

# Downing Planned Exit VCT 9 PLC

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Half-Yearly Report for  
the six months ended  
30 June 2012

## SHAREHOLDER INFORMATION

### Performance summary

	30 Jun 2012 Pence	31 Dec 2011 Pence	30 Jun 2011 Pence
Net asset value per Ordinary Share	80.8	82.3	84.7
Net asset value per 'A' Share	0.1	0.1	0.1
Cumulative distributions per Ordinary Share	<u>10.0</u>	<u>7.5</u>	<u>7.5</u>
Total return per Ordinary Share and 'A' Share	<u>90.9</u>	<u>89.9</u>	<u>92.3</u>

### Dividend history

#### Ordinary Shares

Year end	Date paid	Pence per share
Final 2008	5 June 2009	2.50
Final 2009	28 May 2010	2.50
Final 2010	3 June 2011	2.50
Final 2011	29 June 2012	<u>2.50</u>
		<u>10.00</u>

No dividends have been declared to date in respect of the 'A' Shares.

### Dividends

Dividends will be 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. Queries relating to dividends and requests for mandate forms should be directed to the Company's registrar, Capita Registrars, on 0871 664 0324 (calls cost 10p per minute plus network extras), or by writing to them at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Mandate forms can also be downloaded from Capita's website (see below).

### Other information for Shareholders

Up to date Company information (including financial statements, 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 Planned Exit VCT 9 plc, please contact the registrar on the above number or visit Capita's website at **[www.capitaregistrars.com](http://www.capitaregistrars.com)** and click on "Shareholders and employees".

**Shareholder information is continued on the inside back cover**

## CHAIRMAN'S STATEMENT

I am pleased to present the Company's Half-Yearly Report for the period ended 30 June 2012. With the Company fully invested, there has been very little investment activity during the period. Shareholders will recall that the Company has a small number of investments that have underperformed to date. During the last six month period, these investments have generally stabilised, while other investments have made progress.

### Net asset value and results

At 30 June 2012, the NAV per Ordinary Share stood at 80.8p and the NAV per 'A' Share stood at 0.1p, producing a combined total of 80.9p. This is an increase of 1.0p per share (1.2%) since 31 December 2011 (after adjusting for the 2.5p dividend paid during the period) and has partly resulted from the steady flow of investment income that the portfolio has generated. Total Return (NAV plus cumulative dividends paid to date) is now 90.9p for a combined holding of one Ordinary Share and one 'A' Share.

The profit on ordinary activities after taxation for the period was £82,000.

### Investment review

During the period, the Company made one small follow-on investment of £25,000 in The Thames Club Limited and had two loan stock redemptions producing proceeds of £456,000.

The Board has undertaken a review of the investment valuations at the period end and made two adjustments from the carrying values from the previous year end.

Crossco (1135) Limited owns and operates several children's nurseries which trade as Complete Childcare. The business is continuing to develop and, as a result, the valuation has been uplifted by £49,000.

The Thames Club owns and operates a health and fitness club in Staines. The original investment was made in mid-2008, a much more buoyant period for health club valuations than now. Soon after the investment was made, a major refurbishment was undertaken and, since then, the company has been working hard to try to rebuild membership numbers and re-establish itself. The company is making progress but a further small investment was needed for some extra reconfiguration work to the club. The valuation has been adjusted downwards by the amount of the additional investment, £25,000, such that it is now carried at a value £645,000 below original cost.

A further two of the Company's investments remain valued below original cost. Horsham Bowl operates a nightclub and bowling alley in Horsham. The company has found trading difficult in the current economic climate but has recently been making some progress. The investment continues to be valued at £180,000 below original cost.

West Tower Holdings owns and operates a wedding venue in Lancashire. The business is developing well but it remains some £400,000 below the value when it was original acquired in early 2008 which, we now know, was very near the peak of the market.

All other investments are making satisfactory progress and are valued above or at original cost.

## CHAIRMAN'S STATEMENT (continued)

### Share buybacks

The Company operates a policy, subject to certain restrictions, of buying its own shares which become available in the market. Buybacks will generally be undertaken at a 10% discount to the latest NAV, but the Directors regularly review this discount level and make adjustments if they believe it is appropriate.

During the period, the Company purchased 47,300 Ordinary Shares at a price of 74.0p per share and 33,000 'A' Shares at a price of 0.1p per share. These shares were subsequently cancelled.

### Outlook

The Company's target is to start returning funds to Shareholders during 2013. Conditions for realising investments are currently far from ideal, with the ongoing lack of bank finance being a particular hindrance. However, the Manager is already starting to explore potential exit routes and will be looking to develop these in due course. The Manager's overriding objective will be to ensure that exit values are optimised and, in some cases, this may mean that they take longer to achieve than would otherwise be the case.



**Hugh Gillespie**  
Chairman

17 August 2012

## UNAUDITED BALANCE SHEET

as at 30 June 2012

	30 Jun 2012 £'000	30 Jun 2011 £'000	31 Dec 2011 £'000
<b>Fixed assets</b>			
Investments	6,347	6,853	6,754
<b>Current assets</b>			
Debtors	145	442	196
Cash at bank and in hand	632	261	344
	<u>777</u>	<u>703</u>	<u>540</u>
<b>Creditors: amounts falling due within one year</b>	<u>(154)</u>	<u>(207)</u>	<u>(155)</u>
<b>Net current assets</b>	623	496	385
<b>Net assets</b>	<u><u>6,970</u></u>	<u><u>7,349</u></u>	<u><u>7,139</u></u>
<b>Capital and reserves</b>			
Called up Ordinary Share capital	9	9	9
Called up 'A' Share capital	13	13	13
Deferred share capital	3	3	3
Special reserve	7,739	7,818	7,817
Revaluation reserve	(912)	(781)	(936)
Capital reserve - realised	44	9	44
Revenue reserve	74	278	189
<b>Equity shareholders' funds</b>	<u><u>6,970</u></u>	<u><u>7,349</u></u>	<u><u>7,139</u></u>
<b>Net asset value per Ordinary Share</b>	<b>80.8p</b>	<b>84.7p</b>	<b>82.3p</b>
<b>Net asset value per 'A' Share</b>	<u><b>0.1p</b></u>	<u><b>0.1p</b></u>	<u><b>0.1p</b></u>
	<u><b>80.9p</b></u>	<u><b>84.8p</b></u>	<u><b>82.4p</b></u>

## UNAUDITED INCOME STATEMENT

for the six months ended 30 June 2012

	Six months ended 30 Jun 2012			Six months ended 30 Jun 2011			Year ended 31 Dec 2011
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	177	-	177	519	-	519	495
Gains/(losses) on investments	-	24	24	-	-	-	(120)
	177	24	201	519	-	519	375
Investment management fees	(36)	-	(36)	(42)	-	(42)	(85)
Other expenses	(67)	-	(67)	(63)	-	(63)	(126)
<b>Return on ordinary activities before taxation</b>	74	24	98	414	-	414	164
Taxation	(16)	-	(16)	(114)	-	(114)	(73)
<b>Return attributable to equity shareholders</b>	58	24	82	300	-	300	91
<b>Return per Ordinary Share</b>	<b>0.7p</b>	<b>0.3p</b>	<b>1.0p</b>	<b>3.4p</b>	-	<b>3.4p</b>	<b>1.0p</b>
<b>Return per 'A' Share</b>	-	-	-	-	-	-	-

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement as noted above.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the six months ended 30 June 2012

	30 Jun 2012 £'000	30 Jun 2011 £'000	31 Dec 2011 £'000
<b>Opening Shareholders' funds</b>	7,139	7,265	7,265
Total recognised profit for the period	82	300	91
Dividends paid	(216)	(216)	(217)
Purchase of own shares	(35)	-	-
	<hr/>	<hr/>	<hr/>
<b>Closing Shareholders' funds</b>	<u>6,790</u>	<u>7,349</u>	<u>7,139</u>

## UNAUDITED CASH FLOW STATEMENT

for the six months ended 30 June 2012

	Note	30 Jun 2012 £'000	30 Jun 2011 £'000	31 Dec 2011 £'000
<b>Cash inflow from operating activities and returns on investments</b>	1	<u>108</u>	<u>108</u>	<u>213</u>
<b>Taxation</b>				
Corporation tax paid		-	-	-
<b>Capital expenditure</b>				
Purchase of investments		(25)	(275)	(744)
Sale of investments		456	328	776
Net cash inflow from capital expenditure		<u>431</u>	<u>53</u>	<u>32</u>
<b>Equity dividends paid</b>		(216)	(216)	(217)
<b>Net cash inflow/(outflow) before financing</b>		<u>323</u>	<u>(55)</u>	<u>28</u>
<b>Financing</b>				
<b>Purchase of own shares</b>		(35)	-	-
Net cash outflow from financing		<u>(35)</u>	<u>-</u>	<u>-</u>
<b>Increase/(decrease) in cash</b>	2	<u>288</u>	<u>(55)</u>	<u>28</u>

### Notes to the cash flow statement:

#### 1 Cash inflow from operating activities and returns on investments

Return on ordinary activities before taxation	98	414	164
(Gains)/losses on investments	(24)	-	120
Decrease/(increase) in other debtors	51	(329)	(83)
(Decrease)/increase in other creditors	(14)	(13)	6
(Decrease)/increase in amounts due to subsidiary undertaking	(3)	36	6
Net cash inflow from operating activities	<u>108</u>	<u>108</u>	<u>213</u>

#### 2 Analysis of net funds

Beginning of period	344	316	316
Net cash inflow/(outflow)	<u>288</u>	<u>(55)</u>	<u>28</u>
End of period	<u>632</u>	<u>261</u>	<u>344</u>



## SUMMARY OF INVESTMENT PORTFOLIO

as at 30 June 2012

	Cost £'000	Valuation £'000	Unrealised gain/(loss) £'000	% of portfolio by value
<b>VCT qualifying</b>				
Hoole Hall Country Club Holdings Limited *	1,094	1,161	-	16.6%
Crossco (1135) Limited t/a Complete Childcare	998	1,130	49	16.2%
Cadbury House Holdings Limited	700	763	-	10.9%
West Tower Holdings Limited	1,150	750	-	10.8%
Hoole Hall Spa and Leisure Club Limited	562	613	-	8.8%
The Thames Club Limited *	1,100	455	(25)	6.5%
Horsham Bowl Limited *	861	681	-	9.8%
Chapel Street Food and Beverage Limited	50	50	-	0.7%
Chapel Street Services Limited	50	50	-	0.7%
	<u>6,565</u>	<u>5,653</u>	<u>24</u>	<u>81.0%</u>
<b>Non-qualifying</b>				
Future Biogas (SF) Limited	350	350	-	5.0%
Snow Hill Developments LLP	250	250	-	3.6%
Fenkle Street LLP	92	92	-	1.3%
Chapel Street Hotel Limited	2	2	-	0.0%
Brunswick International Associates Limited	-	-	-	0.0%
The New Swan Holding Company Limited	-	-	-	0.0%
Hoole Hall Hotel Limited	-	-	-	0.0%
	<u>694</u>	<u>694</u>	<u>-</u>	<u>9.9%</u>
<b>Total investments</b>	<u>7,259</u>		<u>24</u>	90.9%
<b>Cash at bank and in hand</b>		632		9.1%
<b>Total</b>	<u>6,979</u>		<u>100.0%</u>	

\* partly non-qualifying

## SUMMARY OF INVESTMENT MOVEMENTS

as at 30 June 2012

### Additions

	£'000
<b>Non-qualifying investments</b>	
The Thames Club Limited	25

### Disposals

	Cost £'000	Proceeds £'000	Gain/ (loss) £'000	Profit/(loss) in period £'000
<b>Non-qualifying investments</b>				
<b>loan stock redemptions:</b>				
Kings Gap Group Limited	400	400	-	-
Sanguine Hospitality Limited	56	56	-	-
	<u>456</u>	<u>456</u>	<u>-</u>	<u>-</u>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. The unaudited half-yearly financial results cover the six months to 30 June 2012 and have been prepared in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2011 which were prepared under UK Generally Accepted Accounting Practice ("UK GAAP") and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" revised January 2009 ("SORP").
2. All revenue and capital items in the Income Statement derive from continuing operations.
3. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.
4. Net asset value per share at the period end has been calculated on 8,610,373 Ordinary Shares and 12,953,507 'A' Shares, being the number of shares in issue at the period end.
5. Return per share for the period has been calculated on 8,657,562 Ordinary Shares and 12,986,429 'A' Shares, being the weighted average number of shares in issue during the period.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 6. Reserves

	Special reserve £'000	Revaluation reserve £'000	Capital reserve - realised £'000	Revenue reserve £'000	Total £'000
At 31 December 2011	7,817	(936)	44	189	7,114
Gains on investments	-	24	-	-	24
Distributions paid	(43)	-	-	(173)	(216)
Purchase of own shares	(35)	-	-	-	(35)
Retained net revenue	-	-	-	58	58
At 30 June 2012	<u>7,739</u>	<u>(912)</u>	<u>44</u>	<u>74</u>	<u>6,945</u>

The Revenue reserve and Special reserve are distributable reserves.

7. The unaudited 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.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 8. Risk and uncertainties

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

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

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

In order to make VCT qualifying investments, the Company has to invest in small businesses which are often immature. The Investment Manager has followed a rigorous process in vetting and carefully structuring new investments, including taking a charge over the assets of the business wherever possible and, after an investment is made, closely monitors the business. The Board is satisfied that this approach reduces the investment risks described in (i) as far as reasonably possible.

The Company's compliance with the VCT regulations is continually monitored by the Administration Manager, who reports regularly to the Board on the current position. The Company also retains PricewaterhouseCoopers to provide regular reviews and advice in this area. The Board considers that this approach reduces the risk of a breach of the VCT regulations to an acceptable level.

### 9. Going concern

The Company has sufficient financial resources at the period end, and holds a diversified portfolio of investments. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the uncertain economic outlook.

The Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they believe 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.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

- 10.** 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 current 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.
- 11.** Copies of the Half-Yearly Report will be sent to Shareholders shortly. Further copies can be obtained from the Company’s registered office or can be downloaded from [www.downing.co.uk](http://www.downing.co.uk).

## SHAREHOLDER INFORMATION (continued)

### Share price

The Company's share prices can be found in various financial websites with the following TIDM/EPIC codes.

	Ordinary Shares	'A' Shares
TIDM/EPIC code	"DPV9"	"DP9A"
Latest share price (mid-market 16 August 2012):	66.0p per share	5.025p per share

The share prices are also available on Downing's website ([www.downing.co.uk](http://www.downing.co.uk)).

### Selling shares

The Company's shares can be bought and sold in the same way as any other company listed on the London Stock Exchange, using a stockbroker. Disposing of shares may have tax implications so Shareholders are urged to contact their independent financial adviser before making any decision.

The Company has stated that it will, from time to time, consider making market purchases of its own shares, however, any such purchases are likely to be undertaken at a substantial discount to NAV. Shareholders who wish to sell should contact Downing who will be able to provide up to date details. Downing's 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 Registrars, under the signature of the registered holder.

### Share scam warning

We have become 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 under "Existing Investments". If you have any concerns, please contact Downing on 020 7416 7780.

### **Directors**

Hugh Gillespie (Chairman)  
Dennis Hale  
Christopher McCann

### **Secretary and Registered Office**

Grant Whitehouse  
10 Lower Grosvenor Place  
London SW1W 0EN

Registered No. 6372969

### **Investment and Administration Manager**

Downing Managers 9 Limited  
10 Lower Grosvenor Place  
London SW1W 0EN

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

### **Registrar**

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

Tel: 0871 664 0324  
(calls cost 10p per minute plus network extras)  
[www.capitaregistrars.com](http://www.capitaregistrars.com)