



Plummer Parsons
Chartered Accountants

SOVEREIGN HARBOUR (SEA DEFENCES) CIC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

Company Registration No. 07078140 (England and Wales)

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

COMPANY INFORMATION

Directors

Mrs C Clark
Mr D Green
Mr P H D Warner
Mr G A Collins
Mr A Garland
Mr R H Runalls (Appointed 2 June 2014)

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 1EG

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

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SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and financial statements for the year ended 30 September 2014.

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.

Directors

The following directors have held office since 1 October 2013:

Mrs C Clark

Mr D Green

Mr P H D Warner

Mr G A Collins

Mr A Garland

Mr R H Runalls

(Appointed 2 June 2014)

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.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

8 December 2014

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 2014 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 and from preparing a strategic report.

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

8 December 2014

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 2014

	Notes	2014 £	2013 £
Turnover		628,582	613,683
Cost of sales		(474,278)	(452,256)
Gross profit		<u>154,304</u>	<u>161,427</u>
Administrative expenses		(155,078)	(162,580)
Operating loss	2	(774)	(1,153)
Other interest receivable and similar income	3	1,602	2,381
Interest payable and similar charges		-	(109)
Profit on ordinary activities before taxation		<u>828</u>	<u>1,119</u>
Tax on profit on ordinary activities	4	(166)	(224)
Profit for the year	8	<u><u>662</u></u>	<u><u>895</u></u>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

BALANCE SHEET

AS AT 30 SEPTEMBER 2014

	Notes	2014 £	£	2013 £	£
Current assets					
Debtors	5	252,117		230,319	
Cash at bank and in hand		148,641		147,851	
		<u>400,758</u>		<u>378,170</u>	
Creditors: amounts falling due within one year	6	(370,821)		(348,895)	
Total assets less current liabilities			29,937		29,275
			<u>29,937</u>		<u>29,275</u>
Capital and reserves					
Called up share capital	7		1		1
Other reserves	8		29,936		29,274
Shareholders' funds			29,937		29,275
			<u>29,937</u>		<u>29,275</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 8 December 2014

Mrs C Clark
Director

Company Registration No. 07078140

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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	2014	2013
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	2,700	2,700
	=====	=====
3 Investment income	2014	2013
	£	£
Bank interest	1,602	2,381
	=====	=====
	1,602	2,381
	=====	=====
4 Taxation	2014	2013
	£	£
Domestic current year tax		
U.K. corporation tax	166	224
	=====	=====
Total current tax	166	224
	=====	=====

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

5 Debtors	2014	2013
	£	£
Trade debtors	41,141	40,562
Amounts owed by parent and fellow subsidiary undertakings	9,643	5,404
Prepayments and accrued income	201,333	184,353
	<u>252,117</u>	<u>230,319</u>

Included within prepayments and accrued income is £200,387 (2013: £184,293) representing the effective amount repayable to the CIC from the Environment Agency and Premier Marinas (Eastbourne) Limited were the CIC's operations to cease as of 30 September 2014. This amount has arisen due to the difference between the amounts paid over for the contract years which run to 31 March and the amounts allocated in the accounts which run to 30 September, creating an effective prepayment.

This has previously been shown in trade debtors but has now been amended for the current and comparative years shown as it is considered that this is a truer reflection of the amounts due.

6 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	101,346	84,512
Corporation tax	166	224
Other creditors	102,226	101,514
Accruals and deferred income	167,083	162,645
	<u>370,821</u>	<u>348,895</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.

7 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

8 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 October 2013	29,274	-
Profit for the year	-	662
Transfer from profit and loss account	662	(662)
	<u>29,936</u>	<u>-</u>
Balance at 30 September 2014	<u>29,936</u>	<u>-</u>
Other reserves		
Reserves provided for by the Articles of Association		
Balance at 1 October 2013	29,274	
Other reserve movement	662	
	<u>29,936</u>	
Balance at 30 September 2014	<u>29,936</u>	

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 £9,643 (2013: £5,405) 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 £210,650 (2013: £200,056) 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 £196,228 (2013: £79,169).

SOVEREIGN HARBOUR (SEA DEFENCES) CIC
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2014

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2014

		2014		2013
	£	£	£	£
Turnover				
SW income		628,582		613,683
Cost of sales				
Sea defences costs	263,628		252,200	
Harbour maintenance costs	210,650		200,056	
		<u>(474,278)</u>		<u>(452,256)</u>
Gross profit	24.55%	154,304	26.30%	161,427
Administrative expenses		<u>(155,078)</u>		<u>(162,580)</u>
Operating loss		(774)		(1,153)
Other interest receivable and similar income				
Bank interest received		1,602		2,381
Interest payable				
Bank interest paid	-		104	
Interest on overdue tax paid	-		5	
		<u>-</u>	<u>109</u>	<u>(109)</u>
Profit before taxation	0.13%	<u>828</u>	0.18%	<u>1,119</u>

SOVEREIGN HARBOUR (SEA DEFENCES) CIC

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014	2013
	£	£
Administrative expenses		
Room rental for meetings	250	250
Insurance	633	1,026
Printing, postage and stationery	-	2
Advertising	600	-
Website costs	720	780
Travelling expenses	536	535
Legal and professional fees and expenses	142,197	151,063
Legal fees recovered	635	-
Company secretarial fees	499	748
Accountancy	3,900	3,900
Audit fees	2,700	2,700
Bank charges	1,306	425
Bad and doubtful debts	1,036	1,151
Sundry expenses	66	-
	<hr/>	<hr/>
	155,078	162,580
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SOVEREIGN HARBOUR (SEA DEFENCES) CIC

PROFIT AND LOSS ACCOUNT WITH MOVEMENT ON RESERVES FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 £	2013 £
Turnover		628,582	613,683
Cost of sales		(474,278)	(452,256)
Gross profit		154,304	161,427
Administrative expenses		(155,078)	(162,580)
Operating loss	2	(774)	(1,153)
Other interest receivable and similar income	3	1,602	2,381
Interest payable and similar charges		-	(109)
Profit on ordinary activities before taxation		828	1,119
Tax on profit on ordinary activities	4	(166)	(224)
Profit for the year	8	662	895
Movement on reserves			
Retained profit for the year		662	895
Transfer to other reserves		(662)	(895)
Profit and loss reserve carried forward		-	-
