

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



A17 \*A72EYJCX\* 24/03/2018 #145  
COMPANIES HOUSE

### 1 Company details

Company number 0 5 3 1 9 2 6 4

Company name in full Motive Television PLC

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Ian

Surname Franes

### 3 Administrator's address

Building name/number 24 Conduit Place

Street London

Post town W2 1EP

County/Region

Postcode

Country

### 4 Administrator's name

Full forename(s) Jeremy

Surname Karr

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number 24 Conduit Place

Street London

Post town W2 1EP

County/Region

Postcode

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	2	d	6	m	0	m	8	y	2	y	0	y	1	y	7
To date	d	2	d	5	m	0	m	2	y	2	y	0	y	1	y	8

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

X

Signature date	d	2	d	1	m	0	m	3	y	2	y	0	y	1	y	8
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# AM10

## Notice of administrator's progress report



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Simon Killick
Company name	Begbies Traynor (Central) LLP
Address	24 Conduit Place
	London
Post town	W2 1EP
County/Region	
Postcode	
Country	
DX	
Telephone	020 7262 1199



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

Ian Franes and Jeremy Karr were appointed joint administrators on 26 August 2016

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

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## **Motive Television PLC (In Administration)**

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Progress report of the joint administrators

Period: 26 August 2017 to 25 February 2018

## **Important Notice**

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	Motive Television PLC (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 26 August 2016
"the administrators" "we" "our" and "us"	Jeremy Karr and Ian Franses of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

# 2. STATUTORY INFORMATION

Name of Company	Motive Television PLC
Trading name(s):	Motive
Date of Incorporation:	22 December 2004
Company registered number:	05319264
Company registered office:	24 Conduit Place, London, W2 1EP

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Jeremy Karr and Ian Franses of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP
Date of administrators' appointment:	26 August 2016
Date of administrators' resignation:	N/A
Court:	High Court of Justice, Companies Court
Court Case Number:	04846 of 2016
Person(s) making appointment / application:	The Directors of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings:	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are 'main' proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months. The extension was sought to allow the administrators to complete the realisation of the assets of the Company.

### 4. PROGRESS DURING THE PERIOD

#### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 26 August 2017 to 25 February 2017.

#### ASSETS SUBJECT TO A FIXED CHARGE

##### Intangibles/Intellectual Property

\*An amount of £24,995 has been received in respect of intellectual property owned by the Company with reference to the sale of certain assets on 15 September 2017 ("**the Sale**"). Details of the sale have previously been reported to the creditors but they are provided again in Section 10 below.

#### ASSETS SUBJECT TO A FLOATING CHARGE

##### Commercial Records

\*£1 has been realised from the Sale in relation to the commercial records of the Company.

**Commercial Software**

\*£1 has been realised from the Sale in relation to Commercial Software.

**IT Systems**

\*£1 has been realised from the Sale in relation to IT Systems.

**Quality Assurance Documents**

\*£1 has been realised from the Sale in relation to quality assurance documents.

**Source Code**

\*£2 has been realised from the Sale in relation to the relevant source codes.

**Bank Interest Gross**

£1.77 in gross bank interest has been earned on funds held in the administration bank account during the period.

*\*As discussed in previous progress reports, there was an amount of £29,711 that was deposited by Giuseppe Flores D'Arcais. These funds represented £25,000 plus VAT (less transactional charges) and were paid as a security deposit against an offer that the secured loan note holders ("the Loan Note Holders") were intending to make for certain assets in the administration. This offer culminated in the Sale and, accordingly, these funds were reallocated during the period of this report to the various assets realisations as detailed above.*

**PAYMENTS****Legal Fees**

£2,000 has been paid to Ward Hadaway Solicitors ("WHS") in respect of their fees for assisting the Administrators with legal matters in the administration, including the legal documentation relating to the Sale.

**Valuers**

£1,000 has been paid to Eddisons Commercial Limited ("Eddisons") in respect of their fees for assisting the Administrators with valuing the Company's assets and marketing the assets for sale.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

**General case administration and planning**

The Administrators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.



#### Compliance with the Insolvency Act, Rules and best practice

The Administrators are required to comply with the provisions of the Act at all times. In the period of this report, this has included:

- Periodic compliance reviews;
- Compiling this report to creditors.

#### Investigations

The Administrators are required to carry out an investigation into the affairs of the Company and the way in which it was managed in the period preceding the commencement of the administration together with the reasons for the failure. We have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. At this point, there are no transactions that the administrators consider could be challenged which would potentially lead to a recovery for the benefit of creditors. Further investigations may be carried out between now and the end of the administration.

#### Realisation of assets

Details of the assets that have been realised in respect of the Sale are given below in Section 10. Please see the previous progress reports for detail of the minimal assets that have been realised prior to the period covered by this report.

#### Trading

The Administrators have carried out no trading of the business during the course of the administration.

#### Dealing with all creditors' claims (including employees), correspondence and distributions

The Administrators have not adjudicated upon any creditor claims as it is not yet certain whether there will be sufficient funds realised in the administration to make a distribution. Certain creditors have contacted the Administrators' office during the year and we have dealt with any queries that have arisen.

#### Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The Administrators have liaised with HM Revenue & Customs in order to reclaim the VAT incurred in the administration and to pay the VAT that was due on the Sale.

## **5. ESTIMATED OUTCOME FOR CREDITORS**

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals, but the details are provided again here for ease of reference.

#### **Secured creditors**

The Registrar of Companies confirms there to be a Trust Deed in favour of The Law Debenture Trust Corporation PLC ("**Law Debenture**"), created on 15 October 2010 and registered on 28 October 2010. The Trust Deed grants a fixed and floating charge to Law Debenture over the assets of the Company.

Underpinning the Law Debenture security are five individual creditors (the Loan Note Holders) who, by virtue of the charge granted to the Law Debenture, are being treated by the Administrators as being secured creditors.

The Administrators understand that Law Debenture acts as Trustee in relation to the underlying secured creditors. These creditors, and the amounts owed to them are:

<b>Creditor</b>	<b>Outstanding Liability (£)</b>
CitiGroup Global Markets Limited	2,454,039
Giuseppe Flores D'Arcais	836,805
John Paul Dejoria Family Trust	711,619
E Servicios LatinAmericanos SL	19,847
Montrose Executive Management	16,329

Coutts & Co ("**Coutts**") have also been granted a Charge of Deposit that was delivered to the Registrar on 26 June 2007 but the Administrators understand that there is no indebtedness owed to Coutts. The Administrators will file a Memorandum of Satisfaction in due course.

Details of a sale of certain assets to the Loan Note Holders are provided in Section 10 of this report.

#### **Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £10,467. It is not yet certain whether there will be sufficient realisations to enable a distribution to be made to preferential creditors.

#### **Unsecured creditors**

Claims of unsecured creditors have been estimated on the statement of affairs at £2,098,682.

The Administrators have been contacted by the representative of a major unsecured creditor, Bergen Global Opportunity Fund LP ("**Bergen**"). Bergen are claiming £2,312,495 in the administration (as at 14 September 2016). You may recall from the creditor list attached to the directors' statement of affairs with the Administrators' Proposals that Bergen are listed as having a claim in the sum of £1,221,741.

Some preliminary legal advice was sought regarding Bergen's claim ahead of the creditors' meeting that was convened for 15 August 2016 (but not held due to the members' resolution not being passed) as the proposed liquidators (the subsequently appointed Joint Administrators) required guidance on the amount for which the claim should be admitted for voting purposes.

The advice obtained raised questions over an element of Bergen's claim in the sum of £1,090,754 for indemnified losses and the decision was taken to admit their claim for voting purposes at the claim amount net of this figure. This explains the lower figure on the creditors list.

If and when a distribution is to be made to unsecured creditors, the Administrators will fully adjudicate the claim of Bergen and seek further advice as necessary.

#### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not

participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

In the period of this report minimal floating charge assets have been realised. Such realisations mean the current calculation of the net property is less than £10,000 and therefore it is not applicable to calculate a prescribed part at this juncture.

#### **Effect of administration on limitation periods under the Limitation Act 1980**

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

## **6. PRE-ADMINISTRATION COSTS**

On 25 October 2016 the following amounts in respect of unpaid pre-administration costs were approved by the secured and preferential creditors:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	3,071	614	3,685
Legal costs	Ward Hadaway	3,019	604	3,623
<b>TOTAL PRE-ADMINISTRATION COSTS</b>		6,090	1,218	7,308

## **7. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by the secured and preferential creditors on 25 October 2016 by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (London) LLP in attending to matters as set out in the fees estimate. We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 26 August 2017 to 25 February 2018 amount to £14,994.50 which represents 69.2 hours at an average rate of £216.68 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ❑ Time Costs Analysis for the period 26 August 2017 to 25 February 2018
- ❑ Begbies Traynor (London) LLP's charging policy

To 25 February 2018, we have drawn the total sum of £16,000 on account of our remuneration, against total time costs of £69,177 incurred since the date of our appointment which represents 304.2 hours at an average charge out rate of £227.41.

### **Time Costs Analysis**

In addition to the time costs information disclosed at Appendix 2 for the period of this report, a cumulative Time Costs Analysis for the period from 26 August 2016 to 25 February 2018 is also attached at Appendix 2.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be seen from the information above, our fee estimate has not been exceeded. However, you will note that our time costs have exceeded what was predicted in the fee estimate. In the event that further realisations are sufficient to allow the Administrators to draw fees in excess of the initial agreed fee estimate we will seek the authority from creditors before drawing such further fees.

### **Disbursements**

To 25 February 2018, we have not drawn disbursements.

### **Category 2 Disbursements**

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £1,000 are as follows:

### **Disbursements treated as Category 2 disbursements**

<b>Other amounts paid or payable to any party in which the office holder or his firm or any ass has an interest</b>	
<b>Type and purpose</b>	<b>Amount £</b>
Eddisons Commercial Limited, which is a member of the Begbies Traynor group, has provided valuation advice to the Administrators and carried out a marketing exercise prior to the Sale. The purpose of obtaining such services was to ensure that the price achieved in the Sale was the best that the Administrators could achieve.	1,000
<b>TOTAL</b>	<b>1,000</b>

The Administrators obtained approval for the following resolution:

*"That the Joint Administrators be authorised to draw disbursements for services provided by their firm and/or entities within the Begbies Traynor group, in accordance with their firm's policy, details of which accompanied their Statement of proposals for achieving the purpose of administration. Express approval is given for the Joint Administrators to pay Eddisons Commercial Limited ("**Eddisons**") for their services provided in relation to valuation and marketing of the Company's assets. Eddisons have estimated that their costs will not exceed £5,000. In the event that their costs exceed £5,000, the Joint Administrators will seek the further approval of the relevant creditors if a further payment to Eddisons is proposed".*

Accordingly, we have made a payment to Eddisons which does not exceed the approval that we have obtained from the creditors.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

### **Expenses actually incurred compared to those that were anticipated**

Creditors will recall that we estimated that the expenses of the administration would total £13,018. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

## 9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

**What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

### General case administration and planning

The Administrators will continue to carry out their general administration of the matter and ensure that the case files reflect all decisions that are taken in respect of the assets and liabilities.

### Compliance with the Insolvency Act, Rules and best practice

That the Insolvency Act and Rules require Insolvency Practitioners to perform certain duties such as produce progress reports, produce a final report, file information with the Registrar of Companies and ensure that the case is adequately bonded. The Administrators will comply with all these requirements and any others incumbent upon them.

### Investigations

As discussed earlier in this report, there may be some further work carried out by the Administrators in relation to their duty to carry out investigations. The level of this further work is not anticipated to be significant in the context of this case and we do not currently have any reason to consider that there are any transactions that can be challenged that will result in a recovery for the benefit of creditors.

### Realisation of assets

#### **Subsidiary shareholdings**

You will recall that the directors' statement of affairs included numerous subsidiary shareholdings. Some of these holdings have been realised as part of the sale to the Loan Note Holders discussed below, namely the holdings in Motive Holdings Inc and Motive Television Services Limited.

The Administrators have further analysed the remaining subsidiary holdings and consider only very minimal realisations are likely to be made, if any.

This is mainly due to the Spanish subsidiary having gone through an insolvency process in Spain, rendering the shares worthless.

Please refer to the Directors' statement of affairs for further information as to the book value holdings of each subsidiary.

#### **Inter-company debts owed**

You may also recall from the Directors' statement of affairs that there were numerous inter-company debts due to the Company.

The Administrators consider that the majority of these debts are not recoverable due to the financial position of the subsidiaries.

Where there is a prospect of recovery, the Administrators are conducting further work in order to maximise realisation but such work is not yet complete.

#### **Book Debts and Prepayments**

The Directors' statement of affairs stated that there were book debts with a book value of £41,814. The Joint Administrators have since taken control of the Company's books, records and electronic accounting information. We have established that the balance is taken from invoices due to the Company from Motive Television Inc, based in the USA. We are seeking to recover these funds but have so far had no response from the debtor and are carrying out further work to establish if they are still trading.

There was also a prepayments balance on the statement of affairs in the sum of £69,293. The Joint Administrators understand from the former finance director that the prepayments balance refers to journal entries only and is not recoverable. The Administrators have reviewed the Company's electronic accounting records and do not consider that this represents a recoverable asset.

### Dealing with all creditors' claims (including employees), correspondence and distributions

The Administrators and their staff will adjudicate upon creditors' claims as and when there are sufficient recoveries in the liquidation to allow a distribution to be made to creditors.

#### **How much will this further work cost?**

It is anticipated that the further work necessary on this case will cost circa £5,000.

As discussed above, based on likely realisations in the administration, we do not anticipate that the level of fees that will be drawn will exceed the agreed fee estimate. For this reason, the Administrators do not intend to incur the additional cost of seeking further approval from creditors for a revised fee estimate at this stage.

However, we reserve the right to seek further approval from creditors at a later date if there are sufficient realisations in the estate to allow further fees to be drawn over and above the initial fee estimate.

### **Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 5 October 2016 which included all of the expenses that we anticipate that we will incur throughout the administration.

## **10. OTHER RELEVANT INFORMATION**

### **Report on Directors conduct**

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

### **Connected party transactions**

#### **Sale of assets to the secured creditors**

As previously reported, the Administrators anticipated that there would be a sale of certain assets to the Loan Note Holders in their capacity as secured creditors. An offer was made by the Loan Note Holders in March 2017 and having tested the market to invite other offers, the Administrators were advised by their agents Eddisons Commercial Limited ("**Eddisons**") that the offer should be accepted.

As detailed above, the Sale completed on 15 September 2017.

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold:

<b>Date of sale</b>	<b>Asset sold and nature of transaction</b>	<b>Consideration paid and date</b>	<b>Name of Purchaser</b>	<b>Relationship with the Company **</b>
15 September 2017	Asset Sale Agreement. See list of assets below. *	£405,001	Eyetime Systems Limited	

\*The assets sold as part of the Sale were:

- Commercial Records
- Commercial Software
- Intellectual Property
- IT Systems
- Quality Assurance Documents
- Shareholding in Motive Television Services Limited
- Shareholding in Motive Television Holdings Inc

#### **\*\*Relationship with the Company**

Mr Giuseppe Flores D'Arcais is a director and shareholder of Eyetime Systems Limited. Mr D'Arcais is a former director of the Company and a current director of Motive Television Services Limited. Mr Anthony

Combe is a director and shareholder of Eyetime Systems Limited and a former employee of the Company.

### **Background to the Sale**

The Administrators instructed Eddisons to evaluate the assets of the Company and to market them for sale using the following methods:

- Direct marketing to stakeholders including creditors, shareholders and officers of the Company;
- Online marketing campaign, including social and professional media sites to industry specific sectors;
- Marketing to Eddison's own data base of circa 18,000 users;
- Advertising the business and assets for sale on the 'Business for Sale' section of their website.

The only offer that the Administrators received was from the Loan Note Holders. Eddisons consequently advised the Administrators to accept the offer.

As consideration for the purchase of the above assets, the Loan Note Holders are releasing their security held under the Law Debenture and are writing down the indebtedness in the collective sum of £380,000 which represents £190,000 for each of the investments in Motive Television Services Limited and Motive Television Holdings Inc. Had these assets been sold to another purchaser for cash, such cash funds would have been paid, after the deduction of costs, to the Loan Note Holders under their security. The realisation of these investments is not shown on the account of receipts and payments for the period as the Administrators have not yet received the written confirmation from two of the five loan note holders that they agree to write down their indebtedness. This is a formality that we anticipate will be resolved in the near future whereupon these assets will be shown as realised on the administration account against a corresponding fixed charge payment.

As detailed previously in the Administrators' proposals, we were required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act.

We considered that it was not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case was that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we considered that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

We consider that the Sale as described has achieved the above objective.

### **Extension of administration**

The administration has been extended for a period of 12 months with the consent of creditors.

### **Proposed exit route from administration**

The Administrators still consider that the most likely exit route from administration will be to move the Company to dissolution pursuant to paragraph 84 of Schedule B1 to the Act.

## **11. CREDITORS' RIGHTS**

### **Right to request further information**

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission



of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

#### **Right to make an application to court**

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## **12. CONCLUSION**

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



**Jeremy Karr**  
Joint Administrator

Dated: 21 March 2018

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 26 August 2017 to 25 February 2018

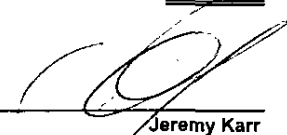
**Motive Television PLC**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 26/08/2017 To 25/02/2018 £	From 26/08/2016 To 25/02/2018 £
	<b>SECURED ASSETS</b>		
Uncertain	Intangibles/Intellectual Property	24,995.00	24,995.00
NIL	Investment Motive TV Spain	NIL	NIL
Uncertain	Investment: Motive TV Ireland	NIL	NIL
NIL	Investment: Motive TV Inc	NIL	NIL
Uncertain	Investment: Motive TV Services Ltd	NIL	NIL
NIL	Investment: Scarlet Limited	NIL	NIL
NIL	Investment: Motive TV Scotland	NIL	NIL
Uncertain	Investment: Motive Holdings Inc	NIL	NIL
		<u>24,995.00</u>	<u>24,995.00</u>
	<b>COSTS OF REALISATION</b>		
	Administrators' Fees		16,000.00
	Court Fees		50.00
	Legal Fees	2,000.00	4,000.00
	Bonding	-	18.00
	Pre administration Fees	-	3,000.00
	Valuers Fees	1,000.00	1,000.00
	IT Maintenance	-	350.00
		<u>(3,000.00)</u>	<u>(24,418.00)</u>
	<b>SECURED CREDITORS</b>		
(711,619)	John Paul Dejoria Family Trust	NIL	NIL
(19,847)	E Servicios Latinamericanos S.L	NIL	NIL
(16,329)	Montrose Executive Management	NIL	NIL
(836,805)	Guiseppe Flores D'Arcais	NIL	NIL
(2,454,039)	Citigroup Global Markets Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
NIL	InterCo Debt: Spain	NIL	NIL
Uncertain	InterCo Debt Motive TV Inc	NIL	NIL
Uncertain	InterCo Debt Motive TV Services Ltd	NIL	NIL
NIL	InterCo Debt: Motive TV Scotland	NIL	NIL
NIL	InterCo Debt: Motive TV Ireland	NIL	NIL
Uncertain	InterCo: Debt: MTV Investments Ltd	NIL	NIL
Uncertain	Computer Equipment	NIL	NIL
Uncertain	Prepayments	NIL	NIL
Uncertain	Rent Deposit	NIL	NIL
Uncertain	Book Debts	NIL	NIL
	Commercial Records	1.00	1.00
	Commercial Software	1.00	1.00
	IT Systems	1.00	1.00
	Quality assurance documents	1.00	1.00
17	Cash at Bank	NIL	130.74
	Source Code	2.00	2.00
	3rd Party Contribution: Storage	NIL	135.00
	Bank Interest Gross	1.77	4.92
	Third Party Funds	NIL	NIL
		<u>7.77</u>	<u>276.66</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond		NIL

**Motive Television PLC**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs		From 26/08/2017 To 25/02/2018	From 26/08/2016 To 25/02/2018
£		£	£
	Pre-Administration Fees	NIL	NIL
	Administrators' Fees	NIL	NIL
	Court Fees	NIL	NIL
	IT Maintenance	NIL	NIL
	Legal Fees (1)	NIL	NIL
	Storage Costs	NIL	225.00
	Statutory Advertising	NIL	79.00
	Bank Charges	NIL	289.20
		NIL	(593.20)
	<b>UNSECURED CREDITORS</b>		
(743,282)	Trade Creditors	NIL	NIL
(1,221,741)	Bergen Global Opportunity Fund LP	NIL	NIL
(12,177)	HM Revenue & Customs (PAYE)	NIL	NIL
(17,929)	HM Revenue & Customs (VAT)	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(201,980)	Ordinary Shareholders	NIL	NIL
(3,790,271)	Deferred Shares	NIL	NIL
(4,559,026)	Deferred Shares (B)	NIL	NIL
(1,101,693)	Deferred Shares (C)	NIL	NIL
		NIL	NIL
<b>(15,686,720)</b>		<b><u>22,002.77</u></b>	<b><u>260.46</u></b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		260.46

**260.46**

  
**Jeremy Karr**  
Joint Administrator

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## **TIME COSTS AND DISBURSEMENTS**

- a. Begbies Traynor (London) LLP's charging policy;
- b. Time Costs Analysis for the period from 26 August 2017 to 25 February 2018; and
- c. Cumulative Time Costs Analysis for the period from 26 August 2016 to 25 February 2018.

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

*Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.*

**Services provided by other entities within the Begbies Traynor group**

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited (“**Eddisons**”) to provide valuation and marketing services to assist the Joint Administrators in realising the Company's assets. Eddisons have estimated that their charges will not exceed £5,000.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

**BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London West office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 -110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Motive Television PLC - Administration - 01MO247.ADM : Time Costs Analysis From 26/08/2017 To 25/02/2018

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Costs	Average hourly rate £
General Case Administration and Planning	0.4				10.0					10.4	2,208.00	212.31
		0.5	4.2		10.0			0.8	0.7	16.2	3,689.50	227.75
	0.4	0.5	4.2		20.8			0.8	0.7	26.5	5,897.80	221.71
												0.00
Compliance with the Insolvency Act, Rules and best practice								0.8		0.8	88.00	110.00
												0.00
		0.7			7.5			0.5		8.7	1,834.00	210.80
		0.7			7.5			1.5		9.5	1,822.00	202.32
Investigations								1.5		1.5	165.00	110.00
								1.5		1.5	165.00	110.00
					1.5					1.5	307.50	205.00
		3.7			21.8					25.5	5,745.50	225.31
Realisation of assets												0.00
												0.00
												0.00
		3.7			20.3					27.8	6,051.00	224.19
Trading												0.00
												0.00
												0.00
		0.1								0.1	34.50	345.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
												0.00
												0.00
		0.1								0.1	34.50	345.00
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
												0.00
												0.00
					4.5					4.5	922.50	205.00
Total												0.00
												0.00
												0.00
												0.00
Total for Other matters:												0.00
												0.00
												0.00
												0.00
Total hours by staff grade:												0.00
												0.00
												0.00
												0.00
Total time cost by staff grade:												0.00
												0.00
												0.00
												0.00
Average hourly rate £:												0.00
												0.00
												0.00
												0.00
Total fees drawn to date £:												0.00
												0.00
												0.00
												0.00



SIP9 Motive Television PLC - Administration - 01MO247.ADM : Time Costs Analysis From 26/08/2016 To 25/02/2018

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	8.8	4.6	2.6		12.8			1.5	8.9	22.2	6,116.00	275.50
Administration			18.5		53.9					87.4	18,515.50	223.29
Total for General Case Administration and Planning:	8.8	4.6	21.1		66.7			1.5	8.9	106.8	25,631.50	233.06
Compliance with the Insolvency Act, Rules and best practice					2.2		2.5	0.4		5.1	832.50	163.24
Appointment												
Banking and Bonding								2.5		2.5	275.00	110.00
Case Closure												0.00
Statutory reporting and statement of affairs		3.9			52.3			3.4		59.6	12,441.00	208.74
Total for Compliance with the Insolvency Act, Rules and best practice:		3.9			54.5		2.5	3.9		107.8	13,648.00	201.61
Investigations		1.3	0.6		11.7			1.5		15.1	3,198.00	211.79
CCDA and investigations												
Total for Investigations:		1.3	0.6		11.7			1.5		18.1	3,198.00	211.79
Realisation of assets					4.0					4.0	820.00	205.00
Debt collection												
Property, business and asset sales		24.2			66.1			0.2		90.5	21,921.50	242.23
Retention of Third party assets												0.00
Total for Realisation of assets:		24.2			70.1			0.2		94.5	22,741.50	240.65
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions		1.0										
Secured										1.0	345.00	345.00
Others		2.9			4.9					7.8	2,005.00	257.05
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:		3.9			4.9					8.8	2,350.00	267.06
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors including meetings												0.00
Other												0.00
Tax					7.5		0.2	1.3		9.0	1,707.50	189.72
Litigation												0.00
Total for Other matters:					7.5		0.2	1.3		9.0	1,707.50	189.72
Total hours by staff grade:	8.8	37.9	21.7		215.4		2.7	10.8	8.9	304.2		
Total time cost by staff grade:	2,686.00	13,075.50	5,727.00		44,157.00		364.50	1,188.00	979.00		59,177.00	
Average hourly rate £:	305.00	345.00	310.00	0.00	205.00	0.00	135.00	110.00	110.00		16,000.00	227.41
Total fees drawn to date £:												

## STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group				
Legal fees	Ward Hadaway	16,253	2,000	14,253
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Agent's fees – valuation and marketing	Eddisons	5,000	1,000	4,000

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal fees	Ward Hadaway	16,253
Statutory advertising	TMP UK Limited	79
Storage if not a Category 2 disbursement	Saracen Date Storage	225
Bond	AUA Insolvency Risk Services	18
Website Maintenance	A D Combe	350