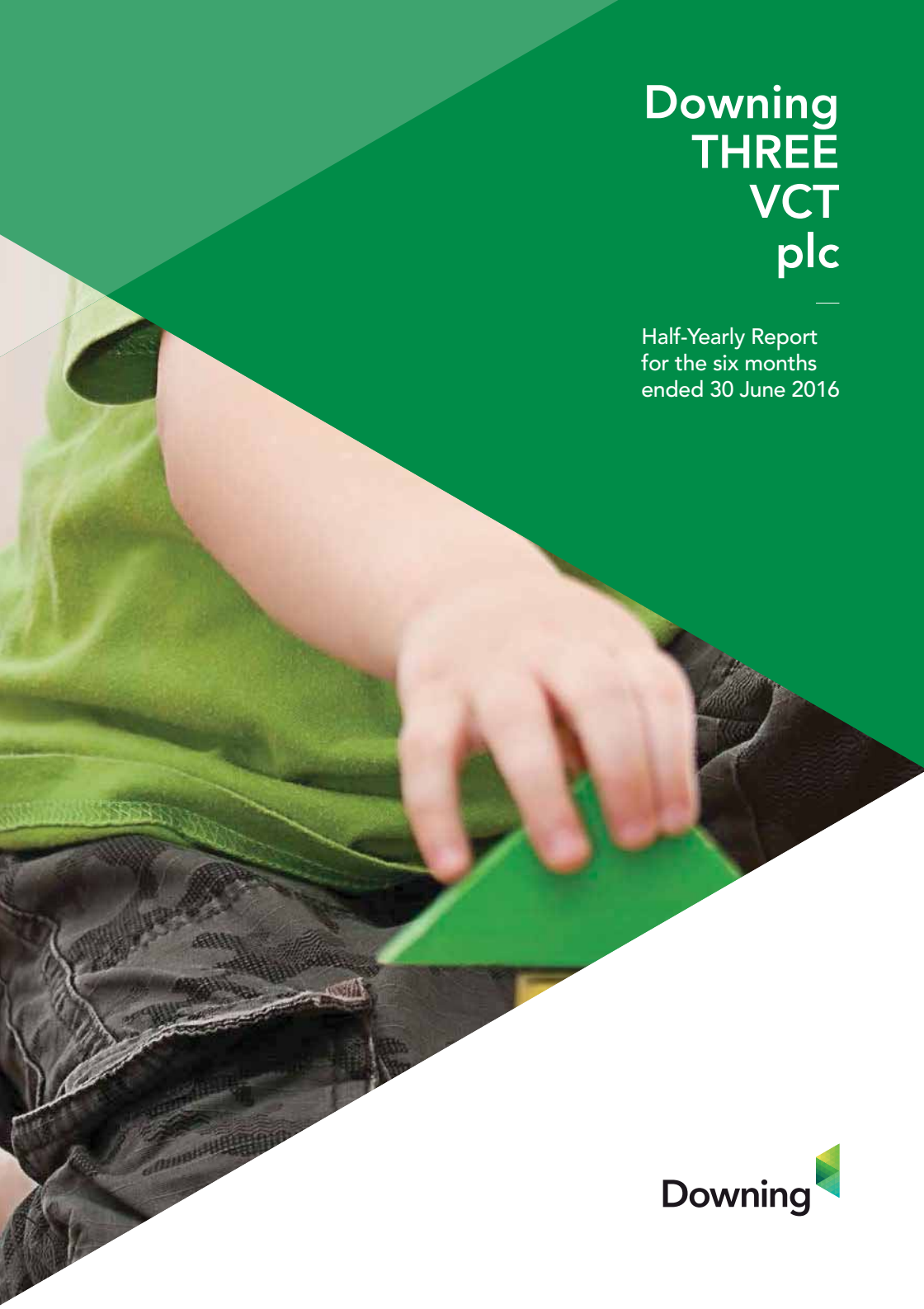


# Downing THREE VCT plc

Half-Yearly Report  
for the six months  
ended 30 June 2016



# CHAIRMAN'S STATEMENT

## Introduction

I am pleased to present the Half-Yearly Report for the six months ended 30 June 2016. The period has seen the Company complete the process of returning capital to 'C' Shareholders and make a start in returning funds to investors in the 'D' Share pool.

## Net asset values and overview

### 'C' Share pool

The task of returning funds to investors in the 'C' Share pool was completed with final dividends paid on 24 March 2016. The Total Return to Shareholders was 120.36p for a holding of one 'C' Share and one 'A' Share, compared to the cost net of income tax relief in 2009 of 70p.

The Company is now taking steps to cancel the 'C' Shares and 'A' Shares and will update relevant Shareholders on progress shortly.

### 'D' Share pool

The 'D' Share pool has now commenced the process of exiting from its investments. During the period sufficient realisations were completed to allow the payment of a dividend of 17.0p per 'D' Share in March 2016.

At 30 June 2016, the remaining net asset value ("NAV") for a combined holding of one 'D' Share and one 'E' Share was 34.8p, an increase of 0.4p (0.8%) over the period. Total Return (NAV plus dividends paid to date) is now 101.3p for a combined holding, compared to the original cost, net of income tax relief, of 70p per share.

### 'F' Share pool

The 'F' Share pool launched in 2012 and is scheduled to start exiting from investments in early 2018.

At 30 June 2016, the NAV for a holding of one 'F' Share was 69.7p, a net increase of 0.7p (1.0%) over the period (after adjusting for dividends paid during the period of 2.5p per 'F' Share). Total Return (NAV plus dividends paid to date) is now 92.2p, compared to the original cost, net of income tax relief, of 70p per share.

### 'H' Share pool

The 'H' Share pool raised funds in 2014 and is in the process of building its VCT qualifying portfolio. The target date to start realising investments is 2019.

At 30 June 2016, the NAV for a holding of one 'H' Share was 88.9p. This represents a net increase of 0.9p (1.0%) over the period (after adjusting for the dividends paid during the period of 2.5p per 'H' Share). Total Return (NAV plus dividends paid to date) is now 101.4p, compared to the initial NAV of 100p and the original cost to investors (net of income tax relief) of between 70.4p and 80.1p (depending on initial costs).

### 'J' Share pool

The 'J' Share pool raised funds in 2015 and is in the process of building its VCT qualifying portfolio. The target date to start realising investments is 2020.

At 30 June 2016, the NAV for a holding of one 'J' Share was 97.7p, compared to the initial NAV of 100p and the original cost to investors (net of income tax relief) of between 70.0p and 76.5p (depending on initial costs).

A full review for each share pool is covered in the specific Investment Manager's Reports on pages 3 to 16.

## Dividends

In line with the Company's stated policies, interim dividends will be paid as follows:

'F' Shares	2.5p per share
'H' Shares	2.5p per share

Each of the above dividends will be paid on 16 December 2016 to Shareholders on the register at 18 November 2016.

No interim dividend is being declared in respect of the 'D' Shares as additional return of capital dividends will be declared once further investment realisations have been completed.

## CHAIRMAN'S STATEMENT (continued)

### Dividends (continued)

As a result of changes to the VCT regulations in 2014, the 'J' Share pool is effectively prohibited from paying dividends in its first three years.

### Share buybacks

The Company has a general policy in the first five years after the launch of a share class of buying in its own shares that become available in the market for cancellation. As a result, the Company will buy 'F' Shares, 'H' Shares and 'J' Shares that become available in the market and will, subject to liquidity and regulatory constraints, buy at prices approximately equal to net asset value i.e. with no discount.

No shares were purchased in the six month period to 30 June 2016.

### Outlook

The Board is pleased to have delivered a good final outcome for 'C' Shareholders and the Manager's focus has now shifted to the exit process for the 'D' Share pool. Over the remainder of the year we expect to see significant progress in exiting from the remaining 'D' Share pool investments and hope to be in a position to declare a further dividend later in 2016 or early 2017. 'D' Shareholders should note that the exit process may well present some challenges which could result in the exit process taking some time to complete.

We expect investment activity in the 'F' Share pool to be reasonably low during the remainder of the year as we look to the portfolio companies to develop further, ahead of the planned exit date.

The 'H' Share and 'J' Share pools have invested in a number of companies that are preparing to commence trading and so these will require close monitoring as they start to establish their businesses.

In terms of the general outlook for small businesses, the result of the EU Referendum appears to have created a period of uncertainty for the UK economy and some volatility in stock markets. With a large proportion of the Company's funds already invested, the Board believes that any possible negative impact on the Company's performance will be limited. A weaker longer term economy could result in greater difficulty in exiting from investments at the appropriate time, however the Directors feel that this is not a major risk. The Board will, of course, continue to monitor developments closely.

I look forward to updating Shareholders in my statement with the Annual Report to 31 December 2016.



Michael Robinson  
Chairman

28 September 2016

## INVESTMENT MANAGER'S REPORT 'C' SHARE POOL

The 'C' Share pool completed the task of realising its investments in January 2016, and on 24 March 2016, paid final dividends.

### **Net asset value and results**

Over the life of their investment, investors in the 'C' Share pool received total dividends of 105.51p per 'C' Share and 14.85p per 'A' Share making a total return of 120.36p for an original investment of 100p (70p net of income tax relief). We believe that this represents a very good return to Shareholders and brings the investment by 'C' Shareholders to a close.

### **Investment activity in the period**

The 'C' Share pool had two investments at the start of the period. Both Quadrate Spa Limited and Quadrate Catering Limited were sold generating gains over original cost of £160,000.

### **Outlook**

We are very satisfied with the final performance of the 'C' Share pool. Following the payment of the final dividends on 24 March 2016, the 'C' Share pool had negligible value at the period end and, in line with the Articles of the Company, the Company is taking steps to cancel the share class. We will notify Shareholders of progress in due course.

### **Downing LLP**

28 September 2016

## SUMMARY OF INVESTMENT MOVEMENTS 'C' SHARE POOL

for the six months ended 30 June 2016

Disposals	Cost £'000	Market value at 01/01/16 £'000	Disposal proceeds £'000	Gain against cost £'000	Total realised gain £'000
<b>VCT qualifying and partially qualifying investments</b>					
Quadrate Spa Limited	258	381	381	123	-
Quadrate Catering Limited	330	367	367	37	-
	<u>588</u>	<u>748</u>	<u>748</u>	<u>160</u>	<u>-</u>

## INVESTMENT MANAGER'S REPORT 'D' SHARE POOL

The 'D' Share pool is in the process of seeking to realise its investments in order to return funds to 'D' Shareholders.

### Investment activity

During the period under review, there were three full disposals, four partial disposals and deferred consideration which produced proceeds of £1.5 million and showed a gain against previous carrying value of £109,000.

At 30 June 2016, the pool held 11 investments with a valuation of £3.0 million. One minor valuation change was made at the period end resulting in a total valuation reduction of £58,000 in Mosaic Spa and Health Clubs Limited. The carrying values adopted at the end of the period are consistent with the values at which we believe the investments can be exited.

The majority of investments have performed to plan although a small number which have underperformed historically are yet to fully recover.

### Realisation plans

There are exit plans in place for the remaining 11 investments. The significant holdings in Kidspace Adventures Holdings Limited, Westcountry Solar Solutions Limited and Avon Solar Energy Limited are expected to exit in the next few months.

Although the sale of Gara Rock Resort Limited, formerly Aminghurst Limited, was agreed in March 2016, the timing of the loan repayments depends on when the underlying apartments are sold. We are exploring some options to draw the investment to a conclusion earlier than might otherwise be the case.

### Net asset value and results

At 30 June 2016, the net asset value ("NAV") for a combined holding of one 'D' Share and one 'E' Share was 34.8p, an increase of 0.4p (0.8%) over the period. Total Return (NAV plus dividends paid to date) is now 101.3p for a combined holding.

The profit on ordinary activities for the 'D' Shares, after taxation, for the period was £38,000, comprising a revenue loss of £13,000 and a capital profit of £51,000.

### Outlook

The remainder of the year will be a busy period in terms of investment realisations and we expect the next major distribution to Shareholders to be made before the end of the year or early 2017.

### Downing LLP

28 September 2016

## SUMMARY OF INVESTMENT PORTFOLIO 'D' SHARE POOL

as at 30 June 2016

	Cost £'000	Valuation £'000	Unrealised loss in period £'000	% of portfolio by value
<b>VCT qualifying and partially qualifying investments</b>				
Kidspace Adventure Holdings Limited	375	465	-	13.0%
Mosaic Spa and Health Clubs Limited*	521	288	(58)	8.1%
Westcountry Solar Solutions Limited	250	250	-	7.0%
Avon Solar Energy Limited	210	218	-	6.1%
Future Biogas (Reepham Road) Limited	451	98	-	2.7%
Camandale Limited*	422	2	-	0.1%
Quadrate Spa Limited	144	-	-	0.0%
<b>Non-qualifying investments</b>				
Gara Rock Resort Limited	1,322	1,322	-	37.1%
Fenkle Street LLP	122	220	-	6.2%
Future Biogas (SF) Limited	84	84	-	2.4%
Redmed Limited	21	19	-	0.5%
	<u>3,922</u>	<u>2,966</u>	<u>(58)</u>	83.2%
<b>Cash at bank and in hand</b>		<u>597</u>		<u>16.8%</u>
<b>Total</b>		<u><u>3,563</u></u>		<u><u>100%</u></u>

\* Partially qualifying investment

## SUMMARY OF INVESTMENT MOVEMENTS 'D' SHARE POOL

for the six months ended 30 June 2016

### Disposals

	Cost £'000	Market value at 01/01/16 * £'000	Disposal proceeds £'000	Gain/ (loss) against cost £'000	Total realised gain £'000
<b>VCT qualifying and partially qualifying investments</b>					
Quadrate Catering Limited	441	539	581	140	42
Future Biogas (Reepham Road) Limited	130	97	130	-	33
Liverpool Nurseries (Holdings) Limited	-	-	11	11	11
Quadrate Spa Limited	352	520	520	168	-
<b>Non-qualifying investments</b>					
Future Biogas (SF) Limited	85	85	102	17	17
Kilmarnock Monkey Bar Limited	-	-	6	6	6
Commercial Street Hotel Limited	100	100	100	-	-
Redmed Limited	6	5	5	(1)	-
	<u>1,114</u>	<u>1,346</u>	<u>1,455</u>	<u>341</u>	<u>109</u>

\* Adjusted for additions in the year



## INVESTMENT MANAGER'S REPORT 'F' SHARE POOL

The 'F' Share pool is fully invested in a portfolio focussed on asset backed businesses and those with predictable revenue streams. The 'F' Share pool is scheduled to start realising investments in 2017 in order to return funds to shareholders in 2018.

### Investment activity

Four new investments were made in the period totalling £700,000. £300,000 was invested into Vectis Power Generation Limited which is seeking to build and develop renewable energy plants; £150,000 was invested into Brownfields Energy Limited which is seeking to develop small-scale waste disposal projects; £125,000 was invested into both Rhodes Renewables Limited and Morava Renewables Limited which are both exploring opportunities in the wood refinery sector.

One full exit was completed in the period for Grassopper 2007 Limited, the company that owns The Grassopper Inn, a public house near Westerham, Kent which was sold and generated proceeds equivalent to the original cost of £378,000.

One notable partial divestment took place in the period being the part repayment of a non-qualifying loan to Gara Rock Resort Limited, formerly Aminghurst Limited, which generated proceeds of £494,000.

The majority of investments remain valued at or above cost and there was one small valuation movement in the period on Atlantic Dogstar Limited. The company owns a group of London pubs which are performing to plan and as such the valuation has been increased by £18,000.

### Net asset value, results and dividend

At 30 June 2016, the net asset value ("NAV") for a holding of one 'F' Share was 69.7p, an increase of 0.7p (1.0%) over the period. Total Return (NAV plus dividends paid to date) is now 92.2p for a combined holding.

The gain on ordinary activities for the 'F' Shares, after taxation, for the period was £71,000, comprising a revenue profit of £53,000 and a capital gain of £18,000.

The Company will pay an interim dividend of 2.5p per 'F' Share, on 16 December 2016 to 'F' Shareholders on the register at 18 November 2016.

### Outlook

The focus now for the 'F' Share portfolio is on close monitoring and support of the portfolio companies to ensure that prospects for growth are optimised in the period until the realisation process commences in 2017.

### Downing LLP

28 September 2016

## SUMMARY OF INVESTMENT PORTFOLIO 'F' SHARE POOL

as at 30 June 2016

	Cost £'000	Valuation £'000	Unrealised gain in period £'000	% of portfolio by value
<b>VCT qualifying and partially qualifying investments</b>				
Apex Energy Limited	1,000	1,000	-	13.3%
Vulcan Renewables Limited	653	778	-	10.4%
Goonhilly Earth Station Limited	760	760	-	10.1%
Lambridge Solar Limited	500	543	-	7.2%
Merlin Renewables Limited	500	500	-	6.7%
Augusta Pub Company Limited	290	324	-	4.3%
Kidspace Adventures Holdings Limited	250	310	-	4.1%
Vectis Power Generation Limited	300	300	-	4.0%
Pearce and Saunders Limited	497	248	-	3.3%
Pabulum Pubs Limited	200	229	-	3.1%
Atlantic Dogstar Limited	200	218	18	2.9%
Fresh Green Power Limited	200	200	-	2.7%
City Falkirk Limited	422	177	-	2.4%
Fubar Stirling Limited	268	169	-	2.3%
Brownfields Energy Limited	150	150	-	2.0%
Rhodes Renewables Limited	125	125	-	1.7%
Morava Renewables Limited	125	125	-	1.7%
Green Energy Production UK Limited	100	100	-	1.4%
Cheers Dumbarton Limited	48	17	-	0.2%
Redmed Limited*	13	11	-	0.1%
Lochrise Limited	13	-	-	0.0%
<b>Non-qualifying investments</b>				
Baron House Developments LLP	481	481	-	6.4%
Gara Rock Resort Limited	345	345	-	4.6%
London City Shopping Centre Limited	66	66	-	0.9%
Pearce and Saunders DevCo Limited	46	46	-	0.6%
Southampton Hotel Development Limited	298	-	-	0.0%
	<u>7,850</u>	<u>7,222</u>	<u>18</u>	96.4%
<b>Cash at bank and in hand</b>		<u>269</u>		<u>3.6%</u>
<b>Total</b>		<u>7,491</u>		<u>100.0%</u>

\* Partially qualifying investment

## SUMMARY OF INVESTMENT MOVEMENTS 'F' SHARE POOL

as at 30 June 2016

<b>Additions</b>	<b>£'000</b>
<b>Qualifying investments</b>	
Vectis Power Generation Limited	300
Brownfields Energy Limited	150
Rhodes Renewables Limited	125
Morava Renewables Limited	125
<b>Total</b>	<u>700</u>

<b>Disposals</b>	<b>Cost £'000</b>	<b>Market value at 01/01/16* £'000</b>	<b>Disposal proceeds £'000</b>	<b>Loss against cost £'000</b>	<b>Total realised gain £'000</b>
<b>VCT qualifying and partially qualifying investments</b>					
Grasshopper 2007 Limited	378	378	378	-	-
Redmed Limited	5	3	3	(2)	-
<b>Non-qualifying investments</b>					
Gara Rock Resort Limited	494	494	494	-	-
	<u>877</u>	<u>875</u>	<u>875</u>	<u>(2)</u>	<u>-</u>

\* adjusted for purchases made in the period

## INVESTMENT MANAGER'S REPORT

### 'H' SHARE POOL

The 'H' Share pool raised funds in 2014 and has made good progress in building the initial VCT qualifying portfolio. The fund is expected to be fully qualifying by 31 December 2016.

#### Investment activity

During the last six months, six qualifying investments were made totalling £4.4 million and one non-qualifying investment for £850,000 as we continue to build the qualifying portfolio of the 'H' Share pool.

The qualifying investments include £1.5 million in Hermes Renewables Limited, which is seeking to build and operate a wood pelleting plant.

£850,000 was invested in Quadrate Catering Limited which operates a restaurant in the iconic Cube Complex in Birmingham.

£613,000 was invested in Ironhide Generation Limited and £614,000 into Indigo Generation Limited. £492,000 was invested in Rockhopper Renewables Limited and £281,000 in SF Renewables (Solar) Limited. All of the above investments are in the process of acquiring land in India to build and operate 15MW ground mounted solar arrays.

One non-qualifying investment was made in Quadrate Spa Limited for £850,000 which owns and operates a health club business in The Cube complex in Birmingham.

Two non-qualifying loans were repaid in full in the period being Pub People Limited, the public house operator in the East Midlands which repaid £984,000 and Ludlow Taverns Limited which repaid £388,000.

The majority of investments remain valued at cost and there was one small valuation movement in the period on Atlantic Dogstar. The company owns a group of London pubs which are performing to plan and as such the valuation has been increased by £88,000.

#### Net asset value and results

At 30 June 2016, the net asset value per 'H' Share was 88.9p, a net increase of 0.9p (1.0%) over the period. Total Return (NAV plus dividends paid to date) is now 101.4p.

#### Results and dividend

The gain on ordinary activities for the 'H' Shares, after taxation, for the period was £128,000, comprising a revenue profit of £40,000 and a capital gain of £88,000.

The Company will pay an interim dividend of 2.5p per 'H' Share, on 16 December 2016 to 'H' Shareholders on the register at 18 November 2016.

#### Outlook

The 'H' Share pool will become fully qualifying at the year end and as a result our focus will shift to the close monitoring and support of the portfolio companies in order to nurture growth before the planned exit date.

Downing LLP

28 September 2016

## SUMMARY OF INVESTMENT PORTFOLIO 'H' SHARE POOL

as at 30 June 2016

	Cost £'000	Valuation £'000	Unrealised gain in period £'000	% of portfolio by value
<b>VCT qualifying investments</b>				
Hermes Renewables Limited	1,500	1,500	-	12.5%
Apex Energy Limited	1,300	1,300	-	10.8%
Hedderwick Limited	1,250	1,250	-	10.4%
Atlantic Dogstar Limited	1,000	1,088	88	9.1%
Kidspace Adventures Holdings Limited	1,085	1,085	-	9.1%
Quadrate Catering Limited	850	850	-	7.1%
Ironhide Generation Limited	613	613	-	5.1%
Indigo Generation Limited	613	613	-	5.1%
Antelope Pub Limited	500	500	-	4.2%
Rockhopper Renewables Limited	492	492	-	4.1%
Oak Grove Renewables Limited	420	315	-	2.6%
SF Renewables (Solar) Limited	281	281	-	2.3%
<b>Non-qualifying investments</b>				
Quadrate Spa Limited	850	850	-	7.1%
Hobblers Heath Limited	727	727	-	6.1%
Pearce and Saunders Limited	193	193	-	1.6%
Augusta Pub Company Limited	155	155	-	1.3%
	<u>11,829</u>	<u>11,812</u>	<u>88</u>	<u>98.5%</u>
<b>Cash at bank and in hand</b>		<u>183</u>		<u>1.5%</u>
<b>Total</b>		<u><u>11,995</u></u>		<u><u>100%</u></u>

## SUMMARY OF INVESTMENT MOVEMENTS 'H' SHARE POOL

as at 30 June 2016

<b>Additions</b>					<b>£'000</b>
<b>Qualifying investments</b>					
Hermes Renewables Limited					1,500
Quadrate Catering Limited					850
Ironhide Generation Limited					614
Indigo Generation Limited					613
Rockhopper Renewables Limited					492
SF Renewables (Solar) Limited					281
<b>Non-qualifying investments</b>					
Quadrate Spa Limited					850
<b>Total</b>					<u>5,200</u>
		<b>Market</b>		<b>Gain</b>	<b>Total</b>
<b>Disposals</b>	<b>Cost</b>	<b>value at</b>	<b>Disposal</b>	<b>against</b>	<b>realised</b>
	<b>£'000</b>	<b>01/01/16*</b>	<b>proceeds</b>	<b>cost</b>	<b>gain</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Non-qualifying investments</b>					
Pub People Limited	984	984	984	-	-
Ludlow Taverns Springhill Limited	388	388	388	-	-
	<u>1,372</u>	<u>1,372</u>	<u>1,372</u>	<u>-</u>	<u>-</u>

\* adjusted for purchases made in the period

## INVESTMENT MANAGER'S REPORT 'J' SHARE POOL

The fundraising for the 'J' Share pool was launched in December 2014 and raised £11 million prior to closing in 2015. The majority of these funds have now been invested as at the period end and the Share pool is due to become qualifying by the end of 2017.

### **Investment activity**

During the last six months, ten qualifying investments have been made totalling £7.8 million as we start to build the qualifying portfolio of the 'J' Share pool.

The qualifying investments include £900,000 in Vectis Power Generation Limited which is seeking to build and develop renewable energy plants.

£900,000 was also invested in Brownfields Energy Limited which is seeking to develop small-scale waste disposal projects.

£800,000 was invested in Yamuna Renewables Limited who are seeking investment opportunities in the wood refinery sector.

£613,000 was invested in Ironhide Generation Limited and £614,000 into Indigo Generation Limited. £492,000 was invested into Rockhopper Renewables Limited and £281,000 into SF Renewables (Solar) Limited. All of the above investments are in the process of acquiring land in India to build and operate 15MW ground mounted solar arrays.

Jito Renewables Limited, Rhodes Renewables Limited and Morava Renewables Limited are all exploring opportunities in the wood refinery sector following investments of £1 million, £1 million and £1.2 million respectively.

No valuation adjustments have been made in the period with all investments remaining at cost.

### **Net asset value and results**

At 30 June 2016, the net asset value per 'J' Share was 97.7p, a net decrease of 0.8p (0.8%) over the period.

The loss on ordinary activities for the 'J' Shares, after taxation, for the period was £90,000, being wholly related to revenue.

### **Outlook**

The task of building the 'J' Share portfolio is progressing well. A number of new businesses have been backed which we believe have good potential for growth over the planned life of the Share pool.

### **Downing LLP**

28 September 2016

## SUMMARY OF INVESTMENT PORTFOLIO 'J' SHARE POOL

as at 30 June 2016

	Cost £'000	Valuation £'000	Unrealised gain in period £'000	% of portfolio by value
<b>VCT qualifying investments</b>				
Morava Renewables Limited	1,150	1,150	-	10.9%
Jito Renewables Limited	1,000	1,000	-	9.5%
Rhodes Renewables Limited	1,000	1,000	-	9.5%
Cedarville Limited	1,000	1,000	-	9.5%
Pilgrim Pubs Limited	1,000	1,000	-	9.5%
Brownfields Energy Limited	900	900	-	8.6%
Vectis Power Generation Limited	900	900	-	8.6%
Yamuna Power Generation Limited	800	800	-	7.6%
Indigo Generation Limited	614	614	-	5.8%
Ironhide Generation Limited	613	613	-	5.8%
Rockhopper Renewables Limited	492	492	-	4.7%
Oak Grove Renewables Limited	420	315	-	3.0%
SF Renewables (Solar) Limited	281	281	-	2.7%
	<u>10,170</u>	<u>10,065</u>	<u>-</u>	<u>95.7%</u>
<b>Cash at bank and in hand</b>		<u>457</u>		<u>4.3%</u>
<b>Total</b>		<u>10,522</u>		<u>100%</u>



## SUMMARY OF INVESTMENT MOVEMENTS 'J' SHARE POOL

as at 30 June 2016

<b>Additions</b>	<b>£'000</b>
<b>Qualifying investments</b>	
Morava Renewables Limited	1,150
Jito Renewables Limited	1,000
Rhodes Renewables Limited	1,000
Brownfields Energy Limited	900
Vectis Power Generations Limited	900
Yamuna Renewables Limited	800
Indigo Generation Limited	614
Ironhide Generation Limited	613
Rockhopper Renewables Limited	492
SF Renewables (Solar) Limited	281
<b>Total</b>	<b>7,750</b>

# UNAUDITED SUMMARISED BALANCE SHEET

as at 30 June 2016

	30 Jun 2016						30 Jun 2015	31 Dec 2015
	'C' Shares £'000	'D' Shares £'000	'F' Shares £'000	'H' Shares £'000	'J' Shares £'000	Total £'000	Total £'000	Total £'000
<b>Fixed assets</b>								
Unquoted investments	-	2,966	7,222	11,812	10,065	32,065	26,046	22,707
<b>Current assets</b>								
Debtors	-	(3)	153	103	3	256	655	632
Cash at bank and in hand	67	597	269	183	457	1,573	13,044	16,578
	67	594	422	286	460	1,829	13,699	17,210
Creditors: amounts falling due within one year	(64)	(92)	(102)	(139)	(40)	(437)	(1,019)	(494)
<b>Net current assets</b>	3	502	320	147	420	1,392	12,680	16,716
<b>Net assets</b>	3	3,468	7,542	11,959	10,485	33,457	38,726	39,423
<b>Capital and reserves</b>								
Called up share capital	18	25	11	13	11	78	75	78
Capital redemption reserve	106	-	-	-	-	106	106	106
Special reserve	-	3,850	8,885	(1,681)	-	11,054	17,348	15,749
Share premium account	-	-	-	13,608	11,031	24,639	21,367	24,639
Revaluation reserve	(105)	(956)	(627)	(17)	(105)	(1,810)	(1,504)	(1,466)
Capital reserve – realised	-	-	(1,033)	-	-	(1,033)	301	(1,033)
Revenue reserve	(16)	549	306	36	(452)	423	1,033	1,350
<b>Total equity shareholders' funds</b>	3	3,468	7,542	11,959	10,485	33,457	38,726	39,423
<b>Basic and diluted net asset value per:</b>								
'C' Share	-						49.3p	53.2p
'A' Share	-						0.1p	0.1p
'D' Share		34.7p					72.9p	51.3p
'E' Share		0.1p					0.1p	0.1p
'F' Share			69.7p				71.7p	71.5p
'H' Share				88.9p			93.3p	90.5p
'J' Share					97.7p		99.9p	98.5p

## STATEMENT OF CHANGES IN EQUITY

### for the period ended 30 June 2016

	Called up share capital £'000	Capital redemption reserve £'000	Special reserve £'000	Share premium reserve £'000	Revaluation reserve £'000	Capital reserve - realised £'000	Revenue reserve £'000	Total £'000
<b>At 1 January</b>								
<b>2015</b>	67	106	22,268	13,608	(289)	(1,033)	342	35,069
(Loss)/gain on investments	-	-	-	-	(234)	34	-	(200)
Retained revenue	-	-	-	-	-	-	1,317	1,317
Issue of new shares	11	-	-	11,031	-	-	-	11,042
Share issue costs	-	-	-	-	-	-	(309)	(309)
Transfer between reserves	-	-	(6,519)	-	(943)	7,462	-	-
Dividend paid	-	-	-	-	-	(7,496)	-	(7,496)
<b>At 31 December 2015</b>	<b>78</b>	<b>106</b>	<b>15,749</b>	<b>24,639</b>	<b>(1,466)</b>	<b>(1,033)</b>	<b>1,350</b>	<b>39,423</b>
Gain on investments	-	-	-	-	47	110	-	157
Retained revenue	-	-	-	-	-	-	(40)	(40)
Transfer between reserves	-	-	(4,695)	-	(391)	5,973	(887)	-
Dividend paid	-	-	-	-	-	(6,083)	-	(6,083)
<b>At 30 June 2016</b>	<b>78</b>	<b>106</b>	<b>11,054</b>	<b>24,639</b>	<b>(1,810)</b>	<b>(1,033)</b>	<b>423</b>	<b>33,457</b>

## INCOME STATEMENT

for the six months ended 30 June 2016

### Company Total

	Six months ended 30 Jun 2016			Six months ended 30 Jun 2015			Year ended 31 Dec 2015
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	435	-	435	1,411	-	1,411	2,449
Gains/(losses) on investments							
- realised	-	110	110	-	(362)	(362)	34
- unrealised	-	47	47	-	(244)	(244)	(234)
	435	157	592	1,411	(606)	805	2,249
Investment management fees	(328)	-	(328)	(332)	-	(332)	(695)
Other expenses	(164)	-	(164)	(148)	-	(148)	(275)
<b>Return/(loss) on ordinary activities before taxation</b>	(57)	157	100	931	(606)	325	1,279
Tax on total comprehensive income and ordinary activities	17	-	17	(84)	-	(84)	(162)
<b>Return/(loss) attributable to equity shareholders</b>	(40)	157	117	847	(606)	241	1,117
<b>Return per 'C' Share</b>	(0.4p)	-	(0.4p)	7.7p	(6.5p)	1.2p	5.1p
<b>Return per 'A' Share</b>	-	-	-	-	-	-	-
<b>Return per 'D' Share</b>	(0.1p)	0.5p	0.4p	1.2p	0.4p	1.6p	6.9p
<b>Return per 'E' Share</b>	-	-	-	-	-	-	-
<b>Return per 'F' Share</b>	0.5p	0.2p	0.7p	0.3p	(1.7p)	(1.4p)	1.0p
<b>Return per 'H' Share</b>	0.3p	0.7p	1.0p	1.2p	-	1.2p	0.8p
<b>Return per 'J' Share</b>	(0.8p)	-	(0.8p)	(0.2p)	-	(0.2p)	(2.4p)

## INCOME STATEMENT

for the six months ended 30 June 2016

'C' Shares	Six months ended 30 Jun 2016			Six months ended 30 Jun 2015			Year ended 31 Dec 2015
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	6	-	6	621	-	621	815
Gains/(losses) on investments							
- realised	-	-	-	-	(412)	(412)	(342)
- unrealised	-	-	-	-	(53)	(53)	25
	<u>6</u>	<u>-</u>	<u>6</u>	<u>621</u>	<u>(465)</u>	<u>156</u>	<u>498</u>
Investment management fees	(8)	-	(8)	(31)	-	(31)	(56)
Other expenses	(35)	-	(35)	(24)	-	(24)	(41)
<b>(Loss)/return on ordinary activities before taxation</b>	<u>(37)</u>	<u>-</u>	<u>(37)</u>	<u>566</u>	<u>(465)</u>	<u>101</u>	<u>401</u>
Tax on total comprehensive income and ordinary activities	7	-	7	(12)	-	(12)	(36)
<b>(Loss)/return attributable to equity shareholders</b>	<u>(30)</u>	<u>-</u>	<u>(30)</u>	<u>554</u>	<u>(465)</u>	<u>89</u>	<u>365</u>

## INCOME STATEMENT

for the six months ended 30 June 2016

'D' Shares	Six months ended 30 Jun 2016			Six months ended 30 Jun 2015			Year ended 31 Dec 2015
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	19	-	19	227	-	227	528
Gains/(losses) on investments							
- realised	-	109	109	-	50	50	297
- unrealised	-	(58)	(58)	-	(11)	(11)	87
	19	51	70	227	39	266	912
Investment management fees	(27)	-	(27)	(49)	-	(49)	(97)
Other expenses	(16)	-	(16)	(32)	-	(32)	(54)
<b>Return/(loss) on ordinary activities before taxation</b>	(24)	51	27	146	39	185	761
Tax on total comprehensive income and ordinary activities	11	-	11	(31)	-	(31)	(71)
<b>Return/(loss) attributable to equity shareholders</b>	(13)	51	38	115	39	154	690

## INCOME STATEMENT

for the six months ended 30 June 2016

'F' Shares	Six months ended 30 Jun 2016			Six months ended 30 Jun 2015			Year ended 31 Dec 2015
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	171	-	171	153	-	153	407
Losses on investments							
- realised	-	-	-	-	-	-	79
- unrealised	-	18	18	-	(180)	(180)	(136)
	171	18	189	153	(180)	(27)	350
Investment management fees	(69)	-	(69)	(73)	-	(73)	(144)
Other expenses	(36)	-	(36)	(46)	-	(46)	(85)
<b>Return/(loss) on ordinary activities before taxation</b>	66	18	84	34	(180)	(146)	121
Tax on total comprehensive income and ordinary activities	(13)	-	(13)	(2)	-	(2)	(13)
<b>Return/(loss) attributable to equity shareholders</b>	53	18	71	32	(180)	(148)	108

## INCOME STATEMENT

for the six months ended 30 June 2016

'H' Shares	Six months ended 30 Jun 2016			Six months ended 30 Jun 2015			Year ended 31 Dec 2015
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	202	-	202	359	-	359	594
Gains/(losses) on investments							
- realised	-	-	-	-	-	-	-
- unrealised	-	88	88	-	-	-	(105)
	202	88	290	359	-	359	489
Investment management fees	(120)	-	(120)	(128)	-	(128)	(253)
Other expenses	(32)	-	(32)	(36)	-	(36)	(69)
<b>Return on ordinary activities before taxation</b>	50	88	138	195	-	195	167
Taxation on total comprehensive income and ordinary activities	(10)	-	(10)	(41)	-	(41)	(55)
<b>Return attributable to equity shareholders</b>	40	88	128	154	-	154	112



## INCOME STATEMENT

for the six months ended 30 June 2016

'J' Shares	Six months ended 30 Jun 2016			Six months ended 30 Jun 2015			Year ended 31 Dec 2015
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	37	-	37	51	-	51	104
Losses on investments							
- realised	-	-	-	-	-	-	-
- unrealised	-	-	-	-	-	-	(105)
	<u>37</u>	<u>-</u>	<u>37</u>	<u>51</u>	<u>-</u>	<u>51</u>	<u>(1)</u>
Investment management fees	(104)	-	(104)	(51)	-	(51)	(144)
Other expenses	(45)	-	(45)	(10)	-	(10)	(26)
<b>Loss on ordinary activities before taxation</b>	<u>(112)</u>	<u>-</u>	<u>(112)</u>	<u>(10)</u>	<u>-</u>	<u>(10)</u>	<u>(171)</u>
Tax on total comprehensive income and ordinary activities	22	-	22	2	-	2	13
<b>Loss attributable to equity shareholders</b>	<u>(90)</u>	<u>-</u>	<u>(90)</u>	<u>(8)</u>	<u>-</u>	<u>(8)</u>	<u>(158)</u>

## UNAUDITED CASH FLOW STATEMENT

for the six months ended 30 June 2016

							30 Jun 2015	31 Dec 2015	
							30 Jun 2016		
		'C'	'D'	'F'	'H'	'J'	Total	Total	
	Note	Shares £'000	Shares £'000	Shares £'000	Shares £'000	Shares £'000	£'000	£'000	
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>1</b>	137	210	16	(13)	(72)	278	893	862
<b>Cash flows from investing activities</b>									
Purchase of investments		-	-	(700)	(5,200)	(7,750)	(13,650)	(3,227)	(11,766)
Sale of investments		748	1,455	875	1,372	-	4,450	4,780	17,063
<b>Net cash inflow/(outflow) from investing activities</b>		748	1,455	175	(3,828)	(7,750)	(9,200)	1,553	5,297
<b>Net cash inflow/(outflow) before financing</b>		885	1,665	191	(3,841)	(7,822)	(8,922)	2,446	6,159
<b>Cash flows from financing activities</b>									
Equity dividends paid		(3,780)	(1,696)	(271)	(336)	-	(6,083)	(4,195)	(7,496)
Proceeds from share issue		-	-	-	-	-	-	7,767	11,042
Share issue costs		-	-	-	-	-	-	(156)	(309)
<b>Net cash (outflow)/inflow from financing</b>		(3,780)	(1,696)	(271)	(336)	-	(6,083)	3,416	3,237
<b>(Decrease)/increase in cash</b>	<b>2</b>	(2,895)	(31)	(80)	(4,177)	(7,822)	(15,005)	5,862	9,396

## NOTES TO THE UNAUDITED CASH FLOW STATEMENT

for the six months ended 30 June 2016

	30 Jun 2016					Total £'000	30 Jun	31 Dec
							2015	2015
	'C'	'D'	'F'	'H'	'J'		Total	Total
Shares	Shares	Shares	Shares	Shares	Shares	£'000	£'000	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>1 Cash inflow from operating activities and returns on investments</b>								
Return/(loss) on ordinary activities before taxation	(37)	27	84	138	(112)	100	325	1,279
Corporation tax paid	5	7	-	-	-	12	-	(132)
Losses/(gains) on investments	-	(51)	(18)	(88)	-	(157)	606	200
Decrease/(increase) in other debtors	174	254	(24)	(54)	25	375	(238)	(216)
(Decrease)/increase in other creditors	(5)	(27)	(26)	(9)	15	(52)	200	(269)
Net cash inflow/(outflow) from operating activities	137	210	16	(13)	(72)	278	893	862
<b>2 Analysis of net funds</b>								
Beginning of period	2,962	628	349	4,360	8,279	16,578	7,182	7,182
Net cash (outflow)/inflow	(2,895)	(31)	(80)	(4,177)	(7,822)	(15,005)	5,862	9,396
End of period	67	597	269	183	457	1,573	13,044	16,578

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### 1. General information

Downing Three VCT plc (“the Company”) is a venture capital trust established under the legislation introduced in the Finance Act 1995 and is domiciled in the United Kingdom and incorporated in England and Wales.

### 2. Accounting policies - Basis of accounting

The unaudited half-yearly results cover the six months to 30 June 2016 and have been prepared in accordance with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” revised January 2009 and in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2015, which were prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (“FRS 102”).

3. All revenue and capital items in the Income Statement derive from continuing operations.

4. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

5. The comparative figures are in respect of the six month period ended 30 June 2015 and the year ended 31 December 2015 respectively.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 6. Dividends

Paid in period	Per share pence	Six months ended 30 June 2016			Year ended 31 Dec 2015
		Revenue £'000	Capital £'000	Total £'000	Total £'000
<b>'C' Shares</b>					
Special 'C' 2016	30.5p	-	2,184	2,184	-
Special 'A' 2016	14.8p	-	1,596	1,596	-
Y/E Dec 2014 Final	50.0p	-	-	-	3,588
		-	3,780	3,780	3,588
<b>'D' Shares</b>					
Y/E Dec 2015 Final	17.0p	-	1,696	1,696	-
Y/E Dec 2014 Interim	27.0p	-	-	-	2,695
		-	1,696	1,696	2,695
<b>'F' Shares</b>					
Y/E Dec 2015 Final	2.5p	-	271	271	-
Y/E Dec 2015 Interim	2.5p	-	-	-	270
Y/E Dec 2014 Final	2.5p	-	-	-	270
		-	271	271	540
<b>'H' Shares</b>					
Y/E Dec 2015 Final	2.5p	-	336	336	-
Y/E Dec 2015 Interim	2.5p	-	-	-	337
Y/E Dec 2014 Final	2.5p	-	-	-	336
		-	336	336	673

No dividends have been paid or declared in respect of the 'E' Shares or 'J' Shares.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 7. Basic and diluted return per share

	Weighted average number of shares in issue	Revenue return/(loss)		Capital return	
		£'000	Per share	£'000	Per share
'C' Shares	7,158,326	(30)	(0.4p)	-	-
'A' Shares	10,750,064	-	-	-	-
'D' Shares	9,979,109	(13)	(0.1p)	51	0.5p
'E' Shares	14,994,862	-	-	-	-
'F' Shares	10,821,660	53	0.5p	18	0.2p
'H' Shares	13,446,972	40	0.3p	88	0.7p
'J' Shares	10,733,377	(90)	(0.8p)	-	-
		<u>(40)</u>		<u>157</u>	

### 8. Net asset value per share

	Shares in issue	Net asset value	
		£'000	Per Share
'C' Shares	7,158,326	3	-
'A' Shares	10,750,064	-	-
'D' Shares	9,979,109	3,453	34.7p
'E' Shares	14,994,862	15	0.1p
'F' Shares	10,821,660	7,542	69.7p
'H' Shares	13,446,972	11,959	88.9p
'J' Shares	10,733,377	10,485	97.7p
		<u>33,457</u>	

### 9. Reserves

	Period ended	Year ended
	30 June 2016 £'000	31 Dec 2015 £'000
Capital redemption reserve	106	106
Special reserve	11,054	15,749
Share premium reserve	24,639	24,639
Revaluation reserve	(1,810)	(1,466)
Capital reserve-realised	(1,033)	(1,033)
Revenue reserve	423	1,350
	<u>33,379</u>	<u>39,345</u>

The Special reserve, Capital reserve - realised and Revenue reserve are all distributable reserves. The Revaluation reserve includes losses of £2,414,000 which are included in the calculation of distributable reserves. Total distributable reserves are £8,030,000 (31 Dec 2015: £13,911,000).

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

10. The fair value of investments is determined using the detailed accounting policy set out in the statutory accounts for the year ended 31 December 2015.

The Company has categorised its financial instruments using the fair value hierarchy as follows:

- Level a Reflects financial instruments quoted in an active market;  
 Level b Reflects financial instruments that have prices that are observable either directly or indirectly; and  
 Level c
- i) Reflects financial instruments that use valuation techniques that are based on observable market data.
  - ii) Reflects financial instruments that use valuation techniques that are not based on observable market data (unquoted equity investments and loan note investments).

	Level a £'000	Level b £'000	Level c (ii) £'000	Period ended 30 June 2016 £'000	Level a £'000	Level b £'000	Level c (ii) £'000	Year ended 31 Dec 2015 £'000
Loan notes	-	-	7,928	7,928	-	-	11,318	11,318
Unquoted equity	-	-	24,137	24,137	-	-	11,389	11,389
	-	-	32,065	32,065	-	-	22,707	22,707

11. The unaudited condensed financial statements set out herein do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The figures for the year ended 31 December 2015 have been extracted from the financial statements for that year, which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unqualified.
12. The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with the "Statement: Half-Yearly Financial Reports" issued by the UK Accounting Standards Board and the half-yearly financial report includes a fair review of the information required by:
- a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 13. Risks and uncertainties

Under the Disclosure and Transparency Directive, the Board is required, in the Company's half-yearly results, to report on principal risks and uncertainties facing the Company over the remainder of the financial year.

The Board concluded that the key risks facing the Company over the remainder of the financial period are as follows:

- (i) Compliance risk of failure to maintain approval as a VCT; and
- (ii) Investment risk associated with investing in small and immature businesses.

The Company's compliance with the VCT regulations is continually monitored by the Manager, who reports regularly to the Board on the current position. The Company has also reappointed Philip Hare & Associates LLP to provide regular reviews and advice in this area. In order to make VCT qualifying investments, the Company has to invest in small businesses which are often immature. It also has a limited period in which it must invest the majority of its funds. The Manager follows a rigorous process in vetting and careful structuring of new investments, including taking a charge over the assets of the business wherever possible and, after an investment is made, closely monitoring the business. The Board is satisfied that these approaches provide satisfactory management of the key risks.

### 14. Going concern

The Directors have reviewed the Company's financial resources at the period end and conclude that the Company is well placed to manage its business risks.

The Board confirms that it is satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the Board believes that the Company continues to be a going concern and that it is appropriate to apply the going concern basis in preparing the financial statements.

15. Copies of the unaudited half-yearly report will be sent to Shareholders shortly. Further copies can be obtained from the Company's registered office or will be available for download from [www.downing.co.uk](http://www.downing.co.uk).



## SHAREHOLDER INFORMATION

### Performance summary

<b>'C' Share pool</b>	<b>30 Jun 2016 Pence</b>	<b>31 Dec 2015 Pence</b>	<b>30 Jun 2015 Pence</b>
Net asset value per 'C' Share	-	53.2	49.3
Net asset value per 'A' Share	-	0.1	0.1
Cumulative distributions per 'C' Share and 'A' Share	120.36	75.0	75.0
Adjusted for estimated performance fee	-	(7.4)	(7.0)
Total return per 'C' Share and 'A' Share	<u>120.36</u>	<u>120.9</u>	<u>117.4</u>
<b>'D' Share pool</b>	<b>30 Jun 2016 Pence</b>	<b>31 Dec 2015 Pence</b>	<b>30 Jun 2015 Pence</b>
Net asset value per 'D' Share	34.7	51.3	72.9
Net asset value per 'E' Share	0.1	0.1	0.1
Cumulative distributions per 'D' Share	66.5	49.5	22.5
Total return per 'D' Share and 'E' Share	<u>101.3</u>	<u>100.9</u>	<u>95.5</u>
<b>'F' Share pool</b>	<b>30 Jun 2016 Pence</b>	<b>31 Dec 2015 Pence</b>	<b>30 Jun 2015 Pence</b>
Net asset value per 'F' Share	69.7	71.5	71.7
Cumulative distributions per 'F' Share	22.5	20.0	17.5
Total return per 'F' Share	<u>92.2</u>	<u>91.5</u>	<u>89.2</u>
<b>'H' Share pool</b>	<b>30 Jun 2016 Pence</b>	<b>31 Dec 2015 Pence</b>	<b>30 Jun 2015 Pence</b>
Net asset value per 'H' Share	88.9	90.5	93.3
Cumulative distributions per 'H' Share	12.5	10.0	7.5
Total return per 'H' Share	<u>101.4</u>	<u>100.5</u>	<u>100.8</u>
<b>'J' Share pool</b>	<b>30 Jun 2016 Pence</b>	<b>31 Dec 2015 Pence</b>	<b>30 Jun 2015 Pence</b>
Net asset value per 'J' Share	<u>97.7</u>	<u>98.5</u>	<u>99.9</u>

## SHAREHOLDER INFORMATION (continued)

### Forthcoming dividends

	'F' Shares	'H' Shares
Interim 2016 – Payable 16 December 2016	2.5p	2.5p

### Dividends

Dividends are 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 (forms can be downloaded from [www.capitaassetservices.com/shareholders/information](http://www.capitaassetservices.com/shareholders/information)).

Queries relating to dividends and requests for mandate forms should be directed to the Company's registrar, Capita Asset Services, whose details are on the back cover of this document.

### Terminology

Throughout this report, the term "C' Share(s)" has been used to refer to the pool of assets allocated to the 'C' Shares and 'A' Shares combined. Similarly, the term "D' Share(s)" has been used to refer to the pool of assets allocated to the 'D' Shares and 'E' Shares combined.

### Share scam warning

We are 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. If you have any concerns, please contact Downing on 020 7416 7780.

## SHAREHOLDER INFORMATION (continued)

### Shareholder Communications

Shareholders now have the opportunity to be notified when financial reports are available to view on Downing's website by letter or by email; alternatively you can elect to receive full hard copies via post. By default notifications will be communicated by letter. If you wish to change your communications election at any time, please contact the registrar, Capita Asset Services, whose details are on the back cover of this document.

### Share prices

The Company's share prices can be found on various financial websites. The share prices are also available on Downing's website ([www.downing.co.uk](http://www.downing.co.uk)).

	'D' Shares	'F' Shares	'H' Shares	'J' Shares
TIDM/EPIC codes	DP3D	DP3F	DP3H	DP3J
Latest share price (per share) (27 September 2016):	15.0p	65.0p	80.0p	100.0p
	'E' Shares			
TIDM/EPIC codes	DP3E			
Latest share price (per share) (27 September 2016):	10.0p			

### Trading shares

Any Shareholders who are considering selling some or all of their shares should ensure they are fully aware of any tax consequences. If you are in any doubt, please contact your financial adviser.

The Company operates a policy of buying its shares in for cancellation as they become available. The Company is, however, unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. Downing is able to provide details of closed periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares. Contact details are shown on the back cover of this document.

### 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 Asset Services, under the signature of the registered holder.

### Other information for Shareholders

Up to date Company information (including company announcements, 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 THREE VCT plc, please contact the registrar on 0871 664 0324 or visit Capita's website at [www.capitaassetservices.com](http://www.capitaassetservices.com) and click on "Products and Services" and then "Shareholders".

**Directors**

Michael Robinson (Chairman)  
Roger Jeynes  
Dennis Hale

**Company Secretary and Registered Office**

Grant Whitehouse  
Ergon House  
Horseferry Road  
London SW1P 2AL

Registered No. 5334413

**Investment and Administration Manager**

Downing LLP  
Ergon House  
Horseferry Road  
London SW1P 2AL

[www.downing.co.uk](http://www.downing.co.uk)  
Tel: 020 7416 7780

**Registrar**

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

[www.capitaassetservices.com](http://www.capitaassetservices.com)  
Tel: 0871 664 0324

(calls cost 10p per minute plus network extras,  
lines open Monday to Friday 8:30am to 5:30pm)



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