SOI Group Limited

Directors' report and Financial Statements
for the year ended
31 July 2016

Registered number SC413672

COMPANIES HOUSE
19 DEC 2016
EDINBURGH FRONT DESK

MONDAY
S5M5U6F4
SCT 19/12/2016 #313
COMPANIES HOUSE

SOI Group Limited

Contents

	Page
Company information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Independent auditor report	5 - 6
Statement of income and retained earnings	7
Statement of financial position	8
Notes to the financial statements	9 - 12

SOI Group Limited

Company information

Directors	M. M. Crawford M.D. Jones M.J.G. Glynn S.R. Magee (resigned 10/11/2015) K. Millican D.A. Watson
Secretary	Gillespie Macandrew Secretaries Limited 5 Atholl Crescent Edinburgh EH3 8EJ
Registered office	5 Atholl Crescent Edinburgh EH3 8EJ
Auditor	Ernst & Young LLP G1, 5 George Square Glasgow G2 1DY
Bankers	The Royal Bank of Scotland plc St Andrews Branch 113-115 South Street St Andrews Fife KY16 9QB

Directors' report

The directors present their report and financial statements for the year ended 31 July 2016.

What we do

The company is a holding company. Its subsidiary undertakings are those of marine related consultancy and instrumentation development.

Additionally, we provided focussed support to spin out opportunities from the University of St Andrews. We work with key staff on the development and implementation of business plans where the best route to capitalise on intellectual property and knowhow is not through the traditional route of licensing or outright sale of patent rights.

Business review and results

The company provides strategic, marketing, financial management, treasury, human resources and information technology advice to its subsidiary companies and other activities seeking to spin out from the University of St Andrews.

The performance of the subsidiaries has been mixed during the year with some performing better than expected and some performing worse than expected. The consulting business operating in the UK and the Asia Pacific region have performed much better than expected. The consulting businesses in North America suffered during the year as they broadened their customer base away from a few key clients.

Our instrumentation business has performed worse than expected and we have taken steps to restructure its cost base.

Other activities from the University of St Andrews are showing promise, but it is likely to be future years before success translates into financial returns.

Summary of financial results

	2016 £	2015 £
Turnover	-	-
Operating Loss	(2,121)	(127,508)

The reduction in the loss for the year was largely due to strong revenue growth from Group companies, and other spin out activities from whom we charge a management fee, tight cost control and by the generation of additional income for providing commercial services to non –Group companies.

During the year the company carried out an impairment review of its current investments. The Directors decided that it was prudent to reduce the carrying value of one of its investments by £360,100.

Principal risks and uncertainties

The principal risks from our consulting businesses arise from ongoing economic and political uncertainty and aggressive pricing from larger consulting competitors.

In addition we are exposed to financial risks arising primarily from the investments that we hold. A significant deterioration in business performance of any of our companies may have an adverse effect on the carrying value of our investments.

Dividends
There are no proposed dividends at the year-end.

Future developments
There are no significant future developments to report.

In summary
The current organisational structure enables us to offer focussed advice to our subsidiaries to assist them in delivering their own operational and financial objectives. Our efforts are primarily focussed on those investments where performance is worse than expected.

Directors
The directors during this year end are shown on page 1.
None of the directors who held office during the year had any personal interest in the share capital of the company.

Disclosure of information to auditors
In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern statement
The company's business activities, together with the factors likely to affect its future development, performance and position in the current economic climate are set out in the Directors' Report on page 2. The 2016-17 economic climate remains uncertain. However, based on the available information on the future, the directors consider that the company has the plans and resources to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future. For that reason, they continue to adopt the going concern basis in preparing the financial statements.

Auditor
Ernst & Young LLP have been appointed as auditor of the company in line with their position as auditor of the University of St Andrews and its subsidiary companies.

Special provisions relating to smaller entities
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A small entities.

By order of the board

DA Watson
Director
14th December 2016

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102. Under company law the directors must not approve the financial statements unless they are 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 those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on a 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 to 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 SOI GROUP LIMITED

We have audited the financial statements of SOI Group Limited for the year ended 31 July 2016 which comprise the Statement of income and retained earnings, Statement of financial position and related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require Directors responsibilities to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the directors affairs as at 31 July 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

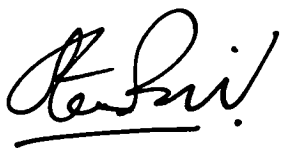
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 the 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' exemption from the requirement to prepare a strategic report.



Stephen Reid (Senior statutory auditor)

For and on behalf of
Ernst & Young LLP
Statutory auditor
Glasgow

14 DECEMBER 2016

SOI Group Limited

Statement of income and retained earnings for the year ended 31 July 2016

	Note	2016 £	2015 £
Administrative expenses		**(329,171)**	(322,295)
Other income		**327,050**	194,787
Operating loss	3	**(2,121)**	(127,508)
Loss before exceptional item		**(2,121)**	(127,508)
Exceptional item		**(360,100)**	-
Loss for the financial year before tax		**(362,221)**	(127,508)
Tax on loss for the year		-	-
Loss for the financial year after tax		**(362,221)**	(127,508)
Retained earnings at the start of the year		**(893,129)**	(765,621)
Retained earnings at the end of the year		**(1,255,350)**	(893,129)

A statement of movements on reserves is given in note 9.

There are no recognised gains or losses other than the loss above for the year ended 31 July 2016.

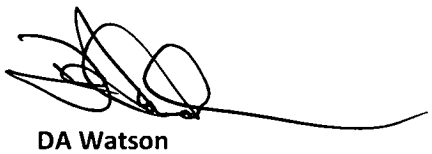
All operations are continuing.

SOI Group Limited

Statement of financial position at 31 July 2016

	Note	As at 31 July 2016 £	As at 31 July 2015 £
Tangible Assets			
Investments	5	**550,002**	910,102
Current assets			
Debtors	6	**131,024**	118,169
Cash at bank and in hand		**183,285**	36,093
		314,309	154,262
Current liabilities			
Creditors falling due within 1 year	7	**(219,660)**	(57,492)
Net current assets		**94,649**	96,770
Net assets		**644,651**	1,006,872
Capital reserves			
Called up share capital	8	**1,900,001**	1,900,001
Profit and loss account	9	**(1,255,350)**	(893,129)
Shareholders' funds	10	**644,651**	1,006,872

The financial statements were approved by the board of directors on **14th December 2016** and signed on their behalf by:



DA Watson
Director

14th December 2016

The notes on pages 9 to 12 form part of these financial statements.

1 Statement of compliance

These financial statements have been prepared in compliance with FRS102. 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The company has taken advantage of the exemption in FRS102 from the requirement to produce a cash flow statement.

2 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS102. 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.
The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about it as a group.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 effective as at 1 August 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Critical accounting judgements and key sources of estimation uncertainty

In the application of accounting policies, management are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period. Management considers key assumptions and estimations in relation to the valuation of stock and recoverability of some inter-company balances that have made in the process of applying the company's accounting policies to have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Taxation

All profits made by the entity are offset by losses shared across the group and any overall net profits would be gift aided up to the University.

3	Operating loss	2016	2015
		£	£
	Operating loss is stated after charging:		
	Directors' remuneration	**116,011**	114,482
	Auditor remuneration	**2,000**	2,000

Certain Directors are paid by other Group entities and no recharge is made to the company. No Director receives any payment in respect of their roles or function for this company. An appropriate notional allocation of their total remuneration in respect of qualifying services provided to the company is included in the aggregate directors remuneration total disclosed above.

4 Staff costs

The average number of persons employed by the company during the year, including directors, amounted to:

	2016	2015
Managers	**1**	1
Administrators	**3**	3

The aggregate payroll costs incurred during the year were:

	2016	2015
	£	£
Wages and salaries	**158,185**	160,369
Social security costs	**16,284**	17,220

5	Investments	As at 31 July 2016	As at 31 July 2015
		£	£
	Investment in St Andrews Instrumentation Limited	**100,000**	460,100
	Investment in SMRU Limited	**400,000**	400,000
	Investment in SOI Limited	**50,001**	50,001
	Investment in StAAR Inc.	**1**	1
	As at 31 July	**550,002**	910,102

StAAR Inc. is incorporated in Delaware, USA.
SOI Group Limited owns 100% of the issued share capital of each of the above subsidiaries.

Notes to the financial statements for the year ended 31 July 2016 (continued)

6 Debtors

	As at 31 July 2016 £	As at 31 July 2015 £
Amounts falling due within one year:		
Amounts due from subsidiary undertakings	**96,813**	51,070
Amounts due from immediate parent undertaking	**9,259**	6,860
Amounts due from ultimate parent undertaking	**-**	1,404
Prepayments	**24,817**	24,440
Other debtors	**135**	34,395
As at 31 July	**131,024**	118,169

7 Creditors

	As at 31 July 2016 £	As at 31 July 2015 £
Amounts falling due within one year:		
Trade Creditors	**1,791**	2,953
Amounts due to subsidiary undertakings	**42,000**	42,000
Amounts due to ultimate parent undertaking	**156,960**	-
Accruals	**4,529**	4,954
Taxes and social security	**7,778**	5,899
Other creditors	**6,602**	1,686
As at 31 July	**219,660**	57,492

8 Share capital

Allotted, called up and fully paid ordinary shares of £1 each	**2016**		2015	
	Shares	**£**	Shares	£
At start of year	**1,900,001**	**1,900,001**	1,400,001	1,400,001
Proceeds of issue during year	**-**	**-**	500,000	500,000
At end of year	**1,900,001**	**1,900,001**	1,900,001	1,900,001

9 Statement of movements on reserves

	2016 £
Opening balance	**(893,129)**
Loss for the financial year	**(362,221)**
As at 31 July	**(1,255,350)**

10	Reconciliation of movements in shareholders' funds	2016
		£
	Shares issued in year	-
	Retained loss for the year	(362,221)
	Net Decrease to shareholders' funds	(362,221)
	Opening shareholders' funds	1,006,872
	Closing shareholders' funds	644,651

11 Immediate and ultimate parent undertaking

The immediate parent undertaking is St Andrews Applied Research Limited. The directors of SOI Group Limited regard The University Court of the University of St Andrews as the ultimate parent. Copies of the University's consolidated financial statements may be obtained from the Quaestor and Factor, at the University's principal place of business, College Gate, North Street, St Andrews, Fife, KY16 9AJ.

12 Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company has reviewed for all possible adjustments and has restated its accounts to FRS 102 as at 1 August 2014, including the prior period comparative figures.

Reconciliation of equity

No transitional adjustments were required either to opening balances, prior periods or 2016 balances

Reconciliation of profit or loss for the year

The following were changes in accounting policies arising from the transition to FRS 102.

Under previous UK GAAP, the company accrued for holiday pay where this was expected to be paid as a cash sum where the employee was entitled to carry forward holidays earned indefinitely.
However, the company did not accrue for holiday pay that was earned but the holiday entitlement was expected to be taken in subsequent financial year. Under FRS102, the company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact is to account for holiday pay accruals of £nil and £1,762 at 1 August 2015 and 31 July 2016 respectively.

The company has taken advantage of the exemption in FRS102 from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of The University of St Andrews, which prepares a consolidated cash flow statement, in which the company is included and is made publicly available.