



OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered Number SC260821

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OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2013

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Directors and Advisors for the year ended 31 December 2013

Directors

K Williamson

M Webb

G McNeil

J McDonald Appointed 5th December 2013

Company Secretary and Registered Office

J P Day

OPITO Ltd

Minerva House

Bruntland Road

Portlethen

Aberdeen

Aberdeenshire

AB12 4QL

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

141 Bothwell Street

Glasgow

G2 7EQ

Bankers

Bank of Scotland

31 High Street

Montrose

DD10 8LT

Solicitors

The Commercial Law Practice

Commercial House

2 Rubislaw Terrace

Aberdeen

AB10 1XE

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Strategic report for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Principal activities

The principal activity of the company is to provide management of the upstream oil and gas modern apprentice scheme and other bespoke major employer schemes. The profit and loss account for the year is set out on page 10.

Review of business and future developments

Business results for 2013 were in line with expectations which were to recruit circa 100 new trainees (the actual figure was 120). In addition to the planned business a new apprentice management model was introduced to deliver bespoke schemes as requested by major employers and increased the trainee numbers to 120.

The outlook for 2014 remains positive largely due to the significant investment (£14.4 billion) in offshore asset infrastructure in 2013. There are however indicators from the 2014 published Oil and Gas UK activity analysis that there are challenges on the horizon relating to increasing hydrocarbon production and increasing exploration drilling activity which is viewed as the seed activity for future years.

However the industry remains buoyant for 2014 and the recommendation from the Wood Report when implemented are expected to help the industry remain strong and competitive for many years to come.

Therefore there is strong evidence that the scheme will receive the same level of industry support as it has done since its conception in 2000 with circa 100 plus trainees recruited annually.

The intake in 2014 is expected to at least mirror that of 2013 which once again will demonstrate the importance of the scheme to the industry and its operator employers/sponsors.

The scheme continues to be viewed by its sponsors as an exemplar model for industry supported Modern apprentice schemes. It continues to have less than 10% annual attrition and a consistent success rate of over 90% completion within the stated period of training. Current industry investment remains at approximately £80,000 - £85,000 per trainee over the 45 month duration.

Given the straightforward nature of the group's activities, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Upstream Modern Apprenticeship Technician Training Scheme continues to be strongly supported by the North Sea operators with a consistent trend of annual recruitment. Now entering its 14th year it has become a vital scheme to the industry's sustainability by supplying a constant supply of new talent. The industry support regardless of BOE price or investment fluctuations over the past 13 years provides a clear demonstration that the annual investment (circa £8m) returns significant value to the industry. There is no evidence that current investment levels will be influenced by external negative factors.

Human resources

The group's most important resource is its people. Retention of key staff is critical and the group has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

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Strategic report for the year ended 31 December 2013 (continued)

OPITO Training Management Limited is committed to a policy of non-discrimination on any grounds during the course of an individual's employment but also during the selection process, be it the recruitment of external job applicants, the review of internal candidates or in the provision of training and development.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'John McDonald', is written over a horizontal line.

John McDonald
Director
2nd July 2014

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Directors' report for the year ended 31 December 2013

Principal activities

The principal activities of OPITO Training Management Limited have been included in our Strategic Report.

Future developments

The future developments of the business activities undertaken by OPITO Training Management Limited have been included in our Strategic Report.

Results and dividends

The directors of the Company do not recommend the payment of a dividend. (2012 : £nil). The profit for the financial year of £10,241 (2012 : £9,491) has been added to reserves.

Financial risk management

The following statements summarise the company's policy in managing identified forms of financial risk:

Price risk

Price risk regarding escalation of costs of products and services supplied to the company is low due to the robust tendering process and effective contract management processes.

Credit Risk

Credit risk on amounts owed to the company by its customers is low as debtor balances are managed by finance and are from Blue Chip organisations within the Oil and Gas industry.

Liquidity risk

The company has no long term borrowing. The company will make use of its overdraft facility when required.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

K Williamson

M Webb

G McNeil

L Boorman

Resigned 27th September 2013

J McDonald

Appointed 5th December 2013

Directors' interests in shares of the company

No directors held beneficial interests in the shares of the company at 31 December 2013 or at any time during the year.

Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view

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Directors' report for the year ended 31 December 2013 (continued)

of the state of affairs of the company and of the profit or loss 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

Statement of Disclosure of Information to Auditors

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.

On behalf of the Board



John McDonald
Director
2nd July 2014

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Independent auditors' report to the members of OPITO Training Management Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by OPITO Training Management Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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Independent auditors' report to the members of OPITO Training Management Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.



Martin Pitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
2nd July 2014

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Profit and loss account
for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	8,524,138	7,323,377
Administrative expenses		(8,524,137)	(7,323,377)
Operating Profit	3	1	-
Interest Receivable and similar income		12,800	13,935
Profit on ordinary activities before taxation		12,801	13,935
Tax on profit on ordinary activities	6	(2,560)	(4,444)
Profit for the financial year	11	10,241	9,491

Statement of retained profit

At 1 January	11	152,298	142,807
Profit for the financial year	11	10,241	9,491
At 31 December	11	162,539	152,298

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 financial years stated above, and their historical cost equivalents.

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

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Balance sheet as at 31 December 2013

	Note	2013 £	2012 £
Current assets			
Debtors	7	1,921,341	2,352,107
Cash at bank and in hand		2,355,925	2,076,345
		4,277,266	4,428,452
Creditors: amounts falling due within one year	8	(3,114,009)	(2,219,782)
Net current assets		1,163,257	2,208,670
Creditors: amounts falling due after more than one year	9	(1,000,717)	(2,056,371)
Net assets		162,540	152,299
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	162,539	152,298
Total shareholders' funds	12	162,540	152,299

The financial statements on pages 10 to 17 were approved by the Board of Directors on 2nd July 2014 and were signed on its behalf by:

John McDonald

John McDonald
Director

OPITO Training Management Limited

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Notes to the financial statements for the year ended 31 December 2013

1 Principal accounting policies

The financial statements have been prepared under the historical costs convention, on the going concern basis and in accordance with the accounting policies set with the Companies Act 2006 and applicable UK accounting standards. No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. A summary of the more important accounting policies which have been applied consistently, is set out below.

Cash flows

The company is exempt from the production of a cash flow statement under the terms of paragraph 5(a) of FRS 1 (Revised 1996 'Cash flow statements') since it is a wholly-owned subsidiary of Offshore Training Foundation, who is a wholly-owned subsidiary of OPITO Strategic Ltd and included in the consolidated financial statements of OPITO Strategic Ltd, which are publicly available (see note 13).

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 of 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 profit

Result	2013 £	2012 £
Operating result is stated after charging:		
Auditors' remuneration – Fees payable for the audit	8,011	7,283

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Notes to the financial statements
for the year ended 31 December 2013 (continued)

4 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2012: £nil).

5 Employee information

The average monthly number of persons employed by the company during the year is analysed below:

	2013 Number	2012 Number
Administration	260	232

	2013 £	2012 £
Wages and salaries	3,019,949	2,882,300
Social security costs	250,147	244,588
Other Pension costs	6,242	-
Total direct costs of employment	3,276,338	3,126,888

6 Tax on profit on ordinary activities

	2013 £	2012 £
Current tax		
UK corporation tax on profits of the year	2,560	2,787
Adjustments in respect of prior years	-	1,657
Tax on profit on ordinary activities	2,560	4,444

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Notes to the financial statements
for the year ended 31 December 2013 (continued)

6 Tax on profit on ordinary activities (continued)

The tax assessed is the same as the standard rate of corporation tax in the UK 20% (2012: 20%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	12,801	13,935
Profit on ordinary activities multiplied by corporation tax rate 20% (2012: 20%)	2,560	2,787
Effects of:		
Expenses not deductible for tax purposes	-	-
Adjustments in respect of prior years	-	1,657
Current tax charge for year	2,560	4,444

7 Debtors

	2013 £	2012 £
Trade debtors	1,918,986	2,343,178
Other debtors	772	-
Prepayments	1,583	4,163
Accrued income	-	4,766
	1,921,341	2,352,107

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Notes to the financial statements
for the year ended 31 December 2013 (continued)

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	192,085	274,047
Amounts owed to group undertakings	221,962	197,371
Accruals	21,966	44,968
Other creditors	761,538	4,289
Deferred income	1,453,361	1,289,343
Taxation and social security costs	463,097	409,764
	3,114,009	2,219,782

	2013 £	2012 £
Taxation and social security is made up as follows:		
Corporation Tax	2,560	6,167
PAYE and social security	59,410	59,382
VAT	401,127	344,215
	463,097	409,764

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Notes to the financial statements
for the year ended 31 December 2013 (continued)

9 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Deferred Income	1,000,717	2,056,371

10 Called up share capital

	2013 £	2012 £
Authorised		
100 (2012: 100) ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 (2012: 1) ordinary shares of £1 each	1	1

11 Profit and loss account

	2013 £	2012 £
At 1 January	152,298	142,807
Profit for the financial year	10,241	9,491
At 31 December	162,539	152,298

12 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	152,299	142,808
Profit for the financial year	10,241	9,491
Closing shareholders' funds	162,540	152,299

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Notes to the financial statements
for the year ended 31 December 2013 (continued)

13 Ultimate parent company and ultimate controlling party

The immediate parent undertaking is Offshore Training Foundation.

The ultimate parent undertaking and controlling party is OPITO Strategic Limited, a company incorporated in Scotland

OPITO Strategic Ltd is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of OPITO Strategic Ltd available from OPITO Strategic, Minerva House, Bruntland Road, Portlethen, Aberdeen, AB12 4QL

Offshore Training Foundation is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Offshore Training Foundation can be obtained from Offshore Training Foundation Minerva House, Bruntland Road, Portlethen, Aberdeen, AB12 4QL

14 Related party transactions

The company has taken advantage of the exemption under FRS8 not to disclose details of intra-group transactions on the grounds that it is a subsidiary where 100% of the voting rights are controlled by Offshore Training Foundation.

The consolidated financial statements are available from OPITO Training Management Limited, Minerva House, Bruntland Road, Portlethen, AB12 4QL.

There are no other related party transactions.