The Scottish American Investment Company P.L.C.

(Registered in Scotland Company Number SC000489)

Unaudited Interim Accounts

For the period from 1 January 2022 to 30 June 2022

(Section 838 Companies Act 2006)

Income Statement (unaudited)

	For the six months ended 30 June 2022			For the six months ended 30 June 2021			For the year ended 31 December 2021 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments – securities	–	1,586	1,586	–	9,989	9,989	–	30,487	30,487
Gains on sales of investments – property	–	607	607	–	7,419	7,419	–	7,419	7,419
Changes in fair value of investments – securities	–	(105,210)	(105,210)	–	54,848	54,848	–	97,486	97,486
Changes in fair value of investments – property	–	1,543	1,543	–	860	860	–	6,260	6,260
Currency gains/(losses)	–	71	71	–	64	64	–	(21)	(21)
Income – dividends and interest	14,486	–	14,486	11,963	–	11,963	23,059	–	23,059
Income – rent and other	2,412	–	2,412	2,677	–	2,677	4,921	–	4,921
Management fees	(494)	(1,481)	(1,975)	(465)	(1,394)	(1,859)	(973)	(2,920)	(3,893)
Other administrative expenses	(574)	–	(574)	(737)	–	(737)	(1,252)	–	(1,252)
Net return before finance costs and taxation	15,830	(102,884)	(87,054)	13,438	71,786	85,224	25,755	138,711	164,466
Finance costs of borrowings	(565)	(1,695)	(2,260)	(692)	(2,076)	(2,768)	(1,426)	(4,278)	(5,704)
Net return on ordinary activities before taxation	15,265	(104,579)	(89,314)	12,746	69,710	82,456	24,329	134,433	158,762
Tax on ordinary activities	(1,562)	429	(1,133)	(1,473)	415	(1,058)	(2,509)	732	(1,777)
Net return on ordinary activities after taxation	13,703	(104,150)	(90,447)	11,273	70,125	81,398	21,820	135,165	156,985
Net return per ordinary share (note 3)	7.78p	(59.16p)	(51.38p)	6.74p	41.94p	48.68p	12.79p	79.20p	91.99p
Note: Dividends paid and payable per share (note 4)	**6.65p**			**6.125p**			**12.675p**		

Balance Sheet (unaudited)

	At 30 June 2022 £'000	At 31 December 2021 (audited) £'000
Non-current assets		
Investments – securities	836,691	938,357
Investments – property	81,700	74,900
Deferred expenses	–	207
	918,391	1,013,464
Current assets		
Debtors	3,846	3,710
Cash and deposits	6,935	11,263
	10,781	14,973
Creditors		
Amounts falling due within one year:		
Debenture stock	–	(80,236)
Other creditors and accruals	(2,784)	(3,091)
	(2,784)	(83,327)
Net current assets/(liabilities)	7,997	(68,354)
Total assets less current liabilities	926,388	945,110
Creditors		
Amounts falling due after more than one year:		
Loan notes	(94,707)	(14,925)
Net assets	831,681	930,185
Capital and reserves		
Share capital	44,075	43,900
Share premium account	176,010	172,576
Capital redemption reserve	22,781	22,781
Capital reserve	569,590	673,740
Revenue reserve	19,225	17,188
Shareholders' funds	831,681	930,185
Net asset value per ordinary share	471.7p	529.7p
Ordinary shares in issue	176,300,943	175,600,943

These accounts were approved by the Board of Directors on 27 July 2022 and signed on its behalf by

Lord Macpherson of Earl's Court
Chairman

Statement of Changes in Equity (unaudited)

For the six months ended 30 June 2022

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2022	43,900	172,576	22,781	673,740	17,188	930,185
Shares issued	175	3,434	–	–	–	3,609
Net return on ordinary activities after taxation	–	–	–	(104,150)	13,703	(90,447)
Dividends paid (note 4)	–	–	–	–	(11,666)	(11,666)
Shareholders' funds at 30 June 2022	44,075	176,010	22,781	569,590	19,225	831,681

For the six months ended 30 June 2021

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2021	40,649	112,751	22,781	538,575	16,406	731,162
Shares issued	2,297	41,125	–	–	–	43,422
Net return on ordinary activities after taxation	–	–	–	70,125	11,273	81,398
Dividends paid (note 4)	–	–	–	–	(10,169)	(10,169)
Shareholders' funds at 30 June 2021	42,946	153,876	22,781	608,700	17,510	845,813

* The Capital Reserve balance at 30 June 2022 includes investment holding gains of £276,512,000 (30 June 2021 – gains of £332,141,000).

Cash Flow Statement (unaudited)

	Six months to 30 June 2022 £'000	Six months to 30 June 2021 £'000
Cash flows from operating activities		
Net return on ordinary activities before taxation	(89,314)	82,456
Net losses/(gains) on investments – securities	103,624	(64,837)
Net gains on investments – property	(2,150)	(8,279)
Currency gains	(71)	(64)
Finance costs of borrowings	2,260	2,768
Overseas withholding tax	(1,140)	(1,004)
Changes in debtors and creditors	441	(1,661)
Other non-cash changes	120	106
Cash from operations	13,770	9,485
Interest paid	(3,368)	(3,200)
Net cash inflow from operating activities	10,402	6,285
Cash flows from investing activities		
Acquisitions of investments	(46,491)	(81,333)
Disposals of investments	39,763	39,574
Net cash outflow from investing activities	(6,728)	(41,759)
Cash flows from financing activities		
Equity dividends paid	(11,666)	(10,169)
Shares issued	3,609	43,423
Loan notes drawn down	80,000	15,000
Debenture stock repaid	(80,000)	–
Costs of issuance of debt	(16)	–
Net cash (outflow)/inflow from financing activities	(8,073)	48,254
(Decrease)/increase in cash and cash equivalents	(4,399)	12,780
Exchange movements	71	64
Cash and cash equivalents at start of period*	11,263	9,701
Cash and cash equivalents at end of period*	6,935	22,545

* Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.

Notes to the Condensed Financial Statements (unaudited)

1 The condensed Financial Statements for the six months to 30 June 2022 comprise the statements set out on the previous pages together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in April 2021 with consequential amendments and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 June 2022 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 December 2021.

Going Concern

The Directors have considered the nature of the Company's principal risks and uncertainties together with its current position. The Board has, in particular, considered the ongoing impact of market volatility during the Covid-19 pandemic, the hostilities in Ukraine and current economic conditions but does not believe the Company's going concern status is affected. In addition, the Company's investment objective and policy, its assets and liabilities and projected income and expenditure, together with the Company's dividend policy, have been taken into consideration and it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has no short term borrowings. The redemption dates for the Company's loan notes are June 2036, April 2045 and April 2049. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

2 The financial information for the year ended 31 December 2021 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

3 Net Return per Ordinary Share

	Six months to 30 June 2022 £'000	Six months to 30 June 2021 £'000
Revenue return on ordinary activities after taxation	13,703	11,273
Capital return on ordinary activities after taxation	(104,150)	70,125
Total net return	(90,447)	81,398
Weighted average number of ordinary shares in issue	176,051,800	167,223,429

4 Dividends

	Six months to 30 June 2022 £'000	Six months to 30 June 2021 £'000
Amounts recognised as distributions in the period:		
Previous year's final of 3.375p (2021 – 3.00p), paid 8 April 2022	5,936	4,965
First interim of 3.25p (2021 – 3.05p), paid 22 June 2022	5,730	5,204
	11,666	10,169
Amounts paid and payable in respect of the period:		
First interim of 3.25p (2021 – 3.05p), paid 22 June 2022	5,730	5,204
Second interim of 3.40p (2021 – 3.075p)	5,994	5,308
	11,724	10,512

The second interim dividend was declared after the period end date and therefore has not been included as a liability in the Balance Sheet. It is payable on 20 September 2022 to shareholders on the register at the close of business on 12 August 2022. The ex-dividend date is 11 August 2022. The Company's Registrar offers a Dividend Reinvestment Plan and the final date for elections for this dividend is 30 August 2022.