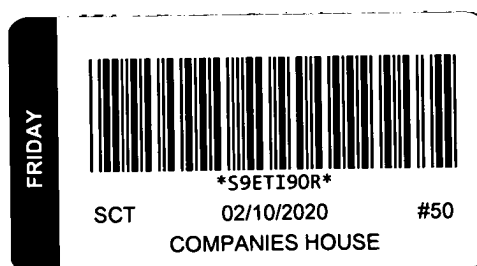


Registered Number: SC520110

OPPORTUNITY NORTH EAST LIMITED

INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2020



OPPORTUNITY NORTH EAST LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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OPPORTUNITY NORTH EAST LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

REVIEW OF THE BUSINESS

Over the past four years, Opportunity North East (ONE) has made a significant positive impact on the economic prospects of the key industry sectors in north east Scotland.

ONE's aim is to accelerate regional economic diversification and energy transition. It works in the key industry sectors of digital and entrepreneurship; energy; food, drink, agriculture and fishing; life sciences and tourism to help businesses grow.

With a strong emphasis on action, ONE has helped many businesses expand in domestic markets and internationally, to achieve a broader economic base across Aberdeen and Aberdeenshire.

ONE Tech Hub, created with a £1.5 million investment by ONE, established itself as the focal point for digital and entrepreneurship activity in the region - providing bespoke tech sector growth support. Hub tenants include start-ups and early-stage companies and essential elements of the tech support network, including Barclays Eagle Labs, Robert Gordon University's start up accelerator, the DataLab and ScotlandIS. The ONE CodeBase partnership based in the hub, provides incubation and accelerated growth support to 15 early-stage companies. A pilot digital accelerator programme identified new businesses for accelerated growth support and a series of masterclasses connected tech companies with global sector insights and key influencers to inspire their growth ambitions.

In energy, the opportunities for the region to draw on its oil and gas experience to develop a leading role in the energy transition increased and accelerated. The drivers are the focus on climate emergency and the UK and Scottish net-zero targets. ONE is developing and supporting energy transition projects with a focus on offshore wind, carbon capture and storage, and hydrogen – the areas where the region has existing strengths and infrastructure. ONE is working with partners on the potential to create a significant Energy Transition Zone adjacent to the new Aberdeen South Harbour to support the development of a substantial energy transition cluster.

Increasing the volume and value of exports from the region is a priority for food, drink, agriculture and fishing to ensure that premium products reach high-value markets. ONE worked with a range of businesses on market development and business growth and co-funded the Scotland Food & Drink Export Partnership to provide in-country expertise to new and established exporters. ONE continued to lead the delivery of the transformational Food Hub for Innovation project which includes £10 million of capital funding from the UK Government and Scottish Government, secured via the Aberdeen City Region Deal, with operations and support activity to industry boosted by a £4.4 million commitment from ONE. The project's new brand SeedPod was launched to industry and partners in January 2020 and the architect and lead consultant appointed to work up detailed plans for the £21 million project. Food Hub.

ONE is also working with industry and partners to transform Scotland's significant seafood sector. The intention is to significantly increase the value adding activity in the region by creating more processing capacity, introducing more automation, and new product and market development. A detailed business case is being developed to secure public sector funding.

Digital was a significant theme in ONE's life sciences work. A co-funded project with the Scottish Government and NHS, supported by Canon Medical Research Europe saw five companies develop prototype artificial intelligence solutions for fracture diagnosis in clinical settings. Two companies will go on to refine their products for application in hospitals and commercialisation. ONE continued to lead the delivery of the BioHub project for the sector through BioAberdeen Limited, including securing full planning permission for the hub on the Foresterhill health campus in Aberdeen. BioHub has secured £20 million of capital funding from the UK Government and Scottish Government through the Aberdeen City Region Deal. ONE has committed an additional £3.6 million of funding to operate the hub and deliver growth support activity to the sector.

ONE's support for growing the region's visitor economy included provided funding for the region's destination management organisation VisitAberdeenshire. ONE also supported the Hospitality

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

Apprenticeship North East programme with leading hotels in the region and Skills Development Scotland, worked with hospitality and food and drink businesses on developing food tourism and developed the north east adventure tourism concept into its first phase of funded project delivery with partners. The goal is to secure a bigger share of the high-value UK adventure tourism market. The project will encourage more visitors to stay in the region longer because of the range and quality of adventure activities on offer. Looking ahead, supporting the recovery of the visitor economy is a priority for ONE.

Finally, ONE worked in partnership with the Andrew Salvesen Family Trust to establish the ONE Enterprise Fund to support business growth and employment across north east Scotland's leading industry sectors. The £2 million Fund helps ambitious businesses at critical points in their growth by providing interest-free loans. Recipients also benefit from engagement in ONE's activity.

Across all its activity during the year, ONE used its leadership, influence and resources to turn transformational opportunities into funded projects in delivery. It has engaged new, early-stage and established businesses in growth programmes. It has shaped the regional economic development agenda with a specific focus on energy transition and digital tech, both as a growth cluster and as a driver of change in all sectors.

Through ONE, the private sector is having a significant impact on the north east Scotland's economic future. The regional economic partnership model established in Aberdeen and Aberdeenshire is clearly the most successful in Scotland.

The ONE economic leadership board and sector boards have more than 90 members from the business community, the region's two universities and college, and strategic partners. The membership of the boards continues to refresh, ensuring that new perspectives and innovative thinking informs ONE's work. Their collective focus is on action and delivery with growth targets set for each of the sectors and their contribution plays a large role in our success.

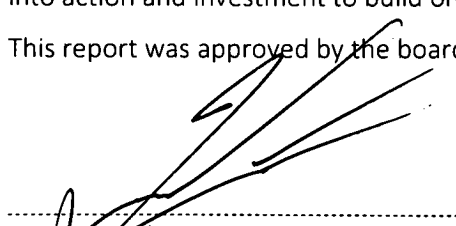
The Wood Foundation's funding commitment of £62 million over ten years to ONE has been catalytic, enabling ONE to use its independent resources to accelerate development work and leverage co-funding. To date, ONE's approved project commitment of £18.6 million has secured public, private and philanthropic match funding of £44.6 million.

In recent months, ONE's work has taken on even sharper focus as the country seeks to achieve a green economic recovery in the wake of the COVID-19 pandemic. This will need the Scottish and UK Governments to accelerate regional and sector-specific development to drive recovery, provide jobs for the future, and transform our economy to deliver net-zero targets. ONE's work is aligned with these ambitions and will deliver against the regional and national priorities.

As part of planning for economic recovery through 2020-21 and beyond, ONE has reviewed its projects and programmes and prioritised those that offer the best prospects of long-term economic growth. Critical projects for the energy transition, seafood sector transformation, and tourism are now on accelerated timetables to maximise their impact and secure government funding as priority economic recovery infrastructure projects.

The challenges ahead are significant and ONE will continue to use its proven ability to translate opportunities into action and investment to build on regional strengths.

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



.....
Sir Ian Wood KT GBE
Chairman
4th September 2020

OPPORTUNITY NORTH EAST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and the audited financial statements for the year ended 31 March 2020.

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 benefit of the people of the North East Scotland. ONE has a funding commitment of £62m over ten years from the Wood Foundation and will be seeking matched funding.

DIRECTORS

The directors who served during the period were:

Sir Ian Wood KT GBE (Chairman)

Jennifer Craw

Patrick Machray OBE

Professor Stephen Logan

Deirdre Michie OBE

Trevor Garlick OBE

Councillor James Gifford

Councillor Peter Argyle (alternate)

Russell Borthwick

Geoff Aberdein

Councillor Douglas Lumsden

Claire Bruce

Professor George Boyne

Professor John Harper

Michelle Handforth

Stanley Morrice (appointed 21 January 2020)

GOING CONCERN

The Wood Foundation has committed to provide £62m of funding to the Company over a 10 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
FOR THE YEAR ENDED 31 MARCH 2020 (continued)

AUDITORS

The auditors, Anderson Anderson & Brown Audit 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 KT GBE
Chairman

4th September 2020



Jennifer Crow
Director

4th September 2020

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

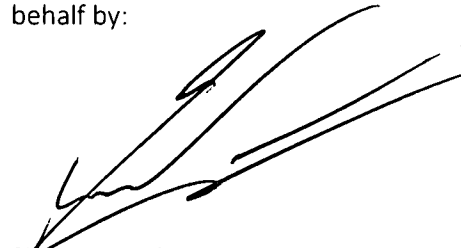
BALANCE SHEET
AS AT 31 MARCH 2020

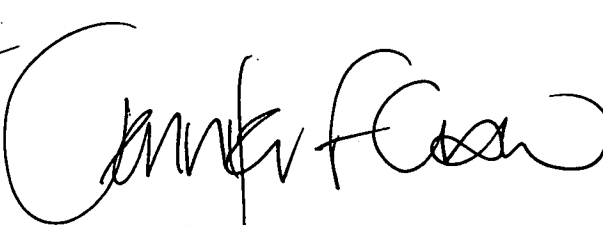
		2020 £	2019 £
	Note		
NON CURRENT ASSETS			
Tangible fixed assets	4	102,693	137,745
CURRENT ASSETS			
Debtors	5	402,546	172,486
Cash at bank and in hand	6	878,000	409,575
		<u>1,280,546</u>	<u>582,061</u>
CREDITORS: amounts falling due within one year	7	<u>(880,546)</u>	<u>(582,061)</u>
NET CURRENT ASSETS		<u>400,000</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>502,693</u>	<u>137,745</u>
CREDITORS: amounts falling due outwith one year	8	<u>(502,693)</u>	<u>(137,745)</u>
NET ASSETS		<u><u>-</u></u>	<u><u>-</u></u>
RESERVES			
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 Company has opted not to file the statement of comprehensive income in accordance with the 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 KT GBE
Chairman
4th September 2020


Jennifer Crow
Director
4th September 2020

The notes on pages 7 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

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 £62m of funding over a 10 year period subject to certain conditions. The Trustees of The Wood Foundation have confirmed that they are satisfied all funding conditions are being met. 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 prepared 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
YEAR ENDED 31 MARCH 2020

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (continued)

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.

1.15 CONCESSIONARY LOANS

Concessionary loans made and received by the company in respect of the ONE Enterprise Fund are initially measured at the amount received or paid.

2. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the auditor for the audit of the company's annual accounts	12,210	12,000

3. EMPLOYEES

The average number of employees during the year was 24 (2019: 18); this includes one director, the Chief Executive. There were 14 other directors (2019: 16) during the year. Non-executive directors do not receive remuneration.

4. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2019	75,299	69,901	97,131	242,331
Additions	-	5,273	14,650	19,923
At 31 March 2020	75,299	75,174	111,781	262,254
Depreciation				
At 1 April 2019	20,706	41,956	41,924	104,586
Charge for Year	17,876	15,757	21,343	54,976
At 31 March 2020	38,582	57,713	63,267	159,562
Net book value				
At 31 March 2019	54,593	27,945	55,207	137,745
At 31 March 2020	36,717	17,461	48,515	102,693

OPPORTUNITY NORTH EAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

5. DEBTORS

	2020	2019
	£	£
Due within one year		
Trade debtors	80,139	78,118
Other debtors	29,829	7,383
Prepayments and accrued income	66,178	86,985
Concessionary loans	226,400	-
	<u>402,546</u>	<u>172,486</u>

The concessionary loans relate to the ONE Enterprise Fund and are unsecured, interest free and repayable after more than one year.

6. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	<u>878,000</u>	<u>409,575</u>

7. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	164,763	156,891
Other creditors	13,353	13,835
Accruals and deferred income	702,430	411,335
	<u>880,546</u>	<u>582,061</u>

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

	2020	2019
	£	£
ONE Enterprise Fund Creditor	400,000	-
Accruals and deferred income	102,693	137,745
	<u>502,693</u>	<u>137,745</u>

The ONE Enterprise Fund creditor relates to funding received which is unsecured, interest free and repayable after more than one year.

	2020	2019
	£	£
<i>Accruals and deferred income</i>		
Opening balance	137,745	120,748
Capital grant received in the year	19,923	69,998
Release to income and expenditure in the year	(54,975)	(53,001)
	<u>102,693</u>	<u>137,745</u>

OPPORTUNITY NORTH EAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

9. OPERATING LEASE COMMITMENTS

The company has future operating lease commitments of £207,095 (2019: £312,011) payable over the next 2 years.

10. FINANCIAL COMMITMENTS

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 £7,857,576 (2019: £5,150,421) and are expected to be settled over the next 5 years.

Included within these financial commitments is an amount of £557,000 committed to ONE Digital & Entrepreneurship Ltd, a company controlled by Opportunity North East.

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.

13. AUDITORS INFORMATION

The auditor's report on the financial statements for the year ended 31 March 2020 was unqualified. The audit report was signed on *4 September 2020* by Derek Mair (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.