

SOVEREIGN HARBOUR TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

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
Secretary	Cripps Secretaries Limited
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	NatWest Bank Plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ
Solicitors	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

CONTENTS

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditors' report	5 - 6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 14

SOVEREIGN HARBOUR TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

The trustees present their report and accounts for the year ended 30 September 2010.

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

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 advertised for additional board members.

The charity has various relationships with related parties:

The charity has delegated collection of monies to Cripps Harries Hall LLP, which therefore acts as its agents. Cripps Harries Hall LLP provides administrative support to the charity.

The charity works with the Environment Agency (a government department) to maintain sea defences at Sovereign Harbour Eastbourne.

The charity also works with Premier Marinas (Eastbourne) Ltd on whose behalf it collects Marina Costs (as defined in an agreement dated 24 August 2001 made between the Environment Agency and the charity and others) as an incident to the collection of rent charges due to the charity.

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 2010

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 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 maintained.

The trustees have taken account of the Charity Commission guidance on public benefit in all the charity's activities.

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. The trustees have relevant local and flood defence knowledge.

Financial review

The charity maintains records of all completed dwellings and pursues the collection of rent, which currently comprises the majority of its income. In the course of the collection process, it has as usual been necessary to issue court proceedings to enforce payment from a small number of home owners. In all cases, the court has found in the charity's favour or liability has been conceded before judgement.

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 has moved forward with its plan to delegate its rent charge collections activity to its wholly owned subsidiary, Sovereign Harbour (Sea Defences) Community Interest Company. It is intended that future collections will be under the auspices of the latter company. Once assignment of the rent charges to the CIC is completed the charity will cease to have income and in consequence will apply for removal from the register of charities maintained by the Charity Commission.

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 2010

Auditors

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: 12th Dec. 2010

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 adequate 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 2010 set out on pages 7 to 14. These accounts have been prepared in accordance with the accounting policies set out on page 9.

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 in the statement of trustees' responsibilities, 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 being satisfied that the accounts give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with 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 give a true and fair view and are prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with those accounts, the charity has not kept adequate accounting records, if the charity's accounts are not in agreement with the accounting records and returns, 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 audit 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 TRUSTEES OF SOVEREIGN HARBOUR TRUST

Opinion

In our opinion the accounts:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 30 September 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the accounts have been prepared in accordance with the Companies Act 2006.

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:

SOVEREIGN HARBOUR TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2010 £	Total 2009 £
Incoming resources from generated funds						
Investment income	2	237	73	-	310	2,050
Activities in furtherance of the charity's objects	3	537,267	-	89,845	627,112	775,303
Total incoming resources		537,504	73	89,845	627,422	777,353
Resources expended						
Charitable activities						
Sea defence works	4	296,981	-	-	296,981	311,169
Harbour maintenance		232,790	-	-	232,790	253,449
Marina maintenance		-	-	89,845	89,845	205,557
Total charitable expenditure		529,771	-	89,845	619,616	770,175
Governance costs		6,571	-	-	6,571	6,428
Total resources expended		536,342	-	89,845	626,187	776,603
Net income for the year/ Net movement in funds		1,162	73	-	1,235	750
Fund balances at 1 October 2009		25,020	99,354	-	124,374	123,623
Fund balances at 30 September 2010		26,182	99,427	-	125,609	124,373

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 2010

	Notes	2010 £	£	2009 £	£
Current assets					
Debtors	9	84,127		102,760	
Cash at bank and in hand		174,675		247,296	
		<u>258,802</u>		<u>350,056</u>	
Creditors: amounts falling due within one year	10	<u>(133,193)</u>		<u>(225,683)</u>	
Total assets less current liabilities		<u>125,609</u>		<u>124,373</u>	
Income funds					
Unrestricted funds:					
Designated funds	13	99,427		99,354	
Other charitable funds		<u>26,182</u>		<u>25,019</u>	
		<u>125,609</u>		<u>124,373</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 2010, 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 of 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 12/12/10


Cllr Roger Thomas
Trustee

Company Registration No. 04125834

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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, on a receivable basis.

Investment income is recognised in the accounts when receivable.

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.

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2 Investment income

	Unrestricted funds £	Designated funds £	Total 2010 £	Total 2009 £
Interest receivable	237	73	310	2,050

3 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Charitable trading income	534,117	89,097	623,214	766,952
Interest charged	3,150	748	3,898	8,351
	537,267	89,845	627,112	775,303

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

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

4 Total resources expended

	2010 £	2009 £
Charitable activities		
<u>Sea defence works</u>		
Activities undertaken directly	216,276	231,673
Support costs	80,705	79,496
Total	296,981	311,169
 <u>Harbour maintenance</u>		
Activities undertaken directly	168,706	188,699
Support costs	64,084	64,750
Total	232,790	253,449
 <u>Marina maintenance</u>		
Activities undertaken directly	89,845	205,557
	619,616	770,175
 Governance costs	6,571	6,428
	626,187	776,603

Governance costs includes payments to the auditors of £5,635 (2009: £5,654) for audit fees.

5 Support costs

	Sea defence works £	Harbour maintenanc e £	Total 2010 £	Total 2009 £
Expenses	80,705	64,084	144,789	144,246
	80,705	64,084	144,789	144,246

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

6 Governance costs

	2010	2009
	£	£
Other governance costs comprise:		
Administration expenses	35	35
Legal and professional	764	705
Auditors' remuneration	5,341	5,654
Costs of trustee meetings	431	34
	<u>6,571</u>	<u>6,428</u>

7 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 £431 expenses (2009: 3 were reimbursed £34).

8 Employees

There were no employees during the year.

9 Debtors

	2010	2009
	£	£
Trade debtors	<u>84,127</u>	<u>102,760</u>

10 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank overdrafts	4,744	-
Trade creditors	(11,088)	91,304
Other creditors	3	3
Accruals	<u>139,534</u>	<u>134,376</u>
	<u>133,193</u>	<u>225,683</u>

11 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 2010

12 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.

	Balance at 1 October 2009	Movement in funds		Balance at 30 September 2010
	£	Incoming resources	Resources expended	£
Marina maintenance	-	89,845	(89,845)	-
	-	89,845	(89,845)	-

13 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.

	Balance at 1 October 2009	Movement in funds		Balance at 30 September 2010
	£	Incoming resources	Resources expended	£
Harbour maintenance	99,354	73	-	99,427
	99,354	73	-	99,427

14 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 30 September 2010 are represented by:				
Current assets	159,375	99,427	-	258,802
Creditors: amounts falling due within one year	(133,193)	-	-	(133,193)
	26,182	99,427	-	125,609

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

15 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 £44,884 for the year under review (2009: £44,416).

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 £26,182 (2009: £25,020) for the year under review.

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.

