

2010



**Strathdon Investments plc**

**Interim Report**

For the six months to 30 September 2010

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## DIRECTORS AND ADVISERS

### Directors

S D Hunt  
J R Cusins  
D J Gamble

### Registered Office

St Martins House  
210-212 Chapeltown Road  
Leeds  
LS7 4HZ

### Secretary

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

### Solicitors

Wallace LLP  
One Portland Place  
London  
W1B 1PN

### Nominated Adviser and Broker

Seymour Pierce  
20 Old Bailey  
London  
EC4M 7EN

### Auditors

Grant Thornton UK LLP  
Registered Auditors  
2 Broadfield Court  
Sheffield  
S8 0XF

### Registrar and Transfer Office

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

### Bankers

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

## STATEMENT OF CORPORATE OBJECTIVES

Strathdon Investments 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 2010	31 March 2010	30 September 2009	31 March 2009	30 September 2008
Net Asset Value £'000	2,290	2,667	3,104	3,202	4,248
Net Asset Value per share	<b>4.42p</b>	5.15p	5.99p	6.18p	8.20p
Share price per share	<b>*2.12p</b>	*2.12p	*2.25p	*2.75p	*2.9p

*\* Share price as at 9 December 2010 (March 2010: as at 2 September 2010, September 2009: as at 14 December 2009, March 2009: as at 24 September 2009 and September 2008: as at 12 December 2008)*

## UNQUOTED INVESTMENTS As at 30 September 2010

	Unrealised Valuation at 30 September 2010 £000
Meta Vision Systems Limited	924
AMG Systems Limited	901
Episys Limited	398
Other	514
	<hr/>
	2,737
	<hr/>

This section describes the business of the active companies in the portfolio, in order of valuation at 30 September 2010 as detailed above.

## **UNQUOTED INVESTMENTS As at 30 September 2010**

### **Meta Vision Systems Limited**

Meta Vision Systems is dedicated to solving machine guidance problems in a cost effective manner using laser vision technology. Meta's products are predominately 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 Vision Systems serves many prestige clients across the globe including DaimlerChrysler 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 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)

### **Episys Limited**

Episys is a global information technology solutions and services company serving the retail, manufacturing, healthcare and other industries. Episys provides expertise, products, services and support for signage, labelling and mobile systems. Episys has developed technology and expertise to enable organisations to input information from a variety of sources, process it and output the required data to the chosen device, such as radio frequency handheld terminals, portable printers, large static printers, electronic signage and the internet. Customers include major retailers in the UK and US.

Royston

[www.episys.com](http://www.episys.com)

### **Business HR Solutions Limited**

Business HR 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 and Intellect.

London

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

### **Oxsensis Limited**

Oxsensis is working on advanced instrumentation for gas turbines in the aviation and power sectors which is designed to achieve major reductions in greenhouse gas emissions as well as considerable fuel savings. The extreme environment sensors also have broader potential applicability to energy intensive industries and automotive engines. Oxsensis is a spin-out from the Council for the Central Laboratory of the Research Councils run by the team that successfully built Bookham Technology.

Oxford

[www.oxsensis.com](http://www.oxsensis.com)

## **UNQUOTED INVESTMENTS**

### **As at 30 September 2010**

#### **Intouch with Health Limited**

Intouch with Health has a growing business in the provision of Patient Information and Patient Feedback services to NHS Trusts. These services can be relayed to patients by resident PCs or touchscreen kiosks supplied by Intouch, hospital bedside units, the internet and in printed format. Over 60 NHS Trusts are using these services. A new product is being launched to improve the efficiency of hospital check-in processes. Strathdon's stake in this company was sold in October 2010 realising proceeds of £118,000.

Cirencester

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

#### **Oxagen Limited**

Oxagen Limited is developing a pipeline of novel small molecule drugs to treat inflammatory and respiratory diseases. The company has created a portfolio of valuable drug targets centered on the highly attractive class of receptors, GPCRs. Through its heritage in human genetics, Oxagen has validated a number of GPCR targets, many of them novel, and is progressing the most promising as drug targets. The lead program, targeting a GPCR known as CRTH2 with a strong genetic association to asthma, has generated a number of promising candidate small molecules which are orally bioavailable and offer the potential to treat asthma and other respiratory and inflammatory conditions.

Abingdon, Oxford

[www.oxagen.com](http://www.oxagen.com)

#### **Utilyx Limited**

Utilyx is a leading European energy and climate change advisory and transaction management firm. It helps larger energy users manage energy price risk and achieve lowest prices for electricity and gas. These cost savings are generally an order of magnitude greater than Utilyx's fees. Utilyx assesses the market for outsourced energy broking and risk management across Europe to be over £200 million. Utilyx has a high quality blue chip client list that includes government bodies, corporations, developers and investors.

London

[www.utilyx.com](http://www.utilyx.com)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the 6 months ended 30 September 2010**

	Unaudited 6 months ended 30 September 2010	Unaudited 6 months ended 30 September 2009	Audited Year ended 31 March 2010
	£000	£000	£000
Notes			
<b>Revenue</b>	<b>10</b>	20	158
Administrative expenses	<b>(107)</b>	(135)	(231)
<b>Operating loss</b>	<b>(97)</b>	(115)	(73)
Realised gains on financial assets designated at fair value through profit or loss (net)	-	-	69
Unrealised (losses)/gains on financial assets designated at fair value through profit or loss (net)	<b>(273)</b>	23	(518)
<b>Net movement on investments</b>	<b>(273)</b>	23	(449)
<b>Loss before finance costs and taxation</b>	<b>(370)</b>	(92)	(522)
Finance costs	<b>(7)</b>	(6)	(13)
<b>Loss before taxation</b>	<b>(377)</b>	(98)	(535)
Taxation	-	-	-
<b>Loss for the period attributable to equity shareholders</b>	<b>(377)</b>	(98)	(535)
<b>Total comprehensive income for the period attributable to equity shareholders</b>	<b>(377)</b>	(98)	(535)
<b>Basic and diluted loss per ordinary share</b>	<b>2</b>	<b>(0.73)p</b>	<b>(1.03)p</b>

The accompanying notes on pages 8 to 9 are an integral part of these interim financial statements.

## CONSOLIDATED BALANCE SHEET

### As at 30 September 2010

	Unaudited 6 months ended 30 September 2010	Unaudited 6 months ended 30 September 2009	Audited Year ended 31 March 2010
	£000	£000	£000
Notes			
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets designated at fair value through profit or loss	2,737	3,504	3,026
<b>Current assets</b>			
Trade and other receivables	152	50	57
Cash and cash equivalents	66	271	162
	218	321	219
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities	(141)	-	(141)
Trade and other payables	(524)	(580)	(437)
	(665)	(580)	(578)
<b>Net current liabilities</b>	<b>(447)</b>	<b>(259)</b>	<b>(359)</b>
<b>Total assets less current liabilities</b>	<b>2,290</b>	<b>3,245</b>	<b>2,667</b>
<b>Non-current liabilities</b>			
Loans	-	(141)	-
<b>Net assets</b>	<b>2,290</b>	<b>3,104</b>	<b>2,667</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	(43,911)	(43,097)	(43,534)
<b>Total Shareholders' equity</b>	<b>2,290</b>	<b>3,104</b>	<b>2,667</b>
<b>Net Asset Value per ordinary share</b>	<b>3</b>	<b>4.42p</b>	<b>5.15p</b>

The accompanying notes on pages 8 to 9 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 15 December 2010 and were signed on its behalf by:

**Simon Hunt**  
Chairman

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**  
**For the 6 months ended 30 September 2010**

	Share Capital	Share premium account	Special reserve*	Warrant reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
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>
Loss for the period	-	-	-	-	(437)	(437)
<b>Balance at 31 March 2010</b>	<b>2,591</b>	<b>6,392</b>	<b>36,290</b>	<b>928</b>	<b>(43,534)</b>	<b>2,667</b>
Loss for the period	-	-	-	-	(377)	(377)
<b>Balance at 30 September 2010</b>	<b>2,591</b>	<b>6,392</b>	<b>36,290</b>	<b>928</b>	<b>(43,911)</b>	<b>2,290</b>

\* The special reserve is a distributable reserve

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the 6 months ended 30 September 2010**

	Unaudited 6 months ended 30 September 2010	Unaudited 6 months ended 30 September 2009	Audited Year ended 31 March 2010
	£000	£000	£000
<b>Net cash outflow from operating activities</b>	<b>(109)</b>	<b>(143)</b>	<b>(258)</b>
<b>Cash flows from investing activities</b>			
Purchase of financial assets	-	-	(12)
Proceeds from sale of financial assets	17	619	636
<b>Net cash from investing activities</b>	<b>17</b>	<b>619</b>	<b>624</b>
<b>Cash flows used in financing activities</b>			
Repayment of borrowings	-	(300)	(300)
Interest paid	-	(7)	(6)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(307)</b>	<b>(306)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(92)</b>	<b>169</b>	<b>(60)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>158</b>	<b>102</b>	<b>102</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>66</b>	<b>271</b>	<b>162</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS For the 6 months ended 30 September 2010

### 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 2010 do not constitute full financial statements and have been extracted from the Group's financial statements for the year ended 31 March 2010. The accounts for the year ended 31 March 2010 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 these 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 financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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 2010.

The financial statements for the year ended 31 March 2010 were prepared 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.

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.

IAS 1 (amendment). The amendment is part of the IASB's annual improvements project and clarifies the definition of current liabilities. This has had, and is expected to have, no material impact on the Group's financial statements.

Other standards and interpretations which have been issued and are effective for this accounting period but are not currently relevant for the Group are IFRS 1 (Revised), IFRS 2 (Amendment), IFRS 3 (Revised), IFRS 5 (amendment), IAS 27 (Revised), IAS 32 (Amendment) and IFRICs 17 and 18.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS For the 6 months ended 30 September 2010

### 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 2010. 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 2010 on page 10, 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 £377,000 (30 September 2009: £98,000 and 31 March 2010: £535,000) and on 51,817,057 shares (30 September 2009 and 31 March 2010: 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 non-dilutive potential ordinary shares. The Company has no other securities that would have a dilutive effect and hence basic and diluted earnings per share are the same.

### 3. Net Asset Value per share

The Net Asset Value per share is calculated on attributable assets of £2,290,000 and 51,817,057 shares in issue at the period end (30 September 2009: assets of £3,104,000 and 51,817,057 shares, 31 March 2010: assets of £2,667,000 and 51,817,057 shares).

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 and hence basic and diluted Net Asset Values per share are the same.

### 4. Directors

The directors of the Company are Mr S D. Hunt, Mr. J R Cusins, and Mr. D J Gamble.

### 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).

