

A New Year message to Founder Members from the Chairman of BHT.

**NEWS LETTER NO. 2**

**Bembridge Harbour Trust**

c/o Attrills Boatyard,  
The Duver,  
St. Helens,  
Isle of Wight PO33 1YB

14<sup>th</sup> January 2009

Dear Founder Member,

Thank you for your continued support of our charity.

Much has happened since I last wrote to you.

The principal company that owns the harbour, Maritime and Leisure Investments Ltd. (M&LI) as well as Bembridge Harbour Improvement Company Ltd, (BHIC) have at last published their annual reports and accounts for the year to 31<sup>st</sup> March 2007. These reports were filed in October 2008.

The reports make interesting reading particularly in light of the current credit crunch and act as a spur to us to be ready to make an offer for the harbour should the opportunity arise. The accounts to 31<sup>st</sup> March 2008 are now overdue and we look forward to them being available shortly.

M&LI had bank borrowings of £1.4m on 31st March, 2007 as reported in their accounts. BHIC and M&LI are dependent on support from their bankers and also Channel Hotels and Properties (UK) Ltd, the financial backers of the EBB Investments Group and the former owner of the BHIC. The auditors in M&LI's accounts state that the company should have sufficient resources to meet its present obligations provided its existing bankers and financiers continue their support of the business. However, according to the accounts, these supporters have required M&LI to find alternative sources of funding – or face penal rates of interest on its outstanding balances. The accounts also state that, as at October 2008 no alternative source of funding had been agreed.

Our concern as your Trustees is understanding how the companies owned by Mr Blatch will be able to maintain the harbour with this burden of debt. Funds are required to finance vital dredging. The long proposed house boat sewage scheme needs building, the groynes need repairing and the navigation and buoyage aids updating.

Also Mr Barry Blatch, the owner of ML&I, purchased from Bembridge Securities Ltd., in December 2007, the Bembridge Boatyard, an important piece of land with buildings on the West side of Embankment Road opposite Wades Pontoon. It is understood that Mr Blatch having paid the deposit on this purchase has, at the time of writing, not yet completed.

Given these events, we felt it necessary to publicise the existence of our charity and its desire to purchase the harbour. We wanted to be sure that any prospective bidder was aware of our interest and determination to be successful in acquiring the harbour.

As you may know, the leader of the IoW Council, David Pugh, was at a Bembridge Parish Council meeting recently and in answer to a question about the future of the harbour said he would like to see the harbour in some form of accountable public ownership – an objective that could be achieved by our Trust.

When this was reported in the County Press, it enabled us to write back to tell its readers about the Trust. The publication of my letter and a follow-up article in the CP about the Trust has I believe had the desired effect of publicising our intention. A copy of this article is enclosed for those who have not seen it. Articles are also in the current editions of Yachting Monthly and Classic Boats, which you might like to look at.

We continue to write and keep the Council, local Councillors and its officers, our Isle of Wight MP, Andrew Turner, and the key Whitehall departments concerned with the harbour informed about our activities.

Our immediate plans are to make sure we are ready should the harbour come up for sale.

It will be necessary to appoint accountants, lawyers and surveyors to deal with the purchase.

We continue to have discussion with potential financial supporters of any bid we might make as well as with our bankers to provide bridging finance should this be necessary.

A Business Plan has been drafted and submitted to Bankers to support our application for working capital.

Despite the current economic climate I believe we may continue to count on those who have offered support, but as you will realise it is impractical to try to obtain watertight commitments from supporters based on a theoretical purchase with unknown timing or price. It will only be possible when we need to place a firm offer on the table that such commitments can be obtained. We are aware that the current economic problems may provide an early opportunity for the Trust.

One way in which all our members can help us is to think of any pools of charitable or similar funding that they may know about that we can approach as a possible source of donation funding. Please remember that as a charity we can accept donations direct from trading companies with such donation being 100% tax deductible for that company.

At the time of writing there is no further news on planning decisions in respect of the Hotel or further House Boats. I will write to you immediately we have any news of a possible Harbour sale.

I believe we are going to have a very busy 2009!

Yours sincerely,

DFB.