



**Plummer Parsons**  
Chartered Accountants

**SOVEREIGN HARBOUR TRUST  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

**Company Registration No. 04125834 (England and Wales)**

**Charity Registration No. 1102002**

**Chartered Accountants  
& Statutory Auditor**

# SOVEREIGN HARBOUR TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr P Warner Mr D Green Mrs C Clark
<b>Secretary</b>	Cripps Secretaries Limited
<b>Charity number</b>	1102002
<b>Company number</b>	04125834
<b>Registered office</b>	Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
<b>Auditors</b>	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
<b>Bankers</b>	NatWest Bank Plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ
<b>Solicitors</b>	Cripps Harries Hall LLP Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
<b>Company secretary</b>	Cripps Secretaries Limited Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE

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# SOVEREIGN HARBOUR TRUST

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# SOVEREIGN HARBOUR TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2012

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The trustees present their report and accounts for the year ended 30 September 2012.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the trust'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 continued to keep the charitable status of the trust under review and on 21 December 2011 the benefit and burden of the trust, along with the assets and liabilities were transferred to the subsidiary, Sovereign Harbour (Sea Defences) CIC. The trust was voluntarily removed from the Charity Commission register on 21 February 2012.

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

Mr P Warner

Mr D Green

Mrs C Clark

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 trust. The board considers that all the trustees should be protected by insurance against personal liabilities.

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

The trust was managed by a board presently comprising three trustees, which met 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 trust has various business relationships with third parties, namely The Environment Agency; Premier Marinas (Eastbourne) Ltd; and Sovereign Harbour Ltd.

The trust 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 trust.

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

The trust 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 trust and others) as an incident to the collection of rent charges due to the trust.

The trust 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 trust 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 2012

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### Objectives and activities

The objects for which the trust was 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. These objectives are continuing with Sovereign Harbour (Sea Defences) CIC.

The trust 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 trust 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 up to 21 February 2012 when they were voluntarily removed from the Charity Commission register.

### Achievements and performance

In the trustees' opinion the trust has achieved its primary objective of preserving the environment for public benefit in the area of Sovereign Harbour, Eastbourne. This has been transferred to Sovereign Harbour (Sea Defences) CIC where they wish to continue the role because the physical structures required to preserve the environment are subject to continuing erosion processes, so that continuous monitoring is required.

As the trust received little income during the year, the contribution towards the maintenance of the sea defences and beach protection was paid out by the CIC. The trust/CIC publishes information about its work via its website. The trustees have relevant local and flood defence knowledge.

### Financial review

The trust 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 trust's favour or liability has been conceded before judgement.

Under the deed governing the distribution of funds, the trust was obliged to retain an index linked sum of £20,000 as a general reserve. This obligation has been transferred to Sovereign Harbour (Sea Defences) CIC. In addition, a reserve for future expenditures on harbour maintenance was maintained by the trust at the direction of Premier Marinas (Eastbourne) Limited, formerly Sovereign Harbour Marina Limited and this has also been transferred to the CIC.

### Plans for the future

The trust has now transferred all the benefit and burden to their wholly owned subsidiary Sovereign Harbour (Sea Defences) CIC. The trust has been voluntarily removed from the Charity Commission and once the bank account is closed, they will remain dormant.

### 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 2012**

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### 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

Mrs C Clark  
Trustee

*C. Clark*

Dated: *10 December 2012*

# SOVEREIGN HARBOUR TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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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 trust and of the incoming resources and application of resources, including the income and expenditure, of the 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 trust 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 trust and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust 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

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We have audited the accounts of Sovereign Harbour Trust for the year ended 30 September 2012 set out on pages 7 to 15. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

#### **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.

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 trust'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 18 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 2012 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.



# SOVEREIGN HARBOUR TRUST

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF SOVEREIGN HARBOUR TRUST

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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: .....

# SOVEREIGN HARBOUR TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2012 £	Total 2011 £
<b>Incoming resources from generated funds</b>						
Investment income	2	75	653	-	728	996
Activities in furtherance of the trust's objects	3	552	-	350	902	721,022
<b>Total incoming resources</b>		<b>627</b>	<b>653</b>	<b>350</b>	<b>1,630</b>	<b>722,018</b>
<b>Resources expended</b>						
<b>Activities</b>						
Sea defence works		8,123	-	-	8,123	310,503
Harbour maintenance		6,269	-	-	6,269	239,729
Marina maintenance		-	-	350	350	160,683
<b>Total expenditure</b>		<b>14,392</b>	<b>-</b>	<b>350</b>	<b>14,742</b>	<b>710,915</b>
Governance costs		1,251	-	-	1,251	8,961
<b>Total resources expended</b>		<b>15,643</b>	<b>-</b>	<b>350</b>	<b>15,993</b>	<b>719,876</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(15,016)</b>	<b>653</b>	<b>-</b>	<b>(14,363)</b>	<b>2,142</b>
Gross transfers to subsidiary		(12,633)	(100,754)	-	(113,387)	-
<b>Net (expenditure)/income for the year/</b>						
<b>Net movement in funds</b>		<b>(27,649)</b>	<b>(100,101)</b>	<b>-</b>	<b>(127,750)</b>	<b>2,142</b>
Fund balances at 1 October 2011		27,649	100,101	-	127,750	125,609
<b>Fund balances at 30 September 2012</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,751</b>

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

Confirmation has been obtained from the trustees that the money included within the designated fund may be undesignated in order for it to be transferred to Sovereign Harbour (Sea Defences) CIC, a subsidiary undertaking.

# SOVEREIGN HARBOUR TRUST

## BALANCE SHEET

AS AT 30 SEPTEMBER 2012

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Investments	9		1		1
<b>Current assets</b>					
Debtors	10	-		40,490	
Cash at bank and in hand		373		165,610	
		<u>373</u>		<u>206,100</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(374)</u>		<u>(78,350)</u>	
<b>Net current (liabilities)/assets</b>			<u>(1)</u>		<u>127,750</u>
<b>Total assets less current liabilities</b>			<u>-</u>		<u>127,751</u>
<b>Income funds</b>					
Unrestricted funds:					
Designated funds	14		-	100,102	
Other charitable funds			-	27,649	
			<u>-</u>	<u>127,751</u>	

The accounts were approved by the Board on 10 December 2012

C. Clark

Mrs C Clark  
Trustee

Company Registration No. 04125834

# SOVEREIGN HARBOUR TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2012

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#### 1 Accounting policies

##### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The trust 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 trust.

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 activities are all costs for activities which are directed at the achievement of the trust'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 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 Investments

Fixed asset investments are stated at market value.

##### 1.5 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.

##### 1.6 Taxation

Up to 21 February 2012 the charitable status of the company had been agreed with the Inland Revenue. No provision has therefore been made in the financial statements. After this date they were voluntarily removed from the Charity Commission register.

# SOVEREIGN HARBOUR TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 2 Investment income

	Unrestricted funds £	Designated funds £	Total 2012 £	Total 2011 £
Interest receivable	75	653	728	996

### 3 Activities in furtherance of the trust's objects

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Trading income	552	350	902	718,311
Interest charged	-	-	-	2,711
	552	350	902	721,022

Income from 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 2012

### 4 Total resources expended

	2012 £	2011 £
<b>Activities</b>		
<u>Sea defence works</u>		
Activities undertaken directly	-	218,417
Administration and collection costs	8,123	92,086
<b>Total</b>	<b>8,123</b>	<b>310,503</b>
<u>Harbour maintenance</u>		
Activities undertaken directly	-	168,572
Administration and collection costs	6,269	71,157
<b>Total</b>	<b>6,269</b>	<b>239,729</b>
<u>Marina maintenance</u>		
Activities undertaken directly	350	160,683
	<b>14,742</b>	<b>710,915</b>
<b>Governance costs</b>	<b>1,251</b>	<b>8,961</b>
	<b>15,993</b>	<b>719,876</b>

Governance costs includes payments to the auditors of £240 (2011: £6,698) for audit fees.

### 5 Administration and collection costs

	Sea defence works £	Harbour maintenance £	Total 2012 £	Total 2011 £
Insurance	-	-	-	1,036
Administration costs	183	141	324	(69)
Legal and professional fees and expenses	7,940	6,128	14,068	162,276
	<b>8,123</b>	<b>6,269</b>	<b>14,392</b>	<b>163,243</b>

# SOVEREIGN HARBOUR TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 6 Governance costs

	2012	2011
	£	£
Other governance costs comprise:		
Legal and professional	734	734
Auditors' remuneration	240	7,604
Costs of trustee meetings	277	623
	<u>1,251</u>	<u>8,961</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 £277 (2011: 3 were reimbursed £623).

### 8 Employees

There were no employees during the year.

### 9 Fixed asset investments

	£
Market value at 1 October 2011 and at 30 September 2012	<u>1</u>
Historical cost:	
At 30 September 2012	<u>1</u>

### 10 Debtors

	2012	2011
	£	£
Trade debtors	<u>-</u>	<u>40,490</u>

# SOVEREIGN HARBOUR TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

11 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	-	(68,485)
Amounts owed to group undertakings	371	-
Other creditors	3	3
Accruals	-	146,832
	<u>374</u>	<u>78,350</u>

### 12 Share capital

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

### 13 Restricted funds

The trust 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 2012
	Balance at 1 October 2011	Incoming resources	Resources expended	
	£	£	£	£
Marina maintenance	-	160,683	(160,683)	-
	<u>-</u>	<u>160,683</u>	<u>(160,683)</u>	<u>-</u>



# SOVEREIGN HARBOUR TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 14 Designated funds

The funds of the trust include amounts retained by the trustees at the direction of Premier Marinas (Eastbourne) Limited, formerly Sovereign Harbour Marina Limited for harbour maintenance. The balance was transferred to Sovereign Harbour (Sea Defences) CIC on 21 December 2011 along with the other assets and liabilities of the trust.

	Balance at 1 October 2011	Movement in funds		Balance at 30 September 2012
		Incoming resources	Resources expended	
	£	£	£	£
Harbour maintenance	100,101	653	(100,754)	-
	<u>100,101</u>	<u>653</u>	<u>(100,754)</u>	<u>-</u>

### 15 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 30 September 2012 are represented by:				
Investments	1	-	-	1
Current assets	373	-	-	373
Creditors: amounts falling due within one year	(374)	-	-	(374)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 16 Commitments

The trust was committed to pay £35,000 each year to the Environment Agency for littoral drift provisions. The figure was increased each year in line with Retail Price Index. This commitment has been transferred to Sovereign Harbour (Sea Defences) CIC.

The trust has previously transferred 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 was subject to the trust maintaining general reserves of £20,000 increased in line with the Retail Prices Index. The index-linked reserve is now maintained in the CIC.

# SOVEREIGN HARBOUR TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

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### 17 Related parties

During the year the trust reimbursed expenses to the following trustees; Mrs C Clark £69 and Mr D Green £143. There were no balances due to the trustees at the year end.

Mr P Warner, one of the trustees, lives within the Sovereign Harbour area. He paid rent and marina charge of £197 to the trust during the year. There was no balance due at the year end.

During the year the trust paid Cripps Harries Hall LLP, a partnership who has control over the company secretary Cripps Secretaries Limited, amounts totalling £7,243 for legal and professional fees, £7,560 for bookkeeping and administration and £734 for company secretarial work. The payments shown in the accounts include VAT where charged and reimbursements of court fees and other expenses incurred by Cripps Harries Hall LLP.

The trust ceased collecting rent charges during the year and on 21 December 2011 they transferred the benefit, burden and all assets to Sovereign Harbour (Sea Defences) CIC, a subsidiary undertaking. At the year end there was a loan account balance of £371.

### 18 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.