ongoing litigation both such companies having ceased their film bridge lending activities in January 2011
- I am the only individual or entity within the Company whose consultancy agreement the Company sought to have reviewed, solely from a legal perspective the commercial terms having already been pre-agreed as per Paragraph 10 above, by external counsel (Farrer & Co)
- The allocation of Mr Pettit's time, and that of APFB Services Limited, to the Company was 50% (**'APFB Allocation'**)
- I am de facto Chief Executive Officer of the Company
- My actual market value as at March 2009 was £125,000 per annum See Exhibit H.
- My internal value to the Company, based upon a lending capacity of US\$6,000,000 (**'Target Capacity'**) was, as per Paragraph 18 above, £140,000 per annum (**'SR Entitlement'**) and that of Mr Pettit, for the ultimate benefit of Arise Pictures Limited, was £95,000 per annum (**'APFB Entitlement'**)
- The actual lending capacity of the Company (**'Actual Capacity'**) was US\$2,560,000 (US\$2,000,000 from BAI and US\$560,000 (assuming £1 = US\$1.6 which was the relevant exchange rate at the time of Mr Gayler investing in the Company) from Mr Gayler)
- Mr Gayler's investment in the Company coincided with the drawdown date of the ADFI Facility namely 20 April 2012

- The Company was effectively dormant, operationally incapacitated, unable to undertake any future business and unable to generate further revenues, with effect from 4 September 2013 namely the date of the freezing of the Company accounts by Coutts & Company pursuant to Mr Gayler's sole, and ultra vires in my opinion, actions as detailed in paragraphs 28 and 29 above
- The Company was therefore active for the period 20 April 2012 through 4 September 2013 equating to 504 calendar days ('Term') This notwithstanding the supposed later commitment by Mr Gayler of the Gayler Loan Principal through 19 October 2013

Entitlements to the capital of the Company may, I would respectfully suggest, be calculable as follows:

To myself Stephen Robbins

$\text{Term}/365 \times (1/38) \times (\text{Actual Capacity}/\text{Target Capacity } (42.66\%)) \times \text{SR Entitlement } (£140,000) \times \text{SR Allocation } (100\%) = £82,431.99$ ('**SR Gross Capital Distribution Entitlement**'))

SR Gross Capital Distribution Entitlement (£82,431.99) less £16,000 already received (see paragraph 25 above), equals £66,431.99 ('**SR Net Capital Distribution**'))

To APFB Services Limited

$\text{Term}/365 \times (1/38) \times (\text{Actual Capacity}/\text{Target Capacity } (42.66\%)) \times \text{APFB Entitlement } (£95,000) \times \text{APFB Allocation } (50\%) = £27,968.00$ ('**APFB Gross Capital Distribution Entitlement**'))

APFB Gross Capital Distribution Entitlement (£27,968.00) less £24,000 already received (see paragraph 25 above), equals £3,968.00 ('**APFB Net Capital Distribution**'))

PROPOSED DISBURSEMENTS

A /

Firstly, to the administrators of the Company Moore Stephens LLP, their costs and fees incurred with their administration of the Company

B

Thereafter, on a pari passu basis

- (i) To Mr Gayler the sum of (i) the Gayler Loan Principal **PLUS** (ii) any unpaid Coupon due as at 19 October 2013 **LESS** (iii) the FX Loss
- (ii) To Farrer & Co the Farrer Costs
- (iii) To Maurice Andrews the sum of £4,656 plus VAT
- (iv) To Her Majesty's Revenues and Customs all amounts due as at 7 August 2014 including outstanding withholding tax due on the Coupon
- (v) To APFB Services Limited the APFB Net Capital Distribution
- (vi) To myself, Stephen Robbins, the SR Net Capital Distribution
- (vii) To APFB Services Limited expenses of £32,782 77
- (viii) To myself, Stephen Robbins, expenses of £4,194 77

C

Thereafter, on a pari passu basis, a capital distribution to shareholders in accordance with that Shareholder's Agreement dated 23 October 2012

Notes:

- Mr Gayler to pay the Gayler Disputed Costs, inter alia as applicable, from his share of B and C above
- APFB Holdings Limited and/or Mr Peter Aitken to settle the APFB Disputed Costs, inter alia as applicable, from their share of B and C above

- Mr Gayler and APFB Holdings Limited and/or Mr Peter Aitken to settle, on a 50/50 basis, the Third Party Disputed Costs, inter alia as applicable, from their respective shares of B and C above
- Except as approved by myself herein I dispute any and all Administration Expenses, as exhibited to the Statement of Affairs, in respect of Mr Adrian Gayler, APFB Holdings Limited, Manleys Solicitors Limited, Stephen Schaw Miller of 12 New Square, Hannah Thornley of 3-4 South Square, Maurice Andrews, Gateley LLP and Ben Harding at Kings Chambers all of which were incurred only as a result of the Company Dispute instigated solely by Mr Gayler Further, I dispute all Administration Expenses (as exhibited to the Statement of Affairs) in respect of 1975 Consulting Limited which, as is the case of my own not insubstantial expenses, over and above those detailed herein, are personal to Mr Pettit and are not for the account of the Company
- None of the above accounts for the opportunity cost of myself, Stephen Robbins, and APFB Services Limited being limited from pursuing business transactions and associated revenues outside the Company pursuant to their being required to defend the Company Dispute instigated solely by Mr Gayler

EXHIBITS

Exhibit A

'General Counsel' ('GC') role as defined and recorded in the last draft of those Organisation Guidelines and Regulations dated 12 March 2013:

- 12.1 The GC shall be appointed by the BoD. He shall report directly to the CEO
- 12.2 The GC shall have all necessary authorities for legal and compliance matters within the Company. In particular, he shall have the following authorities and responsibilities ('GC Duties') with the right to delegate the performance and implementation of such GC Duties further
 - 12.2.1 establish an organisational basis for the management of all legal and compliance matters independent from any business line,
 - 12.2.2 ensure together with the CFO that all license requirements are continuously observed and that all regulatory reports are filed on a timely basis,
 - 12.2.3 be responsible for the representation of the Company vis-a-vis the lead regulator (excluding matters related to the Credit Charter, see section [18.2.3a]) and co-ordinate with the CEO the representation of the Company vis-a-vis other regulators and governmental authorities,
 - 12.2.4 establish a policy as to the approval authorities and the monitoring of outside business activities of employees

Role of the CEO/Head of Lending of the Company, as drafted by Farrer & Co, and as approved by Mr. Gayler and Mr. Pettit.

The Consultant is responsible for the strategic leadership and direction of the Client to ensure its success today and future relevance, credibility, and viability. The Consultant is responsible for establishing the Client's organisational objectives and priorities and for reviewing and evaluating the progress and work towards attaining its objectives and performance goals. The Consultant reports directly to the Board of Directors ('BoD').

Working Relationships: To ensure the best results for the Client, the Consultant actively facilitates collaboration and partnerships throughout the film and television community and by personally promoting the Client's participation.

Internal Relationships: Working directly with the BoD to develop the Client's organisational objectives, priorities and policies in support of the Client's objectives and performance goals. As the leader of the senior management team, the Consultant guides the development of the Client's strategic and operational plans for management.

External Relationships: The Consultant works directly with major stakeholders, investors, banks, institutions and other lenders

The services provided to include:

- Overseeing compliance with any and all limits imposed by the shareholders and providers of debt to the Client
- Development and training of the Client's senior management, staff and consultants
- Development of future the Client's financial products
- Regularly reviewing financial performance of balance sheets, cashflow statements, management accounts, portfolio analysis, external reports to both existing and future investors, borrowers and third party bridge lenders and compare/sensitivity analysis' of the Client's business plan to monitor compliance with or deviation from the original business plan all as prepared by the CFO
- Review the loan book credit exposure, set and approve any limits and ceilings and other appropriate measures to monitor and manage the credit risk
- Establish a management organisation that avoids the creation or appearance of conflicts of interest and enables the Client to operate its business in accordance with the strategy approved by the BoD
- Issue policies necessary for the management and operation of the Client, to the extent that this is not the responsibility of the BoD. In particular establish a risk management and legal and compliance policies for the proposed business lines
- Supervise, review and coordinate business activities, initiatives, projects and developments, and reconcile any issues
- Establish annually the strategic business plans, performance targets and budgets for the Client, including resource allocation, subject to approval by the BoD and implement such plans
- Responsible for the implementation of resolutions of the BoD and its committees
- Approve key policies for the Client
- Ensure that proper standards for risk management are established, and define and implement risk management strategies
- Ensure that the reporting duties to the BoD and its committees as stipulated in sections 6.3 of the Client's 'Organisational Guidelines and Regulations' are fulfilled
- Marketing of the Client to the film production, finance and investment community and to future investors, providers of debt and third party bridge lenders
- Film Bridge Finance
 - Initial verification of producer bridging loan requests and producer track record including the film finance plan and liaison with key personnel of each of the parties to the permanent finance
 - Negotiation of bridging loan terms and conditions with producers
 - Collation of the permanent finance parties' executed and legally binding commitments, the film's budget production schedules, cashflow schedule, talent agreements and, if available, initial drafts of all key multi-party long form documentation

- Highlighting of any financial or legal anomalies with the producer and all relevant parties and clarification of corrective action
 - Appointment of the Client's film lawyers, to review the Client's draft offer letter and prepare the Client's standard financing, security and provisional producer deferral documentation, and the Client's insurance advisor
 - Preparation and submission of initial credit committee proposals and conditional bridging loan offer letters, with respect to the Client's credit committee approval
 - Execution of the conditional offer letter, final resolution of financial and legal anomalies with all parties to the permanent finance and overseeing issuance and negotiation of long form loan agreement and security documentation
 - Preparation and submission of the Client's final credit committee application to review status of the Client's conditions precedent and associated waiver recommendations, if any, and finalised documentation
 - Pro-active monitoring of the production of the film and overseeing of the finalisation and execution of all documentation pertaining to permanent financial closing
- Member of the Client's BoD and representative on credit committee

KEY EXPECTATIONS OF CONSULTANT

- To deliver or exceed against the commercial targets of the Client's business plan
- To ensure compliance with the authorities and responsibilities as defined with the Client's OGR

Exhibit B

On 2 August 2013 Mr Pettit wrote to Mr Gayler stating 'Dear Adrian Further to our call this morning (LA) and lengthy and sensitive discussions with Steve during the course of today, please confirm your acceptance to the following On behalf of the Arise Capital Limited (ACL) directors and shareholders Steve Robbins (SR) is hereby authorised to immediately commence on 02/08/13 both oral and written dialog with BCL (the mode of such communication to be at SR's sole discretion) as necessary so as to expedite the presentation of an oral proposal re SC2 by SR at a meeting of the ACL board for its review and approval (the 'Services') For the avoidance of doubt, any such oral and written dialog with BCL or any other party in connection with SC2 cannot and will not be used in conjunction with any dispute or otherwise between SR and ACL including, but not limited to, any matters connected to the rescission of SR's temporary suspension from the board of ACL Whilst SR is performing the Services, the ACL directors and shareholders acknowledge

that SR will not be required, but may elect to, attend to any other matters pertaining to ACL'

On 2 August 2013 Mr Gayler responded to Mr Pettit *'Dear Chris, as a director and shareholder of ACL I hereby confirm my acceptance of your email'*

On 6 August 2013 I wrote to Mr Gayler, copying Mr Pettit, asking him to confirm that he was *'happy for me (Steve Robbins) to deal directly with Aldamisa, Robb Klein, Greg Bernstein (parties to the SC2 film financing and the source of the Company's repayment of the SC2 Facility) and any other parties on this issue on the same basis as you have authorised me to deal with Alastair on the SC2 transaction (as per my email above of 2 August 2013) This with the additional proviso that, going forwards, I do NOT have to minute telephone calls with any parties, including Alastair, on the SC2 transaction Also that, going forwards, I need only forward you emails and not necessarily copy you in on my original email or responses to others Can you please confirm on all four points'*

On 6 August 2013 Mr Gayler responded, copying Mr Pettit, agreeing to and confirming my request above

Exhibit C

On 4 September 2013 Mr Gayler wrote to Mr Adrian Fairbourne advising *'Hi Adrian I trust that you are well Over the past 4 months I have been in the 'bunker' working with the Albion & Heath (A&H) team who collectively bring an extensive knowledge of the Afghan Retrograde special opportunities investments, asset management and have a strong network of industry contacts providing global coverage and sector intelligence The A&H team is composed of former senior Department of Defence (DoD) and Central Intelligence Agency officials Please take a moment to read the following Daily Mail article <http://www.dailymail.co.uk/news/article-2396811/The-biggest-yard-sale-history-U-S-military-racing-sell-scrap-50BILLION-equipment-Afghanistan.html> We are ready to submit an unsolicited proposal to the DoD, subject to the provision of a surety Bond in order to purchase assets that the US Military does not want to repatriate from the Afghan theatre Please find attached the Pitch Book and, which covers three opportunities we have identified Expected timetable: Marketing Q3 2013 I know you are in fund raising mode, however, thought it best to keep you posted Shout if you need anything from me Adrian'*

Exhibit D

See attached

Exhibit E

On 29th April 2013 Mr Gayler wrote to the Company attaching a job description for the Chairman of the Company (Mr Gayler) as drafted by himself. The draft job description stated '*External Relationships*: As well as being chairman of the board, he (Mr Gayler) is expected to act as the company's leading representative, which will involve the presentation of the company's aims and policies to the outside world work proactively with the CEO management oversight of company activities involving current shareholders and external investors and potential futures shareholders and investors.'

Exhibit F

See attached

Exhibit G

On 7 August 2014 I wrote, inter alia, to Mr Gayler and Mr Pettit advising them 'if you so choose in my absence (on holiday) and irrespective of the contents of the attached or anything that may be perceived by you to the contrary, you have in my absence FULL AUTHORITY from me (a) to make such payments on account to HMRC, in amounts that you unanimously consider appropriate, on behalf of the Company (b) to make a payment on behalf of the Company to Maurice Andrews in the amount of £4,656 excluding VAT and (c) to make a payment on behalf of the Company to Farrel & Co in the amount of £23,840 excluding VAT, I believe that these are all of the creditor liabilities that are accruing outside of the control of the Board of the Company and/or its individual directors.'

Exhibit H

See attached

ARISE PICTURES CAPITAL (APC) **Staff Costs vs Industry Benchmark**



[Handwritten signature]

ROLE	REMUNERATION (£)	INDUSTRY BENCHMARK (£)
CEO / Head of Lending	140,000	200,000+
COO / Head of Legal & Business Affairs	95,000	135,000+
CFO / Finance Director	95,000	135,000+
LA Representative & Creative Advisor	45,000	N/A (Consultant Only)
Assistant	25,000	25,000 to 35,000
TOTAL	400,000	

Exhibit A

Re: AM, AG, SR

From: Adrian Gayler <ag@monzacapital.com>
Subject: Re: AM - Consultancy Fee, AG - Coupon, SR - Expenses
Date: 18 April 2013 08.03 00 BST
To: Steve Robbins <steve.robbins@arisepictures.com>
Cc: Chris Pettit <chris.pettit@arisepictures.com>

I'm in agreement with your approach.

Post SC2 we should keep 6 months of costs in clouding consultancy fees on account. If possible.

Best
A

Sent from my iPhone

On 17 Apr 2013, at 20.57, "Steve Robbins" <steve.robbins@arisepictures.com> wrote

Thank you Chris

I will get you an invoice but note what you say in any event

Best wishes

Steve

Sent from my iPhone

On 17 Apr 2013, at 12 53, "Chris Pettit" <chris.pettit@arisepictures.com> wrote

Gents

Just checking you're happy for me to pay below / make transfer from US\$ to £ a/c of c.£10K

AM - £5K consultancy fees (due)
AG - £7K coupon (due 19.04 13)
SR - £2,818 82 expenses (invoice imminent (see attached breakdown))

As you know I haven't done expenses payable to APFB Services from AC for last 1/4 but FYI I doubt there will be sufficient monies to pay them, Cannes etc w/o either receiving SC2 monies owing or utilising some of '5%' of BAI's loan

Popping to gym back in an hour



Exhibit M

This email and attachment are sent on behalf of scbrobbins@yahoo.co.uk

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Regards,
HP Team

PERPETUAL MEDIA CAPITAL ADVISORS LLP

LIMITED LIABILITY PARTNERSHIP
LLP NUMBER OC344095

REGISTERED OFFICE SUITE 14 56-58 BROADWICK STREET, LONDON W1F 7AJ

Mr Stephen Charles Bevan Robbins
75 St Aidan's Road
London
SE22 0RW

*copy of 3 years exp. by a
tail end*

20th March 2009

Dear Mr Robbins

PERPETUAL MEDIA CAPITAL ADVISORS LLP ('LLP')

Following the successful completion of the arrangements in relation to the creation of the LLP and the execution of the Partnership Agreement between, inter alia, yourself and the LLP dated 20th March 2009 ('LLP Agreement'), we are pleased to confirm your admission to the LLP as an Ordinary and Designated Member.

A summary of the principal terms and conditions of your admission is set out below. Please note, however, that this letter only provides a summary of your rights and obligations as an Ordinary and Designated Member and is therefore not comprehensive. Consequently, you should refer to the LLP Agreement itself for the definitive terms.

1. DATE OF ADMISSION

The date of your admission to the LLP was 20th March 2009, being the date of the LLP Agreement. You will remain a Member (whether as an Ordinary or Designated Member) until such time as you retire or are expelled from the LLP in accordance with the LLP Agreement.

2. DESIGNATION

You will be an Ordinary and Designated Member of the LLP. You will not be an employee of the LLP.

3. CAPITAL CONTRIBUTIONS

You have made a capital contribution to the LLP. As an Initial Member you shall acquire a share in the LLP equivalent to the amount of your capital contribution.

4. VOTING RIGHTS

As an Ordinary Member you have been allocated 20 per cent. of the voting rights in the LLP on all special resolutions. As a Designated Member your approval is required on all ordinary resolutions.

5. PROFIT SHARE

Pursuant to the LLP Agreement, you will be entitled to drawings from the LLP as follows:

- (a) **Monthly Drawings** – as a Designated Member you will be entitled to monthly drawings as determined, from time to time by an ordinary resolution of the Designated Members. Such monthly drawings shall not exceed £10,417 per calendar month for the 12 months from and including 20th March 2009. You will be entitled to receive your monthly drawings on the last day of each calendar month or the previous business day where that date is not a business day, and
- (b) **Residual Drawings** – as an Ordinary Member you will also be entitled to residual drawings. The amount of your residual drawings will depend on the annual net profits of the LLP and your residual drawings will be allocated to you following deductions for the monthly drawings of the Designated Members. You will be entitled to draw your residual drawings (if any) as soon as reasonably practicable following the accounting reporting date of the LLP which is currently 30 June.

6. TAX

You will be responsible for the payment of any amounts of tax due and payable by you in relation to the profits of the LLP (including for any monthly and residual drawings).

7. DUTIES TO THE LLP

Your duties as an Ordinary and Designated Member are set out in the LLP Agreement. As a Designated Member, you are also subject to number of statutory duties which you must fulfil.

Perpetual Media Capital Advisors LLP is a limited liability partnership registered in England and Wales with registered number OC344095 and its registered office is at Suite 14 56-58 Broadwick Street, London W1F 7AJ.

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Regards,
HP Team

You are required to devote the whole of your working time and attention to the business of the LLP and must diligently employ yourself in the business of the LLP and conduct yourself in a proper manner and use your best skill and endeavour to promote the business of the LLP to the greatest advantage of the LLP. You must not directly or indirectly carry on or be interested in any business which competes with the business of the LLP.

You must at all times comply with all legislation, regulations, professional standards and other provisions as may govern the conduct of the business, or may be determined by a special resolution of the members as standards to be voluntarily applied by the LLP to its business.

As a Designated Member, you will (together with the other Designated Members) manage and control the business and affairs of the LLP and will have the power and authority to undertake all such acts and to execute, modify and perform on behalf of the LLP all such contracts, deeds, cheques, mandates, instruments or documents as may be necessary or desirable in connection with the business of the LLP.

8 HOLIDAY ENTITLEMENT

In addition to normal public holidays in England and Wales, as a Designated Member you will be entitled to 23 days' holiday in aggregate in each calendar year (which shall be calculated pro rata for any shorter period). You can take your holiday entitlement at such times as may be reasonable.

9 INDEMNITIES AND EXPENSES

The LLP will indemnify you from and against all liabilities, costs, claims and expenses and any liability incurred in defending proceedings arising out of payments by you or liabilities incurred by you in the proper performance by you of your duties as a Member in the normal course of operation of the business of the LLP or in respect of anything necessarily done by you for the preservation of the business and property of the LLP.

You will be entitled to charge and be refunded all out-of-pocket expenses incurred by you in connection with the business provided that all expenses must be vouched by an appropriate receipt and VAT invoice where appropriate.

10 INSURANCE

The Designated Members will have the power at the cost of the LLP, to obtain and maintain insurance for or for the benefit of the Members against any liability incurred by you in respect of any act or omission in the usual or purported execution and discharge of your duties, powers and obligations under the LLP Agreement or as otherwise required by law.

11 RETIREMENT

You will be entitled to retire from the LLP upon giving 6 months' written notice to the LLP provided that your retirement is approved by a special resolution of the Ordinary Members.

The LLP will be entitled to expel you immediately by notice in writing for certain specified reasons including, but not limited to: (a) you committing any material or persistent breaches of the LLP Agreement, (b) you becoming unable to pay your debts or becoming bankrupt, (c) you are guilty of any serious dishonesty, gross misconduct or willful neglect of duty, (d) you are convicted of a criminal offence other than a minor road traffic or similar minor offence remediable by paying a fixed penalty charge, (e) you cease to hold any professional qualification or certification required for the normal performance of your duties as a Designated Member.

12 RESTRICTIVE COVENANTS

On the date on which you cease to be a Member of the LLP, you shall become subject to a number of restrictive covenants for a period of 9 months following such cessation. Such covenants include, but are not limited to, covenants preventing you from (i) competing with the LLP and (ii) soliciting or enticing away from the LLP customers, clients, agents or employees of the LLP.

13 CONFIDENTIALITY

You have undertaken that you will not at any time use divulge or communicate to any person, other than to your professional advisers or as may be required by law or any legal or regulatory authority any confidential information and you shall use your reasonable endeavours to prevent the publication or disclosure of any such confidential information.

We hope you find this summary helpful and look forward to working with you.

Yours sincerely



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Regards,
HP Team



Perpetual Media Capital Advisors LLP

BENJAMIN TUSTIN

FOR AND ON BEHALF OF PERPETUAL MEDIA, A MEMBER

*Certified a true and accurate
copy of the original document*



BENJAMIN TUSTIN
DIRECTOR
PERPETUAL LTD



Arise Capital Limited ("Company")
Statement of Affairs Calcas
as at 29 08 14

US\$ 1 630 Etc

[1]

	£	US\$	VAT
ASSETS			
Assets subject to a fixed charge			
Assets subject to a floating charge			
Uncharged assets			
Cash in Bank (0 29 08 14)	753 13	977 204 37	
Sin City 2 & Machete Kills deferred revenues [2]			
SUB-TOTAL	753 13	977,204 37	
Estimated total assets available for preferential creditors	600 265 01		
Estimated total assets available for preferential creditors (carried from page A)	600 265 01		
LIABILITIES			
Preferential creditors			
Estimated deficiency/surplus as regards preferential creditors	600 265 01		
Estimated prescribed part of net property where applicable (to carry forward)	600 265 01		
Debt secured by floating charges			
Estimated deficiency/surplus of assets after floating charges	600 265 01		
Estimated prescribed part of net property where applicable (brought down)			
Total assets available to unsecured creditors	600 265 01		
Unsecured non preferential claims			
Adrian Gayler Loan [3]			
Principal	350 000 00		
less Foreign Exchange Losses [4]	4 147 85		
Interest (less Withholding Tax) [5]	5 600 00		
Total Repayment to Adrian Gayler	351 452 15		
Outstanding Expenses (incl. VAT)			
APFB Services Limited (01 02 13 to 31 08 13)	- 28 909 41		4 818 24
APFB Services Limited (01 09 13 to 31 10 13)	- 3 873 36		694 72
Stephen Robbins (28 03 13 to 09 08 13)	- 2 858 17		
Stephen Robbins (11 07 13 to 25 11 13)	- 1 336 60		
Total Outstanding Expenses (incl. VAT)	36 977 54		
Outstanding Consultancy Fees (incl. VAT)			
APFB Services Limited (01 02 13 to 19 10 13)	- 43 064 00		7 177 00
Stephen Robbins (01 02 13 to 19 10 13)	35 887 00		-
Total Outstanding Consultancy Fees (incl. VAT)	78 951 00		
Outstanding Advisory Fees (incl. VAT)			
Company Legal Fees Farrer & Co LLP	18 840 00		3 140 00
Company Accountancy Fees Maurice Andrews	4 656 00		776 00
Total Outstanding Advisory Fees (incl. VAT)	23 496 00		
Estimated Owing to HMRC & Companies House			
Withholding Tax Liability BAI Co (MTUS) Ltd [6]	- 19 865 44	31 917 81	
Withholding Tax Liability Adrian Gayler [5]	6 400 00		
Corporation Tax Liability to 31 03 13	445 00 [7]		
Corporation Tax Liability 01 04 13 to 29 08 14 Est	25 000 00 [8]		
Companies House Late Filing Penalty Est.	1 500 00		
Withholding Tax Interest Est	700 00		
VAT Reclaim [9]	16 605 96		16 605 96 [9]
Total Estimated Owing to HMRC & Companies House	39 304 48		
SUB TOTAL Unsecured non preferential claims	530 181 17		
Estimated deficiency after floating charge where applicable (brought down)			
Estimated deficiency/surplus as regards creditors	70 083 84		
Issued and called up capital	1 000 00		
Estimated total deficiency/surplus as regards members	69,083.84	[See Notes]	

NOTES TO STATEMENT OF AFFAIRS

- (A) Costs in the administration (incl. those relating to Adrian Gayler's Application for an administration order / referenced in the Administration Order dated 29 08 14) are NOT included in the Statement of Affairs. See schedule 'Arise Capital Limited - Creditors 29 08 14' attached
- (B) Moore Stephens LLP fees and expenses are NOT included in the Statement of Affairs. Potential amounts (interest, fees and expenses) which Adrian Gayler claims are owed to him are unknown and disputed are NOT included in the Statement of Affairs.
- (C) The Company has US\$977 204 37 in bank accounts at Coutts & Co. This exchange rate has been used to prepare the Statement of Affairs. It is subject to change
- [1] The poor performance of 'Sin City 2 & Machete Kills' at the box office vs the cost of production and distribution of the films combined with Company's position in the recoupment waterfall means it is unlikely Company will receive any deferred revenues from these films
- [2] The validity of Adrian Gayler's floating charge over accounts dated 08 02 13 (which he converted to a fixed charge on 04 09 13) is disputed pursuant to s245 Insolvency Act 1986 and with it his status as a secured creditor
- [3] Foreign exchange losses incurred by Company as a result of Adrian Gayler's refusal to accept repayment of his Loan on or before its maturity date (19 10 13). GBP value of balance in Company US\$ accounts as at the maturity date (£1 US\$1 618) Less GBP value of balance in Company US\$ accounts as at (17 09 14 (£1 US\$1 633))
- [4] Calculated to maturity date of Adrian Gayler's Loan (19 10 13)
- [5] Calculated using spot rate on 09 10 13 (£1 US\$1 6067) being the date BAI's interest was paid
- [6] As per draft statutory accounts for period 01 04 12 to 31 03 13
- [7] Company's management accounts prepared as at 30 06 14 showed a potential corporation tax liability of £16 950. This assumed that no VAT charged would be recovered by the Company and that VAT reclaimed/recovered by Company would be repayable to HMRC (see [9] below). In the event that the VAT charged is recoverable, Company's corporation tax liability will increase to this estimated amount
- [8] VAT treatment of Company's supplies means Company's entitlement to be VAT registered and its right to VAT recovery on expenses may be questioned by HMRC. If successfully challenged, Company will have to repay VAT recovered (£18 829 07) and will not be able to recover the unclaimed VAT (£16 605 96). If the £18 829 07 has to be repaid to HMRC interest and penalties will also be payable. The level of such penalties will depend on HMRC's attitude following arguments put forward in mitigation. In Company's management accounts prepared as at 30 06 14 a penalty of 30% (£5 648 72) and interest (£900) was included