

**REGISTRAR'S COPY**

**Company Registration No: 06370382**

**DOWNING MANAGERS 9 LIMITED**



**Report and Financial Statements**

**For the year ended 31 December 2012**

# **DOWNING MANAGERS 9 LIMITED**

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### **The following does not form part of the statutory accounts**

Detailed profit and loss account

# **DOWNING MANAGERS 9 LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

<b>Directors</b>	N P Lewis T M McGing
<b>Secretary</b>	G L Whitehouse
<b>Registered Office</b>	10 Lower Grosvenor Place London SW1W 0EN
<b>Auditors</b>	Lubbock Fine Chartered Accountants & Statutory Auditors Russell Bedford House City Forum, 250 City Road London EC1V 2QQ
<b>Bankers</b>	Bank of Scotland 33 Old Broad Street London EC2N 1HZ

# DOWNING MANAGERS 9 LIMITED

## DIRECTORS REPORT

The Directors present their report and financial statements for the year ended 31 December 2012

### Principal Activity and Status

The Company is a wholly owned subsidiary of Downing Planned Exit VCT 9 plc. The principal activity of the Company is that of an investment manager and providing administrative support, to its parent company

### Directors

The Directors of the Company throughout the year were as follows

N P Lewis  
T M McGing

### Business review and future developments

The Company traded satisfactorily during the year, achieving turnover of £115,017 (2011 £128,346), which was wholly derived from its parent company

The Company acts as an investment manager 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 9 plc for a fee of £40,000 (plus RPI) per annum. The agreement is for a minimum term of three years with a twelve month notice period on either side at any time after two years following the commencement of the agreement

### Results and dividends

The profit of the Company after tax was £3,779 (2011 £2,134), 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 December 2012

### 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

### 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

### 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

### Auditors

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

# DOWNING MANAGERS 9 LIMITED

## DIRECTORS REPORT (continued)

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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

On behalf of the Board



**Grant Whitehouse**  
Secretary

25 September 2013

## **DOWNING MANAGERS 9 LIMITED**

### **Independent Auditors' Report to the Shareholders of Downing Managers 9 Limited For the Year Ended 31 December 2012**

We have audited the financial statements of Downing Managers 9 Limited for the year ended 31 December 2012. 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.

#### **Opinion of 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 December 2012 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 Director's 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  
Russell Bedford House  
City Forum, 250 City Road  
London EC1V 2QQ

25 September 2013

# **DOWNING MANAGERS 9 LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2012**

	<b>Note</b>	<b>Year ended 31 Dec 2012</b>	<b>Year ended 31 Dec 2011</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	115,017	128,346
Cost of sales		<u>(109,266)</u>	<u>(124,564)</u>
<b>Gross profit</b>		5,751	3,782
Administrative expenses		<u>(1,091)</u>	<u>(1,249)</u>
<b>Operating profit before interest and taxation</b>	<b>3</b>	4,660	2,533
Interest received		<u>64</u>	<u>143</u>
<b>Profit on ordinary activities before taxation</b>		4,724	2,676
Taxation	<b>5</b>	<u>(945)</u>	<u>(542)</u>
<b>Retained profit for the year</b>	<b>9</b>	<u>3,779</u>	<u>2,134</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 December 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	4,650	2,516
Recognised gains in the year	<u>3,779</u>	<u>2,134</u>
Closing shareholders' funds	<u>8,429</u>	<u>4,650</u>

The accompanying notes form an integral part of this statement

# DOWNING MANAGERS 9 LIMITED

## BALANCE SHEET

As at 31 December 2012

	Note	£	2012 £	£	2011 £
<b>Current assets</b>					
Debtors	6	26,733		33,110	
Cash at bank and in hand		<u>9,298</u>		<u>4,532</u>	
		36,031		37,642	
<b>Creditors</b>					
Amounts falling due within one year	7	<u>(27,602)</u>		<u>(32,992)</u>	
<b>Net current assets</b>			<u>8,429</u>		<u>4,650</u>
<b>Net assets</b>			<u>8,429</u>		<u>4,650</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss account	9		<u>8,428</u>		<u>4,649</u>
<b>Equity shareholders' funds</b>			<u>8,429</u>		<u>4,650</u>

Signed and authorised for issue on behalf of the Board of Directors on 25 September 2013



**T M McGing**  
Director

Company Registration Number 06370382

The accompanying notes form an integral part of this statement



**DOWNING MANAGERS 9 LIMITED**  
**CASHFLOW STATEMENT**  
For the year ended 31 December 2012

	<b>Note</b>	<b>Year ended 31 Dec 2012 £</b>	<b>Year ended 31 Dec 2011 £</b>
<b>Net cash inflow from operating activities</b>	<b>10</b>	5,244	91
<b>Taxation</b>			
Corporation tax paid		(542)	(73)
<b>Returns on investment and servicing of finance</b>			
Interest received		64	143
<b>Increase in cash</b>	<b>11</b>	<u>4,766</u>	<u>161</u>

The accompanying notes form an integral part of this statement

# **DOWNING MANAGERS 9 LIMITED**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2012**

### **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 period 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 period 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

	<b>Year ended 31 Dec 2012</b>	<b>Year ended 31 Dec 2011</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	-	4,958
Auditors' remuneration - Audit	<u>1,200</u>	<u>1,230</u>

**DOWNING MANAGERS 9 LIMITED****NOTES TO THE ACCOUNTS (continued)**

For the year ended 31 December 2012

**4. Staff costs**

The average number of persons employed by the Company, including Directors, during the period was 3 (2012: 4) Due to the size of the Company there is no formal classification of duties Their total remuneration was

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	£	£
Wages and salaries	-	19,387
Pension contributions	-	2,400
Social security costs	-	989
	<u>-</u>	<u>22,776</u>

**5. Taxation**

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	£	£
<b>(a) Tax charge for the year</b>		
UK Corporation tax at 20 0% (2011. 20 25%)	945	542
<b>Charge for the year</b>	<u>945</u>	<u>542</u>
 <b>(b) Factors affecting tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>4,724</u>	<u>2,676</u>
 Tax charge calculated on profit on ordinary activities before taxation at the applicable rate of 20 0% (2011 20 25%)	<u>945</u>	<u>542</u>

**6. Debtors**

	2012	2011
	£	£
Amounts due from parent undertaking	<u>26,733</u>	<u>33,110</u>

**DOWNING MANAGERS 9 LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**  
For the year ended 31 December 2012

**7. Creditors**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Other creditors	25,397	30,996
Other taxes and social security	-	194
Corporation tax	945	542
Accruals and deferred income	1,260	1,260
	<u>27,602</u>	<u>32,992</u>

**8. Share capital**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, issued and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

**9. Reserves**

	<b>Profit and loss account £</b>
At 1 January 2012	4,649
Retained profit for the year	3,779
At 31 December 2012	<u>8,428</u>

**10. Reconciliation of operating profit to net cash flow from operating activities**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating profit before interest and taxation	4,660	2,533
Decrease/(increase) in debtors	6,377	(6,101)
(Decrease)/increase in creditors	(5,793)	3,659
Net cash inflow from operating activities	<u>5,244</u>	<u>91</u>

**DOWNING MANAGERS 9 LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**  
**For the year ended 31 December 2012**

**11. Analysis of changes in cash during the year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Beginning of year	4,532	4,371
Net cash inflow	4,766	161
End of year	<u>9,298</u>	<u>4,532</u>

**12. Ultimate parent company, controlling party and related party transactions**

Downing Planned Exit VCT 9 plc ("DPV9") is the ultimate parent company of Downing Managers 9 Limited ("the Company"), and is considered to be the immediate and ultimate controlling party

The Company acts as Investment Manager for DPV9 for a fee of 1.35% of net assets of the parent company per annum. During the year ended 31 December 2012, £69,612 (2011: £85,027) was receivable by the Company in respect of these fees. Additionally, the Company provides accounting, secretarial and administrative services for DPV9 for an annual fee of £40,000 (plus VAT and RPI) per annum. During the year ended 31 December 2012, £45,405 (2011: £43,319) was charged in respect of these fees. At the year end a balance of £26,733 (2011: £33,110) was due to the Company from DPV9.

During the year, the Company was charged £109,266 (2011: £101,788) 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, a balance of £25,397 (2011: £30,996) was due to Downing LLP in respect of these fees.