

**ORE Catapult Development Services Limited**  
**Financial statements and annual report**  
**for the year ended 31 March 2023**

**Registered Number 05636283**

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# ORE Catapult Development Services Limited

## Financial statements and annual report

for the year ended 31 March 2023

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# ORE Catapult Development Services Limited

## Strategic report

The directors present their strategic report for the year ended 31 March 2023.

ORE Catapult Development Services Limited accelerates the design, deployment and commercialisation of renewable energy technology innovation, helping to attract investment to support small and medium sized enterprises (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, utilising the unique world class test facilities of the Offshore Renewable Energy Catapult (its parent entity). In particular, the company supports the test & validation of large wind turbine blades, gearboxes 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. 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 ORE Catapult and are subject to regular review by the ORE Catapult Executive Management Team and ORE Catapult Audit & Risk Committee and the 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 FY22-23, ORE Catapult continued its wide-ranging business improvement and governance review, which included reviewing and improving the approach to managing risk to the Board's agreed risk appetite for each risk category, with new rigorous processes ensuring consistent risk management best practice is followed across the business.

The key business risks and uncertainties affecting the group are considered to relate to the unique and ground breaking nature of our commercial activities, along with economic uncertainty arising from inflation and specific high energy prices; political uncertainty arising from geopolitical developments, including the UK's changing priorities following departure from the European Union and conflict in Ukraine; 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 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 (cyber); capacity and capability;

### Key performance indicators (KPIs)

The company delivers the economic commercial activities of 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 SMEs as well as with high growth organisations.

All significant milestones and KPI's for FY22-23 were achieved in the year. The Catapult is committed to the 'thirds' model (the concept under which, 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. These metrics have been selected to evidence progress towards achieving our stated output and outcome goals 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

# **ORE Catapult Development Services Limited**

## **Strategic report (continued)**

### **Key performance indicators (KPIs) (continued)**

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 £4.5m (2022: £2.5m) and turnover of £18.6m (2022: £12.2m). The company has net assets of £14.8m (2022: £10.9m). No dividends have been paid in the year (2022: £nil) or are proposed in relation to the year.

### **Environment Policy**

The company adopts key policies implemented by the parent company which 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

22 June 2023

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 2023.

### Future outlook

As the commercial arm of ORE Catapult Group, the future outlook for the company is closely linked to that of the parent company. In the next decade, the offshore wind market in the UK, already the largest in the world, is forecast to increase fourfold and require a suite of technology rich products and services to rise to the challenge of lower costs, bigger turbines and deeper waters. The directors are of the view that this presents an unprecedented opportunity for UK business to thrive from offshore wind - reinforced by calls for a green economic recovery from the profound economic difficulties triggered by the COVID-19 pandemic - and are confident that ORE Catapult will remain at the forefront of efforts to address the market failures which persists when linking promising UK innovators and companies with the end market.

To deliver UK growth from renewables and the broader energy transition, formidable challenges must be overcome: the UK's skills, infrastructure and funding gaps still hinder innovation, supply chain growth and manufacturing opportunities, while sub-optimal planning and consenting processes threaten to hold back expansion. 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.

ORE Catapult's programmes, facilities and expertise address these challenges, stimulating the development of technology and supply chain capacity to realise the economic benefits of the green energy revolution for the UK. Operating at the centre of the offshore renewables sector, as a unique partner to industry, innovators, academia and government, we are instrumental in driving the innovation agenda, building capacity to develop and commercialise technology, sparking strategic collaboration and expanding business support opportunities, all of which are required to unlock the huge potential of the UK's natural energy resource to stimulate UK economic growth, create jobs, regeneration and carbon reduction.

The location of our centres of operations, largely in coastal communities with the greatest needs of economic regeneration, also means that our activities are playing a critical role in the levelling up agenda, driving economic growth and job creation across the UK.

The directors, having considered the legacy impacts of COVID-19 and geopolitical instability during FY22-23, are reassured that the offshore renewable energy markets remain buoyant, with the results of the ScotWind seabed leasing round providing a major boost for the UK's green economy. They remain alert however to broader economic developments which may restrict

# ORE Catapult Development Services Limited

## Directors' report (continued)

### Future outlook (continued)

public funding of collaborative research, or put additional strain on the supply chain, in particular SME's developing emerging technologies. 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.

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 technology innovation

The company delivers the economic commercial activities of ORE Catapult and supports its research & technology innovation 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&D 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 Garcia Duffy (appointed 01.04.22)

A J Macdonald (appointed 01.04.22)

S M Wyatt (appointed 01.04.22)

# **ORE Catapult Development Services Limited**

## **Directors' report (continued)**

### **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**

During the year, French Duncan LLP was appointed as auditor.

Under section 487(2) of the Companies Act 2006, French Duncan LLP will be deemed to have been reappointed as auditor.

On behalf of the board



A J Jamieson  
Director

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

22 June 2023

## **ORE Catapult Development Services Limited**

### **Statement of directors' responsibilities in respect of the strategic 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**

### **Opinion**

We have audited the financial statements of ORE Catapult Development Services Limited ("the Company") for the Year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the Company, 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.

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

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

#### ***The extent to which the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to whether they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risk of fraud and non-compliance with laws and regulations.

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

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- review of board minutes

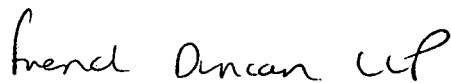
There are inherent limitations in our audit procedures as described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### Use of our report

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.



Thomas Bates (Senior Statutory Auditor)

for and on behalf of

**French Duncan LLP**

Chartered Accountants and Statutory Auditor

133 Finnieston Street

Glasgow

G3 8HB

Date: 26 June 2023

## ORE Catapult Development Services Limited

### Statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
<b>Turnover</b>	1	<b>18,570</b>	12,200
Cost of sales		(3,747)	(2,531)
<b>Gross profit</b>		<b>14,823</b>	9,669
Administrative expenses		(10,593)	(7,209)
Other operating income		281	-
Interest receivable and similar income	4	14	1
<b>Operating profit and profit before taxation</b>	2	<b>4,525</b>	2,461
Tax charge on profit	3	(678)	(507)
<b>Profit for the financial year</b>		<b>3,847</b>	1,954
<b>Total comprehensive income for the year</b>		<b>3,847</b>	1,954

All of the company's activities are continuing.

The notes on pages 14 to 22 form part of the financial statements.

# ORE Catapult Development Services Limited

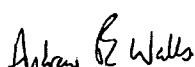
## Balance sheet as at 31 March 2023

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
<b>Fixed assets</b>					
Investments	6		-		-
<b>Current assets</b>					
Debtors	7	11,803		8,223	
Cash at bank and in hand		4,410		4,779	
		16,213		13,002	
<b>Creditors: amounts falling due within one year</b>	8	(1,434)		(2,070)	
<b>Net current assets</b>			14,779		10,932
<b>Total assets less current liabilities</b>			14,779		10,932
<b>Net assets</b>			14,779		10,932
<b>Capital and Reserves</b>					
Called up share capital	9		25		25
Profit and loss account			14,754		10,907
<b>Total shareholders' funds</b>			14,779		10,932

The financial statements on pages 11 to 22 were approved by the board of directors on 22 June 2023 and were signed on its behalf by:



A J Jamieson  
Director



A P L Walls  
Director

Registered number 05636283

The notes on pages 14 to 22 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 2021	25	8,953	8,978
Profit and total comprehensive income for the year	-	1,954	1,954
<b>Balance as at 31 March 2022</b>	<b>25</b>	<b>10,907</b>	<b>10,932</b>
Balance as at 1 April 2022	25	10,907	10,932
Profit and total comprehensive income for the year	-	3,847	3,847
<b>Balance as at 31 March 2023</b>	<b>25</b>	<b>14,754</b>	<b>14,779</b>

The notes on pages 14 to 22 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 and 4. The company has continued to perform strongly and in doing so delivered a profit before taxation of £4.5m (2022: £2.5m) and turnover of £18.6m (2022: £12.2m). The Company continues to have a strategy of growth and the directors remain committed to ambitious revenue targets for FY2023/24 and beyond.

With robust ICT systems including Microsoft Teams software being firmly embedded within the Catapult, office-based staff have positively embraced blended working, proving once again that staff locations should not act as a blocker to successful delivery. The Blyth test site remains fully operational, providing critical test and validation activities for major industry players. In continually focusing on financial stability, both financial governance and control procedures were tightened, focusing on the enhanced scrutiny of the financial results monthly, and on debt collection.

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate, for the following reasons:



# ORE Catapult Development Services Limited

## Statement of accounting policies (continued)

### Going concern (continued)

At the year end, the Company had net assets of £14.8m. It manages its day to day and medium term funding requirements through cash balances which are managed on a group basis and also take account of the fact that a key element of this for the group as a whole is the receipt of monthly grant funding from Innovate UK the amounts for which are known and committed to 31 March 2025. Whilst the renewal of grant funding from Innovate UK for the period from April 2024 to March 2028 is ongoing, Innovate UK have provided assurance that core grant funding for the financial year 2024/25 will be at a similar level to 2023/24. These cash balances are forecast to provide sufficient liquidity to finance seasonal cash flows in the ordinary course of business.

The directors have prepared projected cash flow information for the twelve 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 such scenarios include a 9% reduction in testing and validation activities because of not securing key contracts to fill vacant assets and an envisaged 14% reduction in collaborative research and development activity through non-conversion of pipeline to achieve budget revenue levels.

Reflecting the Company's strong cash position, overhead costs and capital investment costs remain at their original budgeted levels further evidencing that the Group cash flow remains in a stable position for the foreseeable future. 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 for at least 12 months from the date of approval of the financial statements 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 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.

### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# ORE Catapult Development Services Limited

## Notes to the financial statements

### 1 Turnover

	2023	2022
	£'000	£'000
Sales to external parties	14,021	9,608
Grant income	4,549	2,592
	18,570	12,200

### 2 Operating profit

Operating profit is stated after charging:

	2023	2022
	£'000	£'000
Fees payable to company's auditors for the audit of the financial statements	20	22

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

### 3 Tax on profit

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

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

	2023	2022
	£'000	£'000
Current tax:		
UK Corporation tax	(829)	(505)
Adjustments in respect of prior periods	151	(2)
Tax charge on profit	(678)	(507)

# 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 (2022: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2023 £'000	2022 £'000
<b>Profit before taxation</b>	<b>4,525</b>	<b>2,461</b>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	(860)	(468)
Effects of:		
Expenses not deductible for tax purposes	(2)	(19)
Income not taxable for tax purposes	60	-
R&D expenditure tax credits	(27)	(21)
Group relief	-	3
Adjustments in respect of prior periods	151	(2)
<b>Total tax charge for the year</b>	<b>(678)</b>	<b>(507)</b>

The UK corporation tax rate applying to the Company was 19% (2022: 19%).

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

The UK Budget in March 2021 included an announcement that the main rate of corporation tax will increase to 25% from 1 April 2023, this was substantively enacted on 10 June 2021. This will increase the company's future current tax charge accordingly.

# ORE Catapult Development Services Limited

## Notes to the financial statements (continued)

### 4 Interest receivable and similar income

	2023 £'000	2022 £'000
Bank interest receivable	14	1

### 5 Directors' emoluments and employees

The directors did not receive any emoluments during the year in respect of material qualifying services to the Company (2022: £nil).

The company has no employees other than the 6 directors (2022: 6 directors).

### 6 Investments

	Investments other than loans £'000
Cost and net book value at 1 April 2022 and 31 March 2023	-

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)

### 6 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	100

On 25 April 2022, the Board of Directors of the Company unanimously decided to approve the cessation of the trade carried on by Wind Energy Benchmarking Services Limited, write off the intercompany balance owed to the company in the amount of £65,000 and proceed to dissolve Wind Energy Benchmarking Services Limited.

Wind Energy Benchmarking Services Limited was dissolved on 24 January 2023.

#### 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

# ORE Catapult Development Services Limited

## Notes to the financial statements (continued)

### 7 Debtors

	2023	2022
	£'000	£'000
Trade debtors	3,489	2,859
Amounts owed by group undertakings	7,263	4,607
Prepayments and accrued income	1,051	757
	11,803	8,223

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

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

	2023	2022
	£'000	£'000
Trade creditors	681	1,086
Amounts owed to group undertakings	7	-
Accruals and deferred income	438	534
Corporation tax	191	410
Other creditors	117	40
	1,434	2,070

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

# ORE Catapult Development Services Limited

## Notes to the financial statements (continued)

### 9 Called up share capital

	2023	2022
	£'000	£'000
<b>Called up, allotted and fully paid</b>		
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.

### 10 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.

### 11 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 2023. 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.