

23 December 2014

Dear Sovereign Harbour Home Owner

Marina Charge

As the current custodians responsible for the maintenance of Sovereign Harbour, please allow me this opportunity to set out some of the background to the costs we were obliged to incur in the year to 30 September 2014 that comprise the Marina Charge.

I set out below a table of the costs which have been audited by Deloitte LLP.

	30 Sept 2014 £	31 Sept 2013 £
Audited costs		
Dredging	226,810	192,306
Lock maintenance and overhaul	115,557	88,469
Bridge maintenance	12,285	32,119
Water cleaning and waste removal	22,035	21,835
Replacement plant	342	60,087
Other items including audit and administration	39,352	36,777
	<u>416,381</u>	<u>431,143</u>

Whilst the costs have reduced year on year they were impacted significantly in 2014 for the following reasons:

Dredging: Our responsibility for dredging includes the main channel into the Outer Harbour as well as into the locks. As those of you who regularly read Ian Thomas' updates in the SHRA's web page, last year saw some exceptional weather – I believe Ian referred to at least three 1 in 50 year storms as well as a 1 in 100 year storm. This impacted on the amount of material we had to dredge and more importantly one particular event we have never experienced: Within three high tides last January a significant amount of gravel moved from the South West beach around the breakwater and into the main channel. Removing this alone was at a cost of £35,000.

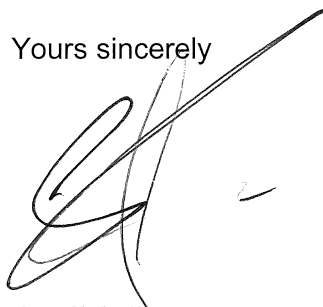
Lock Maintenance: Particular issues were noted with the lock seals and pins last year – our work was extended to prevent the vibration that was being experienced.

I hope the above provides a useful explanation as to the change year on year on the costs incurred. As always, we will do whatever we can to keep costs to a minimum by phasing the work we carry out and to balance preventative maintenance with responding to issues as they arise.

Following my letter last year, a number of home owners were kind enough to make contact with me directly. I will again endeavour to reply to all reasonable requests for information.

With kind regards.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a long, sweeping horizontal stroke that extends to the right.

Geoff Collins
Group Finance Director
Premier Marinas Limited and subsidiary undertakings