

Registered Number: SC520110

**OPPORTUNITY NORTH EAST LIMITED**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE PERIOD ENDED 31 MARCH 2017**

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**OPPORTUNITY NORTH EAST LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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## **OPPORTUNITY NORTH EAST LIMITED**

### **CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017**

#### **REVIEW OF THE BUSINESS**

Opportunity North East (ONE) was launched in December 2015, following extensive consultation with the business community in North East Scotland and discussion with the public sector. It is the private sector's response to the challenge of maximising the oil and gas opportunity for the region long term and rebalancing the region's economy to achieve an economic renaissance that delivers sustainable prosperity.

ONE is ambitious for the region and its key industries and it aims to deliver projects and programmes that enable businesses of all sizes, from new entrants and start-ups to established companies, to realise their growth potential.

ONE is private sector led and funded, supported by key individuals from the business community, and engages regularly with businesses and partners to communicate and progress its priorities and actions in the region's key business sectors. As a result, ONE can identify opportunities in the region and respond quickly to catalyse progress through its co-investment model. ONE has an initial funding commitment of £25m over five years from The Wood Foundation, with further £4m commitment confirmed in June 2017, and aims to secure match funding for transformational projects and programmes from the private and public sectors.

ONE has a Leadership Board and four sector Boards, each with its own strategy, budget and objectives. Working through this structure, ONE is building on the region's strengths as one of the UK's most enterprising areas with strong industry sectors, a highly skilled workforce, world class academic and research institutes, and an established network of global connections. Working with private and public-sector partners, ONE aims to:

- Grow the region's food, drink and agriculture sector
- Build the region's life sciences sector
- Maximise the oil and gas opportunity for the region, including post the North Sea
- Evolve tourism in the region to exploit new business and leisure opportunities
- Develop the region's digital economy

ONE's region-specific remit and focus on co-investment with partners give it a unique ability to add value to economic development activity across Aberdeen and Aberdeenshire, including leading on the development of the Renaissance Vision that sits at the heart of the Regional Economic Strategy. The Renaissance Vision, shared by our strategic partners, will be achieved through maximising the North Sea oil and gas opportunity, anchoring the energy supply chain in the region for the long term, achieving growth in our other key industry sectors, and, in the medium term, attracting new business to the region.

In its first full year of operations, ONE secured significant funds to support these key industries, including the £210m of UK and Scottish Government funding for innovation projects within the Aberdeen City Region Deal, in which ONE is the private sector partner. From this initiative, the region's new Oil & Gas Technology Centre is now successfully launched as an independent company with £180m of capital available over ten years to create a major global offshore technology centre in the region. ONE has also delivered projects with industry to support business growth through new market opportunities, innovation and diversification that will secure high value jobs for the medium to long term. ONE has committed to projects totalling £1.4m in the period, securing a match funding commitment from partners of £1.6 million, demonstrating the catalytic effect of its private sector led approach to economic development.

During the year, ONE engaged widely with the business community and other regional stakeholders to promote awareness of the strategic economic challenge, the long-term vision for the region and the work underway to achieve Regional Economic Renaissance. There is increasing understanding of the importance of this work and ONE intends to build upon this positive momentum this year.

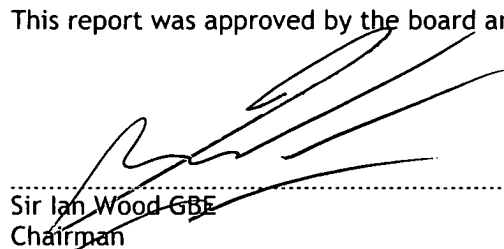
In 2017/18, ONE will invest up to £3.5 million in projects and programmes across its priority industry sectors, which would secure more than £3.2 million of match funding from partners.

## OPPORTUNITY NORTH EAST LIMITED

ONE's activity will include a food and drink business growth programme, work with agriculture supply chains on efficiency, developing diversification opportunities with the oil and gas supply chain, and direct financial support to VisitAberdeenshire to grow visitor numbers and tourism revenues in the region. The Oil & Gas Technology Centre innovation project has been successfully launched and ONE is now leading on the other two innovation projects within the Aberdeen City Region Deal - the Agri-Food & Nutrition Hub for Innovation and the Bio-Therapeutics Hub for Innovation.

In conclusion, I would like to thank my fellow Directors and the members of the industry Sector Boards for the commitment, enthusiasm and insights that they have brought to ONE's work to date. Their engagement and experience is central to ensuring that we prioritise the action and investment that will generate the greatest return for the region and its industry sectors in the medium to long term.

This report was approved by the board and signed on its behalf by:



.....  
Sir Ian Wood GBE  
Chairman

21 July 2017

## **OPPORTUNITY NORTH EAST LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2017**

The directors present their annual report and the audited financial statements for the period from date of incorporation, 11 November 2015, to 31 March 2017.

#### **PRINCIPAL ACTIVITY**

Opportunity North East (ONE) is the private sector led economic development body for North East Scotland and was established at the end of 2015 by industry to catalyse action and co-investment to deliver sustainable economic growth and employment for the long term. ONE has a funding commitment of £29m over five years from the Wood Foundation and will be seeking matched funding.

#### **DIRECTORS**

The directors who served during the period were:

Sir Ian Wood (Chairman)	(appointed 11 November 2015)
Jennifer Craw	(appointed 11 November 2015)
Colin Crosby	(appointed 30 November 2015)
Professor Sir Ian Diamond	(appointed 30 November 2015)
William Duguid	(appointed 29 March 2016)
Trevor Garlick	(appointed 28 March 2017)
Councillor James Gifford	(appointed 18 May 2017)
Martin Gilbert	(appointed 30 November 2015)
Adrian Gillespie	(appointed 30 November 2015)
Edel Harris	(appointed 30 November 2015 / resigned 20 June 2017)
Councillor Jennifer Laing	(appointed 16 December 2015)
Professor Stephen Logan	(appointed 30 November 2015)
Patrick Machray	(appointed 11 November 2015)
Gary McEwan	(appointed 30 November 2015)
Deirdre Michie	(appointed 30 November 2015)
Councillor Richard Thomson	(appointed 16 December 2015 / resigned 18 May 2017)
Professor Ferdinand Von Prondzynski	(appointed 30 November 2015)
Russell Borthwick	(appointed 20 June 2017)
Councillor Peter Argyle	(alternate - appointed 18 May 2017)
Geoff Aberdeen	(alternate - appointed 20 June 2017)

#### **GOING CONCERN**

The Wood Foundation have committed to provide £29m of funding to the Company over a 5 year period subject to performance. In light of this, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## OPPORTUNITY NORTH EAST LIMITED

### DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2017

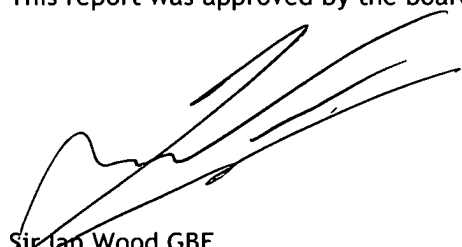
#### AUDITORS

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### SMALL COMPANIES NOTE

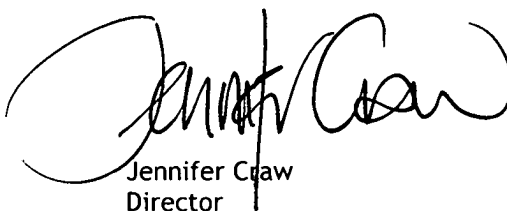
In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



Sir Ian Wood GBE  
Chairman

21 July 2017



Jennifer Crow  
Director

21 July 2017

## **OPPORTUNITY NORTH EAST LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**OPPORTUNITY NORTH EAST LIMITED**  
**REGISTERED NUMBER: SC520110**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

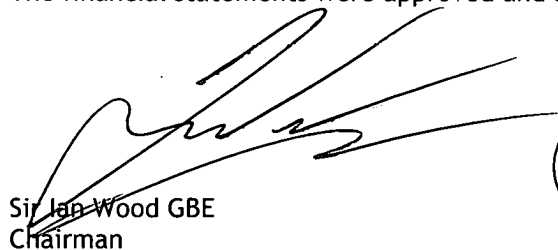
		2017 £
	Note	
<b>FIXED ASSETS</b>		
Tangible assets	5	<u>110,041</u>
<b>CURRENT ASSETS</b>		
Debtors	6	85,074
Cash at bank and in hand	7	<u>229,969</u>
		315,043
<b>CREDITORS: amounts falling due within one year</b>	8	<u>315,043</u>
<b>NET CURRENT ASSETS</b>		<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		110,041
<b>CREDITORS: amounts falling due outwith one year</b>	9	(110,041)
<b>NET ASSETS</b>		<u><u>-</u></u>
<b>RESERVES</b>		
Retained earnings		<u><u>-</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

  
Sir Ian Wood GBE  
Chairman

  
Jennifer Craw  
Director

21 July 2017

21 July 2017

The notes on pages 7 to 13 form part of these financial statements.



## **OPPORTUNITY NORTH EAST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017**

#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Opportunity North East Limited is a private company limited by guarantee which is incorporated and registered in Scotland. The registered office is 6 Queens Road, Aberdeen, AB15 4ZT.

The financial statements have been prepared under the historical cost convention unless otherwise specified with these accounting policies and in accordance with Section 1A Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **1.2 GOING CONCERN**

The company is primarily funded by a grant from The Wood Foundation, and a commitment is in place to provide £29m of funding over a 5 year period subject to performance. Funding is also sourced from other partners for individual projects. Projects proceed when ONE is satisfied with the match funding arrangements. The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has sufficient working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **1.3 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the costs of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	-	over the period of the lease
Computer equipment	-	3-6 years
Office equipment	-	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### **1.4 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**PERIOD ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.5 DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.6 CASH AND 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.

**1.7 FINANCIAL INSTRUMENTS**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year) including loans and other accounts receivable and payable, are initially measured at present value of the future cashflows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future cashflow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**PERIOD ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.7 FINANCIAL INSTRUMENTS (continued)**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.8 CREDITORS**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.9 PENSIONS**

The company contributes to defined contribution pension schemes and the pension charge represents the amounts payable by the company in respect of the year.

**1.10 GRANT INCOME**

Grants received are credited to deferred income.

Grants towards capital expenditure are released to income over the expected useful life of the relevant assets.

Grants of a revenue nature are released and credited to the Statement of Comprehensive Income so as to match them with the expenditure to which they relate.

**1.11 GRANT EXPENDITURE**

Grants or instalments of grants offered in connection with projects with third parties are recognised as expenditure when the grant's performance related conditions are met. In those cases where a grant is awarded unconditionally without regard to future activity or without future specified performance related conditions, they are recognised in expenditure in accordance with the timing of the project to which the grant relates. Grants offered subject to future periods or conditions which have not been met at the year end are noted as financial commitments, but not accrued as expenditure.

In effect, the timing of grant expenditure where there are no performance terms is recognised over the term of the period to which the grant award relates.

**1.12 FINANCE COSTS**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**PERIOD ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.13 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**1.14 PROVISION FOR LIABILITIES**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

# OPPORTUNITY NORTH EAST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) PERIOD ENDED 31 MARCH 2017

### 2. AUDITORS' REMUNERATION

	2017 £
Fees payable to the auditor for the audit of the company's annual accounts	9,900

### 3. AUDITORS' INFORMATION

The auditors' report included in the annual accounts delivered to the members was unqualified. The audit report was issued by Anderson Anderson & Brown LLP and was signed by John Black.

### 4. EMPLOYEES

The average number of employees during the period was four; this includes one director, the Chief Executive. There were 14 other directors during the period. Non-executive directors do not receive remuneration.

### 5. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer equipment £	Office equipment £	Total £
<b>Cost</b>				
Additions and at 31 March 2017	18,473	38,488	72,343	129,304
<b>Depreciation</b>				
Charge for the period and at 31 March 2017	2,298	8,583	8,382	19,263
<b>Net book value</b>				
At 31 March 2017	16,175	29,905	63,961	110,041

OPPORTUNITY NORTH EAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
PERIOD ENDED 31 MARCH 2017

6. DEBTORS

	2017 £
Due within one year	
Trade debtors	18,300
Other debtors	11,220
Prepayments and accrued income	55,554
	<u>85,074</u>

7. CASH AND CASH EQUIVALENTS

	2017 £
Cash at bank and in hand	<u>229,969</u>

8. CREDITORS: Amounts falling due within one year

	2017 £
Trade creditors	101,771
Other creditors	18,572
Accruals and deferred income	194,700
	<u>315,043</u>

9. CREDITORS: Amounts falling due after more than one year

	2017 £
<i>Accruals and deferred income</i>	
Capital grant received in period	129,304
Release to income and expenditure in period	(19,263)
	<u>110,041</u>
At 31 March 2017	

## **OPPORTUNITY NORTH EAST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) PERIOD ENDED 31 MARCH 2017**

#### **10. FINANCIAL COMMITMENTS**

The company has future operating lease commitments of £371,251 payable over the next 5 years.

The company has financial commitments to third parties in relation to approved projects where contractual agreements were in place at the balance sheet date for ONE to deliver funding, but the performance or contractual criteria to trigger payment had not been met. These commitments amount to £209,900, and are expected to be settled in the next financial period.

#### **11. CONTROLLING PARTY**

The company is limited by guarantee and has 3 members. The liability of members who hold the guarantee is limited to £1 each. Control of the company rests with the Board of Directors which is independent from the members.

#### **12. COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital.