

# Downing Planned Exit VCT 8 PLC

—  
Half-Yearly Report for  
the six months ended  
30 June 2014

## SHAREHOLDER INFORMATION

### Performance summary

	<b>30 Jun 2014 Pence</b>	<b>31 Dec 2013 Pence</b>	<b>30 Jun 2013 Pence</b>
Net asset value per Ordinary Share	44.3	51.1	77.4
Net asset value per 'A' Share	0.1	0.1	0.1
Cumulative distributions per Ordinary Share	42.0	34.0	12.5
Total return per Ordinary Share and 'A' Share	<u>86.4</u>	<u>85.2</u>	<u>90.0</u>

### Dividends – Ordinary Shares

<b>Year end</b>	<b>Date paid</b>	<b>Pence per share</b>
Final 2008	5 June 2009	2.5
Final 2009	28 May 2010	2.5
Final 2010	3 June 2011	2.5
Final 2011	29 June 2012	2.5
Final 2012	28 June 2013	2.5
Special 2013	4 October 2013	21.5
Final 2013	8 May 2014	8.0
		<u>42.0</u>

No dividends have been declared to date in respect of the 'A' Shares.

Dividends will be paid by the registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account, rather than by cheque to their registered address, can complete a mandate form for this purpose. Queries relating to dividends and requests for mandate forms should be directed to the Company's registrar, Capita Registrars, on 0871 664 0324 (calls cost 10p per minute plus network extras), or by writing to them at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Mandate forms can also be downloaded from Capita's website (see below).

### Other information for Shareholders

Up to date Company information (including financial statements, share prices and dividend history) may be obtained from Downing's website at:

**[www.downing.co.uk](http://www.downing.co.uk)**

If you have any queries regarding your shareholding in Downing Planned Exit VCT 8 plc, please contact the registrar on the above number or visit Capita's website at [www.capitaregistrars.com](http://www.capitaregistrars.com) and click on "Shareholders and employees".

Shareholder information is continued on the inside back cover

## CHAIRMAN'S STATEMENT

I am pleased to present an update to Shareholders for the six month period ended 30 June 2014.

Shareholders will be aware that the Company entered a formal VCT winding up period on 8 May 2014 and, as part of that process, appointed a liquidator. The Company's shares were then delisted from the London Stock Exchange on 6 June 2014. These steps have been taken to allow the Company to significantly reduce running costs while it is in the process of realising its investments in order to return funds to Shareholders.

### Net asset value and results

At 30 June 2014, the net asset value ("NAV") per Ordinary Share and per 'A' Share stood at 44.3p and 0.1p respectively, producing a combined total of 44.4p. This is an increase of 1.2p per share (2.3%) since 31 December 2013 which has arisen mainly as a result of a surplus of income over running costs in the period.

Total Return (NAV plus cumulative dividends paid to date) is now 86.4p for a combined holding of one Ordinary Share and one 'A' Share. This compares to the original cost, net of income tax relief, of 70.0p.

The return on ordinary activities after taxation for the period was £108,000, which comprised a revenue surplus of £46,000 and a capital profit of £62,000.

### Portfolio and investment realisation update

To date, the Company has successfully exited from a number of investments and returned approximately half of Shareholders funds. A significant proportion of the remaining value is held in three related investments.

Horsham Bowl exited in February with proceeds exceeding the previous carrying value by £19,000 and the non-qualifying investment in Future Biogas (SF) Limited was sold in April at original cost. The proceeds from these two investments helped fund the 8.0p per share distribution paid to Shareholders in May.

Gatewales Limited redeemed £95,000 of loan stock at par in June and, in July, the exit from Moebius Two Limited completed. Moebius was the residual investment arising as a means to pay deferred consideration on the disposal of Crossco (1135) Limited, which traded as Complete Childcare. The final payment was £22,000 in excess of the carrying value.

In respect of the remaining investments, there have been a number of developments.

Hoole Hall Country Club Holdings Limited and Hoole Hall Spa and Leisure Club Limited operate conference centre and health club businesses from the DoubleTree by Hilton hotel Chester. Cadbury House Holdings Limited owns and operates conference facilities at the DoubleTree by Hilton hotel Bristol South.

These venues are currently being marketed for sale, along with a third venue. Some initial interest has been shown by a number of potential purchasers and the sales process is being progressed.

It is too early to tell what the final outcome will be but the Manager is cautiously optimistic that the process can lead to an exit for the Company within a reasonable time period. These investments currently represent 62% of the remaining net assets of the Company.

Snow Hill Developments developed a Holiday Inn Express in Birmingham. The development has been partly funded by Co-Op Bank, who, as a result of their internal issues, are now encouraging the company to seek alternative sources of funding. Good progress is now being made in securing new debt funding. Once this task is complete, plans for an exit from the investment can start to be developed.

## CHAIRMAN'S STATEMENT (continued)

### Portfolio and investment realisation update (continued)

The Thames Club Limited operates a health club in Staines. The club underwent some refurbishment soon after the original investment was made but the timing of the re-launch at the peak of the recession has resulted in the club struggling to build membership at the expected rate. The club is now making progress but a realistic date for an exit at full value might be at least a year away. In view of the performance lagging behind plan and the burden of some prior ranking debt, the valuation has been adjusted down by £35,000.

The remainder of the portfolio comprises a number of smaller investments, some of which already have exit plans in place and where we are waiting for redemptions to complete.

### Outlook

Although there is no firm news to report at this stage regarding the timing or quantum of the next distribution to Shareholders, the committee is satisfied that the Manager is making reasonable progress with the investment disposals.

The Manager's main focus is currently the exits from the Cadbury House and Hoole Hall investments and are hopeful that these might be achieved before the end of the year. This would then allow the liquidator to declare a further distribution early in the new year.

I will ensure that Shareholders are updated as soon as there is any firm news.



**Hugh Gillespie**  
Chairman of the Supervisory Committee

28 August 2014

## UNAUDITED BALANCE SHEET

as at 30 June 2014

	30 Jun 2014 £'000	30 Jun 2013 £'000	31 Dec 2013 £'000
<b>Fixed assets</b>			
Investments	3,283	6,461	4,105
<b>Current assets</b>			
Debtors	387	268	338
Cash at bank and in hand	299	110	94
	<u>686</u>	<u>378</u>	<u>432</u>
<b>Creditors:</b> amounts falling due within one year	<u>(139)</u>	<u>(163)</u>	<u>(126)</u>
<b>Net current assets</b>	547	215	306
<b>Net assets</b>	<u>3,830</u>	<u>6,676</u>	<u>4,411</u>
<b>Capital and reserves</b>			
Called up Ordinary Share capital	9	9	9
Called up 'A' Share capital	13	13	13
Deferred share capital	3	3	3
Special reserve	7,300	7,262	7,795
Revaluation reserve	(1,441)	(797)	(1,935)
Capital reserve - realised	212	44	148
Revenue reserve	(2,266)	142	(1,622)
<b>Equity shareholders' funds</b>	<u>3,830</u>	<u>6,676</u>	<u>4,411</u>
<b>Net asset value per Ordinary Share</b>	<b>44.3p</b>	<b>77.4p</b>	<b>51.1p</b>
<b>Net asset value per 'A' Share</b>	<u><b>0.1p</b></u>	<u><b>0.1p</b></u>	<u><b>0.1p</b></u>
<b>Total Net Asset Value</b>	<b>44.4p</b>	<b>77.5p</b>	<b>51.2p</b>
Cumulative distributions per Ordinary Share	<u><b>42.0p</b></u>	<u><b>12.5p</b></u>	<u><b>34.0p</b></u>
<b>Total Return</b>	<u><b>86.4p</b></u>	<u><b>90.0p</b></u>	<u><b>85.2p</b></u>

## UNAUDITED INCOME STATEMENT

for the six months ended 30 June 2014

	Six months ended 30 Jun 2014			Six months ended 30 Jun 2013			Year ended 31 Dec 2013
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	115	-	115	280	-	280	476
(Losses)/gains on investments	-	62	62	-	(155)	(155)	(656)
	115	62	177	280	(155)	125	(180)
Investment management fees	-	-	-	(37)	-	(37)	(64)
Other expenses	(52)	-	(52)	(63)	-	(63)	(120)
<b>Return on ordinary activities before taxation</b>	63	62	125	180	(155)	25	(364)
Taxation	(17)	-	(17)	(45)	-	(45)	(69)
<b>Return attributable to equity shareholders</b>	46	62	108	135	(155)	(20)	(433)
<b>Return per Ordinary Share</b>	<b>0.5</b>	<b>0.7</b>	<b>1.2</b>	<b>1.6p</b>	<b>(1.8p)</b>	<b>(0.2p)</b>	<b>(0.5p)</b>
<b>Return per 'A' Share</b>	-	-	-	-	-	-	-

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement as noted above.

## SUMMARY OF INVESTMENT PORTFOLIO

as at 30 June 2014

	Cost £'000	Valuation £'000	Unrealised gain/(loss) in the period £'000	% of portfolio by value
Hoole Hall Country Club Holdings Limited	1,094	1,161	-	32.4%
Hoole Hall Spa and Leisure Club Limited	562	613	-	17.1%
Cadbury House Holdings Limited	352	415	-	11.6%
Snow Hill Developments LLP	250	250	-	7.0%
The Thames Club Limited	1,125	245	(35)	6.8%
Moebius Two Limited	191	224	33	6.3%
Gatewales Limited	146	146	-	4.1%
Dominions House Limited	89	89	-	2.5%
Fenkle Street LLP	77	77	-	2.1%
London City Shopping Centre Limited	36	36	-	1.0%
Chapel Street Food and Beverage Limited	50	13	-	0.4%
Chapel Street Services Limited	50	13	-	0.4%
Chapel Street Hotel Limited	2	1	-	0.0%
<b>Total investments</b>	<u>4,324</u>	3,283	<u>(2)</u>	91.7%
<b>Cash at bank and in hand</b>		299		8.3%
<b>Total</b>		<u>3,582</u>		<u>100.0%</u>

## SUMMARY OF INVESTMENT MOVEMENTS

as at 30 June 2014

### Additions

	£'000
<b>Non-qualifying investment</b>	
London City Shopping Centre Limited	36
	<u>36</u>

### Disposals

	Cost £'000	Valuation at 01/01/14 £'000	Proceeds £'000	Gain/ (loss) vs cost £'000	Realised gain in period £'000
<b>Qualifying investment</b>					
Gatewales Limited	95	95	95	-	-
Horsham Bowl Limited	861	366	385	(476)	19
	<u>956</u>	<u>461</u>	<u>480</u>	<u>(476)</u>	<u>19</u>
<b>Non-qualifying investments</b>					
Future Biogas (Spring Farm) Limited	350	350	350	-	-
Moebius Two Limited	45	45	90	45	45
	<u>395</u>	<u>395</u>	<u>440</u>	<u>45</u>	<u>45</u>
	<u>1,351</u>	<u>856</u>	<u>920</u>	<u>(431)</u>	<u>64</u>



## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. The unaudited half-yearly financial results cover the six months to 30 June 2014 and have been prepared in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2012 which were prepared under UK Generally Accepted Accounting Practice ("UK GAAP") and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" revised January 2009 ("SORP").
2. All revenue and capital items in the Income Statement derive from continuing operations.
3. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.
4. The comparative figures were in respect of the six months ended 30 June 2013 and the year ended 31 December 2013 respectively.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

5. Net asset value per share at the period end has been calculated on 8,615,627 Ordinary Shares and 12,951,610 'A' Shares, being the number of shares in issue at the period end.
6. Return per share for the period has been calculated on 8,615,627 Ordinary Shares and 12,951,610 'A' Shares, being the weighted average number of shares in issue during the period.
7. The unaudited financial statements set out herein do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.
8. Copies of the Report will be sent to Shareholders shortly. Further copies can be downloaded from [www.downing.co.uk](http://www.downing.co.uk).

## SHAREHOLDER INFORMATION (continued)

### Trading shares

The Company has now delisted from the London Stock Exchange and there is now no facility to trade the shares. In addition, the Company has cancelled its Crest facility so shares can now only be held in certificated form.

The Supervisory Committee envisages that the exit route for Shareholders will be by way of distributions from the liquidator which are expected to be paid as and when major realisations are completed, until all funds are returned.

### Notification of change of address

Communications with Shareholders are mailed to the registered address held on the share register. In the event of a change of address, or other amendment, this should be notified to the Company's registrar, Capita Registrars, under the signature of the registered holder.

### Share scam warning

We have become aware that a significant number of shareholders of VCTs managed by both Downing and other VCT houses have recently received unsolicited telephone calls from a company purporting to be acting on behalf of a client who is looking to acquire their VCT shares at an attractive price. We believe these calls to be part of a "Boiler Room Scam". Shareholders are warned to be very suspicious if they receive any similar type of telephone call.

Further information can be found on Downing's website under "Existing Investments". If you have any concerns, please contact Downing on 020 7416 7780.

**Liquidator**

Antony Batty  
Antony Batty & Company LLP  
3 Field Court  
Gray's Inn  
London  
WC1R 5EF

**Supervisory Committee**

Hugh Gillespie (Chairman)  
Dennis Hale  
Christopher McCann

**Company Secretary and Registered Number**

Grant Whitehouse  
Registered No. 6372899

**Investment and Administration Manager**

Downing Managers 8 Limited  
Ergon House  
Horseferry Road  
London SW1P 2AL  
Tel: 020 7416 7780  
[www.downing.co.uk](http://www.downing.co.uk)

**Registrar**

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

Tel: 0871 664 0324

(calls cost 10p per minute plus network extras)  
[www.capitaassetservices.com](http://www.capitaassetservices.com)