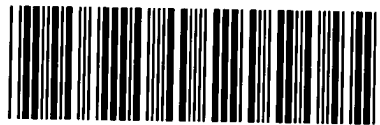




OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2017

Registered Number SC260821

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OPITO Training Management Limited
Annual report and financial statements
for the year ended 31 December 2017

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Directors and Advisors for the year ended 31 December 2017

Directors

K. Dey
M. Abraham
N. Gordon
R. Graves
G. Holman
M. Horgan
S. M. Jones
S. Norton
J. Taylor
W. Wallace

Company Secretary and Registered Office

D. Thow
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

Ledingham Chalmers
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1HA

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Strategic report for the year ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

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 OGTA^P and other bespoke major employer schemes. The profit and loss account for the year is set out on page 11.

Review of business and future developments

Business results for 2017 were in line with expectations which were to recruit circa 50 new trainees (the actual figure was 65). Despite a number of challenges to the Oil and Gas Technical Apprenticeship Programme (OGTA^P), namely the barrel price and the impact this has had on training budgets coupled with the introduction of the Apprenticeship Levy, it has continued to maintain a steady level of commitment from sponsoring companies.

Although the barrel price demonstrated a better level of stability in 2017 when compared to the previous year, many sponsoring organisations continued to experience structural change as they sought efficiencies. The introduction of the Apprenticeship Levy in April 2017 has also resulted in sponsoring organisations reviewing their expenditure on training and development.

Because of the more stable outlook provided by the second half of 2017, the intake in 2018 is expected to be slightly higher than 2017 which, given the ongoing challenges in the sector, 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 is approximately £90,000 - £95,000 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/OGTA^P continues to be supported by the North Sea operators with a consistent trend of annual recruitment. Now entering its 19th 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 18 years provides a clear demonstration that the annual investment (circa £7m) 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.

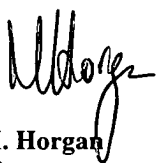
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Strategic report for the year ended 31 December 2017 (continued)

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



M. Horgan
Director

11 September 2018

OPITO Training Management Limited

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Directors' report for the year ended 31 December 2017

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. (2016: £nil). The profit for the financial year of £3,777 (2016: £7,570) has been added to reserves.

Employment of disabled individuals

The company has a policy of treating applications for employment from disabled individuals fairly while ensuring that, where essential for the role, an appropriate industry medical is passed.

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:

J. McDonald	Resigned 18 April 2018
L. Sealey	Resigned 31 August 2017
D. De Leeuw	Resigned 18 December 2017
J. Hamilton	Resigned 18 April 2018
V. Lavaux	Resigned 18 April 2018
K. Dey	Appointed 18 March 2018
M. Abraham	Appointed 18 April 2018
J. Backus	Appointed 18 April 2018, Resigned 1 June 2018
N. Gordon	Appointed 18 April 2018
R. Graves	Appointed 18 April 2018
G. Holman	Appointed 18 April 2018
M. Horgan	Appointed 18 April 2018
S. M. Jones	Appointed 18 April 2018
S. Norton	Appointed 18 April 2018
J. Taylor	Appointed 18 April 2018
W. Wallace	Appointed 18 April 2018

Directors' interests in shares of the company

No directors held beneficial interests in the shares of the company at 31 December 2017 or at any time during the year.

OPITO Training Management Limited

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Directors' report for the year ended 31 December 2017 (continued)

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). Directors' report for the year ended 31 December 2017 (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.

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



M. Horgan
Director

11 September 2018

OPITO Training Management Limited

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

Report on the audit of the financial statements

Opinion

In our opinion, OPITO Training Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

OPITO Training Management Limited

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

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

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

11 September 2018

OPITO Training Management Limited
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Statement of income and retained earnings
for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	7,351,245	8,585,908
Administrative expenses		(7,351,245)	(8,585,908)
Operating result	5	-	-
Interest receivable and similar income		4,667	9,510
Profit before taxation		4,667	9,510
Tax on profit	8	(890)	(1,940)
Profit for the financial year	13	3,777	7,570
Retained earnings at 1 January	13	187,627	180,057
Profit for the financial year	13	3,777	7,570
Retained earnings at 31 December	13	191,404	187,627

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

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Balance sheet as at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Debtors	9	550,175	764,226
Cash at bank and in hand		2,020,650	2,180,988
		2,570,825	2,945,214
Creditors: amounts falling due within one year	10	(1,087,055)	(1,472,659)
Net current assets		1,483,770	1,472,555
Creditors: amounts falling due after more than one year	11	(1,292,365)	(1,284,927)
Net assets		191,405	187,628
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	191,404	187,627
Total shareholders' funds	14	191,405	187,628

The financial statements on pages 11 to 19 were approved by the Board of Directors on 29 August 2018 and were signed on its behalf by:


M. Horgan
Director

11 September 2018

OPITO Training Management Limited

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Notes to the financial statements

for the year ended 31 December 2017

1 General information

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

Judgements and Key Sources of estimation of uncertainty

The Company is subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provision required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned. Details of the carrying value are contained in note 9.

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 2017 (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 result

Result	2017	2016
	£	£
Operating result is stated after charging:		
Auditors' remuneration – Fees payable for the audit	9,102	8,837
Non-audit fees – Fees payable for taxation advice	8,933	4,333

6 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2016: £nil).

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Notes to the financial statements
for the year ended 31 December 2017 (continued)

7 Employee information

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

	2017 Number	2016 Number
Administration	306	368

	2017 £	2016 £
Wages and salaries	3,832,004	4,271,907
Social security costs	210,144	235,711
Other Pension costs	28,750	29,929
Total direct costs of employment	4,070,898	4,537,547

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

	2017 £	2016 £
Current tax		
UK corporation tax on profits of the year	164	2,666
Deferred tax		
Origination and reversal of timing differences	735	(764)
Change in tax rates or laws	(9)	38
Tax on profit	890	1,940

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Notes to the financial statements
for the year ended 31 December 2017 (continued)

8 Tax on profit (continued)

The tax assessed is higher (2016: lower) than the standard rate of corporation tax in the UK 19.25% (2016: 20%). The differences are explained below:

b) Reconciliation of tax charge

	2017 £	2016 £
Profit on ordinary activities before tax	4,667	9,510
Profit on ordinary activities multiplied by corporation tax rate 19.25% (2016:20%)	898	1,902
Effects of:		
Impact of change in tax rate	(8)	38
Total tax charge for the year	890	1,940

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

	2017 £	2016 £
Trade debtors	540,334	761,082
Deferred tax	-	726
Prepayments and accrued income	9,841	2,418
	550,175	764,226

Trade debtors are non-interest bearing and are generally on 30 days payment terms.

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Notes to the financial statements
for the year ended 31 December 2017 (continued)

9 Debtors (continued)

	2017 £	2016 £
Analysis of deferred tax balances		
Provision timing differences	-	726
Opening Balance at 1 January	726	-
Profit and loss account	(726)	726
Closing Balance at 31 December	-	726

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	121,885	277,037
Amounts owed to group undertakings	8,231	180,415
Other creditors	35,455	24,514
Taxation and social security	283,338	293,960
Accruals and Deferred income	638,146	696,733
	1,087,055	1,472,659
	2017 £	2016 £
Taxation and social security is made up as follows:		
Corporation Tax	164	2,666
PAYE and social security	58,390	71,525
VAT	224,784	219,769
	283,338	293,960

Trade creditors are non-interest bearing and are generally on 30 days payment terms.

Amounts owed to group undertakings are non-interest bearing and are repayable on demand.

OPITO Training Management Limited
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Notes to the financial statements
for the year ended 31 December 2017 (continued)

11 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Accruals and Deferred Income	1,292,365	1,284,927

12 Called up share capital

	2017 £	2016 £
Authorised		
100 (2016: 100) ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 (2016: 1) ordinary shares of £1 each	1	1

13 Profit and loss account

	2017 £	2016 £
At 1 January	187,627	180,057
Profit for the financial year	3,777	7,570
At 31 December	191,404	187,627

14 Reconciliation of movements in shareholders' funds

	2017 £	2016 £
Opening shareholders' funds	187,628	180,058
Profit for the financial year	3,777	7,570
Closing shareholders' funds	191,405	187,628

OPITO Training Management Limited

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Notes to the financial statements

for the year ended 31 December 2017 (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 2017. The consolidated financial statements of OPITO Strategic Limited 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.