

STRATHTAY INVESTMENTS LIMITED

Company registration number 407760

Directors' Report and Financial Statements

for the year ended 31st December 2017



STRATHTAY INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

CONTENTS	Pages
Company Information	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Notes to the financial accounts	10 - 16

STRATHTAY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Sir I P Lowson Bt J H Houssemayne Du Boulay C E Peel R W Toye
Secretary	R W Toye
Registered Office	Temple Chambers Suite 32 3 - 7, Temple Avenue London EC4Y 0HP
Registered Number	407760
Independent Auditor	Scott-Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL
Solicitors	Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA
Bankers	The Royal Bank of Scotland plc Perth Chief Office 12 Dunkeld Road Perth PH1 5RB
Investment Manager	Investec Wealth & Investment Ltd. 2 Gresham Street London EC2V 7QP

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31st December 2017.

PRINCIPAL ACTIVITIES

The company's business is that of an investment holding company. The company's investment policy is based on long-term capital growth combined with a reasonable level of income.

RESULTS AND DIVIDEND

The total comprehensive income amounted to £114,461 (2016 - £77,776).

The directors paid an interim dividend of £10,084 (2016 - £10,083). No final dividend is proposed (2016 - Nil).

REVIEW OF BUSINESS

2017 was a year of steady progress in circumstances where certain principal investment markets around the world achieved historic highs in the face of continuing anxiety over unresolved political and economic concerns.

Late in the year a strategic decision was taken to change the investment manager. Investec Wealth & Investment was appointed to manage the portfolio on a discretionary basis in place of Cazenove Capital Management. The full benefit of the move will materialise in year ending 31st December 2018. In addition, Mr James Houssemayne Du Boulay was appointed to the board on 27th April 2017 in a move that further strengthens the investment expertise of the board.

The outlook for 2018 is one of uncertainty with a significant number of unresolved risks, not least of which is the influence on sentiment of the continuing Brexit negotiations. Furthermore, the company faces increased operational costs in the coming year.

The directors will continue to exercise caution whilst giving the new investment manager a mandate to invest on a broad front to take advantage of opportunities as they arise.

DIRECTORS

The directors who served during the period were as follows:

Sir Ian P Lowson, Bt.

J H Houssemayne Du Boulay (appointed 27th April 2017)

C E W Peel

R W Toye

STRATHTAY INVESTMENTS LIMITED

DIRECTORS' REPORT- (continued)

FINANCIAL INSTRUMENTS

The company invests in the equity markets through an investment manager appointed on a discretionary basis. The portfolio is divided between direct holdings in equities and a variety of managed funds. There is no exposure to fixed interest instruments. Derivative instruments are not used to hedge the portfolio.

CLOSE COMPANY STATUS

So far as the directors are aware, the company is a close company for taxation purposes.

AUDITOR

Scott-Moncrieff is deemed to be reappointed under section 487(2) of the Companies Act 2006.

DIRECTORS' DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who are directors at the time when this report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

This report was approved by the Board on 15th May 2018 and signed on its behalf by:



Roger William Toyne
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2017**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' to Small Entities. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATHTAY INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Strathtay Investments Limited for the year ended 31st December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to small entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATHTAY INVESTMENTS LIMITED (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATHTAY
INVESTMENTS LIMITED (continued)**

Responsibilities of directors

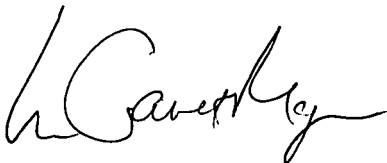
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.



Gareth Magee, Senior Statutory Auditor

For and behalf of

Scott-Moncrieff, Statutory Auditor

Chartered Accountants

Exchange Place 3

Seample Street

Edinburgh, EH3 8BL

Date:

15/5/18

STRATHTAY INVESTMENTS LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31st December 2017

	Note	2017 £	2016 £
TURNOVER	2	25,162	22,718
Cost of sales		-	-
		<hr/>	<hr/>
GROSS PROFIT		25,162	22,718
Administration expenses		(25,240)	(23,027)
		<hr/>	<hr/>
OPERATING LOSS	5	(78)	(309)
Realised gains from fixed asset investments	6	64,931	23,009
Unrealised surplus on revaluation of fixed asset investments	8	65,370	35,362
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		130,223	58,062
Tax on profit on ordinary activities	7	(15,762)	19,714
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		114,461	77,776
Other comprehensive income		-	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10	114,461	77,776
		<hr/> <hr/>	<hr/> <hr/>

All activities relate to continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

STRATHTAY INVESTMENTS LIMITED**BALANCE SHEET****Company Registration No.: 407760**
as at 31st December 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Investments	8		1,864,408		1,744,166
CURRENT ASSETS					
Debtors: amounts falling due within one year		5,621		570	
Cash at banks and in hand		12,311		18,636	
		<u>17,932</u>		<u>19,206</u>	
CREDITORS					
Creditors: amounts falling due within one year		(5,531)		(6,702)	
NET CURRENT ASSETS			<u>12,401</u>		<u>12,504</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,876,809</u>		<u>1,756,670</u>
Provisions for liabilities	9		(163,117)		(147,355)
NET ASSETS			<u><u>1,713,692</u></u>		<u><u>1,609,315</u></u>
CAPITAL AND RESERVES					
Called up share capital			32,600		32,600
Profit and loss account	10		1,681,092		1,576,715
SHAREHOLDERS' FUNDS			<u><u>1,713,692</u></u>		<u><u>1,609,315</u></u>

The financial statements have been prepared in accordance with provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 15th May 2018 by:

SIR IAN P LOWSON, BT.
Director



The notes on pages 10 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2017

1. ACCOUNTING POLICIES

1.1 General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which (the majority of) the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31st December 2017.

The continuing activity of Strathtay Investments Limited ("the company") is that of an investment holding company. The company's investment policy is based on long-term capital growth combined with a reasonable level of income.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. Details of the registered office can be found on the company information page of these statements. The company's registered number is 407760.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within the accounting policies and in accordance with the applicable law and United Kingdom accounting standards including Section 1A 'Small Entities' of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to small entities) and the Companies Act 2006.

The preparation of the financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 1.3).

1.3 Significant judgements and estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within a financial year are addressed as follows:

The fair value of investments that are not traded in an active market (e.g. unquoted investments) is determined by using valuation techniques. Management uses its judgement to select a variety of methods and made assumptions that are mainly based on market conditions existing at the end of each reporting period.

1.4 Going concern

The directors consider the company is a going concern given the significant value of fixed asset investments which can be liquidated at short notice.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2017

1. ACCOUNTING POLICIES (continued)

1.5 Cash flow statement

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under FRS 102.

1.6 Turnover

Turnover consists of income from investments which is included on a receivable basis. Tax deducted at source, but not UK tax credits, on investment income is shown as part of investment income for the year and expensed as appropriate in the taxation charge for the year.

Interest on cash deposits is accrued to the end of the financial year.

1.7 Fixed asset investments

Investments in listed and unlisted company shares have been classified as fixed asset investments, as the company intends to hold them on a continuing basis, are re-measured to market value at each Balance Sheet date. Gains and losses on re-measurement are recognised in the Statement of Other Comprehensive Income for the period.

1.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares and similar instruments.

Debt instruments are payable or receivable within one year, typically trade payables or receivables are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 VAT

The company is not registered for VAT; as a result VAT is accounted for in the financial statements with the related expense.

1.10 Foreign currency translation

The company's functional currency is GBP.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2017

1. ACCOUNTING POLICIES (continued)

1.10 Foreign currency translation (continued)

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Foreign currency monetary items are translated using year end rates. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

1.11 Financial liabilities and equity

Financial liabilities and equity are classified in accordance with the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in either comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

STRATHTAY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2017

2. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Income from listed investments	15,646	14,363
Income from unlisted investments	8,545	7,458
Investment interest receivable	971	897
	<hr/>	<hr/>
	25,162	22,718
	<hr/>	<hr/>
Turnover arising within the United Kingdom	21,524	20,837
Turnover arising from outside the United Kingdom	3,638	1,881
	<hr/>	<hr/>
	25,162	22,718
	<hr/>	<hr/>

3. EMPLOYEES

There were no employees other than the directors.

	2017 No.	2016 No.
The average number of directors during the year was:	4	3
	<hr/>	<hr/>

4. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments:		
Fees	5,887	4,350
	<hr/>	<hr/>

During the year there were no pension benefits accruing to the directors (2016: £nil).

STRATHTAY INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****for the year ended 31st December 2017****5. OPERATING LOSS**

	2017	2016
	£	£
The operating loss is stated after charging:		
Auditor's remuneration	3,498	3,456

6. PROFIT ON FIXED ASSET INVESTMENTS

	2017	2016
	£	£
Net profit on sale of listed and unlisted investments	64,931	23,009
Income from fixed asset investments	25,160	22,692

7. TAXATION

	2017	2016
	£	£
Analysis of tax charge/(credit) for the period		
Current tax:	-	-
UK Corporation tax at 19.25 % (2016: 20%)		
Deferred tax:		
Origination and reversal of timing differences	15,762	5,347
Effect of tax rate change on opening balance	-	(25,061)
Tax charged in the statement of comprehensive income for the year	15,762	(19,714)
Provision for deferred tax		
Tax losses carried forward and other deductions (excess management charges)	(32,002)	(28,264)
Capital gains	195,119	175,619
Total deferred tax liability	163,117	147,355
Movement in provision:		
Provision at start of period	147,355	167,069
Deferred tax charged/(recovered) in comprehensive income for the year	15,762	(19,714)
	163,117	147,355

STRATHTAY INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2017****7. TAXATION - (continued)****Reconciliation of tax charge**

	2017 £	2016 £
Profit on ordinary activities before tax	130,223	58,062
Tax on profit on ordinary activities at standard corporation tax rate of 19.25% (2015: 20.25%)	25,063	11,612
Effect of:		
Expenses not deductible for tax purposes	-	-
Income not taxable for tax purposes	(25,078)	(11,674)
Exempt dividend income	(4,217)	(4,115)
Chargeable gains	22,076	10,467
Adjust closing deferred tax to average rate of 19.25% (20%)	(21,556)	(26,004)
Adjust opening deferred tax to average rate of 19.25% (20%)	19,474	-
	<hr/>	<hr/>
Tax charge/(credit) for the year	15,762	(19,714)
	<hr/>	<hr/>

8. FIXED ASSET INVESTMENTS

	Listed Investments £	Unlisted Investments £	Total £
Cost or valuation			
At 1 st January 2017	409,301	1,334,865	1,744,166
Additions	78,684	131,100	209,784
Revaluation	24,600	40,770	65,370
Disposals - proceeds	(77,536)	(142,307)	(219,843)
Disposals – gains on sale	15,316	49,615	64,931
	<hr/>	<hr/>	<hr/>
At 31 st December 2017	450,365	1,414,043	1,864,408
	<hr/>	<hr/>	<hr/>
At 31 st December 2016	409,301	1,334,865	1,744,166
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2017**9. PROVISIONS**

	2017	2016
	£	£
DEFERRED TAXATION		
The deferred tax liability is made up as follows:		
Balance at 1 st January	147,355	167,069
Movement in year	15,762	(19,714)
	<hr/>	<hr/>
	163,117	147,355
	<hr/> <hr/>	<hr/> <hr/>

10. RESERVES

	2017	2016
	£	£
Profit and loss account		
Balance at 1 st January	1,576,715	1,509,022
Total comprehensive income for the year	114,461	77,776
Dividends paid	(10,084)	(10,083)
	<hr/>	<hr/>
	1,681,092	1,576,715
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11. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2016 - none).

12. ULTIMATE CONTROLLING PARTY

The company is ultimately controlled by the trustees of Mrs A L F Lowson Deceased Deed of Provision, a discretionary Will Trust, which holds the majority of shares in the Company.

13. OTHER PROFESSIONAL SERVICES PROVIDED BY THE AUDITOR

In common with many other businesses of our size and nature, the company uses its auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.