

The Insolvency Act 1986

# **Notice of move from administration to creditors' voluntary liquidation**

Name of Company <b>Target Entertainment Limited</b>	Company number <b>03609126</b>
In the High Court of Justice, Chancery Division [full name of court]	Court case number <b>1512/2012</b>

(a) Insert name(s) and address(es) of administrator(s) I/We (a) Shay Bannon and Andrew Howard Beckingham of BDO LLP, 55 Baker Street, London, W1U 7EU

(b) Insert name and address of registered office of company having been appointed administrator(s) of (b) Target Entertainment Limited 55 Baker Street, London, W1U 7EU

(c) Insert date of appointment On (c) 28 February 2012 by (d) the directors of the company

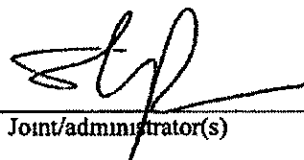
(d) Insert name of applicant / appointor

hereby give notice that

(e) Insert name(s) and address(es) of liquidator(s) the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Shay Bannon and Andrew Howard Beckingham of BDO LLP 55 Baker Street, London, W1U 7EU

will be the liquidator(s) of the company (IP No(s) 8777 and 8683 )

Signed



Joint/administrator(s)

Dated

21 / 02 / 13

## **Contact Details**

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

BDO LLP, 55 Baker Street, London,	
W1U 7EU, .	
Our Ref 1/JPB/Form 2/C15	Tel 020 7486 5888
DX Number	DX Exchange



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27/02/2013

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COMPANIES HOUSE

Then completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

WEDNESDAY



Tel +44 (0)20 7486 5888  
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DX 9025 West End W1  
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55 Baker Street  
London W1U 7EU

«NAME»  
«A1»  
«A2»  
«A3»  
«A4»  
«A5»

FAO «CONTACT»

21 February 2013

Your Ref «CREF»  
Our Ref 1/JPB/ADM966/A6

Please ask for  
John Buchanan  
2352

## TO ALL CREDITORS

Dear Sirs

Target Entertainment Limited ("TEL")  
Minotaur International Limited ("MIL") - (together the "Companies")  
-Both in Administration

I now supply my final report in respect of the Administrations.

This report is addressed to the creditors of Target Entertainment Limited ("TEL") and Minotaur International Limited ("MIL"). Please note that the report encompasses the Administration of both of the Companies due to their affairs being intrinsically linked

### 1 Statutory Information

- 1.1 The Joint Administrators are Shay Bannon and Andrew Beckingham of BDO LLP, 55 Baker Street, London, W1U 7EU and they were appointed in respect of the Companies on 28 February 2012. Under the provisions of Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.
- 1.2 The Administrators were appointed by Mark Andrew Webster being a director of the Companies, pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division and the Court case numbers are 1511 of 2012 (MIL) and 1512 of 2012 (TEL).
- 1.3 The Companies' registered offices are situated at 55 Baker Street, London, W1U 7EU, and the registered numbers are 03059563 (MIL) and 03609126 (TEL).

### 2 Receipts & Payments

- 2.1 I enclose, for your information, a summary of my receipts and payments to 21 February 2013 for each of the Companies showing a balance in hand of £139,124.63 (MIL) and £270,633.84 (TEL). I trust that the receipts and payments accounts shown are largely self explanatory, although should you have any queries, please contact John Buchanan on the above direct line





- 2.2 I additionally attach summaries of the fees and expenses which have been paid in the period of the Administrations and the costs that have accrued and not yet been paid. These costs will be defrayed in the subsequent Liquidations.

### **3 Pre Appointment Costs**

- 3.1 The Joint Administrators' proposals included provision for pre appointment costs of £50,000 incurred by the Joint Administrators prior to the Administration appointment subject to a formal engagement with TEL and its subsidiaries, dated 20 January 2012.

- 3.2 I can report that the pre appointment fees and costs set out above were approved in full and have been paid

### **4 Management of the Companies affairs since the Joint Administrators' appointment**

#### **4.1 Initial Actions**

- 4.1.1 The Companies traded as a rights management business involving the acquisition and distribution of television programme rights in the United Kingdom and internationally.

- 4.1.2 Upon the Joint Administrators appointment an immediate review of the Companies' affairs, with particular regard to their financial and resource requirement, was undertaken. As a consequence of the review all employees of TEL were made redundant, with the exception of one employee retained to assist the Joint Administrators with the collection of book debts. This employee has subsequently been made redundant. MIL had no employees at the date of appointment.

#### **4.2 Customers & Contractual Matters**

- 4.2.1 Following their appointment the Joint Administrators sought a party to take over whatever right, title or interest the Companies held in the existing distribution and licence agreement catalogue in order that commission may continue to be collected for the benefit of the Administrations where possible. Due to the nature of the existing contracts it was not possible to effect a simple sale of the Companies' catalogues. A number of parties expressed an interest in the catalogue and on 16 March 2012 an agreement was reached with Content Media Corporation International Limited ("Content") which enabled Content to novate existing agreements with the consent of producers

- 4.2.2 In accordance with the agreement with Content, the Companies receive 35% of Content's net receipts, after costs, collected from the acquired contracts.

- 4.2.3 No receipts have been confirmed by Content in respect of agreements novated to date. The Companies' share of net receipts due will be collected in the subsequent liquidation

#### **4.3 Collection of Commission and Royalties**

- 4.3.1 Commission due to the Companies arising under the terms of existing licence agreements have been collected by the Joint Administrators in accordance with the terms of distribution and licence agreements where they have not been novated to Content. In instances where a distribution agreement has been terminated following Administration, the Joint Administrators have continued to collect commissions due to the Companies in

accordance with the relevant termination clause of the agreement. Due to uncertainty around the provision of materials to service existing contracts and the ability of titles to revert to producers upon termination, the quantum of future commissions that may be collected is uncertain. Royalties due to producers or initial rights holders for receipts received post administration have been accounted for in accordance with the terms of the applicable contract. Royalties which remain outstanding following the closure of the Administration will be accounted for in the subsequent Liquidations.

4.3.2 To date commission of £97,048.32 has been collected in the Administration of MIL.

#### **4.4 Book Debts**

4.4.1 The directors' statements of affairs indicates that the book debts of the Companies at the date of the Joint Administrators' appointment were £1,806,123 (TEL) and £372,342 (MIL). It was estimated that recoveries would total £735,228 (TEL) and £153,224 (MIL).

4.4.2 On 15 March 2012 the Joint Administrators entered into an agreement with Metrodome Group Plc ("Metrodome") to act as the Companies' book debt collection agent. In consideration, Metrodome has been paid an Agency Fee of:

- 10% of the Net Receipts totalling <£400,000
- 20% of the Net Receipts between £400,000 and £800,000, and
- 30% of the Net Receipts > £800,000.

Please note that "Net Receipts" are book debts received less the royalties due to the producer or initial rights holder, bank charges, other agents' commission and withholding tax.

4.4.3 As at the date of this report, book debts of £510,691.97 (TEL) and £174,957.90 (MIL) have been collected. Please note that these amounts are subject to the deduction of royalties which may be due to initial rights holders. The quantum of book debts that remain collectable is currently uncertain due to disputes arising and the provision of materials to service existing contracts

#### **4.5 Cash at Bank**

4.5.1 Following our appointment, the Joint Administrators have realised cash at bank of £675,665.48 (TEL) and £54,801.95 (MIL).

#### **4.6 Fixtures & Fittings**

4.6.1 The directors' statement of affairs estimated that £500 was realisable in respect of the fixtures and fittings in the Administration of TEL. Following an online auction by chattel agents Philip Davies & Sons the sum of £1,280 has been realised.

#### **4.7 Leasehold Property**

4.7.1 As previously advised, TEL held leasehold premises at Garfield House, 86 - 88 Edgeware Road in respect of which the landlord held a rent deposit of £94,000.

4.7.2 On 29 January 2013 an assignment of the leasehold premises to Metrodome was effected which allowed the rent deposit to be released, less the outstanding amounts due to the

landlord. This resulted in a realisation of £80,479.63 in the Administration of TEL. From this sum £25,300 has been deducted relating to dilapidations at the date of the Administrators' appointment and the costs of the assignment.

#### **4.8 Subsidiary Companies**

- 4.8.1 TEL holds shares in a number of trading and non trading companies. As previously advised these shares do not hold any value as these companies have either ceased trading or have been struck off.

#### **4.9 VAT Refunds**

- 4.9.1 A pre administration VAT refund of £6,602.31 has been realised in the Administration of TEL.
- 4.9.2 The directors' statement of affairs states that VAT of £170,950 (TEL) and £24,331 (MIL) is estimated to be realisable in the Administrations of TEL and MIL respectively. Please note that the potential refunds will be offset by any liabilities due to HM Revenue & Customs totalling £260,215 (TEL) and £131,383 (MIL).
- 4.9.3 It is anticipated that a further pre administration VAT refund of approximately £4,360 relating to non UK VAT may be realisable.

#### **4.10 Settlement Agreements**

- 4.10.1 The Joint Administrators have entered into a number of settlement agreements regarding the termination of certain distribution and other agreements in the Administration of TEL. The sum of £75,000 has been realised in the Administration of TEL in this respect.

#### **4.11 Petty Cash**

- 4.11.1 Petty cash of £895.40 has been realised in the Administration of TEL.

### **5 Future of the Administration**

- 5.1 In accordance with my original proposals, the Companies will move from administration to liquidation and Shay Bannon and Andrew Howard Beckingham will be appointed Joint Liquidators.

### **6 Prospects for Creditors**

#### **6.1 Secured Creditors**

- 6.1.1 At the date of my appointment Metrodome was owed the sum of £2,823,719 by TEL of which £428,257 is secured under a fixed and floating charge. To date £411,548.80 has been distributed to Metrodome under its security. It is envisaged that Metrodome will be repaid in full. The remaining liability is deemed to be unsecured

## **6.2 Preferential creditors**

- 6.2.1 The Joint Administrators have been notified of preferential claims in the Administration of TEL totalling £20,099. Based on current information, preferential creditors will be repaid in full.
- 6.2.2 MIL did not have any employees and therefore no preferential claims have been received in the Administration of MIL.

## **6.3 Unsecured Creditors**

- 6.3.1 The unsecured creditor claims notified to the Joint Administrators in the Administration of TEL total approximately £5.9m.
- 6.3.2 The unsecured creditor claims notified to the Joint Administrators in the Administration of MIL total approximately £918k.
- 6.3.3 It is anticipated that a distribution will be made to the unsecured creditors of the Companies. Any distribution to unsecured creditors will be made in the subsequent liquidation process

## **7 Prescribed Part**

- 7.1 Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003. Based on current information the prescribed part is estimated to be circa £101k (TEL). As there are no floating charge sums due in the Administration of MIL, unsecured creditors will receive a distribution from all funds available once the costs of the Administration and subsequent liquidation of MIL have been defrayed. Please note that until all remaining costs of the Administrations are finalised and realisations are sufficiently complete in the subsequent liquidations, it is not possible to confirm the precise quantum or timing of the distributions.

## **8 Joint Administrators' Remuneration**

- 8.1 I attach schedules which summarise the time costs accrued in each administration to 21 February 2013 and indicate the work undertaken in that respect.
- TEL
- 8.2 Total time costs of £255,939.90 have accrued in respect of TEL represented by a total of 760.05 hours, at an average hourly rate of £336 74. The Joint Administrators have drawn £165,000 in this matter to date.
- MIL
- 8.3 Total time costs of £55,249 have accrued in respect of MIL represented by a total of 168.60 hours, at an average hourly rate of £327 69. The Joint Administrators have drawn remuneration of £55,249 in this matter to date.



## 9 Disbursements

- 9.1 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Disbursements of £2,434.72 have been charged to the Administration of TEL and £674.09 to the Administration of MIL. These disbursements have been incurred in relation to statutory advertising, statutory reporting and bonding.
- 9.2 Some Administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.
- 9.3 I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or fees within the Administrations.

Yours faithfully  
For and on behalf of  
The Companies

A handwritten signature in black ink, appearing to be 'S Bannon', written over the text 'The Companies'.

S Bannon  
Joint Administrator  
Licensed to act as an insolvency practitioner by the Association of Chartered Certified Accountants

Enc

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:-

**Rule 2.48A Creditors' request for further information**

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2.47—
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either—
  - (a) providing all of the information asked for, or
  - (b) so far as the administrator considers that—
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
    - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—
  - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just.
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just

**Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive**

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
  - (a) the remuneration charged by the administrator,
  - (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
  - (c) expenses incurred by the administrator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate





- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued):-

**Rule 2 109 (continued)**

- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  - (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
  - (b) an order fixing the basis of remuneration at a reduced rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
  - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,  
and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.

**Target Entertainment Limited  
In Administration**

**Summary of Joint Administrators' Receipts And Payments from 28/02/2012 (date of appointment) to  
21/02/2013**

RECEIPTS	Per Statement of Affairs (£)	Change in Last Six Months (£)	Total (£)
Rent Deposit	Unknown	80,479 63	80,479 63
Furniture & Equipment	500	-	1,280 00
Book debts	735,228	21,563 59	510,691 97
VAT Refund	170,950	-	6,602 31
Cash at Bank	727,687	-	675,665 48
Interest Gross	-	-	233 20
Bank Interest Net of Tax	-	262 44	369 91
Petty Cash	1,998	-	895 40
Settlements	-	-	75,000 00
Output VAT	-	-	13,256 00
	<u>1,636,363</u>	<u>102,305 66</u>	<u>1,364,473 90</u>

**PAYMENTS**

Dilapidations & Assignment Costs	25,300 00	25,300 00
Wages	200 00	265 58
Pre Appointment Remuneration	-	50,000 00
Administrator's Fees	135,000 00	165,000 00
Administrator's Disbursements	1,057 62	2,434 72
Royalties	185,115 75	185,115 75
Debt Collection Costs	6,261 15	28,844 81
Agents Fees & Disbs	450 00	4,183 87
Legal Fees & Disbs	14,520 00	27,728 00
IT Services	12,704 00	20,940 00
Courier & Storage Services	1,294 15	47,373 94
Storage Costs	473 80	2,713 30
Insurance	469 65	469 65
Wages & Salaries	4,968 48	13,235 28
PAYE & NI	4,191 05	5,561 84
Bank Charges	100 00	300 00
Materials	-	7,378 10
Press Office Media Costs	-	818 00
Input VAT	47,474 28	84,308 98
Vat Control Account	-	10,319 44
	<u>439,579 93</u>	<u>682,291 26</u>

**DISTRIBUTIONS**

Metrodome Group Plc	83,097 80	411,548 80
Balance in Hand		270,633 84
		<u>952,925 10</u>

BDO LLP  
55 Baker Street  
London  
W1U 7EU

S Bannon & A Beckingham  
Joint Administrators  
21 February 2013

**Minotaur International Limited**  
**In Administration**

**Summary of Joint Administrators' Receipts And Payments from 28/02/2012 (date of appointment) to 21/02/2013**

<b>RECEIPTS</b>	<b>Per Statement of Affairs (£)</b>	<b>Change in last six months (£)</b>	<b>Total (£)</b>
Post Appointment Commission	-	39,559 12	97,048 32
Book debts	153,224	15,361 28	174,957 90
Cash at Bank	59,060	-	54,801 95
Bank Interest Net of Tax	-	88.09	108 99
Output VAT	-	7,911 82	19,409 66
	<u>212,284 00</u>	<u>62,920 31</u>	<u>346,326 82</u>
<b>PAYMENTS</b>			
Administrator's Fees		25,249 00	55,249 00
Administrator's Disbursements		16 16	674 09
Royalties		123,482 75	123,482 75
Debt Collection Costs		438.24	4,686 42
Input VAT		16,128 70	23,109 93
		<u>165,314 85</u>	<u>207,202 19</u>
Balances in Hand			139,124 63
			<u>346,326 82</u>

**BDO LLP**  
**55 Baker Street**  
**London**  
**W1U 7EU**

**S Bannon & A Beckingham**  
**Joint Administrators**  
**21 February 2013**

**Target Entertainment Limited - In Administration**

**Statement of fees and expenses paid and accrued in the period 28 February 2012 (date of Administration) to 21 February 2013**

<b>Account</b>	<b>Incurred In Period (£)</b>	<b>Accrued In Period (£)</b>	<b>Total (£)</b>
Dilapidations & Assignments Costs	25,300 00		
Joint Administrator Pre Appointment Fees	50,000 00	-	50,000 00
Administrators' Fees	165,000 00	90,939 90	255,939 90
Administrators' Disbursements	2,434 72	13 52	2,448 24
Debt Collection Costs	28,844 81	5,000 00	33,844 81
Agents Fees & Disbursements	4,183 87	-	4,183 87
Legal Fees & Disbursements	27,728 00	-	27,728 00
IT Services	20,940 00	-	20,940 00
Courier & Storage Services	47,373 94	-	47,373 94
Storage Costs	2,713 30	-	2,713 30
Insurance	469 65	-	469 65
Wages & Salaries	13,500 86	-	13,500 86
PAYE & NI	5,561 84	-	5,561 84
Bank Charges	300 00	-	300 00
Materials	7,378 10	-	7,378 10
Press Office Media Costs	818 00	-	818 00
Producer Royalties	185,115 75	85,661 56	270,777 31
	<u>587,662 84</u>	<u>181,614 98</u>	<u>743,977 82</u>

**BDO LLP**  
**55 Baker Street**  
**London**  
**W1U 7EU**

**S Bannon & A Beckingham**  
**Joint Administrators**

**Minotaur International Limited - In Administration**

**Statement of fees and expenses paid and accrued in the period 28 February 2012 (date of Administration) to 21 February 2013**

<b>Account</b>	<b>Incurred in Period (£)</b>	<b>Accrued in Period (£)</b>	<b>Total (£)</b>
Administrators' Fees	55,249 00	-	55,249 00
Administrators' Disbursements	674 09	-	674 09
Debt Collection Costs	4,686 45	1,000 00	5,686 45
Producer Royalties	123,482 75	20,782 26	144,265 01
	<u>184,092 29</u>	<u>21,782 26</u>	<u>205,874 55</u>

**BDO LLP  
55 Baker Street  
London  
W1U 7EU**

**S Bannon & A Beckingham  
Joint Administrators**

**Summary of Time Charged and Rates Applicable for the Period From 28/02/2012 to 21/02/2013**

Q: O'Brien's implementation does "take" natural imperfections caused by agents as CVLTime Open Monitor xls

# Target Entertainment - In Administration

## Summary of Time Charged and Rates Applicable for the Period From 28/02/2012 to 21/02/2013

Description	PARTNER		MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£	£
A Pre Appointment Matters			4 00	1,884 00							4 00	1,884 00	421 00	
B Steps on Appointment			13 10	5,412 80	20 25	5,308 50	1 00	245 00			34 35	10,943 30	319 16	
C Planning and Strategy			7 70	3,083 60							7 70	3,083 60	400 47	
D General Administration	3 00	1,974 00	232 85	87,425 20	3 05	747 25	43 50	8,328 25	19 25	1,732 50	331 45	100,208 20	311 73	
E Assets Realisation/Dwelling	4 00	2,632 00	150 70	36,885 60							154 70	39,507 60	384 63	
G Employee Matters			30 80	13,735 40			13 95	1,343 50			64 75	17,081 90	263 87	
H Creditor Claims			116 90	44,899 70	4 50	1,178 00					121 40	46,078 70	379 56	
I Reporting	3 00	1,974 00	36 10	12,305 50			4 50	405 00			43 60	14,684 50	336 81	
J Distribution and Closure			8 10	2,656 80							8 10	2,656 80	328 00	
	10 00	6,580 00	640 03	230,076 90	27 80	7,231 75	68 95	10,318 75	19 25	1,732 50				

Net Total 760 03 256,938 90 336 74

Other Disbursements 2,434 72

Billed 167,434 72

Grand Total 90,938 90

