

EMIH Limited

Report and Financial Statements

31 January 2020

Company Registration Number 03513218

Directors

D W Gemmell OBE
J A Parkes CBE
T S E Boanas
G Chesters
A J Hunt
A W Kirkman
S M Lockwood
R Pantelakis (appointed 1 July 2019)
A I Ward (appointed 22 November 2019)

Secretary

N 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
Citadel House
58 High Street
Hull HU1 1QE

Registered Office

The Deep
Kingston Upon Hull
HU1 4DP

Company Registration Number 03513218
Charity Registration Number 1073254

Strategic report

Company Registration Number: 03513218

The directors present their strategic report and the financial statements for the year ended 31 January 2020.

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 Business Plan assumptions 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 exceeded its Business Plan target and was able to attract 492,000 visitors and learners to The Deep, generating a net income from operating activities of £262,655 over the course of the year;
- the charity continued to maintain its facilities to a high standard; and
- 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:

	2020 £	2019 £	Change £
Total revenue excluding exceptional income resulting from the revaluation of fixed assets	7,262,650	7,072,903	189,747
Less expenditure on charitable activities, cost of raising funds and reinvestment expenditure, but excluding depreciation for which capital grant reserves exist	(6,999,995)	(6,847,183)	(152,812)
Underlying net operational surplus for the year	262,655	225,720	36,935

The financial outturn of the 2019/20 financial year was similar to that of the 2018/19 financial year.

Strategic report

The group reserves of £28,569,176 (2019 – £30,718,234) at 31 January 2020 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.

Risk review

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.

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, sets its expectations of visitor numbers 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 is the income from tenants of The Deep Business Centre. However, all tenants are subject to external credit checks as part of their lease negotiations 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. During the financial year ending 31 January 2020, the group did not have any external loans or overdrafts. The trading subsidiary company within the group (Running Deep Limited) entered in a Coronavirus Business Interruption Loan Agreement with its bankers in August 2020 for a maximum facility of £700,000. As at the date of signing these accounts, none of the loan has been utilised.

Investment risks

Any surplus cash that the group has available is invested with its bankers. Such investments include only cash balances earning interest at fixed rates. The company does not use derivative financial instruments.

Covid-19

With regard to the current situation with the COVID-19 pandemic or public health crisis in general, we refer to the going concern and post balance sheet events information included in the Directors' report.

By order of the Board



N G Porteus
Company Secretary
25 November 2020

Company Registration Number: 03513218

Directors' report

The directors and the trustees of the charity (EMIH Ltd, Charity no. 1073254) present their report and financial statements for the year ended 31 January 2020.

Our purposes 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 £14 for an adult; £11 for a child; and £13 for seniors and students, 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, equates to an entry cost of 3p 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.

Education

The public's understanding of the marine world and scientific education is at the heart of everything the charity does – from educating the public in an informal manner via accessible exhibition design and delivery through to a formal education programme that takes place in The Deep's bespoke Learning Centre. Each year over 33,000 learners benefit from a choice of more than 50 workshops and presentations. Ages range from foundation children to students in the sixth form and attending college, plus a few who are studying post graduate courses. 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. The problem of marine debris, in particular plastics, has gripped the world, aided by media coverage. This has enabled us to educate a receptive public by providing displays within the exhibition and teaching about these threats through our more formal education. The message has been further rolled out via our commitment to rid The Deep of single use plastics in the café and to alter our product range in the retail areas. We operate Hull's Refill Scheme, encouraging businesses to offer free water bottle refills and a similar scheme to eradicate the use of plastic straws.

Community Engagement

The Deep operates a free after-school science club which engages Hull's hard-to-reach learners in hands-on science. We welcome 250 students each year from the most challenging schools. Following a successful trial last year, we have further developed our "Silver Sharks" over 60's science club. We have been working with a refugee and asylum seeking group in Hull, using the marine world to teach them English language.

A varied and inclusive work experience programme is offered to school pupils and those studying to become teachers or pursuing animal care and environmental sciences course at colleges and universities.

Marine Conservation Zones

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, establishing 'NetGain', the group charged with delivering the project locally. NetGain was the largest of the four UK projects, stretching from Scotland to the River Thames estuary. The Deep has supported Yorkshire Wildlife Trust's Living Seas campaign to encourage the implementation of marine reserves as provided for in the Marine Bill.

Directors' report

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 have regularly produced young and have come to the end of their breeding lives. Once old enough, the juveniles have all entered 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 have all been 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 and chairs the UK BIAZA Jellyfish working group.
- 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.
- The Deep holds the European Studbook for Sawfish, the most endangered species of shark in the world.
- In addition, the Deep has been successful in breeding Zebra Sharks, Gentoo penguins, Bull Huss, Bamboo Sharks, Lump Suckers, Shiner Perch, Epaulette sharks, Blue Spot rays, Honeycomb Whiptail rays, Motoro stingrays, Orangespot Ocellate river stingray, Banggai Cardinals and Lake Zacapu Garter Snake. The Deep runs monitoring programmes for Epaulette Sharks and Honeycomb Whiptail Rays.
- A number of terrestrial invertebrate species are displayed and bred at The Deep. This includes a number of challenging species such as Vinegaroons, Ferocious Beetle, Sunburst Diving Beetles, Emperor Scorpion and Mega Mantis which many others have had little success with.
- The Deep has successfully cultivated Tropical Sea Grass.
- The Deep is happy to support other suitable facilities by donating any captive-bred surplus stock.

Directors' report

Charity support

- The Deep supports a number of other charities such as the Marine Conservation Society, the Yorkshire Wildlife Trust, The Galapagos Conservation Trust and the Shark Trust. By working together on campaigns and events, The Deep provides a shop window for numerous other conservation efforts and can fundraise for them. Examples include collecting petitions for Marine Protected Areas (Living Seas Campaign, Your Seas Your Voice campaign, Message in a Bottle campaign and the Marine Reserves Now campaign), anti-finning legislation, running beach cleans on Hesse Foreshore as part of the Marine Conservation Society's Beachwatch Programme, Shark Trust egg case hunts, supporting International Sawfish Day, 'Love Local Wildlife' and promoting local sustainable lobster fishers. The Deep has been able to support conservation and research projects in the Galapagos Islands and South Africa through its very successful 'Project Penguin' fundraising activities. Each year, The Deep donates free tickets to other relevant charities and good causes. Most recently, we have established a successful partnership with New England Aquarium to assist with the rescue and rehabilitation of cold shocked sea turtles in Boston USA. 350 turtles were rehabilitated this year alone. The Deep sends one member of staff to assist during the stranding season.

Research and conservation

The charity has been involved in a number of international 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. The Deep has collaborated with the Lion's Club to support sealion conservation in the Galapagos.
- 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.
- 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 Aquaria) 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.

Directors' report

- **SCORE.** 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, Guam and Curacao.
- **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 Equipe Cousteau on a major project to monitor Manta Rays in the Red Sea. 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 have taken part in field work 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.
- **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.
- **Collaborative project with Bangor University,** looking at the sustainable collection and rearing of larval fry from pelagic reef fish. This project, funded by the Welsh Government, involves the collection of eggs and fry from the Lagoon display at The Deep and the development of protocols for rearing.
- **Sustainable venom extraction.** In a joint project with Venomtech, a company specializing in venom extraction from invertebrates and preparing the venoms for use in medical research, The Deep has been helping to develop sustainable, ethical and humane methods to collect venom from Cnidarian animals for addition to Venom Discovery Arrays used to find cures for human and animal diseases.
- **Sawfish Swabbing.** Working with Manchester University, we have developed a method for the collection of DNA sampling for sawfish in a non-invasive manner without the need for restraint.
- **Veterinary research.** In conjunction with our contracted vet, The Deep carries out a wide range of novel and investigative veterinary research aimed at enhancing the welfare and health of the animals in its care. The work has involved the application of techniques and treatments from other animal taxa and has frequently involved the use of specialist skills and equipment. This approach is combined with a proactive veterinary regime designed to avoid health problems and enhance animal longevity. Cases where surgery has been required or extensive treatments have been required are recorded in detail, in particular anaesthesia and drug response. This kind of data is of real importance as there is significant species differences and very little data other than mammalian data. The Deep remains committed to furthering veterinary knowledge of marine animals in close collaboration with our contracted vet.

Directors' report

- International Union for Conservation of Nature (IUCN) Red Listing. The Deep recruited an IUCN Marine Red List Officer to lead the way in a new collaborative project with the Marine Biodiversity Unit of the IUCN, helping to achieve the IUCN's goal of assessing 20,000 marine species by 2020 for the Red List of Threatened Species. The Deep has also part-funded the post of Director of Strategic Partnerships of the Species Survival Commission of the IUCN, a key role facilitating collaborations throughout the world to improve conservation outcomes. The Deep also helped fund the IUCN's *Penguins in Perpetuity* Conference, helping develop a crucial document that will lay the foundations to strategise a viable conservation plan and identify the global priorities and resources required to stabilise penguin populations into the future. The role of our IUCN Marine Red List Officer has proved very successful. We have facilitated international workshops on Red Listing and other international aquaria have replicated our model with tangible benefits for organised conservation.
- In collaboration with Bristol Zoo, The Deep is caring for a population of endangered Desertas Grande Wolf Spiders. Categorised as a European endangered species, this important species has a dedicated bio-secure unit and daily care team. We aim to re-release the spiders in the Madeiran archipelago.
- 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 and captive reproduction of threatened or endangered species. The nature of these projects is continual proactive development in all aspects of animal health, breeding work, display development and life support systems.
- The Deep is working on a collaborative project with Project Seagrass and Swansea University that aims to re-establish the native seagrass beds around the UK. By engaging guests directly onsite with the process of re-seeding the beds, The Deep's role is to raise the profile of the project and also take part in in-situ project work.

Animal husbandry

The Deep constantly develops its animal husbandry, veterinary and welfare practices and, as a result, regularly publishes information and 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 Customs-seized and RSPCA-seized animals. We work in conjunction with the Zoological Society of London (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 to provide 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.

Denitrification System. A system has been installed for the removal of nitrate within our main tank. This has been running successfully since January 2015 and nitrate levels are now consistently low.

Students

The Deep has strong links with a number of colleges and universities. Each year, a number of MSc and BSc 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. The Deep began to teach a module to local university students on IUCN Red Listing in 2019, providing the skills and experience to 'red list' species as part of one of the largest conservation bodies in the world.

Directors' report

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. The Deep has been recognised by BIAZA for its conservation work and breeding successes.

Big Fish Campaign. This BIAZA 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 on an awareness-raising campaign, we aim to encourage the voluntary ban on certain species of fish being sold and to encourage people to research the fish they intend to buy to determine how large they will grow. 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.

Shark Trust 'No Limits?' Campaign. The Deep has been supporting the Shark Trust's 'No Limits?' campaign since 2014, encouraging the imposition of science-based catch limits.

Tansy Beetle Action Group. Tansy Beetles are only found along the banks of the River Ouse in North Yorkshire and is endangered across its range and is a UK Biodiversity Action Plan priority species. The Deep is a member of the Tansy Beetle Action Group which was set up in 2008 and which has identified the requirements for its survival and is now working together with BugLife, the University of York, the Environment Agency, the National Trust, North Yorkshire County Council and the City of York Council to manage the recovery of these populations.

North Eastern Inshore Fisheries & Conservation Authority (NEIFCA). The Deep has displayed materials for NEIFCA who work to protect the marine environment.

'One Less' campaign. The Deep is supporting the 'One Less' campaign that aims to reduce the use of single-use plastic bottles. Four million tonnes of plastic is thought to enter the ocean each year and The Deep has removed single-use water bottles from its shelves in favour of recycled cartons of water and re-fillable drinks bottles. Staff have also been issued with reusable water containers to reduce the use of single use drinks cups on site.

World Aquarium Against Marine Litter. The Deep is supporting the 'Our Ocean' campaign by creating an exhibit full of plastic litter to raise awareness to plastic pollution in the ocean. We are collaborating with more than 60 aquaria worldwide in this initiative.

The Deep has been represented on the BIAZA Council, the BIAZA Aquarium Working Group, the BIAZA Living Collections Committee, the European Union of Aquarium Curators focus group, the BIAZA Terrestrial Invertebrate Working Group, the BIAZA Welfare Auditing group, the BIAZA Nitrate Focus group, the BIAZA Membership & Licensing Committee, the BIAZA Welfare Auditing Group, the BIAZA Research Committee, the BIAZA Records Group and the BIAZA Animal Training Group and runs an EAZA monitoring programme for Epaulette Sharks and is the EAZA Studbook keeper for Sawfish Sharks. The Deep is an active participant of the European Union of Aquarium Curators (EUAC) with an annual meeting and sharing of information between the foremost aquaria in Europe.

Other

The Deep is committed to purchasing both its aquarium food and catering supplies as sustainably as possible. In addition, catering supplies are purchased locally wherever possible to reduce food miles. The Deep has hosted a sustainable 'Fish Fight' night in its Two Rivers Restaurant which raised awareness of alternative fish species not commonly bought which are in more plentiful supply.

The Deep recognises that in order to champion sustainability and environmental responsibility, we must take a lead role. We have made good progress especially where our plastic waste is concerned. A transition to 'veggware' compostable drinking cups and salad containers in our café means that what would have been plastic waste is now composted back into the land within 12 weeks.

Directors' report

An audit of our waste output has been completed and we have worked with our suppliers to ensure that none of our waste goes to landfill, from which much ocean plastic is thought to originate. We work alongside other local stakeholders within the Humber Waste Alliance Group to ensure best practice and progressive thinking where waste and sustainability is concerned. New exhibition enhancements have engaged the public about climate change – whilst it is a phrase often used, it remains a little understood global issue that becomes even more complex where the oceans are concerned. The benefit of engaging the public with environmental issues via stimulating exhibitions is extremely important in encouraging future behaviour change.

Our plans for future periods

The charity is committed to maintaining its facilities to a high standard and has committed to allocate the necessary resources.

With regard to the current situation with the COVID-19 pandemic or public health crisis in general, we refer to the going concern and post balance sheet events information included in the Directors' report.

Structure, governance and administration

The company's Memorandum of Articles of Association and the Members' Agreement between the company, Kingston upon Hull City Council and The University of Hull set out the method of governance of the company and charity.

The Members' Agreement states that the company shall have six Members and a maximum of nine Trustees, with Kingston upon Hull City Council nominating three of the Members and five of the Trustees and with The University of Hull nominating the remaining Members and Trustees. Members and Trustees serve fixed terms of office as defined in the Members' Agreement. The Board of Trustees may appoint individuals to fill Trustee 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.

The Charity is run by a 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. The trustees have regard to the Charity Commission's Guidance for public benefit.

The directors consider the board of directors, who are the Trust's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All directors give their time freely and no director received remuneration in the year. Details of directors' related party transactions are disclosed in note 18 of the financial statements.

The remuneration of staff is reviewed annually and normally increased for inflation. When a post becomes vacant, an assessment of whether the post needs to be re-filled on the same basis is undertaken; and any new roles are benchmarked against appropriate comparators.

Reserves policy statement

At any one time, the charity's reserves consist of capital grants received for the construction of The Deep Visitor Attraction and The Deep Business Centre, plus the accumulated operational surpluses of the charity. Expenditure on the construction of The Deep Visitor Attraction and The Deep Business Centre was capitalised and is being amortised over the useful lives of the buildings. The trustees aim to ensure that reserves should be maintained at a level to cover the amortisation of these assets, plus an additional amount to provide working capital for the organisation.

Directors' report

The charity takes a prudent approach in its budget planning, for example, being conservative each year in its income assumptions. Expenditure budgets are established each year that can be accommodated by the conservative income levels set, whilst also allowing for an appropriate level of capital reinvestment expenditure. It is the charity's policy to commit less than the current year's (conservative) surplus to new capital projects of that year. Any major investment over and above the current year's forecast surplus would need to be funded from the accumulated reserves (or grants) and would only be undertaken if approved by the trustees. In making any decision to commit reserves, the trustees take into account the requirements of the Reserves Policy when considering the amount of reserves that it is possible to release for reinvestment.

At each of their regular meetings, the trustees monitor the income and expenditure of the charity and the level of its reserves to ensure that the charity has sufficient funds to sustain its operations and to finance its future development plans. Prompt remedial action would be taken if the trustees were concerned about any aspect of the finances of the charity.

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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 to The Deep visitor attraction had been stable for many years, with a significant uplift experienced in the UK city of culture year 2017/18 and from the introduction of a new penguin display in 2014/15 which has had a continued positive benefit on visitor numbers. Visitor numbers in 2019/20 remained strong and were above the 2018/19 level. Occupancy of The Deep Business Centre has also remained healthy, making a positive contribution to the underlying net profit of the group for the year.

However, like many other visitor attractions, The Deep has been significantly impacted by Covid-19 and by the restrictions imposed by Government on opening and social distancing requirements. For parts of the current year, The Deep has been closed to visitors and has had to significantly reduce the numbers that the attraction can permit in the building at one time. Educational, Retail and Catering activities are also impacted by these falls in visitors. Although a good level of visitor numbers was attracted over the summer, until visitor numbers return to the normal levels included in its business plans the group will remain under financial pressures.

To ensure that The Deep maintains sufficient working capital for the foreseeable future it has taken a number of steps, in particular

- Reduced discretionary expenditure on its assets
- Taken advantage of the Governments Coronavirus Job Retention Scheme to receive financial support for employees that have been furloughed
- Taken advantage of VAT deferral and reduction of VAT to 5% on ticket sales for the period to 31 March 2021.
- Drawn down £700,000 Coronavirus Business Interruption Loan, which is repayable at £12k per month from November 2021
- Implemented a redundancy programme and reduced some working hours
- Prepares and keeps under review financial projections and cashflow forecasts for both the management and the Board, setting out the potential impacts of Covid-19 on financial performance and the charity's ability to continue as a going concern

Directors' report

- The charity has cash reserves – at the year end, the group had a cash balance of £2 million and had no external loans or overdrafts.
- Its balance sheet remains strong with net assets of £28.6m with the visitor attraction and business centre properties carried at a value of £27.5m. The last valuation by Sanderson Weatherall LLP was at 31 January 2018
- The charity has received donations from local businesses and individuals

The directors have prepared cash flow forecasts for the period to 31 January 2022, the key assumption of which is visitor numbers. Although accurately predicting visitor numbers is not currently possible as uncertainty remains over future Government restrictions and represents a material uncertainty to future group revenue and cash forecasts which may cast significant doubt on the group and company's ability to continue as a going concern, the directors believe, having taken the actions noted above, that the group and company 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. These financial statements do not include any adjustments to the balance sheet value of assets and their recoverable amounts or to provide for further liabilities which may arise if the going concern basis of preparation is inappropriate.

Post balance sheet events

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of COVID-19 to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. The business is currently being impacted as a result of restrictions imposed by Government on opening and from social distancing requirements and has responded as further described in note 1. Whilst current performance does not indicate a significant adverse effect in the long term, this will have a detrimental impact on the business's revenues, profits and cash flows in the current year.

Given the complexity of the situation and its continuing evolution, and notwithstanding the impact already described above, it is not practicable as of the date of approval of these financial statements to reliably make a quantified estimate of its potential impact on the Company, and specifically the impact on future cash flows or the carrying value of assets.

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, Mr Alan W Kirkman, Ms Susan M Lockwood and Professor Dan Parsons.

Directors' report

Political and charitable contributions

As a charity, the company is forbidden from making political donations. The company made charitable donations (from monies fundraised) of £nil (2019 – £692) during the year.

Disabled employees

The group is accredited as a Disability Confident Employer and carries this branding on its employment literature throughout the employee journey. 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, and reasonable adjustments will be sought. Links exist with organisations such as This-Ability which supports disabled people and employers during the application and recruitment period, and promotes the group's vacancies to its clients. Opportunities, equal to those of their colleagues, are available to disabled employees for training, career development and promotion. To support employee health and wellbeing, the group is part of the 'Mindful Employer Plus' scheme; has signed the 'Time to Change' pledge making a public commitment to supporting employee mental health; and is a member of Working Voices (NHS Hull). 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 and a comprehensive consideration of reasonable adjustments to achieve this aim. The group's detailed Access Statement is produced in line with Visit England's guidelines and is available on-line to all – this would help to inform any individual needs assessment and promotes the group's commitment to accessibility.

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. 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.

Key Management Personnel – Directors

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

D W Gemmell OBE – Chair
 J A Parkes CBE – Vice Chair
 T S E Boanas
 G Chesters
 A J Hunt
 A W Kirkman
 S M Lockwood
 R Pantelakis (appointed 1 July 2019)
 A I Ward (appointed 22 November 2019)
 All directors are also trustees of the charity.

Directors' report

Other key management personnel

Chief Executive – C C Duke

Deputy Chief Executive, Finance Director & Company Secretary – N G Porteus

Director of Operations & People – J L Kirby

Curator – B Jones

Head of Business & Corporate – F G Cross

Related parties

Transactions with related parties are disclosed in note 18.

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 the 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

In accordance with s485 of the Companies Act 2016, 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



N G Porteus
Company Secretary

25 November 2020

Statement of directors' responsibilities

The directors/charity trustees are responsible for preparing the Strategic Report, 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 judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Opinion

We have audited the financial statements of EMIH Limited for the year ended 31 January 2020 which comprise the Group statement of financial activities, Group statement of comprehensive income, Group balance sheet, Charity/(Company) balance sheet, Group statement of changes in equity, Charity/(Company) statement of changes in equity and the related notes 1 to 20, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the group and company's affairs as at 31 January 2020 and of the group loss 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Material uncertainty relating to going concern

We draw your attention to note 1 of the financial statements. This describes that, whilst the current trading projections for visitor numbers and revenues indicate that at the time of signing these financial statements the group and company will continue to meet its liabilities as they fall due, there remains a continued risk, as a result of the Covid-19 pandemic restrictions imposed by Government, to visitor numbers and revenues that is outside management's control. As stated in note 1, these conditions indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report

to the members of EMIH Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditors' report

to the members of EMIH Limited

Use of our report

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



Richard Frostick (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Hull
25 November 2020

Group statement of financial activities (including group income and expenditure account)

for the year ended 31 January 2020

		<i>Total unrestricted funds</i>	
		2020	2019
	<i>Notes</i>	£	£
Income from:			
Donations and legacies		529	780
Charitable activities			
Admissions and education income		1,626,024	1,620,027
Gift Aid membership fees	3	2,717,264	2,537,462
Other trading activities			
Retail		1,015,916	977,574
Catering		833,337	799,407
Other corporate income		445,669	521,938
Rental income and related services		631,175	609,927
Finance activities			
Net interest (expense)/income on pension scheme		(17,000)	2,000
Bank interest		9,736	3,788
Total income		7,262,650	7,072,903
Expenditure on:			
Cost of raising funds			
Commercial trading operations		(2,336,017)	(2,268,881)
Expenditure on charitable activities			
Cost of operating visitor attraction		(2,943,565)	(2,937,744)
Depreciation	8	(2,409,223)	(2,241,168)
Marketing, publicity and events		(398,189)	(390,031)
Management and administration		(1,332,123)	(1,235,513)
Governance costs	5	(48,900)	(49,435)
Total expenditure		(9,468,016)	(9,122,772)
Exceptional Item			
Revaluation of fixed assets		-	-
Trading subsidiary corporation tax reclaimable/(due)	7(a)	58,798	34,421
Net Loss for the year		(2,146,568)	(2,015,448)

All amounts relate to continuing activities.

Group statement of comprehensive income

for the year ended 31 January 2020

	2020	2019
	£	£
Net loss for the year	(2,146,568)	(2,015,448)
Actuarial expense recognised in the pension scheme	(3,000)	(414,000)
Deferred tax thereon	510	70,380
Total comprehensive loss for the year	(2,149,058)	(2,359,068)

Group statement of change in equity

for the year ended 31 January 2020

	<i>Notes</i>	<i>Called up share capital</i> £	<i>Profit & loss account</i> £	<i>Total equity</i> £
At 31 January 2018		—	33,077,302	33,077,302
Loss for the financial year		—	(2,015,448)	(2,015,448)
Other comprehensive loss		—	(343,620)	(343,620)
Total comprehensive loss for the year		—	(2,359,068)	(2,359,068)
At 31 January 2019		—	30,718,234	30,718,234
Loss for the financial year		-	(2,146,568)	(2,146,568)
Other comprehensive loss		-	(2,490)	(2,490)
Total comprehensive loss for the year		-	(2,149,058)	(2,149,058)
At 31 January 2020		-	28,569,176	28,569,176

Charity/(Company) statement of change in equity

for the year ended 31 January 2020

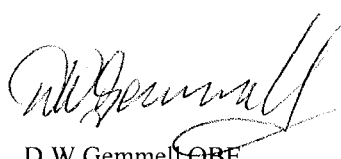
	<i>Notes</i>	<i>Called up share capital</i> £	<i>Profit & loss account</i> £	<i>Total equity</i> £
At 31 January 2018		—	31,797,007	31,797,007
Loss for the financial year		—	(1,799,942)	(1,799,942)
Other comprehensive loss		—	—	—
Total comprehensive loss) for the year		—	(1,799,942)	(1,799,942)
At 31 January 2019		—	29,997,065	29,997,065
Loss for the financial year		-	(1,640,379)	(1,640,379)
Other comprehensive Loss		-	-	-
Total comprehensive Loss for the year		-	(1,640,379)	(1,640,379)
At 31 January 2020		-	28,356,686	28,356,686

Group statement of financial position

at 31 January 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	27,542,675	29,243,662
Investments	9	-	-
		<u>27,542,675</u>	<u>29,243,662</u>
Current assets			
Stocks	10	188,550	186,398
Debtors	11	509,383	373,048
Cash at bank and in hand		1,996,220	2,231,371
		<u>2,694,153</u>	<u>2,790,817</u>
Creditors: amounts falling due within one year	12	(811,652)	(825,245)
Net current Assets		<u>1,882,501</u>	<u>1,965,572</u>
Total assets less current liabilities		<u>29,425,176</u>	<u>31,209,234</u>
Provisions for liabilities			
Deferred taxation	7(d)	-	-
Net Asset before pension asset		<u>29,425,176</u>	<u>31,209,234</u>
Pension Liability		(856,000)	(491,000)
Net Assets including pension asset		<u>28,569,176</u>	<u>30,718,234</u>
Funds assets			
Unrestricted income funds	15	28,569,176	30,718,234
Non-equity members' funds		<u>28,569,176</u>	<u>30,718,234</u>

These financial statements were approved by the Board of Directors, authorised for issue and signed on their behalf by:



D W Gemmell OBE

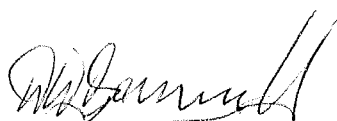
Director

25 November 2020

Charity/(company) statement of financial position

at 31 January 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	27,480,809	29,210,352
Investments	9	4	4
		<u>27,480,813</u>	<u>29,210,356</u>
Current assets			
Stocks	10	-	-
Debtors	11	2,571,008	2,414,260
Cash at bank and in hand		982,486	1,439,631
		<u>3,553,494</u>	<u>3,853,891</u>
Creditors: amounts falling due within one year	12	<u>(2,677,616)</u>	<u>(3,067,182)</u>
Net current Assets		<u>875,878</u>	<u>786,709</u>
Total assets less current liabilities		<u>28,356,686</u>	<u>29,997,065</u>
Provisions for liabilities			
Deferred taxation	7(d)	-	-
Net Assets before pension asset		<u>28,356,686</u>	<u>29,997,065</u>
Pension asset		-	-
Net Assets including pension asset		<u>28,356,686</u>	<u>29,997,065</u>
Funds asset			
Unrestricted income funds	15	<u>28,356,686</u>	<u>29,997,065</u>
Non-equity members' funds		<u>28,356,686</u>	<u>29,997,065</u>



D W Gemmell OBE

Director

25 November 2020

Group statement of cash flows

for the year ended 31 January 2020

	Notes	2020 £	2019 £
Net cash income from operating activities	13(a)	463,349	830,403
Investing activities			
Purchase of tangible fixed assets		(708,236)	(297,555)
Interest received		9,736	3,788
Financing activities			
Interest paid		-	-
(Decrease)/increase in cash	13(b)	(235,151)	536,636
Total cash and cash equivalents at 1 February		2,231,371	1,694,735
Total cash and cash equivalents at 31 January	13 (b)	1,996,220	2,231,371

Notes to the financial statements

at 31 January 2020

1. Accounting policies

Statement of compliance

EMIH Limited is a limited liability company incorporated in England and a Registered Charity. The Registered Office is The Deep, Kingston upon Hull, HU1 4DP. The Group's financial statements have been prepared in compliance with FRS 102 (effective 1 January 2015) and the Charities SORP (FRS 102) (effective 1 January 2015), as it applies to the financial statements of the Group for the year ended 31 January 2019.

Basis of preparation and change in accounting policy

The financial statements of EMIH Limited were authorised for issue by the Board of Directors on 20 November 2020. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company.

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 to The Deep visitor attraction had been stable for many years, with a significant uplift experienced in the UK city of culture year 2017/18 and from the introduction of a new penguin display in 2014/15 which has had a continued positive benefit on visitor numbers. Visitor numbers in 2019/20 remained strong and were above 2018/19. Occupancy of The Deep Business Centre has also remained healthy, making a positive contribution to the underlying net profit of the group for the year.

However, like many other visitor attractions businesses, The Deep has been significantly impacted by Covid-19 and by the restrictions imposed by the Government on opening and social distancing requirements. For parts of the current year The Deep has been closed to visitors and has had to significantly reduce the numbers that the attraction can permit in the building at one time. Educational, Retail and Catering activities are also impacted by these falls in visitors. Although a good level of visitors was attracted over the summer, until visitor numbers return to the normal levels included in its business plans, the group will remain under financial pressures.

To ensure that The Deep maintains sufficient working capital for the foreseeable future it has taken a number of steps, in particular

- Reduced discretionary expenditure on its assets
- Taken advantage of the Government's Coronavirus Job Retention Scheme to receive financial support for employees that have been furloughed
- Taken advantage of VAT deferral and reduction of VAT to 5% on ticket sales for the period to 31 March 2021.
- Drawn down £700,000 Coronavirus Business Interruption Loan, which is repayable at £12k per month from November 2021
- Implemented a redundancy programme and reduced some working hours
- Prepares and keeps under review financial projections and cashflow forecasts for both the management and the Board, setting out the potential impacts of Covid-19 on financial performance and the charity's ability to continue as a going concern
- The charity has cash reserves – at the year end, the group had a cash balance of £2 million and had no external loans or overdrafts.
- Its balance sheet remains strong with net assets of £28.6m with the visitor attraction and business centre properties carried at a value of £27.5m. The last valuation by Sanderson Weatherall LLP was at 31 January 2018
- The charity has received donations from local businesses and individuals

Notes to the financial statements

at 31 January 2020

The directors have prepared cash flow forecasts for the period to 31 January 2022, the key assumption of which is visitor numbers. Although accurately predicting visitor numbers is not currently possible as uncertainty remains over future Government restrictions and represents a material uncertainty to future groups revenue and cash forecasts which may cast significant doubt on the group and company's ability to continue as a going concern,, the directors believe, having taken the actions noted above, that the group and company 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. These financial statements do not include any adjustments to the balance sheet value of assets and their recoverable amounts or to provide for further liabilities which may arise if the going concern basis of preparation is inappropriate.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The judgements (apart from those involving estimates) that have had the most significant effect on amounts recognised in the financial statements are the actuarial assumptions supporting the valuation of the Group's defined benefit pension scheme.

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 Income Statement, 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, although the income and expenditure of the charity is detailed in note 3 to the financial statements.

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.

Tangible fixed assets

All fixed assets are initially recorded at cost.

The company's buildings were revalued at the balance sheet date of 31 January 2018 by Sanderson Weatherall in accordance with the provisions of FRS 102, with such external revaluations being undertaken every 3 years. These assets are being depreciated over a remaining useful life of 14 years from the date of the revaluation.

Equipment is depreciated over 1-5 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.

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.

Notes to the financial statements

at 31 January 2020

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 which are differences between taxable profits and total comprehensive income arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 participates in the Local Government Pension Scheme. Contributions are made to a separately administrated 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 of comprehensive income in the year, together with differences from changes in assumptions. The net asset/(liability) of the defined benefit scheme is reported on the balance sheet within the pension asset/(liability).

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 2020

3. Financial performance of the charity

This is the income and expenditure of the charity, the parent and main entity within the group.

	2020	2019
	£	£
Gift aid membership fees	2,725,256	2,544,048
Gift aid from subsidiary company	1,534,235	1,574,034
Grant income & donations		
Other trading activities	316	88
Rental income	10,000	10,000
Interest	6,028	3,137
Total income	4,275,835	4,131,307
Cost of operating visitor attraction	(3,512,050)	(3,677,032)
Depreciation	(2,387,498)	(2,236,376)
Administration	(16,662)	(17,841)
Exceptional item – revaluation	-	-
Net loss	(1,640,375)	(1,799,942)
Charity funds brought forward – unrestricted	29,997,065	31,797,007
Charity funds carried forward – unrestricted	28,356,690	29,997,065

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:

	2020	2019
	£	£
Turnover	8,668,585	8,396,860
Cost of sales	(1,001,143)	(979,530)
Gross Profit	7,667,442	7,417,330
Administrative expenses & depreciation	(6,684,908)	(6,095,874)
Bank interest receivable	3,709	651
Other finance (expense)/income	(17,000)	2,000
Profit on ordinary activities before taxation	969,243	1,324,107
Tax – reclaimable/(due)	58,798	34,421
Profit for the financial year	1,028,041	1,358,528
Profit for the financial year	1,028,041	1,358,528
Remeasurement loss recognised on defined benefit pension scheme	(3,000)	(414,000)
Movement on deferred tax relating to pension scheme	510	70,380
Total comprehensive profit in the year	1,025,551	1,014,908

Notes to the financial statements

at 31 January 2020

4. Commercial trading operations and investment in trading subsidiary (continued)

Turnover includes donations of £4,116,252 (2019 – £3,883,886) from the Charity EMIH Limited for services provided to the Charity. In addition, £1,534,235 (2019 – £1,574,034) was Gift aided to the Charity during the year.

The assets and liabilities of the subsidiary were:

	2020 £	2019 £
Tangible fixed assets	61,867	33,309
Current assets	4,213,446	4,258,990
Creditors: amounts falling due within one year	(3,206,825)	(3,080,127)
Provisions for liabilities and charges – deferred tax	-	-
Net assets before pension (liability)/asset	1,068,488	1,212,172
Pension liability	(856,000)	(491,000)
Net assets including pension liability	212,488	721,172
Aggregate share capital and reserves	212,488	721,172

5. Charitable expenditure includes

	2020 £	2019 £
<i>Governance costs:</i>		
Legal costs	296	400
Auditors' remuneration – audit services	31,500	23,500
Auditors' remuneration – other assurance services	-	-
Auditors' remuneration – taxation services	9,350	14,325
	41,146	38,225
Depreciation	2,409,223	2,241,168
Directors remuneration	-	-
Staff costs	3,245,678	3,143,879

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

6. Staff costs

	2020 £	2019 £
Salaries	2,565,701	2,469,908
Employer national insurance contributions	196,422	205,999
Employer pension contributions	483,555	467,972
	3,245,678	3,143,879

Notes to the financial statements

at 31 January 2020

An interest-free Assisted Car Purchase Scheme exists for Key Management Personnel. Under HM Revenue & Custom rules, there was an assumed taxable benefit of the interest foregone for the employees that took benefit of this scheme of £633 (2019 – £143) on which the group paid £87 (2019 – £20) of employers national insurance. Any personal income tax due on the interest foregone was paid by the employees themselves as a P11D was issued where necessary.

Notes to the financial statements

at 31 January 2020

6. Staff costs (continued)

The number of employees whose remuneration as defined for taxation purposes amounted to over £60,000 (2019 – £60,000) in the year was as follows:

	2020 No.	2019 No.
£60,001 – £70,000	1	1
£70,001 – £80,000	1	—
£80,001 – £90,000		1
£90,001 – £100,000		—
£100,001 – £110,000	1	1
£110,001 – £120,000		—
£120,001 – £130,000		—
£130,001 – £140,000		—

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

	2020 No.	2019 No.
Management	7	7
Administration	141	148
	<u>148</u>	<u>155</u>

None of the directors received any remuneration from the company during the current year or previous year. The trustees neither received nor waived any remuneration during the year. One trustee was reimbursed £658 of out of pocket expenses (2019 – £254).

7. Tax

(a) Tax on loss on ordinary activities

The tax charge/(credit) is made up as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax for the year	—	—
Total current tax	<u>—</u>	<u>—</u>
Deferred tax:		
Origination and reversal of timing differences	(65,716)	(38,471)
Effect of changes in tax rates	6,918	4,050
Total deferred tax:	<u>(58,798)</u>	<u>(34,421)</u>
Tax credit on ordinary activities	<u>(58,798)</u>	<u>(34,421)</u>
Tax included in the statement of other comprehensive income		
Actuarial loss on pension scheme	(510)	(70,380)
Total deferred tax	<u>(59,308)</u>	<u>(70,380)</u>

Notes to the financial statements

at 31 January 2020

7. Tax (continued)

(b) Factors affecting tax charge/(credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	969,243	1,324,107
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	184,156	251,580
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,411	1,454
Tax rate changes	6,918	4,050
Qualifying Donations	(251,283)	(291,505)
Total tax credit for the year	(58,798)	(34,421)

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2020 £	2019 £
Capital allowances in advance of depreciation	3,579	(251)
Other timing differences	(152,950)	(89,812)
Included in (debtors)/provisions for liabilities and charges	(149,371)	(90,063)
		£
At 1 February 2019		(90,063)
Profit and loss account movement for the year		(58,798)
Amount charged to statement of comprehensive income		(510)
At 31 January 2020 – included in debtors		(149,371)

(d) Factors that may affect future tax charges – change in Corporation tax rate:

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. The 2016 Finance Act introduced a UK corporation tax rate of 17% from 1 April 2020. Accordingly, these rates are applicable in the measurement of deferred tax assets and liabilities at 31 January 2020. Deferred tax has been provided at 17% being the rate at which temporary differences are expected to reverse. However, the Budget, which took place on 11 March 2020, confirmed the rate of corporation tax will remain at 19% from 1 April 2020, cancelling the enacted rate reduction to 17%. The rate reduction reversal was substantively enacted on 17 March 2020 by way of a special resolution and enacted on 22 July 2020. Had the 19% rate been substantively enacted at the balance sheet date the impact on the closing deferred tax balances at 31 January 2020 would be £17,573.

Notes to the financial statements

at 31 January 2020

8. Tangible fixed assets

<i>Group</i>	<i>Equipment</i>	<i>Visitor attraction and business centre</i>	<i>Total</i>
	£	£	£
Cost or valuation:			
At 1 February 2019	38,101	31,446,728	31,484,829
Additions	50,281	657,955	708,236
Revaluation	-	-	-
Disposals	-	-	-
At 31 January 2020	88,382	32,104,683	32,193,065
Depreciation:			
At 1 February 2019	(4,791)	(2,236,376)	(2,241,167)
Provided in the year	(21,725)	(2,387,498)	(2,409,223)
Revaluation	-	-	-
Disposals	-	-	-
At 31 January 2020	(26,516)	(4,623,874)	(4,650,390)
Net book value:			
At 1 February 2019	33,309	29,210,352	29,243,662
At 31 January 2020	61,867	27,480,809	27,542,675

The assets of the group were valued by Sanderson Weatherall LLP at 31 January 2018, on the basis of depreciated replacement cost for The Deep Visitor Attraction (£28,600,000) and on the basis of open market value for The Deep Business Centre (£2,400,000) 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 14 years from the date of the revaluation. Current year additions are recorded at cost. In addition the company owns a warehouse unit which is valued at £153,225 and which is being depreciated over 9 years.

Notes to the financial statements

at 31 January 2020

8. Tangible fixed assets (continued)

<i>Charity/(Company)</i>	<i>Visitor attraction and business centre</i> £	<i>Total</i> £
Cost or valuation:		
At 1 February 2019	31,446,728	31,446,728
Additions	657,955	657,955
Revaluation	-	-
Disposals	-	-
At 31 January 2020	32,104,683	32,104,683
Depreciation:		
At 1 February 2019	(2,236,376)	(2,236,376)
Provided in the year	(2,387,498)	(2,387,498)
Revaluation	-	-
Disposals	-	-
At 31 January 2020	(4,623,874)	(4,623,874)
Net book value:		
At 1 February 2019	29,210,352	29,210,352
At 31 January 2020	27,480,809	27,480,809

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 2019	47,383,010	47,344,908
Additions	708,236	657,955
Disposals	-	-
At 31 January 2020	48,091,246	48,002,863
Depreciation:		
At 1 February 2019	29,428,498	29,235,558
Charge	2,409,223	2,387,498
Disposals	-	-
At 31 January 2020	31,837,721	31,623,056
Net book value:		
At 1 February 2019	17,954,512	18,109,350
At 31 January 2020	16,253,525	16,379,807

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.

Notes to the financial statements

at 31 January 2020

9. Investments

	£
<i>Charity</i>	
Cost:	
At 1 February 2018 and 31 January 2019	<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 (Registered No. 03606689)	Ordinary	100%	Tourism
Deep Developments Limited (Registered No. 03606659)	Ordinary	100%	Dormant

10. Stocks

	<i>2020</i>	<i>Group 2019</i>	<i>2020</i>	<i>Charity 2019</i>
	£	£	£	£
Finished goods	<u>188,550</u>	<u>186,398</u>	<u>-</u>	<u>-</u>

11. Debtors

	<i>2020</i>	<i>Group 2019</i>	<i>2020</i>	<i>Charity 2019</i>
	£	£	£	£
Trade debtors	70,835	60,025	-	-
Other debtors	64,227	44,383	-	-
Prepayments and accrued income	224,950	178,577	56,680	66,086
Amounts owed by group undertakings	-	-	2,514,328	2,348,174
Deferred taxation	149,371	90,063	-	-
	<u>509,383</u>	<u>373,048</u>	<u>2,571,008</u>	<u>2,414,260</u>

Notes to the financial statements

at 31 January 2020

12. Creditors: amounts falling due within one year

	2020	Group 2019	2020	Charity 2019
	£	£	£	£
Trade creditors	272,443	327,683	—	—
Accruals & deferred income	191,416	75,116	103,305	82,202
Other creditors	230,770	296,809	15,850	11,100
VAT	117,023	125,637	—	—
Amounts owed to group undertakings	—	—	2,558,461	2,973,880
	<u>811,652</u>	<u>825,245</u>	<u>2,677,616</u>	<u>3,067,182</u>

Notes to the financial statements

at 31 January 2020

13. Notes to the statement of cash flows

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

	2020 £	2019 £
Net loss for the year	(2,146,568)	(2,015,448)
Trading subsidiary taxation	(58,798)	(34,421)
Interest received	(9,736)	(3,788)
Increase in stocks	(2,152)	49,276
Increase in debtors, excluding deferred tax	(77,027)	401,725
Decrease in creditors	(13,593)	(55,109)
Depreciation	2,409,223	2,241,168
Revaluation of fixed assets	-	-
Movement in pension asset arising out of operations	345,000	249,000
Movement in pension asset arising out of other finance expense	(17,000)	(2,000)
Net cash inflow from operating activities	<u>463,349</u>	<u>830,403</u>

(b) Cash and cash equivalents

	At 1 February 2019 £	Cash flow £	At 31 January 2020 £
Group			
Net cash – cash at bank	<u>2,231,371</u>	<u>(235,151)</u>	<u>1,996,220</u>
	At 1 February 2019 £	Cash flow £	At 31 January 2020 £
Charity/Company			
Net cash – cash at bank	<u>1,439,631</u>	<u>(457,145)</u>	<u>982,486</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.

Notes to the financial statements

at 31 January 2020

15. Unrestricted funds of the charity

	2020	Group 2019	2020	Charity 2019
	£	£	£	£
At 1 February	30,718,234	33,077,302	29,997,065	31,797,007
Net Loss for the year	(2,146,568)	(2,015,448)	(1,640,379)	(1,799,942)
Actuarial Loss recognised in the pension scheme	(3,000)	(414,000)	-	-
Deferred tax thereon	510	70,380	-	-
At 31 January	<u>28,569,176</u>	<u>30,718,234</u>	<u>28,356,686</u>	<u>29,997,065</u>

16. Charitable status

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

17. Pensions

Running Deep 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 12.5% of pensionable pay with The Deep augmenting this with an employer contribution of 24.5% of an employee's pensionable pay.

The pension cost for the year of these financial statements was £830,000 (2019 – £742,000), which included past service cost of £nil (2019 – £nil).

The valuation used for FRS 102 disclosures has been based on the most recent actuarial valuation as at 31 March 2019 and updated by Hymans Robertson LLP to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 March 2020.

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.

	2020 %	2019 %
<i>Main assumptions:</i>		
Rate of increase in salaries	2.7	2.6
Rate of increase in pensions in payment	1.8	2.4
Discount rate	<u>2.3</u>	<u>2.5</u>
<i>Post retirement mortality</i>	<i>Years</i>	<i>Years</i>
Current pensioners at 65 – male	20.9	21.7
Current pensioners at 65 – female	23.3	24.2
Future pensioners at 65 – male	21.8	23.7
Future pensioners at 65 – female	<u>24.8</u>	<u>26.4</u>

Notes to the financial statements

at 31 January 2020

17. Pensions (continued)

The assets and liabilities of the scheme included in the balance sheet are as follows:

	2020	2019
	Value	Value
	£000	£000
Equities	6,253	7,406
Bonds	1,611	1,460
Properties	1,326	1,147
Others	284	417
Fair value of scheme assets	9,474	10,430
Present value of scheme liabilities	(10,330)	(10,921)
Net pension liability	(856)	(491)

Scheme assets are stated at their market value at the respective balance sheet dates.

The amounts recognised in the profit and loss account and in the statement of other comprehensive income for the year are analysed as follows:

<i>Recognised in profit and loss account</i>	2020	2019
	£000	£000
Current service cost	830	742
Past service costs	-	-
Total operating costs	830	742
Other finance income: Interest on pension scheme liabilities	(17)	2
Total other finance (cost)/income	(17)	2

<i>Recognised in other comprehensive income</i>	2020	2019
	£000	£000
Return on assets excluding amounts included in net interest	(1,700)	554
Changes in demographic assumptions	513	-
Other experience changes	350	-
Changes in financial assumptions	834	(968)
Re-measurement gains and losses recognised in other comprehensive income	(3)	(414)

Changes in the present value of the defined benefit obligation:

	2020	2019
	£000	£000
At 1 April	10,921	8,857
Current service cost	830	742
Interest cost	284	250
Contributions by members	127	131
Actuarial (gains) and losses	(1,697)	968
Benefits paid	(135)	(27)
At 31 March	10,330	10,921

Notes to the financial statements

at 31 January 2020

17. Pensions (continued)

Changes in the fair value of plan assets:

	2020 £000	2019 £000
At 1 April	10,430	9,027
Actual return on plan assets	(1,433)	806
Contributions by members	127	131
Contributions by employer	485	493
Benefits paid	(135)	(27)
At 31 March	9,474	10,430

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate % increase to employer liability	Approximate monetary amount (£000)
<i>Changes in assumption at 31 March 2020</i>		
0.5% decrease in real discount rate	14%	1,443
0.5% increase in the salary increase rate	2%	212
0.5% increase in the pension increase rate	12%	1,213

18. 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:

- Up until May 2014, Honorary Alderman DW Gemmell OBE was an elected member of Kingston upon Hull City Council.
- Professor Chesters is an Honorary Burgess of Kingston upon Hull City Council.
- As the local authority responsible for the area in which the company operates, the company has some transactions with Kingston upon Hull City Council. The total value of non-statutory services purchased from Kingston upon Hull City Council in the year was £13,263, none of which was outstanding at the year-end.

University of Hull:

- Dr A I Ward (Director) and Professor D R Parsons (Member) are both employees of the University of Hull. Professor G Chesters is an Emeritus Professor of the University of Hull.
- The University of Hull rents a laboratory in The Deep Visitor Attraction and hires The Deep for corporate functions. £50,878 for rent, goods and services was paid to The Deep by the University over the course of the year, of which £230 was outstanding at the year-end.

18. Related party transactions (continued)

Bonus Electrical Group:

- Trevor S E Boanas is a director of the Bonus Electrical Group. Total transactions with the Bonus Electrical Group amounted to purchases of £33,473, of which £875 was in the creditors' ledger at the year-end.

Notes to the financial statements

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The British & Irish Association of Zoos and Aquariums (BIAZA):

- Mrs C C Duke is a director of BIAZA. During the year, Running Deep Limited made purchases of £5,022 from BIAZA (none of which was outstanding at the year-end) and provided services of £672 to BIAZA (all of which was outstanding at the year-end).

Freedom Festival Arts Trust:

- Professor G Chesters was a trustee of the Freedom Festival until 10 June 2019 and Mr N G Porteus was a trustee of the Trust during the whole period of these accounts. Offices within The Deep's Business Centre were made available to the Freedom Festival Arts Trust for meetings during the course of the year.

The Constellation Trust (a Multi-Academy Trust comprising of Hull schools)

- Mr N G Porteus is a Member, Trustee and Chair of the Constellation Trust. During the year, some of the schools within the Trust visited The Deep on formal educational visits. Mr Porteus was not involved in any of the decisions of any of the Trust schools to visit The Deep as these decisions are taken by the Local Governing Body of the school and not the Trust.

19. Post balance sheet events

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of COVID-19 to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. The business is currently being impacted as a result of restrictions imposed by Government on opening and from social distancing requirements and has responded as further described in note 1. Whilst current performance does not indicate a significant adverse effect in the long term, this will have a detrimental impact on the business's revenues, profits and cash flows in the current year.

Given the complexity of the situation and its continuing evolution, and notwithstanding the impact already described above, it is not practicable as of the date of approval of these financial statements to reliably make a quantified estimate of its potential impact on the Company, and specifically the impact on future cash flows or the carrying value of assets.

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.