

EMIH Limited

Report and Financial Statements

31 January 2013

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COMPANIES HOUSE

Directors

Councillor David W Gemmell OBE - Chairman
John A Parkes CBE - Vice Chairman
Trevor S E Boanas
Professor Graham Chesters
Anthony J Hunt
Professor Carl W I Pistorius
Janet Reuben

Secretary

Neil G Porteus

Auditors

Ernst & Young LLP
24 Marina Court
Castle Street
Hull
HU1 1TJ

Bankers

National Westminster Bank plc
PO Box 944
34 King Edward Street
Hull HU1 3YN

Solicitors

Rollits LLP
Wilberforce Court
High Street
Hull HU1 1YJ

Registered Office

The Deep
Kingston Upon Hull
HU1 4DP

Registered No 3513218

Directors' and trustees' report

The directors and the trustees of the charity present their report and financial statements for the year ended 31 January 2013

Charitable objectives

As defined in its governing documents, the objectives of the charity are

- To advance the educational and cultural welfare of the inhabitants of Kingston upon Hull in particular and the community at large, and
- To promote the conservation of marine organisms by establishing in Kingston upon Hull, The Deep aquarium, incorporating an international centre of excellence for education, learning and research of the marine environment

Within the above objectives, the charity's strategy is to maintain reserves at a level sufficient to cover the accounting depreciation, to meet ongoing revenue commitments and to continue to invest in the facilities at The Deep so that it can fulfil its educational, marine research and conservation objectives to the full

Activity during the year

Activity during the year was in line with the company's charitable objectives and its performance exceeded the targets that had been set. The charity's aim is to continue to attract sufficient visitors to The Deep so that it can cover its operational costs and generate sufficient resources so that it can continue to maintain its facilities, consider their ongoing improvement and be able to support conservation and marine research projects. In terms of its targets for the year, the charity performed as follows

- The charity achieved its target of attracting 350,000 visitors and learners to The Deep, generating a net income from operating activities of £344,770 over the course of the year,
- A number of new exhibitions were completed during the year,
- The charity continued to support conservation and marine research projects (both financially and in-kind) to help preserve elements of our marine environment and to learn more about them

Financial performance

In revenue terms, the principal income sources of the group continue to come from the visitors, learners', and business centre tenants

The financial results were as follows

	2013	2012	Change
	£	£	£
Total incoming resources	5,492,999	5,552,012	(59,013)
Less charitable expenditure and cost of generating funds (excluding depreciation for which capital grant reserves exist)	(5,148,229)	(5,184,282)	36,053
Net income from operating activities	344,770	367,730	(22,960)

Directors' and trustees' report

Financial performance (continued)

The group reserves of £30,587,335 at 31 January 2013 primarily consist of capital grants received for the construction of The Deep Visitor Attraction and The Deep Business Centre, expenditure on which has been capitalised and which will be amortised over the useful life of the associated assets

As a Charity, the company's Memorandum and Articles of Association do not permit the payment of dividends

Objectives and activities for the public benefit

EMIH Limited is an educational and environmental charity that is based at The Deep Visitor Attraction in Kingston upon Hull, UK. The Deep Visitor Attraction (and the work of the charity more widely) is available to all, without restriction

Whilst there is a need to charge visitors for entry to The Deep Visitor Attraction to cover its running costs and to generate resources for the charity's marine research and conservation work, in an effort to ensure that admission prices are not an obstacle to attendance, the charity sets prices to cover its medium-term operating costs, rather than to maximise income

For the period under review, the admission prices for The Deep were £10.50 for an adult, £8.50 for a child, £9.50 for seniors and students, £34.00 for a family of four people, and £41.00 for a family of five, with children under 3 and essential carers visiting for free. Not only are these prices lower than other similar attractions, more importantly, these prices allow free admission (subject to terms and conditions) for up to 360 days per year which, at the extreme, would equate to an entry cost of just over 2p per visit. The charity has adopted this pricing structure both to provide excellent 'value for money' to its visitors and to ensure that visitors can visit again and again to help maximise the absorption of its educational and environmental content

In addition, the charity recognises that it is important that nothing is a barrier to learning and so it specifically encourages engagement with hard-to-reach family learners, adult learners, looked-after children and their carers, at-risk children and those facing financial hardship

Education

The public understanding of Science and scientific education is at the heart of everything the charity does – from educating the public in an informal way by ensuring that exhibition design and delivery is accessible for all, through to a formal education programme that takes place in The Deep's bespoke Learning Centre. The Learning Centre has been operating since 2002 and in 2012/13 taught almost 30,000 formal learners. All workshops for key stages 1, 2 and 3 are taught by the charity's own qualified and experienced teachers. Key Stage 4 students and those studying vocational subjects receive presentations by The Deep's management team who specialise in subjects as varied as Marketing, ICT, Travel and Tourism, animal husbandry and Investigating Science at Work. Groups coming to take part in such sessions enjoy heavily subsidised entry to The Deep with, in effect, the formal education sessions themselves free of charge.

Marine Conservation Zones Netgain

The charity campaigned strongly for the establishment of Marine Conservation Zones (MCZs) around the United Kingdom coast with the Marine Bill being agreed by the UK Parliament in 2010, establishing a basis for identifying the location of MCZs around the coast. The charity was approached by the UK Government and asked if it would help set up the MCZ in its locality. The charity agreed to help and its Chief Executive chaired 'NetGain', the group charged with delivering the project locally. NetGain is the largest of the four UK projects, stretching from Scotland to the River Thames estuary. It is hoped that by involving all stakeholders in the decision-making process that NetGain will be the start of a truly sustainable future for the North Sea. Along with the other MCZs, NetGain has submitted its proposals to the UK Government for consideration.

Directors' and trustees' report

Objectives and activities for the public benefit (continued)

Breeding

The charity successfully breeds the following species

- **Bluespotted Ribbontail Rays** One of the first captive-bred Bluespotted Ribbontail rays in the world was born at The Deep. The adult group now regularly produce young. Once old enough, the juveniles enter a European Studbook breeding programme and are gifted to aquariums across Europe, including Burgers Zoo aquarium in the Netherlands and Oceanopolis in Brest (France).
- **Blue Poison Arrow frogs, Milk frogs and Golden Mantella** These species are reared from spawn laid by adults on display. Golden Mantella are critically endangered.
- **Jellyfish** These delicate animals are very difficult to 'culture', although the charity has successfully accomplished this with a number of species. The Deep regularly donates jellyfish to aquariums around the UK.
- **Ballan Wrasse** Ardtoe marine laboratory in Scotland rears Ballan Wrasse from eggs collected in The Deep's North Sea tank, where juvenile Wrasse are being used to 'clean' (eat) the external sea lice from the farmed cod. It is hoped that this will provide fish farms with an excellent method of ethical and sustainable pest control.
- In addition, the Deep has been successful in breeding Bull Huss, Bamboo Sharks, Lump Suckers, Shiner Perch, Epaullette sharks, Motoro stingrays and Banggai Cardinals.
- A number of terrestrial invertebrate species are displayed and bred at The Deep. This includes a number of challenging species such as Vinegaroons, Sunburst Diving Beetles and Mega Mantis which many others have had little success with. The Deep donates juvenile captive bred animals to other zoo facilities.

Charity support

- The Deep supports a number of other charities such as the Marine Conservation Society, the Yorkshire Wildlife Trust and the Shark Trust. By working together on campaigns and events, The Deep provides a shop window for numerous other conservation efforts. Examples include collecting petitions for Marine Protected Area (Living Seas Campaign, Your Seas Your Voice campaign and the Marine Reserves Now campaign), anti-finning legislation, running beach cleans on Hessel Foreshore and promoting local sustainable lobster fishers.

Research and conservation

The charity has been involved in a number of international research projects

- **Indian Ocean** The Deep supported the Marine Conservation Society's Green Turtle satellite tracking programme by funding a number of electronic tags. Scientists continue to follow the migration patterns of this highly threatened species.
- **The Galapagos** The Galapagos Conservation Trust works hard to protect these unique islands. The Deep has supported their work by funding visitor information panels in the visitor centre there. New links are being formed with the Penguin research arm of the Galapagos trust.
- **Shark Alley** Deep staff went to South Africa to assist with a research project which aimed to determine if shark-cage diving by tourists has an effect on the behaviour of the Great White Shark.
- **Great Barrier Reef** The charity's Science Officer worked with James Cook University on Lizard Island Marine Research Station (Australia) investigating the seasonal influx of larval fish into shallow coral reefs.

Directors' and trustees' report

Objectives and activities for the public benefit (continued)

Research and conservation (continued)

- **Washington** The Deep worked with an international consortium of aquariums headed by the Smithsonian Institute to study the effects of environmental enrichment on the Giant Pacific Octopus (*Enteroctopus dofleini*)
- **Amazon** The Deep sponsored a Ranger for a year in the Atlantic Rainforest of Brazil in conjunction with BIAZA (the British & Irish Association of Zoos and Aquariums) and the World Land Trust. The project conserves and protects land and endangered species, provides employment to the local community to protect the reserve and to support the local community dealing with issues related to the environment and education programmes
- **In collaboration with the Scottish Association for Marine Science (SAMS) and BP**, The Deep developed techniques to collect *Lophelia pertusa* (a cold water, reef-building coral) from North Sea oil platform legs, along with specialised life-support and transportation
- **Red Sea** Under the Darwin Initiative, The Deep along with Hull University and the Egyptian Environmental Affairs Agency, conducted an environmental impact assessment into overfishing of sea cucumbers. The results were alarming and now inform government policy in this region
- **SECOR** The charity works with this collaborative research and conservation project alongside contributors from Europe and North America. The project looks at methods for rearing corals from gametes taken during spawning events with the view to re-seeding reefs in the future. The techniques can also be used to sustainably reproduce corals in captivity. The Deep takes part in field expeditions most years to a variety of locations such as Puerto Rico, Belize and Guam
- **CORAL ZOO** An initiative designed to bring together both private sector, zoo and aquarium representatives in furthering the science of keeping reef building corals. Resulted in 2009 with the production of a comprehensive book of protocols in coral husbandry. This document standardises techniques throughout Europe to allow valuable data collected to be compared over institutions globally. The Deep was a key partner in the initiative, which was funded through the European Commission
- **Equip Cousteau** The Deep is the only aquarium in the world working with Equip Cousteau on a major project to monitor Manta Rays in the Red Sea off the Sudanese coast. Using state of the art technology, the project involves satellite and acoustic tagging of Giant Manta Rays, allowing their movements to be monitored. Aquarists from The Deep take part in field work annually to deploy bottom monitors (as part of a global network) and tag the animals. The data gained will be used to inform a sustainable management plan for shark and ray populations in the area. The Deep has also agreed to assist the Sudanese Government in the establishment of a small aquarium in Port Sudan in order to gain the support of the local population for the conservation work taking place there
- **Fen Raft Spider Partnership** In conjunction with Natural England, The Wildlife Trusts and BIAZA, The Deep is part of a project working with Europe's largest and most beautiful spider. Found in only three locations in the UK, the population is decreasing as juveniles are struggling to survive their first moults in the wild. This project involves rearing spiderlings in captivity during the summer months for release into their natural habitat each autumn
- **In-house projects** In addition The Deep has carried out a large number of in-house projects focusing on a range of topics from diet optimisation, nutrition, ground breaking veterinary care, environmental enhancement, enrichment and captive reproduction of threatened or endangered species

Directors' and trustees' report

Animal husbandry

The Deep constantly develops its animal husbandry, veterinary and welfare practices and, as a result, regularly presents information at relevant conferences. This dissemination of information is an ongoing process which also takes the form of zoo keeper and aquarist training for employees of other organisations. In addition, The Deep deals regularly with enquiries from members of the public, offering advice on matters from fish keeping to career choices.

Re-homing of Custom seized and RSPCA seized animals We work in conjunction with ZSL and the UK Border Agency CITES Team to re-home customs seized fish and invertebrates whenever required. We also work closely with the local RSPCA team helping providing advice and assistance with temporary care for animals involved in confiscations or long term assistance with rehoming.

Sustainable Foods After extensive work with our food suppliers to help them develop a sustainable aquarium food range we now have traceability for the foods we purchase. This includes method of capture, location, season of capture.

Students

The Deep has strong links with a number of colleges and universities. Each year, a number of student projects are hosted at The Deep along with summer internships. During the year the Aquarist department also host around 20 week long work placements for students over the age of 18.

Coral Research Facility A joint research facility has been designed in collaboration with Hull University's Biological Sciences Department. Through grant funding, the university have bought materials and a life support system which is to be set up at Unit C. This facility will provide The Deep and Hull University with a system for long term coral studies, student projects and in house research.

Aquarium Community

The Deep is a member of the British and Irish Association for Zoos and Aquariums (BIAZA) and the World Association of Zoos and Aquariums (WAZA). As members, The Deep is committed to maintaining the highest welfare standards for animals and worthwhile conservation outputs. Within this community.

Katy Duke, Curator, is Chair of the BIAZA Aquarium Working Group, Vice Chair of BIAZA Living Collections Committee and EAZA Studbook keeper for Sawfish and Zebra Sharks,

Graham Hill, Science Officer, is on the BIAZA Research Committee and runs an EAZA monitoring programme for Honeycomb Whiptail Rays, and

Andrew McLeod, Assistant Curator, is on the BIAZA Terrestrial Invertebrate Working Group, the BIAZA Welfare group and runs an EAZA monitoring programme for Epaullette Sharks.

Big Fish Campaign This aquarium-led campaign has been driven by The Deep with the aim of encouraging the public to responsibly select fish for home aquariums. Every year hundreds of pet fish are offered to aquariums having 'out-grown' their tank. Working with the trade to encourage the voluntary ban on certain species of fish being sold and to encourage people to research the fish they intend to buy before buying. A number of leading pet shops have joined the campaign along with a number of web based forums. The long term goal is to reduce the demand for certain larger species of fish coming into the pet industry whilst supporting the hobbyist industry with responsible fish keeping advice.

Future performance and going concern

It is important that sufficient visitors continue to be attracted to The Deep so that it can cover its operational costs and generate sufficient resources to maintain the quality of its facilities, and provide for their ongoing improvement, whilst also enabling the charity to continue to support conservation and marine research projects. Attendances in the Deep visitor attraction and occupancy of the Deep Business

Directors' and trustees' report

Centre have been stable for many years now, not least during the recent economic downturn. The charity has continued to invest in its assets and the directors believe that the charity has adequate resources to continue in operational existence for the foreseeable future and so they have continued to adopt the going concern basis in preparing the financial statements.

Structure, governance and administration

The company's Memorandum of Articles of Association and the Joint Venture Agreement between the company, Kingston upon Hull City Council and the University of Hull dated 6 April 1999 set out the method of governance of the company and charity.

Subject to some specific provisions within the Joint Venture Agreement, the Board of Trustees may appoint individuals to fill vacancies during the year as they fall due, but that such appointments would only be until the date of the company's next Annual General Meeting (AGM). Where an appointment is made at an AGM, that appointment would run until terminated by either party.

The Charity is run by a small Board of Trustees, who collectively contribute a balance of skills and experience. Meetings of the trustees are held regularly and attendance rates are high. The trustees have a clear understanding of their role and its fulfilment.

Trustees receive an appropriate, tailored induction and throughout the course of the year, receive external advice on any major issues affecting the charity.

Day-to-day management of the Charity is delegated to Colin Brown (Chief Executive Officer) and Neil Porteus (Finance Director, Company Secretary and Charity Commission Correspondent).

Taxation

The company, as a registered charity, has obtained exemption from corporation tax. Charitable tax exemptions can therefore be claimed to the extent that income and/or gains are applicable and applied for charitable purposes only.

Company status

The company is a private company limited by guarantee, not having a share capital, and is also registered as a charity (number 1073254).

Members

The members of the company are Kingston upon Hull City Council (corporate member), The University of Hull (corporate member), Professor Graham Chesters, Professor Carl W I Pistorius and Ms Janet Reuben.

Political and charitable contributions

As a charity, the company is forbidden from making political donations. The company made charitable donations of £nil (2012 – £nil) during the year.

Risk review and reserves policy

The directors have discussed the major risks to which the charity is exposed with the officer management team, jointly developing systems to mitigate those risks. Furthermore, a strategic plan has been developed in terms of external risks and internal risks are minimised by the implementation of procedures for the authorisation of all transactions and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Directors' and trustees' report

The trustees monitor the level of reserves closely to ensure that the charity has sufficient funds to sustain its operations and to finance its future development plans. The level of the group and charity's reserves are reviewed by the trustees at each of their monthly trustee meetings. The £30,587,335 of group reserves consists of capital grants received for the construction of The Deep Business Centre and Visitor Attraction, expenditure on which has been capitalised and will be amortised over the useful life of the associated assets. Accordingly, reserves of this level need to be held to cover the amortisation of capitalised fixed assets.

Principal risks and uncertainties

Whilst the group is exposed to price, credit, liquidity and investment risks, these are only minor risks for the company.

Price risk

At the start of each financial year, the group reviews its budget for the coming year and sets its admission prices to cover its forecasted expenditure. Compared to other national attractions, The Deep's current admission charges remain very competitive.

Credit risk

The majority of the group's income is received at the point of sale and so poses no credit risk. The exception to this could be the income from tenants of The Deep Business Centre. However, all tenants are subject to external credit checks at the outset and are subject to ongoing credit checks. Furthermore, a deposit is taken from all tenants at the outset and rent is required to be paid in advance of the period to which it relates.

Liquidity risk

The group retains sufficient cash to ensure that it has sufficient available funds for operations.

Investment risks

Any surplus cash that the group has available is invested with its bankers through their Treasury Reserve Centre. Such investments include only cash balances earning interest at fixed rates. The company does not use derivative financial instruments, nor does it invest in equities.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. The group's procedures have been approved to use the Positive About Disabled People symbol and the group is part of the 'mindful employer' scheme.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide training to achieve this aim.

Employee involvement

The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group has been continued through internal communication. Employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas including department issues, specific project and policy planning. Whole-group staff meetings are called at key points of action, change or development as necessary during the year.

Directors' and trustees' report

The group's Health and Safety Committee includes representatives from each department alongside senior managers and the Competent Person. A key communication tool is also the Crew Brief newsletter which is circulated to all staff every month and includes information such as group performance, customer feedback, policy updates and it responds to specific employee questions when necessary.

Directors

The directors who served the company during the year were as follows:

Councillor D W Gemmell OBE (Chair)
Trevor S E Boanas
Professor Graham Chesters
Anthony J Hunt
John A Parkes CBE (Vice Chair)
Professor Carl W I Pistorius
Janet Reuben

All directors are also trustees of the charity.

Related parties

Transactions with related parties are disclosed in note 19.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Neil G Porteus
Secretary
18 October 2013

Statement of directors' and trustees' responsibilities

The directors are responsible for preparing the Directors' and Trustees' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of EMIH Limited

We have audited the financial statements of EMIH Limited for the year ended 31 January 2013 which comprise the Group Statement of Financial Activities, the Group Statement of Total Recognised Gains and Losses the Group and Charity/(Company) Balance Sheets, the Group Statement of Cash Flows and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustee's Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for 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.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group and Charity's/(Company's) affairs as at 31 January 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of EMIH Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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, 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



Richard Frostick (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Hull

18 October 2013

Group statement of financial activities

for the year ended 31 January 2013

		<i>Total unrestricted funds</i>	
		2013	2012
	Notes	£	£
Incoming resources			
Gift Aid membership fees		2,532,487	2,220,879
Activities for generating funds			
Commercial trading operations	3	2,893,729	2,770,060
Other finance income		46,000	105,086
Bank interest		20,783	15,105
Exceptional item			
Fixed asset revaluation		–	159,695
Rates refund		–	281,187
Total incoming resources		<u>5,492,999</u>	<u>5,552,012</u>
Less cost of generating funds Commercial trading operations		<u>(837,573)</u>	<u>(791,334)</u>
Net incoming resources available for charitable application		<u>4,655,426</u>	<u>4,760,678</u>
Charitable expenditure			
Cost of operating trading subsidiary		(643,578)	(921,631)
Marketing, publicity and events		(159,012)	(179,390)
Management and administration		(4,334,873)	(4,012,583)
Support costs		<u>(1,033,218)</u>	<u>(1,009,802)</u>
Total charitable expenditure and resources expended	5	<u>(6,170,681)</u>	<u>(6,123,406)</u>
Trading subsidiary corporation tax	7	<u>(34,263)</u>	<u>(61,166)</u>
Net outgoing resources for the year	13	<u>(1,549,518)</u>	<u>(1,423,894)</u>
Total funds brought forward		31,626,453	33,798,448
Actuarial gain/(loss) on pension scheme		638,000	(937,000)
Deferred tax thereon		(127,600)	188,899
Total funds carried forward	15	<u>30,587,335</u>	<u>31,626,453</u>

All amounts relate to continuing activities

Group statement of total recognised gains and losses

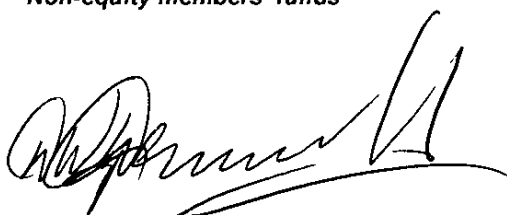
for the year ended 31 January 2013

	2013	2012
	£	£
Net outgoing resources for the year	(1,549,518)	(1,423,894)
Actuarial gain/(loss) recognised in the pension scheme	638,000	(937,000)
Deferred tax thereon	(127,600)	188,899
Total recognised gains and losses relating to the year	<u>(1,039,118)</u>	<u>(2,171,995)</u>

Group balance sheet

at 31 January 2013

		2013	2012
	Notes	£	£
Fixed assets			
Tangible assets	8	28,184,955	30,044,980
Investments	9	—	—
		<u>28,184,955</u>	<u>30,044,980</u>
Current assets			
Stock	10	282,295	257,805
Debtors	11	576,383	695,224
Cash at bank and in hand		<u>1,947,439</u>	<u>1,255,541</u>
		<u>2,806,117</u>	<u>2,208,570</u>
Creditors amounts falling due within one year	12	<u>(948,215)</u>	<u>(623,438)</u>
Net current assets		<u>1,857,902</u>	<u>1,585,132</u>
Total assets less current liabilities		<u>30,042,857</u>	<u>31,630,112</u>
Provisions for liabilities			
Deferred tax	7	<u>(94,722)</u>	<u>(74,859)</u>
Net assets before pension asset		<u>29,948,135</u>	<u>31,555,253</u>
Pensions – net of deferred tax		<u>639,200</u>	<u>71,200</u>
Net assets including pension asset		<u>30,587,335</u>	<u>31,626,453</u>
Funds asset			
Unrestricted funds	15	<u>30,587,335</u>	<u>31,626,453</u>
Non-equity members' funds		<u>30,587,335</u>	<u>31,626,453</u>



D W Gemmell OBE

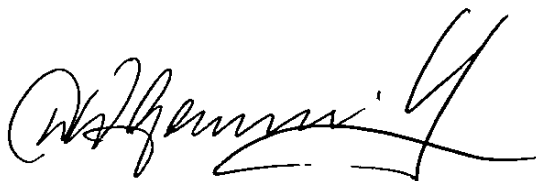
Chairman

18 October 2013

Charity/(Company) balance sheet

at 31 January 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	8	28,147,399	29,989,425
Investments	9	4	4
		<u>28,147,403</u>	<u>29,989,429</u>
Current assets			
Stock	10	—	—
Debtors	11	2,418,701	2,297,109
Cash at bank and in hand		<u>1,241,618</u>	<u>876,988</u>
		3,660,319	3,174,097
Creditors amounts falling due within one year	12	<u>(1,996,402)</u>	<u>(1,675,201)</u>
Net current assets		<u>1,663,917</u>	<u>1,498,896</u>
Total assets less current liabilities		<u>29,811,320</u>	<u>31,488,325</u>
Provisions for liabilities			
Deferred tax	7	—	—
Net assets before pension asset		<u>29,811,320</u>	<u>31,488,325</u>
Pensions – net of deferred tax		—	—
Net assets including pension asset		<u>29,811,320</u>	<u>31,488,325</u>
Funds asset			
Unrestricted funds	15	<u>29,811,320</u>	<u>31,488,325</u>
Non-equity members' funds		<u>29,811,320</u>	<u>31,488,325</u>



D W Gemmell OBE

Chairman

18 October 2013

Group statement of cash flows

for the year ended 31 January 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	13(a)	691,898	(291,934)
Taxation		—	—
Capital expenditure			
Purchase of tangible fixed assets		—	(7,790)
Financing			
Repayment of mortgage loan		—	—
Repayment of short term loan		—	—
Increase in cash	13(b)	<u>691,898</u>	<u>(299,724)</u>

Reconciliation of net cash flow to movement in net funds

	Notes	2013 £	2012 £
Increase in net cash in the year	13(b)	691,898	(299,724)
Cash outflow from decrease in debt and lease financing		—	—
Movement in net debt in year		<u>691,898</u>	<u>(299,724)</u>
Net funds at 1 February		<u>1,255,541</u>	<u>1,555,265</u>
Net funds at 31 January	13(b)	<u>1,947,439</u>	<u>1,255,541</u>

Notes to the financial statements

at 31 January 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of The Deep Visitor Attraction and Business Centre and in accordance with applicable accounting standards, the Companies Act 2006, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005)

Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Running Deep Limited and Deep Developments Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Commercial trading activities

Income from commercial activities is included in the year in which the group is entitled to receipt.

Grants receivable

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

All grant income receivable is in furtherance of the objectives of the charity. Thus all general funds have been designated as unrestricted funds which are available for use at the discretion of the trustees, albeit that most of the grant income receivable is against expenditure already incurred or committed.

Interest receivable

Interest is included when receivable by the charity.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Tangible fixed assets

The company's buildings were revalued at the balance sheet date of 31 January 2012 by Sanderson Weatherall in accordance with the provisions of FRS 15. These assets are being depreciated over a remaining useful life of 17 years from the date of the revaluation.

Equipment is depreciated over 3 – 5 years.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 January 2013

1. Accounting policies (continued)

Fund accounting

Funds held by the charity are either

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees
- Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions

The company/group participates in the Local Government Pension Scheme. Contributions are made to a separately administered fund. Pension scheme assets are measured at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond.

The service cost of providing pension and other post-retirement benefits to employees for the year is charged to the operating profit or loss in the year. The full cost of providing amendments to benefits in respect of past service is also charged to the operating surplus or deficit in the year.

The expected return on defined benefit pension scheme assets based on the market value scheme assets at the start of the financial year is included within other finance costs. This also includes a charge representing the expected increase in liabilities of the scheme during the year, arising from the liabilities being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised in the statement or recognised gains and losses in the year, together with differences from changes in assumptions. The net surplus on defined benefit schemes is reported on the balance sheet within the pension asset. This is net of related deferred tax.

2. Income and expenditure

Income represents the amount of grants receivable and other income, exclusive of VAT, during the year covered by these financial statements. Income and expenditure are directly attributable to the principal activities of the company and charity.

Notes to the financial statements

at 31 January 2013

3. Incoming resources

	2013	2012
	£	£
Activities for generating funds		
Commercial trading operations	2,893,729	2,770,060

Commercial trading operations income relates to income generated by Running Deep Limited, which operates The Deep Visitor Attraction and The Deep Business Centre

4. Commercial trading operations and investment in trading subsidiary

The wholly owned trading subsidiary Running Deep Limited is incorporated in the United Kingdom. Running Deep Limited operates the Deep Business Centre and Deep Visitor Attraction. Running Deep Limited is responsible for the day to day running of both the Visitor Attraction and the Business Centre.

The Visitor Attraction does not provide subsidies to the Business Centre.

The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below.

Summary profit and loss account.

	2013	2012
	£	£
Turnover	6,963,381	6,675,716
Cost of sales	(804,597)	(790,256)
Gross profit	6,158,784	5,885,460
Administrative expenses	(6,797,209)	(6,513,294)
Other operating income	748,050	752,464
Bank interest receivable	8,090	2,772
Other finance income	46,000	105,000
Profit before taxation	163,715	232,402
Tax	(34,263)	(61,166)
Profit retained for the financial year	129,452	171,236

The assets and liabilities of the subsidiary were

	2013	2012
	£	£
Tangible fixed assets	37,556	55,555
Current assets	3,125,493	2,433,354
Creditors: amounts falling due within one year	(3,024,365)	(2,422,077)
Net assets before pension asset	138,684	66,832
Pensions (net of deferred tax)	639,200	71,200
Net assets including pension assets	777,884	138,032
Aggregate share capital and reserves	777,884	138,032

Notes to the financial statements

at 31 January 2013

5. Total resources expended

	2013	2012
	£	£
Auditors' remuneration – audit services	17,500	17,000
– non-audit services	6,500	7,250
Depreciation	1,860,025	1,730,458
Support costs	1,033,218	1,009,802
Directors remuneration	–	–
Marketing, publicity and events	159,012	179,390
Staff cost	2,254,303	2,109,017
Other management and administration costs	196,545	148,858
Cost of operating subsidiary	643,578	921,631
	<u>6,170,681</u>	<u>6,123,406</u>

Staff costs above include those within the subsidiary's administration expenses in note 4

6. Staff costs

	2013	2012
	£	£
Salaries	1,945,809	1,777,202
Employer national insurance contributions	129,148	127,297
Employer pension contributions	179,346	204,518
	<u>2,254,303</u>	<u>2,109,017</u>

The number of employees whose remuneration as defined for taxation purposes amounted to over £60,000 in the year was as follows

	No	No
£ 60,001 – £ 70,000	1	1
£ 70,001 – £ 80,000	–	–
£ 90,001 – £100,000	–	–
£100,001 – £110,000	1	1
£110,001 – £120,000	–	–

The average number of people employed by the company was as follows

	No	No
Management	7	7
Administration	120	109
	<u>127</u>	<u>116</u>

None of the directors received any remuneration from the company during the current year or previous year

Notes to the financial statements

at 31 January 2013

6. Staff costs (continued)

The trustees neither received nor waived any emoluments during the year (2012 – £nil)

Out of pocket expenses were reimbursed to trustees as follows

	No	2013 £	No	2012 £
Travel	2	99	2	123

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
Current tax		
UK corporation tax on the profit for the year	–	–
Total current tax (note 8(b))	–	–
Deferred tax		
Origination and reversal of timing differences (note 8(c))	34,263	61,166
Tax on profit on ordinary activities	34,263	61,166

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2012 – 20 16%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	163,715	232,402
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 – 20 16%)	32,743	46,852
Effects of		
Expenses not deductible for tax purposes	1,518	1,714
Capital allowances in advance of depreciation	2,310	(2,278)
Other timing differences	76,425	45,762
Gift aid payment to parent following the year end	(112,996)	(92,050)
Current tax for the year (note 8(a))	–	–

Notes to the financial statements

at 31 January 2013

7. Tax (continued)

(c) Deferred tax

	2013 £	2012 £
Capital allowances in advance of depreciation	(15,499)	(13,190)
Other timing differences	110,221	88,049
Provision for deferred taxation	94,722	74,859
Deferred tax recognised in the pension scheme (note 15)	159,800	17,800
	<u>254,522</u>	<u>92,659</u>
		£
At 1 February 2012		92,659
Profit and loss account movement arising during the year		34,263
Arising in the statement of total recognised gains and losses		127,600
At 31 January 2013		<u>254,522</u>

8 Tangible fixed assets

	Group £	Visitor attraction and business centre Charity £
Cost		
At 1 February 2012	30,259,411	30,040,500
Additions	—	—
Revaluation	—	—
Disposals	—	—
At 31 January 2013	<u>30,259,411</u>	<u>30,040,500</u>
Depreciation		
At 1 February 2012	214,431	51,075
Provided in the year	1,860,025	1,842,026
Revaluation	—	—
Disposals	—	—
At 31 January 2013	<u>2,074,456</u>	<u>1,893,101</u>
Net book value		
At 31 January 2013	<u>28,184,955</u>	<u>28,147,399</u>
At 1 February 2012	<u>30,044,980</u>	<u>29,989,425</u>

Notes to the financial statements

at 31 January 2013

8. Tangible fixed assets (continued)

The assets of the group were valued by Sanderson Weatheralls at 31 January 2012, on the basis of depreciated replacement cost for The Deep Visitor Attraction (£27,000,000) and on the basis of open market value for The Deep Business Centre (£2,700,000) in accordance with The Appraisal and valuation standards (Fifth edition) ('The Red Book') prepared by the Royal Institution of Chartered Surveyors. The assets are being depreciated over a remaining useful life of 17 years from the date of the revaluation. Current year additions are recorded at cost.

If these assets had not been revalued they would be held in the balance sheet at

	<i>Group</i> £	<i>Charity</i> £
Cost		
At 1 February 2012	45,443,876	45,224,965
Additions	-	-
Disposals	-	-
At 31 January 2013	<u> </u>	<u> </u>
Depreciation		
At 1 February 2012	15,590,413	15,427,057
Charge	1,860,019	1,819,305
Disposals	-	-
At 31 January 2013	<u>17,450,432</u>	<u>17,246,362</u>
Net book value		
At 31 January 2013	<u>27,993,444</u>	<u>27,978,603</u>
At 1 February 2012	<u>29,853,463</u>	<u>29,797,908</u>

In the opinion of the directors, the net book value of the assets of the group and the charity is at least equal to the depreciated replacement cost.

9. Investments

Charity

	£
Cost	
At 1 February 2012 and 31 January 2013	<u>4</u>

Investments comprise the wholly owned subsidiary undertakings

<i>Name of company</i>	<i>Shares held</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Subsidiary undertakings			
Running Deep Limited	Ordinary	100%	Tourism
Deep Developments Limited	Ordinary	100%	Dormant

Notes to the financial statements

at 31 January 2013

10. Stocks

	2013	Group 2012	2013	Charity 2012
	£	£	£	£
Finished goods	282,295	257,805	–	–

11. Debtors

	2013	Group 2012	2013	Charity 2012
	£	£	£	£
Trade debtors	74,706	343,081	–	–
Other debtors	51,842	44,007	–	261,067
Prepayments and accrued income	449,835	308,136	324,288	269,397
Amounts owed by group undertakings	–	–	2,094,413	1,766,645
	576,383	695,224	2,418,701	2,297,109

12. Creditors' amounts falling due within one year

	2013	Group 2012	2013	Charity 2012
	£	£	£	£
Trade creditors	243,757	203,389	–	–
Accruals	179,546	63,013	69	48,549
Other creditors	454,085	278,055	–	–
Other taxes and social security	70,827	78,981	–	(5,586)
Amounts owed to group undertakings	–	–	1,996,333	1,632,238
	948,215	623,438	1,996,402	1,675,201

Notes to the financial statements

at 31 January 2013

13. Notes to the statement of cash flows

(a) Reconciliation of operating loss to net cash inflow from operating activities

	2013 £	2012 £
Net outgoing resources for the year	(1,549,518)	(1,423,894)
Trading subsidiary taxation	34,263	61,166
(Increase) in stock	(24,490)	(30,743)
Decrease / (increase) in debtors	118,841	(369,221)
Increase in creditors (excluding deferred tax)	324,777	78,995
Depreciation	1,860,025	1,730,458
Revaluation of fixed assets	-	(159,695)
Movement in pension liability arising out of operations	(26,000)	(74,000)
Movement in pension liability arising out of other finance income	(46,000)	(105,000)
Net cash inflow from operating activities	<u>691,898</u>	<u>(291,934)</u>

(b) Analysis of net funds

	At 1 February 2012 £	Cash flow £	At 31 January 2013 £
Net funds	<u>1,255,541</u>	<u>691,898</u>	<u>1,947,349</u>

14. Members' liability

The company was incorporated as a company limited by guarantee and therefore it has no share capital
The liability of each member in the event of winding-up is limited to £1

15. Unrestricted funds of the charity

	2013 £	Group 2012 £	2013 £	Charity 2012 £
At 1 February	31,626,453	33,798,448	31,488,325	33,083,455
Net incoming resources for the year	(1,549,518)	(1,423,894)	(1,677,005)	(1,595,130)
Actuarial gain recognised in the pension scheme	638,000	(937,000)	-	-
Deferred tax thereon	(127,600)	188,899	-	-
At 31 January	<u>30,587,335</u>	<u>31,626,453</u>	<u>29,811,320</u>	<u>31,488,325</u>

Notes to the financial statements

at 31 January 2013

16. Contingent liability

Cash of £163,452 (2012 – £271,372) included on the balance sheet has been set aside in a special deposit account and is not unconditionally available to the company. This amount is a reserve against a potential liability which may arise.

17. Charitable status

The company is registered with the Charity Commission as number 1073254.

18. Pensions

EMIH Limited is an admitted body of the East Riding Pension Fund, a Local Government Pension Scheme (LGPS) administered by the East Riding of Yorkshire Council. The Pension Scheme is a defined benefit scheme, with benefits being determined by an employee's length of service and level of remuneration. Membership of the Pension Scheme is open to all employees, with an employee required to make a contribution of between 5.5% and 7.5% of pensionable pay with The Deep augmenting this with an employer contribution of 29.9% of an employee's pensionable pay.

The pension cost for the year was £157,000 (2012 – £204,518), which included past service cost credited of £nil (2012 – £nil). The estimated employer contributions for 2013 are approximately £183,000.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation as at 31 March 2010 and updated by Hymans Robertson to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2013. Scheme assets are stated at their market value at the respective balance sheet dates.

	2013 %	2012 %
Main assumptions		
Rate of increase in salaries	2.8	4.8
Rate of increase in pensions in payment	2.8	2.5
Discount rate	4.5	4.8
Inflation assumption	5.2	5.8
<i>Post retirement mortality</i>	<i>Years</i>	<i>Years</i>
Current pensioners at 65 – male	22.9	22.9
Current pensioners at 65 – female	25.7	25.7
Future pensioners at 65 – male	24.9	24.9
Future pensioners at 65 – female	27.7	27.7

Notes to the financial statements

at 31 January 2013

18. Pensions (continued)

The assets and liabilities of the scheme and the expected rate of return on assets at 31 March are

		2013		2012
	<i>Long-term rate of return expected</i>	<i>Value</i>	<i>Long-term rate of return expected</i>	<i>Value</i>
	%	£000	%	£000
Equities	5.8	3,577	6.3	3,134
Bonds	3.3	477	3.6	357
Properties	3.9	382	4.4	238
Others	3.0	334	3.5	238
Total market value of assets		4,770		3,967
Present value of scheme liabilities		(3,971)		(3,878)
Net pension Asset		799		89
Deferred tax thereon		(160)		(18)
Pension asset – net of deferred tax		639		71

An analysis of the defined benefit cost recognised in the profit and loss account for the year ended 31 March is as follows

	2013	2012
	£000	£000
Current service cost	157	131
Past service costs	–	–
Total operating charge	157	131
Other finance costs Expected return on pension scheme assets	237	264
Other finance costs Interest on pension scheme liabilities	(191)	(159)
Total other finance income	46	105
	2013	2012
	£000	£000
Actual return less expected return on pension scheme assets	339	(197)
Valuation adjustment to pension scheme assets	–	–
Gain arising from changes in assumptions underlying the present value of scheme liabilities	299	(740)
Actuarial gains and losses recognised in the statement of total recognised gains and losses	638	(937)

Notes to the financial statements

at 31 January 2013

18. Pensions (continued)

Analysis of movements in scheme surplus during the year

	2013	2012
	£000	£000
At 1 April	89	847
Total operating charge	-	-
Current service cost	(157)	(131)
Total other finance income	46	105
Actuarial gains and losses recognised in the statement of total recognised gains and losses	638	(937)
Contributions	183	205
At 31 March	<u>799</u>	<u>89</u>

Changes in the present value of the defined benefit obligation

	2013	2012
	£000	£000
At 1 April	3,878	2,796
Current service cost	157	131
Interest cost	191	159
Contributions by Members	51	58
Actuarial gain/(loss)	(299)	740
Past service cost	-	-
Benefits paid	(7)	(6)
At 31 March	<u>3,971</u>	<u>3,878</u>

Changes in the fair value of plan assets

	2013	2012
	£000	£000
At 1 April	3,967	3,643
Expected return on Assets	237	264
Contributions by members	51	58
Contributions by employer	183	205
Actuarial gains/ (losses)	339	(197)
Benefits paid	(7)	(6)
At 31 March	<u>4,770</u>	<u>3,967</u>

Notes to the financial statements

at 31 January 2013

18 Pensions (continued)

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Fair value of scheme assets	4,770	3,967	3,643	2,964	1,865
Present value of defined benefit obligation	(3,971)	(3,878)	(2,796)	(2,970)	(1,339)
Net pension asset/(liability)	799	89	847	(6)	526
Experience adjustments arising on plan liabilities	1	(6)	—	—	—
Experience adjustments arising on plan assets	339	(197)	128	644	(714)

The scheme is a multi-employer scheme which has a 31 March year end, which is different to that of the company. However the directors believe that any differences that would have arisen between the year end of the company and the year end of the scheme will not be material, therefore the disclosures above are as at the scheme's 31 March year end and not as at 31 January.

19. Related party transactions

The company has been set up as a joint venture between the University of Hull and Kingston upon Hull City Council. Various assets, services and funding have been provided by the partners as follows:

Kingston upon Hull City Council

- Councillor DW Gemmell OBE is an elected member of Kingston upon Hull City Council.
- As the local authority responsible for the area in which the charity operates, the charity has some transactions with Kingston upon Hull City Council. The total value of waste disposal and cleaning services purchased from Kingston upon Hull City Council in the year was £20,269.

University of Hull

- Professor Carl W I Pistorius is the Vice Chancellor of the University of Hull.
- The University of Hull rents a laboratory in The Deep Visitor Attraction. Rentals charge during the year were £33,837 (2012 – £33,857) of which £2,904 remained unpaid as at the year-end.

Bonus Electrical Group

- Trevor S E Boanas is a director of the Bonus Electrical Group.
- Total purchases by the group from Bonus Electrical Group in the year were £32,796, of which £7,538 remained unpaid within the creditors' ledger at the year-end.

20. Guarantees and financial commitments

The company has entered into a debenture agreement with The Millennium Commission for any indebtedness by the company in favour of The Millennium Commission. The Commission has a charge over all the assets of the company.