

**2011**



**Strathdon Investments plc**

**Interim Report**

For the six months to 30 September 2011

Registered in England and Wales No.0726423  
Strathdon Investments Plc is an investment company as defined under section 833 of the  
Companies Act 2006.

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## DIRECTORS AND ADVISERS

### Directors

S D Hunt  
J R Cusins  
P A Loizou  
J S B Smith

### Nominated Adviser and Broker

Seymour Pierce Limited  
20 Old Bailey  
London  
EC4M 7EN

### Registered Office

73-75 Mortimer Street  
London  
W1W 7SQ

### Registrar and Transfer Office

Capita Registrars Limited  
Northern Office  
Woodsome Park  
Fenay Bridge  
Huddersfield  
HD8 0GA

### Secretary

Central Secretarial Nominees Limited  
73-75 Mortimer Street  
London  
W1W 7SQ

### Bankers

Lloyds TSB Bank plc  
Black Horse House  
Wallbrook Court  
North Hinksey Lane  
Botley  
Oxford  
OX2 0QS

### Solicitors

Wallace LLP  
One Portland Place  
London  
W1B 1PN

## STATEMENT OF CORPORATE OBJECTIVES

Strathdon Investments Plc ("Strathdon") holds a portfolio of unquoted investments which are in the process of realisation.

Strathdon is not currently seeking to invest in new opportunities. The Board continues to provide management support to the present portfolio and is focused on realising the maximum value from the portfolio in the near to medium term.

## KEY DATA

	30 September 2011	31 March 2011	30 September 2010	31 March 2010	30 September 2009
Net Asset Value £'000	2,890	2,980	2,290	2,667	3,104
Net Asset Value per share	2.77p	2.86p	4.42p	5.15p	5.99p
Share price per share	*2.12p	*2.12p	*2.12p	*2.12p	*2.25p

\*Share price as at 19 December 2011 was 1.25p.

## UNQUOTED INVESTMENTS AS AT 30 SEPTEMBER 2011

	Unrealised Valuation at 30 September 2011	Unrealised Valuation at 30 September 2010	Unrealised Valuation at 31 March 2011
	£000	£000	£000
Meta Vision Systems Limited	980	924	999
AMG Systems Limited	900	901	900
Business HR Solutions Limited	329	-	329
Other	423	912	423
	<hr/> 2,632	<hr/> 2,737	<hr/> 2,651

The following section describes the business of the main active companies in the portfolio.

**UNQUOTED INVESTMENTS**  
**As at 30 September 2011**

**Meta Vision Systems Limited**

Meta Vision Systems Limited (“Meta”) is dedicated to solving machine guidance problems in a cost effective manner using laser vision technology. Meta’s products are predominantly used to improve the quality and productivity in automated welding. The main advantages of laser guidance systems are functionality, speed and performance. As well as welding with robots and automatic machines, Meta’s systems are suitable for any application that involves finding or following a feature such as a joint, edge or hole to track a seam or locate a reference position.

Meta serves many prestige clients across the globe including Daimler/Chrysler in Germany, Babcock & Wilcox in Canada, all of the “Big Five” pipe manufacturers in India and BSG in China, the leading government owned pipe maker which sets the standards for Chinese pipe manufacturing.

Eynsham

[www.meta-mvs.com](http://www.meta-mvs.com)

**AMG Systems Limited**

AMG Systems Limited (“AMG”) is the UK’s leading supplier of optical fibre-based transmission systems for CCTV networks for the growing worldwide security and transportation surveillance market. AMG has a comprehensive and growing product range with many unique benefits. AMG’s client list includes Ben Gurion Airport, New Wembley Stadium, UK and Irish Highways, the UK MOD Whitehall, and the Museum of Islamic Arts in Doha.

Biggleswade

[www.amgsystems.co.uk](http://www.amgsystems.co.uk)

**Business Human Resources Solutions Limited**

Business HR Solutions Limited (“BHR”) provides outsourced HR management services and support to clients via the internet and telephone. The company has a uniquely cost effective way of delivering high quality HR advice that is based on the use of home-working seasoned HR professionals. The company is addressing a potential market of around £250 million per annum through direct sales, agency relationships and strategic partnerships with organisations such as Hiscox Insurance.

London

[www.businesshr.net](http://www.businesshr.net)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the 6 months ended 30 September 2011**

		<b>Unaudited 6 months ended 30 September 2011</b>	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
		<b>£000</b>	£000	£000
	Notes			
<b>Revenue</b>		18	10	287
Administrative expenses		(108)	(107)	(191)
<b>Operating loss</b>		(90)	(97)	96
Realised losses on financial assets designated at fair value through profit or loss (net)		-	-	(71)
Unrealised gains on financial assets designated at fair value through profit or loss (net)		-	(273)	(231)
<b>Net movement on investments</b>		-	(273)	(302)
<b>Loss before finance costs and taxation</b>		(90)	(370)	(206)
Finance costs		-	(7)	(6)
<b>Loss before taxation</b>		(90)	(377)	(212)
Taxation		-	-	-
<b>Loss for the period attributable to equity shareholders</b>		(90)	(377)	(212)
<b>Total comprehensive income for the period attributable to equity shareholders</b>		(90)	(377)	(212)
<b>Basic and diluted loss per ordinary share</b>	2	(0.09)p	(0.73p)	(0.34p)

The result is wholly attributable to continuing activities.

The accompanying notes on pages 7 and 8 are an integral part of these interim financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 September 2011**

	Notes	Unaudited 6 months ended 30 September 2011 £000	Unaudited 6 months ended 30 September 2010 £000	Audited Year ended 31 March 2011 £000
<b>Assets</b>				
<b>Non-current assets</b>				
Financial assets designated at fair value through profit and loss		2,303	2,737	2,322
Subsidiary acquired exclusively with view for re-sale		329	-	329
		2,632	2,737	2,651
<b>Current assets</b>				
Trade and other receivables		30	152	105
Cash and cash equivalents		342	66	402
		372	218	507
<b>Liabilities</b>				
<b>Current liabilities</b>				
Financial liabilities		-	(141)	-
Trade and other payables		(114)	(524)	(178)
		(114)	(665)	(178)
<b>Net current assets/(liabilities)</b>		258	(447)	329
<b>Total assets less current liabilities</b>		2,890	2,290	2,980
<b>Non-current liabilities</b>				
Financial liabilities		-	-	-
<b>Net assets</b>		2,890	2,290	2,980
<b>Shareholders' equity</b>				
Share capital		3,116	2,591	3,116
Share premium account		6,392	6,392	6,392
Special reserve		36,290	36,290	36,290
Warrant reserve		928	928	928
Retained earnings		(43,836)	(43,911)	(43,746)
<b>Total Shareholders' equity</b>		2,890	2,290	2,980
<b>Basic and Diluted Net Asset Value per Ordinary Share</b>	3	2.77p	4.42p	2.86p

The accompanying notes on pages 7 and 8 are an integral part of these interim financial statements.

The interim financial statements were approved and authorised for issue by the Board of Directors on 19 December 2011 and were signed on its behalf by:

**Simon Hunt**  
Chairman

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**  
For the 6 months ended 30 September 2011

	Share capital	Share premium account	Special reserve *	Warrant reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2010</b>	2,591	6,392	36,290	928	(43,534)	2,667
Loss for the period	-	-	-	-	(377)	(377)
<b>Balance at 30 September 2010</b>	2,591	6,392	36,290	928	(43,911)	2,290
Equity capital raised	525	-	-	-	-	525
Loss for the period	-	-	-	-	165	165
<b>Balance at 31 March 2011</b>	3,116	6,392	36,290	928	(43,746)	2,980
Loss for the period	-	-	-	-	(90)	(90)
<b>Balance at 30 September 2011</b>	3,116	6,392	36,290	928	(43,836)	2,890

\* The special reserve is a distributable reserve.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the 6 months ended 30 September 2011

	Unaudited 6 months ended 30 September 2011	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
	£000	£000	£000
<b>Net cash outflow from operating activities</b>	(79)	(109)	(191)
<b>Cash flows from investing activities</b>			
Purchase of financial assets	-	-	(40)
Proceeds from sale of financial assets	-	17	133
Loans to subsidiaries acquired exclusively with a view for re-sale	-	-	(20)
<b>Net cash from Investing activities</b>	-	17	73
<b>Cash flows used in financing activities</b>			
Repayment of borrowings	19	-	(141)
Interest paid	-	-	(6)
Net proceeds from equity fund raising	-	-	505
<b>Net cash from financing activities</b>	19	-	358
<b>Net (decrease)/increase in cash and cash equivalents</b>	(60)	(92)	240
<b>Cash and cash equivalents at the beginning of the period</b>	402	158	162
<b>Cash and cash equivalents at the end of the period</b>	342	66	402

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**For the 6 months ended 30 September 2011**

**1. General information, basis of preparation and principal accounting policies**

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

These interim statements do not constitute full financial statements as defined in section 434 of the Companies Act 2006. The comparative figures for the year ended 31 March 2011 do not constitute full financial statements and have been extracted from the Group's financial statements for the year ended 31 March 2011. The accounts for the year ended 31 March 2011 were reported without qualification by the auditors and have been delivered to the Registrar of Companies.

These interim statements have been prepared on a going concern basis. In arriving at their decision to prepare these interim statements on a going concern basis, the directors have reviewed the anticipated income and expenditure of the Group and compared 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.

These interim statements comply with IAS 34 "Interim Financial Reporting" and AIM Rule 18. The accounting policies and methods of computation adopted in these interim statements are the same as those adopted in the preparation of the audited financial statements for the year ended 31 March 2011.

The financial statements for the year ended 31 March 2011 were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and those parts of the Companies Act 2006 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 2010. Where relevant to the Group these interim statements have been prepared under the revised disclosure requirements:

IFRS 3 Business Combinations (revised) – The revised standard is required to be adopted for any acquisitions made in the year but had no impact on these financial statements.

IFRS 7 (revised) Financial Instruments Disclosure – The amendment requires enhanced disclosure of fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of hierarchy.

IAS 24 (revised) Related Party Disclosures – This revision is in response to concerns that the previous disclosure requirements and the definition of a related party were too complex and difficult to apply in practice, especially in environments where government control is pervasive. The Group has adopted the revised IAS 24 in these financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**For the 6 months ended 30 September 2011**

**1. General information, basis of preparation and principal accounting policies (continued)**

There has been no change to the principal risks and uncertainties facing the Group since the publication of the financial statements for the year ended 31 March 2011. 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 2011 on page 9, a copy of which can be found at [www.strathdoninvestmentsplc.com](http://www.strathdoninvestmentsplc.com).

**2. Basic and Diluted Loss per share**

The loss per share is based on the net loss for the period attributable to shareholders of £90,000 (30 September 2010: £377,000 and 31 March 2011: £212,000) and on 104,317,057 shares (30 September 2010: 51,817,057 and 31 March 2011: 62,892,399) being the weighted average number of shares in issue during the period.

The final exercise period for the share options within the Employee Share Option Scheme and the warrants exercisable at 36p per share has elapsed.

**3. Net Asset Value per share**

The Net Asset Value per share is calculated on attributable assets of £2,890,000 and 104,317,057 shares in issue at the period end (30 September 2010: assets of £2,290,000 and 51,817,057 shares, 31 March 2011: assets of £2,980,000 and 104,317,057 shares).

The final exercise period for the share options within the Employee Share Option Scheme and the warrants exercisable at 36p per share has elapsed.

**4. Directors**

The directors of the Company are Mr S D Hunt, Mr J R Cusins, Mr P A Loizou and Mr J S B Smith.

**5. Other information**

Copies of the interim report can be obtained from the company's registered office or from the website: [www.strathdoninvestmentsplc.com](http://www.strathdoninvestmentsplc.com).