
HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charitable company, its Trustees and Advisers	1
Trustees' Report	2 - 6
Independent Auditors' Report on the Financial Statements	7 - 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 26

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	M. Ranson, Survitec N. McCrackan (Chair), formerly B.P. M. Gibbons, Siemens Energy Industrial Turbomachinery Ltd A. Rhodes, Exolum Immingham Ltd L. Ellis, Retired General Manager (resigned 24 June 2022) V. Jackson, Kingston Recruitment Ltd M. Hoddinott (Vice-Chair), formerly International Salvage Union (resigned 24 June 2022) I. Coates, Specialist Marine Consultants Ltd C. Jenkinson, Centrica Storage Ltd
Company registered number	02190605
Charity registered number	519889
Registered office	Malmo Road Sutton Fields Industrial Estate Hull East Yorkshire HU7 0YF
Company secretary	K. L. Shepherd
Chief executive officer	K. L. Shepherd
Independent auditors	Streets Audit LLP Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Natwest Bank plc Hull City Centre 34 Kind Edward Street Hull HU1 3SS
Solicitors	Rollits LLP Citadel House 58 High Street Hull HU1 1QE

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the audited financial statements of the charitable company for the year 1 January 2022 to 31 December 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Since the Charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

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

a. Main achievements of the charitable company

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.*

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HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

b. 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.
During the year 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 Lifeguard training, Confined Space, Health and Safety, Manual Handling, Risk Assessment, Equipment Servicing, Working at Heights, CPD and First Aid etc (target met).

Financial

- Target 4 Average debtors' days at 45 days or less.
In 2022 the average debtors' days up to the end of December was on average 43 (target met).

Quality

- Target 5 Set up 40 new customers/accounts per quarter.
For 2022, a total of 123 new accounts were set up (target not met).
- Target 6 98% Customer Satisfaction measured by no more than 2% formal customer/stakeholder complaints.
No formal customer/stakeholder complaint have been made in 2022 (target met)

Key Performance Indicators, Metrics and Key Activities 2022

In 2022, HOTA's 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 2022 was the construction of the Working at Height Tower.

The Association successfully maintained its ISO9001:2015 accreditation.

Over 8 external audits were conducted by the relevant governing bodies including OPITO, MCA and City & Guilds were conducted in 2021 and all were satisfactory.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

c. Review of activities

Financial Review

Before depreciation, the charity made a deficit of £46,021 (2021: surplus £22,898) this is mainly due to high utilities costs increase of over £57k compared with the previous year. After depreciation, the charity reported a deficit for the year of £100,836 (2021: deficit £29,201).

At the balance sheet date, the Association had net assets of £378,819 (2021: £479,655) including £97,159 of net current assets. (2021: £150,944).

Revenue 2022/2023

In 2022, the charitable company only saw an increase of 3% on course income compared to 2021.

The charitable company is currently seeing a high demand for courses in all areas of HOTA's training streams.

A forecast has been undertaken for 2023 and currently shows the charitable company will report a surplus of £27k for the year ended 31 December 2023 before depreciation.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

HOTA has set a target for cash reserves of £300k which will sustain HOTA for a period of up to 3 months without trading. The figure would cover salaries, lease payments, rent and redundancies. As at the Balance Sheet date, the charity was holding £110k (2021: £260k) in a separate deposit account against this target amount. Substantial withdrawals had been made throughout the year to help repay the Statutory Commitments that were deferred during the pandemic.

2024 we will start to see the increase of the current seafarers undertaking their 5 yearly STCW10 Update courses, generating an increase within the Maritime income stream.

The investment in the Confined Space Unit, Working at Heights Tower and Enhanced First Aid training will also see an increase in sales and help replenish the reserves account.

Structure, governance and management

a. Constitution

Humberside Offshore Training Association is registered as a charitable company limited by guarantee and was set up by a Trust deed.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Plans for future periods

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.

With financial support from NatWest, HOTA will start the construction of the internal Working at Height in early 2023. Approval from GWO is expected from Q2 for Working at Heights and Advanced Rescue Training and respective refresher training, together with GWO Enhanced First Aid approval. The addition of these courses will mean that HOTA will be the only Training Provider in the area that can conduct all the basic GWO Courses on one site and in any weather conditions. Income should be generated from these courses from Q2/Q3 2023.

Further development is expected to take place late 2023/2024 with a complete redevelopment of the one of the charitable company's existing firegrounds. This will enable HOTA to extend their Firefighting Provision and include additional courses such as Helicopter Firefighting, Team Member and Team Leader Firefighting.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'N. McCrackan', with a stylized flourish at the end.

N. McCrackan (Chair)

Date: 25 September 2023

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Humberside Offshore Training Association (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 the Trustees 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 charitable 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 Trustees either intend to liquidate the charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the charity and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, latest Charities SORP, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- reviewed Trustee meeting minutes for evidence of appropriate decision-making and management controls.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' Report.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson FCA (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

26 September 2023

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	4	16,045	16,045	63,489
Charitable activities	5	2,094,382	2,094,382	2,034,116
Other income	6	556	556	394
Total income		2,110,983	2,110,983	2,097,999
Expenditure on:				
Charitable activities	7	2,211,820	2,211,820	2,127,201
Total expenditure		2,211,820	2,211,820	2,127,201
Net movement in funds		(100,837)	(100,837)	(29,202)
Reconciliation of funds:				
Total funds brought forward		479,656	479,656	508,858
Net movement in funds		(100,837)	(100,837)	(29,202)
Total funds carried forward		378,819	378,819	479,656

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 26 form part of these financial statements.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02190605

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	281,660	328,713
		<u>281,660</u>	<u>328,713</u>
Current assets			
Debtors	12	364,495	367,335
Cash at bank and in hand		128,987	281,035
		<u>493,482</u>	<u>648,370</u>
Creditors: amounts falling due within one year	13	(396,323)	(497,427)
Net current assets		<u>97,159</u>	<u>150,943</u>
Total assets less current liabilities		<u>378,819</u>	<u>479,656</u>
Net assets excluding pension asset		<u>378,819</u>	<u>479,656</u>
Total net assets		<u><u>378,819</u></u>	<u><u>479,656</u></u>
Charity funds			
Unrestricted funds	14	378,819	479,656
Total funds		<u><u>378,819</u></u>	<u><u>479,656</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 25 September 2023 and signed on their behalf by:



N. McCrackan (Chair)

The notes on pages 15 to 26 form part of these financial statements.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(144,840)	(34,625)
Cash flows from investing activities		
Bank interest received	556	394
Purchase of tangible fixed assets	(7,764)	(78,015)
Net cash used in investing activities	(7,208)	(77,621)
Change in cash and cash equivalents in the year	(152,048)	(112,246)
Cash and cash equivalents at the beginning of the year	281,035	393,281
Cash and cash equivalents at the end of the year	128,987	281,035

The notes on pages 15 to 26 form part of these financial statements

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Humberside Offshore Training Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Whilst sales in 2022 was good, the company incurred a deficit, this was mainly due to the high utility costs and the energy crisis. However, due to heavy investment for the future, the company should see an increase in both demand and income from the offshore wind energy sector. Careful cashflow management should see the company being able to replenish and increase the 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.

2.3 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

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.

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

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

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 attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

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.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

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

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Financial instruments

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

2.11 Finance leases and hire purchase

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 the reducing capital element outstanding. Costs in respect of operating leases are charged on a straight line basis over the period of the lease.

2.12 Pensions

The charitable company operates a defined contribution pension scheme. 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.

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

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

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grants receivable	4,692	4,692	37,950
Other income	11,353	11,353	25,539
Total 2022	<u>16,045</u>	<u>16,045</u>	<u>63,489</u>
<i>Total 2021</i>	<u>63,489</u>	<u>63,489</u>	

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Offshore and Standby Vessel Training (OPITO approved)	628,708	628,708	545,912
STCW (Maritime)	313,120	313,120	636,751
COMPEX and Electrical	364,217	364,217	238,348
Emergency Response	415,491	415,491	286,940
Management/Technical and Specialist	39,209	39,209	41,037
First Aid & Medical Courses	45,353	45,353	37,019
Other Survival and Firefighting	50,850	50,850	39,488
Miscellaneous	32,151	32,151	23,376
Renewables	177,435	177,435	185,245
Confined Space Courses	21,680	21,680	-
Consultancy UK & Overseas	6,168	6,168	-
Total 2022	2,094,382	2,094,382	2,034,116
<i>Total 2021</i>	<i>2,034,116</i>	<i>2,034,116</i>	

6. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	556	556	394
<i>Total 2021</i>	<i>394</i>	<i>394</i>	

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Offshore and Standby Vessel Training (OPITO approved)	582,500	81,465	663,965	570,894
STCW (Maritime)	290,105	40,573	330,678	665,890
COMPEX and Electrical	337,446	47,194	384,640	249,256
Emergency Response	384,951	53,837	438,788	300,071
Management/Technical and Specialist	36,326	5,080	41,406	42,915
First Aid & Medical Courses	42,019	5,877	47,896	38,713
Other Survival and Firefighting	47,112	6,589	53,701	41,295
Miscellaneous	35,502	4,965	40,467	24,445
Renewables	164,393	22,991	187,384	193,722
Confined Space	20,086	2,809	22,895	-
Total 2022	1,940,440	271,380	2,211,820	2,127,201
<i>Total 2021</i>	<i>1,858,462</i>	<i>268,739</i>	<i>2,127,201</i>	

8. Governance costs

	2022 £	2021 £
Auditors remuneration	5,600	7,988
Consultancy and professional fees	1,708	5,508
Legal charges	4,599	7,599
	11,907	21,095

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Staff costs

	2022 £	2021 £
Wages and salaries	954,008	998,375
Social security costs	87,229	85,401
Contribution to defined contribution pension schemes	39,817	41,098
	<u>1,081,054</u>	<u>1,124,874</u>

The average number of persons employed by the charitable company during the year was as follows:

	2022 No.	2021 No.
Survival Training Staff	30	30
Office	8	9
	<u>38</u>	<u>39</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	1

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 £221,378 (2021: £231,011).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022 no trustee expenses were reimbursed (2021: £nil).

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Property £	Motor Vehicles £	Fixtures, Fittings and Equipment £	Total £
Cost or valuation					
At 1 January 2022	1,432,937	948,919	8,697	1,502,947	3,893,500
Additions	514	-	-	7,250	7,764
Disposals	-	-	-	(379)	(379)
At 31 December 2022	<u>1,433,451</u>	<u>948,919</u>	<u>8,697</u>	<u>1,509,818</u>	<u>3,900,885</u>
Depreciation					
At 1 January 2022	1,195,929	940,965	8,695	1,419,198	3,564,787
Charge for the year	22,649	1,030	-	31,138	54,817
On disposals	-	-	-	(379)	(379)
At 31 December 2022	<u>1,218,578</u>	<u>941,995</u>	<u>8,695</u>	<u>1,449,957</u>	<u>3,619,225</u>
Net book value					
At 31 December 2022	<u>214,873</u>	<u>6,924</u>	<u>2</u>	<u>59,861</u>	<u>281,660</u>
At 31 December 2021	<u>237,008</u>	<u>7,954</u>	<u>2</u>	<u>83,749</u>	<u>328,713</u>

12. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	284,910	286,262
Prepayments and accrued income	79,585	81,073
	<u>364,495</u>	<u>367,335</u>

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	214,946	210,374
Other taxation and social security	102,737	223,638
Accruals and deferred income	78,640	63,415
	<u>396,323</u>	<u>497,427</u>

14. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
Unrestricted funds				
General Funds	<u>479,656</u>	<u>2,110,983</u>	<u>(2,211,820)</u>	<u>378,819</u>

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds				
General Funds	<u>508,858</u>	<u>2,097,999</u>	<u>(2,127,201)</u>	<u>479,656</u>

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
General funds	479,656	2,110,983	(2,211,820)	378,819

Summary of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
General funds	508,858	2,097,999	(2,127,201)	479,656

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	281,660	281,660
Current assets	493,482	493,482
Creditors due within one year	(396,323)	(396,323)
Total	378,819	378,819

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	328,713	328,713
Current assets	648,370	648,370
Creditors due within one year	(497,427)	(497,427)
Total	<u>479,656</u>	<u>479,656</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(100,837)</u>	<u>(29,202)</u>
Adjustments for:		
Depreciation charges	54,817	52,099
Decrease/(increase) in debtors	2,840	(57,481)
Increase/(decrease) in creditors	(101,104)	353
Investment income	(556)	(394)
Net cash used in operating activities	<u>(144,840)</u>	<u>(34,625)</u>

18. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	<u>128,987</u>	<u>281,035</u>
Total cash and cash equivalents	<u>128,987</u>	<u>281,035</u>

HUMBERSIDE OFFSHORE TRAINING ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	281,035	(152,048)	128,987
	<u>281,035</u>	<u>(152,048)</u>	<u>128,987</u>

20. Pension contributions

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions paid by the charitable company to the funds and amounted to £39,817 (2021: £41,098).

21. Operating lease commitments

At 31 December 2022 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	34,250	151,173
Later than 1 year and not later than 5 years	168,395	195,375
	<u>202,645</u>	<u>346,548</u>

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.

22. Related party transactions

As detailed in the Director's Report, some Board Members are nominees of user companies for whom the charitable 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.