

SOVEREIGN HARBOUR TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

Company Registration No. 04125834 (England and Wales)

Charity Registration No. 1102002



Plummer Parsons
Chartered Accountants

SOVEREIGN HARBOUR TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P Doran Cllr Roger Thomas Mrs C Clark
Charity number	1102002
Company number	04125834
Registered office	Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
Auditors	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
Bankers	HSBC Bank plc PO Box 33 9 Queen Square Wolverhampton West Midlands WV1 1TE
Solicitors & Charities Commission correspondent	Cripps Harries Hall LLP Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
Company secretary	Cripps Secretaries Limited Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE

SOVEREIGN HARBOUR TRUST

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SOVEREIGN HARBOUR TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

The trustees present their report and accounts for the year ended 30 September 2008.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The company registered with the Charities Commission on 10 February 2004. The trustees continue to keep the charitable status of the trust under review. The governing document of the charity is the Memorandum and Articles of Association dated 14 December 2000 as amended by special resolution on 8 December 2003.

The trustees, who are also the directors for the purpose of company law, who served during the year, were:

Mr A Wheel
Mr P Doran
Cllr Roger Thomas
Mrs C Clark

(Resigned 18 December 2007)

All trustees have been provided with an induction pack of key documents. Formal trustee training was provided to board members in 2006 by the charity's solicitors.

The trustees have taken out insurance to indemnify them against any personal liability that may arise. The cost of this cover is not met by the charity. The board considers that all trustees, present and future, should be protected by insurance against personal liabilities.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is managed by a board presently comprising three trustees, which meets quarterly and at other times when considered necessary. The chairman of each meeting is elected by rotation at the beginning of each meeting. The board members make all business and financial decisions.

The charity has various relationships with related parties:

With effect from 1 July 2008 previous contractual arrangements for collection of monies due to the charity were terminated. The charity has delegated collection of monies to Cripps Harries Hall LLP with effect from that date. Cripps Harries Hall LLP provides administrative support to the charity.

The charity works with the Environment Agency to maintain sea defences at Sovereign Harbour Eastbourne.

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. A review of major risks is conducted at quarterly intervals.

SOVEREIGN HARBOUR TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Objectives and activities

The objects for which the charity is established are the promotion of any charitable purposes for the benefit of the community in the United Kingdom as the trustees shall think fit and in particular: The preservation and protection of human life and property by the provision and maintenance of sea defences (which expression, for the avoidance of doubt, shall be deemed to include the harbour areas) at Sovereign Harbour, Eastbourne and to advance the education of the public in all matters relating to the environment and the preservation of Sovereign Harbour and its surrounding areas.

The charity has continued with its monitoring of sea defence works throughout the period of the accounts. To facilitate that process a relationship has been maintained with Pevensey Coastal Defence Limited, which undertakes a monthly GPS survey of the area, for its own purposes. The results are now copied to the charity to enhance its monitoring process.

A Health and Safety Policy has been established and a program of installation of safety signs has been undertaken.

An educational programme for locals and visitors has been instituted, as manifested by the intended publication of an informative leaflet about the area. Educational visits from various organisations have taken place, conducted on behalf of the charity by Premier Marinas (Eastbourne) Limited, formerly Sovereign Harbour Marina Limited.

Achievements and performance

In the trustees' opinion the charity has achieved its primary objective of preserving the environment for public benefit in the area of Sovereign Harbour, Eastbourne. This is a continuing role because the physical structures required to preserve the environment are subject to continuing erosion processes, so that continuous monitoring is required.

During the year the charity has continued to contribute towards the maintenance of the sea defences and beach protection and has monitored work undertaken under the auspices of the Environment Agency. The trust publishes information about its work via its website. Certain of the trustees have local knowledge.

Financial review

The charity maintains records of all completed dwellings and pursues the collection of rent charges, which currently comprises the majority of its income. In the course of the collection process, it has been necessary to adopt legal measures to enforce payment by a small number of home owners. In all cases, the court has found in the charity's favour.

Under the deed governing the distribution of funds, the charity is obliged to retain an index linked sum as a general reserve. In addition, a reserve for future expenditures on harbour maintenance has been maintained at the direction of Premier Marinas (Eastbourne) Limited, formerly Sovereign Harbour Marina Limited.

Plans for the future

The charity plans to maintain its current activities.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

SOVEREIGN HARBOUR TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Plummer Parsons be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees

Cllr Roger Thomas

Trustee

Dated:

SOVEREIGN HARBOUR TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOVEREIGN HARBOUR TRUST

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOVEREIGN HARBOUR TRUST

We have audited the financial statements of Sovereign Harbour Trust on pages 7 to 13 for the year ended 30 September 2008. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 4, the trustees, who are also the directors of Sovereign Harbour Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 16 to the accounts.

SOVEREIGN HARBOUR TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SOVEREIGN HARBOUR TRUST

Opinion

We have audited the accounts of Sovereign Harbour Trust for the year ended 30 September 2008 set out on pages 7 to 13. These accounts have been prepared in accordance with the accounting policies set out on page 9.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 30 September 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Report is consistent with the accounts.

Plummer Parsons

Chartered Accountants

Registered Auditor

18 Hyde Gardens

Eastbourne

East Sussex

BN21 4PT

Dated:

SOVEREIGN HARBOUR TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2008 £	Total 2007 £
<u>Incoming resources from generated funds</u>						
Investment income	2	8,517	3,795	-	12,312	12,293
Activities in furtherance of the charity's objects	3	500,584	-	179,749	680,333	629,540
Total incoming resources		509,101	3,795	179,749	692,645	641,833
<u>Resources expended</u>						
Charitable activities						
Sea defence works		274,007	-	-	274,007	254,644
Harbour maintenance		225,447	-	-	225,447	208,116
Marina maintenance		-	-	179,749	179,749	166,963
Total charitable expenditure		499,454	-	179,749	679,203	629,723
Governance costs		8,438	-	-	8,438	8,330
Total resources expended		507,892	-	179,749	687,641	638,053
Net income for the year/ Net movement in funds		1,209	3,795	-	5,004	3,780
Fund balances at 1 October 2007		24,173	94,446	-	118,619	114,839
Fund balances at 30 September 2008		25,382	98,241	-	123,623	118,619

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

SOVEREIGN HARBOUR TRUST

BALANCE SHEET

AS AT 30 SEPTEMBER 2008

	Notes	2008 £	£	2007 £	£
Current assets					
Debtors	8	199,971		79,183	
Cash at bank and in hand		263,109		297,562	
		<u>463,080</u>		<u>376,745</u>	
Creditors: amounts falling due within one year	9	<u>(339,457)</u>		<u>(258,126)</u>	
Total assets less current liabilities		<u>123,623</u>		<u>118,619</u>	
Income funds					
Unrestricted funds:					
Designated funds	12	98,241		94,446	
Other charitable funds		25,382		24,173	
		<u>123,623</u>		<u>118,619</u>	

The accounts were approved by the Board on

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Cllr Roger Thomas
Trustee

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985.

1.2 Incoming resources

The income shown represents amounts receivable from the residents and users of the Sovereign Harbour area. It is stated exclusive of value added tax and sales of fixed assets. All income is on a receivable basis.

1.3 Resources expended

All expenditure is accounted for on an accruals basis.

Resources expended on charitable activities are all costs for activities which are directed at the achievement of the charity's aims and objectives. Costs include the direct costs of the activities together with those support costs incurred that enable these activities to be undertaken.

Governance costs are those which are incurred in connection with the compliance with constitutional and statutory requirements.

Support costs are allocated between charitable activities in the ratio of costs of activities undertaken directly. This is, in the opinion of the trustees, the most reasonable method of apportionment.

1.4 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

1.5 Taxation

The charitable status of the company has been agreed with the Inland Revenue. No provision has therefore been made in the financial statements.

2 Investment income

	Unrestricted funds £	Designated funds £	Total 2008 £	Total 2007 £
Interest receivable	8,517	3,795	12,312	12,293

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

3 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
Charitable trading income	491,540	176,923	668,463	629,540
Interest charged	9,044	2,826	11,870	-
	<u>500,584</u>	<u>179,749</u>	<u>680,333</u>	<u>629,540</u>

Income from charitable trading represents amounts receivable from the residents and users of the Sovereign Harbour Area.

4 Total resources expended

	2008 £	2007 £
Charitable activities		
<u>Sea defence works</u>		
Activities undertaken directly	252,230	238,858
Support costs	21,777	15,786
Total	274,007	254,644
<u>Harbour maintenance</u>		
Activities undertaken directly	207,529	195,215
Support costs	17,918	12,901
Total	225,447	208,116
<u>Marina maintenance</u>		
Activities undertaken directly	179,749	166,963
	<u>679,203</u>	<u>629,723</u>
Governance costs	8,438	8,330
	<u>687,641</u>	<u>638,053</u>

Governance costs includes payments to the auditors of £6,554 (2007: £6,554) for audit fees.

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

5 Support costs

	Sea defence works £	Harbour maintenance £	Total 2008 £	Total 2007 £
Administrative expenses	21,777	17,918	39,695	28,687
	<u>21,777</u>	<u>17,918</u>	<u>39,695</u>	<u>28,687</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 3 of them were reimbursed a total of £1,119 expenses (2007: 3 were reimbursed £1,007).

7 Employees

There were no employees during the year.

8 Debtors

	2008 £	2007 £
Trade debtors	<u>199,971</u>	<u>79,183</u>

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank overdrafts	4,255	-
Trade creditors	203,414	91,651
Other creditors	3	3
Accruals	131,785	166,472
	<u>339,457</u>	<u>258,126</u>

10 Share capital

The company is limited by guarantee in the sum of £1 per member and does not have a share capital.

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

11 Restricted funds

The charity receives monies which are specifically restricted for the purposes of meeting all costs and expenses reasonably and properly incurred in connection with or incidental to the cleansing, repair and maintenance of the harbour and the waterways.

	Movement in funds			Balance at 30 September 2008
	Balance at 1 October 2007	Incoming resources	Resources expended	
	£	£	£	£
Marina maintenance	-	166,963	(166,963)	-
	-	166,963	(166,963)	-

12 Designated funds

The funds of the charity include amounts retained by the trustees at the direction of Premier Marinas (Eastbourne) Limited, formerly Sovereign Harbour Marina Limited for harbour maintenance.

	Movement in funds			Balance at 30 September 2008
	Balance at 1 October 2007	Incoming resources	Resources expended	
	£	£	£	£
Harbour maintenance	94,446	3,795	-	98,241
	94,446	3,795	-	98,241

13 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 30 September 2008 are represented by:				
Current assets	364,839	98,241	-	463,080
Creditors: amounts falling due within one year	(339,457)	-	-	(339,457)
	25,382	98,241	-	123,623

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

14 Commitments

The charity is committed to pay £35,000 each year to the Environment Agency for littoral drift provisions. This figure is increased each year in line with the Retail Prices Index to give £43,135 for the year under review (2007: £41,569).

The charity will transfer surplus funds equally between the Environment Agency and Premier Marinas (Eastbourne) Limited, formerly Sovereign Harbour Marina Limited for sea defences and harbour maintenance respectively. This is subject to the company maintaining general reserves of £20,000 increased in line with the Retail Prices Index to give £25,381 (2007: £24,173) for the year under review.

15 Related parties

The charity was provided with administrative services by Premier Marinas (Eastbourne) Limited, formerly Sovereign Harbour Marina Limited. The amount charged was £15,376 (2006: £11,617), which is considered to be far below a commercial rate for the services provided.

16 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.