

The Board of Directors
Premier Marinas (Eastbourne) Limited
Swanwick Marina
Swanwick
Southampton
Hampshire
SO31 1ZL

19 December 2014

Dear Sirs,

**Report of Deloitte LLP to Premier Marinas (Eastbourne) Limited in respect of
The Statement of Marina Costs ("the statement") for the year ended 30
September 2014**

In accordance with the terms of our engagement letter dated 14 December 2014 we have examined the attached cost statement in respect of Sovereign Harbour Marina ("the Premises") for the year ended 30 September 2014 together with the books and records maintained by Premier Marinas (Eastbourne) Limited insofar as they relate to the Premises.

This report is made solely to the Company, as a body, in accordance with our engagement letter. Our work has been undertaken so that we might state to the Company, those matters we are required to state to them in this report and for no other purpose. This report has been released to the Company on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent. We consent to its disclosure in full to Sovereign Harbour Trust and solicitors, Cripps Harries Hall, and to its residential property owners at Sovereign Harbour, to enable any such persons to verify that a report from independent accountants has been commissioned. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, for this report, or for the opinions we have formed.

Under the terms of this engagement, we were not required to, and did not, form any opinion as to either the reasonableness of the costs included within the statement or the standard of services or works provided.

Respective responsibilities

The statement has been prepared by the directors of the company and is their sole responsibility. It is the director's responsibility to establish and maintain appropriate accounting and internal control systems from which the reporting information is derived.

It is our responsibility to form an independent opinion, on the basis of the work performed in accordance with International Standard on Assurance Engagements (ISAE 3000) "Assurance engagements other than audits or reviews of historical financial information", and to report our opinion to the Company.

Basis of opinion

Our work included examination, on a test basis, of evidence relevant to the amounts included in the statement and their disclosure.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the statement is free from material misstatement, whether caused by fraud or other irregularity or error. In view of the purpose to which this statement has been prepared, however, we did not evaluate the overall adequacy of the presentation of the information which would have been required if we were to express an audit opinion under International Standards on Auditing (UK and Ireland).

Opinion

In our opinion the statement has been properly prepared on the basis set out in Note 1-Basis of Preparation and in accordance with Schedule 2 – Deed of Grant and Covenant clause 4.2, of the Sovereign Harbour Beaches Sea Defence deed ("the trust deed") dated 24 August 2001 between the Sovereign Harbour Trust and the Company.

Yours faithfully



Deloitte LLP
Chartered Accountants
Southampton, United Kingdom

Premier Marinas (Eastbourne) Limited

Statement of Marina Costs

For the year ended 30 September 2014

	(exclusive of VAT) £
Dredging (including Survey costs)	226,810
Waterways cleaning	22,035
Repairs and maintenance	130,957
Plant and labour	15,214
Audit and certification	1,538
Subtotal	<u>396,553</u>
Administration and collection charges	19,828
Total	<u>416,381</u>

Note 1 – Basis of preparation

The Statement of Marina Costs (“the statement”) has been prepared by Premier Marinas (Eastbourne) Limited (“the company”) for the information of the Sovereign Harbour Trust in accordance with Schedule 2 – Deed of Grant and Covenant clause 4.2, of the Sovereign Harbour Beaches Sea Defence deed (“the trust deed”) dated 24 August 2001.

The statement summarises the expenditure incurred in respect of the Marina, in accordance with the above clause, during the year from 1 October 2013 to 30 September 2014.

Signed for and on behalf of the directors of Premier Marinas (Eastbourne) Limited on 19 December 2014



Geoff Collins

This is the statement referred to in our letter dated 19 December 2014



Deloitte LLP
