

SOVEREIGN HARBOUR TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

Company Registration No. 04125834 (England and Wales)

Charity Registration No. 1102002



Plummer Parsons
Chartered Accountants

SOVEREIGN HARBOUR TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Green 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 2009

The trustees present their report and accounts for the year ended 30 September 2009.

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 D Green (Appointed 29 September 2009)

Mr P Doran (Resigned 13 July 2009)

Cllr Roger Thomas

Mrs C Clark

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:

The charity has delegated collection of monies to Cripps Harries Hall LLP. 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.

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.

SOVEREIGN HARBOUR TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 via Premier Marinas (Eastbourne) Limited 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.

When planning the activities for the year the Trustees have considered the Charity Commission's guidance on public benefit.

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. However, it has resolved to transfer its interest in and obligations under the rent charges to a wholly owned subsidiary community interest company, Sovereign Harbour (Sea Defences) Community Interest Company which will thereafter undertake the collection and distribution of monies to be collected under the rent charges. From the date of completion of such arrangements the charity will cease to have any incoming resources.

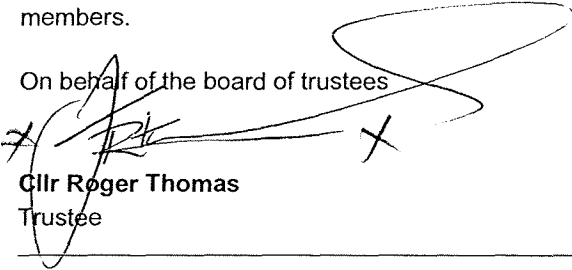
Disclosure of information to auditors

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.

Auditors

A resolution proposing that Plummer Parsons be reappointed as auditors of the company will be put to the members.

On behalf of the board of trustees


Cllr Roger Thomas
Trustee

Dated: 24 DECEMBER 2009

SOVEREIGN HARBOUR TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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).

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 enable them to ensure that the accounts comply with the Companies Act 2006. 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 TRUSTEES OF SOVEREIGN HARBOUR TRUST

We have audited the accounts of Sovereign Harbour Trust for the year ended 30 September 2009 set out on pages 6 to 12. These accounts have been prepared in accordance with the accounting policies set out on page 8.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees 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 3, the trustees, who are also the directors of Sovereign Harbour Trust for the purposes 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) and for satisfying themselves that the charity's accounts give a true and fair view.

The trustees have elected for the accounts not to be audited in accordance with the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with those accounts, if the charity has not kept proper accounting records, if the charity's accounts are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

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 15 to the accounts.

SOVEREIGN HARBOUR TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF SOVEREIGN HARBOUR TRUST

Opinion

In our opinion the accounts:

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- give a true and fair view of the state of affairs of the charity as at 30 September 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.



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

Chartered Accountants

Statutory Auditor

18 Hyde Gardens

Eastbourne

East Sussex

BN21 4PT

Dated: 31 December 2009

SOVEREIGN HARBOUR TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2009 £	Total 2008 £
Incoming resources from generated funds						
Investment income	2	938	1,112	-	2,050	12,312
Activities in furtherance of the charity's objects	3	569,746	-	205,557	775,303	680,333
Total incoming resources		570,684	1,112	205,557	777,353	692,645
Resources expended						
Charitable activities	4					
Sea defence works		311,168	-	-	311,168	274,007
Harbour maintenance		253,449	-	-	253,449	225,447
Marina maintenance		-	-	205,557	205,557	179,749
Total charitable expenditure		564,617	-	205,557	770,174	679,203
Governance costs		6,429	-	-	6,429	8,438
Total resources expended		571,046	-	205,557	776,603	687,641
Net (expenditure)/income for the year/ Net movement in funds		(362)	1,112	-	750	5,004
Fund balances at 1 October 2008		25,381	98,242	-	123,623	118,619
Fund balances at 30 September 2009		25,019	99,354	-	124,373	123,623

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOVEREIGN HARBOUR TRUST

BALANCE SHEET

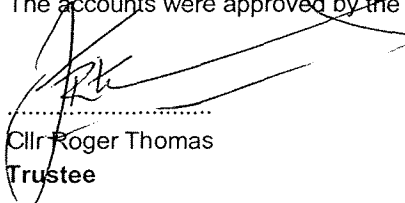
AS AT 30 SEPTEMBER 2009

	Notes	2009 £	£	2008 £	£
Current assets					
Debtors	8	102,760		199,971	
Cash at bank and in hand		247,296		263,109	
		<u>350,056</u>		<u>463,080</u>	
Creditors: amounts falling due within one year	9	<u>(225,683)</u>		<u>(339,457)</u>	
Total assets less current liabilities		<u>124,373</u>		<u>123,623</u>	
Income funds					
Unrestricted funds:					
Designated funds	12	99,354		98,241	
Other charitable funds		<u>25,019</u>		<u>25,382</u>	
		<u>124,373</u>		<u>123,623</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2009, although an audit has been carried out under section 43 of the Charities Act 1993. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on 24 DECEMBER 2009.


Cllr Roger Thomas
Trustee

Company Registration No. 04125834

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 2006.

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.

Administration and collection 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 2009	Total 2008
	£	£	£	£
Interest receivable	938	1,112	2,050	12,312

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

3 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Charitable trading income	563,416	203,536	766,952	668,463
Interest charged	6,330	2,021	8,351	11,870
	<u>569,746</u>	<u>205,557</u>	<u>775,303</u>	<u>680,333</u>

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

4 Total resources expended

	2009 £	2008 £
Charitable activities		
<u>Sea defence works</u>		
Activities undertaken directly	231,672	252,230
Administration and collection costs	79,496	21,777
Total	311,168	274,007
<u>Harbour maintenance</u>		
Activities undertaken directly	188,699	207,529
Administration and collection costs	64,750	17,918
Total	253,449	225,447
<u>Marina maintenance</u>		
Activities undertaken directly	205,557	179,749
	<u>770,174</u>	<u>679,203</u>
Governance costs	6,429	8,438
	<u>776,603</u>	<u>687,641</u>

Governance costs includes payments to the auditors of £5,654 (2008: £6,551) for audit fees.

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

5 Administration and collection costs

	Sea defence works £	Harbour maintenance £	Total 2009 £	Total 2008 £
Expenses	79,496	64,750	144,246	39,695
	<u>79,496</u>	<u>64,750</u>	<u>144,246</u>	<u>39,695</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 £34 expenses (2008: 3 were reimbursed £1,119).

7 Employees

There were no employees during the year.

8 Debtors

	2009 £	2008 £
Trade debtors	<u>102,760</u>	<u>199,971</u>

9 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdrafts	-	4,255
Trade creditors	91,304	203,414
Other creditors	3	3
Accruals	134,376	131,785
	<u>225,683</u>	<u>339,457</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 2009

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 maintenance, repair and cleansing of the harbour and the waterways.

	Movement in funds			Balance at 30 September 2009
	Balance at 1 October 2008	Incoming resources	Resources expended	
	£	£	£	£
Marina maintenance	-	205,557	(205,557)	-
	-	205,557	(205,557)	-

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 2009
	Balance at 1 October 2008	Incoming resources	Resources expended	
	£	£	£	£
Harbour maintenance	98,242	1,112	-	99,354
	98,242	1,112	-	99,354

13 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 30 September 2009 are represented by:				
Current assets	250,702	99,354	-	350,056
Creditors: amounts falling due within one year	(225,683)	-	-	(225,683)
	25,019	99,354	-	124,373