

**HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 2020

Company Number: 02190605

Charity Commission Reference Number: 519889

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

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The following pages do not form part of the statutory accounts

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HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

REPORT OF THE TRUSTEES

(INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31st DECEMBER, 2020

The Trustees who are also the directors of the company for the purposes of company law have pleasure in presenting their report and the audited financial accounts for the year ended 31st December, 2020. The Board considers that this report and the financial accounts comply with statutory requirements for Companies Act 2006 and Charity's Act 2011 purposes, the Charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2019).

Principal Activities

To promote and advance the theoretical and practical training and education of persons engaged in the off-shore oil and gas exploration, extraction and allied industries and any related or supporting onshore industries and organisations and the maritime, energy, environmental and renewable energy industries and any related or supporting industries and organisations ("The Industries")

Reference and Administrative Details of the Charity, its Trustees and Advisers

Charity Name: Humberside Offshore Training Association (HOTA)

Charity Reg No: 519889

Company Reg No: 02190605

Registered Office: Malmo Road, Sutton Fields Ind Est, Hull HU7 0YF

Chairman: N. McCracken

Chief Executive: K. L. Shepherd

Directors:

M. Ranson	Survitec
N. McCracken (Chair)	formerly B.P.
M. Gibbons	Siemens Industrial Turbomachinery Ltd
A. Rhodes	Immingham Storage Company
L. Ellis	Retired General Manager
V. Jackson	Kingston Recruitment
M. Hoddinott (Vice-Chair)	formerly International Salvage Union
I. Coates	Specialist Marine Consultants Ltd
C. Jenkinson (app. 04/12/2020)	Centrica Storage Ltd

Company Secretary: K.L. Shepherd

The Board of Trustees held three meetings by conference call during 2020. Day to day matters are delegated to the Chief Executive.

Advisers:	Bankers	NatWest Bank plc, PO Box 944, Commercial Banking, 1 st Floor, 1 Humber Quays, Wellington Street West, Hull, HU1 2BN
	Auditors	Dutton Moore Aldgate House, 1-4 Market Place, Hull HU1 1RS
	Solicitors	Rollits LLP Citadel House, 58 High St, Hull HU1 1QE

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

REPORT OF THE TRUSTEES (CONTINUED)

Structure, Governance and Management

Governing Document

The affairs of the Association are governed by its Memorandum and Articles of Association as amended by a Special Resolution passed on 14th June 2013.

Membership of the Association is open to any persons engaged in the Industries as defined in the Association's Articles of Association or representing some central or local governmental body concerned with education for those Industries. Applicants must not carry on a business which might compete with the business of the Association and admission to membership is subject to the approval of the Board who have absolute discretion to accept or reject applications.

In the event of the Association being wound up, each member at the time of winding up or who was a member in the preceding twelve months agrees to contribute £100, if required, towards the liabilities of the Association.

Appointment of Trustees

The board of Trustees is required to be made up of not less than three nor more than twelve persons. As far as possible, the Board should consist of representatives from the Industries and any other organisations that are supportive of the Association's aims and representatives from the charity, voluntary and community sector and small/medium enterprises who are supportive of the Association's aims.

All Trustees hold office for an initial term of three years, after which they are eligible to be reappointed for a further three year term. At the end of their second term, all Trustees must stand down for a period of at least twelve months, unless two thirds of the Board resolve that there are exceptional circumstances warranting a third consecutive term, after which the Trustee must stand down for at least twelve months.

Each year the Board appoints a Chair and Vice-Chair to hold office for a period of one year, who may be re-appointed if they are willing to do so and the Board determines that it is in the Association's best interests that they be so re-appointed.

Trustee Induction and Training

Generally, trustees representing the Industries have a health and safety or HR background. As such they are able to readily assimilate with the Association's aims and objectives. Prospective Trustees are briefed by the Chief Executive on all aspects of the Association and are then invited to attend a Board meeting as an observer before deciding if they wish to join the Board.

Management

The Chief Executive is responsible for the day to day operation of HOTA. Proposed new initiatives are usually supported by a feasibility report and considered by the Board prior to being given approval.

The Board constantly strive to reduce reliance on the Oil & Gas Industry due to its volatility and, in so doing, look for opportunities to diversify and add to HOTA's already extensive range of training provision.

In 1988, HOTA was providing training courses for the offshore industry only. Today it has 11 training streams confirming its long term future and firmly establishing it as a market leader in many of these streams.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

REPORT OF THE TRUSTEES (CONTINUED)

Objectives and Activities

The objects for which the Association is established are:-

- (A) *To promote and advance the theoretical and practical training and education of persons engaged in the Industries including but not limited to health and safety, emergency rescue/response, medical and first aid, fire-fighting, accident/incident investigation/prevention and survival.*
- (B) *Subject to the foregoing objects, to extend such provisions or assistance to the training and education of members of the public and employees/volunteers of other voluntary or small/medium enterprises generally.*

HOTA has always followed the policy of using any surplus funds generated to fulfil its charitable objectives.

HOTA continues to provide RQF Approved First Aid training courses, Quallsafe and IOSH approved Health & Safety training courses and a range of Electrical Courses approved by City & Guilds and JTL to an increasing number of land based local organisations.

Achievements and Performance

2020 was a difficult year due to COVID-19. The pandemic had a significant impact on the Association both operational and financially. The training centre closed its doors to delegates on the 24th March until the 2nd June 2020.

The company remained open with 3 senior managers operating all aspects of the business including finances, course reservations, customers queries, operations, marketing and public relations.

On the 2nd June 2020, HOTA successfully reopened for face to face training with a fully compliant COVID-19 Secure Workplace following all guidelines set by the HM Government.

Through Government's help schemes such as furlough and deferred VAT, HOTA has continued to be financially viable even with a significant loss of income due to social distancing and the national lockdowns.

HOTA's presence in all Industries including Offshore, Maritime, Renewables and Onshore has been significant throughout the pandemic. The company has still been able to accommodate the demands of the various industries enabling skilled workers to carry on training to help support the UK's Critical National Infrastructure.

Financial Review

Before depreciation, the charity incurred a deficit of £122,890 (2019: deficit £40,120) due to a 23.1% fall in course revenue due to the COVID19 Pandemic. After depreciation, the charity reported a deficit for the year of £170,363 (2019: deficit £86,167).

At the balance sheet date, the Association had net assets of £508,858 (2019: £679,221) including £206,061 of net current assets. (2019: £352,047).

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

REPORT OF THE TRUSTEES (CONTINUED)

2020 Key Performance Indicators

Health & Safety

Target 1 **Risk Assessment reviews – 75% within target month, 100% within 6 months of Target.**

All Risk Assessment reviews were completed within the timescales (target met).

Target 2 **Complete 3 Emergency Drills per quarter.**

Up to the end of the December 12 Emergency Drills have been completed including MER Exercise Training Pool, MER Exercise Albert Dock, HUET Diver Training, Fire Evacuation and Fireground (target met).

Staff

Target 3 **Minimum 20 hrs learning and development time per staff member per year.**

All staff have been enrolled in this process and are undertaking appropriate courses including Safeguarding, Lifeguard training, Confined Space, Health and Safety, Equipment Servicing, Electrical Regulations, Working at Heights, CPD and First Aid Updates etc (target met).

Financial

Target 4 **Average debtors days at 45 days or less.**

In 2020 the average debtors' days up to the end of December was on average 33 (target met).

Quality

Target 5 **Set up 40 new customers/accounts per quarter.**

For 2020 a total of 118 new accounts were set up (target not met), this was mainly due to COVID19.

Target 6 **98% Customer Satisfaction measured by no more than 2% formal customer/stakeholder complaints.**

No formal customer/stakeholder complaint have been made in 2020 (target met)

Key Performance Indicators, Metrics and Key Activities 2020

In 2020, HOTA set Key Performance Indicators were based around Health & Safety, Staff, Financial and Quality.

Along with the Key Performance Indicators the Chief Executive and Trustees normally set a number of specific metrics and key activities for enhanced improvements across a range of areas. The main focus for these in 2020 was COVID19. HOTA continuously reviewed it's COVID19 Risk Assessment, COVID19 Emergency Response Plan and COVID19 Delegate Fact Sheet. Regular updates were given to the Trustees in weekly reports and recorded within the amended HOTA Performance Summary which was discussed at Board Meetings.

There were a number of areas that HOTA excelled in, these included external audits with the relevant governing bodies conducted remotely. HOTA's extensive Risk Assessment and Emergency Response Plan was benchmarked against with other providers and extensive monitoring of Company Finances was carried out.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

REPORT OF THE TRUSTEES (CONTINUED)

Future Development

HOTA has never stopped expanding and diversifying since its inception in 1989 and continues to investigate the feasibility of new training areas and further expansion.

In 2020 HOTA concentrated on maintaining the quality of our existing provision, job security and working within the HM Government 'Working Safely during COVID19 in offices and contact centres, which enabled us to carry on training to help support the UK's Critical National Infrastructure.

HOTA completed the Confined Space Training Module in 2020, this will add a new training stream of courses to the portfolio. Numerous approvals from governing bodies such as OPITO and City & Guilds will be applied for in 2021. The courses will cover low, medium, high risk and rescue and will be able to be offered to different industries including Renewables, Offshore and Onshore.

In 2021, HOTA will be looking at the feasibility of adding further training courses to the portfolio including additional Renewable Courses, Flood Defence Training and Environmental Training.

The pandemic has also highlighted additional areas for investigating including the potential of virtual, blended and e-learning for a variety of courses.

Policy on Reserves

HOTA has set a target for cash reserves of £440k which will sustain HOTA for a period of up to 4 months without trading. The figure would cover salaries, lease payments, rent and redundancies. As at the Balance Sheet date, the charity was holding £304k (2019: £370k) in a separate deposit account against this target amount.

2020 would have seen current seafarers start to undertake their 5 yearly STCW10 Update courses, this would have seen a substantial increase within the Maritime income stream. Due to the pandemic and national lockdowns the growth was only marginal. 2021 will hopefully see a huge rise in delegates attending these courses, this may also carry over into 2022. This will help to build up the reserves together with the increased demand for GWO Renewable courses.

When future development projects are required then the reserves are built up in excess of the target prior to any commitment.

COVID-19 Pandemic

The Coronavirus Pandemic has had a dramatic impact on the Association in 2020, the training centre closed for all face to face training on the 24th March 2020.

Trustees Responsibilities

The Trustees devolved day to day responsibilities to the CEO of HOTA and were kept informed of the situation via regular weekly reports which included Finances, Operations, Job Retention Scheme, Public Relations and Social Media.

Customer Communication

During the pandemic, HOTA remained focused on the needs of its customers in the first instance offering advice and regular communication via emails, social media and the company website to keep its customers informed.

HOTA resumed Face to Face training on the 2nd June 2020 with a fully compliant COVID19 Secure Workplace. Social distancing has had a huge impact, as course delegate numbers have all been reduced, which has led to a dramatic loss of income.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

REPORT OF THE TRUSTEES (CONTINUED)

Reserves

HOTA has managed to retain its current reserves through the pandemic by a number of measures including the Job Retention Scheme, referral of VAT payment and a HMRC payment plan.

Creditors

Payment plans and extended payment terms have been put in place with a number of key suppliers of the company including HOTA's Landlords, this has helped with daily cash flow.

Until the end of 2020 purchasing has been restricted and no purchases are allowed unless authorised by the CEO, all control measures will remain in place until at least the end of 2020.

Employees

All employees apart from the CEO, Company Accountant and Operations Manager were furloughed from the 24th March 2020.

On the 1st June a number of employees were taken off furlough status and were fully employed. Throughout June, due to customer demand for training a number of other staff members were also taken off furlough.

On the 1st July, HOTA utilised the Flexible Furlough Scheme. The remaining employees on furlough have been brought back gradually and primarily on a part time basis to help with the demand from customers.

Pay increases and recruitment have been put on hold for 2020.

Revenue 2021

In 2020 and 2021, the company was expecting an increase in demand for STCW10 Updated Maritime courses training as seen in 2015 and 2016, this will now carry over to 2022.

The company is currently seeing a high demand for courses in all areas of HOTA's training streams, however, with reduced delegate numbers on the courses the income is lower than normal.

A forecast has been undertaken for 2021 and currently shows the company will report a surplus of £52k for the year ended 31st December 2021 before depreciation.

Public Benefit Confirmation

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act, 2011 with regard to public benefit guidance published by the Commission.

Throughout 2020 HOTA offered discounted/free courses to local companies and delegates as follows:

- Delegate attending both the BOSIET and MIST course are given a discount on the course fees. These discounts amount to over £13,205 in 2020.
- 3 x ½ Day Team Building courses were conducted for CATZERO, an organisation that supports people of all ages to overcome the barriers that prevent them moving into education, training or employment within the Hull area. Courses were given at a discounted price which equated to £1200 saving in 2020.
- 2 Emergency First Aid Courses for City of Hull Street Angels were conducted free of charge for 8 volunteers saving the charity £480.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

REPORT OF THE TRUSTEES (CONTINUED)

- 1 volunteer from Hull4Heroes attended a First Aid at Work courses saving the charity £150.
- 15 cadets attended the 2½ Day Basic Firefighting from Humber Maritime College at a reduced for a £498 saving the college £1035.
- 2 instructors from HFR Solutions attended GWO Sea Survival Courses free of charge saving them a total of £690.
- 2 delegates attended the Offshore Safety Representatives Course free of charge saving a total of £1620.
- 12 students from Hull College attended the ½ Day Personal Survival Techniques course at a reduced fee of £40 per head this saving the school £420 in total.

Audit Confirmation

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the auditors are unaware and each director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors' report is prepared in accordance with the special provision of Part 15 Chapter 5 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD



MR NEIL McCRACKEN
CHAIRMAN OF THE BOARD

DATED : 30th June 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HUMBERSIDE OFFSHORE TRAINING ASSOCIATION**

Opinion

We have audited the financial statements of Humberside Offshore Training Association (the "Charity") for the year ended 31st December 2020 which comprise the Statement of Financial Activities, Income and Expenditure Account, Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity'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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HUMBERSIDE OFFSHORE TRAINING ASSOCIATION (CONTINUED)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 trustees are responsible for assessing the Charity'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 trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HUMBERSIDE OFFSHORE TRAINING ASSOCIATION**

Our 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Capability of the audit in detecting irregularities including fraud

We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We consider the way and the extent to which information is presented in the financial statements in the context of laws and regulations to which the charitable company is subject, principally the Charities SORP (FRS102) and the Companies Act 2006.
- We determined that the principal risks in relation to fraudulent manipulation of the financial statements centred around the recording of course fees and staffing costs. Audit procedures performed to address these risks included tracing bookings through the accounting and non-accounting systems, reconciling staff costs and confirming the bona-fides of employees.

Owing to the inherent limitations of our audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit has been properly planned and performed in accordance with auditing standards (ISAs (UK)).

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Gilleard FCA
Senior Statutory Auditor
For and on behalf of Dutton Moore
Chartered Accountants
Statutory Auditor

Aldgate House
1-4 Market Place
Hull
HU1 1RS

30th June 2021

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year.

In preparing these account, the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 of fraud and other irregularities.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31st DECEMBER, 2020

	Note	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Income					
Donations, Grants and Sundry Income	5(a)	209,013	-	209,013	23,435
Investment Income	5(a)	1,399	-	1,399	2,861
		<hr/>	<hr/>	<hr/>	<hr/>
		210,412	-	210,412	26,296
Income from Charitable Activities: <i>Provision of survival and safety courses</i>	5(b)	1,540,023	-	1,540,023	2,002,336
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		£1,750,435	-	£1,750,435	£2,028,632
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure					
Expenditure on Charitable Activities <i>Provision of survival and safety courses</i>	8(a)	1,920,798	-	1,920,798	2,114,799
		<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure		£1,920,798	-	£1,920,798	£2,114,799
		<hr/>	<hr/>	<hr/>	<hr/>
Net Income/(Expenditure) for the year		(170,363)	-	(170,363)	(86,167)
Transfers between funds	19	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in funds		(170,363)	-	(170,363)	(86,167)
Reconciliation of funds					
Total Funds, brought forward at 1 st January, 2020		679,221	-	679,221	765,388
		<hr/>	<hr/>	<hr/>	<hr/>
Total Funds, carried forward at 31 st December, 2020		£508,858	-	£508,858	£679,221
		<hr/>	<hr/>	<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 2020

	Notes	2020	2019
Turnover	5b	1,540,023	2,003,896
Less Cost of Course Fees		(1,094,608)	(1,223,668)
		<hr/>	<hr/>
Gross Surplus		445,415	780,228
Less Administrative Expenses	402,400	435,267	
Establishment Charges	355,582	385,274	
Financial Charges	20,735	24,543	
Depreciation	47,459	46,043	
Deficit on Sale of Fixed Assets	14	(826,190)	4
		<hr/>	<hr/>
		(380,775)	(110,903)
Add Other Operating Income		209,013	21,875
		<hr/>	<hr/>
Operating Surplus	6	(171,762)	(89,028)
Add Interest Receivable	5(a)	1,399	2,861
		<hr/>	<hr/>
Deficit on Ordinary Activities for the year		<u>£ (170,363)</u>	<u>£ (86,167)</u>

All of the activities undertaken by the company during 2020 and 2019 are continuing activities.

The income and expenditure account includes all gains and losses recognised in the year.

The results reported above exclude donated assets valued at £nil (2019: £20,000) reported as income in the Statement of Financial Activities.

**HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
COMPANY NUMBER 02190605**

BALANCE SHEET AS AT 31st DECEMBER, 2020

	Notes	2020	2019
FIXED ASSETS			
Tangible Assets	11/12	302,797	327,174
CURRENT ASSETS			
Debtors	14	309,854	307,172
Cash at Bank and in Hand		393,281	344,909
		<hr/>	<hr/>
		703,135	652,081
CREDITORS: amounts falling due within one year	15	(497,074)	(300,034)
		<hr/>	<hr/>
Net Current Assets		206,061	352,047
		<hr/>	<hr/>
Total Assets less Current Liabilities		£508,858	£679,221
		<hr/>	<hr/>
RESERVES			
Unrestricted Income Funds	9	508,858	679,221
Restricted Funds	10	-	-
		<hr/>	<hr/>
		£508,858	£679,221
		<hr/>	<hr/>

Approved on Behalf of the Board by



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N. McCracken - Director

DATED 30th June 2021

The notes on pages 16 to 25 form part of these accounts.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st DECEMBER, 2020

	Notes	2020	2019
Cash generated by/(used in) operating activities	20	70,069	(9,162)
Cash flows from investing activities			
Interest received		1,399	2,861
Purchase of tangible fixed assets		(23,096)	(93,352)
Receipts from sales of tangible assets		-	-
Cash used in investing activities		<u>(21,697)</u>	<u>(90,491)</u>
Cash flows from financing activities		-	-
Increase/(decrease) in cash and cash equivalents in the year		<u>48,372</u>	<u>(99,653)</u>
Cash and cash equivalents at the beginning of the year		344,909	444,562
Total cash and cash equivalents at the end of the year	21	<u>£393,281</u>	<u>£344,909</u>

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 2020

1. Principal Accounting Policies:-

Humberside Offshore Training Association is a company limited by guarantee incorporated in England, number 02190605. The registered office is Malmo Road, Sutton Fields Industrial Estate, Hull, HU7 0YF.

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

- a) **Income from Charitable Activities** represents the amount receivable by the charity, exclusive of VAT, for the provision of training to outside delegates. Income is recognised based upon the date the training takes place.
- b) **Donation, grants and sundry income** includes all grants, donations and donated assets receivable by the charity and recognised at the point at which entitlement arises.

Donated assets are valued at their estimated market value at the time of receipt plus any associated relocation costs.

Grants awarded to the Charity are credited as income as soon as any conditions attached to their receipt have been fulfilled. To the extent that there remain on-going conditions after receipt, the grant is treated as restricted income, accounted for separately and relevant expenditure similarly extracted.

- c) **Fund Accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

1. Principal Accounting Policies (continued)

d) Expenditure Allocation

Expenses directly associated with the delivery of training are charged as direct charitable expenses and split between those relating to unrestricted and those relating to restricted funds.

Depreciation is split between restricted and unrestricted funds by reference to the charge arising on each specific asset.

Employees are categorised as either directly involved in training or administration and related costs apportioned accordingly, sub-divided between training activities where appropriate.

Staff time spent delivering projects which are subject to restricted funding is recharged from unrestricted funds at agreed hourly rates.

Direct costs not capable of being attributed to any individual class of activity are apportioned according to the relative income of each activity.

Support costs are apportioned according to the amount of direct cost associated with each class of activity.

Governance costs reflect the strategic and compliance costs of the charity and are apportioned in the ratio of direct costs.

e) Going Concern

In common with the majority of trading organisations in the UK, the Charity's operations have been adversely affected by the Covid-19 pandemic which has occurred in 2020. Having initially taken advantage of Government support packages, the Charity was able to re-open its training facilities in June 2020, albeit with delegate numbers on each course reduced due to social distancing rules. Nonetheless a deficit has been incurred in 2020. However, with careful cashflow management and having previously taken steps to rationalise the charity's operations in the light of the decline in North Sea oil and gas activity coupled with increased demand in the offshore wind energy sector, the Charity has been able to maintain reserves to ensure it will continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

f) Fixed assets are included at cost. Depreciation is provided at rates calculated to write off all tangible fixed assets, other than freehold land, over their estimated useful lives using the following rates:

Freehold Buildings	4% p.a. on cost
Leasehold Property	over the period of the lease
Furniture, Fittings and Equipment	10%-50% p.a. on cost
Hi-Tech Equipment	50% p.a. on cost
Motor Vehicles	25% p.a. on cost

g) Taxation

As the company has charitable status there is no liability to taxation, apart from that arising through its VAT registration.

h) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

1. **Principal Accounting Policies (continued)**

i) **Pension Scheme Arrangements**

The company operates defined contribution pension schemes. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the schemes. The company provides no other post-retirement benefits to its employees.

j) **Hire Purchase Contracts and Operating Leases**

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are included in fixed assets and the capital element of the leasing commitment is shown as hire purchase obligations. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Costs in respect of operating leases are charged on a straight line basis over the period of the lease.

k) **Financial Instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The useful economic lives of tangible fixed assets is the only key area of estimation uncertainty

3. **Legal Status of the Association**

The association is a company limited by guarantee and has no share capital. The liability of the members is limited to their undertaking to contribute a maximum of £100 each in the event of the company being wound-up. At the year-end date there were 27 members (2019: 27).

4. **Income from Charitable Activities**

Income from charitable activities, as defined in note 1(a) (which is also the Association's turnover for Companies Act purposes) and the operating deficit are attributable to the principal activities as detailed in the Directors' Report and were derived in the United Kingdom.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

5.a)	Analysis of Donations, Grants and Sundry Income	2020	2019
	Grants receivable	-	1,560
	Coronavirus job retention scheme grants receivable	209,013	-
	Donations	-	20,000
	Insurance claims	-	1,875
		<hr/>	<hr/>
		£209,013	£23,435
	Investment Income	<hr/>	<hr/>
	Bank interest receivable	£1,399	£2,861

All of the above income for 2020 and 2019 is unrestricted fund income.

5.b) Income from Charitable Activities	2020	2019
Activity		
Offshore and Standby Vessel Training (OPITO approved)	514,695	680,171
STCW (Maritime)	403,653	307,476
COMPEX and Electrical	233,246	256,319
Emergency Response	169,055	394,520
Management/Technical and Specialist	13,773	26,628
First Aid & Medical Courses	23,820	44,591
Other Survival and Firefighting	16,543	24,708
Miscellaneous	9,977	4,213
Renewables	155,261	263,710
	<hr/>	<hr/>
	£1,540,023	£2,002,336

All of the above income for 2020 and 2019 is unrestricted fund income.

6. **Operating Surplus** is stated after charging the following items:

Depreciation		£47,459	£46,043
Auditors' Remuneration		£5,750	£5,750
Operating Lease Rentals – Land and Buildings		£142,702	£142,476
Other Equipment		£6,902	£6,843

7. Staff Costs

Training Staff Salaries	694,522	686,510
Office Salaries	255,070	268,611
Employer's NIC	82,981	86,105
Pension Scheme Contributions	40,722	39,468
Other Staffing Costs	15,742	21,168
	<hr/>	<hr/>
	£1,089,037	£1,101,862

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

7. Staff Costs (continued)

	2020 No.	2019 No.
Number of staff accruing benefits under money purchase pension scheme	31	31
	==	==
The average monthly number of employees during the year was made up as follows:		
Survival Training Staff	29	29
Office	9	10
	—	—
	38	39
	==	==
Average full time equivalent employee numbers were as follows:		
Survival Training Staff	23.11	24.93
Office	8.01	8.30
	—	—
	31.12	33.23
	==	==

One member of staff received employee benefits in the range between £60,000 and £70,000 (2019: 1).

No expenses were paid to Board Members (2019: £nil). £Nil (2019: £6) was spent on food at a meeting of the Board and Senior Management Team.

The key management personnel of the charity are considered to be the Trustees, the Chief Executive, Company Accountant, Facilities Manager, Operations Manager and Business Operations and HR Manager, whose employee benefits totalled £239,197 (2019: £241,264).

8. Analysis of Expenditure

8.a) Direct Charitable Expenditure (Training Services):

Activity	Direct Costs	Support Costs (8.b)	Total
Offshore and Standby Vessel Training (OPITO approved)	559,286	82,670	641,956
STCW (Maritime)	438,621	64,835	503,456
COMPEX and Electrical	253,453	37,464	290,917
Emergency Response	183,701	27,154	210,855
Management/Technical and Specialist	14,966	2,212	17,178
First Aid and Medical Courses	25,884	3,826	29,710
Other Survival and Fire Fighting	17,976	2,657	20,633
Miscellaneous	10,841	1,602	12,443
Renewables	168,712	24,938	193,650
	—	—	—
	£1,673,440	£247,358	£1,920,798
	==	==	==

Of the £1,920,798 expenditure in 2020 (2019: £2,114,799), £1,920,798 was charged to unrestricted funds (2019: £2,114,799) and £nil to restricted funds (2019: £nil).

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

8.b) Analysis of Support Costs

Activity	Staffing Costs	Communications	IT Computers	Other Admin Costs (incl. Governance Costs)	Total
Offshore and Standby Vessel					
Training (OPITO approved)	49,252	2,664	6,925	23,829	82,670
STCW (Maritime)	38,626	2,090	5,431	18,688	64,835
COMPEX and Electrical	22,320	1,207	3,138	10,799	37,464
Emergency Response	16,177	875	2,275	7,827	27,154
Management/Technical and Specialist	1,318	71	185	638	2,212
First Aid and Medical Courses	2,279	123	320	1,103	3,825
Other Survival and Fire Fighting	1,583	86	223	766	2,658
Miscellaneous	954	52	134	462	1,602
Renewables	14,857	804	2,089	7,188	24,938
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£147,366	£7,972	£20,720	£71,300	£247,358
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Support costs have been apportioned according to the proportion of each separate training stream to total income.

8.c) Governance Costs

	2020	2019
Auditors remuneration	5,750	5,750
Consultancy and professional fees	4,939	4,993
	<hr/>	<hr/>
	£10,689	£10,743
	<hr/>	<hr/>

Support costs have been apportioned according to the proportion of each separate training stream to total income.

9. Reconciliation of Movements in Unrestricted Income Funds

	2020	2019
Opening Funds	679,221	765,388
Income	1,750,435	2,028,632
Expenditure	(1,920,798)	(2,114,799)
Transfers (Note 20)	-	-
	<hr/>	<hr/>
Closing Funds	£ 508,858	£ 679,221
	<hr/>	<hr/>

The Charity had no restricted funds during the year or the preceding year.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

10. Reconciliation of Movements in Restricted Income Funds	2020	2019
Opening Funds	-	-
Income	-	-
Expenditure	-	-
Transfers between Funds (Note 19)	-	-
	<hr/>	<hr/>
Closing Funds	£ -	£ -
	<hr/>	<hr/>

11. Tangible Fixed Assets – Current year

	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Equipment	Motor Vehicle	Total
Cost					
At 1 st January, 2020	1,377,518	948,921	1,476,512	8,697	3,811,648
Additions	-	-	23,096	-	23,096
Disposals	-	-	(19,260)	-	(19,260)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st December, 2020	£1,377,518	£948,921	£1,480,348	£8,697	£3,815,484
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 st January 2020	1,157,563	938,904	1,379,313	8,694	3,484,474
Added this Year	17,492	1,030	28,937	-	47,459
Disposals	-	-	(19,246)	-	(19,246)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st December, 2020	£1,175,055	£939,934	£1,389,004	£8,694	£3,512,687
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
At 31 st December, 2020	£202,463	£8,987	£91,344	£ 3	£302,797
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st December, 2019	£219,955	£10,017	£97,199	£ 3	£327,174
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

All assets at 31st December, 2020 and 31st December, 2019 were unrestricted assets.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

12. Tangible Fixed Assets – Preceding year

	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Equipment	Motor Vehicle	Total
Cost					
At 1 st January, 2019	1,385,904	938,621	1,401,203	8,697	3,734,425
Additions	6,309	10,300	76,743	-	93,352
Disposals	(14,695)	-	(1,434)	-	(16,129)
At 31 st December, 2019	£1,377,518	£948,921	£1,476,512	£8,697	£3,811,648
Depreciation					
At 1 st January 2019	1,154,010	938,410	1,353,442	8,694	3,454,556
Added this Year	18,247	494	27,302	-	46,043
Disposals	(14,694)	-	(1,431)	-	(16,125)
At 31 st December, 2019	£1,157,563	£938,904	£1,379,313	£8,694	£3,484,474
Net Book Value					
At 31 st December, 2019	£219,955	£10,017	£97,199	£ 3	£327,174
At 31 st December, 2018	£231,894	£211	£47,761	£ 3	£279,869

All assets at 31st December, 2019 and 31st December, 2018 were unrestricted assets.

13. Pension Contributions

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in an independently administered funds. The pension cost charge represents contributions paid by the company to the funds and amounted to £40,722 (2019 - £39,468).

14. Debtors

	2020	2019
Fees Outstanding	196,941	204,443
Other Debtors, Prepayments and Accrued Income	112,913	102,729
	£309,854	£307,172

All debtors at 31st December, 2020 and 2019 related to unrestricted funds.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

15. Creditors: Amounts falling due within one year	2020	2019
Trade Creditors	182,716	171,387
Other Taxes	264,800	93,711
Other Creditors and Accruals	49,558	34,936
	<hr/>	<hr/>
	£497,074	£300,034
	<hr/>	<hr/>

All creditors falling due within one year at 31st December, 2020 and 2019 related to unrestricted funds.

16. Related Party Disclosures

As detailed in the Directors' Report, some Board Members are nominees of user companies for whom the company provides training courses. Their respective interests in these organisations are not considered to be so material as to necessitate the separate disclosure of the level of trade with each one.

17. Obligations under Operating Leases

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:-

	2020	20189
Expiring within one year	25,208	-
Expiring in two to five years	260,221	432,368
	<hr/>	<hr/>
	£285,429	£432,368
	<hr/>	<hr/>

Leases are negotiated over various terms to suit the requirements at that time. Break clauses are included wherever appropriate and the above liabilities have been calculated from the balance sheet date to either the end of the lease or the next break clause, whichever is the earlier.

18. Capital Commitments

At the balance sheet date there was a contracted capital commitment amounting to £32,458 (2019: nil).

19. Transfers between funds

There were no transfers between funds during the year or last year.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED)

20. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2020	2019
Net movement in funds	(170,363)	(86,167)
Add back depreciation charge and loss on disposal of fixed assets	47,473	46,047
Decrease/(increase) in debtors	(2,682)	38,205
Increase/(decrease) in creditors	197,040	(4,386)
Investment Income	(1,399)	(2,861)
Exceptional Item	-	-
	<u>£70,069</u>	<u>£(9,162)</u>

21. Analysis of Changes in Net Funds

	At 1 st January 2020	Cashflows	At 31 December 2020
Cash at bank and in hand	344,909	48,372	393,281
Total cash and cash equivalents at the end of the year	<u>£344,909</u>	<u>£48,372</u>	<u>£393,281</u>

**The following pages do not form part of
the statutory accounts**

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 2020

	2020		2019	
Course Fees		1,540,023		2,003,896
Less Course Fees, including Catering, Accommodation and Training Aids	310,114		448,367	
Training Staff Salaries	781,359		774,164	
Fire Ground Maintenance Costs	3,135	(1,094,608)	1,137	(1,223,668)
Gross Surplus		445,415		780,228
Less:				
Administration Expenses				
Office Salaries	291,971		306,606	
Other Staffing Costs	15,707		21,092	
Consultancy and Professional Fees	4,939		4,993	
Telephone	6,834		6,667	
Printing, Stationery and Advertising	5,041		17,445	
Postage & Carriage	3,149		4,465	
Lease of Equipment	6,902		6,843	
Travelling Expenses	1,215		4,318	
Motor Expenses	3,439		4,750	
Membership Fees and Subscriptions	6,755		6,677	
Security/Fire Protection	12,892		13,034	
Janitorial Expenses	35,808		38,064	
Sundry Expenses	7,748	(402,400)	4,251	(439,205)
Establishment Charges				
Rent, Rates, Light & Heat	220,682		234,423	
Insurance	78,062		76,210	
Repairs and Renewals	56,838	(355,582)	70,703	(381,336)
Financial Charges				
Audit and Accountancy	5,750		5,750	
Bank Charges	13,556		12,253	
Legal Charges	-		-	
Bad Debts	1,429	(20,735)	6,540	(24,543)
Carried forward		(333,302)		(64,856)

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER, 2020 (CONTINUED)

	2020	2019
Brought forward	(333,302)	(64,856)
Add Other Operating Income	209,013	21,875
	<hr/>	<hr/>
Operating Deficit	(124,289)	(42,981)
Add Interest Receivable	1,399	2,861
	<hr/>	<hr/>
Excess of Expenditure over Income	(122,890)	(40,120)
Less Deficit on Sale of Fixed Assets	(14)	(4)
Less Depreciation	(47,459)	(46,043)
	<hr/>	<hr/>
Net Deficit for the Year	£(170,363)	£(86,167)
	<hr/> <hr/>	<hr/> <hr/>