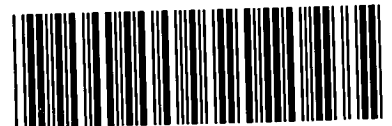




OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2016

Registered Number SC260821

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OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2016

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Directors and Advisors for the year ended 31 December 2016

Directors

G. McNeill	Resigned 16 May 2016
J. McDonald	
L. Sealey	
D. De Leeuw	
J. Hamilton	Appointed 16 May 2016
V. Lavaux	Appointed 26 October 2016

Company Secretary and Registered Office

D. Thow
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

Shepherd and Wedderburn LLP
Commercial House
2 Rubislaw Terrace
Aberdeen
AB10 1XE

OPITO Training Management Limited

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Strategic report for the year ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Principal activities

The principal activity of the company is to provide management of the upstream oil and gas modern apprentice scheme, now re-named as OGTAAP 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 2016 were in line with expectations which were to recruit circa 50 new trainees (the actual figure was 57).

The outlook for 2017 remains uncertain. Although the barrel price in the first quarter has demonstrated stability when compared to the same period in 2016 many sponsoring organisations continue to experience structural change. The introduction of the Apprenticeship Levy in 2017 has resulted in sponsoring organisations reviewing their expenditure on training and development.

There is strong evidence that the scheme will continue to receive a level of industry support even in these uncertain times with circa 40 – 50 trainees being recruited.

The intake in 2017 is expected to be slightly lower than 2016 which given the current market uncertainty still demonstrates 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/OGTAAP continues to be supported by the North Sea operators with a consistent trend of annual recruitment. Now entering its 18th 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 17 years provides a clear demonstration that the annual investment (circa £8m) returns significant value to the industry.

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 2016 (continued)

Human resources (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



J. McDonald
Director
29 June 2016

OPITO Training Management Limited

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Directors' report for the year ended 31 December 2016

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. (2015: £nil). The profit for the financial year of £7,570 (2015: £10,106) 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:

G. McNeill	Resigned 16 May 2016
J. McDonald	
L. Sealey	
D. De Leeuw	
J. Hamilton	Appointed 16 May 2016
V. Lavaux	Appointed 26 October 2016

Directors' interests in shares of the company

No directors held beneficial interests in the shares of the company at 31 December 2016 or at any time during the year.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" and applicable law).

OPITO Training Management Limited

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Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities (continued)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that ought to have been taken as a director 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



J. McDonald
Director
29 June 2017

OPITO Training Management Limited

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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, OPITO Training Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual report and financial statements for the year ended 31 December 2016 (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.

OPITO Training Management Limited

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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 (continued)

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 International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

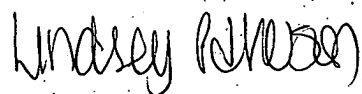
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Lindsey Paterson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

4 July 2017

OPITO Training Management Limited
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Profit and loss account
for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	8,585,908	9,155,983
Administrative expenses		(8,585,908)	(9,155,983)
Operating Profit	5	-	-
Interest Receivable and similar income		9,510	12,633
Profit before taxation		9,510	12,633
Tax on profit	8	(1,940)	(2,527)
Profit for the financial year	13	7,570	10,106
Retained earnings at 1 January	13	180,057	169,951
Profit for the financial year	13	7,570	10,106
Retained earnings at 31 December	13	187,627	180,057

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

OPITO Training Management Limited
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Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	9	764,226	351,141
Cash at bank and in hand		2,180,988	2,837,054
		2,945,214	3,188,195
Creditors: amounts falling due within one year	10	(1,472,659)	(1,704,816)
Net current assets		1,472,555	1,483,379
Creditors: amounts falling due after more than one year	11	(1,284,927)	(1,303,321)
Net assets		187,628	180,058
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	187,627	180,057
Total shareholders' funds	14	187,628	180,058

The financial statements on pages 10 to 18 were approved by the Board of Directors on 29 June 2017 and were signed on its behalf by:



J. McDonald
Director
29 June 2017

OPITO Training Management Limited

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Notes to the financial statements

for the year ended 31 December 2016

1 General information

OPITO Training Management Limited is a private company limited by shares and is incorporated in Scotland. The address of its registered office is Minerva House, Bruntland Road, Portlethen, Aberdeenshire, Aberdeen, AB12 4QL.

2 Statement of compliance

The financial statements of OPITO Training Management Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Principal accounting policies

The financial statements have been prepared under the historical costs convention, on the going concern basis. 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.

FRS 102 disclosure exemptions

Since the company is a qualifying entity, as defined by FRS 102, and its results are consolidated within its ultimate parent's publicly available consolidated financial statements (see Note 15), all relevant disclosure exemptions are taken as noted in FRS 102 section 1.12.

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.

OPITO Training Management Limited

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Notes to the financial statements

for the year ended 31 December 2016 (continued)

3 Principal accounting policies (continued)

Financial instruments

OPITO Training Management Limited has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, are recognised at transaction price and subsequently carried at amortised cost. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and subsequently carried at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4 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.

5 Operating profit

Result	2016	2015
	£	£
Operating result is stated after charging:		
Auditors' remuneration – Fees payable for the audit	8,837	8,416

6 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2015: £nil).

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Notes to the financial statements
for the year ended 31 December 2016 (continued)

7 Employee information

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

	2016	2015
	Number	Number
Administration	368	394
	2016	2015
	£	£
Wages and salaries	4,271,907	4,990,581
Social security costs	235,711	214,106
Other Pension costs	29,929	46,636
Total direct costs of employment	4,537,547	5,251,323

Key management compensation

Key management includes the directors and members of senior management. There are no key management employed by this company as it is effectively managed by the senior management of OPITO Limited and the compensation paid or payable to key management for employee services has been disclosed in their financial statements.

8 Tax on profit

a) Tax expense included in profit and loss

	2016	2015
	£	£
Current tax		
UK corporation tax on profits of the year	2,666	2,527
Deferred tax		
Origination and reversal of timing differences	(764)	-
Change in tax rates or laws	38	-
Tax on profit	1940	2,527

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Notes to the financial statements
for the year ended 31 December 2016 (continued)

8 Tax on profit (continued)

The tax assessed is higher (2015: lower) than the standard rate of corporation tax in the UK 20% (2015: 20%).
The differences are explained below:

b) Reconciliation of tax charge

	2016 £	2015 £
Profit on ordinary activities before tax	9,510	12,633
Profit on ordinary activities multiplied by corporation tax rate 20% (2015:20%)	1902	2,527
Effects of:		
Impact of change in tax rate	38	-
Total tax charge for the year	1940	2,527

c) Tax rate changes

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9 Debtors

	2016 £	2015 £
Trade debtors	761,082	346,239
Deferred tax	726	-
Prepayments and accrued income	2,418	4,902
	764,226	351,141

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Notes to the financial statements
for the year ended 31 December 2016 (continued)

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	277,037	57,587
Amounts owed to group undertakings	180,415	282,424
Other creditors	24,514	6,543
Taxation and social security	293,960	342,121
Accruals and Deferred income	696,733	1,016,141
	1,472,659	1,704,816

	2016 £	2015 £
Taxation and social security is made up as follows:		
Corporation Tax	2,666	2,527
PAYE and social security	71,525	74,961
VAT	219,769	264,633
	293,960	342,121

11 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Accruals and Deferred Income	1,284,927	1,303,321

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Notes to the financial statements
for the year ended 31 December 2016 (continued)

12 Called up share capital

	2016 £	2015 £
Authorised		
100 (2015: 100) ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 (2015: 1) ordinary shares of £1 each	1	1

13 Profit and loss account

	2016 £	2015 £
At 1 January	180,057	169,951
Profit for the financial year	7,570	10,106
At 31 December	187,627	180,057

14 Reconciliation of movements in shareholders' funds

	2016 £	2015 £
Opening shareholders' funds	180,058	169,952
Profit for the financial year	7,570	10,106
Closing shareholders' funds	187,628	180,058

OPITO Training Management Limited

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Notes to the financial statements

for the year ended 31 December 2016 (continued)

15 Ultimate parent company and ultimate controlling party

The immediate parent undertaking is Offshore Training Foundation, a charitable company incorporated in Scotland.

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 2016. The consolidated financial statements of OPITO Strategic Ltd are available from 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 Minerva House, Bruntland Road, Portlethen, Aberdeen, AB12 4QL

16 Related party transactions

The company has taken advantage of the exemption under FRS 102 section 33.1A 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 Minerva House, Bruntland Road, Portlethen, Aberdeen, AB12 4QL.

There are no other related party transactions.