



**Downing Planned Exit VCT 4 plc (in liquidation)**

Ergon House  
Horseferry Road  
London SW1P 2AL

020 7416 7780  
contact@downing.co.uk  
www.downing.co.uk

8 June 2015

Dear Shareholder

**Downing Planned Exit VCT 4 plc**

**Report to Shareholders from the Supervisory Committee and Manager**

I am pleased to present a final Shareholder update from the Company covering the completion of the disposal of the remaining investments and details of the final distribution to Shareholders.

Shareholders will recall that that Company is in a solvent liquidation process which has been undertaken primarily to reduce running costs and ease the restrictions of the VCT regulations during the investment realisation stage.

In the last month, the Company has sold its main remaining investments. These investments are summarised as follows:

**Heyford Contracting (South) Limited**

Heyford Contracting (South) acted as contractor on the development of two commercial office developments in Uppingham and Banbury. Sales of the units were very slow with the market for these types of premises becoming almost non-existent during the recession. Sales had been agreed on a number of the units but failed to complete for various reasons. The decision was then taken to auction the remaining units in order to provide a final exit for the VCT, possibly at a reduced value. In the event, alternative offers for all the units were received prior to auction and these were accepted and have now completed. Final proceeds from the investment were £677,000 against the previous carrying value of £900,000.

**Vermont Developments Limited**

This company owned development land in Salford. After several proposals that came to nothing, a buyer completed the purchase of the land in late March 2015. The sale proceeds were £312,000 compared to the previous carrying value of £50,000.

**Coast Constructors Limited/Aminghurst Limited**

Coast undertook a contract to build residential apartments and a boutique hotel complex, at Gara Rock, near Salcombe in Devon, on a site owned by Aminghurst.

The project suffered many setbacks and, although now mostly complete, it is proving very challenging selling the units. The process is ongoing, however, with a significant number of other investors now ranking ahead of the Company, it is clear now that there is no prospect of any value ultimately flowing through to the Company and the investment has been written off.

**Other investments**

Proceeds of £58,500 are estimated to be received over the next 3-15 months, in respect of the three small remaining investments. Given the low sums involved, and in order to wrap up the exit for Shareholders without any further delay, Downing LLP, the Investment Manager, has agreed to purchase these investments now. The selling price to Downing has been set at a level that is slightly above the full estimated value, which allows the final distribution to be rounded up to exactly 5p per share. Downing has also agreed to underwrite any costs of the finalisation of the liquidation of the Company that have not already been accrued.

The Committee is satisfied that this transaction is in the best interests of Shareholders as it is likely to result in a small profit to Shareholders over estimated value and a corresponding small loss for Downing. It also allows a final distribution to be paid to Shareholders more quickly than would otherwise be the case.

**Net assets**

An unaudited net asset statement as at 31 May 2015, and the previous reported statement at 31 December 2013, is included in the Appendix 1. As at 31 May 2015, the unaudited net asset value per share stood at 5.0p per share.

**Liquidator's report**

A letter from the Liquidator providing details of the final report to Shareholders is included in Appendix 2 and contains formal notices of the dividend and the member's meeting to finalise the liquidation.

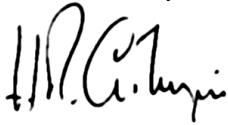
**Final distribution**

The Liquidator will pay a final distribution of 5.0p per share on 26 June 2015 to Shareholders on the register at 5 June 2015. The payment will be made by Capita Asset Services, the Company's registrar.

Following this payment, distributions over the life of the Company will have totalled 82.0p per share, compared to the original cost of 100p per share (60p net of income tax relief). Although the process of realising the portfolio has taken longer than originally envisaged and total distributions have been significantly reduced by two major problem investments, the outcome equates to an internal rate of return of approximately 6.7% per annum tax-free, compared to the net of income tax relief cost. This is not the result we hoped for (the original target was 100p of proceeds), but it is nonetheless a positive outcome over a period that included a major global recession.

If you have any queries regarding this investment, please contact Downing, who will be happy to help, on the above number.

Yours sincerely



**Hugh Gillespie**

Chairman of the Supervisory Committee

## Appendix 1



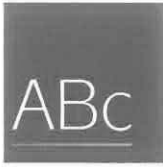
## Unaudited Balance Sheet

	31 May 2015		31 Dec 2013	
	Original Cost £'000	Fair Value £'000	Original Cost £'000	Fair Value £'000
<b>Fixed assets - venture capital investments *</b>				
Heyford Contracting (South) Limited	1,650	677 *	1,650	900
Vermont Developments Limited	903	312 *	903	50
Aminghurst Limited	992	-	992	-
Coast Contractors Limited	2,252	-	2,252	43
		989		993
<b>Current assets</b>				
Debtors		37		71
Cash at bank		100		139
		137		210
<b>Current liabilities</b> – Creditors falling due within one year		(47)		(40)
<b>Net current assets</b>		1,126		170
<b>Long term liabilities</b>		-		(21)
<b>Net assets</b>		<b>1,079</b>		<b>1,142</b>
		<b>Pence per share</b>		<b>Pence per share</b>
<b>Net asset value per share</b>		5.0		5.3
<b>Dividends and distributions paid to date</b>		77.0		77.0
<b>Total Return</b>		82.0		82.3

\* All fixed asset investments were disposed of by 31 May 2015. The figures shown in the 31 May 2015 column are the values at which the remaining investments were realised for cash.



## **Appendix 2**



Antony Batty & Company LLP

Insolvency, Recovery & Turnaround

3 Field Court,  
Gray's Inn,  
London,  
WC1R 5EF

Tel: 020 7831 1234  
Fax: 020 7430 2727  
www.antonybatty.com

To All Known Members

2 June 2015

Contact: Sheniz Bayram  
Our Ref: Downing/4/25

Dear Sirs

**DOWNING PLANNED EXIT VCT 4 PLC – IN LIQUIDATION  
FINAL REPORT TO MEMBERS**

I am now in a position to conclude my administration of the above liquidation. In accordance with the Insolvency Act 1986, a final meeting of the members of the Company will be held at 3 Field Court, Gray's Inn, London, WC1R 5EF on 6 August 2015 at 11a.m.

I write to advise you that the documents listed below are 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: **1289993731**

If you cannot access the report and minutes on the web-site or otherwise want to request a paper copy, then please write to Sheniz Bayram at the above address, or email [Sheniz@antonybatty.com](mailto:Sheniz@antonybatty.com) or phone 0207 8311234 to request a paper copy.

1. Formal notice of the meetings.
2. Proxy form for use at the meeting.
3. Report on the progress of the liquidation.
4. Summary of receipts and payments.
5. Summary of time costs.
6. Schedule of current charge out rates and disbursements policy.

I enclose a proxy form for completion and return.

The report, together with the receipts and payments account will be presented to the meeting, there will be no formal business dealt with other than that provided for in the attached notice. Your attendance is not essential unless you have matters to raise concerning the liquidation.

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

Information relating to members' rights to request further information or challenge to the Liquidator's remuneration is attached to this letter.

Please contact me or my colleague Sheniz Bayram if you require any further information.

Yours faithfully,

W A Batty  
Liquidator



### **Member's Request for Further Information about Remuneration & Expenses**

Under insolvency legislation, members have the right to request in writing further information regarding the remuneration or expenses set out in this report. The request can be made by either a member with at least 5% of the total voting rights of all members at a general meeting of the Company or any member with the permission of the Court.

The request must be made in writing within 21 days of receipt of this report.

### **Member's Claim that Remuneration and/or Expenses are Excessive**

Under insolvency legislation, members have the right to challenge the Liquidator's remuneration and expenses by making an application to court. The application can be made by either a member with at least 10% of the total voting rights of all members at a general meeting of the Company or any member with the permission of the Court.

The application may be made on the grounds that the Liquidator's remuneration is, in all the circumstances, excessive; the basis of fixing the remuneration is inappropriate; or the Liquidator's expenses are, in all the circumstances, excessive.

Any such application must be made within 8 weeks of receipt of this report.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets.

**NOTICE OF DIVIDEND**

**DOWNING PLANNED EXIT VCT 4 PLC – IN LIQUIDATION**

RE: DIVIDEND OF 5 pence per share

**LIQUIDATOR**

W A Batty  
Antony Batty & Company  
3 Field Court,  
Gray's Inn  
London  
WC1R 5EF

NOTICE IS HEREBY GIVEN that a Dividend to Ordinary Shareholders of 5 pence per share has been declared in this matter and that a payable order will be issued by the Registrars on 26 June 2015.

A statement of receipts and payments is enclosed and forms parts of this notice. This account details the amounts realised from assets and payments made by the Liquidator.

There are no unsettled shareholdings and no funds have been retained from the distribution.

The total amount distributed is £1,072,521

We do not anticipate that any further distributions will be made.



W A Batty  
Liquidator  
Dated: 02 June 2015

DOWNING PLANNED EXIT VCT 4 PLC - IN LIQUIDATION  
Company Number: 5634314

Previous company name(s): Downing Protected VCT IV Plc

Trading names: n/a

Trading address: Ergon House, Horseferry Road, London, SW1P 2AL

Date of appointment: 16 February 2012

**NOTICE IS HEREBY GIVEN**, pursuant to Section 94 of the Insolvency Act 1986, that a final meeting of the members of the above named Company will be held at the offices of Antony Batty & Company, 3 Field Court, Gray's Inn, London, WC1R 5EF on 6 August 2015 at 11a.m for the purpose of receiving an account of the Liquidator's acts and dealings and of the conduct of the winding up and how the Company's property has been disposed of

Members wishing to vote at the meeting, unless they are not a corporate body and attending in person, must lodge their proxies at the offices of Antony Batty & Company, 3 Field Court, Gray's Inn, London, WC1R 5EF, no later than 12 noon on the business day before the meeting.

A handwritten signature in black ink, appearing to be 'W A Batty', written in a cursive style.

W A Batty  
Liquidator  
Dated: 2 June 2015

Notes to help completion  
of this form

DOWNING PLANNED EXIT VCT 4 PLC – IN LIQUIDATION

Please give full name and  
address for  
communication.

NAME OF MEMBER

ADDRESS

Please insert name of  
person (who must be 18 or  
over) or the "Chairman of  
the Meeting" (see note  
below). If you wish to  
provide for alternative  
proxy-holders in the  
circumstances that your  
first choice is unable to  
attend please state the  
name(s) of the  
alternative(s).

NAME OF PROXY FOR MEMBER

- 1.
- 2.
- 3.

Please delete words in  
brackets if the proxy-  
holder is only to vote as  
directed i.e. if he/she has  
no discretion.

I appoint the above person to be my/the\* member's proxy-holder at the meeting of members to be held on 6 August 2015 or at any adjournment of that meeting. The proxy-holder is to propose or vote as below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her\* discretion).

VOTING INSTRUCTIONS FOR ANY RESOLUTIONS

Please delete words in  
brackets if the proxy-  
holder is only to vote as  
directed i.e. if he/she has  
no discretion.

Any other resolutions  
which the proxy-holder is  
to propose or vote in  
favour of or against should  
be set out in numbered  
paragraphs in the space  
provided below paragraph  
1. If more room is required  
please use the other side  
of this form.

**This form must** SIGNATURE

**be signed** DATE

NAME IN CAPITAL LETTERS \_\_\_\_\_

RELATIONSHIP TO MEMBER OR OTHER AUTHORITY FOR SIGNATURE

Only to be completed if the  
creditor/member has not  
signed in person.

(\* - Delete as applicable)

Remember: there may be resolutions on the other side of this form.