

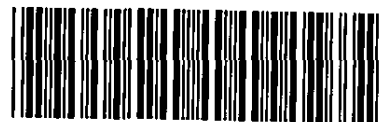
SC 187286

# **SSTRIC Limited**

## **Report and Financial Statements**

31 July 2012

SATURDAY



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COMPANIES HOUSE

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# **SSTRIC Limited**

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## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

N L Brown (Appointed 8 March 2012, Resigned 31 July 2012)  
R A Lawes (Resigned 2 March 2012)  
A F Murray (Resigned 30 January 2012)  
D B Nelson (Appointed 8 March 2012)  
A J Walton (Resigned 6 March 2012)  
G Wheeler

### **SECRETARY**

I K Lamb

### **AUDITORS**

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

### **BANKERS**

Royal Bank of Scotland plc  
St Andrews Square  
Edinburgh  
EH2 2YB

### **SOLICITORS**

Lindsays WS  
Caledonian Exchange  
19A Canning Street  
Edinburgh  
EH3 8HE

### **REGISTERED OFFICE**

Scottish Microelectronics Centre  
The Kings Buildings  
West Mains Road  
Edinburgh  
EH9 3JF

### **COMPANY NUMBER**

SC 187286

# SSTRIC Limited

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## DIRECTORS' REPORT

The directors present their report and the audited financial statements of SSTRIC Limited ("the company") for the year to 31 July 2012.

### PRINCIPAL ACTIVITY

The company's principal activity during the year was the delivery of commercial, research and development services for the MEMS and microelectronic industry.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The loss for the year period after taxation amounted to £249,907 (2011: loss £142,224)

The directors recommend that the sum of £249,907 be transferred against reserves (2011: transfer from reserves £142,224).

The directors will continue to promote the Company's objectives and look for appropriate opportunities in the forthcoming year.

### DIRECTORS

The directors holding office during the year are detailed on page 2. None of the directors who held office at the end of the financial year has any disclosable interest in the shares of the Company.

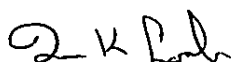
### DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that as far as they are 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.

### AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Ian K Lamb  
Company Secretary  
6 December 2012

Scottish Microelectronics Centre  
The Kings Buildings  
West Mains Road  
Edinburgh  
EH9 3JF

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **CORPORATE GOVERNANCE STATEMENT**

SSTRIC Limited ("the company") is a company limited by guarantee of the University of Edinburgh. The University of Edinburgh adheres to recognised best practice in relation to Corporate Governance. The Company will have regard to the University's policies on all aspects of Corporate Governance.

This statement describes how the Company applies the principles set down in the Combined Code on Corporate Governance issued in June 2008 by the London Stock Exchange.

### **The Board**

The Board is charged with the overall leadership and control of the Company, and in the year to 31 July 2012 has met 4 times.

Mr Grant Wheeler, Head of Company Formation in Edinburgh Research and Innovation Limited is the Chairman and Mr Iain Hyslop is the Chief Executive Officer. The roles of Chairman and Chief Executive Officer are separate, with a clear division of responsibilities.

As at 31 July 2012 the Board consisted of two directors, both of whom also hold senior positions within the University of Edinburgh,

The details of the Directors are set out on page 2.

The non executive directors are independent of the day to day management of the company and all directors bring their independent judgement to bear on issues of strategy, performance, resources, key appointments and standards of conduct. To enable them to do this all directors have full and timely access to all relevant information. Directors also have access to independent professional advice at the Company's expense, if and when required.

Appointment to the Board of Directors is subject to the approval of the Court of The University of Edinburgh.

### **Committee Structure**

Due to the size of the Company it is felt that on balance a committee based approach to management, control and governance is not merited and accordingly there are no other committees separate to the Board.

### **Remuneration Policy**

The remuneration of the Chief Executive is determined annually by the Board of Directors. No director receives any remuneration from the Company.

### **Financial Reporting**

The Board accepts responsibility for preparing the financial statements and presenting a balanced and understandable assessment of the Company's position. The Board confirms that it is satisfied that the Company can continue to operate for the foreseeable future and is financially sound. For this reason they adopt the going concern basis in preparing the financial statements.

### **Internal Control**

The Board accepts responsibility for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The University of Edinburgh's Internal Audit function reviews internal controls in

key activities of the Company and reports their findings to the board and the University's Audit Committee, recommending improvements to controls and procedures.

The Company maintains a risk register, the review of which is now a standing item on the Board agenda. This was last reviewed by the Board at their meeting on 16 April 2012.

### **Compliance with Corporate Governance Policies of University of Edinburgh**

As far as the directors are aware, the Company complies with the Corporate Governance policies of The University of Edinburgh.

### **Audit Committee**

The Company does not have its own Audit Committee but it does come under the jurisdiction of the University of Edinburgh Audit Committee who may receive reports relating to the Company from Internal and External auditors.

### **Compliance Statement**

The Company has been compliant throughout the year to 31 July 2012 with the provisions of the Code, where appropriate.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SSTRIC LIMITED**

We have audited the financial statements of SSTRIC Limited for the year ended 31 July 2012 set out on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditor's**

As explained more fully in the Statement of Directors Responsibilities 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. 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 us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2012 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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 period for which the financial statements are prepared is consistent with the financial statements.

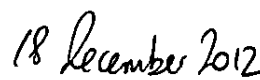
**Matters on which we are required to report by exception**

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 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.



M J Rowley (Senior Statutory Auditor)



Date

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG



## SSTRIC Limited

### PROFIT AND LOSS ACCOUNT

For the Year to 31 July 2012

	<i>Note</i>	<i>2012</i> £	<i>2011</i> £
<b>TURNOVER</b>		501,937	422,207
Operating costs		(919,098)	(812,055)
		<u>(417,161)</u>	<u>(389,848)</u>
Other operating income	2	168,984	249,114
<b>OPERATING (LOSS)</b>	3	<u>(248,177)</u>	<u>(140,734)</u>
Interest receivable	5	-	-
Interest payable		(1,730)	(1,490)
<b>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(249,907)</u>	<u>(142,224)</u>
Tax on (loss) on ordinary activities	6	-	-
<b>(LOSS) FOR THE FINANCIAL YEAR</b>		<u><u>(249,907)</u></u>	<u><u>(142,224)</u></u>

All turnover and profit on ordinary activities before taxation are derived from continuing operations.

#### RECOGNISED GAINS AND LOSSES

The Company made no recognised gains or losses in either year other than those included in the profit and loss account.

The notes on pages 10 to 15 form part of these financial statements

# SSTRIC Limited

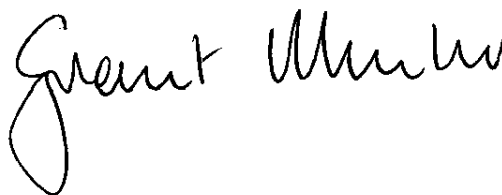
## BALANCE SHEET at 31 July 2012

	Note	31 July 2012 £	31 July 2011 £
<b>FIXED ASSETS</b>			
Tangible assets	7	2,761,229	3,008,449
<b>CURRENT ASSETS</b>			
Debtors	8	181,241	198,005
Cash at bank and in hand		36,471	1,989
		217,712	199,994
<b>CREDITORS: amounts falling due within one year</b>	9	726,945	537,556
<b>NET CURRENT (LIABILITIES)</b>		(509,233)	(337,562)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,251,996	2,670,887
<b>GOVERNMENT GRANTS</b>	10	(2,315,251)	(2,484,235)
		(63,255)	186,652
<b>RESERVES</b>			
Profit and loss account	12	(63,255)	186,652
		(63,255)	186,652

The financial statements on pages 8 to 15 were approved by the Board of Directors on 6 December 2012 and were signed on its behalf by:

Director

G WHEELER



Registered in Scotland Number SC187286

NOTES TO THE FINANCIAL STATEMENTS  
at 31 July 2012

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The financial statements have been prepared on a going concern basis notwithstanding the net liabilities of £63,255, which the directors believe to be appropriate for the following reasons. The company's parent undertaking, the University of Edinburgh, has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as needed by the company to pay its liabilities as they fall due. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

Based on the undertakings from the University of Edinburgh, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

***Turnover***

Turnover comprises the value of sales receivable from the delivery of commercial, research and development services for the MEMS and microelectronic industry. Turnover excludes value added tax and trade discounts.

***Depreciation***

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold property -	4% straight line
Plant and machinery -	10% straight line
Equipment, fixtures and fittings-	33% straight line

***Deferred taxation***

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. No deferred tax asset or liability is included in these financial statements as the amounts involved are not considered to be material.

No deferred tax asset or liability is included in these financial statements as the amounts involved are not considered significant.

***Foreign currencies***

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

# SSTRIC Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 July 2012

### *Deferred Government grants*

Deferred Government grants in respect of capital expenditure are treated as deferred income and credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Government grants in respect of revenue expenditure are credited to the profit and loss account to match the expenditure to which they relate.

### 2. OTHER OPERATING INCOME

	2012	2011
	£	£
Grant release (note 10)	168,984	249,114

### 3. OPERATING LOSS

Operating loss is stated after charging/ (crediting);

	2012	2011
	£	£
Grant release	(168,984)	(249,114)
Depreciation of owned assets	247,220	280,067
Net loss on foreign currency translation	1,242	446
Fees paid to the Auditor and its associates:		
-Audit of these financial statements	2,335	2,230
-Other services relating to taxation	3,500	6,100

### 4. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	240,934	246,367
Social security costs	27,428	27,478
	268,362	273,845

	<i>Number of Employees</i>	
	2012	2011
The average number of employees throughout the period was:	6	6

No director receives any remuneration from the company.

# SSTRIC Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 July 2012

### 5. INTEREST RECEIVABLE

	2012	2011
	£	£
On bank deposits	-	-

### 6. TAXATION

	2012	2011
	£	£
<b>Current tax</b>		
UK Corporation tax on (loss)/profit for the period	-	-
<b>Total Current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total taxation</b>	-	-

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

#### Factors affecting tax charge for the period

	2012	2011
	£	£
Loss on ordinary activities before taxation	(249,907)	(142,224)
Tax charge at UK Corporation tax rate of 20% (21%)	(49,981)	(29,867)
Effects of:		
Capital allowances in excess of depreciation	-	-
Expenses not deductible for tax purposes	-	-
Other (including provisions)	49,981	29,867
Tax losses carried forward	-	-
<b>Current tax charge for period</b>	-	-

# SSTRIC Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 July 2012

### 7. TANGIBLE FIXED ASSETS

	<i>Leasehold Property £</i>	<i>Plant and machinery £</i>	<i>Equipment, fixtures and fittings £</i>	<i>Total £</i>
<b>Cost</b>				
At 1 August 2011	4,511,958	1,445,516	120,558	6,078,032
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 July 2012	4,511,958	1,445,516	120,558	6,078,032
<b>Depreciation</b>				
At 1 August 2011	1,771,165	1,177,933	120,485	3,069,583
Charge for period	180,478	66,669	73	247,220
On disposals	-	-	-	-
At 31 July 2012	1,951,643	1,244,602	120,558	3,316,803
<b>Net book value</b>				
At 31 July 2012	2,560,315	200,914	-	2,761,229
At 31 July 2011	2,740,793	267,583	73	3,008,449

### 8. DEBTORS

	<i>2012 £</i>	<i>2011 £</i>
Trade debtors	107,985	97,959
Other debtors	1,037	12,326
Prepayments and accrued income	72,219	87,720
	181,241	198,005

# SSTRIC Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 July 2012

### 9. CREDITORS: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	33,478	26,119
Amounts owed to Parent	548,379	439,350
Amount due to other group companies	82,625	1,195
Other taxes and social security costs	-	7,455
Accruals and deferred income	62,463	63,437
	<u>726,945</u>	<u>537,556</u>

### 10. GOVERNMENT GRANTS

	£
<b>Received:</b>	
At 1 August 2011 and 31 July 2012	<u>5,932,645</u>
<b>Amortisation:</b>	
At 1 August 2011	3,448,410
Released during the period	<u>168,984</u>
At 31 July 2012	<u>3,617,394</u>
At 31 July 2012	<u>2,315,251</u>

### 11. COMPANY LIMITED BY GUARANTEE

The member of the company has agreed to contribute an amount not exceeding £1 each to the assets of the company in the event of it being wound up. There was 1 member at the end of the current period (2011-1).

### 12. PROFIT AND LOSS ACCOUNT

	<i>Profit and Loss account</i>
	£
At 1 August 2011	186,652
Loss for the year	<u>(249,907)</u>
At 31 July 2012	<u>(63,255)</u>

### 13. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £nil. (2011 - £nil).

NOTES TO THE FINANCIAL STATEMENTS  
at 31 July 2012

**14. RELATED PARTY TRANSACTIONS**

As the company is a wholly owned subsidiary of the University of Edinburgh, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of the University of Edinburgh, within which this company is included, can be obtained from the address given in note 15.

**15. ULTIMATE PARENT UNDERTAKING**

The directors regard the University of Edinburgh as the Company's ultimate parent undertaking. Copies of the financial statements of the University of Edinburgh can be obtained from the University of Edinburgh, Old College, Edinburgh.