



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 8 2 9 2 1 8 4

Company name in full VST Enterprises Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Beverley Ellice

Surname Budsworth

3 Administrator's address

Building name/number 18-22 Lloyd Street

Street

Post town

Manchester

County/Region

Greater Manchester

Postcode

M 2 5 W A

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 2	^m 0	^m 1	^y 2	^y 0	^y 2	^y 2
To date	^d 1	^d 1	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2

7 Progress report

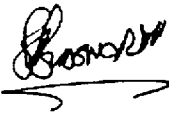
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 1	^d 1	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2
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**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 **Jessica Barker**

Company name **The Debt Advisor**

Address **18-22 Lloyd Street**

Post town **Manchester**

County/Region **Greater Manchester**

Postcode **M 2 5 W A**

Country

DX

Telephone **Tel: 0333 9999 600**

**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 or email 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

VST Enterprises Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 12/01/2022 To 11/07/2022 £	From 12/01/2022 To 11/07/2022 £
	SECURED ASSETS		
Uncertain	Goodwill, IPR	NIL	NIL
Uncertain	Investments	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(6,133,927.00)	Davis Co. Holdings Ltd	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest	0.15	0.15
	Contribution to Agents Fees	6,000.00	6,000.00
Uncertain	Debtors	NIL	NIL
	Deposit for Creditor's Meeting	1,668.00	1,668.00
2,454.00	Equipment	NIL	NIL
Uncertain	H M R & C Refunds	NIL	NIL
5,800.00	Other Debtors	NIL	NIL
		7,668.15	7,668.15
	COST OF REALISATIONS		
	Agents/Valuers Fees	5,000.00	5,000.00
	Bank Charges	7.60	7.60
	Legal Fees	750.00	750.00
	Statutory Advertising	90.00	90.00
	Venue - Creditor's Meeting	300.00	300.00
		(6,147.60)	(6,147.60)
	PREFERENTIAL CREDITORS		
(800.00)	Employees - Arrears of Wages	NIL	NIL
(14,000.00)	Employees - Holiday Pay	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
NIL	HM R & C - PAYE	NIL	NIL
NIL	HM R & C - VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
NIL	Employees	NIL	NIL
NIL	HM R & C - CTAX	NIL	NIL
(49,902.38)	Santander UK PLC	NIL	NIL
(2,712,816.25)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(120,893.00)	Ordinary Shareholders	NIL	NIL
(5,799,025.00)	Share Premium	NIL	NIL
		NIL	NIL
(14,823,109.63)		1,520.55	1,520.55
	REPRESENTED BY		
	Current Account		292.55
	Vat Receivable		1,228.00
			1,520.55

VST Enterprises Limited

(In Administration)

The Administrators' Progress Report to 11 July 2022

Presented By:

Beverley Ellice Budsworth (the Administrator)

The Business Debt Advisor (a division of The Debt Advisor Ltd)

**18-22 Lloyd Street
Manchester
M2 5WA**

Telephone: 0333 9999 689

Email: advice@thedebtadvisor.co.uk

This report has been prepared for the sole purpose of updating company creditors for information purposes. The report is therefore 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 updating them for information purposes, or by any other person for any purpose whatsoever.

Beverley Ellice Budsworth of The Business Debt Advisor (a division of The Debt Advisor Ltd) was appointed as Administrator of VST Enterprises Limited on 12 January 2022 and this report should be read in conjunction with previous communication from the Administrator. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as agent of the Company and contracts without personal liability.

VST Enterprises Limited (In Administration)
The Administrator's Progress Report from 12 January 2022 to 11 July 2022

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VST Enterprises Limited (In Administration)
The Administrator's Progress Report from 12 January 2022 to 11 July 2022

1. EXECUTIVE SUMMARY

- 1.1 This report provides information on the progress of the Administration since commencement on 12 January 2022 ("the Review Period"). In accordance with the notice provided to all creditors and members on 17 January 2022, pursuant to Rule 1.50 of the Rules, this document will be made available for viewing and downloading at www.ips-docs.com using the access information previously provided. A summary of key information in this report is detailed below:-

Asset Realisations

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Assets subject to Fixed Charge				
Goodwill, IPR	Uncertain	0.00	1,800,000.00	1,800,000.00
Investments	Uncertain	0.00	Uncertain	Uncertain
Assets subject to Floating Charge				
Equipment	2,454.00	0.00	200,000.00	200,000.00* 1
Debtors	Uncertain	0.00	Uncertain	Uncertain
Other Debtors	5,800.00	0.00	0.00	0.00
HMR & C Refunds	Uncertain	0.00	Uncertain	Uncertain
Bank Interest	Uncertain	0.00	Uncertain	Uncertain

Expenses

Expense	Estimated per Proposal's £	Expenses incurred to date	Anticipated further expense to closure	Total anticipated expense
Bond	Uncertain	340.00	0.00	340.00
Pre-Appointment Fee	5,000.00	5,000.00	0.00	5,000.00
Administrator's Fees	40,121.04	66,351.10	8,648.90	75,000.00
Agent's Fees	25,000.00*2	5,000.00	40,000.00	45,000.00
Agent's Expenses	Uncertain	0.00	0.00	0.00
Legal Fees	10,631.20	18,005.00	4,635.00	22,640.00
Legal Expenses	Uncertain	5.00	0.00	5.00
Statutory Advertising	360.00	360.00	0.00	360.00
Postage	371.52	81.84	0.00	81.84
Bank charges	36.00	7.60	9.00	16.60
Mileage	241.40	0.00	0.00	0.00
Venue – Creditor's Meeting	-	300.00	0.00	300.00
AML Search	-	6.00	0.00	6.00
Reimbursement of Venue	-	0.00	300.00	300.00
Total	81,761.16	95,456.54	53,592.90	149,049.44

VST Enterprises Limited (In Administration)
The Administrator's Progress Report from 12 January 2022 to 11 July 2022

*1 The anticipated apportionment of the consideration on sale of the assets has been agreed with the Debenture holder, subject to contract, to provide a sum sufficient to pay the anticipated administration expenses, preferential claims and a payment to ordinary creditors under the Prescribed Part.

*2 Hilco's fees will be 20% of sums they realise for the assets with a minimum fee of £25,000 plus VAT and expenses.

Please note that all expenses are shown **net of VAT where applicable**. Future Administrator's fees are based upon detailed work being required due to the size and complexity of the assignment up until the matter is converted to a Creditors' Voluntary Liquidation in line with the modifications to the proposals detailed below.

Dividend Prospects

Class of Creditor	Distribution / dividend paid to date Pence in the £	Anticipated distribution / dividend Pence in the £
Secured (fixed charge)	Nil	Uncertain
Secured (floating charge)	Nil	Uncertain
Preferential	Nil	Uncertain
Secondary Preferential	Nil	N/A
Non-Preferential	Nil	Nil

- 1.2 The administration would have ordinarily automatically ended after one year, beginning with the date on which it took effect. However, the Administrators' Statement of Proposals was approved with the following modifications:

- That steps be taken to put the company into Creditors Voluntary Liquidation within 4 months of the meeting date (by 29 August 2022).

Summary of Key Matters Outstanding

1.3 Goodwill, IPR

N J Goodman & Co solicitors were instructed to draft a sale agreement and this was issued to JMW solicitors acting on behalf of the potential purchaser which we believe is a 99% owned subsidiary of Davis Co Holdings Limited. The draft sale agreement has been through a number of turns and we are advised completion should be imminent despite significant delays to date.

Detailed information is provided below.

1.4 Book Debts

Efforts by the company to collect these debts have been unsuccessful. Potential recoveries are uncertain. Detailed information is provided below.

1.5 HMR & C Refunds

There is reportedly a refund due from HMR & C which relates to incorrect deductions that have been made from previous R & D returns.

Detailed information is provided below.

1.6 Equipment

As detailed above, the draft sale agreement includes equipment and once the sale has completed it is anticipated that no further action will be required.

Detailed information is provided below.

2. PROGRESS OF THE ADMINISTRATION

2.1 The Administrators' Receipts and Payments Account

2.1.1 Attached at **Appendix II** is a receipts and payments account for the current review period. It should be noted that details of expenses incurred, but not yet paid are provided later within this report.

2.1.2 The rest of this report describes the key developments in the Administration throughout the review period. A detailed summary of the work undertaken by the Administrator can be found at **Appendix III**.

2.1.3 In this section, I have summarised the asset realisations during the review period and include an estimate of the assets yet to be realised, together with details of the associated costs incurred but as yet remaining unpaid.

2.2 Administration and Statutory Reporting

2.2.1 As Administrator of the Company, I am required to meet a considerable number of statutory and regulatory obligations. Whilst many of these obligations do not have a direct benefit in enhancing realisations for the administration, they enable efficient and compliant progress of the case, and ensure that work is carried out to high professional standards. Within the review period, I have:-

- Provided initial notification to all relevant parties of my appointment as Administrator of the Company. This has included, but is not limited to, filing statutory documentation at Companies House, submitting statutory advertisements, and submission of information to creditors, members, insurers and HM Revenue and Customs.
- Prepared and issued the Administrator's Proposals, seeking approval as necessary and issuing notice of the outcome. I have then implemented the approved proposal so far as has been possible within the current review period.
- Consulted with various members of my own staff and independent advisors regarding the practical, technical and legal aspects of the case to ensure efficient progress of the key matters which are ongoing.

VST Enterprises Limited (In Administration)
The Administrator's Progress Report from 12 January 2022 to 11 July 2022

- Maintained case files (both electronic and paper) which must include sufficient records to explain the administration and any decisions made by the Administrator, that materially affect the administration. I have also conducted periodic reviews of these files and the administration generally, to ensure that matters are progressed as swiftly as possible.
- Maintained cashing files and financial records by updating the estate cash book and the administration bank account, which has included regular reconciliation of receipts and payments and the processing of receipts and payments.

2.2.2 Throughout the period under review I have also undertaken tasks which have resulted or are likely to result in the asset realisations referred to at part 4 of this report. I have also undertaken a review of the Company's records, and submitted a conduct report to the Directors Conduct Reporting Service in compliance with my statutory obligations.

2.3 Asset Realisations

2.3.1 Other Debtors

There are sums due from previous staff/management employed by the company totalling £44,862. It was anticipated that only £5,800 would be recoverable, as the larger debt dates back some years.

We have now received responses and copies of earlier accounts which actually shows these sums are owed to them and they are creditors of the company. No further action is therefore required.

2.3.2 Bank Interest

2.3.2.1 Bank interest totalling £0.00 has been realised to date. I confirm that corporation tax will be charged as appropriate when realisations are made, and further interest will accrue until the end of the administration.

2.4 Assets Yet to Be Realised

2.4.1 Goodwill, IPR

According to the company's Intangible Asset register as at 28 February 2021, the written down book value was £2,239,838 which related predominantly to tech development costs.

The company owns 50% of the shares of Vapparel Limited. The issue of these shares has not been updated at Companies House. Vapparel Limited is a 50/50 joint venture with Drifford Group Limited "Drifford" and was established to try to commercially exploit the VCode concept. The Vapparel venture did not succeed and this company is a dormant entity with no income and assets of only £2.00 representing the subscription of £1.00 per share by the two shareholders. Given the failure of the venture and that VST is in administration and is looking to go into liquidation, Drifford Group wishes to strike off Vapparel Limited at Companies House. The purchaser has expressed an interest in acquiring these shares which can only be done with the approval of Drifford.

We instructed Hilco's specialist IPR team to evaluate and market the Intellectual property which will include tech development, websites, goodwill, future potential partnerships.

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Hilco issued marketing to their Hilco Streambank website (<https://www.hilcostreambank.com/acquisition-opportunities/vst-enterprises>) with a bid deadline of April 15, 202 at 4pm. To allow parties to carry out due diligence and submit a successful offer, the deadline was extended to 19th April at 4pm BST.

The agents were contacted by **5 parties** in total regarding the opportunity. **3 parties** signed and returned an NDA thus gaining access to the data room.

Two offers were received of which the higher offer was for £3,000,000 all payable on completion including upfront cash consideration of £200,000 which therefore minimises the amount of risk in completing the transaction and (by the cash element being apportioned to floating charge assets) maximises upfront cash returns for the administration process.

On this basis, Hilco recommended that I proceed with the offer.

My solicitors, N J Goodman & Co, were instructed to draft a sale agreement and this was issued on 29 April 2022 to solicitors acting on behalf of the potential purchaser which we believe is a 99% owned subsidiary of Davis Co Holdings Limited. The draft sale agreement has been through a number of turns and the overall consideration offered by the purchaser has been reduced to £2,000,000 although the cash element remains the same so the reduction will have no impact on unsecured creditors. We are advised completion should be imminent despite significant delays to date.

2.4.2 Book Debts

I have been provided with information which details amounts due from VST partners totalling £2,925,327. This relates to debts due from entities based in Canada and America. Efforts by the company to collect these debts have been unsuccessful. Potential recoveries are uncertain. We have issued letters via post and email and efforts continue.

It is believed that approaches from creditors prior to administration have prejudiced collections. One of the companies has advised that one particular creditor advised him that the Tec did not work and also tried to persuade him to use their resources to produce the relevant Tec. This is a matter that requires further detailed investigation.

2.4.3 HMR & C Refunds

There is a reportedly a refund due from HMR & C which relates to incorrect deductions that have been made from previous R & D returns.

Crowe LLP (the company's former accountant) have advised there was an offset for outstanding PAYE against one claim. Accordingly, we have written to HMRC detailing all payments received from them and asking for confirmation of what deductions were made from R & D returns. This is subject to further investigation.

2.4.4 Equipment

The fixed asset register as at 28 February 2022 identified assets with a depreciated book value of £6,967. This relates to IT equipment. Some of the items were retained by previous employees as part of their severance package.

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It was anticipated that the remaining equipment has a value of approximately £4,907. As detailed above, the draft sale agreement includes equipment and once the sale has completed it is anticipated that no further action will be required.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

3.1 Fixed and Floating Charge Creditors

- 3.1.1 Companies House records confirm there is a debenture registered against the company in favour of Davis Co. Holdings Ltd (formerly VST Holdings Ltd) which was created on 13 May 2019 and registered on 28 May 2019. The debenture includes a fixed charge which covers book debts, goodwill and uncalled share capital, intellectual property to include all patents, copyrights, trade marks and trading names, software and applications, etc with a floating charge which covers the remainder of the assets.
- 3.1.2 As reported previously, N J Goodman were instructed to review the validity of the debenture. Their advice concludes that the fixed charge over IPR, Goodwill is valid but that book debts will be covered by the floating charge as per the decisions in the House of Lords re Spectrum and Brumark which identify the control that would need to be exercised over the book debts for the fixed charge to be valid.
- 3.1.3 Davis Co. Holdings Ltd issued formal demand on the company on 11 January 2022 which identified sums totalling £5,128,831 was due to the debenture holder as at 28 February 2021. The demand identifies that there was likely to be significant sums plus interest due for the period after 28.2.2021. It is estimated that the additional advances total £731,303 with additional interest of £256,441.55.
- 3.1.4 The Statement of Affairs as at 12 January 2022 noted that Davis Co. Holdings Ltd were owed £6,133,927.00. However, the figure admitted for voting purposes was £4,957,151.47. We have used the balance brought forward as at 28.2.2018 of £2,670,954 and additional movement which has been verified.
- 3.1.5 According to Crowe's workings for the February 2021 accounts, the balance brought forward was £4,360,013.62. We have been provided with working papers showing movement up to 28 February 2020 which shows the balance due to Davis Co Holdings of £4,054,519.60. There is a difference of £305,494 which is subject to further investigation. The working papers to 28.2.20 show that Davis Co Holdings receipts totalled £1,108,085. Payments made by Davis Co Holdings on behalf of VST total £1,116,470.20.
- 3.1.6 We have been provided with a schedule of expenses paid out by Davis Co Holdings Ltd in the period after 1.3.21 totalling £757,627 and we have been able to identify £169,137 of this and the balance is subject to further review as are expenses in the year to 28.2.21 totalling £324,586 in respect of which we have not been provided with detailed analysis. At present the adjusted balance is £4,651,657.45 but is subject to further investigation.

3.2 Preferential Creditors

- 3.2.1 Preferential creditors are defined within Section 386 IA 1986 and at Schedule 6 to the IA 1986. It should be noted that, when an employer becomes insolvent, The Insolvency Service, Redundancy Payments Service ("RPS") will pay monies that may be due to former employees for services rendered under their contracts of employment. Such payments are made from The National Insurance Fund and are subject to statutory upper limits. Claims made for arrears of pay and holiday pay have preferential status, subject to statutory limit. There were 2 remaining staff on payroll whose employment was transferred to other entities as from 1 January 2022.
- 3.2.2 As previously noted, a claim was received from an individual for arrears of salary of £180,000 and arrears of wages of £14,000. It was necessary to establish the validity of these claims as contract terms appear not to have formally been agreed. We therefore submitted all the relevant details to the Redundancy Payments Service who concluded there was sufficient evidence to agree and pay this claim.
- 3.2.3 The Redundancy Payments Service have subsequently submitted a preferential claim as detailed below and no further preferential claim is anticipated:

Holiday Pay Accrued £769.17
Arrears of Wages £800.00
Total: £1,569.17

3.3 Secondary Preferential Creditors

- 3.3.1 As of 01 December 2020, HM Revenue and Customs become a secondary preferential creditor for VAT and PAYE only. No secondary preferential claims have been received to date and it is estimated that there will not be any secondary preferential claims.

3.4 Net Property and the Prescribed Part

- 3.4.1 Section 176A of the IA 1986 (Share of assets for unsecured creditors) applies where a company granted a qualifying floating charge after 15 September 2003 over its assets, and provides for a 'prescribed part' of the 'net property' to be set aside for satisfaction of unsecured debts. Net property is defined as the value of a company's property which would, but for this section, be available for satisfaction of the claims of debentures secured by, or holders of, a floating charge. The amount which should be set aside for unsecured creditors is calculated, as follows:-
- 50% of net property up to £10,000; and
 - 20% of net property in excess of £10,000, subject to a maximum of £600,000
- 3.4.2 The Administrator's Proposals noted that the company's net property under Section 176A of The Insolvency Act 1986, being the amount available for the satisfaction of unsecured liabilities, as Nil. However, under the proposed sale of assets as noted above £200,000 cash consideration will be apportioned to floating charge assets. After payment of administration expenses it is anticipated that an amount will be available for distribution as the prescribed part.

VST Enterprises Limited (In Administration)
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3.4 Unsecured Creditors

- 3.4.1 According to the directors' statement of affairs dated 07 March 2022 unsecured liabilities total £2,762,718.63.
- 3.4.2 Since the commencement of the administration I have received many enquiries from creditors and shareholders. As detailed above, it is anticipated that if the sale successfully completes, there may be an amount available for distribution as the prescribed part.
- 3.4.3 Claims received to date total £2,954,931.07 as detailed on the summary of creditor claims at **Appendix IV**.

4. INVESTIGATIONS

- 4.1 As Administrator, I am obliged to investigate and report on the conduct of those persons who have been appointed as director of the Company, at any time within the three year period prior to the commencement of the administration. In my first notification to all known creditors of the Company, creditors were invited to notify me of their concerns and to provide any relevant information, with particular reference to the way in which the business was conducted. I confirm that any information which may have been provided to this office has been treated in the strictest confidence.
- 4.2 I also confirm that I have submitted my confidential report to The Insolvency Service (Directors Conduct Reporting Service).
- 4.3 I am required to make an initial assessment of whether there are any matters which may lead to additional recoveries for the benefit of the estate. This would typically include any potential claims which may be brought against parties, either connected to the Company, or who have had prior dealings with the Company. Due to the detailed nature of these investigations, my I am unable to comment further at this stage. I confirm that the work which is ongoing in this regard is undertaken on the basis that it may generate a financial benefit for the administration, and enhance the outcome for creditors. Please note that this work will be continued by the duly appointed Liquidators.

5. THE ADMINISTRATORS' FEES AND EXPENSES

5.1. Pre-Administration Costs

- 5.1.1 The Administrator's Proposal did not include Statement of pre-administration Costs as these were provided by a third party pre-appointment and drawn pre-appointment.
- 5.1.2 These costs provided and drawn are detailed below:-

Party instructed	Amount approved (Net) £
B E Budsworth	5,000.00

VST Enterprises Limited (In Administration)
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5.2. The Administrators' Fees

- 5.2.1 The basis of the Administrators' remuneration was fixed on 26 May 2022 ("the decision date"), as follows:-

It was resolved that the basis of the Administrators' fees be fixed by reference to the time properly given by the Administrator and their staff in attending to matters arising in the Administration, in accordance with the revised estimate of future fees up to a maximum of £80,000.00 + VAT and disbursements as per the expense estimate circulated.

- 5.2.2 A breakdown of the time costs incurred during the review period can be found at **Appendix V** and further information regarding the charge-out rates of the Administrator and her staff is provided at **Appendix VII**.

Please note "A Creditors' Guide to Administrators' Remuneration" is available for download at:-

[https://www.r3.org.uk/media/documents/publications/professional/Guide to Administrators Fees.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees.pdf)

Should you require a paper copy, please send your request in writing to the Administrator at the address on the front of this report and this will be provided to you without charge.

5.3. Comparison of Estimates

- 5.3.1 A comparison of the time costs incurred by the Administrator within the review period, whether or not they have been charged to the administration estate, are £66,351.10 compared with the original fee estimate (provided as costs incurred plus estimate of future fees) which totalled £40,121.04. A comparison of the expenses incurred to date, whether or not they have been charged to the administration estate, compared with the original expense estimate can be found within the executive summary at Section 1 of this report. Further information on fees charged compared to the original estimate is provided below, for ease of reference:-

Activity	Actual			Fee Estimate		
	Hours	Average Rate	Charge	Hours	Blended Rate	Charge
Administration & Planning	61.10	258.37	42,019.10	11.00	164.97	6,430.53
Cashiering	4.75	325.00	1,543.75	10.00	164.97	1,649.70
General Administration	14.00	252.05	11,559.20	48.25	164.97	7,959.80
Trading	0.00	0.00	0.00	0.00	0.00	0.00
Investigation	11.40	279.70	5,608.00	63.75	164.97	17,516.84
Assets	7.25	256.88	5,302.05	17.74	164.97	4,756.35
Creditors	0.00	220.00	319.00	16.75	164.97	1,807.82
Total	98.50	259.81	66,351.10	167.49	164.97	40,121.04

- 5.3.2 It should be noted that the original fee estimate has been exceeded, and work in relation to the administration is ongoing until the conversion to CVL in accordance with the modifications detailed above.
- 5.3.3 The main reasons as to why the fee estimate has been exceeded are that the administration has become significantly more complex than was originally anticipated, or could have reasonably been anticipated at the outset. The key matters which are ongoing are discussed at section one of this report.

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- 5.3.4 The additional time costs have arisen dealing with creditors' queries, convening a physical meeting of creditors, the appointment of a Creditors Committee and also the amount of chasing we have to do to get full co-operation from the office holders. In addition, the sale process has been more complex and drawn out and has involved chasing by agents and solicitors to get the offer to the point of successful conclusion.

5.4. Creditors' Right to Request Information

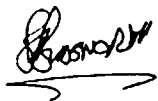
- 5.4.1 Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Administrator to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

5.5. Creditors' Right to Challenge Fees or Expenses

- 5.5.1 Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Administrator is entitled to charge or otherwise challenging some or all of the expenses incurred.
- 5.5.2 Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees (or expenses) subject to complaint. Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

6. CONCLUSION

- 6.1.1 The Administration will continue in order to finalise the sale of goodwill and IPR and will proceed into Liquidation in accordance with the modifications. If you require any further information please contact Jessica Barker on 03339999664.



Beverley Budsworth
Administrator

Beverley Ellice Budsworth was appointed as Administrator of VST Enterprises Limited on 12 January 2022. The affairs, business and property of the Company are managed by the Administrators. The Administrators acts as agents of the Company and contracts without personal liability.

VST Enterprises Limited (In Administration)
The Administrator's Progress Report from 12 January 2022 to 11 July 2022

Appendix I

VST Enterprises Limited (In Administration)

STATUTORY INFORMATION

Company Name	VST Enterprises Limited
Previous Name(s)	N/A
Proceedings	In Administration
Court	Business and Property Courts (Manchester)
Court Reference	000025 of 20122
Date of Appointment	12 January 2022
Administrator	Beverley Ellice Budsworth
Registered office address	c/o The Debt Advisor Ltd 18-22 Lloyd Street Manchester M2 5WA
Company Number	08292184
Appointment by	Davis Co. Holdings Ltd (QFCH)

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Joint Administrators	Beverley Ellice Budsworth and of The Debt Advisor
The Company	VST Enterprises Limited (in Administration)
The Court	Business and Property Courts (Manchester)
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 12/01/2022 to 11/06/2022

VST Enterprises Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 12/01/2022 To 11/07/2022 £	From 12/01/2022 To 11/07/2022 £
	SECURED ASSETS		
Uncertain	Goodwill, IPR	NIL	NIL
Uncertain	Investments	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(6,133,927.00)	Davis Co. Holdings Ltd	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest	0.15	0.15
	Contribution to Agents Fees	6,000.00	6,000.00
Uncertain	Debtors	NIL	NIL
	Deposit for Creditor's Meeting	1,668.00	1,668.00
2,454.00	Equipment	NIL	NIL
Uncertain	H M R & C Refunds	NIL	NIL
5,800.00	Other Debtors	NIL	NIL
		7,668.15	7,668.15
	COST OF REALISATIONS		
	Agents/Valuers Fees	5,000.00	5,000.00
	Bank Charges	7.60	7.60
	Legal Fees	750.00	750.00
	Statutory Advertising	90.00	90.00
	Venue - Creditor's Meeting	300.00	300.00
		(6,147.60)	(6,147.60)
	PREFERENTIAL CREDITORS		
(800.00)	Employees - Arrears of Wages	NIL	NIL
(14,000.00)	Employees - Holiday Pay	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
NIL	HM R & C - PAYE	NIL	NIL
NIL	HM R & C - VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
NIL	Employees	NIL	NIL
NIL	HM R & C - CTAX	NIL	NIL
(49,902.38)	Santander UK PLC	NIL	NIL
(2,712,816.25)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(120,893.00)	Ordinary Shareholders	NIL	NIL
(5,799,025.00)	Share Premium	NIL	NIL
		NIL	NIL
(14,823,109.63)		1,520.55	1,520.55
	REPRESENTED BY		
	Current Account		292.55
	Vat Receivable		1,228.00
			1,520.55

VST Enterprises Limited (In Administration)

SUMMARY OF WORK UNDERTAKEN

Below is detailed information about the various tasks that I anticipate will be undertaken as part of my duties as Administrator:-

General Description	Detailed Description
Administration & Planning	
Advertising	Preparation and filing of statutory adverts to be submitted in the London Gazette, and other publications as may be necessary, in accordance with statutory requirements, and best practice.
Compliance with AML Risk Assessments, Bribery Act Risk Assessments, and Ethical Reviews	Maintenance of checklists, risk assessments and obtaining evidence in support of these assessments in compliance with this firms' policies and specifically the Money Laundering, Terrorist Financing & Transfer of Funds (Information on the Payer) Regulations 2017, Bribery Act 2010 and also the Insolvency Code of Ethics. Risk assessments to be reviewed periodically throughout the course of the assignment to take into account any changes to risk.
Checklists and Reviews	<p>Maintenance of checklists and completion of periodic reviews of the progression of the case. To be undertaken at least on a six monthly basis and additionally as may be specifically required. Reviews to be completed by the case administrator, then reviewed by the manager and approved by the Administrator.</p> <p>In addition, this will include regular discussions between different grades of staff regarding the status of the case, matters remaining to be dealt with and likely timescales for conclusion.</p>
Communication with the Company Officers	<p>Liaising with the company Officers by telephone, by email and also by formal correspondence as required. Dealing with queries concerning case specific matters arising in the administration. This has involved more chasing and effort than was originally envisaged.</p> <p>In addition, this includes liaising with representatives appointed by the Officers in relation to his affairs, and providing regular updates on the progression of the liquidation.</p>
Specific Penalty Bonding	To ensure that property security is in force in relation to the proper performance of the practitioner's functions. The security must meet the prescribed requirements as defined in the Insolvency Practitioners regulations 2005 (SI 2005 No. 524) (as amended by the Provision of Services (Insolvency Practitioners) Regulations 2009 (SI 2009 No. 3081)) in relation to the General Penalty Sum (enabling bond) and the Specific Penalty Sum which must cover not less than the estimated value of the insolvent's assets. In addition, to maintain a record of the case, and submission of monthly information to the bond provider.
Statutory Reporting	Preparation of a six monthly progress report and a final progress report. Should the Administration be extended the preparation of further progress reports to creditors, in compliance with the relevant legislation and best practice.

General Description	Detailed Description
Investigations	
Asset Identification	<p>Collection of the company's records (as appropriate) and review of the information provided which will include, but not limited to, bank statements, tax returns, and other accounting records etc. Again procuring this information has involved more chasing and effort than was originally envisaged.</p> <p>Correspondence with various parties to request information on the company's financial position, and clarification where the company's records are not sufficient.</p> <p>Periodic review of assets, and liabilities, for the purpose of identifying whether additional realisations could be made for the benefit of the insolvent estate. Liaising with creditors and the committee as well as shareholders who are owed significant sums and who have expressed serious concerns regarding the way in which they were persuaded to invest in the company.</p>
Compliance with statutory objectives	<p>The Administrator will examine the conduct of the Company and all of its Directors prior to the Administration with two main objectives:-</p> <ul style="list-style-type: none"> • To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and • To enable the Administrator to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate ("CDDA" work).
Litigation / Recoveries	<p>In the event that any questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Administrator's next steps in pursuing a recovery. Where it is appropriate to commence litigation to recover assets for the benefit of the insolvent estate to conduct internal meetings for the purpose of discussing the status of the litigation, instructing and liaising with solicitors, attending meetings and participating in any negotiations regarding settlement.</p>
Realisation of Assets	
Goodwill, IPR, Equipment	<p>Dealing with sale of assets which has been prolonged and has required detailed chasing by the Administrator, the agents appointed and also solicitors advising on the sale.</p>
Debtors	<p>Pursuing book debts and connected party sums due to the company, as per the Statement of Affairs and also any other refunds which many come to light during the Administration process.</p>
Creditors	
Creditor Communication	<p>Receiving and dealing with creditor queries, by telephone, email and written correspondence. Reviewing and preparing communications to creditors' and their representatives as required, in compliance with this firm's own policies and procedures. Dealing with any contentious matters promptly and ensuring that the matter is resolved to the</p>

General Description	Detailed Description
	satisfaction of all parties concerned.
Processing proofs of debt	Dealing with all creditor claims, and reviewing the documentation submitted. As the company will proceed into liquidation, agreement of creditors' claims will be dealt with by the subsequently appointed Joint Liquidators.
Support	
IP Banking & Cashiering	<p>Periodically reviewing the estate account and liaising with the bank as may be required. Submitting correspondence, and standard requests to the bank regarding specific transactions.</p> <p>Entering the estate account transactions onto IPS and completing regular reconciliations of the account. Periodic reviews to ensure that the transactions through the bank account are correctly posted to IPS for the purpose of case reviews, statutory reporting and decisions on case strategy and conclusion.</p>

The Debt Advisor
VST Enterprises Limited
Creditor Claims Summary Report

Key	Name	Rep. By	S of A £	Claim £	Agreed Claim £
CB00	Buckley & Buckley		250,000.00	0.00	0.00
CC00	Chris Wyres		100,000.00	0.00	0.00
CC01	Crowe UK LLP		0.00	15,000.00	0.00
CD00	Davis & Davis Consulting		216,000.00	216,000.00	0.00
CD01	Datasite UK Ltd		11,853.00	11,613.46	0.00
CD02	Louis-James Davis		267,218.23	267,218.23	0.00
CD03	Davis Co. Holdings Limited		6,133,927.00	6,133,927.00	0.00
CG00	15 2019 Ltd; 15 Risk Ltd - Disputed Claim		120,000.00	120,000.00	0.00
CG01	GSP Technical Solutions Limited		60,000.00	172,800.00	0.00
CH00	HM Revenue & Customs (VAT)		0.00	0.00	0.00
CH01	Hill Dickinson LLP		105,189.02	105,189.02	0.00
CI00	Interactive Digital Systems - Disputed Claim		430,000.00	375,000.00	0.00
CI01	Infinite Possibilities (Global) Ltd		19,000.00	18,240.19	0.00
CJ00	John Quigley - Disputed Claim		250,106.00	385,475.42	0.00
CJ01	John Quigley - Q4 Sales Movement		0.00	30,000.00	0.00
CK00	Kimble Trading Limited - Disputed Claim		80,146.00	80,146.88	0.00
CL00	R Lennard		36,000.00	0.00	0.00
CM00	Markettiers		16,000.00	0.00	0.00
CN00	Neural Rays A.I		350,000.00	610,400.00	0.00
CR00	Regalpress Limited		18,900.00	18,900.00	0.00
CR01	Redstrike - Disputed Claim		240,000.00	216,000.00	0.00
CR02	Rtifex Consulting Limited - Disputed Claim		60,000.00	172,800.00	0.00
CR03	Redundancy Payments Service		0.00	7,841.17	6,272.00 (U) 1,569.17 (P)
CS00	Santander UK PLC 09-02-22, 10399149		0.00	49,902.38	0.00
CZ00	Zara Tindall (nee Phillips) MBE - Disputed Claim		82,404.00	82,404.32	0.00
RD00	Louis-James Davis		0.00	0.00	0.00
RD01	Nicole Sarah Davis		0.00	0.00	0.00
RG00	Paul John Greaves		0.00	0.00	0.00
RH00	Melissa Jane Hendry		0.00	0.00	0.00
RH01	Ian Hetherington		0.00	0.00	0.00
RM00	Terence Shaun Marsh		0.00	0.00	0.00
RM01	William James Mapstone		0.00	0.00	0.00
RM02	Willam Mapstone Sr.		0.00	0.00	0.00
33 Entries Totalling			8,846,743.25	9,088,858.07	7,841.17

P - Preferential

Q - 2nd Preferential

U - Unsecured

Signature _____

Summary of Hours

ACTIVITY	01 Partner	02 Manager / Senior	03 Senior Administrator / Supervisor	04 Administrator	05 Junior	06 Support	Total
01 Administration & Planning	61.10	99.03	0.00	2.50	0.00	0.00	162.63
02 Trading	4.75	0.00	0.00	0.00	0.00	0.00	4.75
03 Investigation	14.00	31.86	0.00	0.00	0.00	0.00	45.86
04 Assets	11.40	8.65	0.00	0.00	0.00	0.00	20.05
05 Creditors	7.25	13.39	0.00	0.00	0.00	0.00	20.64
06 Support	0.00	1.45	0.00	0.00	0.00	0.00	1.45
Total	98.50	154.38	0.00	2.50	0.00	0.00	255.38

Summary of Charges

ACTIVITY	01 Partner	02 Manager / Senior	03 Senior Administrator / Supervisor	04 Administrator	05 Junior	06 Support	Total	Hours	Average Rate £
01 Administration & Planning	19857.50	21786.60	0.00	375.00	0.00	0.00	42019.10	162.63	258.37
02 Trading	1543.75	0.00	0.00	0.00	0.00	0.00	1543.75	4.75	325.00
03 Investigation	4550.00	7009.20	0.00	0.00	0.00	0.00	11559.20	45.86	252.05
04 Assets	3705.00	1903.00	0.00	0.00	0.00	0.00	5608.00	20.05	279.70
05 Creditors	2356.25	2945.80	0.00	0.00	0.00	0.00	5302.05	20.64	256.88
06 Support	0.00	319.00	0.00	0.00	0.00	0.00	319.00	1.45	220.00
Total	32012.50	33963.60	0.00	375.00	0.00	0.00	66351.10	255.38	259.81
Hours	98.50	154.38	0.00	2.50	0.00	0.00	255.38		
Average Rate (£)	325.00	220.00	0.00	150.00	0.00	0.00	259.81		

STAFF CHARGE OUT RATES

GRADE	CHARGE OUT RATE PER HOUR (£)
Junior Administrator	80.00
Administrator & Support	150.00
Manager	220.00
Partner	325.00

CALCULATION OF CATEGORY 2 DISBURSEMENTS

Type	Charge
Stationery	34p per creditor per annum
Mileage	40p per mile plus VAT

VST ENTERPRISES LIMITED (IN ADMINISTRATION)**CHARGE-OUT RATES AND BASES OF DISBURSEMENTS (“The Debt Advisor Summary”)****Staff Charge Out Rates**

Staff	Charge out rates £ / per hour
Insolvency Practitioner	325.00
Manager	220.00
Administrator	150.00

Basis of Payment of Category 1 Disbursements

These relate to expenses incurred by the Insolvency Practitioner in carrying out her duties which are payable to external organisations, e.g. postage, statutory advertising, storage costs etc. The basis of these disbursements is set out on the expense estimate.

Where there are funds available in the case, these funds will be used to settle these disbursements. Otherwise category 1 disbursements will be paid by The Debt Advisor Limited and recovered from the case when funds permit.

Basis of Calculation of Category 2 Disbursements

- ☐ Stationery charges calculated at 34p per creditor per annum, plus VAT;
- ☐ Stationery charges £9 per case to cover the provision of files;
- ☐ Car mileage is to be re-charged at the rate of 45p per mile, plus VAT.

PROOF OF DEBT - GENERAL FORM

VST Enterprises Limited (In Administration)

Date of Administration: 12 January 2022

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company:- <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document / evidence to substantiate the claim at her discretion.]	
10.	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	Category Amount(s) claimed as preferential £
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO