



Antony Batty & Company LLP  
INSOLVENCY, RECOVERY & TURNAROUND

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**Private and Confidential**

Date: 24 January 2023

To Shareholders

Our ref: CRYVALIS/15/SB  
Contact: Matthew Coombe-Tennant

Dear Sir/Madam,

**CHRYSALIS VCT PLC (“THE COMPANY”) – IN MEMBERS’ VOLUNTARY LIQUIDATION**

Further to the Company being placed into Liquidation and following the second anniversary of my appointment as Joint Liquidator, I write to advise you that the progress report is now available at [www.antonybatty.net/client-login.php](http://www.antonybatty.net/client-login.php). You will need to enter the following client ID to access the report: 558355699

1. Report on the progress of the Liquidation.
2. Summary of receipts and payments.

The report should be read in conjunction with my previous correspondence.

If you cannot access the report and minutes on the website or otherwise want to request a paper copy or if you have any queries regarding this report or the conduct of the liquidation in general, you should contact Matthew Coombe-Tennant by email at [Matthewc@antonybatty.com](mailto:Matthewc@antonybatty.com), or by phone on 020 7831 1234.

Antony Batty & Company LLP uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Antony Batty & Company LLP uses your personal information on our website at <http://www.antonybatty.com/insolvency-resources>.

**Yours faithfully,**

A handwritten signature in blue ink, appearing to read 'WAB'.

**William Antony Batty**  
**Joint Liquidator**  
Encs.

**CHRYSALIS VCT PLC - IN LIQUIDATION**  
**JOINT LIQUIDATORS PROGRESS REPORT**  
**DATE OF REPORT: 24 JANUARY 2023**

**ANTONY BATTY & COMPANY LLP**  
**3 FIELD COURT**  
**GRAYS INN**  
**LONDON**  
**WC1R 5EF**

## **CHRYSALIS VCT PLC - IN LIQUIDATION**

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Liquidator to provide members with an update of the progress of the liquidation. The report has been prepared for the purpose of advising members. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by members for any purpose other than advising them, or by any other person for any purpose whatsoever.

W A Batty and H F Jesseman were appointed as Liquidators of Chrysalis VCT PLC on 26 November 2020.

WA Batty HF Jesseman and CE Howell are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales.

### **Abbreviations used in this report:**

- Chrysalis VCT PLC - (“the Company”)
- W A Batty and H F Jesseman - (“the Joint Liquidators”)
- Chrysalis VCT Management Limited - (“CVML”)

## **CHRYSALIS VCT PLC – IN MEMBERS' VOLUNTARY LIQUIDATION**

### **JOINT LIQUIDATORS' PROGRESS REPORT TO MEMBERS**

**For the period ending 25 November 2022**

#### **STATUTORY INFORMATION**

Company name:	Chrysalis VCT PLC
Former registered name	Downing Classic VCT 3 Plc
Registered office:	3 Field Court Gray's Inn London WC1R 5EF
Former registered office:	6 <sup>th</sup> Floor, St Magnus House, Lower Thames Street, London, EC3R 6HD
Registered number:	04095791
Joint Liquidators' name:	William Antony Batty and Hugh Francis Jesseman
Joint Liquidators' address:	3 Field Court, Gray's Inn, London, WC1R 5EF
Date of appointment:	26 November 2020

#### **JOINT LIQUIDATORS' ACTIONS LAST REPORT**

During the period of this report, CVML has continued to assist with the management and realisation of the Company's investments. I have been liaising closely with them during the course of the Liquidation.

Please note that there is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in the Appendices.

As part of my role as Joint liquidator, I may need to access and use data relating to individuals, which may include the members of the Company in relation to my obligations under the Money Laundering Regulations 2017. In doing so, I must abide by data protection requirements. Antony Batty & Company LLP's Privacy Notice about the way that personal data is used and stored can be found at <http://www.antonybatty.com/insolvency-resources>. If you are unable to download this, please contact my office and a hard copy will be provided to you.

#### **RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 27 November 2021 to 26 November 2022 is attached at Appendix 1. Please note that receipts and payments in the account are shown net of VAT. I have reconciled to the financial records that I am required to maintain.

The balance of funds is held in an interest bearing bank account.

## ASSETS

The Declaration of Solvency indicated that the assets of the Company were those detailed below and held a total value of £15,016,000. I have undertaken the following work in order to protect and realise the known assets or potential assets of the Company during the period of this report:

### Investments

In the period of this report, I have received the proceeds from the sale of venture capital investments and income totalling £13,179,000.

A brief summary of the investment portfolio and realisations during the Liquidation is as follows:

	Valuation at 30 Sept 2020 per Circular	Proceeds and income received in Liquidation	Estimated Remaining value	Gain/Loss over 30 Sept 2020 Valuation
	£'000	£'000	£'000	£'000
Coolabi Group Limited	4,257	3,624	1,676	1,043
Enthuse Holdings Limited	2,763	2,500		(263)
Zappar Limited	1,626	1,500		(126)
Cambridge Mechatronics Limited	1,172	1,100		(72)
Driver Require Limited	897	857		(40)
IX Group Limited	770	1,171		401
Impact Healthcare REIT plc	740	914		174
Locale Enterprises Limited	720	705		(15)
Green Star Media Limited	700	657		(43)
Triaster Limited	155	80		(75)
The Mission Group plc	73	66		(7)
Other	1	5		4
	<b>13,874</b>	<b>13,179</b>	<b>1,676</b>	<b>981</b>

The Company's final investment, being that in Coolabi Limited, has now been sold, with proceeds of £3.6 million being received. The transaction required the Company to make a vendor loan to the buyer of £1.676 million which was expected to be repaid on or before 31 December 2022.

We understand that there has been a delay with a fundraising being undertaken by the buyer which is delaying the repayment of the vendor loan. The investment manager is monitoring the situation closely, seeking to ensure that redemption now takes place as soon as possible. Assuming the vendor loan is repaid as planned in the near future, I estimate that a further and final distribution of at least 5p per share will be able to be made to the Company's Shareholders.

Any further delays in the repayment of the vendor loan may require further action and could significantly delay the payment of a final distribution to Shareholders, which may then be substantially less than 5p per share.

### Refund of Overpayment

I received a refund of £9,248 from Downing LLP in respect of an overpayment of Administration fees.

### Other Assets

I have received £769 in respect of bank interest on the funds held during the Liquidation.

I am not aware of any further assets. However, should any member be aware of any such asset, please advise me immediately.

## **LIABILITIES**

### **Secured Creditors**

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

### **Preferential Creditors**

I am not aware of any claims from preferential creditors in this matter.

### **Crown Creditors**

The Declaration of Solvency did not include an amount owed to HMRC. We have not received a claim from HMRC to date.

### **Non-preferential unsecured Creditors**

I confirm that I have not received any claims from creditors to date.

### **Share Capital**

The Company's share capital at 25 November 2020 was 27,998,701 Ordinary Shares of 1p each. This remains unchanged.

The following distributions were made to Members Ordinary shares:

	<b>Amount Distributed £</b>	<b>Rate of distribution per share p in £</b>	<b>Date</b>
Issued share capital	-	-	N/A
Return of share capital	-	-	N/A
Cash distributions	13,019,939	46.5p	24/11/21 & 17/06/22 & 02/09/22

**Members should retain the notice of declaration of distributions for their own tax affairs. Individual distributions to shareholders, which remain unbanked after six months, will be transferred to the Insolvency Services unclaimed dividend account.**

## **JOINT LIQUIDATORS' REMUNERATION**

My remuneration was previously authorised by Members at a meeting held on 26 November 2020 date to be drawn on a time cost basis capped at £30,000. My total time costs to date of progress report amount to £32,355, representing 142 hours work at an average charge out rate of £227 per hour, of which £16,042, representing 25 hours work was charged in the period since date to which last report prepared, at an average charge out rate of £272 per hour.

I have not yet drawn any remuneration in this matter.

My time costs have exceeded my first exceeded my original estimate and I will be seeking a fee increase at the point where the case is ready for closure.

A schedule of my time costs incurred to date is attached as Appendix 2 along with the schedule of my time incurred in the period of this report.

A copy of 'A Members' Guide to Liquidators' Fees', together with an explanatory note which shows Antony Batty & Company LLP's fee policy are available at the link <http://www.antonybatty.com/insolvency->

[resources.](#)

### JOINT LIQUIDATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

I have incurred total expenses of £590,757, of which I incurred £252,779 in the period since 25 November 2021. I have not yet drawn any expenses in this matter.

I have used the following professional advisors in the reporting period:

<b>Professional Advisor/Agent</b>	<b>Nature of Work</b>	<b>Basis of Fees</b>
Colourset Litho Limited	Printing & Mailout	Fixed Fee
The City Partnership (UK) Ltd	Registrar Services	Fixed Fee
Downing LLP	Admin of Invest Co	Fixed Fee
CVML	Investment Management Services	% of net assets
HMRC	Payroll PAYE/NIC	% basis
Martin Knight	Supervisory Committee -Wages & Salaries	Fixed Salary

Chrysalis VCT Management Limited ("CVML") have been paid £178,640 in respect of Investment Management Services. Their fee is based on a formula related to net assets of the Company.

Downing LLP ("Downing") have been paid £28,564 in respect of their assistance in Administration Services. Their fee is based on a fixed fee.

In respect of wages, Martin Knight was paid £14,063 over the period of this report.

HMRC were paid £13,252 in respect of PAYE and NIC on wages paid to Martin Knight.

Colourset Litho Limited ("CLL") have been paid £4,993 plus VAT for their assistance in providing printing and mailout expenses. This is based on a fixed fee.

The City Partnership (UK) Ltd have been paid £11,807 plus VAT for Share Registrar Services. This fee is based on a fixed fee.

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

I have not incurred the any category 1 expenses in the period since the last progress report:

Details of the category 1 expenses that I have paid to date and in the reporting, period are included in the receipts and payments account attached.

I am required to seek approval before I can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have obtained approval to pay the following category 2 expenses. I have incurred the following category 2 expenses in the period since the last progress report:

Type of category 2 expense	Amount incurred in the reporting period
Postage	£2,105

Details of the category 2 expenses that I have paid to date and in the reporting period are included in the receipts and payments account attached.

I set out below, a comparison of the expenses incurred against those I originally anticipated would be incurred during the liquidation:

Nature of expense	Estimated Expenses per circular	Expenses incurred to date
Specific Bond	£473	1,286
Statutory Advertising	£250	254
Postage	£7	2,107
Photocopying	£7	Nil
Formal Search Fees	£20	Nil
Storage Costs	£75	Nil
Subscription Fees	Nil	£652
Regulatory Fees	£676	£676
Accountancy Fees	£1,620	£1,350
Legal Fees	£13,851	£11,543
Brokers Fees for Insurance	Nil	£1,750
Website & Domain Expenses	Nil	£400
Printing & Mailout Expenses	£18,069	£5,898
LSE Fees	Nil	£78
Registrar Fees	£45,000	£11,807
Registrar Expenses	Nil	£13,581
Wages & Salaries	£75,000	£29,948
PAYE/NIC	£10,350	£28,388
Management Fees & Admin Fees	£790,525	£502,220
<b>Total</b>	<b>£955,923</b>	<b>£611,938</b>

As you can see above, the total expenses I have incurred in this matter are currently in line with the total expenses I estimated I would incur when my remuneration was approved.

#### **FURTHER INFORMATION**

A Member may, with the permission of the court or with at least 5% of the total voting rights of all the Members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report.



A Member may, with the permission of the court or with at least 10% of the total voting rights of all the Members having the right to vote at general meetings of the company, apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report.

The Liquidation will remain open until the remaining investment has been realised. From discussions with the Investment Manager and Supervisory Committee, I understand that there is a reasonable prospect of this completing within the next 3-6 months, however it is dependent on the repayment of the Coolabi vendor. Once resolved the Liquidation will be finalised and my files will be closed.

If members have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Sheniz Bayram on 020 7831 1234, or by email at [Sheniz@antonybatty.com](mailto:Sheniz@antonybatty.com).

If you have any queries about your shareholding or other matters, the Administration Manager, Downing LLP, can be contacted by email at [chrysalisvct@downing.co.uk](mailto:chrysalisvct@downing.co.uk).



**William Antony Batty**  
**Joint Liquidator**  
**Date: 24 January 2023**

**Chrysalis VCT PLC**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts and Payments**

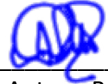
<b>RECEIPTS</b>	<b>Declaration of Solvency (£)</b>	<b>From 26/11/2020 To 26/11/2021 (£)</b>	<b>From 27/11/2021 To 26/11/2022 (£)</b>	<b>Total (£)</b>
Book Debts	123,000.00	0.00	0.00	0.00
Shares & Investments	13,874,000.00	2,679,387.44	10,634,394.47	13,313,781.91
Cash at Bank	1,019,000.00	759,492.43	0.00	759,492.43
Refund of Overpayment		0.00	9,248.29	9,248.29
Bank Interest Gross		50.44	769.26	819.70
		<b>3,438,930.31</b>	<b>10,644,412.02</b>	<b>14,083,342.33</b>
<b>PAYMENTS</b>				
Specific Bond		1,286.25	0.00	1,286.25
Licence Renewal Fees		652.20	0.00	652.20
FCA Regulatory Fees		676.00	0.00	676.00
Accountancy Fees <sup>1</sup>		1,350.00	0.00	1,350.00
Legal Fees (1)		11,542.50	0.00	11,542.50
VAT Unrecoverable		5,555.76	3,360.02	8,915.78
Brokers Fees for Insurance		1,750.00	0.00	1,750.00
Website & Domain Expenses		400.00	0.00	400.00
Printing & Mailout Expenses		905.43	4,992.69	5,898.12
Subscription Fees		652.20	0.00	652.20
LSE Fees		78.00	0.00	78.00
Registrar Services Fees		0.00	11,807.46	11,807.46
Registrar Expenses		13,580.85	0.00	13,580.85
Wages & Salaries		15,885.63	14,062.50	29,948.13
PAYE & NI		15,135.42	13,252.32	28,387.74
Management Fees		285,767.42	216,452.20	502,219.62
Trade & Expense Creditors	(84,000.00)	0.00	0.00	0.00
Ordinary Shareholders		2,799,870.10	10,219,523.38	13,019,393.48
		<b>3,155,087.76</b>	<b>10,483,450.57</b>	<b>13,638,538.33</b>
<b>Net Receipts/(Payments)</b>		<b>283,842.55</b>	<b>160,961.45</b>	<b>444,804.00</b>
<b>MADE UP AS FOLLOWS</b>				
Bank 1 Current - Interest bearing		283,842.55	160,961.45	444,804.00
		<b>283,842.55</b>	<b>160,961.45</b>	<b>444,804.00</b>

Note:  
Dividend information:

Ordinary shareholders paid at 10p per share on 29 October 2021 totaling £2,799,870.10

Ordinary shareholders paid at 17.5p per share on 07 June 2022 totaling £4,899,770.19.

**Chrysalis VCT PLC  
(In Liquidation)  
Joint Liquidators' Summary of Receipts and Payments**



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William Antony Batty  
Joint Liquidator

## Time Entry - SIP9 Time & Cost Summary

CRYNALIS - Chrysalis VCT PLC

Project Code: POST

From: 26/11/2020 To: 25/11/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	2.80	31.90	0.60	68.20	103.50	19,795.00	191.26
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.60	14.00	0.60	8.20	25.40	7,387.00	290.83
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	3.20	9.22	0.00	0.30	12.72	4,872.80	383.08
Trading	0.00	0.80	0.00	0.00	0.80	300.00	375.00
<b>Total Hours</b>	<b>8.60</b>	<b>55.92</b>	<b>1.20</b>	<b>76.70</b>	<b>142.42</b>	<b>32,354.80</b>	<b>227.18</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

## Time Entry - SIP9 Time & Cost Summary

CRYVALIS - Chrysalis VCT PLC

Project Code: POST

From: 26/11/2021 To: 25/11/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	2.00	7.60	0.60	24.80	35.00	6,711.00	191.74
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.60	12.30	0.60	0.00	15.50	5,966.50	384.94
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	3.20	4.60	0.00	0.30	8.10	3,214.00	396.79
Trading	0.00	0.40	0.00	0.00	0.40	150.00	375.00
<b>Total Hours</b>	<b>7.80</b>	<b>24.90</b>	<b>1.20</b>	<b>25.10</b>	<b>59.00</b>	<b>16,041.50</b>	<b>271.89</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding a general meeting of Members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case-by-case administrators.
- Preparing, reviewing and issuing progress reports to Members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Calculating, agreement and payment of Members distribution.

**Antony Batty & Company LLP****Time Costs – Charge out rates per hour and expenses policy.****1 July 2021 – 30 June 2023****Hourly charge out rates**

Office Holder (e.g. Liquidator)	£455
Senior Manager	£395
Case Manager	£375
Senior Administrator 1	£285
Senior Administrator 2	£325
Administrator	£195
Junior Administrator	£110

**Hourly charge out rates****2018\21**

Office Holder (e.g. Liquidator)	£435
Senior Manager	£380
Case Manager	£340
Senior Administrator 1	£260
Senior Administrator 2	£295
Administrator	£175
Junior Administrator	£95

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Time is recorded in units of six minutes; the minimum unit of time is therefore 6 minutes.

Members of staff with the appropriate level of experience and authority have been and will be used for the various aspects of work necessary in this assignment.

**Expenses Policy**

Please note that the liquidator's expenses are charged out at the following rates:-

**Category 1** - represent recovery of necessarily incurred expenses at the cost incurred.

Sundry expenses, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred.

There is a statutory requirement to advertise the following notices in the London Gazette: first meeting of creditors, resolutions for winding-up, appointment of Liquidators, final meetings and notices to creditors to submit claims. Statutory advertising costs are at a fixed rate of £89.20 plus VAT per advert. Insurance and bonding is recharged at 100% of the relevant charge to the office holder.

There is a statutory requirement for the Liquidator to apply for specific bond cover based on the expected realisations in each appointment. The bond premiums may be found on our website:

<http://antonybatty.com/insolvency-resources>.

VAT is charged as appropriate.

**Category 2**

Postage: Royal Mail postage rates.

Travel: where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.

Travel costs with the exception of mileage costs are recharged at 100% of the cost incurred.

VAT is charged as appropriate.