

Chartered Accountants
& Statutory Auditor

SOVEREIGN HARBOUR TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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 Warner Mr D Green 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 2011

The trustees present their report and accounts for the year ended 30 September 2011.

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 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The company registered with the Charity 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 P Warner (Appointed 14 March 2011)

Mr D Green

Cllr John Roger Thomas (Resigned 27 June 2011)

Mrs C Clark

All trustees have been provided with an induction pack of key documents. Formal trustee training is to be provided to board members in 2012 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 charitable 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 business relationships with third parties, namely The Environment Agency; Premier Marinas (Eastbourne) Ltd; and Sovereign Harbour Ltd.

The charity delegates collection of monies due to it under contractual agreements to Cripps Harries Hall LLP, which therefore acts as its agent. Cripps Harries Hall LLP also provides legal services, administrative and secretarial 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 charity works with Sovereign Harbour Ltd to resolve enforcement issues where rent charges have not been properly established by developers of residential units at Sovereign Harbour.

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 2011

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 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 charity 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 of £20,000 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.

Collection rates have been improved by comparison to 2009/2010, continuing the trend.

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) CIC Ltd. It is intended that with effect from 2012 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. The charity will be the sole owner of Sovereign Harbour (Sea Defences) CIC Ltd.

SOVEREIGN HARBOUR TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

Disclosure of information to auditors

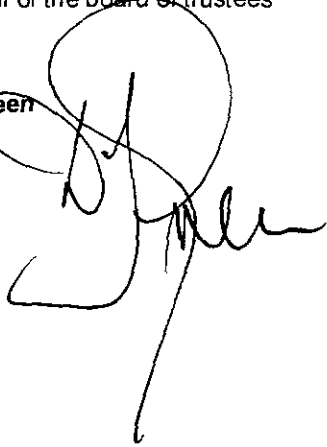
Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are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

Auditors

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

On behalf of the board of trustees

Mr D Green
Trustee



Dated: 12.12/
/11

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 2011 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 explained more fully 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 the preparation of the accounts and for being satisfied that they 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 regulations made under section 44 of that Act.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 17 to the accounts.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2011 and of its incoming resources and application of resources, including its income and expenditure, 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.

SOVEREIGN HARBOUR TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF SOVEREIGN HARBOUR TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the charitable company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.


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:

12th December 2011

Plummer Parsons is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SOVEREIGN HARBOUR TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
<u>Incoming resources from generated funds</u>						
Investment income	2	321	675	-	996	310
Activities in furtherance of the charity's objects	3	560,339	-	160,683	721,022	627,112
Total incoming resources		560,660	675	160,683	722,018	627,422
<u>Resources expended</u>						
Charitable activities						
Sea defence works		310,503	-	-	310,503	296,981
Harbour maintenance		239,729	-	-	239,729	232,790
Marina maintenance		-	-	160,683	160,683	89,845
Total charitable expenditure		550,232	-	160,683	710,915	619,616
Governance costs		8,961	-	-	8,961	6,571
Total resources expended		559,193	-	160,683	719,876	626,187
Net income for the year/ Net movement in funds		1,467	675	-	2,142	1,235
Fund balances at 1 October 2010		26,182	99,427	-	125,609	124,374
Fund balances at 30 September 2011		27,649	100,102	-	127,751	125,609

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 2011

	Notes	2011 £	£	2010 £	£
Current assets					
Debtors	9	40,490		84,127	
Cash at bank and in hand		165,610		174,675	
		<u>206,100</u>		<u>258,802</u>	
Creditors: amounts falling due within one year					
	10	(78,349)		(133,193)	
Total assets less current liabilities		<u>127,751</u>		<u>125,609</u>	
Income funds					
Unrestricted funds:					
Designated funds	13	100,102		99,427	
Other charitable funds		27,649		26,182	
		<u>127,751</u>		<u>125,609</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 2011, 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 / 11

Mr D Green
Trustee

Company Registration No. 04125834

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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 2011

2 Investment income

	Unrestricted funds £	Designated funds £	Total 2011 £	Total 2010 £
Interest receivable	321	675	996	310

3 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Charitable trading income	558,129	160,182	718,311	623,214
Interest charged	2,210	501	2,711	3,898
	<u>560,339</u>	<u>160,683</u>	<u>721,022</u>	<u>627,112</u>

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 2011

4 Total resources expended

	2011 £	2010 £
Charitable activities		
<u>Sea defence works</u>		
Activities undertaken directly	218,417	216,276
Support costs	92,086	80,705
Total	310,503	296,981
<u>Harbour maintenance</u>		
Activities undertaken directly	168,572	168,706
Support costs	71,157	64,084
Total	239,729	232,790
<u>Marina maintenance</u>		
Activities undertaken directly	160,683	89,845
	710,915	619,616
Governance costs	8,961	6,571
	719,876	626,187

Governance costs includes payments to the auditors of £6,698 (2010: £5,635) for audit fees.

5 Administration and collection costs

	Sea defence works £	Harbour maintenance £	Total 2011 £	Total 2010 £
Insurance	585	451	1,036	1,014
Administration costs	(39)	(30)	(69)	(384)
Legal and professional fees	91,540	70,736	162,276	144,159
	92,086	71,157	163,243	144,789

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

6 Governance costs

	2011	2010
	£	£
Other governance costs comprise:		
Administration expenses	-	35
Legal and professional	734	764
Auditors' remuneration	7,604	5,341
Costs of trustee meetings	623	431
	<u>8,961</u>	<u>6,571</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 expenses totalling £622 (2010: 3 were reimbursed £431).

8 Employees

There were no employees during the year.

9 Debtors

	2011	2010
	£	£
Trade debtors	<u>40,490</u>	<u>84,127</u>

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Bank overdrafts	-	4,744
Trade creditors	(68,485)	(11,088)
Other creditors	3	3
Accruals	146,831	139,534
	<u>78,349</u>	<u>133,193</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 2011

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.

	Movement in funds			Balance at 30 September 2011
	Balance at 1 October 2010	Incoming resources	Resources expended	
	£	£	£	£
Marina maintenance	-	160,683	(160,683)	-
	-	160,683	(160,683)	-

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.

	Movement in funds			Balance at 30 September 2011
	Balance at 1 October 2010	Incoming resources	Resources expended	
	£	£	£	£
Harbour maintenance	99,427	675	-	100,102
	99,427	675	-	100,102

14 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 30 September 2011 are represented by:				
Current assets	105,998	100,102	-	206,100
Creditors: amounts falling due within one year	(78,349)	-	-	(78,349)
	27,649	100,102	-	127,751

SOVEREIGN HARBOUR TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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 £47,284 for the year under review (2010: £44,884).

The charity will transfer surplus funds, if called upon, 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 charity maintaining general reserves of £20,000 increased in line with the Retail Prices Index to give £27,647 (2010: £26,182) for the year under review.

16 Related parties

During the year the trust reimbursed expenses to the following trustees; Mrs C Clark £138, Mr D Green £286 and Mr J R Thomas £198. There were no balances due to the trustees at the year end.

The recently appointed trustee Mr P Warner lives within the Sovereign Harbour area. He paid rent and marina charge of £200 to the trust during the year. At the year end there was a balance due to the trust of £7 which was included in debtors.

During the year the trust paid Cripps Harries Hall LLP, a company who has control over the company secretary Cripps Secretaries Limited, amounts totalling £147,951 for legal and professional fees, £14,325 for bookkeeping and administration and £734 for company secretarial work.

17 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.