

# STRATHDON INVESTMENTS PLC

## Unaudited Half Year Results for the 6 months to 30 September 2009

Strathdon Investments plc ("the Group") today announces its unaudited half year results for the six months to 30 September 2009.

### CHAIRMAN'S STATEMENT

The first six months of this financial year have continued to present a challenging business environment, with no immediate end to the economic downturn in sight. The Group has however made significant progress in the period.

The successful realisation of the Group's investment in Newnova Group Limited in July 2009, yielding total proceeds of £0.59 million, facilitated the full settlement of the Strathdon Group's bank borrowings. This combined with the impact of cost savings initiated at the end of the previous financial year and a stabilisation in the value of the remaining investment portfolio has resulted in a significant reduction in the reported loss for the six month period. This has been reduced to £0.10 million in the six months to 30 September 2009, an improvement of £0.62 million on the same period in 2008.

The net asset value as at 30 September 2009 is 5.99 pence per share, which compares to 6.18 pence per share at 31 March 2009.

The Board continues to focus on realising key elements of the portfolio to maintain liquidity, while at the same time evaluating its strategic options to deliver shareholder value.

### Portfolio Company Performance

A total of £0.62 million of proceeds have been realised in the period, the largest element of this relating to the repayment of the Strathdon Group's loan to Newnova Group Limited. This yielded a redemption premium of £0.073 million above the original loan value. Strathdon has also partially disposed of its holding in Utiylx Limited, selling 57% of its stake for £0.02 million. The bulk of these net proceeds have been used to settle the Strathdon Group's bank liabilities.

The period has seen no new investment activity and no further requirement for investment in the existing portfolio by the Group. The Fund Manager continues to work closely with the portfolio and a small investment of £0.013 million has been made since the end of September into Oxagen Limited, as part of a significant institution round, to preserve the fund's preferred rights. Whilst at present there are no anticipated short term cash requirements the current economic conditions remain challenging which may not preclude the need for further investment at some point in the future.

The residual portfolio comprises 10 investments with an aggregate value of £3.50 million, £0.01m up on the March 2009 value (allowing for the partial sale of Utiylx shares). The value of AMG Systems Limited increased by £0.3m on the back of continued strong trading but this was offset by the need to restructure the fund's investment in Intouch With Health Limited to facilitate new investment to fund essential working capital.

### Financial Results

The operating loss for the six months ended 30 September 2009 was £0.12 million compared to £0.19 million in the same period last year. After taking account of realised gains and unrealised losses on investments the loss before tax for the six months was £0.10 million compared to £0.72 million in the same period in the prior year.

Total net assets at 30 September 2009 were £3.10 million (2008: £4.25 million) equivalent to a net asset value per share of 5.99 pence (2008: 8.20 pence); bank borrowings have now been fully repaid (2008: £0.33 million).

### Outlook

This period has seen costs reduced further, continuing realisations and the settlement of bank debt. The Group is seeking to continue this strategy with the goal of ultimately operating free of creditors. When combined with further cost reductions arising from the renegotiation of the fund management fees it is intended that this will allow the Group to focus on achieving further realisations and to continue to review its strategic options to enhance shareholder value.

### Simon Hunt

Chairman

15 December 2009

## CONSOLIDATED INCOME STATEMENT

### For the 6 months ended 30 September 2009

	Unaudited 6 months ended 30 September 2009	Unaudited 6 months ended 30 September 2008	Audited Year ended 31 March 2009
	£000	£000	£000
Notes			
<b>Revenue</b>	<b>20</b>	74	105
Administrative expenses	<b>(135)</b>	(263)	(446)
<b>Operating Loss</b>	<b>(115)</b>	(189)	(341)
Realised gains on financial assets designated at fair value through profit or loss (net)	-	3	-
Unrealised gains / (losses) on financial assets designated at fair value through profit or loss (net)	<b>23</b>	(516)	(1,392)
<b>Net movement on investments</b>	<b>23</b>	(513)	(1,392)
<b>Loss before finance costs and taxation</b>	<b>(92)</b>	(702)	(1,733)
Finance costs	<b>(6)</b>	(20)	(35)
<b>Loss before taxation</b>	<b>(98)</b>	(722)	(1,768)
Taxation	-	-	-
<b>Loss for the period from continuing operations</b>	<b>(98)</b>	(722)	(1,768)
<b>Basic and diluted loss per ordinary share</b>	<b>(0.19)p</b>	(1.39)p	(3.41)p

# CONSOLIDATED BALANCE SHEET

## As at ended 30 September 2009

	Unaudited 6 months ended 30 September 2009	Unaudited 6 months ended 30 September 2008	Audited Year ended 31 March 2009
	£000	£000	£000
Notes			
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets designated at fair value through profit or loss	3,504	5,022	4,099
<b>Current assets</b>			
Trade and other receivables	50	212	62
Cash and cash equivalents	271	96	102
	321	308	164
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities	-	(330)	(300)
Trade and other payables	(580)	(611)	(620)
	(580)	(941)	(920)
<b>Net current liabilities</b>	<b>(259)</b>	<b>(633)</b>	<b>(756)</b>
<b>Total assets less current liabilities</b>	<b>3,245</b>	<b>4,389</b>	<b>3,343</b>
<b>Non-current liabilities</b>			
Loans	(141)	(141)	(141)
<b>Net assets</b>	<b>3,104</b>	<b>4,248</b>	<b>3,202</b>
<b>Shareholders' equity</b>			
Share capital	2,591	2,591	2,591
Share premium account	6,392	6,392	6,392
Special reserve	36,290	36,290	36,290
Warrant reserve	928	928	928
Retained earnings	(43,097)	(41,953)	(42,999)
<b>Total Shareholders' equity</b>	<b>3,104</b>	<b>4,248</b>	<b>3,202</b>
<b>Net asset value per Ordinary share</b>	3	5.99p	8.20p
		8.20p	6.18p

Signed on behalf of the Board

**Simon Hunt**  
Chairman  
15 December 2009

## UNAUDITED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the 6 months ended 30 September 2009

	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 for the period	-	-	-	-	(722)	(722)
Balance at 30 September 2008	2,591	6,392	36,290	928	(41,953)	4,248
Loss for the period	-	-	-	-	(1,046)	(1,046)
Balance at 31 March 2009	2,591	6,392	36,290	928	(42,999)	3,202
Loss for the period	-	-	-	-	(98)	(98)
<b>Balance at 30 September 2009</b>	<b>2,591</b>	<b>6,392</b>	<b>36,290</b>	<b>928</b>	<b>(43,097)</b>	<b>3,104</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 September 2009

	Unaudited 6 months ended 30 September 2009	Unaudited 6 months ended 30 September 2008	Audited Year ended 31 March 2009
	£000	£000	£000
<b>Net cash outflow from operating activities</b>	<b>(143)</b>	<b>(85)</b>	<b>(161)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of subsidiary	-	-	-
Purchase of financial assets	-	-	-
Proceeds from sale of financial assets	619	326	440
<b>Net cash from investing activities</b>	<b>619</b>	<b>326</b>	<b>440</b>
<b>Cash flows used in financing activities</b>			
Repayment of borrowings	(300)	(326)	(356)
Interest paid	(7)	(20)	(22)
<b>Net cash from used in financing activities</b>	<b>(307)</b>	<b>(346)</b>	<b>(378)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>169</b>	<b>(105)</b>	<b>(99)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>102</b>	<b>201</b>	<b>201</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>271</b>	<b>96</b>	<b>102</b>

## NOTES TO THE FINANCIAL STATEMENTS

### For the 6 months ended 30 September 2009

1. These half year statements, which have been approved by the directors, are unaudited, and have not been reviewed by the auditors pursuant to the Auditing Practices Board (ASB) guidance on Review of Interim Financial Information.

The half year statements do not constitute full financial statements as defined in section 435 of the Companies Act 2006. The comparative figures for the year ended 31 March 2009 do not constitute full financial statements and have been extracted from the Company's financial statements for the year ended 31 March 2009.

The accounts for the year ended 31 March 2009 were reported without qualification by the auditors and have been delivered to the Registrar of Companies.

The half year statements have been prepared on a going concern basis. In arriving at their decision to prepare the half year statements on a going concern basis, the directors have reviewed the anticipated income and expenditure of the Group and compared it with the Group's cash resources. The directors believe that it remains appropriate to prepare these accounts on a going concern basis. The ability of the Group to remain a going concern is dependent on the agreement of the directors, ex-directors and YFM Venture Finance Limited to delay payment of their outstanding fees until sufficient cash resources are available. The Group has received confirmation of such agreement.

The half year statements comply with IAS 34 'Interim Financial Reporting' and AIM Rule 18. The accounting policies and methods of computation adopted in the half year statements are the same as those adopted in the preparation of the audited financial statements for the year ended 31 March 2009.

The financial statements for the year ended 31 March 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The following new standards and amendments to standards are mandatory for the first time for the financial year commencing 1 April 2009. Where relevant to the Company the half year statements have been prepared under the revised disclosure requirements.

IAS 1 (revised) "Presentation of Financial Statements". The Company has elected to present a single performance statement: the Statement of Comprehensive Income.

IFRS 8 "Operating Segments". The adoption of this standard has had no impact on the segmental information reported by the Company.

Other standards and interpretations which have been issued but are not currently relevant for the Company are IAS 23 (Revised) and IFRICs 13, 15 and 16.

There has been no change to the principal risks and uncertainties facing the Company since the publication of the financial statements for the year ended 31 March 2009. In summary, the principal risks are:

- Investment and strategic;
- Liquidity risk;
- Regulatory;
- Reputational;
- Operational;
- Financial;
- Interest rate risk; and
- Foreign currency risk

Full details of the principal risks can be found in the financial statements for the year ended 31 March 2009 on page 10, a copy of which can be found at [www.yfmgroup.co.uk](http://www.yfmgroup.co.uk)

2. The loss per share is based on the net loss from ordinary activities after tax attributable to shareholders of £98,000 (30 September 2008: £722,000 and 31 March 2009: £1,768,000) and on 51,817,057 shares (30 September 2008 and 31 March 2009: 51,817,057), being the weighted average number of shares in issue during the period.

The share options within the Employee Share Option Scheme and the warrants exercisable at 36p per share are considered to be dilutive. The Company has no other securities that would have a dilutive effect and hence basic and diluted earnings per share are the same.

3. The net asset value per share is calculated on attributable assets of £3,104,000 and 51,817,057 shares in issue at the period end (30 September 2008: assets of £4,248,000 and 51,817,057 shares, 31 March 2009: assets of £3,202,000 and 51,817,057 shares).

The share options within the Employee Share Option Scheme and the warrants exercisable at 36p per share are not considered to be non-dilutive potential ordinary shares. The Company has no other securities that would have a dilutive effect and hence basic and diluted net asset values per share are the same.

4. Copies of the interim report can be obtained from the Company's registered office: Saint Martins House, 210-212 Chapeltown Road, Leeds, LS7 4HZ or from the Fund Manager's website: [www.yfmgroup.co.uk](http://www.yfmgroup.co.uk).

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