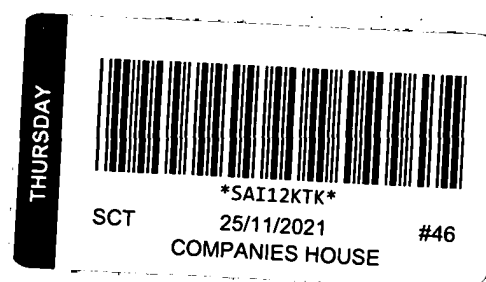


Registered Number: SC520110

## OPPORTUNITY NORTH EAST LIMITED

INFORMATION FOR FILING WITH THE REGISTRAR  
FOR THE YEAR ENDED 31 MARCH 2021



**OPPORTUNITY NORTH EAST LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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## OPPORTUNITY NORTH EAST LIMITED

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

#### REVIEW OF THE BUSINESS

Opportunity North East (ONE) is the private sector leader and catalyst for economic diversification and transformation across the north east of Scotland.

ONE works with industry and partners to create, develop and deliver transformational projects and programmes in the region's key sectors of food, drink, agriculture and fishing; life sciences; tourism; and digital to grow businesses, create jobs and enhance the entrepreneurial environment. Through ONE's industry-led boards, the private sector shapes the region's future economy, maximises growth opportunities and creates high-skill, high-value jobs in our key industries.

The COVID-19 pandemic, climate emergency, and new international trading environment have amplified challenges in Scotland's economic performance regionally and nationally.

Scotland needs to be more productive and competitive globally, focus on high-value economic activity, and move to a low-carbon economy with a clear route map to net-zero. The immediate task is to preserve and build on our economic strengths – sector strengths and regional strengths, the highly enterprising and international company base and highly skilled workforce – and boost transformational activity across the region that will directly impact economic productivity and output.

We work with industry and partners to create, develop and deliver transformational projects and programmes in the region's key sectors.

Since ONE's creation in 2015, it has turned opportunity and ambition into action and investment with a significant positive impact on the region's economic prospects, its key sectors and the growth of individual businesses. There is wide recognition of ONE as an exemplar for private sector-led regional economic development.

The COVID-19 pandemic, climate emergency and new international trading environment make ONE's leadership, action and co-investment essential. ONE's priorities are business growth, high-value green jobs to drive economic recovery, digital transformation and a just transition that provides work, training and skills opportunities as we move to a low-carbon economy that delivers national net-zero targets.

The year was one of enormous challenges, and the region experienced significant impacts across its economy, especially in sectors including energy, hospitality and tourism. Although also facing extensive disruption, other sectors achieved progress with notable successes in food and drink production and life sciences.

ONE accelerated transformational projects to support long-term economic recovery and growth and achieve a net-zero north east Scotland.

ONE pivoted its business growth programmes to a fully digital model. The move ensured that it continued to support new, early-stage founders and established businesses with growth and market development programmes and provide business leaders with mentoring and development support, insights, tools and empowering networks. This continuity was critical when companies faced multiple and evolving challenges.

Set out below is a summary of ONE's progress and activity for each of the key industry sectors:

#### Digital & Entrepreneurship

Accelerating business growth and driving digital adoption and maturity are consistent themes for ONE's work across the sectors. The development of the region's digital tech cluster continued to be a priority.

The ONE CodeBase partnership provided incubation and accelerated growth support to early-stage companies with its activity moving online.

A partnership of Barclays Eagle Labs, ONE and CodeBase launched an EnergyTech initiative to accelerate innovation in the UK energy sector. The programme collaborates with industry leaders to boost innovation, with 21 established and emerging companies participating in the first cohort.

ONE successfully piloted and launched a business growth and recovery programme to encourage digital tech business owners and leaders to plan for economic recovery and growth. Two private sector partners, Inoapps and Sword ITS, support the programme, with eight companies participating.

The Future Skills Partnership was launched to enhance digital skills in north east Scotland. The region's most significant educational establishments joined forces with Scotland's leading digital training providers to boost digital capabilities.

## OPPORTUNITY NORTH EAST LIMITED

### Energy

Maximising the economic benefit of the energy transition for our high-value oil, gas and energy industry is vital for the region and the national economy. Realising this opportunity must include the managed transition of our oil and gas sector to a broader energy sector and retaining and evolving our essential supply chain with its transferable skills to anchor economic activity and investment in Scotland long-term, maintain energy security and increase energy-related exports of technology and services.

The UK must maintain domestic oil and gas production during the energy transition to meet the predicted ongoing demand for hydrocarbons in the economy until the country is self-sufficient in energy from renewable sources. If UK oil and gas production is prematurely wound down, the government will have to import more oil and gas, lose high-value jobs, and damage the balance of payments.

Therefore, the region's ambition is to be a globally recognised integrated energy cluster focused on accelerating net-zero through energy transition activities.

ONE used its resources and worked with regional and national partners to accelerate energy transition activity during the year.

ONE supported the development of the North Sea Transition Deal, a transformative partnership between the oil and gas industry and the UK Government, that sets out an ambitious plan to deliver the skills, innovation and new infrastructure required to meet net-zero objectives.

ONE led the business case for the Global Underwater Hub that secured £17 million from the UK Government and Scottish Government in 2020. The project will enable the UK subsea and marine engineering oil and gas supply chain to maximise new "blue economy" market opportunities.

Most importantly, ONE created the Energy Transition Zone concept. It led the business case that has leveraged funding from UK Government and Scottish Government. Energy Transition Zone Ltd (ETZ) was established in April 2021 to spearhead the region's energy transition activity. ONE will contribute up to £5.7million of funding to ETZ over the next five years, and ETZ will take over at the end of the year the energy sector activity formerly delivered by ONE. ETZ will play a pivotal role in establishing the north east of Scotland as a global leader in energy transition and a net exporter of products, services, technologies and skills.

Core to ETZ will be the Energy Transition Zone, a purpose-built net-zero green space connected to the coastline and close to the new £350 million deepwater Aberdeen South Harbour. The Energy Transition Zone will support 2,500 direct jobs, with a further 10,000 energy transition-related jobs across the region.

### Food, Drink & Agriculture

The transformational SeedPod project to grow the region's £2.2 billion food and drink manufacturing sector made significant progress. The £21 million industry growth hub to be built at Scotland's Rural College (SRUC) campus at Craibstone will support the sector's evolution. Its facilities, infrastructure, support programmes and connections will make the region a leader in low-carbon food production and environmental sustainability, process and product innovation, high-value manufacturing, premium market development, and create high-skill green jobs.

The completion of detailed design work supported a planning application to Aberdeen City Council in February 2021, and Food Hub (NES) Limited is now working with a preferred main contractor. The planning application was approved in May 2021. SeedPod's relationship with strategic and project delivery partners continued to develop, including SRUC and the National Manufacturing Institute Scotland. Engagement with industry on specific sponsorship and support funding opportunities within SeedPod started. Work continues to secure resources and funding for delivery.

The following 18 months will see procurement continue and construction begin and run through 2022.

ONE continued to develop, fund and deliver a comprehensive programme of support to food and drink businesses, working with partners. Over the past five years, ONE has created and delivered business growth, market development, export, technology, mentoring and leadership development programmes to give businesses the insights, tools and connections to grow. It works with more than 150 food and drink companies, has supported more than 50 new starts and has over 20 senior industry leaders mentoring high-growth firms.

ONE's membership of the Scotland Food & Drink Partnership and Export Partnership enables the sector to draw on and influence national support, including the industry recovery plan.

ONE is also developing new transformational projects with industry and partners. The Seafood Transformation Project aims to grow the region's largest manufacturing and fish processing sector through investment in facilities, technology, people and products. Provenance, an open doors festival, will connect consumers with sustainable production and put

## OPPORTUNITY NORTH EAST LIMITED

north east Scotland's food and drink on the national food tourism map. More than 20 of the region's producers are staging a programme of 80-plus events over ten days in September and October 2021.

### Life Sciences

The BioHub made significant progress during the year. The £40 million investment will make Aberdeen one of the most dynamic locations in the UK for life sciences commercialisation. Scheduled to open in late 2022, it will house up to 400 scientific entrepreneurs and double the number of life sciences companies in north east Scotland by 2027. Its facilities, bespoke accommodation, business growth programmes and expert networks will support spinout, start-up and scaling businesses bringing new drugs, treatments, therapies and technology to market and creating high-skill jobs to drive economic recovery.

BioHub will catalyse sector growth, employment, and accelerate innovation into products, therapies, and treatments that improve healthcare delivery and patient outcomes.

In March 2020, BioHub secured planning approval from Aberdeen City Council. BioAberdeen Limited appointed Robertson Construction Eastern as the project's main contractor. Site enabling works began in June 2020, and the main construction phase started at the end of March 2021. BioAberdeen Limited, NHS Grampian and the University of Aberdeen agreed on the lease for the BioHub site.

The BioHub building programme will run from 2021 to summer 2022, followed by the fit-out for tenants. Demand for specialist industry accommodation has never been higher, and there is excitement building about BioHub's delivery.

ONE continued to develop, fund and deliver dedicated support programmes in the sector, working with the University of Aberdeen, Robert Gordon University and NHS Grampian. These included a pre-commercialisation programme, the ONE Life Sciences Accelerator, the ONE Life Sciences Network and the new ONE Life Sciences Leadership Forum. This action and investment strengthened connections within the community, drove collaborative innovation and increased the commercialisation pipeline from the research base.

Academics, clinicians, and industry collaborated in Aberdeen to apply artificial intelligence to fracture diagnosis in hospitals in phase two of a project led by ONE and co-funded with the Scottish government. Tech companies developed AI solutions to free up radiologists to concentrate on more complex cases and improve patient outcomes. The project includes teams at NHS Grampian, the University of Aberdeen, and Canon Medical Research Europe.

### Tourism

The limitations placed on businesses and individuals due to Covid-19 negatively impacted the region's tourism sector. ONE's support for rebuilding the visitor economy included significant funding for the region's destination management organisation VisitAberdeenshire.

The third game-changer programme for tourism, developed by ONE, Scottish Enterprise and VisitAberdeenshire, helped north east businesses target new markets as part of recovery.

ONE continued to support the Hospitality Apprenticeship North East programme with leading hotels in the region and Skills Development Scotland to provide young people and future leaders with structured entry into long-term hospitality careers. Five apprentices are currently completing the programme, and recruitment is underway for the next cohort.

The North East Adventure Tourism project moved into its first phase of funded project delivery with partners. The goal is to secure a more significant share of the high-value UK adventure tourism market by developing critical infrastructure and enhancing the region's product offering. The project will encourage more visitors to stay longer because of the range and quality of adventure activities on offer. A detailed business case is under development to secure investment.

Cross-sector projects also progressed during the year.

The ONE Enterprise Fund, created by ONE in partnership with the Andrew Salvesen Family Trust, supports business growth and employment across north east Scotland's key sectors. The £2 million fund helps ambitious businesses at critical points in their growth by providing interest-free loans that are repayable within five years. Recipients also benefit from engagement in ONE activity in the region. Almost £590,000 of loans have now been approved.

A new financial mentoring programme pilot was launched with support from the region's major accountancy and professional services companies, connecting business leaders with independent mentoring.

Finally, Aberdeen Science Centre reopened in November 2020 after a £6 million refurbishment, supported and part-funded by ONE. It has gone on to establish itself as an outstanding visitor attraction.

Through the projects and activities set out above, ONE shaped the regional economic recovery and renewal agenda with a specific focus on energy transition, low carbon and digital tech. The private sector is having a significant impact on north

## OPPORTUNITY NORTH EAST LIMITED

east Scotland's economic future. ONE's leadership, resources and delivery at pace are essential for green economic recovery, jobs for the future and the just transition to a low-carbon net-zero economy.

The ONE board and sector boards have more than 90 members from the business community and strategic partners. The membership of the boards continued to refresh, ensuring that new perspectives and thinking inform ONE's work.

ONE continued to build and evolve its relationships with partners regionally and nationally. Detailed engagement with the Scottish Government and UK Government was vital to securing funding for transformational projects in the region.

The Wood Foundation's funding commitment of £62 million over ten years to ONE continues to catalyse regional economic development, enabling ONE to use its independent resources to accelerate new projects and leverage co-funding. To date, ONE's approved project commitment of £27.6 million has secured direct public, private and philanthropic match funding and leveraged investment in the region of £75 million, of which £27million is for ETZ.

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

The pandemic forced change upon us all over the past 18 months, and some of it has been positive. Businesses of all sizes have demonstrated adaptability, agility and have innovated at pace. Companies and individuals have had to work differently, question ingrained habits and practices, and develop solutions. I hope that we will all continue to embrace and nurture these positives to ensure that the economy transforms to deliver activity and employment that is resilient and sustainable while addressing the climate emergency.

The starting point for prosperity, wellbeing and maximising inclusion is a productive and robust economy. The region and Scotland as a whole must move quickly towards that strong future economy, with businesses supported, incentivised and enabled through a just transition by government and public sector open to change and engaging the private sector with renewed purpose and commitment.

Now is absolutely the time to capitalise on our strengths, back winners and get the economy into better shape to generate higher-value jobs, increase productivity and improve economic inclusion for the whole country.

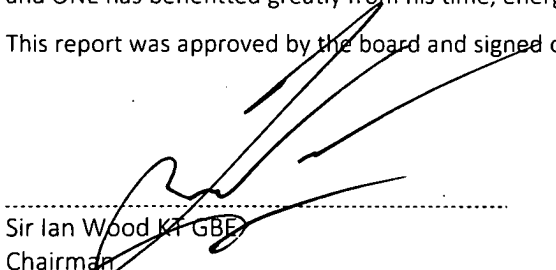
North east Scotland has a record as one of the most investable, productive and entrepreneurial economies in the UK, with high levels of business start-up, research and development, exports and disposable income. The region's future economic performance is nationally significant to achieving net-zero targets, increasing productivity and exports, research and development, commercialising innovation and creating sustainable and high-value jobs for the future.

The private sector continues to look ahead, adapt and evolve. Investment in this region will deliver a national impact.

To conclude, I warmly thank the team at ONE, and in particular our Chief Executive Jennifer Craw and her team who have performed magnificently in what has been a difficult Covid era. Also big thanks to my fellow directors, the sector board chairs and members, and ONE's partners and stakeholders for their commitment during the year. I thank everyone involved for rising to the year's challenges and maintaining momentum and focus across our projects and programmes of activity and investment.

I also wish to pay special mention to our outgoing Vice-chair, Patrick Machray OBE, who has made a vital contribution to ONE's work over the past five years. He led the substantial growth in our food, drink and agriculture sector and the development of the SeedPod project. He has shared his expertise as a mentor to businesses on our growth programmes and ONE has benefitted greatly from his time, energy, experience and insights, for which we are very grateful.

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



.....  
Sir Ian Wood KT GBE

Chairman

2<sup>nd</sup> November 2021

## **OPPORTUNITY NORTH EAST LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

#### **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 Crow

Patrick Machray OBE

Professor Stephen Logan

Deirdre Michie OBE

Councillor Peter Argyle (alternate)

Russell Borthwick

Claire Bruce

Professor George Boyne

Stanley Morrice (appointed 21 January 2020)

Professor Stephen Olivier (appointed 31 August 2020)

Councillor Andrew Kille (appointed 1 December 2020)

Councillor Ryan Houghton (appointed 8 June 2021)

Professor John Harper (resigned 31 August 2020)

Councillor James Gifford (resigned 18 November 2020)

Geoff Aberdeen (resigned 21 December 2020)

Trevor Garlick OBE (resigned 13 April 2021)

Councillor Douglas Lumsden (resigned 13 May 2021)

Michelle Handforth (resigned 16 July 2021)

#### **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.

#### **POST BALANCE SHEET EVENTS**

Energy Transition Zone Ltd (ETZ) was established in April 2021 to spearhead the region's energy transition activity and ETZ will take over the energy sector activity formerly delivered by ONE. ONE will contribute up to £5.7million of funding to ETZ over the next five years.

## OPPORTUNITY NORTH EAST LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

#### 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.

#### 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

2<sup>nd</sup> November 2021



Jennifer Crow  
Director

2<sup>nd</sup> November 2021



## 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

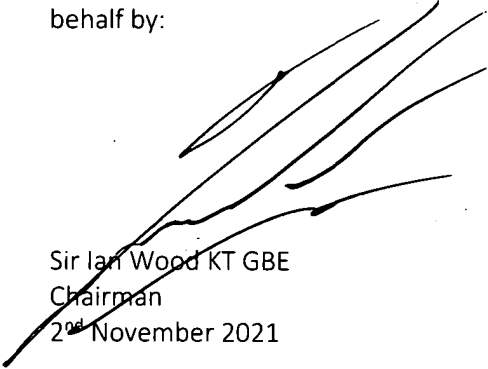
BALANCE SHEET  
AS AT 31 MARCH 2021

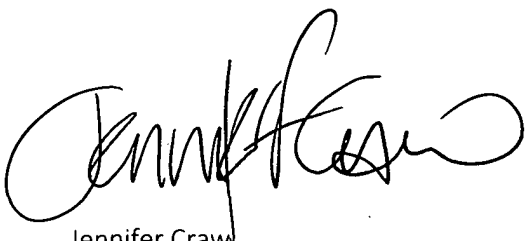
|  |      | 2021<br>£          | 2020<br>£        |
|--|------|--------------------|------------------|
|  | Note |                    |                  |
| <b>NON CURRENT ASSETS</b>                              |      |                    |                  |
| Tangible fixed assets                                  | 4    | 52,311             | 102,693          |
| <b>CURRENT ASSETS</b>                                  |      |                    |                  |
| Debtors  | 5    | 738,341            | 402,546          |
| Cash at bank and in hand                               | 6    | 1,145,584          | 878,000          |
|  |      | <u>1,883,925</u>   | <u>1,280,546</u> |
| <b>CREDITORS: amounts falling due within one year</b>  | 7    | <u>(1,083,925)</u> | <u>(880,546)</u> |
| <b>NET CURRENT ASSETS</b>                              |      | <u>800,000</u>     | <u>400,000</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>           |      | <u>852,311</u>     | <u>502,693</u>   |
| <b>CREDITORS: amounts falling due outwith one year</b> | 8    | <u>(852,311)</u>   | <u>(502,693)</u> |
| <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 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  
2<sup>nd</sup> November 2021

  
Jennifer Crow  
Director  
2<sup>nd</sup> November 2021

The notes on pages 9 to 15 form part of these financial statements.

## **OPPORTUNITY NORTH EAST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021**

#### **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 2021

**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.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021

**1. ACCOUNTING POLICIES (continued)**

**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.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (continued)

1.13 CURRENT AND DEFERRED TAXATION (continued)

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.

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

|  | 2021<br>£     | 2020<br>£     |
|--|---------------|---------------|
| Fees payable to the auditor for the audit of the company's annual accounts | <u>12,210</u> | <u>12,210</u> |

3. EMPLOYEES

The average number of employees during the year was 26 (2020: 24); this includes one director, the Chief Executive. There were 14 other directors (2020: 14) during the year. Non-executive directors do not receive remuneration.

OPPORTUNITY NORTH EAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021

4. TANGIBLE FIXED ASSETS

|                       | Leasehold<br>improvements<br>£ | Computer<br>equipment<br>£ | Office<br>equipment<br>£ | Total<br>£     |
|-----------------------|--------------------------------|----------------------------|--------------------------|----------------|
| <b>Cost</b>           |                                |                            |                          |                |
| At 1 April 2020       | 75,299                         | 75,174                     | 111,781                  | 262,254        |
| Additions             | -                              | 1,218                      | 120                      | 1,338          |
| At 31 March 2021      | <u>75,299</u>                  | <u>76,392</u>              | <u>111,901</u>           | <u>263,592</u> |
| <b>Depreciation</b>   |                                |                            |                          |                |
| At 1 April 2020       | 38,582                         | 57,713                     | 63,266                   | 159,561        |
| Charge for Year       | 17,876                         | 11,473                     | 22,371                   | 51,720         |
| At 31 March 2021      | <u>56,458</u>                  | <u>69,186</u>              | <u>85,637</u>            | <u>211,281</u> |
| <b>Net book value</b> |                                |                            |                          |                |
| At 31 March 2020      | 36,717                         | 17,461                     | 48,515                   | 102,693        |
| At 31 March 2021      | <u>18,841</u>                  | <u>7,206</u>               | <u>26,264</u>            | <u>52,311</u>  |

5. DEBTORS

|                                | 2021<br>£      | 2020<br>£      |
|--------------------------------|----------------|----------------|
| <b>Due within one year</b>     |                |                |
| Trade debtors                  | 174,350        | 80,139         |
| Other debtors                  | -              | 29,829         |
| Prepayments and accrued income | 65,720         | 66,178         |
| Concessionary loans            | <u>498,271</u> | <u>226,400</u> |
|                                | <u>738,341</u> | <u>402,546</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

|                          | 2021<br>£        | 2020<br>£      |
|--------------------------|------------------|----------------|
| Cash at bank and in hand | <u>1,145,584</u> | <u>878,000</u> |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021

7. CREDITORS: Amounts falling due within one year

|                              | 2021             | 2020           |
|------------------------------|------------------|----------------|
|                              | £                | £              |
| Trade creditors              | 94,657           | 164,763        |
| Other creditors              | 15,015           | 13,353         |
| Accruals and deferred income | 974,253          | 702,430        |
|                              | <u>1,083,925</u> | <u>880,546</u> |

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

|                              | 2021           | 2020           |
|------------------------------|----------------|----------------|
|                              | £              | £              |
| ONE Enterprise Fund Creditor | 800,000        | 400,000        |
| Accruals and deferred income | 52,311         | 102,693        |
|                              | <u>852,311</u> | <u>502,693</u> |

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

|   | 2021          | 2020           |
|---|---------------|----------------|
|   | £             | £              |
| <i>Accruals and deferred income</i>           |               |                |
| Opening balance                               | 102,693       | 137,745        |
| Capital grant received in the year            | 1,338         | 19,923         |
| Release to income and expenditure in the year | (51,720)      | (54,975)       |
|   | <u>52,311</u> | <u>102,693</u> |

9. OPERATING LEASE COMMITMENTS

The company has future operating lease commitments of £102,179 (2020: £207,095) payable over the next year.

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 £6,885,807 (2020: £7,892,934) and are expected to be settled over the next 5 years.

Included within these financial commitments is an amount of £667,000 committed to ONE Digital & Entrepreneurship Ltd, a company controlled by Opportunity North East.



OPPORTUNITY NORTH EAST LIMITED

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11. POST BALANCE SHEET EVENTS

Energy Transition Zone Ltd (ETZ) was established in April 2021 to spearhead the region's energy transition activity and ETZ will take over the energy sector activity formerly delivered by ONE. ONE will contribute up to £5.7million of funding to ETZ over the next five years.

12. 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.

13. COMPANY STATUS

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

14. AUDITOR'S INFORMATION

The auditor's report on the financial statements for the year ended 31 March 2021 was unqualified. The audit report was signed on 4 November 2021 by Derek Mair (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.