



OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2007

Registered Number 260821



OPITO Training Management Limited

Annual report and financial statements

for the year ended 31 December 2007

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OPITO Training Management Limited

Directors and Advisors for the year ended 31 December 2007

Directors

C Allen

D Doig

R Riddoch (Appointed 13 January 2007) (Resigned 28 February 2007)

K Williamson

Secretary and Registered Office

J P Day

OPITO Ltd

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 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activity

The profit and loss account for the period is set out on page 8

The principle activity of the company is to provide management of the upstream oil and gas modern apprentice scheme

Review of business and future developments.

Business results in 2007 were in line with expectations

The North Sea basin once again experienced sustainable growth in 2007 as the operators sought to maximise the buoyant oil price. Gas prices were less buoyant particularly during the summer months but they did rally late Q3 and into Q4. Oil averaged \$73 /bbl in 07 up from \$67/bbl in 06 however, the effective oil price (accounts for the split of production between oil and gas across the UKCS and their differing process) was \$56 / bbl down \$2 on 2006 prices

The outlook for 2008 is relatively good however there is a growing concern within the industry, in particular the offshore operators. There is a genuine and well founded concern that the UK basin is costly and the costs are rising out of kilter with other global operating basins. In short "the UK Basin" is an expensive one to do business in even with the BOE at record highs the UK basin has difficulty in gaining investment which will maximize recovery and extend the life of the basin

There is planned increase in investment into existing fields and exploration and appraisal drilling programs but with falling capital efficiency and a rise in the projected decommissioning costs the future is difficult to predict

Historically the apprentice scheme has been protected from the business and financial variances within the industry. Since 2001/2 there have been 769 apprentices involved with the scheme which shows a consistent appetite by employers to replenish the core technical workforce using the scheme and OTML as the main managing agent. The employers signed a new collaborative charter in 2007 which supports the scheme for the next 5 years. In 2007, 123 new trainees were recruited of which 93 were managed by OTML. It is predicted that the recruitment for 2008 will be around 100 which is in line with the recruitment figures averaged over the last 7 years

The launch of OPITO The Oil and Gas Academy in December will have an impact on OTML and what it does in the industry. The academy now positions OPITO centrally within the UK oil and gas industry (an exemplar globally) with significant employer support backed with a capital investment fund of approximately £6.5 million for skills and workforce issues

OTML is now a subsidiary company within the oil and gas group of companies established to better address the industries skills and workforce needs. This significant move should result in the creation of new apprentice schemes for the industry albeit the construct of the learning and workplace model may be different from the current Upstream Technician scheme. Timescales for any new schemes are difficult to predict as they will be dependant on the drive from employers. Employer consultation is planned for early 08 and with any new frameworks being designed in Q3 at the earliest

OPITO Training Management Limited

OPITO – The Oil and Gas Academy

OPITO the Oil and Gas Academy was launched in December 2007. This new employer owned, led and funded entity has been endorsed by Alex Salmond MSP, First Minister for Scotland and Malcolm Wicks MP – UK Energy Minister. The creation of this new and powerful organization has been driven by employers and trade unions in the oil and gas industry as it seeks to address its skills and workforce challenges for now and in the future. This will help the industry to continue to make a significant contribution to energy production in the UK and export UK skills and qualifications into the global oil and gas provinces.

The Academy is:

An industry owned, led and funded organisation

A whole industry focus to establish, prioritise and set the industry's skills and workforce agenda

The pivotal link between employers, learning provision and people

A consolidation of existing efforts

A legacy for the North Sea as a centre of global excellence

The Key Business Objectives;

To assist the industry in building a safe, skilled and motivated workforce

To effectively address the UK Oil and Gas industry skills and workforce issues as defined by business need

To be financially self sustainable and increase turnover & surplus year on year

To become the recognised and accepted skills solution provider for the global oil and gas industry

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 2007 and during the year unless otherwise stated were

C Allen

D Doig

R Riddoch (Appointed 13 January 2007) (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 2007 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.

OPITO Training Management Limited

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.

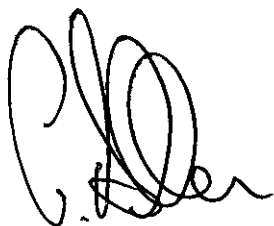
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

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

4/6/2008

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 2007 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 2007 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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Glasgow

6 June 2008

OPITO Training Management Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	2	5,254,741	4,447,039
Administrative expenses		5,254,741	4,500,038
Operating Surplus	3		(52,999)
Interest Receivable		84,883	52,999
Profit on ordinary activities before taxation		84,883	
Tax on profit on ordinary activities	6	42,653	
Profit for the financial year	11	42,230	

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

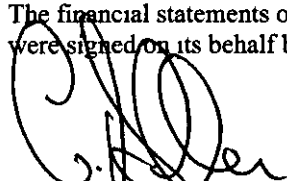
All of the company's operations relate to continuing activities

OPITO Training Management Limited

Balance sheet as at 31 December 2007

	Note	31 December 2007 £	31 December 2006 £
Current assets			
Debtors	7	1,155,514	1,114,288
Cash at bank and in hand		1,870,590	1,525,697
		3,026,104	2,639,985
Creditors: amounts falling due within one year	8	2,098,191	(1,302,909)
Net current assets		927,913	1,337,076
Creditors: amounts falling due after more than one year	9	885,682	(1,337,075)
Net assets		42,231	1
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	42,230	
Equity shareholders' funds	12	42,231	1

The financial statements on pages 8 to 13 were approved by the Board of Directors on 14th June 2008 and were signed on its behalf by



Director

OPITO Training Management Limited

Notes to the financial statements for the period ended 31 December 2007

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 at 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 of services supplied. Turnover consists entirely of sales made in the United Kingdom.

Sponsoring companies are invoiced in advance for the participation of their apprentices in the training program. Income is deferred and released to profit and loss as associated expenditures are incurred.

OPITO Training Management Limited

3 Operating result

Result	2007 £	2006 £
Operating result is stated after charging		
Auditors remuneration	2,500	2,000

4 Directors' emoluments

The directors received no emoluments during the year (2006 £nil)

5 Employee information

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

	2007 Number	2006 Number
Administration	112	126

	2007 £	2006 £
Wages and salaries	1,959,891	2,185,729
Social security costs	176,696	198,653
Other pension costs		
Total direct costs of employment	2,136,587	2,384,382

6 Taxation

	2007 £	2006 £
Current tax		
UK corporation tax on profits of the year	42,653	
Tax on profit on ordinary activities	42,653	

The tax assessed is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	84,883	
Profit on ordinary activities multiplies by corporation tax rate	25,465	
Effects of		
Expenses not deductible for tax purposes		
Tax at marginal rates	(8,449)	
Permanent adjustment	25,637	
Current tax charge for year	42,653	

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7 Debtors: amounts falling due within one year

	2007 £	2006 £
Trade debtors	1,147,746	1,109,920
Prepayments	250	107
Other debtors	7,518	4,261
	1,155,514	1,114,288

8 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	160,393	110,027
Taxation and social security costs	289,186	192,528
Deferred income	1,242,561	849,156
Other creditors	42	6,999
Accruals	34,738	2,029
Amounts due to group undertakings	371,271	142,170
	2,098,191	1,302,909

	2007 £	2006 £
Taxation and social security is made up as follows		
Corporation Tax	42,653	
PAYE and social security	56,416	51,115
VAT	190,117	141,413
	289,186	192,528

9 Creditors: amounts falling after more than one year

	2007 £	2006 £
Deferred Income	885,682	1,337,075

OPITO Training Management Limited

10 Called up share capital

	2007 £	2006 £
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

	2007 £	2006 £
At 1 January 2007		
Result for the year	42,230	
At 31 December 2007	42,230	

12 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Opening shareholders' funds	1	1
Result for the financial year	42,230	
Closing shareholder's funds	42,231	1

The parent company of OPITO Training Management Ltd. is Offshore Training Foundation, a company incorporated in Scotland

13 Ultimate parent company and ultimate controlling party

During the year, OPITO Limited transferred 100% of the shares in OPITO Training Management Limited to Offshore Training Foundation at nil consideration

The directors regard Offshore Training Foundation a company incorporated in Scotland, as the ultimate parent company. The ultimate parent has 3 members representing oil and gas. 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 Offshore Training Foundation 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