OPITO Training Management Limited

Annual report and financial statements

for the year ended 31 December 2006

Registered Number 260821

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OPITO Training Management Limited

Annual report and financial statements

for the year ended 31 December 2006

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OPITO Training Management Limited

Directors and Advisors for the year ended 31 December 2006

Directors
C Allen
D Doig
R Riddoch (appointed 13 January 2006) (resigned 28 February 2007)
K Williamson

Secretary and Registered Office
J P Day
Cogent
Minerva House
Bruntland Road
Portlethen
Aberdeenshire
AB12 4QL

Auditors
PricewaterhouseCoopers LLP
Kintyre House
209 West George Street
Glasgow
G2 2LW

Bankers
Bank of Scotland
31 High Street
Montrose
DD10 8LT

OPITO Training Management Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

Principal activity
The profit and loss account for the period is set out on page 7

The principal activities of the company are to provide management of the upstream oil and gas modern apprenticeship scheme

Name Change
The Director's approved a change of name of the company to OPITO Training Management Limited at its Board Meeting on 18 April 2006

Review of business and future developments
Both the level of business and the year end financial position were satisfactory The continued increase in offshore activity and oil price during 2006 has further strengthened the value the oil and gas industry employers place on the Upstream Modern Apprenticeship Scheme as a mechanism for replenishing the offshore workforce The data from the 2006 survey indicated the need for another 100 technicians to be recruited in 2006 The employers' continued demand for skilled technicians has the potential for OTML (Opito Training Management Ltd) to manage company specific apprentice schemes over and above the employers' obligation under the Industries apprentice charter This opportunity will further strengthen OTML's market position and increase revenues from this service

The industries 'Pinch Point' initiative has defined a range of skills gaps in the available workforce from a survey of over 200 employers A 'Skilled Entrant' project which seeks to attract experienced technicians from industries outwith the oil and gas industry has been sanctioned by the Industry Leadership Team (ILT) This project will be managed by OPITO with financial terms and contracts between the employing companies and OTML

In summary· The standing of OTML within the oil and gas industry is secure and the confidence of the employers is such that they view OTML as providing effective and cost efficient services This market standing will not only sustain the organisation going forward, but should also enable it to grow as it delivers more pan industry services

Dividends
The directors of the Company do not recommend the payment of a dividend (2006, £nil)

Directors
The directors of the company at 31 December 2006 and during the year unless otherwise stated were

C Allen
D Doig
R Riddoch (appointed 13 January 2006) (resigned 28 February 2007)
K Williamson

Directors' interests in shares of the company
No directors held beneficial interests in the shares of the company at 31 December 2006 or at any time during the period

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 1985 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

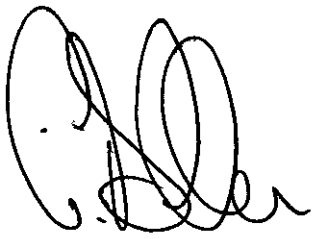
The directors are responsible for the maintenance and integrity of the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

The directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors
The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

On behalf of the Board



Director
31/5/07

OPITO Training Management Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OPITO TRAINING MANAGEMENT LIMITED

We have audited the financial statements of OPITO Training Management Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its results ~~and cash flows~~ for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Glasgow

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OPITO Training Management Limited

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PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Glasgow

24 July 2007

OPITO Training Management Limited

Profit and loss account
for the year ended 31 December 2006

	Note	2006	2005
		£	£
Turnover	2	**4,447,039**	4,886,345
Administrative expenses		**4,500,038**	4,886,345
Operating Loss	3	**(52,999)**	
Interest Receivable		**52,999**	
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	6		
Profit for the financial year	11		

The company has no recognised gains and losses other than the profit above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents

All of the company's operations relate to continuing activities

OPITO Training Management Limited

Balance sheet as at 31 December 2006

	Note	31 December 2006 £	31 December 2005 £
Current assets			
Debtors	7	**1,114,288**	1,587,671
Cash at bank and in hand		**1,525,697**	1,008,449
		2,639,985	2,596,120
Creditors: amounts falling due within one year	8	**(1,302,909)**	(1,545,146)
Net current assets		**1,337,076**	1,050,974
Creditors: amounts falling due after more than one year		**(1,337,075)**	(1,050,973)
Net assets		**1**	1
Capital and reserves			
Called up share capital	9	**1**	1
Profit and loss account	10		
Equity shareholders' funds	11	**1**	1

The financial statements on pages 7 to 12 were approved by the Board of Directors on 31 MAY 2007 and were signed on its behalf by

Director

OPITO Training Management Limited

Notes to the financial statements for the period ended 31 December 2006

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom A summary of the more important accounting policies which have been applied consistently, is set out below

Cash flow statement
The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985 As a consequence it is exempt from the requirement to publish a cash flow statement

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions

- Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets
- On the basis of all available evidence deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non discounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pension costs
The group is a participating employer in a defined benefit scheme, the ITB Pension Scheme Contributions are made as the agreed rate for the scheme, and are charged to the profit and loss account so as to spread the costs of pensions over employees' working lives

2 Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value to services supplied Turnover consists entirely of sales made in the United Kingdom.

3 Operating result

Result	2006 £	2005 £
Operating result is stated after charging		
Auditors remuneration	**2,000**	1,000

4 Directors' emoluments

The directors received no emoluments during the year (2005 £nil)

5 Employee information

The average weekly number of persons employed by the company during the period is analysed below:

	2006 Number	2005 Number
Administration	**126**	157

	2006 £	2005 £
Wages and salaries	**2,185,729**	2,710,371
Social security costs	**198,653**	249,421
Other pension costs		
Total direct costs of employment	**2,384,382**	2,959,792

6 Taxation

	2006 £	2005 £
Current tax		
UK corporation tax		
		-

No tax arose in the current year (2005 £nil) as the company made neither loss nor profit

7 Debtors: amounts falling due within one year

	2006 £	2005 £
Trade debtors	**1,109,920**	**1,586,996**
Prepayments	**107**	
Other debtors	**4,261**	**675**
	1,114,288	**1,587,671**

8 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	**110,027**	231,653
Taxation and social security costs	**192,528**	239,828
Deferred income	**849,156**	918,317
Other creditors	**6,999**	2,500
Accruals	**2,029**	
Amounts due to group undertakings	**142,170**	152,848
	1,302,909	1,545,146

	2006 £	2005 £
Taxation and social security is made up as follows		
PAYE and social security	**51,115**	62,618
VAT	**141,413**	177,210
	192,528	239,828

9 Creditors: amounts falling after more than one year

	2006 £	2005 £
Deferred Income	**1,337,075**	1,050,973

10 Called up share capital

	2006 £	2005 £
Authorised		
100 ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
1 ordinary shares of £1 each	**1**	1

11 Profit and loss account

	2006 £	2005 £
At 1 January 2006		
Result for the year		
At 31 December 2006		

12 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Opening shareholders' funds	**1**	1
Result for the financial year		
Closing shareholder's funds	**1**	1

The parent company of OPITO Training Management Ltd is Cogent Sector Services Ltd (OPITO), a company incorporated in Scotland

13 Ultimate parent company and ultimate controlling party

The directors regard Cogent SSC, Limited a company incorporated in Scotland, as the ultimate parent company The ultimate parent has 18 members representing nuclear, oil and gas, , petroleum, polymer and chemical related businesses The directors do not consider there to be a controlling party

14 Related party transactions

The company has taken advantage to the exemption available under Financial Reporting Standard 8 not to disclose details on intra group transactions, on the grounds that it is a subsidiary where 100% of the voting rights are controlled by Cogent SSC Limited and consolidated financial statements of this company are publicly available Copies of the group consolidated financial statements can be obtained from the Company Secretary, Minerva House, Bruntland Road, Portlethen, Aberdeenshire, AB12 4QL