

STRATHDON INVESTMENTS PLC

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010, POSTING OF REPORT & ACCOUNTS, NOTICE OF AGM

Strathdon Investments plc ("Strathdon" or "the Group") today announces its final results for the year ended 31 March 2010.

The Annual Report and Accounts for the year ended 31 March 2010 ("the Annual Report and Accounts") will shortly be posted to shareholders.

The Annual Report and Accounts also contain a notice convening an Annual General Meeting of the Company to be held at the offices of GLE Limited, New City Court, 20 St Thomas Street, London, SE1 9RS, on 29 September 2010 at 10.00am.

Copies of the Annual Report and Accounts can be obtained from the Company Secretary at Strathdon Investments plc's Registered Office address: Saint Martins House, 210-212 Chapeltown Road, Leeds, LS7 4HZ, from the Company's website www.strathdon.com or from the Fund Manager's website www.yfmgroup.co.uk.

For further information, please contact:

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CHAIRMAN'S STATEMENT

Whilst the last twelve months have been challenging such times can also provide an opportunity to improve efficiency and expand market share. I expect conditions to remain difficult for some time, but there are now signs that the economic picture is slowly improving which should provide an opportunity to realise investment values.

I am pleased to report that further progress has been made during the year. Realisations have enabled the bank borrowings to be repaid in full, with only £141,000 of investor loans remaining at 31 March 2010. The overall Group creditor position has been reduced significantly, current liabilities having fallen to £0.58 million at 31 March 2010 from £0.92 million at 31 March 2009.

Further progress has also been made by the Board in reducing the running costs which now stand at £0.23 million for the year to 31 March 2010 compared to £0.45 million in 2009. However, reduced profits in some of the portfolio companies have resulted in the net asset value falling to £2.67 million, equivalent to 5.15 pence per share (2009: £3.20 million and 6.18 pence per share respectively).

The Board's key objective in the short term remains focused on the realisation of the portfolio whilst reviewing its strategic options to deliver shareholder value.

We continue to take steps to lower the cost base further. Accordingly the Fund Manager's fees were reduced from 1 January 2010.

Portfolio Company Performance

The Fund Management activity during the year has continued to focus on the existing portfolio, and in particular extracting the best possible return for shareholders from realisations. There were no new investments and only a £12,000 follow-on investment into Oxagen Limited during the year to preserve the fund's preferred rights.

Total disposal proceeds received during the year were £0.64 million with the biggest contribution coming from the sale of our holding in Newnova Group Limited for £0.59 million. This represented a profit on cost of £0.07 million. A sale of some of our shares in Utilyx Limited to other shareholders realised proceeds of £0.02 million. The remaining £0.03 million of proceeds relate to scheduled loan repayments from Meta Vision Systems Limited and Business HR Solutions Limited.

During the period two businesses successfully raised significant further funding with Oxagen Limited raising over £15 million in a round led by Novartis Ventures and Oxsensis Limited raising £2.8 million in a round led by The Carbon Trust.

A reduction of £1.07 million in the value of the portfolio has been recognised during the year with £0.57 million resulting from disposal of investments (principally Newnova Group Limited) and £0.52 million relating to unrealised value movements. This value reduction results mainly from a fall in earnings at Meta Vision Systems Limited (£0.63 million value drop since March 2009) and Intouch with Health Limited (£0.25 million value drop since March 2009) offset by profit growth at AMG Systems Limited (£0.35 million value increase since March 2009). The residual portfolio comprises 11 investments with an aggregate value of £3.03 million with 5 of these investments comprising 95% of the residual value.

Financial Results

The loss for the year was £0.54 million compared to £1.77 million in the prior year. This is after taking account of a net write down on unrealised investment valuations of £0.45 million (2009: £1.39 million).

Total net assets at 31 March 2010 were £2.67 million (2009: £3.20 million) equivalent to a net asset value per share of 5.15 pence (2009: 6.18 pence).

At 31 March 2010, bank borrowings were fully repaid following the successful realisation of our residual investment in Newnova Group during the year.

Board

Following the year end John Cusins was appointed as Non-Executive Director on 21 July 2010. John joins the Board with significant experience in the Asset Management sector. A resolution to elect him to the Board will be proposed at the forthcoming Annual General Meeting.

Outlook

2009/10 has been another challenging year for Strathdon and the portfolio is likely to face continued economic challenges. However, following a significant restructuring of Strathdon's operations last year the Group now benefits from a significantly lower cost structure. With the assistance of YFM Venture Finance Limited, the Group's Fund Manager, realisations have been achieved enabling repayment of the bank debt in full and a significant reduction in the Group's net creditor position. A gradually improving economic outlook should facilitate further realisations in the months ahead. The Board remains committed to realising value from the portfolio whilst at the same time reviewing its strategic options to enhance shareholder value.

S D Hunt

Chairman

3 September 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2010

	Year ended 31 March 2010	Year ended 31 March 2009
Notes	£000	£000
Income	158	105
Administrative expenses	(231)	(446)
Operating loss	(73)	(341)
Realised gains on financial assets designated at fair value through profit or loss (net)	69	-
Unrealised gains on financial assets designated at fair value through profit or loss (net)	(518)	(1,392)
Net movement on investments	(449)	(1,392)
Loss before finance costs and taxation	(522)	(1,733)
Finance costs	(13)	(35)
Loss before taxation	(535)	(1,768)
Taxation	-	-
Loss for the year attributable to equity shareholders	(535)	(1,768)
Total comprehensive income for the year attributable to equity shareholders	(535)	(1,768)
Basic and diluted loss per share	3	(3.41)p

CONSOLIDATED BALANCE SHEET
As at 31 March 2010

	Notes	31 March 2010 £000	31 March 2009 £000
Assets			
Non-current assets			
Financial assets designated at fair value through profit or loss		3,026	4,099
		3,026	4,099
Current assets			
Trade and other receivables		57	62
Cash and cash equivalents		162	102
		219	164
Liabilities			
Current liabilities			
Financial liabilities		(141)	(300)
Trade and other payables		(437)	(620)
		(578)	(920)
Net current liabilities		(359)	(756)
Total assets less current liabilities		2,667	3,343
Non-current liabilities			
Financial liabilities		-	(141)
Net assets		2,667	3,202
Shareholders' equity			
Share capital		2,591	2,591
Share premium account		6,392	6,392
Special reserve		36,290	36,290
Warrant reserve		928	928
Retained earnings		(43,534)	(42,999)
Total Shareholders' equity		2,667	3,202
Basic and diluted net asset value per Ordinary share	4	5.15p	6.18p

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 March 2010

	Share capital	Share premium account	Special reserve*	Warrant reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 31 March 2008	2,591	6,392	36,290	928	(41,231)	4,970
Loss and total comprehensive income for the period	-	-	-	-	(1,768)	(1,768)
Balance at 31 March 2009	2,591	6,392	36,290	928	(42,999)	3,202
Loss and total comprehensive income for the period	-	-	-	-	(535)	(535)
Balance at 31 March 2010	2,591	6,392	36,290	928	(43,534)	2,667

*The special reserve is a distributable reserve.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2010

	Notes	2010 £000	2009 £000
Net cash outflow from operating activities	5	(258)	(161)
Cash flows from investing activities			
Purchase of financial assets		(12)	-
Proceeds from sale of financial assets		636	440
Net cash from investing activities		624	440
Cash flows used in financing activities			
Repayment of borrowings		(300)	(356)
Interest paid		(6)	(22)
Net cash used in financing activities		(306)	(378)
Net increase / (decrease) in cash and cash equivalents		60	(99)
Cash and cash equivalents at beginning of the year		102	201
Cash and cash equivalents at the end of the year		162	102

NOTES

For the year ended 31 March 2010

1. Accounting Policies

This results announcement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 for the year ended 31 March 2010 but is derived from those accounts.

The consolidated financial statements have been prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. After making due and careful enquiry, the directors have formed a judgement at the time of approving the financial statements that, given the planned realisation programme, there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt a "going concern" basis in preparing the financial statements.

In arriving at their decision to prepare the financial statements on a going concern basis, the directors have reviewed the anticipated income and expenditure of the Group until 30 September 2011 and compared this with the Group's expected cash resources. This included consideration of the anticipated realisation proceeds of the investment portfolio, the timing of the realisation process and the cash flow implications.

The going concern basis depends upon certain realisations of investments occurring within the period under review. The directors are in discussions with potential purchasers of a number of the Group's investments. These discussions are in the early stages and the outcome is therefore uncertain. The directors are confident that a number of these realisations will be successful, however the directors have concluded that the above circumstances represent a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The statutory accounts for the year ended 31 March 2010, which have been approved by the directors, will be delivered to the Registrar following the Company's Annual General Meeting. The auditors have given an unqualified opinion on these statutory accounts, although this opinion has been modified by the inclusion of an Emphasis of Matter paragraph, drawing attention to the material uncertainty which may cast significant doubt upon the Group's ability to continue as a going concern. The full audit report is contained in Strathdon's Annual Report, as available on the company's website www.strathdon.com or from the Fund Manager's website www.yfmgroup.co.uk.

The Group has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

2. Dividends

No dividends are proposed in respect of the year ended 31 March 2010 (year ended 31 March 2009: nil).

3. Basic and Diluted Loss per Ordinary Share

The loss per share is based on net loss from ordinary activities after tax of £535,000 (2009: £1,768,000) and on 51,817,057 (2009: 51,817,057) shares, being the weighted average number of shares in issue during the year.

The share options within the Employee Share Option Scheme and the warrants exercisable at 36p per share are considered to be non-dilutive potential Ordinary shares. The Company has no other securities that would have a dilutive effect in either period and hence the basic and diluted loss per share are the same.

4. Net Asset Value per Ordinary Share

The net asset value per Ordinary share is calculated on attributable assets of £2,667,000 (2009: £3,202,000) and 51,817,057 (2009: 51,817,057) shares in issue at the year end.

The share options within the Employee Share Option Scheme and the warrants exercisable at 36p per share are considered to be non-dilutive potential Ordinary shares. The Company has no other securities that would have a dilutive effect in either period and hence the basic and diluted net asset value per share are the same.

5. Reconciliation of Loss before Taxation to Net Cash Outflow from Operating Activities

	2010	2009
	£000	£000
Loss before tax	(535)	(1,768)
Depreciation	-	-
Loss on realisation of investments in the year	(69)	-
Revaluation of investments in the year	518	1,392
Finance costs	13	35
Decrease in receivables	5	115
(Decrease) / increase in payables	(190)	65
Net cash outflow from operating activities	(258)	(161)