



Plummer Parsons
Chartered Accountants

SOVEREIGN HARBOUR (SEA DEFENCES) CIC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

Company Registration No. 07078140 (England and Wales)

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

COMPANY INFORMATION

Directors

Mrs C Clark
Mr D Green
Mr G A Collins
Mr P Warner
Mr A Garland

Secretary

Mr S Leney

Company number

07078140

Registered office

12 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EG

Auditors

Plummer Parsons
18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

Solicitors

Cripps Harries Hall LLP
Wallside House
12 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

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SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and financial statements for the year ended 30 September 2013.

Principal activities

The principal activity of the company is to be that of the preservation and protection of 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 company commenced trade on 21 December 2011 when the parent company, Sovereign Harbour Trust, transferred their trade and assets to the CIC.

Directors

The following directors have held office since 1 October 2012:

Mrs C Clark
Mr D Green
Mr G A Collins
Mr P Warner
Mr A Garland

Auditors

Plummer Parsons were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

Mr S Leney

Secretary

16 December 2013

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

We have audited the financial statements of Sovereign Harbour (Sea Defences) CIC for the year ended 30 September 2013 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 9 to the financial statements.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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

16 December 2013

Chartered Accountants
Statutory Auditor

18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

		2013	2012
	Notes	£	£
Turnover		613,683	590,469
Cost of sales		(452,256)	(437,108)
Gross profit		161,427	153,361
Administrative expenses		(162,580)	(133,679)
Operating (loss)/profit	2	(1,153)	19,682
Other interest receivable and similar income	3	2,381	-
Interest payable and similar charges		(109)	-
Profit on ordinary activities before taxation		1,119	19,682
Tax on profit on ordinary activities	4	(224)	(3,936)
Profit for the year	8	895	15,746

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

BALANCE SHEET

AS AT 30 SEPTEMBER 2013

	Notes	2013 £	£	2012 £	£
Current assets					
Debtors	5	230,319		209,185	
Cash at bank and in hand		147,851		154,627	
		<u>378,170</u>		<u>363,812</u>	
Creditors: amounts falling due within one year	6	<u>(348,895)</u>		<u>(335,432)</u>	
Total assets less current liabilities			<u>29,275</u>		<u>28,380</u>
Capital and reserves					
Called up share capital	7		1		1
Other reserves	8		29,274		28,379
			<u>29,275</u>		<u>28,380</u>
Shareholders' funds			<u>29,275</u>		<u>28,380</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 16 December 2013

Mrs C Clark
Director

Company Registration No. 07078140

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable from the residents and users of the Sovereign Harbour area in respect of the Southern Water (SW) charge, as defined in the Sovereign Harbour Beaches Sea Defence Deed dated 24 August 2001 entered into by Sovereign Harbour Trust. Under the Deed of Assignment for Estate Rentcharges for Sovereign Harbour Eastbourne dated 21 December 2011, the commitments of the Trust, including to collect the SW charge, were transferred to the CIC.

1.4 Cost of sales

Cost of sales represents amounts payable to the Environment Agency and Premier Marinas (Eastbourne) Limited for sea defence works and harbour maintenance respectively, in accordance with the Sea Defence Deed.

2 Operating (loss)/profit	2013	2012
	£	£
Operating (loss)/profit is stated after charging:		
Auditors' remuneration	2,700	4,500
	<u>2,700</u>	<u>4,500</u>
3 Investment income	2013	2012
	£	£
Bank interest	2,381	-
	<u>2,381</u>	<u>-</u>
4 Taxation	2013	2012
	£	£
Domestic current year tax		
U.K. corporation tax	224	3,936
	<u>224</u>	<u>3,936</u>
Total current tax	224	3,936
	<u>224</u>	<u>3,936</u>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

5 Debtors	2013	2012
	£	£
Trade debtors	224,855	208,814
Amounts owed by parent and fellow subsidiary undertakings	5,404	371
Prepayments and accrued income	60	-
	<hr/>	<hr/>
	230,319	209,185
	<hr/> <hr/>	<hr/> <hr/>

6 Creditors: amounts falling due within one year	2013	2012
	£	£
Trade creditors	84,512	73,194
Corporation tax	224	3,936
Other creditors	101,514	100,754
Accruals and deferred income	162,645	157,548
	<hr/>	<hr/>
	348,895	335,432
	<hr/> <hr/>	<hr/> <hr/>

The designated fund from Sovereign Harbour Trust, has been transferred into the company and is shown in other creditors. This balance is due to be paid to Premier Marinas Limited when it is called upon.

7 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
1 Ordinary Shares of £1 each	1	1
	<hr/> <hr/>	<hr/> <hr/>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

8 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 October 2012	28,379	-
Profit for the year	-	895
Transfer from profit and loss account	895	(895)
	<hr/>	<hr/>
Balance at 30 September 2013	29,274	-
	<hr/> <hr/>	<hr/> <hr/>

Other reserves

Reserves provided for by the Articles of Association

Balance at 1 October 2012	28,379
Other reserve movement	895
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Balance at 30 September 2013	29,274
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As per the Sovereign Harbour Beaches Sea Defences Deed the company is bound to maintain other reserves of £20,000 increased in line with the Retail Price Index.

9 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

10 Control

The immediate and ultimate parent company is Sovereign Harbour Trust, a company limited by guarantee which owns 100% of the CIC's share capital.

11 Related party relationships and transactions

The parent company, Sovereign Harbour Trust, owed £5,405 (2012: £371) to the company at the balance sheet date.

Director Mr G Collins is also a director of Premier Marinas (Eastbourne) Limited. Premier Marinas (Eastbourne) Limited is entitled to half the balance of the CIC's net surplus at the 31 March, for harbour maintenance, after accounting for the requirement for the index linked reserve as detailed in note 8 in accordance with the Sea Defences Deed. The amount allocated to Premier Marinas (Eastbourne) Limited in these accounts is £200,056 (2012: £193,427) and is shown in Cost of sales.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2013

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

		2013		2012
	£	£	£	£
Turnover				
SW income		613,683		590,469
Cost of sales				
Sea defences costs	252,200		243,681	
Harbour maintenance costs	200,056		193,427	
		<u>(452,256)</u>		<u>(437,108)</u>
Gross profit	26.30%	161,427	25.97%	153,361
Administrative expenses		<u>(162,580)</u>		<u>(133,679)</u>
Operating (loss)/profit		(1,153)		19,682
Other interest receivable and similar income				
Bank interest received		2,381		-
Interest payable				
Bank interest paid	104		-	
Interest on overdue tax paid	5		-	
		<u>(109)</u>		<u>-</u>
Profit before taxation	0.18%	<u>1,119</u>	3.33%	<u>19,682</u>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013	2012
	£	£
Administrative expenses		
Room rental for meetings	250	250
Insurance	1,026	996
Printing, postage and stationery	2	-
Website costs	780	420
Travelling expenses	535	148
Legal and professional fees and expenses	151,063	120,197
Company secretarial fees	748	734
Accountancy	3,900	4,500
Audit fees	2,700	4,500
Bank charges	425	-
Bad and doubtful debts	1,151	1,934
	<hr/>	<hr/>
	162,580	133,679
	<hr/> <hr/>	<hr/> <hr/>

The costs above include VAT where charged.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

PROFIT AND LOSS ACCOUNT WITH MOVEMENT ON RESERVES FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 £	2012 £
Turnover	613,683	590,469
Cost of sales	(452,256)	(437,108)
Gross profit	161,427	153,361
Administrative expenses	(162,580)	(133,679)
Operating (loss)/profit	(1,153)	19,682
Other interest receivable and similar income	2,381	-
Interest payable and similar charges	(109)	-
Profit on ordinary activities before taxation	1,119	19,682
Tax on profit on ordinary activities	(224)	(3,936)
Profit for the year	895	15,746
Movement on reserves		
Retained profit for the year	895	15,746
Transfer to other reserves	(895)	(15,746)
Profit and loss reserve carried forward	-	-
