

Company Registration No: 06370382

DOWNING MANAGERS 9 LIMITED

Report and Financial Statements

For the year ended 31 December 2013

FRIDAY



L3H8383S

LD5

26/09/2014

#378

COMPANIES HOUSE

DOWNING MANAGERS 9 LIMITED

CONTENTS

	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent Auditors' report	4
Profit and loss account	5
Reconciliation of movements in shareholders funds	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8

DOWNING MANAGERS 9 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

DOWNING MANAGERS 9 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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.

Business review and future developments

The Company traded satisfactorily during the year, achieving turnover of £110,207 (2012: £115,017), 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.

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

23 September 2014

DOWNING MANAGERS 9 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors present their report and financial statements for the year ended 31 December 2013.

Directors

The Directors of the Company throughout the year were as follows:

N P Lewis

T M McGing

Results and dividends

The profit of the Company after tax was £300 (2012: £3,779), 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 2013.

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

23 September 2014

DOWNING MANAGERS 9 LIMITED

Independent Auditors' Report to the Shareholders of Downing Managers 9 Limited For the Year Ended 31 December 2013

We have audited the financial statements of Downing Managers 9 Limited for the year ended 31 December 2013. 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 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 December 2013 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

September 2014

DOWNING MANAGERS 9 LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2013

	Note	Year ended 31 Dec 2013	Year ended 31 Dec 2012
		£	£
Turnover	2	110,207	115,017
Cost of sales		<u>(108,697)</u>	<u>(109,266)</u>
Gross profit		1,510	5,751
Administrative expenses		<u>(1,199)</u>	<u>(1,091)</u>
Operating profit before interest and taxation	3	311	4,660
Interest received		<u>64</u>	<u>64</u>
Profit on ordinary activities before taxation		375	4,724
Taxation	4	<u>(75)</u>	<u>(945)</u>
Retained profit for the year	8	<u>300</u>	<u>3,779</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 2013

	2013 £	2012 £
Opening shareholders' funds	8,429	4,650
Recognised gains in the year	<u>300</u>	<u>3,779</u>
Closing shareholders' funds	<u>8,729</u>	<u>8,429</u>

The accompanying notes form an integral part of this statement.

DOWNING MANAGERS 9 LIMITED

BALANCE SHEET

As at 31 December 2013

	Notes	2013	2012
		£	£
Current assets			
Debtors	5	20,514	26,733
Cash at bank and in hand		<u>8,980</u>	<u>9,298</u>
		29,494	36,031
Creditors			
Amounts falling due within one year	6	<u>(20,765)</u>	<u>(27,602)</u>
Net current assets		<u>8,729</u>	<u>8,429</u>
Net assets		<u>8,729</u>	<u>8,429</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	<u>8,728</u>	<u>8,428</u>
Equity shareholders' funds		<u>8,729</u>	<u>8,429</u>

Signed and authorised for issue on behalf of the Board of Directors on 23 September 2014



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 2013

	Note	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Net cash inflow from operating activities	9	563	5,244
Taxation			
Corporation tax paid		(945)	(542)
Returns on investment and servicing of finance			
Interest received		64	64
(Decrease)/Increase in cash	10	<u>(318)</u>	<u>4,766</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 2013

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:

	Year ended 31 Dec 2013	Year ended 31 Dec 2012
	£	£
Auditors' remuneration - Audit	<u>1,200</u>	<u>1,200</u>

DOWNING MANAGERS 9 LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2013

4. Taxation

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
(a) Tax charge for the year		
UK Corporation tax at 20.0% (2012: 20.0%)	<u>75</u>	<u>945</u>
Charge for the year	<u>75</u>	<u>945</u>
		£
(b) Factors affecting tax charge for the year		
Profit on ordinary activities before taxation	<u>375</u>	<u>4,724</u>
 Tax charge calculated on profit on ordinary activities before taxation at the applicable rate of 20.0% (2012: 20.0%)	<u>75</u>	<u>945</u>

5. Debtors

	2013 £	2012 £
Amounts due from parent undertaking	<u>20,514</u>	<u>26,733</u>

DOWNING MANAGERS 9 LIMITED**NOTES TO THE ACCOUNTS**

For the year ended 31 December 2013

6. Creditors

	2013	2012
	£	£
Other creditors	19,490	25,397
Corporation tax	75	945
Accruals and deferred income	1,200	1,260
	<u>20,765</u>	<u>27,602</u>

7. Share capital

	2013	2012
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

8. Reserves

	Profit and loss account £
At 1 January 2013	8,428
Retained profit	300
At 31 December 2013	<u>8,728</u>

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

	2013	2012
	£	£
Operating profit before interest and taxation	311	4,660
Decrease in debtors	6,219	6,377
(Decrease) in creditors	(5,967)	(5,793)
Net cash inflow from operating activities	<u>563</u>	<u>5,244</u>

DOWNING MANAGERS 9 LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2013

10. Analysis of changes in cash during the year

	2013	2012
	£	£
Beginning of year	9,298	4,532
Net cash (outflow)/inflow	<u>(318)</u>	<u>4,766</u>
End of year	<u>8,980</u>	<u>9,298</u>

11. 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 per annum. During the year ended 31 December 2013, £63,398 (2012: £69,612) 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 2013, £46,809 (2012: £45,405) was charged in respect of these fees. At the year end a balance of £20,514 (2012: £26,733) was due to the Company from DPV9.

During the year, the company was charged £108,697 (2012: £109,266) in respect of consultancy fees by Downing LLP, a partnership in which Nicholas Lewis and Tony McGing are members. At the year end, a balance of £19,490 (2012: £25,397) was due to Downing LLP in respect of these fees.