



**Plummer Parsons**  
Chartered Accountants

**SOVEREIGN HARBOUR (SEA DEFENCES) CIC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

Company Registration No. 07078140 (England and Wales)

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## COMPANY INFORMATION

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<b>Directors</b>	Mrs C Clark Mr G A Collins Mr R H Runalls Mr J Cervenka (Appointed 7 December 2015)
<b>Secretary</b>	Mr S Leney
<b>Company number</b>	07078140
<b>Registered office</b>	12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EG
<b>Auditors</b>	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
<b>Solicitors</b>	Cripps LLP Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EG

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# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 9

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# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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The directors present their report and financial statements for the year ended 30 September 2016.

### **Directors**

The following directors have held office since 1 October 2015:

Mrs C Clark

Mr P H D Warner

(Resigned 7 December 2015)

Mr G A Collins

Mr R H Runalls

Mr J Cervenka

(Appointed 7 December 2015)

### **Auditors**

Plummer Parsons were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 SEPTEMBER 2016*

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

Mr S Leney

**Secretary**

5 December 2016

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

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We have audited the financial statements of Sovereign Harbour (Sea Defences) CIC for the year ended 30 September 2016 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBER OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

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#### **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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Neville Beckhurst FCA (Senior Statutory Auditor)**  
**for and on behalf of Plummer Parsons**

5 December 2016

**Chartered Accountants**  
**Statutory Auditor**

18 Hyde Gardens  
Eastbourne  
East Sussex  
BN21 4PT

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	Notes	2016 £	2015 £
Turnover		653,203	648,810
Cost of sales		(478,469)	(446,772)
<b>Gross profit</b>		<u>174,734</u>	<u>202,038</u>
Administrative expenses		(175,572)	(203,178)
<b>Operating loss</b>	<b>2</b>	<u>(838)</u>	<u>(1,140)</u>
Other interest receivable and similar income	<b>3</b>	1,608	1,430
<b>Profit on ordinary activities before taxation</b>		<u>770</u>	<u>290</u>
Tax on profit on ordinary activities	<b>4</b>	(154)	(58)
<b>Profit for the year</b>	<b>8</b>	<u><u>616</u></u>	<u><u>232</u></u>



# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## BALANCE SHEET

AS AT 30 SEPTEMBER 2016

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	Notes	2016 £	£	2015 £	£
<b>Current assets</b>					
Debtors	5	256,816		275,890	
Cash at bank and in hand		141,398		129,396	
		<u>398,214</u>		<u>405,286</u>	
<b>Creditors: amounts falling due within one year</b>	6	(367,429)		(375,117)	
<b>Total assets less current liabilities</b>			<u>30,785</u>		<u>30,169</u>
<b>Capital and reserves</b>					
Called up share capital	7		1		1
Other reserves	8		30,784		30,168
<b>Shareholder's funds</b>			<u>30,785</u>		<u>30,169</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 5 December 2016

Mrs C Clark  
**Director**

**Company Registration No. 07078140**

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover is the amount derived from ordinary activities and represents amounts receivable from the residents and users of the Sovereign Harbour area in respect of the Southern Water (SW) charge, as defined in the Sovereign Harbour Beaches Sea Defence Deed dated 24 August 2001 entered into by Sovereign Harbour Trust. Under the Deed of Assignment for Estate Rentcharges for Sovereign Harbour Eastbourne dated 21 December 2011, the commitments of the Trust, including the collection of the SW charge, were transferred to the CIC.

#### 1.4 Cost of sales

Cost of sales represents amounts payable to the Environment Agency and Premier Marinas (Eastbourne) Limited for sea defence works and harbour maintenance respectively, in accordance with the Sea Defence Deed.

<b>2 Operating loss</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Auditors' remuneration	2,700	2,700
	<u>          </u>	<u>          </u>
<b>3 Investment income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest	1,608	1,430
	<u>          </u>	<u>          </u>
	1,608	1,430
	<u>          </u>	<u>          </u>
<b>4 Taxation</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U.K. corporation tax	154	58
	<u>          </u>	<u>          </u>
<b>Total current tax</b>	154	58
	<u>          </u>	<u>          </u>

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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<b>5 Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	30,420	40,469
Amounts owed by parent and fellow subsidiary undertakings	1	1
Prepayments and accrued income	226,395	235,420
	<u>256,816</u>	<u>275,890</u>

<b>6 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	93,888	103,699
Corporation tax	155	59
Other creditors	103,629	102,944
Accruals and deferred income	169,757	168,415
	<u>367,429</u>	<u>375,117</u>

The designated fund from Sovereign Harbour Trust has been transferred into the company and is shown in other creditors. This balance is due to be paid to Premier Marinas Limited when it is called upon.

<b>7 Share capital</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 8 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 October 2015	30,168	-
Profit for the year	-	616
Transfer from profit and loss account	616	(616)
	<u>30,784</u>	<u>-</u>
Balance at 30 September 2016	<u>30,784</u>	<u>-</u>

#### Other reserves

##### Reserves provided for by the Articles of Association

Balance at 1 October 2015	30,168
Other reserve movement	616
	<u>30,784</u>
Balance at 30 September 2016	<u>30,784</u>

As per the Sovereign Harbour Beaches Sea Defences Deed the company is bound to maintain other reserves of £20,000 increased in line with the Retail Price Index.

### 9 Control

The immediate and ultimate parent company is Sovereign Harbour Trust, a company limited by guarantee which owns 100% of the CIC's share capital.

### 10 Related party relationships and transactions

The parent company, Sovereign Harbour Trust, owed £1 (2015: £1) to the company at the balance sheet date.

Directors Mr G Collins and Mr J Cervenka are also directors of Premier Marinas (Eastbourne) Limited. Premier Marinas (Eastbourne) Limited is entitled to half the balance of the CIC's net surplus at the 31 March, for harbour maintenance, after accounting for the requirement for the index linked reserve as detailed in note 8 in accordance with the Sea Defences Deed. The amount allocated to Premier Marinas (Eastbourne) Limited in these accounts is £212,146 (2015: £197,040) and is shown in Cost of sales.

In addition, the CIC collects the Marina Charge element of the annual Rent Charges issued to homeowners on behalf of Premier Marinas (Eastbourne) Limited. The amount paid to Premier Marinas (Eastbourne) Limited in respect of this during the year was £110,360 (2015: £186,625).

**SOVEREIGN HARBOUR (SEA DEFENCES) CIC**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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		2016		2015
	£	£	£	£
<b>Turnover</b>				
SW income		653,203		648,810
<b>Cost of sales</b>				
Sea defences costs	266,323		249,732	
Harbour maintenance costs	212,146		197,040	
	<u>          </u>	(478,469)	<u>          </u>	(446,772)
<b>Gross profit</b>	26.75%	174,734	31.14%	202,038
<b>Administrative expenses</b>		(175,572)		(203,178)
<b>Operating loss</b>		(838)		(1,140)
<b>Other interest receivable and similar income</b>				
Bank interest received		1,608		1,430
<b>Profit before taxation</b>	0.12%	<u>770</u>	0.04%	<u>290</u>

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# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Administrative expenses</b>		
Room rental for meetings	250	250
Insurance	1,046	1,026
Website costs	809	1,320
Travelling expenses	139	319
Legal and professional fees and expenses	155,834	188,686
Legal fees recovered	-	530
Company secretarial fees	660	1,029
Accountancy	3,900	3,900
Audit fees	2,700	2,700
Bank charges	2,144	2,128
Bad and doubtful debts	8,042	1,207
Sundry expenses	48	83
	<u>175,572</u>	<u>203,178</u>

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# SOVEREIGN HARBOUR (SEA DEFENCES) CIC

## PROFIT AND LOSS ACCOUNT WITH MOVEMENT ON RESERVES

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	Notes	2016 £	2015 £
<b>Turnover</b>		653,203	648,810
Cost of sales		(478,469)	(446,772)
<b>Gross profit</b>		<u>174,734</u>	<u>202,038</u>
Administrative expenses		(175,572)	(203,178)
<b>Operating loss</b>	<b>2</b>	<u>(838)</u>	<u>(1,140)</u>
Other interest receivable and similar income	<b>3</b>	1,608	1,430
<b>Profit on ordinary activities before taxation</b>		<u>770</u>	<u>290</u>
Tax on profit on ordinary activities	<b>4</b>	(154)	(58)
<b>Profit for the year</b>	<b>8</b>	<u><u>616</u></u>	<u><u>232</u></u>
<b>Movement on reserves</b>			
Retained profit for the year		616	232
Transfer to other reserves		(616)	(232)
Profit and loss reserve carried forward		<u><u>-</u></u>	<u><u>-</u></u>

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