



Plummer Parsons
Chartered Accountants

**SOVEREIGN HARBOUR (SEA DEFENCES) CIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Company Registration No. 07078140 (England and Wales)

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

COMPANY INFORMATION

Directors	Mr G A Collins Mr J M Cervenka Mrs J A Weeks Councillor P Di Cara Mr M C Pursglove Mr P O'Dwyer	(Appointed 21 June 2021)
Secretary	Mr S Leney	
Company number	07078140	
Registered office	Number 22 Mount Ephraim Tunbridge Wells Kent TN4 8AS	
Auditor	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT	
Business address	Number 22 Mount Ephraim Tunbridge Wells Kent TN4 8AS	
Solicitors	Cripps LLP Number 22 Mount Ephraim Tunbridge Wells Kent TN4 8AS	

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

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SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company continued 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 by the collection and application of rent charge funds paid by home owners.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G A Collins

Mr J M Cervenka

Mrs J A Weeks

Councillor P Di Cara

Mr M C Pursglove

Mr P O'Dwyer

(Appointed 21 June 2021)

Auditor

Plummer Parsons were appointed auditor 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.

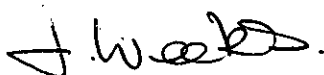
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mrs J A Weeks

Director

29 June 2022

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

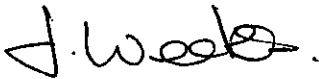
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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.

On behalf of the board



Mrs J A Weeks
Director

29 June 2022

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

Opinion

We have audited the financial statements of Sovereign Harbour (Sea Defences) CIC (the 'company') for the year ended 30 September 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and its activities, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, Data Protection Act, GDPR, and other relevant legislation.

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, being FRS 102. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure, related party transactions, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management; and
- A review of relevant correspondence, including correspondence with HM Revenue & Customs, for signs of potential non-compliance with laws and regulations; and
- A review of specific nominal codes within the accounting records that would highlight costs associated with non-compliance of relevant laws and regulations; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation, as well as throughout the year.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

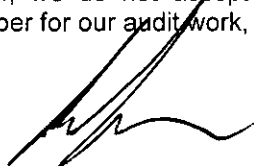
SOVEREIGN HARBOUR (SEA DEFENCES) CIC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF SOVEREIGN HARBOUR (SEA DEFENCES) CIC

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's 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 member for our audit work, for this report, or for the opinions we have formed.



Steven Griffen FCA FCCA (Senior Statutory Auditor)
For and on behalf of Plummer Parsons

Date: 29 June 2022

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 2021

	2021 £	2020 £
Turnover	768,359	733,149
Cost of sales	(580,085)	(572,971)
Gross profit	<u>188,274</u>	<u>160,178</u>
Administrative expenses	(186,268)	(160,490)
Operating profit/(loss)	<u>2,006</u>	<u>(312)</u>
Interest receivable and similar income	46	786
Profit before taxation	<u>2,052</u>	<u>474</u>
Tax on profit	(390)	(90)
Profit for the financial year	<u><u>1,662</u></u>	<u><u>384</u></u>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	3	274,667		291,050	
Cash at bank and in hand		202,864		163,442	
		<u>477,531</u>		<u>454,492</u>	
Creditors: amounts falling due within one year	4	<u>(441,667)</u>		<u>(420,290)</u>	
Net current assets			<u>35,864</u>		<u>34,202</u>
Capital and reserves					
Called up share capital			1		1
Other reserves	5		<u>35,863</u>		<u>34,201</u>
Total equity			<u>35,864</u>		<u>34,202</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 June 2022 and are signed on its behalf by:



Councillor P Di Cara
Director

Company Registration No. 07078140

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 October 2019	1	33,817	-	33,818
Year ended 30 September 2020:				
Profit and total comprehensive income for the year	-	-	384	384
Transfers	-	384	(384)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2020	1	34,201	-	34,202
Year ended 30 September 2021:				
Profit and total comprehensive income for the year	-	-	1,662	1,662
Transfers	-	1,662	(1,662)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021	<hr/>	<hr/>	<hr/>	<hr/>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Sovereign Harbour (Sea Defences) CIC is a private company limited by shares incorporated in England and Wales. The registered office is Number 22 Mount Ephraim, Tunbridge Wells, Kent, TN4 8AS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The company is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable from ordinary activities and 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 the collection of 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.

1.5 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	-	-

3 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	77,056	54,530
Amounts owed by group undertakings	1	1
Other debtors	197,610	236,519
	<u>274,667</u>	<u>291,050</u>

4 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	140,797	124,350
Corporation tax	480	90
Other creditors	300,390	295,850
	<u>441,667</u>	<u>420,290</u>

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.

5 Other reserves

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.

6 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Related party transactions

(Continued)

The parent company, Sovereign Harbour Trust, owed £1 (2020: £1) to the company at the Balance Sheet date.

Directors Mr G A Collins and Mr J M Cervenka are also directors 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 above in accordance with the Sea Defences Deed. The amount allocated to Premier Marinas (Eastbourne) Limited in these accounts is £258,398 (2020: £256,397) and is shown in Cost of sales.

In addition, the CIC collects the Marina Charge element of the annual Rent Charges issued to homeowners on behalf of Premier Marinas (Eastbourne) Limited. The amount paid to Premier Marinas (Eastbourne) Limited in respect of this during the year was £143,896 (2020: £191,733).

7 Parent company

The immediate and ultimate parent company is Sovereign Harbour Trust, a company limited by guarantee incorporated in England and Wales which owns 100% of the CIC's share capital. Its registered office address is Number 22 Mount Ephraim, Tunbridge Wells, Kent, TN4 8AS.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021		2020
	£	£	£	£
Turnover				
SW income		768,359		733,149
Cost of sales				
Sea defences costs	321,687		316,574	
Harbour maintenance costs	258,398		256,397	
		<u>(580,085)</u>		<u>(572,971)</u>
Gross profit	24.50%	188,274	21.85%	160,178
Administrative expenses				
Room rental for meetings	125		-	
Computer running costs	780		840	
Legal and professional fees	167,301		149,494	
Accountancy	5,710		5,191	
Audit fees	3,040		2,870	
Bank charges	3,245		3,157	
Bad and doubtful debts	4,415		(2,288)	
Insurances	1,536		1,210	
Sundry expenses	116		16	
		<u>(186,268)</u>		<u>(160,490)</u>
Operating profit/(loss)		2,006		(312)
Interest receivable and similar income				
Bank interest received	46		786	
		<u>46</u>		<u>786</u>
Profit before taxation	0.27%	<u>2,052</u>	0.06%	<u>474</u>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

PROFIT AND LOSS ACCOUNT WITH MOVEMENT ON RESERVES FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £	2020 £
Turnover	768,359	733,149
Cost of sales	(580,085)	(572,971)
Gross profit	<u>188,274</u>	<u>160,178</u>
Administrative expenses	(186,268)	(160,490)
Operating profit/(loss)	<u>2,006</u>	<u>(312)</u>
Investment revenues	46	786
Profit before taxation	<u>2,052</u>	<u>474</u>
Taxation	(390)	(90)
Profit after taxation	<u>1,662</u>	<u>384</u>
Dividends	-	-
Retained Profit for the financial year	<u><u>1,662</u></u>	<u><u>384</u></u>
Movement on reserves		
Retained earnings at 1 October 2020	-	-
Retained Profit for the financial year	1,662	384
Transfer to Other reserves	(1,662)	(384)
Retained earnings at 30 September 2021	<u><u>-</u></u>	<u><u>-</u></u>
