

ORE Catapult Development Services Limited  
Financial statements and annual report  
for the year ended 31 March 2020

Registered Number 05636283



# ORE Catapult Development Services Limited

## Financial statements and annual report

for the year ended 31 March 2020

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# ORE Catapult Development Services Limited

## Strategic report

The directors present their strategic report for the year ended 31 March 2020.

ORE Catapult Development Services Limited accelerates the design, deployment and commercialisation of renewable energy technology innovation, helping to attract investment to support SMEs and to realise the significant opportunities presented by the UK's offshore renewable energy resources.

### Business Review and Principal Activities

The company provides a range of open access research, test & validation services, where appropriate utilising the unique world class test facilities of the Offshore Renewable Energy Catapult ("ORE") (its parent entity). In particular, the company supports the test & validation of large wind turbine blades, gearbox and drivetrains, marine renewables, offshore and subsea equipment, micro-renewables and electrical testing equipment. In addition, the company participates in certain relevant collaborative, research and development projects e.g. the BEIS sponsored 'demowind' projects.

### Principal Risks and Uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. These are included within the risk register maintained by the ORE Catapult and are subject to regular review by the ORE Executive Management Team and ORE Audit & Risk Committee and Board. Controls are identified and as continuous improvement, mitigations are implemented to reduce the impact of the risk should it materialise and the likelihood of occurrence. All risks are assigned 'owners' and categorised against risk categories that reflect the nature and scope of the Catapult's activities. In FY19-20, ORE Catapult commenced a wide-ranging governance review which includes reviewing and improving the approach to managing risk to within the Board agreed risk appetite for each risk category, with further focus on ensuring consistent risk management practices are practised fully across the business.

The key business risks and uncertainties affecting the group are considered to relate to the unique and ground breaking nature of commercial activities along with economic uncertainty arising from COVID-19 (which also carries the potential to impact on multiple fronts ranging from actual Catapult operations, to the supply chain, in particular SME's); political uncertainty arising from the UK's departure from the European Union; evolving Government policy (both towards the role of Catapults and support of renewable energy) which is typically reflected in the availability of publicly available Research & Development (R&D) funding, and ensuring full and adequate governance over the Catapults expanded regional presence. In addition, ORE Catapult and therefore the company has considered risks related to the delivery of its objectives and internal control environment, including health and safety; operation and maintenance of its assets and facilities; data and information security; capacity and capability; employee retention and regulatory compliance.

The business risks and uncertainties outlined above are managed through the regular review of risk with individual risk owners and in full by the Executive team on a quarterly basis during the year. In the first instance controls are identified and implemented to manage each risk and through a culture of continuous risk reduction, additional mitigating actions (e.g. in the area of cyber security, adopting and implementing Cisco Umbrella to address the widespread move to home working) are identified and implemented during the year as ongoing active steps to constantly mitigate against the live and on-going nature of risk exposure.

# ORE Catapult Development Services Limited

## Strategic report (continued)

### Key performance indicators (KPIs)

The company delivers the economic commercial activities of the ORE Catapult as such it adopts the principle KPIs that are adopted by the parent company e.g. revenue and it benefits from other activities that are delivered and measured by the parent, including engagement with small and medium sized enterprises (SMEs) as well as with high growth organisations.

All significant milestones and KPI's for FY19-20 were achieved (or were within acceptable tolerances) in the year. The Catapult is committed to the 'thirds' model (the concept under which is over time, the Catapult revenue line balances out as one third core grant, one third commercial income and one third collaborative research income. In this regard the Catapult continues to make good progress with year on year revenue growth. The KPIs are common across the Catapult Network and cover a wide range of activities including: R&D projects, collaborations with UK companies, technology innovation and commercialisation, as well as revenue targets. Key output measures such as UK SME and Business engagement are also recorded to track our impact on creating and growing UK innovative companies. In addition, the Catapult and therefore the company also tracks a number of 'internal' KPI's e.g. cost control targets and future contracted revenue targets, staff utilisation and other people related KPI's. In aggregate, milestone and KPI progress is tracked and reported to the Executive Management Team monthly and at each meeting of the Board and Audit & Risk Committee as well as quarterly to Innovate UK.

The results for the company show a profit before taxation of £3.6m (2019: £1.1m) and turnover of £11.2m (2019: £7.8m). The company has net assets of £7.1m (2018: £3.9m). No dividends have been paid in the year (2019: £nil) or are proposed in relation to the year.

### Environment Policy

ORE Catapult has an established Environment Policy aligned to ISO 14001. We are wholly committed, wherever practical, to protecting the environment by eliminating the use of damaging substances, materials and activities; reducing the company's emissions of environmentally damaging materials; recycling and reusing as much as possible; minimising waste, preventing pollution; using sustainable renewable energy sources and involving our people in the promotion of an environmentally aware culture.

On behalf of the board



A J Jamieson  
Director

30 June 2020

Offshore House, Albert Street, Blyth, Northumberland NE24 1LZ

# ORE Catapult Development Services Limited

## Directors' report

The directors present their report with the audited financial statements of the company for the year ended 31 March 2020.

### Future outlook

The directors remain of the view that offshore renewable sources will provide a greater share of the UK's generation mix in the future and provide much of the affordable, secure and clean energy needed to power the UK economy. Over the past year, momentum to tackle climate change has grown immeasurably, with offshore renewables the only affordable resource capable of delivering high volumes of clean energy. The UK is the world leader in offshore wind, and the excellent progress made in cost reduction has given industry and government increased confidence to accelerate plans for deployment in UK waters.

The target for offshore wind has now quadrupled from today's installed capacity of 8.5GW to 40GW by 2030, surpassing the goal set in the March 2019 Sector Deal. To achieve this, significant supply chain investment and development is required to meet market demand, particularly in areas such as high value manufacture, ports and related infrastructure, digitalisation, robotics and automation. With the rapid increase in offshore wind turbine size set to continue, radical new innovation in areas such as blades, generators and bearings is needed, presenting the opportunity for the UK supply chain to capture manufacture and – critically – IP in the core hardware. Operations and maintenance accounts for c. 50% of through-life cost of offshore wind, and the UK holds unique experience and leadership in critical technologies such as digitalisation, robotics and automation, to take optimum advantage of this long-term opportunity. Floating Offshore Wind is set to become cost-competitive with fixed foundation from c. 2030, and the UK can capitalise on its early experience in this market predicted to be worth £45bn by 2050.

The directors are confident that ORE Catapult will continue to play a central role in delivering much of the innovation and research vital to the future success of the offshore renewable energy. The work of ORE Catapult is at the heart of ensuring UK businesses deliver the technological advances, economies of scale, capital cost reductions and supply chain capacity which are vital to achieving these targets and exploiting the economic potential at record low prices. Activities increasingly support the emerging economic clusters around the UK, as defined in the Offshore Wind Sector Deal, building on regional strengths and opportunities to generate UK economic benefit from the offshore renewables sector while contributing to the reduction of disparities in regional productivity.

The directors having considered the possible impacts of COVID-19 and acknowledge that while it carries the potential to impact on the offshore renewable energy markets, at the current time it is too early to conclude on this likelihood, which may crystallise in a reduction in the sources of public funding of collaborative research, or additional strain on the supply chain, in particular SME's developing emerging technologies. The market conditions for the renewable energy market are linked in large part to global oil prices and UK Government energy policy; while COVID-19 has impacted global oil prices, in the short term, demand for oil is envisaged to return as countries emerge from the pandemic.

The directors remain confident that the group and therefore the company will achieve an adequate level of performance in the future.

### Financial risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses (e.g. the Company has implemented policies that require credit checks on potential new customers before sales are made. Credit limits are assessed on an ongoing basis and adjusted as appropriate) and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the Company's receivables are shown on the face of the balance sheet.

# ORE Catapult Development Services Limited

## Directors' report (continued)

### Financial risk management (continued)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Company.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The Company manages this risk, where significant, by careful review of proposed new contracts and the financial modelling of likely cash flows.

### Research and disruptive innovation

The ORE Catapult continues to develop its research & disruptive innovation (R&DI) activities, to align these with the test & validation and operational performance capabilities and to ensure that facilities are aligned with the current global energy market needs and to better position it to be successful in applying for national and international collaborative research projects. After the application of a management charge, this is to the benefit of the company and the directors regard the investment in R&DI as integral to the continuing success of the business.

### Directors

Unless stated below, the directors shown below have held office during the whole of the year, and up to the date of signing these financial statements.

A J Jamieson

A L Quinn

A P L Walls

C J Hill

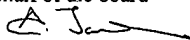
### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

### Auditor

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

On behalf of the board



A J Jamieson

Director



Offshore House, Albert Street, Blyth, Northumberland, NE24 1LZ

30 June 2020

# **ORE Catapult Development Services Limited**

## **Statement of directors' responsibilities in respect of the annual report, the directors' report and the financial statements**

The directors are responsible for preparing the Annual Report, 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

## **Independent auditor's report to the members of ORE Catapult Development Services Limited (continued)**

### **Opinion**

We have audited the financial statements of ORE Catapult Development Services Limited ("the company") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and related notes, including the accounting policies on pages 12 to 14.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.



## **Independent auditor's report to the members of ORE Catapult Development Services Limited (continued)**

### **Strategic report and the directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the members of ORE Catapult Development Services Limited (continued)**

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Gordon Herbertson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
319 St Vincent Street  
Glasgow  
G2 5AS

30 June 2020

## ORE Catapult Development Services Limited

### Statement of comprehensive income for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover		11,172	7,803
Cost of sales		(2,688)	(2,087)
Gross profit		8,484	5,716
Administrative expenses		(4,896)	(4,597)
Other operating income		7	7
Interest receivable and similar income	3	4	5
Operating profit and profit before taxation	1	3,599	1,131
Tax charge on profit	2	(432)	(32)
Profit for the financial year		3,167	1,099
Total comprehensive income for the year		3,167	1,099

All of the company's activities are continuing.

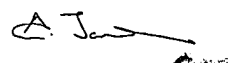
The notes on pages 15 to 20 form part of the financial statements.


# ORE Catapult Development Services Limited

## Balance sheet as at 31 March 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Fixed assets</b>					
Investments	5		-		-
<b>Current assets</b>					
Debtors	6	3,967		2,649	
Cash at bank and in hand		4,347		2,900	
		8,314		5,549	
<b>Creditors: amounts falling due within one year</b>	7	(1,238)		(1,640)	
<b>Net current assets</b>			7,076		3,909
<b>Net assets</b>			7,076		3,909
<b>Capital and Reserves</b>					
Called up share capital	8		25		25
Profit and loss account			7,051		3,884
<b>Total shareholders' funds</b>			7,076		3,909

The financial statements on pages 9 to 20 were approved by the board of directors on 30 June 2020 and were signed on its behalf by:

  
A J Jamieson  
Director

  
A P L Walls  
Director

Registered number 05636283

The notes on pages 15 to 20 form part of the financial statements.

## ORE Catapult Development Services Limited

### Statement of changes in equity

	Called up Share Capital	Profit and loss account	Total Shareholders' funds
	£'000	£'000	£'000
Balance as at 1 April 2018	25	2,785	2,810
Profit and total comprehensive income for the year	-	1,099	1,099
<b>Balance as at 31 March 2019</b>	<b>25</b>	<b>3,884</b>	<b>3,909</b>
Balance as at 1 April 2019	25	3,884	3,909
Profit and total comprehensive income for the year	-	3,167	3,167
<b>Balance as at 31 March 2020</b>	<b>25</b>	<b>7,051</b>	<b>7,076</b>

The notes on pages 15 to 20 form part of the financial statements.

# ORE Catapult Development Services Limited

## Statement of accounting policies

### General Information

ORE Catapult Development Services Limited ('the Company') accelerates the design, deployment and commercialisation of renewable energy technology innovation, helping to attract investment to support SMEs and to realise the significant opportunities presented by the UK's offshore renewable energy resources.

The company is a company limited by shares and is incorporated, domiciled and registered in England. The registered number is 05636283 and the address of its registered office is Offshore House, Albert Street, Blyth, Northumberland, NE24 1LZ.

### Statement of compliance

The financial statements of ORE Catapult Development Services Limited have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

### Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with the requirements of the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

### Going concern

The Company's business activities, together with the factors likely to affect its future development are set out in the Directors Report on pages 3 to 4. The company made good progress during the year and delivered a profit before taxation of £3.6m (2019: £1.1m) and turnover of £11.2m (2019: £7.8m). The COVID-19 pandemic did not adversely impact the company's results for the year, despite a switch to 'remote' working for all office-based staff during March. The company continues to have a strategy of growth and the directors remain committed to ambitious revenue targets for FY2020/21.

While there have inevitably been some challenges to overcome with the switch to remote working, this was more straightforward to achieve than might have been envisaged, due to the early adoption of enabling ICT systems including the use of Microsoft Teams software. As regards our on-site test and validation activity, the Blyth site was closed for a short period of time (c. 2 weeks) to all activities, however after extensive planning and adoption of COVID-19 mitigating procedures has been successfully re-opened and the site is once again fully operational. In mitigation the financial results will be closely scrutinised on a monthly basis. However, the financial statements have been prepared on a going concern basis which the directors believe to be appropriate, notwithstanding the significant challenges posed by the current global COVID-19 crisis, for the following reasons.

At the year end, the Company had net assets of £7.1m. It manages its day to day and medium term funding requirements through cash balances. These cash balances are forecast to provide sufficient liquidity to finance seasonal cash flows in the ordinary course of business.

# **ORE Catapult Development Services Limited**

## **Statement of accounting policies (continued)**

The global COVID-19 coronavirus pandemic is impacting all businesses. Solely as a result of the pandemic, the nature of the Company's business is such that in the next twelve months, there is expected to be an unpredictable variation in the value and timing of cash inflows. The directors have prepared projected cash flow information for the twenty-one months from the date of approval of these financial statements. These forecasts have also modelled plausible downside scenarios which they believe have the potential to arise and include temporary closure of our Blyth testing facility site which prevents key testing activities being carried out on behalf of a cornerstone client. These forecasts also consider a marked reduction in collaborative research and development revenue earning potential following a knock on impact of project partners and small to mid-size enterprises (SME's) encountering financial difficulty as a direct result of project delays from an enforced shutdown. These scenarios include a 25% reduction in testing and validation activities arising from a one month site closure of the Blyth testing facilities and an envisaged 27% reduction in collaborative research and development activity being the most realistic knock on effect from project partners being effected by the coronavirus pandemic. On the basis of this cash flow information the directors consider that the company will continue to meet its financial obligations as they fall due during the next year and therefore have prepared the financial statements on a going concern basis.

### **Exemption from consolidation**

The company is a wholly owned subsidiary of Offshore Renewable Energy Catapult and is included in the consolidated financial statements of Offshore Renewable Energy Catapult which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemption:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity;
- (ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

# **ORE Catapult Development Services Limited**

## **Statement of accounting policies (continued)**

### **Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### **Turnover**

Turnover represents amounts invoiced to customers, and is recognised when services are provided to the customer. The origination and destination of turnover relates exclusively to the UK.

### **Interest receivable**

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

### **Investments**

Investments are recorded at cost less any provision for impairment.

### **Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

### **Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors believe there are no critical accounting judgements or estimation uncertainty in the current year financial statements.



# ORE Catapult Development Services Limited

## Notes to the financial statements

### 1 Operating profit

Operating profit is stated after charging:

	2020 £'000	2019 £'000
Fees payable to company's auditors for the audit of the financial statements	12	12

Fees payable for the audit to the company's auditors are met by another group company, Offshore Renewable Energy Catapult.

### 2 Tax on profit

#### (a) Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020 £'000	2019 £'000
Current tax:		
UK Corporation tax	470	62
Adjustments in respect of prior periods	(38)	(30)
Tax charge on profit	432	32

# ORE Catapult Development Services Limited

## Notes to the financial statements (continued)

### Tax on profit (continued)

#### (b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2020 £'000	2019 £'000
<b>Profit before taxation</b>	<b>3,599</b>	<b>1,131</b>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	684	215
Effects of:		
Adjustments in respect of prior periods	(38)	(30)
Effects of other tax credits	(214)	(153)
<b>Total tax charge for the year</b>	<b>432</b>	<b>32</b>

The UK corporation tax rate applying to the Company was 19% (2019: 19%).

#### (c) Factors that may affect future tax changes

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

# ORE Catapult Development Services Limited

## Notes to the financial statements (continued)

### 3 Interest receivable and similar income

	2020	2019
	£'000	£'000
Bank interest receivable	4	5

### 4 Directors' emoluments and employees

The directors did not receive any emoluments during the year in respect of material qualifying services to the Company (2019: £nil). The directors were all remunerated through Offshore Renewable Energy Catapult. The company has no employees (2019: no employees).

### 5 Investments

	Investments other than loans £'000
Cost and net book value at 1 April 2019 and 31 March 2020	-

The company's investments at the balance sheet date in the share capital of companies include the following:

#### Offshore Wind Growth Partnership Limited

Nature of business: UK Offshore Wind Sector Deal programme delivery

Registered office: Offshore House, Albert Street, Blyth, Northumberland, NE24 1LZ

	%
Class of shares	Holding
Ordinary	100

# ORE Catapult Development Services Limited

## Notes to the financial statements (continued)

### 5 Investments (continued)

#### Wind Energy Benchmarking Services Limited

Nature of business: Offshore Renewable Energy Data collation and Interpretation.

Registered office: Offshore House, Albert Street, Blyth, Northumberland, NE24 1LZ

	%
Class of shares	Holding
Ordinary	51

#### Shandong TUS Offshore Renewable Energy Centre (TORC) Limited

Nature of business: Renewable energy technology research and development centre

Registered office: No.69 The Pioneer Plaza of Yantai Hi-tech Industrial Development Zone, Shandong Province, People's Republic of China, P.C.264670

	%
Class of shares	Holding
Ordinary	30

#### Narec Distributed Energy Limited

Nature of business: Energy distribution consulting

Registered office: Charles Parsons Technology Centre, High Quay, Blyth, Northumberland, NE24 2AZ

	%
Class of shares	Holding
Ordinary	10

## ORE Catapult Development Services Limited

### 6 Debtors

	2020	2019
	£'000	£'000
Trade debtors	1,640	1,903
Amounts owed by related parties	50	5
Amounts owed by group undertakings	821	-
Prepayments and accrued income	1,456	741
	<b>3,967</b>	<b>2,649</b>

Amounts owed by related parties are unsecured, interest free and repayable on demand.

### 7 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	346	320
Amounts owed to group undertakings	-	923
Accruals and deferred income	311	353
Corporation tax	513	19
Other creditors	68	25
	<b>1,238</b>	<b>1,640</b>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# ORE Catapult Development Services Limited

## Notes to the financial statements (continued)

### 8 Called up share capital

	2020	2019
	£'000	£'000
Called up, allotted and fully paid		
25,000 ordinary shares of £1 each	25	25

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

### 9 Related party disclosures

The company has taken advantage of the exemption under FRS102.33.1A 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Offshore Renewable Energy Catapult.

As at the year-end, outstanding debtor balance repayable by Wind Energy Benchmarking Services Limited ("WEBS") was £45,000 (2019: £35,000) and the outstanding debtor balance repayable by Shandong TUS Offshore Renewable Energy Centre Ltd ("TORC") was £35,000 (2019: £nil).

### 10 Ultimate controlling party

The immediate and ultimate parent undertaking is Offshore Renewable Energy Catapult, a company incorporated in England and Wales.

Offshore Renewable Energy Catapult is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2020. The consolidated financial statements of Offshore Renewable Energy Catapult are available from:

Offshore Renewable Energy Catapult  
Offshore House  
Albert Street  
Blyth  
Northumberland  
NE24 1LZ

The directors do not consider there to be an ultimate controlling party of ORE Catapult Development Services Limited as a direct result of the ownership structure of the Offshore Renewable Energy Catapult, the ultimate parent undertaking.