

# Downing VCT Deal Summary: West Tower Holdings Limited

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|--------------------|--|--|-------|
| <b>Sector</b>      | Conference & Banqueting  | <b>Amount committed by Downing's VCTs:</b> |       |
| <b>Deal Size:</b>  | £7.4m  | Downing Protected VCT IV/V:                | £3.4m |
| <b>Equity:</b>     | £2.2m  | Downing Protected VCT VI/VII:              | £2.0m |
| <b>Loan Notes:</b> | £5.2m  | Downing Protected VCT VIII/IX:             | £2.0m |
| <b>Website:</b>    | <a href="http://www.westtower.co.uk">www.westtower.co.uk</a><br><a href="http://www.theswan.org.uk">www.theswan.org.uk</a> |  |       |

### West Tower Country House & Restaurant

West Tower is an exclusive dining and wedding venue and hotel. It was originally built in 1785 for a Liverpool shipping magnate, Lord Alfred Holt, and is set on a 10 acre plot with tremendous views reaching as far as North Wales. The property is three miles from Ormskirk, 11 miles from Liverpool and 40 miles from Manchester. The main dining room is a popular wedding venue with space for 110 people. There is also a second wedding venue upstairs, large enough for 60 people, which comes complete with its own bar.

West Tower expanded in 2005 with the completion of a two storey bedroom complex with 12 rooms and in 2007 a second restaurant, Café West, was opened, with a separate entrance.



West Tower

While the property has been fitted out to a very high standard and is in a good location, we believe that an experienced management team should be able to improve both turnover and profitability. Planning permission will be sought to increase the number of rooms and to introduce a spa facility. Improved trading together with these developments should considerably enhance the value of the business.

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The Swan

### The Swan

The purchase also includes a second venue about a mile away on the A59, which has a larger conference and banqueting facility, with room for over 200. There is also a popular bar and restaurant with scope for expansion, and planning permission is being sought for a bedroom wing, which would complement the existing facilities.

### Management

Brian Gamble, recently the Conference and Events Manager at the Crowne Plaza in Liverpool, will manage West Tower on a day to day basis. The team from Hoole Hall (another Downing investment) will also provide support and explore the development options.

### Security

Downing Protected VCTs' loans are secured on both freehold properties, and rank ahead of the Management's investment.

#### Downing Protected VCTs

The Downing Protected VCTs focus on investing in companies which own substantial assets. They seek to take security over assets (e.g. freehold pubs, nurseries etc) and accept lower returns than most other VCTs in return for lower risk.

Downing Protected VCT I, which was launched in 1997, has no fixed wind-up date and seeks to provide an attractive dividend yield for its shareholders. Downing Protected VCTs II-V each launched in 2005 and have limited lives of approximately six years. Downing Protected VCTs VI-VII launched in 2006 and have limited lives of approximately seven years.

#### Downing Corporate Finance

Downing was incorporated in 1986 and specialises in tax efficient investments. Downing is the market leading promoter of VCTs, having raised over £230 million in the last three tax years. Downing raises funds for third party VCT managers, such as Ingenious Media and NVM Private Equity, as well as its own Downing Protected VCTs.

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