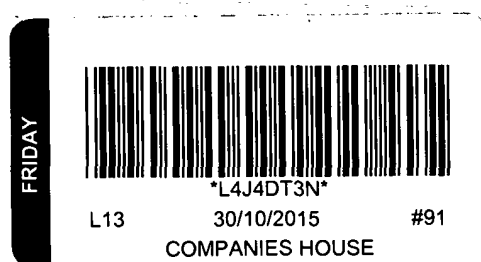


Company Registration No: 06044084

DOWNING MANAGERS 7 LIMITED



Report and Financial Statements

For the year ended 31 January 2015

DOWNING MANAGERS 7 LIMITED

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DOWNING MANAGERS 7 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	N P Lewis T M McGing
Secretary	G L Whitehouse
Registered Office	5th Floor, Ergon House Horseferry Road London SW1P 2AL
Auditors	Lubbock Fine Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Bankers	Bank of Scotland 33 Old Broad Street London EC2N 1HZ
Solicitors	Howard Kennedy 19 Cavendish Square London W1A 2AW

DOWNING MANAGERS 7 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2015

Principal Activity and Status

The Company is a wholly owned subsidiary of Downing Planned Exit VCT 7 plc. The principal activity of the Company is that of an investment manager and providing administrative support to its parent company.

Business review and future developments

The Company traded satisfactorily during the year, achieving turnover of £27,991 (2014: £79,357), which was derived from its parent company.

The Company provides investment management services to its parent company and is paid 1.35% of the parent company's net assets per annum. Additionally, the Company provides administration services to the Downing Planned Exit VCT 7 plc for a fee of £40,000 (plus RPI) per annum.

In July 2015 Downing Planned Exit VCT 7 plc was part of a merger and disposed of its assets. Its agreement with the Company has ceased and the Company's directors are considering the future of the Company

Key Performance indicators

The Company's performance is directly linked to the performance of the parent company. The directors believe that the Company's key performance indicator is Net Asset Value Total Return (NAV plus cumulative dividends paid to date) of the parent company.

Financial risk management

The Company's operations expose it to a variety of financial risks which can be analysed as follows:

Credit risk

The Company's principal financial assets are cash at bank and trade debtors which represent the Company's maximum exposure to credit risk in relation to financial assets.

The credit risk on funds held at the bank is limited as the bank has a high credit rating assigned by international credit-rating agencies.

The credit risk on trade debtors is also negligible as the majority of transactions are undertaken with the parent company.

Liquidity risk

The Company has negligible liquidity risk as it derives its income from its parent company.

Cash flow interest rate risk

Interest bearing assets comprise cash at bank which earn interest at Bank of England base rate. As the Company has no borrowings, changes to base rate have only a negligible effect on the Company.

Price risk

The Company has no exposure to securities price risk as it holds no investments.

On behalf of the Board



Grant Whitehouse
Secretary

26 October 2015

DOWNING MANAGERS 7 LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 JANUARY 2015

The Directors present their report and financial statements for the year ended 31 January 2015.

Directors

The Directors of the Company throughout the year and at the date of this report were as follows:

N P Lewis
T M McGing

Results and dividends

The profit of the Company after tax was £411 (2014: £2,482), details of which are given in the attached financial statements. The Directors do not recommend the payment of a final dividend for the year ended 31 January 2015.

Creditor payment policy

The Company's payment policy is to agree terms of payment before business is transacted, to ensure that suppliers are aware of these terms and to settle bills in accordance with them. Creditors are normally paid within thirty days of receipt of the invoice except where other terms have been arranged.

Financial instruments

The Company's principal financial instruments comprise sterling cash at bank together with the debtors and creditors which arise directly from its operations.

Auditors

Lubbock Fine are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Company and of the profit or loss for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Strategic Report

In accordance with section 414C (11) of the Companies Act 2006, the Company has chosen to include information in relation to future developments in the Company's Strategic Report.

On behalf of the Board



Grant Whitehouse
Secretary

26 October 2015

DOWNING MANAGERS 7 LIMITED

Independent Auditors' Report to the Shareholders of Downing Managers 7 Limited For the Year Ended 31 January 2015

We have audited the financial statements of Downing Managers 7 Limited for the year ended 31 January 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent

material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Banks (Senior Statutory Auditor)
For and on behalf of

Lubbock Fine
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

27 October 2015

DOWNING MANAGERS 7 LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 January 2015

	Note	Year ended 31 Jan 2015	Year ended 31 Jan 2014
		£	£
Turnover	2	27,991	79,357
Cost of sales		<u>(26,639)</u>	<u>(75,389)</u>
Gross profit		1,352	3,968
Administrative expenses		<u>(1,200)</u>	<u>(1,152)</u>
Operating profit before interest and taxation	3	152	2,816
Interest received		<u>362</u>	<u>287</u>
Profit on ordinary activities before taxation		514	3,103
Taxation	4	<u>(103)</u>	<u>(621)</u>
Retained profit for the year	8	<u>411</u>	<u>2,482</u>

There are no recognised gains or losses other than the profit for the financial year.

All items in the profit and loss account derive from continuing operations. No operations were newly acquired or discontinued in the year.

RECONCILIATION OF SHAREHOLDERS FUNDS

For the year ended 31 January 2015

	Year ended 31 Jan 2015	Year ended 31 Jan 2014
	£	£
Opening shareholders' funds	11,377	8,895
Recognised gains in the year	<u>411</u>	<u>2,482</u>
Closing shareholders' funds	<u>11,788</u>	<u>11,377</u>

The accompanying notes form an integral part of these financial statements.

DOWNING MANAGERS 7 LIMITED

BALANCE SHEET

As at 31 January 2015

	Note	£	2015 £	£	2014 £
Current assets					
Debtors	5	1,324		22,969	
Cash at bank and in hand		<u>13,161</u>		<u>12,003</u>	
		14,485		34,972	
Creditors					
Amounts falling due within one year	6	<u>(2,697)</u>		<u>(23,595)</u>	
Net current assets			<u>11,788</u>		<u>11,377</u>
Net assets			<u>11,788</u>		<u>11,377</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account	8		<u>11,786</u>		<u>11,375</u>
Equity shareholders' funds			<u>11,788</u>		<u>11,377</u>

Signed and authorised for issue on behalf of the Board of Directors on 26 October 2015



T M McGing
Director

Company Registration Number: 06044084

The accompanying notes form an integral part of these financial statements.

DOWNING MANAGERS 7 LIMITED

CASH FLOW STATEMENT

For the year ended 31 January 2015

	Note	Year ended 31 Jan 2015 £	Year ended 31 Jan 2014 £
Net cash inflow from operating activities	9	1,418	9,825
Taxation			
Corporation tax paid		(621)	(957)
Returns on investment and servicing of finance			
Interest received		361	287
Increase in cash	10	<u>1,158</u>	<u>9,155</u>

The accompanying notes form an integral part of these financial statements.

DOWNING MANAGERS 7 LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 January 2015

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents amounts due or invoiced during the year exclusive of Value Added Tax.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

The turnover of the company for the year has been derived from its principal activity of investment management and administration. The company operates solely within the UK.

3. Operating profit

Operating profit is stated after charging:

	Year ended 31 Jan 2015 £	Year ended 31 Jan 2014 £
Auditors' remuneration - Audit	<u>1,200</u>	<u>1,200</u>

4. Taxation

	Year ended 31 Jan 2015 £	Year ended 31 Jan 2014 £
(a) Tax charge for year		
UK Corporation tax at 20.0% (2014: 20.0%)	103	621
Charge for the year	<u>103</u>	<u>621</u>
	£	£
(b) Factors affecting tax charge for the year		
Profit on ordinary activities before taxation	<u>514</u>	<u>3,103</u>
Tax charge calculated on return on ordinary activities before taxation at the applicable rate of 20.0% (2014: 20.0%)	<u>103</u>	<u>621</u>

5. Debtors

	2015 £	2014 £
Trade debtors	<u>1,324</u>	<u>22,969</u>

6. Creditors

	2015	2014
	£	£
Corporation tax	103	621
Accruals and deferred income	1,200	1,200
Other creditors	1,394	21,774
	<u>2,697</u>	<u>23,595</u>

7. Share capital

	2015	2014
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. Reserves

	Profit and loss account £
Balance at 1 February 2014	11,375
Profit on ordinary activities after taxation	<u>411</u>
Balance at 31 January 2015	<u>11,786</u>

9. Reconciliation of operating profit to net cash flow from operating activities

	2014	2013
	£	£
Operating profit before interest and taxation	152	2,816
Increase in debtors	21,645	16,459
Increase in creditors	<u>(20,379)</u>	<u>(9,450)</u>
Net cash inflow from operating activities	<u>1,418</u>	<u>9,825</u>

10. Analysis of changes in cash during the year

	2015 £	2014 £
Beginning of year	12,003	2,848
Net cash inflow	1,158	9,155
End of year	<u>13,161</u>	<u>12,003</u>

11. Ultimate parent company, controlling party and related party transactions

Downing Planned Exit VCT 7 plc ("DPV7"), is the ultimate parent company of Downing Managers 7 Limited ("the Company"), and is considered to be the immediate and ultimate controlling party.

DPV7 appointed the Company as its Investment Manager for a fee of 1.35% of net assets per annum. During the year ended 31 January 2015, £8,670 (2014: £30,588 payable) was receivable by the Company in respect of these fees. Additionally, the Company has been appointed by DPV7 to provide accounting, secretarial and administrative services for an annual fee of £40,000 (plus VAT and RPI) per annum. During the year ended 31 January 2015, £19,321 (2014: £48,769) was charged in respect of administration fees. At the year end, an overpaid balance of £1,394 (2014: £22,969 receivable) was due from the Company to DPV7.

During the year, the Company was charged £26,639 (2014: £75,389) in respect of consultancy fees by Downing LLP, a partnership in which N P Lewis and T M McGing are members. At the year end, an outstanding balance of £1,324 (2014: due to Downing LLP £21,774) was due from Downing LLP in respect of these fees.

12. Post balance sheet event

In July 2015 the parent company of Downing Managers 7 Limited was part of a merger and disposed of its assets. No future payments are expected to be received from the parent company.