



OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2008

Registered Number 260821



OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2008

Contents

Directors and Advisors for the year ended 31 December 2008.....	3
Directors' report for the year ended 31 December 2008	4
Independent auditors' report to the members of OPITO Training Management Limited	7
Profit and loss account for the year ended 31 December 2008	9
Balance sheet as at 31 December 2008	10
Notes to the financial statements for the year ended 31 December 2008.....	11

OPITO Training Management Limited

Directors and Advisors for the year ended 31 December 2008

Directors

D Doig
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

Solicitors

The Commercial Law Practice
Commercial House
2 Rubislaw Terrace
Aberdeen
AB10 1XE

OPITO Training Management Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

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 for 2008 were in line with expectations which was to recruit circa 100 new trainees (actual figure for 2008 was 97).

The oil and gas industry experienced the greatest levels of uncertainty in 2008 for over a decade. BOE prices reached a peak of \$147 dollars mid year and a low of <\$50 by year end. The collapse of the world's financial markets also had a major impact on the availability of investment capital which is critical to continuing development of existing and new offshore fields. The extent to which these dynamic factors will affect the industry has not been fully realised in 2008 due to forward planning and committed expenditure. However, it is expected that the impact of low oil prices and lack of access to investment funds will have an impact on the business in 2009 and beyond.

The parent organisation (The Offshore Training Foundation) made a major investment in its new, refurbished and extended corporate headquarters – Minerva House, Portlethen. This development increased the workstation capacity to 60 and the creation of a 70 seat reception facility will further aid the organisations integration within the industry associations as it continually seeks to imbed itself at the core of the industry in the role of lead skills body. The reception centre will be promoted as the central hub for employers to come together to set industry skills strategies and work tactical issues and plans. It is hoped that from this engagement process that other sectors of the industry can be encouraged to develop new apprentice schemes albeit it with a different structure and finance model from the current one.

OPITO Training Management Ltd recruited 97 new industry sponsored trainees in 2008. (Total Industry demand was 117).

This follows a fairly consistent trend from the inception of the scheme in 2000. The scheme continues to set the benchmark for UK Modern apprentice schemes with less than 10% attrition and a consistent success rate of over 90%. Current industry investment remains at approximately £75,000 per trainee making a total contribution of close to £60m in cash only terms

There is no evidence that the scheme will not receive the same level of industry support as it has done over the millennia. However we are operating in unprecedented times and the 2009 intake cannot be predicted with any accuracy at this time.

The industry employers however, are very aware that in previous recessions (in the 90's) a lack of investment in skills proved that when the industry upturn comes it brings cost escalation and inflation due to the lack of availability of skilled and competent people. There is also a clear recognition from the sponsoring employers that the now constant flow of highly qualified technicians ensures production capability. This is demonstrated through 4 new entrant operators confirming their commitment to joining the scheme for 2009.

OPITO Training Management Limited

Dividends

The directors of the Company do not recommend the payment of a dividend. (2007 : £nil)

Directors

The directors of the company at 31 December 2008 and during the year unless otherwise stated were:

C Allen (Resigned 30 April 2009)

D Doig

K Williamson

Directors' interests in shares of the company

No directors held beneficial interests in the shares of the company at 31 December 2008 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

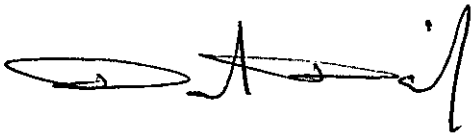
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

OPITO Training Management Limited

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.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'A. Smith', written over a horizontal line.

Director

8 July 2009

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 2008 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

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2008 and of its profit and cash flows for the year then ended;

OPITO Training Management Limited

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Glasgow

13 July 2009

OPITO Training Management Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	6,087,106	5,254,741
Administrative expenses		(5,987,106)	(5,004,741)
Charitable donation to OTF		-	(250,000)
Operating Surplus	3	100,000	-
Interest Receivable		63,363	84,883
Profit on ordinary activities before taxation		163,363	84,883
Tax on profit on ordinary activities	6	810	(42,653)
Profit for the financial year		164,173	42,230
Gift aid donation to OTF		(100,000)	-
Retained profit for the financial year		64,173	42,230
Statement of retained profit			
Retained profit at 1 January 2008	11	42,230	-
Retained profit for the financial year	11	64,173	42,230
Retained profit at 31 December 2008	11	106,403	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.

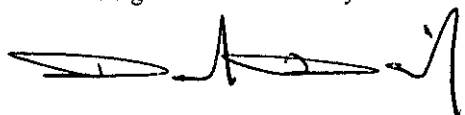
All of the company's operations relate to continuing activities.

OPITO Training Management Limited

Balance sheet as at 31 December 2008

	Note	31 December 2008 £	31 December 2007 £
Current assets			
Debtors	7	1,824,303	1,155,514
Cash at bank and in hand		1,246,667	1,870,590
		3,070,970	3,026,104
Creditors: amounts falling due within one year	8	(2,291,690)	(2,098,191)
Net current assets		779,280	927,913
Creditors: amounts falling due after more than one year	9	(672,876)	(885,682)
Net assets		106,404	42,231
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	106,403	42,230
Equity shareholders' funds	12	106,404	42,231

The financial statements on pages 9 to 14 were approved by the Board of Directors on 8 July 2009 and were signed on its behalf by:



Director

OPITO Training Management Limited

Notes to the financial statements for the period ended 31 December 2008

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 is a wholly-owned subsidiary of Offshore Training Foundation and is included in the consolidated financial statements of Offshore Training Foundation, which are publicly available (see note 13). Consequently, the company has taken advantage of the exemption of preparing a cash flow statement under the terms of FRS 1.

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.

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.

Turnover is recognised when, and to the extent that, OPITO Training Management Limited obtains the right to consideration in exchange for its performance, the amount of revenue can be reliably measured, and it is probable that the future economic benefits will flow to the Company.

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.

3 Operating result

Result	2008 £	2007 £
Operating result is stated after charging:		
Auditors' remuneration – Fees payable for the audit	4,000	2,500

4 Directors' emoluments

The directors received no emoluments during the year. (2007: £nil)

OPITO Training Management Limited

5 Employee information

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

	2008 Number	2007 Number
Administration	140	112
	2008 £	2007 £
Wages and salaries	2,440,236	1,959,891
Social security costs	213,457	176,696
Other pension costs	-	-
Total direct costs of employment	2,653,693	2,136,587

6 Taxation

	2008 £	2007 £
Current tax		
UK corporation tax on profits of the year	12,752	42,653
Adjustments in respect of previous periods	(13,562)	-
Tax on profit on ordinary activities	(810)	42,653

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

	2008 £	2007 £
Profit on ordinary activities before tax	163,363	84,883
Profit on ordinary activities multiplied by corporation tax rate 28.5% (30%)	46,554	25,465
Effects of:		
Expenses not deductible for tax purposes		
Tax at marginal rates	(4,761)	(8,449)
Prior year adjustment	(13,562)	-
Expenses not deductible for tax purposes	(29,041)	25,637
Current tax charge for year	(810)	42,653

OPITO Training Management Limited

7 Debtors: amounts falling due within one year

	2008 £	2007 £
Trade debtors	1,821,952	1,147,746
Prepayments	1,205	250
Other debtors	1,146	7,518
	1,824,303	1,155,514

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	181,518	160,393
Taxation and social security costs	257,964	289,186
Deferred income	1,568,160	1,242,561
Other creditors	25,136	42
Accruals	5,097	34,738
Amounts due to group undertakings	253,815	371,271
	2,291,690	2,098,191

	2008 £	2007 £
Taxation and social security is made up as follows:		
Corporation Tax	4,321	42,653
PAYE and social security	62,153	56,416
VAT	191,490	190,117
	257,964	289,186

9 Creditors: amounts falling after more than one year

	2008 £	2007 £
Deferred Income	672,876	885,682

OPITO Training Management Limited

10 Called up share capital

	2008 £	2007 £
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

	2008 £	2007 £
At 1 January 2008	42,230	-
Retained profit for the financial year	64,173	42,230
At 31 December 2008	106,403	42,230

12 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds	42,231	1
Retained profit for the financial year	64,173	42,230
Closing shareholder's funds	106,404	42,231

13 Ultimate parent company and ultimate controlling party

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

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 UK, IUOOC & IADC. 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.