

CORE VCT PLC – in Members' Voluntary Liquidation

Progress report to Members pursuant to Section 92A of The Insolvency Act 1986 and Rule 18.7 of The Insolvency (England and Wales) Rules 2016 for the Period from 20 July 2024 to 19 July 2025

Issued On: 18 September 2025

ABBREVIATIONS AND DEFINITIONS

Abbreviation or definition	Meaning
"the Act"	Insolvency Act 1986
"the Claimants"	Core VCT Plc, Core VCT IV Plc and Core VCT V Plc, collectively
"Connected Entities"	Core VCT IV Plc and Core VCT V Plc
"Begbies Corporate Defendants"	Begbies Traynor (Central) LLP and BTG Advisory LLP (formerly BTG Financial Consulting LLP)
"the Entity"	Core VCT Plc
"Firm"	Menzies LLP
"the Former Liquidators / Menzies Liquidators"	Simon Underwood and Laurence Pagden of Menzies LLP
"the Original Liquidators / Begbies Liquidators"	Mark Robert Fry of Begbies Traynor (London) LLP and Neil John Mather (formerly of Moore Kingston Smith & Partners LLP, Mazars LLP and, before that, Begbies Traynor (London) LLP)
"Harcus Parker"	Harcus Parker Limited, legal advisors until 3rd September 2025
"Joint Liquidators / replacement liquidators / my / we"	David Baxendale and Steven Sherry, both of PwC LLP
"the Manager"	Soho Square Capital LLP (formerly known as ESO Capital Advisors LLP and, before that, Core Capital Partners LLP), an entity authorised and regulated by the Financial Conduct Authority
"Michelmores"	Michelmores LLP, legal advisors from 3rd September 2025
"Mr Fakhry"	Founder and Managing Partner of the Manager
"Reporting Period"	20 July 2024 to 19 July 2025
"the Rules"	Insolvency (England & Wales) Rules 2016
"SIP9"	Statement of Insolvency Practice 9
"Stewarts Law"	Stewarts Law LLP, former legal advisors
"VCT"	Venture capital trust as defined in Section 259 of the Income Tax Act 2007

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INTRODUCTION

Background to our appointment

As previously reported the Entity originally entered Members' Voluntary Liquidation on 16 April 2015 and the *Begbies Liquidators* were appointed. Following final meetings held on 10 August 2016 the Entity was dissolved on 18 November 2016.

Following a Court application by Mr Timothy Grattan (a shareholder) the Entity was restored by order of the High Court on 20 July 2018 and the *Menzies Liquidators* were appointed joint liquidators and sought to investigate the financial affairs of the Entity. This identified a number of potential claims against parties connected with the Entity.

On 28 July 2022, the High Court ordered the *Menzies Liquidators* be replaced and David Baxendale and Steven Sherry were appointed as Joint Liquidators in order to carry out an independent review of the potential claims, the litigation funding arrangements and decide whether to continue with the actions.

Reporting period

This report covers the conduct and progress of the liquidation in the period from 20 July 2024 to 19 July 2025. We have included any claim updates available at the time of writing, even if they fall outside the reporting period.

A summary of receipts and payments for this Period is at Appendix A.

The statutory information relating to the Entity and the Liquidators is at Appendix B.

REPORT ON THE LIQUIDATION

Realisation of assets

As previously advised by the *Menzies Liquidators*, as at the date of their appointment on 20 July 2018, there were no known assets. All known assets had been realised and any proceeds were distributed by the *Begbies Liquidators*. The amounts realised were shown in the *Begbies Liquidators'* final progress report dated 10 August 2016, albeit it did not correctly show the amounts realised from particular investments and a breakdown of the correct figures was provided in the report dated 16 September 2019.

Investigation

The High Court claims issued by and on behalf of the Entity had been subject to a stay but on 12 January 2024 we made an application to the Court to lift these stays in order to progress the claims. The hearing of this application took place on 25 September 2024, at which the Court approved the lifting of the stays with immediate effect.

The Liquidators made an application to amend the Claimants' Particulars of Claim (the "Amendment Application") which set out the case of the Claimants and the facts relied upon. In response, groups of Defendants made applications to strike out certain claims and/or for reverse summary judgment in respect of the same (the "Cross-Applications").

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In addition, the Begbies Liquidators and Begbies Corporate Defendants made an application for the determination of a preliminary issue in the claims against them. The preliminary issue related to whether the Begbies Liquidators and the Begbies Corporate Defendants are protected by a limitation of liability clause in letters of engagement between the Claimants and the one of the Begbies Corporate Defendants of which the Original Liquidators were members (the "Preliminary Issue"). The Claimants subsequently agreed with the Original Liquidators and Begbies Corporate Defendants that there should be a determination of the Preliminary Issue, which was then confirmed by order of the Court.

Preliminary issue: 18th-19th June 2025

The trial of the Preliminary Issue was held on 18th and 19th June 2025. Judgment was handed down on 10 September 2025. The Court determined that the Original Liquidators are not protected by the limitation of liability clause in the letters of engagement, but that the Begbies Corporate Defendants *may* be protected if the services they provided fell within the scope of services provided under the engagement letters.

A copy of the judgment is available at <https://caselaw.nationalarchives.gov.uk/ewhc/ch/2025/2316>.

Amendment application and cross-application hearing: 14th-17th July 2025

In July 2025, a four day hearing of the Amendment Application and the Defendants' Cross-Applications took place.

The judgement was handed down on 25th July 2025 a copy of which is available at <https://www.bailii.org/ew/cases/EWHC/Ch/2025/1918.html>.

Permission to amend the Claimants' Particulars of Claim was granted in part, allowing certain amendments that did not introduce new claims or which satisfied the requirements of CPR 17.4(2), but was refused in respect of new claims where the amendments would have required the Defendants to investigate new factual matters outside the scope of the original proceedings or where the claims were deemed to be time-barred. The court also struck out or granted summary judgment on a number of claims on the basis that the existing pleadings did not properly articulate claims in knowing receipt and that the relevant limitation periods had expired.

A consequential hearing has been scheduled for 6th October 2025 where the court will address the practical and procedural matters arising from the decisions made in the main hearing. This will include settling the precise terms of the order to be drawn up, reflecting which claims have been struck out or dismissed, which amendments to the Particulars of Claim have been permitted, and which have been refused. In addition to finalising the order, the consequential hearing will provide an opportunity for the parties to address any consequential matters that flow from the judgment which may include submissions on costs, directions for the future management of the case (such as timetables for service of amended pleadings, defences, or replies), and any other procedural steps required to progress the litigation in light of the court's rulings.

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Discontinued claims: Peter Smaill

During the period, proceedings brought against one of the defendants, Mr Smaill, a former director of the Entity, have been discontinued. As a result, no further action is being pursued in relation to this party.

Replacement of Marcus Parker

On 3 September 2025, following a transfer of the legal team running the case to a new firm, Michelmores replaced Marcus Parker as the legal advisors acting for the Liquidators and the Entity in the court proceedings referred to above.

Settlement of liabilities

The *Menzies Liquidators* advised the Joint Liquidators that they were not aware that the Entity had any liabilities. The Joint Liquidators have not received any claims in the Period.

Distributions to Members

No distributions were made during the Period. We are unable to advise at present whether there is likely to be a distribution to Members.

LIQUIDATORS' FEES AND EXPENSES

Basis of remuneration

On 15 April 2015 the *Begbies Liquidators*' remuneration was fixed by 'reference to the time properly given by the Liquidators and the various grades of their staff calculated at the prevailing hourly charge out rates in attending to matters arising in the Liquidation'.

Pursuant to Rule 18.31 of the Rules, the resolution in effect prior to the *Begbies Liquidators* ceasing to act continues to apply in relation to any subsequently appointed Liquidator. However, as indicated in the *Menzies Liquidators* previous reports, it is expected that we will be reverting to shareholders in relation to our costs. In the interim some costs have been funded.

Non-recourse funding

As part of the court process which resulted in our appointment as Joint Liquidators, Mr Fakhry provided an undertaking that he would provide the Liquidators with funding of £200,000 on a non-recourse basis to carry out the independent review of the claims.

This funding was provided on 15 November 2022.

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Liquidators' remuneration

The Joint Liquidators' time costs incurred in the Period totalled £133,446 made up of 194 hours at an average charge out rate of £689 per hour across all grades of staff. The Joint Liquidators' total time costs are £409,825.

A detailed breakdown of the Liquidators' time costs during the Period, together with details of applicable charge-out rates, is provided at Appendix C.

The Joint Liquidators have drawn remuneration in the Period of £56,987 (net). Disbursements have not been drawn.

Menzies Liquidators' remuneration

Following our appointment on 28 July 2022, the *Menzies Liquidators* have no costs in the estate of Core VCT Plc during the Period. The *Menzies Liquidators* have accrued costs of £452,297, made up of 1,225 hours at an average charge out rate of £369 per hour across all grades of staff.

The *Menzies Liquidators* have drawn remuneration of £75,000 plus VAT.

Liquidators' expenses¹

For previous reporting periods to 19 July 2022, the *Menzies Liquidators* reported expenses as a combined total across the Entity and the Connected Entities. For the purpose of reporting going forward, we will only report costs in connection with the Entity.

In the Period, the Liquidators incurred the following expenses in connection with the liquidation of the Entity.

Category 1 expense	Incurred in the Period £	Paid in the Period £
Legal costs - counsel*	337,784.60	102,966.87
Harcus Parker - expenses*	8,717.70	5,636.65
Harcus Parker - costs*	170,126.25	64,117.37
Total	516,628.55	172,720.89

¹ Category 1 expenses represent specific expenditure incurred directly in respect of the liquidation and payment has been to independent third parties. Category 2 expenses represent directly referable costs where payment is not to an independent third party.

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Category 2 expense	Incurred in the Period	Paid in the Period
	£	£
Printing and postage	4,223.38	0
Data storage	1,378.00	0
Total	5,601.38	0

**33.3% of the costs incurred and paid in the period have been included in this report. Paid costs have been settled by the funder*

The above expenses include the costs of the following professionals the Liquidators instructed to provide specialist advice or services.

Service provided	Name of firm	Reason selected	Basis of fees
Legal services	Harcus Parker	Industry knowledge & Pre-appointment adviser	Time costs
Legal services	Wilberforce Chambers, Gatehouse Chambers, Maitland Chambers	Prior experience on the case or expert in their field.	Time costs

Any expenses paid have been settled via the funder or utilising the non-recourse funding.

If following the claims there are insufficient funds to meet all of the Liquidators' costs and expenses, we will write off such costs and not pursue the Members for any sums.

Members' rights regarding the Liquidators' remuneration and expenses

Any Member of the Entity with permission of the court or Members of the Entity with at least 5% of the total voting rights of all the Members having the right to vote at general meetings of the Entity (or permission of the court) are entitled to request further information about our fees and expenses. Such requests need to be made within 21 days of receipt of this report. See Rule 18.9 of the Insolvency (England and Wales) Rules 2016 for further detail.

Any Member of the Entity with permission of the court or members of the Entity with at least 10% of the total voting rights of all the Members having the right to vote at general meetings of the Entity (or permission of the court) are entitled to claim by way of court application that the liquidators' fees and expenses are excessive. Such applications need to be made within 8 weeks of the receipt of this report. See Rule 18.34 of the Insolvency (England and Wales) Rules 2016 for further detail.

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Future reporting

The Liquidators expect to send their next report to members at the end of the liquidation or in around 12 months' time, whichever is sooner.

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APPENDIX A

Abstract of Receipts and Payments in the liquidation during the period from 20 July 2024 to 19 July 2025

	From 20 July 2024 To 19 July 2025	From 20 July 2018 To 20 July 2025
	£	£
RECEIPTS		
Fundings - cash ^{Note 1}	Nil	Nil
Total		
PAYMENTS		
	Nil	Nil
Total		
DISTRIBUTIONS		
	Nil	Nil
Total		
TOTAL BALANCE	Nil	Nil

Notes:

1. The Estate does not have any cash assets, however the Joint Liquidators have opened a bank account in the name of the Entity to receive the £200,000 non-recourse funding as noted in the report.
2. The above Receipts and Payments account details cash receipts and payments only. It does not include any non-cash assets, sums settled in cash by third parties, or assets distributed in specie. Please see the assets, liabilities and distributions sections in the main body of the report for details on how the Liquidators dealt with the Entity's non-cash assets and liabilities.

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APPENDIX B

Information on the Entity and the Liquidators

Entity Details

Entity's registered name:	CORE VCT PLC
Entity's registered number:	05572561
Postal address of principal place of business	C/O Steven Sherry PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham, B3 3AX, United Kingdom

Liquidators' Details

Liquidators' names:	Steven Sherry and David Baxendale
Liquidators' postal address:	7 More London Riverside, London SE1 2RT
Liquidator' email:	steven.a.sherry@pwc.com david.baxendale@pwc.com
Nature of appointment:	Members' voluntary liquidation
Previous liquidators:	Simon Underwood - CTA 28 July 2022 Laurence Pagden - CTA 28 July 2022

Steven Sherry and David Baxendale have been appointed as Joint Liquidators of the Entity to manage its affairs, business and property as its agents and without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Members' Voluntary Liquidation.

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APPENDIX C

Liquidators remuneration during from the period 20 July 2024 to 19 July 2025

Time costs:

	Hours						Total	Total	Average
Classification of work	Partner	Senior Manager	Manager	Senior Associate	Associate	Support	Hours	Cost (£)	Hourly rate (£/H)
Accounting & Treasury	-	1.10	-	0.40	0.30	-	1.80	923.37	512.98
Litigation	135.75	20.55	-	-	-	-	156.30	112,478.10	719.63
Statutory & compliance	1.25	24.55	0.45	8.95	-	0.50	35.70	20,044.89	561.48
Total	137.00	46.20	0.45	9.35	0.30	0.50	193.80	133,446.36	688.58

Charge out rates:

The standard hourly charge out rates applicable to the partners and staff in the Lead Advisory & Restructuring department of PricewaterhouseCoopers LLP (PwC) for work of this nature during the reporting Period are noted below.

From 1 July 2025

Grade	£ / hr
Partners	777
Director	686
Senior Manager	630
Managers	553
Senior Associate	420
Associates	294

From 1 July 2024

Grade	£ / hr
Partners	718
Director	659
Senior Manager	620
Managers	526
Senior Associate	389
Associates	285
Support	116

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Appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work and the financial value of the assets being realised and/or claims agreed.

For the avoidance of doubt, work carried out by cashiers, support, offshore professional and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). PwC doesn't charge general or overhead costs.

In common with many professional firms, PwC's scale rates may rise e.g. to cover annual inflationary cost increases.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Work undertaken in the period	Why work was necessary
Administration and planning	
1. Bank account management	1. Monitoring of bank account
2. Issuing progress reports	2. Statutory requirement
3. Periodic file reviews	3. Ensure progression of the liquidation
4. Maintaining case records	4. Statutory requirement and good case management
5. Maintaining the statutory register and responding to shareholder enquiries	5. As above.
Investigations / litigation	
1. Liaising with solicitors	1. To continue to progress the claim
2. Preparation of Court documentation	2. Required for Court hearing
3. Attendance at Court	3. Required for Court hearing
4. Reporting to funder	4. Regular reporting on position and fees is required.
Realisation of assets	
Not applicable for this reporting Period	Not applicable for this reporting Period
Trading	
Not applicable for this reporting Period	Not applicable for this reporting Period
Creditors / liabilities	
Not applicable for this reporting Period	Not applicable for this reporting Period

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Pension schemes

Not applicable for this reporting Period

Not applicable for this reporting Period

Investments

Not applicable for this reporting Period

Not applicable for this reporting Period

Employees

Not applicable for this reporting Period

Not applicable for this reporting Period

Tax

Not applicable for this reporting Period

Not applicable for this reporting Period

Distributions

Not applicable for this reporting Period

Not applicable for this reporting Period

Closure

Not applicable for this reporting Period

Not applicable for this reporting Period
