

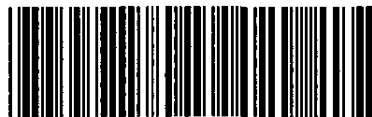
# AM23

## Notice of move from administration to dissolution



Companies House

WEDNESDAY



A13 \*A7CV1DWQ\* 22/08/2018 #54  
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 Court details

Court name High Court of Justice, Companies Court

Court number 0 4 8 4 6 0 f 2 0 1 6

### 3 Administrator's name

Full forename(s) Ian

Surname Franes

### 4 Administrator's address

Building name/number 24 Conduit Place

Street London

Post town W2 1EP

County/Region

Postcode

Country

AM23

Notice of move from administration to dissolution

<b>5</b>	<b>Administrator's name ①</b>																
Full forename(s)	Jeremy	<b>① Other administrator</b> Use this section to tell us about another administrator.															
Surname	Karr																
<b>6</b>	<b>Administrator's address ②</b>																
Building name/number	24 Conduit Place	<b>② Other administrator</b> Use this section to tell us about another administrator.															
Street	London																
Post town	W2 1EP																
County/Region																	
Postcode																	
Country																	
<b>7</b>	<b>Final progress report</b>																
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report																
<b>8</b>	<b>Sign and date</b>																
Administrator's signature	Signature X	X															
Signature date	<table border="1"><tr><td>d</td><td>2</td><td>d</td><td>1</td><td>m</td><td>0</td><td>m</td><td>8</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>1</td><td>y</td><td>8</td></tr></table>		d	2	d	1	m	0	m	8	y	2	y	0	y	1	y
d	2	d	1	m	0	m	8	y	2	y	0	y	1	y	8		

AM23

Notice of move from administration to dissolution



**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 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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Final Progress Report of the joint administrators

Period: 26 February 2018 to 21 August 2018

## Important Notice

This final 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.

## Contents

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Outcome for creditors
- ☐ Administrators' proposals
- ☐ Summary of steps taken during the administration
- ☐ Pre-administration costs
- ☐ Remuneration and disbursements
- ☐ Expenses
- ☐ Creditors' rights
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Conclusion
- ☐ Appendices
  - 1. Account of receipts and payments
  - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
  - 3. Time costs and disbursements
  - 4. *Statement of expenses*

# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"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", "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 Act.

# 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:	18 Soho Square, London, W1D 3QL

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Jeremy Karr and Ian Franses of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP
Date of appointment:	26 August 2016
Date of 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 to 25 August 2018. 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 February 2018 to 21 August 2018.

#### ASSETS SUBJECT TO A FIXED CHARGE

##### Investment: Motive Television Services Limited

£190,000 has been realised for the investment the Company held in Motive Television Services Limited ("**Services**"), a wholly owned subsidiary. Previous reports to creditors have provided details of the sale of assets that completed on 15 September 2017. The Administrators were waiting to account for the realisation of the subsidiary investments until such a time as they had received all relevant written agreements from the loan note holders providing their consent to forgive a corresponding element of their debt that was secured against the investments.

##### Investment: Motive Television Holdings Inc

£190,000 has been realised for the investment the Company held in Motive Television Holdings Inc ("**Holdings Inc**") in the same way as described above.

## **ASSETS SUBJECT TO A FLOATING CHARGE**

### **Intercompany debt: Motive Television Services Limited**

£5,000 has been received against the inter-company debt that was listed on the Company's statement of affairs in the sum of £856,989.

The Administrators belatedly received up to date financial statements from Services which showed that its liabilities significantly exceeded its assets and the director of Services made an offer of settlement that was low relative to the size of the debt.

Before accepting the offer, the Administrators wrote to all major creditors who had proved in the administration to provide the creditors with the opportunity to acquire this debt, as an asset of the Company, from the Administrators. All rights to pursue the debt would have been sold/assigned to any purchaser.

The Administrators received no expressions of interest from any party that they contacted. The Administrators concluded that given that we had neither the funds in the estate to petition for the winding up of Services nor any accounting information that suggested that such a route would result in any return to the Company from a liquidation of Services, the offer to settle should be accepted.

### **Bank Interest Gross**

£0.07 in gross bank interest has been earned on funds held in the administration bank account during the period.

## **PAYMENTS**

### **Legal Fees**

£2,500 has been paid to Ward Hadaway Solicitors ("WHS") in respect of their fees for assisting the Administrators with legal matters in the administration.

### **Joint Administrators' Fees**

£2,760.53 has been paid to Begbies Traynor (Central) LLP ("Begbies") in respect of the administrators' fees. Further details regarding the remuneration of the Administrators are provided in section 9 below.

### **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 3. 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 reports contain 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;
- Dealing with all statutory matters to close the administration

#### 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. Our investigations have led us to conclude that there are no transactions that the administrators consider could be challenged which would potentially lead to a recovery for the benefit of creditors.

#### Realisation of assets

Details of the assets that have been realised in respect of the Sale have been given in previous reports and are included again below in Section 13. 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 unsecured 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 decision 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. OUTCOME FOR CREDITORS

### **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. At the outset of the administration, the secured creditors, and the amounts owed to them were as follows:

<b>Creditor</b>	<b>Initial 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

As part of the sale of certain assets as detailed in section 13 of this report, the above loan note holders agreed to simultaneously forgive an element of their secured debt that was charged against the fixed assets of the Company and also release their security on the remaining debt as follows:

<b>Creditor</b>	<b>Debt Forgiveness (£)</b>	<b>Resulting unsecured liability (£)</b>
CitiGroup Global Markets Limited	230,903.34	2,223,135.70
Giuseppe Flores D'Arcais	78,735.89	758,069.11
John Paul Dejoria Family Trust	66,956.99	644,662.01
E Servicios LatinAmericanos SL	1,867.40	17,979.60
Montrose Executive Management	1,536.38	14,792.62
<b>Total</b>	<b>380,000.00</b>	<b>3,658,639.04</b>

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.

#### **Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £10,467. There have been insufficient floating charge realisations to allow a distribution to preferential creditors.

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

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in previous progress reports.

In the period of the administration 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.

*We have not made a distribution of the prescribed part as the estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we consider, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.*

#### **Unsecured creditors**

Claims of unsecured creditors have been estimated on the statement of affairs at £2,098,682 although the level of unsecured claims has risen as result of the loan note holders releasing their security as detailed above.

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.

The Administrators only intended to fully adjudicate upon the claim of Bergen and seek further advice as necessary if and when a dividend was to be paid to unsecured creditors. However, insufficient funds have been realised to allow a dividend to be paid to unsecured creditors in the administration.

#### **Exit from administration**

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

## **6. ADMINISTRATORS' PROPOSALS**

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 3.38(4) of the Rules in the absence of an initial meeting of creditors.

## **7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION**

In summary, the work undertaken in the administration includes:

- Ensuring compliance with all statutory obligations in the administration, including filings at Companies House and bonding;
- Dealing with all necessary statutory matters;
- Dealing with all payments, receipts and banking in the administration;
- Dealing with enquiries from creditors;
- Liaising with the secured creditors;
- Dealing with the formalities in relation to seeking the approval of the proposals;
- Dealing with the sale of assets as discussed in more detail below;
- Conducting our initial investigations and making the necessary submissions to the Insolvency Service;
- Preparing detailed progress reports, in accordance with the Rules.

## 8. 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

## 9. 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 (Central) 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 February 2018 to 21 August 2018 amount to £4,931.50 which represents 22.8 hours at an average rate of £216.29 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3:

- ☐ Time Costs Analysis for the period 26 February 2018 to 21 August 2018
- ☐ Begbies Traynor (Central) LLP's charging policy

To 21 August 2018, we have drawn the total sum of £18,760.53 on account of our remuneration, against total time costs of £74,108.50 which represents 327 hours at an average rate of £226.63 per hour incurred since the date of our appointment.

In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, a cumulative Time Costs Analysis for the period from 26 August 2016 to 25 February 2018 is also attached at Appendix 3.

In the absence of there being sufficient realisations to discharge our time costs in full, our unbilled time costs of £55,347.97, have been written off as irrecoverable. However, we reserve the right to recover our unbilled time costs in the event that circumstances subsequently permit us to do so.

As can be seen from the information above, our fee estimate of £50,366.60 has not been exceeded. However, you will note that our time costs have exceeded what was predicted in the fee estimate. We are not seeking any amendments to the fee estimate as there are insufficient funds in the estate to pay our fees in excess of the estimate.

## Disbursements

To 21 August 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

Other amounts paid or payable to any party in which the office holder or his firm associate has an interest	
Type and purpose	Amount £
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 my office and we will arrange to send you a copy.

## 10. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

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.

## 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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

## 12. ASSETS THAT REMAIN TO BE REALISED

### **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 no further realisations can be made.

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**

As detailed earlier in this report, the inter-company debt owed by Services has been dealt with. The Administrators have concluded that all other inter-company debts are not recoverable.

## 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 had been seeking to recover these funds but understand that the entity has ceased trading. This debt has been written off as irrecoverable.

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.

## 13. 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 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:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company **
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 released their security held under the Law Debenture and wrote 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.

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 to 25 August 2018 with the consent of creditors.

## **Use of personal information**

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.



## 14. CONCLUSION

The Company will be dissolved from the Register three months following the filing of the Notice of Move to Dissolution with the Registrar of Companies.



**Jeremy Karr**  
Joint Administrator

Date: 21 August 2018

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 26 February 2018 to 21 August 2018

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

Statement of Affairs £		From 26/02/2018 To 21/08/2018 £	From 26/08/2016 To 21/08/2018 £
	<b>SECURED ASSETS</b>		
Uncertain	Intangibles/Intellectual Property	NIL	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	190,000.00	190,000.00
NIL	Investment: Scarlet Limited	NIL	NIL
NIL	Investment: Motive TV Scotland	NIL	NIL
Uncertain	Investment: Motive TV Holdings Inc	190,000.00	190,000.00
		<u>380,000.00</u>	<u>404,995.00</u>
	<b>COSTS OF REALISATION</b>		
	Administrators' Fees	NIL	16,000.00
	Court Fees	NIL	50.00
	Legal Fees	NIL	4,000.00
	Bonding	NIL	18.00
	Pre administration Fees	NIL	3,000.00
	Valuers Fees	NIL	1,000.00
	IT Maintenance	NIL	350.00
		<u>NIL</u>	<u>(24,418.00)</u>
	<b>SECURED CREDITORS</b>		
(711,619.00)	John Paul Dejoria Family Trust	66,956.99	66,956.99
(19,846.81)	E Servicios Latinamericanos S.L	1,867.40	1,867.40
(16,329.07)	Montrose Executive Management	1,536.38	1,536.38
(836,804.79)	Guisepppe Flores D'Arcais	78,735.89	78,735.89
(2,454,039.00)	Citigroup Global Markets Limited	230,903.34	230,903.34
		<u>(380,000.00)</u>	<u>(380,000.00)</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	5,000.00	5,000.00
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	NIL	1.00
	Commercial Software	NIL	1.00
	IT Systems	NIL	1.00
	Quality assurance documents	NIL	1.00
17.00	Cash at Bank	NIL	130.74
	Source Code	NIL	2.00
	3rd Party Contribution: Storage	NIL	135.00
	Bank Interest Gross	0.07	4.99
		<u>5,000.07</u>	<u>5,276.73</u>
	<b>COST OF REALISATIONS</b>		
	Administrators' Fees	2,760.53	2,760.53
	Legal Fees (1)	2,500.00	2,500.00
	Storage Costs	NIL	225.00
	Statutory Advertising	NIL	79.00
	Bank Charges	NIL	289.20

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

Statement of Affairs £		From 26/02/2018 To 21/08/2018 £	From 26/08/2016 To 21/08/2018 £
		(5,260.53)	(5,853.73)
	<b>UNSECURED CREDITORS</b>		
(743,281.80)	Trade Creditors	NIL	NIL
(1,221,740.60)	Bergen Global Opportunity Fund LP	NIL	NIL
(12,177.00)	HM Revenue & Customs (PAYE)	NIL	NIL
(17,929.00)	HM Revenue & Customs (VAT)	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(201,979.83)	Ordinary Shareholders	NIL	NIL
(3,790,270.82)	Deferred Shares	NIL	NIL
(4,559,026.32)	Deferred Shares (B)	NIL	NIL
(1,101,692.89)	Deferred Shares (C)	NIL	NIL
		NIL	NIL
<b>(15,686,719.93)</b>		<b>(260.46)</b>	<b>(0.00)</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		1,052.11
	Office		(1,052.11)
			<b>NIL</b>

  
 \_\_\_\_\_  
 Jeremy Karr  
 Joint Administrator

## SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

### **Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended)**

#### *Purpose of the Administration*

We are 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 as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is 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 is 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 consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

The Administrators believe this to be true on the basis that the combined amount due to the secured creditors under their fixed charge exceeds that which will be achievable in a sale and realisation of the relevant assets.

We understand that the secured creditors under the Law Debenture are taking steps to formally make an offer to the Administrators in respect of some or all of the Company's assets including some or all of the investment holdings of the Company.

The Administrators will review all aspects of the offer (including taking advice as to the ability of the secured creditors collectively to make such an offer with reference to the relevant security documentation) as and when it is received.

Eddisons will continue to conduct a wider marketing exercise in order to establish the market value of the Company's assets and liaise with various interested parties in order to determine whether there are any other potential purchasers who are willing and able to make offers to be considered by the Administrators.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are:

- Conclude the valuation of the Company's assets with the assistance of Eddisons;
- Review and consider any offers for the purchase of such assets; and
- Effect a sale of such assets to the eventual purchaser.

Following these events we propose to finalise distributions to the secured creditors. It may be that there are sufficient realisations to allow a distribution to be made to preferential and unsecured creditors but this is currently uncertain.

### ***Exit from Administration***

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the sale of all of the Company's assets. Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

If (whether or not an extension to the period of administration actually becomes necessary) it ultimately transpires that there are indeed surplus funds enabling a distribution to the unsecured creditors other than by virtue of the Prescribed Part, then unless the court makes an order permitting such a distribution on our application, we will issue revised proposals for consideration by creditors dealing with the most appropriate exit strategy from the administration in those circumstances.

## **TIME COSTS AND DISBURSEMENTS**

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 26 February 2018 to 21 August 2018 and
- c. Cumulative Time Costs Analysis for the period from 26 August 2016 to 21 August 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 estimated that their charges would 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 26/02/2018 To 21/08/2018

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Case Planning												
Administration		0.5	1.9		4.9			0.3	1.1	8.7	1,920.00	220.69
Total for General Case Administration and Planning		0.5	1.9		4.9			0.3	1.1	8.7	1,920.00	220.69
Compliance with the Insolvency Act, Rules and best practice												
Appointment												0.00
Berling and Bonding												0.00
Case Closure					2.0					2.0	410.00	205.00
Statutory reporting and statement of affairs					6.0					6.0	1,230.00	205.00
Total for Compliance with the Insolvency Act, Rules and best practice					8.0					8.0	1,640.00	205.00
Investigations												0.00
COA and investigations												0.00
Total for Investigations												0.00
Realisation of assets												
Debt collection		0.8			3.2					4.0	932.00	233.00
Property business and asset sales					1.7			0.2		1.9	370.50	195.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets		0.8			4.9			0.2		5.9	1,302.50	220.76
Trading												0.00
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured												0.00
Others		0.2								0.2	68.00	345.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions		0.2								0.2	68.00	345.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings												0.00
Other												0.00
Tax												0.00
Legal fees												0.00
Total for Other matters												0.00
Total hours by staff grade		1.5	1.9		17.6			0.5	1.1	22.6		
Total time cost by staff grade		317.50	549.00		3,640.00			55.00	121.00		4,531.50	
Average hourly rate £	0.00	345.00	310.00	0.00	205.00	0.00	0.00	110.00	110.00			216.29
Total fees drawn to date £											18,760.53	



## STATEMENT OF EXPENSES FOR THE PERIOD

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	16,649	6,500	- (no funds to discharge further)
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
None				

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal fees	Ward Hadaway	16,649
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
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )		
Agents	Eddisons	5,000