

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

Vesternet Ltd

Company number

05165889

In the High Court of Justice
Manchester District Registry

(full name of court)

Court case number
2074 of 2017(a) Insert full
name(s) and
address(es) of
administrator(s)I (a)
Claire L Dwyer
Jones Lowndes Dwyer LLP
4 The Stables
Wilmslow Road
Didsbury
Manchester, M20 5PG*Delete as
applicable

attach a copy of *my proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 21 February 2017

Signed


Administrator

Dated

21 February 2017

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
formThe contact information that you give
will be visible to researchers of the
public recordClaire L Dwyer
Jones Lowndes Dwyer LLP
4 The Stables
Wilmslow Road
Didsbury
Manchester, M20 5PG

DX Number

0161 438 8555
DX ExchangeWhen you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

THURSDAY



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A29

23/02/2017

#139

COMPANIES HOUSE

**IN THE HIGH COURT OF JUSTICE
MANCHESTER
CHANCERY DIVISION
COMPANIES COURT**

No 2074 of 2017

**IN THE MATTER OF
Vesternet Ltd.

ADMINISTRATORS PROPOSALS AND REPORT**

**CLAIRE L DWYER
ADMINISTRATOR OF
Vesternet Ltd.**

**Jones Lowndes Dwyer LLP
4 The Stables
Wilmslow Road
Didsbury
Manchester
M20 5PG**

VESTERNET LTD.

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VESTERNET LTD.

1. PURPOSE OF ADMINISTRATION

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 (as amended) sets out the purposes of an Administration. The Administrator must perform his functions with the objective of

- (a) rescuing the company as a going concern, or
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)", or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors

Rescuing the company as a going concern

Following our appointment it became evident that the director and shareholders were unable to inject further capital into the company with a view to preserving the corporate entity, and it was not realistic to anticipate that any third party would be prepared to purchase the shares without recourse warranties which the directors were unable to give. A Company Voluntary Arrangement was not applicable as the Director had already proposed a Voluntary Arrangement in November 2016 however this was rejected by creditors.

A better result for the creditors than immediate liquidation

The Administrator is therefore pursuing objective (b)

Pursuant to this objective the Administrators proposals in relation to Vesternet Ltd ("the Company") are set out in this document.

2. ADMINISTRATORS APPOINTMENT

Claire L Dwyer of Jones Lowndes Dwyer LLP, 4 The Stables, Wilmslow Road, Didsbury, Manchester, M20 5PG was appointed Administrator of the Company on 3 February 2017 by the Director.

The notice of appointment was filed in the High Court of Justice Manchester District Registry under reference number 2074 of 2017.

3. STATUTORY INFORMATION

I attach as Appendix A an extract of statutory information, including details of the directors and company secretary, from the company's file held at Companies' House.

Please note that the Registered Office of the company was changed to c/o Jones Lowndes Dwyer LLP, 4 The Stables, Wilmslow Road, Didsbury, Manchester, M20 5PG on 3 February 2017.

Secured creditors

The Company granted a fixed and floating charge over all assets dated 19 September 2016 to Bank of Scotland Plc. As at the date of Administration the Bank of Scotland Plc were owed the sum of £51,742.83.

4. EVENTS LEADING UP TO THE ADMINISTRATION

Brief background

The Company was incorporated on 29 June 2004 as Zigbee co uk Limited. On the same date David Bell appointed as sole Director.

On 6 March 2006 the Company changed its name to Zigbee (UK) Ltd and on 15 January 2007 the Company name changed again to Vesternet Ltd.

The Company filed dormant accounts for the years ended 30 June 2005 and 2006.

The first trading accounts filed were for the year ended 30 June 2007.

The Company operated as an online seller of smart home automated and wireless technology products including lighting, heating, security and multimedia utilising a website owned personally by the Director.

The Company's stock was distributed direct from the supplier in Germany for a fee. The Director and a number of sub-contractors worked remotely updating the website and processing orders.

The Company was an early entrant to the home automation market, which put the Company in a good position as market leader when interest in these products began to take off fully and become more mainstream in 2012.

The Director sought to capitalise on both the increased market and the Company's standing by investing heavily into website development to increase sales. This was possible, in part, due to a loan from the Bank of Scotland plc.

In addition to developing the website, the Company began offering additional information and advice on the products, together with free delivery. The Company capitalised on being the only UK website selling new technologies in home automation by encouraging buyers to return to the site to buy additional items or add-ons, generating repeat custom. As a result, sales figures increased with turnover for the year ended 30 June 2012 reaching £186,889, a significant increase on previous years.

In January 2013 the company obtained the use of a warehouse in Swindon where stock could be stored and distributed for a fraction of the cost of that being incurred using the German supplier. The Company therefore obtained further short term lending (unfortunately with high interest rates) to increase stock levels to enable the Company to fulfil orders direct.

A rapid growth in sales meant the Company needed to buy significantly higher levels of stock than anticipated. The Company used monies that would ultimately be required to meet the VAT liability for short term stock funding. Sales receipts resulting from the stock purchased were then used to make quarterly payments to HMRC. By 2014 the continued expansion and corresponding requirement to purchase stock meant that further short term lending was required from the Company bankers to meet the quarterly VAT bills. The high interest repayments on the lending ate into the Company's cash flow. However, 2014 year end accounts turnover of £708,900 produced a net profit of £41,400 after bank charges and interest.

Year end accounts to 30 June 2015 showed turnover of £948,411 and net profit of £76,160.

By June 2016 the Company had achieved an approximate turnover of £1.4 million however the Company was experiencing cash flow issues resulting long term concerns over the Company forecast for 2017 so the Director sought financial advice. Following an initial assessment, it became apparent that although the company has increased sales year on year, the sustainability of the business was questionable.

In November 2016 the Director proposed a Company Voluntary Arrangement ('CVA') via Marshall Peters as the Company was insolvent. The CVA was to be over a period of five years, with total contributions of £122,678 and repayment of the Director's loan account of £153,322. This would have provided a proposed distribution of 73p in the £. The corresponding anticipated distribution in liquidation was £0. The CVA was rejected by creditors.

Following mounting creditor pressure in January 2017 the Director sought advice from Jones Lowndes Dwyer LLP. Having received threats of Winding Up petitions the Director lodged at the High Court the Notice of appointment of an administrator in order to seek the protection of a moratorium from the pressure of the Company's creditors, pursuant to the Insolvency Act 1986, so that the Company could restructure its affairs with a view to achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration).

The Company was placed into Administration on 3 February 2017.

Company's trading history

Relevant extracts from the Company's financial statements are summarised below.

	y/e 30.6.2015	y/e 30.6.2014	y/e 30.6.2013
Turnover	£948,411	£708,907	£377,625
Net profit/(loss)	£76,160	£41,482	£9,852
Directors remuneration	£8,617	£7,761	£10
Shareholders funds	£50,262	(£25,898)	(£67,380)
Dividends paid	£0	£0	£0
Reserves c/f	£49,262	(£26,898)	(£68,380)
Date of auditors' report	N/A	N/A	N/A
Accounts qualified?	N/A	N/A	N/A

5. STATEMENT OF AFFAIRS

The directors' estimated Statement of Affairs supported by a Witness Statement of Truth as at 15 February 2017 is shown at Appendix B.

The value at which creditors' claims are stated in the Statement of Affairs/ are those which are reflected in books and records of the Company and may not be wholly correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims for voting or dividend purposes is a separate matter and will be dealt with as appropriate in due course.

There are provisions of the insolvency legislation that require a liquidator/an administrator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An administrator has to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000.

The estimated net property in this case is £26,253.15 and the prescribed part is currently estimated at £8,250.63, but creditors should note that the costs and expenses of these

proceedings will be deducted before the net property is calculated so that both the net property and any prescribed part is likely to be significantly lower

6. CONDUCT OF THE ADMINISTRATION

The purpose of the Administration is to 'achieve a better result for the Company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)'

The Company had been advised by a number of creditors that they intended to present a Winding Up petition to recover amounts due to them. If matters had been left in abeyance and a Winding Up Order granted, realisation from assets, particularly stock, would be significantly lower.

The Administrator was appointed on 3 February 2017.

As detailed above, the websites from which the Company traded were owned by the Director personally and as such the Administrator did not trade the Company.

Following appointment the Administrator instructed Sanderson Weatherall as agents to value and seek a purchaser for the Company's assets. In the notice to creditors dated 6 February 2017 the Administrator invited interested parties to contact Sanderson Weatherall should they have an interest in purchasing the Company's assets.

A number of enquiries were received from potential purchasers, however only one offer was received which was subsequently accepted as recommended by the agents.

On 15 February 2017 a sale of the Company's assets was made to Smart Home Select Ltd, a Company whose sole Director is Kelly Bell, spouse of David Bell and former Director of Vesternet Ltd, was completed.

The assets sold for £30,000 apportioned as follows:

Seller's records	£1
Stock	£27,998
Customer contracts	£1
Intellectual Property	£2,000

Consideration of £5,000 was received on completion with the remaining £25,000 payable as follows:

£5,000 on or before 24 February 2017
£4,000 on or before 31 March 2017
£4,000 on or before 28 April 2017
£4,000 on or before 31 May 2017
£4,000 on or before 30 June 2017 and
£4,000 on or before 31 July 2017

The only asset remaining to be realised is a Director's Loan account. David Bell owes the Company £274,127.54. This is considerably higher than the figure of £153,322 quoted in the CVA proposals. The figure of £264,127.54 has been obtained from the Company's accounting software. The sums drawn by David Bell from the Company since 23 November 2016 (when the CVA was proposed) total £25,500. The remaining difference between the two figures we assume is the use of an incorrect opening balance when calculating the amounts due in the CVA proposal. It is understood that David Bell is in the process of proposing an Individual Voluntary Arrangement which will be considered in due course.

Prior to Administration, Jones Lowndes Dwyer LLP received the sum of £2,000 plus VAT in respect of professional fees for the period 25 January 2017 to 3 February 2017.

If the Administrator's proposals are approved, the deferred payments will be pursued along with the outstanding Directors Loan account

I attach as Appendix C a summary of my receipts and payments

7. NOTES TO THE STATEMENT OF AFFAIRS

The statement of affairs excludes the costs of Administration

The amounts owed to unsecured creditors have been obtained from the Company's records and include VAT where applicable. They have not been verified by creditors. Please note, if you have submitted a claim form, your claim will have been noted although the amount shown in the statement of affairs may be different to your submitted claim as the statement of affairs has been prepared showing the amounts due per the company records

8. PROPOSED EXIT FROM ADMINISTRATION/DIVIDEND PROSPECTS

It is proposed that the company shall exit Administration by way of Creditors Voluntary Liquidation

It is proposed that Claire L Dwyer of Jones Lowndes Dwyer LLP, 4 The Stables, Wilmslow Road, Didsbury, Manchester, M20 5PG be appointed Liquidator of the company following the cessation of the Administration

Creditors should note that they may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved

Dividend prospects

It is likely that a dividend will be paid to unsecured creditors in the subsequent liquidation. This is, however, dependant on the level of realisations from the Directors Loan account and as such the quantum or timing of any such distribution cannot be estimated at present

9. MEETING OF CREDITORS / FORMATION OF CREDITORS COMMITTEE

The Administrator has decided to conduct business by correspondence in accordance with paragraph 58 of Schedule B1 to the Insolvency Act 1986 (as amended)

A creditors committee will not be formed unless I am requested to convene a meeting of creditors for the purpose of forming a creditors committee

Should creditors whose debts amount to at least 10% of the total debts of the Company wish to request a meeting to be held, they should complete the Form 2.21B, which is available on <https://www.gov.uk/government/collections/insolvency-service-forms-england-and-wales#administration-forms> and return it on me by post no later than 10 March 2017

A deposit of £500 towards the costs of convening the meeting should be enclosed with the request in accordance with rule 2.37(3) of the Insolvency Rules 1986 (as amended)

Please note that if you wish to form a creditors committee, you will also be expected to confirm your willingness to serve or be represented on the creditors committee, including dealing with any business placed before the creditors committee throughout the period of administration and in any following liquidation should a creditors committee be formed

The following documentation is attached

- Appendix D Notice of conduct of business by correspondence (Form 2 25B)
- Appendix E proof of debt form to be used to register your claim
- Appendix F an extract from the Insolvency Rules 1986 (as amended) regarding creditors' entitlement to vote

10. ADMINISTRATOR'S REMUNERATION

Creditors are asked to consider a resolution as regards the payment of the Administrator's remuneration and drawing certain disbursements from the Administration estate. If a Creditors' Committee is appointed, it is for the Committee to consider this resolution.

I propose that the Administrator shall be authorised to draw her remuneration based on a fixed fee, to be paid out of the assets of the Company as follows:

Statutory Compliance and Administration	£7,000 plus VAT
Asset Realisations	£8,000 plus VAT
Investigations	£2,000 plus VAT
Creditors	£8,000 plus VAT

This is to include the time costs of £15,388.75 incurred to date.

I propose the Administrator be authorised to draw her disbursements and other expenses incurred by her and her staff in the Administration, to be paid out of the assets of the Company as follows:

- Photocopying at 10p per sheet copied (only charged for circulars to creditors or for exceptional amounts of copying)
- Mileage, at a maximum of 50p per mile (up to 2,000 cc) or 70p per mile (over 2,000cc)
- All other disbursements to be reimbursed at cost and do not therefore require specific approval

The following documentation is attached:

- Appendix G a creditors' guide to Administrators' fees, Administrator's time cost analysis, Charge out rate bands of partners and staff working on the administration
- Appendix H summary of payments to office holder and associated parties, Charging policy

Administrator's time costs

Appendix G contains a summary of the Administrator's time costs to date.

The following is a narrative summary of the tasks carried out / to be carried out by us:

Statutory Compliance and Administration

This includes day-to-day administrative duties and dealing with statutory duties and responsibilities, including advertising notice of the Administration, providing notice to creditors, dealing with the submission of the Statement of Affairs and filing necessary documents at Companies' House. Other duties include handling and recording receipts and payments, VAT and Corporation Tax issues such as the monthly VAT returns, pension queries and general correspondence.

The work is required by statute and best practice guidelines to deal with the Company's affairs in the Administration. These tasks will not provide any tangible financial benefit to creditors.

Asset realisations

I have been assisting with various matters such as preparing sale documents, obtaining valuations of assets analysing the position on the Directors loan account. A large amount of time has been spent on this area as it is considered to be a key aspect of the Administration. Future payments in respect of deferred consideration will need to be monitored and a the best course of action for recovery of the overdrawn loan account reviewed.

Realisation of the Company's assets is anticipated to provide a financial benefit to the Company's creditors resulting in funds being available to provide a distribution to unsecured creditors in the subsequent liquidation. Due to the uncertain level of realisations from the loan account, it is not possible to quantify the timing or quantum of such a distribution at present.

Investigations

In accordance with my statutory obligations under the Company Directors' Disqualification Act 1986, I am obliged to file the appropriate documentation on the conduct of the directors with the Department of Business Innovation & Skills.

If you have any comments you require the Administrator to bear in mind whilst preparing her report on the conduct of the Directors please put these in writing to the Administrator together with any supporting documentation (if available) as soon as possible.

The initial investigation will not provide any tangible financial benefit to creditors.

Should the initial investigation identify areas where further work is required, that may result in recoveries for the benefit of creditors, the Administrator will seek further remuneration. If remuneration is sought on a on a time cost basis, the Administrator will request approval from creditors whilst providing an estimated of those anticipated costs. An estimate of disbursements (such as Legal and/or Counsel fees) will be provided at this point. The fee estimate will act as a cap and any additional remuneration will require further approval by creditors.

Trading

I have not traded the Company.

Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process. The preparation of the Administrators' Proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc.

An Administrator has a duty to deal with the Company's creditors and provide reports to them. This will not provide any tangible financial benefit to creditors.

Administrators' disbursements

To date I incurred £389.38 plus VAT on account of our disbursements incurred.

11 EC REGULATIONS

It is considered that the EC Regulations will apply and that these proceedings will be main

proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the Company is in England and Wales


C L Dwyer
Administrator

Date: 20 February 2017

The affairs, business and property of the company are being managed by the Administrator who acts as agent for the company without personal liability.

VESTERNET LTD.**STATUTORY INFORMATION**

COMPANY NAME:	Vesternet Ltd
COMPANY NUMBER:	05165889
DATE OF INCORPORATION:	29 June 2004
TRADING NAME:	Vesternet
TRADING ADDRESS	Kemp House 152 City Road London
PRINCIPAL ACTIVITY	Retail sale of electrical household appliances
FORMER REGISTERED OFFICE:	32-36 Chorley New Road Bolton BL1 4AP
REGISTERED OFFICE:	Jones Lowndes Dwyer LLP 4 The Stables Wilmslow Road Didsbury Manchester M20 5PG
NOMINAL & ISSUED SHARE CAPITAL:	1,000 Ordinary £1 shares
SHAREHOLDERS:	David Bell
DIRECTORS	David Bell
SECRETARY:	None
MORTGAGES AND CHARGES	Bank of Scotland Plc Fixed and Floating charge over all assets dated 19 September 2016

STATEMENT OF AFFAIRS

Name of Company Vesternet Ltd.	Company Number 05165889
In the Manchester High Court	Court case number 2074 / 2017

Statement as to the affairs of

Vesternet Ltd.

Jones Lowndes Dwyer LLP

4 The Stables

Wilmslow Road

Didsbury

Manchester

on the 3 February 2017, the date that the company entered administration.

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 3 February 2017 the date that the company entered administration

Full Name

DAVID BEN

Signed



Dated

14/2/17

Vesternet Ltd.
Statement Of Affairs as at 3 February 2017

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Customer Contracts	1 00	1 00
Intellectual Property	2,000.00	2,000.00
Bank of Scotland plc		(51,742.83)
Deficiency c/d		<u>(49,741.83)</u>
Assets subject to floating charge:		
Stock	57,874.00	27,998.00
Sellers Records	1.00	1 00
Directors Loan Account-Mr Dave Bell	274,127.54	Uncertain
Uncharged assets:		
Estimated total assets available for preferential creditors		<u>27,999.00</u>

Signature



Date

14/2/17

Vesternet Ltd.
Statement Of Affairs as at 3 February 2017

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		27,999 00
Liabilities		
Preferential Creditors:-		
Unpaid Wages & Holiday Pay	1,745.85	1,745 85
Estimated deficiency/surplus as regards preferential creditors		26,253 15
Debts secured by floating charge pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		26,253 15
Estimated prescribed part of net property where applicable (to carry forward)		8,250.83
Estimated total assets available for floating charge holders		18,002 52
Debts secured by floating charges post 15 September 2003		
Deficiency b/d	49,741 83	49,741 83
Estimated deficiency/surplus of assets after floating charges		(31,739 31)
Estimated prescribed part of net property where applicable (brought down)		8,250 63
Total assets available to unsecured creditors		8,250 63
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	314,311.64	
Redundancy Pay & Notice Pay	4,391.06	
HMRC - PAYE, NICs	NIL	
HMRC - VAT	71,848 00	
HMRC - CT	17,535 00	
		408,085 70
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(399,835.07)
Shortfall in respect of F C's post 14 September 2003 (brought down)		31,739 31
Estimated deficiency/surplus as regards creditors		(431,574 38)
Issued and called up capital		
Ordinary Shareholders	1,000 00	1,000 00
Estimated total deficiency/surplus as regards members		(432,574 38)

Signature



Date

14/2/17

Jones Lowndes Dwyer LLP
Vesternet Ltd.
B - Company Creditors

Key	Name	Address	£
CB00	BT Insolvency	Department W, Durham TE, Providence Row, Durham, DH1 1RR	0 00
CB01	British Gas Business	c/o Baker Tilly, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	0 00
CB02	Mr David Bell	32-36 Chorley New Road, Bolton, Lancashire, BL1 4AP	0 00
CB03	Bibby Trade Finance	3-4 Horse Fair, Banbury, OX16 0AA	900 00
CB04	Bank of Scotland	Lending Operations, Level 5, 110 St Vincent Street, Glasgow, G2 5ER	51,742 83
CC00	CAML - Credit Asset Management Ltd	30 Cannon Street, London, EC4M 6XH	17,553 00
CE00	E On UK	E On Insolvency, Trinity House, 2 Burton Street, Nottingham, NG1 4BX	0 00
CE01	Exhob Ltd	The Grove, 248a Marylebone Road, London, NW1 6JZ	18,117 00
CF00	Funding Circle	71 Queen Victoria Street, London, EC4V 4AY	80,868 00
CF01	Fedex UK	Customer Financial Services, Sutherland House, Mattock Road, Coventry, CV10 4JQ	2,798 00
CH01	HIM Revenue & Customs	Enforcement and Insolvency Service, Durrington Bridge House, Barrington Road, Worthing, W Sussex, BN12 4SE	12,556 00
CH03	HIMRC - PAYEVAT/CT	ICHU, Room BP3202, Benton Park View, Newcastle upon Tyne, NE98 1ZZ	0 00
CH04	HIM Revenue & Customs - CT	Corporation Tax Services, BX9 1AX	0 00
CH05	HIM Revenue & Customs	Enforcement and Insolvency Service, Durrington Bridge House, Barrington Road, Worthing, W Sussex, BN12 4SE	71,848 00
CH06	HIM Revenue & Customs	Enforcement and Insolvency Service, Durrington Bridge House, Barrington Road, Worthing, W Sussex, BN12 4SE	17,535 00
CH0A	HIM Revenue & Customs	Debt Management & Banking, DMB 440, BX5 5AB	0 00
CI00	lwoka Ltd	39-45 Shaftsbury Avenue, London, NW1 6JZ	22,178 00
CL00	LDF	St David's Park, Dee House, Lakeside Business Village, Deeside, CH5 3XF	43,239 00
CM00	Megaman UK	Unit 2 Quadrant Park, Mundella, Welwyn Garden City, Hertfordshire, AL7 1FS	26,807 00
CN00	NPower	Bridge House, 200 Clough Road, Hull, HU5 1SN	0 00
CN01	National Insurance Fund	Insolvency Service, Redundancy Payments, PO Box 16685, Birmingham, B2 2LX	0 00
CS00	Sleam Electric	Votec House, Hambridge Lane, Newbury, Berkshire, RG14 5TN	8,000 00
CT00	Trade Finance Global	41 Cornham Street, London, N1 6DR	1,250 00
CT01	Turnto Networks (Z1)	150 W 30th St #1200, New York, NY 10001, USA	2,158 00
CT02	TNT UK Limited	Po Box 4, Ramsbottom, Bury, Lancashire, BL8 9GR	1,528 00
CU00	Urka Ltd	3 Queen Square, London, WC1N 3AR	19,971 00
CW01	Wolsley UK Ltd	The Wolsley Center, Hanton Way, Spa Park, Royal Leamington Spa, CV31 3HH	15,220 64

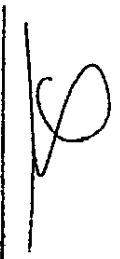
Signature



Jones Lowndes Dwyer LLP
Vesternet Ltd.
B - Company Creditors

Key	Name	Address	E
CZ01	Z Wave Products Europe GmbH (EU)	Antonstr. 3, 09337, Hohenstein-Ernstthal, GERMANY	41,167.00
RB00	Mr David Bell	32-36 Chorley New Road, Bolton, Lancashire, BL1 4AP	0.00
RM00	Ms Kelly Louise Morris	c/o Gillespie Bs Ltd, Henkeaze Business Centre, 13 Harbury Road, Henkeaze, Bristol, BS9 4PN	0.00
30 Entries Totalling			455,437.47

Signature



VESTERNET LTD.

RECEIPTS AND PAYMENTS ACCOUNT

	Per Statement of Affairs £	Receipts / Payments to date £
RECEIPTS		
Customer contracts	1	1
Intellectual property	2,000	2,000
Stock	27,998	2,998
Sellers records	1	1
Directors Loan account	Uncertain	
	<hr/> 30,000	<hr/> 5,000
PAYMENTS		
		<hr/> 0
Balance		<hr/> 5,000

Rule 2.48

Notice of conduct of business by correspondence

Name of Company Vesternet Ltd	Company number 05165889
In the High Court of Justice Manchester District Registry (full name of court)	Court case number 2074 of 2017

(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
Claire L Dwyer
Jones Lowndes Dwyer LLP
4 The Stables
Wilmslow Road
Didsbury
Manchester, M20 5PG

(b) Insert full name and
address of registered
office of the company

to the creditors of (b) Vesternet Ltd
Jones Lowndes Dwyer LLP, 4 The Stables, Wilmslow Road, Didsbury, Manchester
M20 5PG

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is (c) 1
resolution for your consideration Please indicate below whether you are in favour or
against the resolution

(d) Insert address to
which form is to be
delivered

This form must be received at (d)
Jones Lowndes Dwyer LLP, 4 The Stables, Wilmslow Road, Didsbury, Manchester,
M20 5PG

(e) Insert closing date

by 12 00 hours on (e) 10 March 2017 in order to be
counted It must be accompanied by details in writing of your claim Failure to do so
will lead to your vote(s) being disregarded

Repeat as necessary for
the number of resolutions
attached
*Delete as appropriate

Resolution (1) I am *in Favour / Against
That the Administrators proposals are approved

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor

Signature of creditor
(If signing on behalf of creditor, state capacity e g director/solicitor)

If you require any further details or clarification prior to returning your votes, please
contact me/us at the address above

Signed

Administrator

Dated

20 February 2017

Rule 4.73

Form 4.25

PROOF OF DEBT - GENERAL FORM

**In the matter of Vesternet Ltd.
In Administration
and in the matter of The Insolvency Act 1986**

Date of Administration Order 3 February 2017

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

VESTERNET LTD. – IN ADMINISTRATION

INSOLVENCY RULES 1986 (AS AMENDED)

Entitlement to vote (Rule 2 38)

Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if –

- a) he has given to the administrator, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of the debt which –
 - i) he claims to be due to him from the company, or
 - ii) in relation to a member State liquidator, is claimed to be due to creditors in proceedings in relation to which he holds office,
- b) the claim has been duly admitted under the following provisions of this Rule, and
- c) there has been lodged with the administrator any proxy which he intends to be used on his behalf,

and details of the debt must include any calculation for the purposes of Rules 2 40 to 2 42

- 2) The chairman of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a), if satisfied that the failure was due to circumstances beyond the creditor's control
- 3) The chairman of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or any part of the claim
- 4) Votes are calculated according to the amount of a creditor's claim as at the date on which the company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustment by way of set-off in accordance with Rule 2 85 as if that Rule were applied on the date that the votes are counted
- 5) A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chairman agrees to put upon the debt an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose
- 6) No vote shall be cast by virtue of a claim more than once on any resolution put to the meeting

7) Where –

- a) a creditor is entitled to vote under this Rule,
- b) has lodged his claim in one or more sets of other proceedings, and
- c) votes (either in person or by proxy) on a resolution put to the meeting, and
- d) the member State liquidator casts a vote in respect of the same claim,

only the creditor's vote shall be counted

8) Where –

- a) a creditor has lodged his claim in more than one set of other proceedings, and
- b) more than one member State liquidator seeks to vote by virtue of that claim,

the entitlement to vote by virtue of that claim is exercisable by the member State liquidator in main proceedings, whether or not the creditor has lodged his claim in the main proceedings

9) For the purposes of paragraph (6), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim

10) For the purposes of paragraphs (7) and (8), "other proceedings" means main proceedings, secondary proceedings or territorial proceedings in another member State

VESTERNET LTD. – IN ADMINISTRATION
A CREDITORS' GUIDE TO ADMINISTRATORS' FEES
ENGLAND AND WALES

An explanatory note entitled "A Creditors' Guide to Administrators' Fees" is available on request from Jones Lowndes Dwyer LLP, or may be downloaded from the following address <http://www.jldllp.co.uk/fees-creditors.html>.

TIME AND CHARGE OUT SUMMARY
Period 3 February 2017 to 20 February 2017

Classification of work function	Partner (hrs)	Manager (hrs)	Other Senior Professionals (hrs)	Assistants & Support Staff (hrs)	Total Hours	Total (£)	Average hourly rate (£)
Administration and Planning	11 50	4 70	0 00	0 00	16 20	4,089 50	252 44
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	22 75	5 40	0 00	0 00	28 15	7,369 00	261 78
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	7 00	10 65	0 00	0 00	17 65	3,930 25	222 68
Total	41 25	20 75	0 00	0 00	62 00	15,388 75	248 21

CHARGE OUT RATE BANDS

	Charge out rate from 1 October 2015 (£/hr)
Partner	280
Senior Manager	200
Manager	185
Executive	125
Analyst	100
Secretarial and other Support Staff	85

Vesternet Ltd.

SUMMARY OF PAYMENTS TO OFFICE HOLDER AND ASSOCIATED PARTIES
(EXCLUDING VAT)

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM

TYPE AND PURPOSE	£
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N/A	
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Total	
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AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF OFFICE-
HOLDER

TYPE AND PURPOSE	£
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N/A	
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Total	
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AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR

TYPE AND PURPOSE	£
JMW Solicitors – Sale and Purchase agreement	2,500 00
JMW Solicitors – review of debenture	500 00

Total	3,000.00
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AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT

TYPE AND PURPOSE	£
Sanderson Weatherall – fees	2,500 00
Sanderson Weatherall - disbursements	190 80

Total	2,690.80
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