Camper & Nicholsons Marinas

YACHTING SINCE 1782

Camper & Nicholsons Marina Investments Limited

Consolidated Financial Statements

for the year ended 31 December 2017

Annual Report

2017

Camper & Nicholsons Marina Investments Limited

2018 KEY EVENTS

- Company delists from AIM Market with First Eastern Group increasing its shareholding to 87% at the time of this report
- St Katharine Docks in central London, owned by Blackstone, completes first year of operation as a branded Camper & Nicholsons marina
- Porto Lotti Marina in Italy becomes newest member of the C&N 1782 Club

5 YEAR SUMMARY FINANCIALS ASSUMING PROPORTIONAL CONSOLIDATION OF INVESTMENTS IN JOINT VENTURES (UNAUDITED)

	2017	2016	2015	2014	2013
€m	Actual	Actual	Actual	Actual	Actual
Marina operating activities	8.7	8.6	8.2	7.2	6.5
Management & Consultancy	1.0	1.6	1.3	1.3	1.3
Operating revenues	9.7	10.2	9.5	8.5	7.8
Yas recharges and termination fee	-	-	1.7	0.8	0.2
Total revenues	9.7	10.2	11.2	9.3	8.0
Cost of sales	(1.6)	(1.7)	(2.5)	(2.5)	(1.7)
Gross Profit	8.1	8.5	8.7	6.8	6.3
Operating expenses	(6.6)	(6.8)	(6.8)	(6.1)	(6.0)
Exchange	(0.6)	-	0.2	0.4	(0.1)
EBITDA	0.9	1.7	2.1	1.1	0.2
Depreciation	(1.2)	(1.2)	(1.3)	(1.2)	(1.1)
Interest	(1.0)	(1.1)	(1.2)	(1.3)	(1.3)
PBT pre one-off charges	(1.3)	(0.6)	(0.4)	(1.4)	(2.2)
EBITDA impact of Yas termination fee	-	-	0.7	-	-
Investments (capex)	0.3	0.2	0.2	0.4	0.1
Net debt	9.3	13.9	13.8	13.4	14.7

All figures are shown before the impact of IFRS11 which would exclude the results of the Group's joint ventures from the detailed lines of the Statement of Comprehensive Income. Net debt is debt, net of all of cash and cash equivalents, available for sale financial assets, pledged cash balances and assets held under trust.

Camper & Nicholsons Marina Investments Limited

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Cover photo: Port Louis Marina

CHAIRMAN'S STATEMENT

By Sir Christopher Lewinton, Chairman

As reported at the Interim stage, the Group experienced some difficult market conditions in 2017 with the Consultancy Business in particular seeing clients defer projects due to uncertainty and difficulty obtaining the necessary funding. The unaudited 5 year table of summary financials on the cover of this report demonstrates the progress made by the Company since 2013. Over that period operating revenues have increased by €1.9 million from €7.8 million to €9.7 million with EBITDA, before the adverse exchange impacts, increasing by €1.2 million from €0.3 million to €1.5 million.

- Having seen a 9% decline in headline Group revenues in the first half, the year ended at €7.5 million (2016: €7.6 million) just 2% down with the second half increasing by 5% from €3.7 million to €3.9 million. The main driver for the improvement was Port Louis Marina which benefitted from the hurricane damage in the Northern Caribbean and increased second half revenues by 30% from €1.0 million to €1.3 million.
- Operating expenses of €6.3 million (2016: €5.9 million) included as last year €0.8 million for depreciation. Whilst the 2017 results benefitted from the non recurrence of the bad debt provision and website upgrade costs experienced in 2016, they were impacted by a €0.1 million exchange cost (2016: €0.1 million credit), and one-off costs totalling around €0.2 million at GHM and Port Louis.
- The adverse one-off cost impacts and the reduced consultancy revenues resulted in a Group operating loss of €0.2 million as compared with a €0.2 million operating profit in 2016 or a €0.8 million loss last year after taking account of the €1 million impairment charge.
- Loss before tax reduced to €1.2 million (2016: €1.7 million) which includes €0.1 million loss (2016: Nil) being our share of the after tax losses of the Group's joint ventures, IC Cesme and CNFE.
- Cash flow from operating activities improved by €0.1 million to €0.9 million (2016: €0.8 million) with improved working capital performance offsetting the reduction in EBITDA. Capital investment in the period increased to €0.2 million (€0.1 million) but this was offset by asset disposals of a similar amount.

Marinas

- After a small revenue reduction in the first half, combined marina revenues for the year, including our 45% share of Cesme, increased by €0.1 million to €8.7 million. The €0.4 million revenue increase at Port Louis offset small decreases at GHM and Cesme, the latter caused partly by the weak Turkish currency.
- With a €0.1 million reduction in revenues, GHM generated a PBT of €0.4 million (2016: €0.5 million) for the year which included a €0.1 million charge for amortisation of issue costs of the 7% bond which was refinanced during the year. Port Louis reduced its loss before tax to €0.4 million (2016: €0.5 million) with the benefit of a €0.4 million increase in revenues being partly offset by increased direct cost of sales and certain non-recurring operating costs.
- At IC Cesme, our joint venture in Turkey, management increased the marina occupancy levels in spite of a number of yachts choosing to relocate or being sold. At the 100% level revenues decreased however by €0.6 million to €4.8 million, due mainly to currency impacts. With the revenue reduction and an increase in costs caused by both an exchange loss and some one-off items, IC Cesme made a loss before tax of €0.3 million (2016: €1.0 million profit) with our 45% share being €0.1 million loss (2016: €0.5 million profit).

Consultancy

- Following a reduction of €0.3 million in the first half revenues from our third party rest of the world consultancy business, the second half reduction was €0.1 million with a less challenging comparable period. A number of third party projects delayed during 2017 commenced contract negotiations late in the year and could start to generate revenues in 2018. Refurbishment of St Katharine Docks was completed in early 2017 and since then has been operating successfully under a management and branding contract generating regular monthly income.
- Although our share of the CNFE revenues reduced from €0.35 million in 2016 to €0.2 million in 2017, the full recovery of a €0.2 million debt, for which full provision was made in 2016, resulted in our share of the business's operating loss reducing from €0.3 million to €0.2 million.

CHAIRMAN'S STATEMENT (Continued)

As announced with our Interim results, our majority owned subsidiary, Grand Harbour Marina completed, in August, the issue of €15 million unsecured 10 year bonds with a 4.5% coupon. Proceeds of the issue were used to repay the existing outstanding 7% bond in addition to providing additional working capital and investment funds for the business.

In August the Company completed a fully underwritten offer to raise £3.2 million net through the issue of new shares at 8 pence per share, a 33% premium to the previous day's market close.

On 6 December the Company announced that, following a review by the Board of the costs and benefits of being an AIM Listed Company, a proposal would be put to shareholders that the Company should delist from the AIM Market. The proposal was approved at the EGM on 2 January 2018 and cancellation of the Company's AIM listing became effective on 10 January 2018. The Directors were pleased that the Group's major shareholder, First Eastern Holdings Limited, provided an opportunity for shareholders to realise their investment, by placing an order to purchase at 8.5 pence per Ordinary share, any shares available in the market. As a result, First Eastern Holdings with its subsidiary, FE Marina Investments Limited, (together "First Eastern") owned 87.2% of the Company as at the date of this statement.

Outlook

After raising £3.2 million (net) from the Open Offer to shareholders completed in August last year and completing the cancellation of the Company's AIM Listing in January 2018, the Company, with the support of its major shareholder, First Eastern, is well placed to continue to pursue its strategy to reposition the assets to strengthen the business as part of a more expansive strategy.

Reflecting on the 2017 Results, which showed lower revenues only partially offset by reduced costs, your Board believes that the primary benefits of delisting, being cost reductions, management time savings and the reduced legal and regulatory burdens, will, as the Company progresses through 2018, result in a stronger business.

On a personal note, after nearly 10 years as Chairman, and with the Company now starting the next phase of its development as a subsidiary of First Eastern, I have decided to stand down from the Board and therefore will not be seeking re-election at this year's AGM. I will be succeeded in the position of Chairman by Mr. Chu. I will also be stepping down from the Boards of GHM and CNFE.

Looking forward I am very pleased to accept Mr Chu's invitation to become a member of First Eastern's Advisory Board.

In closing I would like to take this opportunity to thank my fellow directors, past and present, shareholders and the management team for all their support and to wish them every success for the future. Having accepted the position of Chairman Emeritus I look forward to continuing to support the Company.

Sir Christopher Lewinton

Chairman

20 April 2018

BUSINESS REVIEW

By Clive Whiley, CEO of Camper & Nicholsons Marinas Limited

2017 Review

The Chairman's statement details the trading performance during the year, which also witnessed the execution of some of the strategic initiatives discussed in previous reports. Accordingly, as highlighted below, we are focused upon adding value to our core assets, where we believe attractive incremental development opportunities exist, whilst remaining defensively positioned with regard to operating costs:

Marina Development Assets

Grand Harbour Marina**,** Malta ("GHM") - the Maltese Government-led regeneration of the waterfront, around and adjacent to the marina, continued ahead of Valletta's term as 2018 European Capital of culture in 2018, and:

- we have developed a clear strategy to harness the development potential of the under-utilised water-space at GHM, where we have significantly improved the marina performance over the last decade; and
- on the 14 August 2017 GHM successfully completed the issuance of €15 million of 4.5% GHM Unsecured Bonds 2027 (further to the Prospectus dated 26 June 2017), to both redeem the remaining €11 million of 7% GHM 2017-2020 existing bonds and to provide marina development capital.

Victoria Quay Estate Limited ("VQEL") - we continue to work alongside the developer, on proposals for a new 400 berth marina at East Cowes on the Isle of Wight which remains subject to the satisfaction of certain conditions where we remain convinced of the opportunity for a Camper & Nicholsons branded Marina. First Eastern is the lead investor in VQEL.

Port Louis Marina – in light of the improved trading performance, and the Board's view that this remains a key development asset, we are conducting a detailed review of the incremental development opportunities (both seaside & landside) available to optimise its value for shareholders.

IC Cesme Marina – we have retained a more defensive stance with regard to our 45% interest in our marina in Turkey, as we anticipate continued competition in the region. I am nonetheless pleased to report:

- the repayment of €2.0 million of the subordinated loan from Isbank with GHM's share (€0.9 million) of the pledged cash balance returned in March 2017; and
- further progress with our ongoing efforts to extend the lease-term for the Marina.

Other Transactions

In July 2017, we successfully completed an **equity fundraising**, fully underwritten by First Eastern, of £3.3 million (before expenses) by way of an Open Offer of 41,446,089 new ordinary shares at an offer price of 8 pence per New Ordinary Share; and

In January 2018, Camper & Nicholsons Marina Investments Limited, **delisted from AiM**, pursuant to which First Eastern now has an 87% shareholding in the Company. As noted in the Chairman's statement, alongside other measures, this is anticipated to bring significant cost benefits in 2018.

Marina Consultancy Fees

In February 2017 we welcomed **St Katharine Docks** to our portfolio of marina management contracts as a fully branded Camper & Nicholsons marina, following the successful refurbishment of the marina by Blackstone Group.

We were also pleased to announce, subsequent to the year end, that we have agreed terms with **Edinburgh Marina Granton Harbour Limited** to design, commission, manage and operate the new Edinburgh Marina, the centrepiece of the £500 million waterside quarter development close to Edinburgh city centre.

We continue to undertake feasibility work on several marinas, worldwide.

Outlook

We entered 2018 finally positioned to pursue a more expansive development strategy designed to drive incremental growth at our existing portfolio of marina projects and development assets.

We are confident this will ultimately allow us to release the latent potential evident within the business for the benefit of shareholders.

I have informed and agreed with the Company that I will be taking a leave of absence as my recent appointment as the Interim Executive Chairman of Mothercare Plc will not enable me to devote sufficient time to my duties at the Company. Accordingly, I am stepping down as CEO of Camper & Nicholsons Marinas Limited (CNML), the operating company, but I will continue as a Non-executive director of the Company. The Company will continue to benefit from the management of the broader CNML team as it moves forward.

Finally, on behalf of the Board, I would like to extend our thanks to Sir Christopher Lewinton for his efforts on shareholders' behalf since becoming chairman in December 2008 and we wish him well in his deserved retirement.

Operating Performance

Excluding berth sales, as shown in the table below, the combined revenues of our 3 marinas, GHM, Port Louis and 45% of Cesme, increased in the year by €0.1 million or just over 1% with the €0.4 million (20%) increase at Port Louis more than offsetting small reductions at GHM and Cesme with the latter impacted by adverse exchange rate changes.

Revenues excluding berth sales €m	2017	2016	2015	2014	2013
Marina Operating Revenues	8.7	8.6	8.2	7.2	6.5

Revenues from our third party marina services business (including 50% of the revenues from our Hong Kong based joint venture, CNFE), reduced by €0.6 million. This included a €0.4 million reduction in the ROW Consultancy business with the non-recurrence of projects seen in 2016 whilst certain expected projects were delayed into 2018. The balance was at CNFE which was impacted by both project delays and also staff changes early in the year. Enquiry levels remained good for both businesses and agreements reached in late 2017 have already started to generate revenues in early 2018.

€m	2017	2016	2015	2014	2013
Marina Consultancy fees	1.0	1.6	1.0	1.3	1.3
Yas recharged expenses and Termination fee	-	-	1.7	0.8	0.2
Marina Consultancy Revenues	1.0	1.6	2.7	2.1	1.5

Camper & Nicholsons Marina Investments Limited

Summary Group Financials

€m	*2017*	*2016*	*2015*	*2014*	*2013*
Marina operating activities	8.7	8.6	8.2	7.2	6.5
Marina consultancy fees	1.0	1.6	2.7	2.1	1.5
Sub total	9.7	10.2	10.9	9.3	8.0
Adjustment for joint ventures*	(2.2)	(2.6)	(1.8)	(2.1)	(2.1)
Total pre licensing of superyacht berths	7.5	7.6	9.1	7.2	5.9
Licensing of superyacht berths	-	-	-	-	-
Adjusted Sales Revenues	7.5	7.6	9.1	7.2	5.9
Cost of sales	(1.4)	(1.4)	(2.4)	(2.2)	(1.5)
Gross profit	6.1	6.2	6.7	5.0	4.4
Operating expenses	(5.3)	(5.3)	(5.4)	(4.8)	(4.6)
Exchange	(0.1)	0.1	0.2	0.3	(0.1)
Strategic review & transaction/one-off costs	(0.1)	-	-	-	(0.2)
EBITDA	0.6	1.0	1.5	0.5	(0.5)
Depreciation	(0.8)	(0.8)	(0.8)	(0.8)	(0.7)
Net interest expense	(0.9)	(0.9)	(1.1)	(1.1)	(1.0)
Loss before tax and share of Joint ventures	(1.1)	(0.7)	(0.4)	(1.4)	(2.2)
Share of profits / (losses) of equity accounted investees	(0.1)	-	(0.1)	-	(0.2)
Impairment charge	-	(1.0)	-	-	-
Group (loss) before tax	(1.2)	(1.7)	(0.5)	(1.4)	(2.4)

* Under IFRS 11, revenues of the Group's two joint ventures, IC Cesme Marina and CNFE are excluded from the headline figures and the Group's share of the results of those two businesses is reported as a single line item, being, 'Share of profits/(losses) of equity accounted investees'. The €0.1 million loss for the year includes the Group's share of the €0.1 million after tax profit at Cesme, and the €0.3 million loss at CNFE.

In spite of the decrease in consultancy fees, after excluding joint ventures, with the benefit of increased revenues from Port Louis, reported revenues and gross profit were maintained at the 2016 levels.

Tight control was again maintained on all operating costs, with the small increase before exchange losses more than accounted for by the €0.1 million amortization of bond issue costs at Grand Harbour Marina when the original 7% Bond was replaced during the year with a 4.5% Bond and a €0.2 million charge at Port Louis on the disposal of certain fixed assets. Net interest expense remained unchanged with the part year benefit of the lower rate on the GHM Bond offset with the increasing rate on the Scotiabank loan to Port Louis.

Grand Harbour Marina

	Annual Results				
€m	*2017*	*2016*	*2015*	*2014*	*2013*
Berth Sales	-	-	-	-	-
Marina operating revenues	4.1	4.2	3.7	3.4	3.1
Total revenues	4.1	4.2	3.7	3.4	3.1
Cost of Sales	(0.9)	(1.0)	(0.8)	(0.8)	(0.7)
Operating Expenses	(1.9)	(1.7)	(1.6)	(1.6)	(1.5)
EBITDA	1.3	1.5	1.3	1.0	0.9
PBT	0.4	0.5	0.2	-	(0.1)
Capital expenditure	0.2	0.1	-	0.1	-

The area around the marina continues to improve. The restored UNESCO World heritage site at Fort St Angelo attracts many visitors and was used by the Government to host a number of high level EU Summit meetings. The area of the Three Cities has seen renewed interest since work was completed on Fort St Angelo and the redevelopment of nearby Dock 1 area, with the high quality boutique hotel Cugo Gran opening in late 2017. Relocation of the GHM Capitainerie to be opposite the superyacht berth area at ground floor level has been a popular move for clients, crew and staff with the improved accessibility and a more welcoming environment.

Grand Harbour Marina hosted the maxi yacht participants in the 38th Rolex Middle Sea Race including the yacht wich won line honours. The marina also, together with Yachting Malta co-sponsored the 2017 Baille de Suffren classic yacht race. When compared to previous years, the company, during 2017, registered the highest number of superyacht visitor arrivals, including 45 superyachts over 50 metres in length.

Trading

Sales revenues decreased slightly with no recurrence of the €0.1 million fee received by GHM in 2016 in relation to the resale of a 75m berth. Although berthing revenues were the same as in 2016, within that, the revenues from annual contracts increased by 8% as management successfully converted seasonal and visitor revenues to annuals. Revenues from utilities were also in line with the prior year. Operating expenses in 2017 included €0.2 million from the amortisation of bond costs with €0.1 million of this relating to the early refinancing of the bond as referred to below. 2017 EBITDA of €1.3 million was therefore a little below the prior year. After finance charges of €0.6 million, primarily relating to the Bond interest cost and depreciation of €0.3 million, GHM achieved a €0.4 million profit before tax (2016: €0.5 million). GHM paid no dividend (2016: €0.6 million) during the year.

Although there continue to be berth sale enquiries from time to time, none of these has yet been converted into a completed sale.

In August, GHM completed the refinancing of its 7% Bond with a new 10 year, €15 million bond with a 4.5% interest rate, with existing bondholders and GHM shareholders invited to participate. The bond issue was successful and GHM received €5.6 million net which included €1.9 million from the release of the sinking fund established previously in relation to the 7% Bond.

Valuation

CBRE valued 100% of GHM at €23.4 million as at 31 December 2017 (2016: €23.2 million). This valuation compares with the market capitalisation of GHM on the Malta Stock Exchange on 20 April 2018 of €15 million.

Cesme Marina

	Annual Results (for 100% of the Marina)				
€m	*2017*	*2016*	*2015*	*2014*	*2013*
Seaside revenues	2.7	3.1	3.1	2.8	2.4
Landside revenues	2.1	2.3	2.2	2.0	2.0
Total revenues	4.8	5.4	5.3	4.8	4.4
Cost of Sales	(0.3)	(0.4)	(0.3)	(0.4)	(0.4)
Operating expenses	(3.7)	(2.9)	(2.9)	(2.2)	(2.5)
EBITDA	0.8	2.1	2.1	2.2	1.5
PBT	(0.3)	1.0	0.8	0.8	0.1
Capital expenditure	0.1	0.1	0.1	0.1	0.1

The reputation and profile of the marina increased during 2017 with the receipt of a Green Apple Award for Environmental Best Practice which was awarded at a presentation ceremony at the Houses of Parliament in London in November.

In August Cesme supported the Arkas Aegean Link Regatta which attracted a record 45 boats to the 2017 race. Cesme Marina continues to host the Izmir Autumn and Winter Trophy races with this year's Autumn Trophy attracting 30 participants. In addition, Cesme hosted a number of other events including the World's first Grand Master's chess contest on the sea and a backgammon tournament as well as a range of activities for captains and crew.

Given the Turkish political environment and the lack of international yacht traffic to the Turkish coast generally, Cesme Management has been focused on both retaining existing Turkish clients as well as attracting new ones. Although there continues to be a high turnover of customers at Cesme with nearly 100 boats leaving mainly due to changing location or sale of the boat, the marina attracted 124 new boats during the year with over 25% being returning customers. With a net increase in the berthing area let, Cesme improved its' berthing occupancy by square metre whilst maintaining 100% occupancy by berth. At the end of 2017, there were 362 (2016: 357) boats on annual contracts with a further 44 (2016: 37) boats contracted on a seasonal basis. Marketing efforts continue to promote Cesme as a safe and secure location to keep a yacht. The retail properties remained fully occupied during the year with management actively managing the tenants to ensure maximum revenues are generated from the retail offering.

Trading

Cesme Marina, Turkey, our 45% joint venture with IC Holdings, generated performance below the 2016 level with the adverse impact of the political uncertainty, concerns over terrorism and also the impact of a 23% reduction in the average value of Turkish Lira which changed from 3.34 in 2016 to 4.12 in 2017. The currency impact was most significant for local boat owners whose berthing contracts are priced in euros in common with most Turkish marinas but whose earnings are usually in Turkish Lira.

Revenues in 2017 reduced by €0.6 million from 2016 with all of the reduction caused by the weak Turkish currency - in local currency, revenues increased by about 11% with landside and seaside at similar levels. Operating expenses, excluding depreciation, increased to €3.7 million with reduced operator fees and the benefit of the weak Turkish currency applied to some local costs unable to offset a €1 million adverse exchange impact. After net finance charges and depreciation of €0.3 million and €0.8 million respectively, Cesme made a loss before tax of €0.3 million (2016: €1.0 million profit). Profit after tax of €0.1 million (2016: €0.6 million) reflected a tax credit of €0.4 million (2016: €0.4 million charge) in the year.

The Group's 45% share of Cesme's after tax profits was €0.05 million (2016: €0.29 million) and this is included within its total share of profits of equity accounted investees, net of tax.

Valuation

CBRE valued 100% of Cesme Marina at €17.6 million as at 31 December 2017 which is a small decrease on their €18.3 million valuation as at 31 December 2016, reflecting primarily the one year reduction in the remaining life of the BOT contract.

Port Louis Marina

	Annual Results				
€m	*2017*	*2016*	*2015*	*2014*	*2013*
Berth Sales	-	-	-	-	-
Marina operating revenues	2.3	1.9	2.1	1.6	1.4
Total revenues	2.3	1.9	2.1	1.6	1.4
Cost of sales	(0.4)	(0.3)	(0.4)	(0.3)	(0.3)
Operating expenses	(1.7)	(1.4)	(1.4)	(1.2)	(1.2)
EBITDA	0.3	0.2	0.3	0.1	(0.1)
PBT	(0.4)	(0.5)	(0.4)	(0.6)	(0.8)
Capital expenditure	0.1	0.1	0.1	0.1	-

* 2016 PBT results exclude the €1.0 million impairment charge made in that year.

The major damage to several notable marinas in the Northern Caribbean arising from the hurricanes was a significant factor in the increased occupancy and performance at Port Louis in 2017 with many boats travelling south to find calmer waters and often choosing to remain. As a result revenues in the last quarter represented 33% of the full year revenues with €0.4 million generated in December alone. Compound revenue growth since 2013 has now reached 13% per annum.

With the originally planned finishing location for the RORC Transatlantic race badly damaged by the hurricanes, Port Louis was asked by RORC to host the event again in December as part of a new four year contract. In addition to the annual visit of the World ARC Rally hosted in March, Port Louis Marina hosted again the Select Yachts Grenada Charter Show and was involved in the annual Pure Grenada Music Festival held on the adjoining property. Among notable yachts to visit the marina during 2017 were 82m MY Romea which completed a ten week visit to Port Louis, leaving with high praise for the marina staff and facilities and 93m Mayan Queen IV which visited for 5 weeks.

Trading

As commented above the marina benefitted from the unfortunate events in the Northern Caribbean with revenues reaching record levels. Overall occupancy levels increased and at times the superyacht docks were 100% occupied. Interest in annual berthing contracts increased with 3 new agreements signed in the last quarter. Before the impact of exchange rates, total revenues increased by 22% from 2016 levels with berthing up 19%, utilities up over 40% and landside up 9%.

As reported last year, construction had been started on the 5 star development of hotel and villas at Silversands nearby. That continued during 2017 with some elements expected to be completed during 2018. Expansion of the airport, announced in November 2017, is expected to attract an increased number of international flights and private jets thereby increasing the number of visitors to Grenada.

Costs increased from the lower levels seen in prior years as some additional expenditure was required for security and marina services with the increased number of superyachts in the marina. Costs also include €0.2m of non-recurring items relating to losses on asset disposals. With the increase in revenues more than covering the additional costs, Port Louis achieved a €0.3 million EBITDA profit (2016: €0.2 million). After depreciation and interest charges there was a pre and post-tax loss of €0.4 million (2016: €0.5 million loss). Interest cost reduced slightly with the continuing reduction in the outstanding balance of the loan being offset by the increase in the floating interest rate.

At the end of the year, Dream Yacht Charters, which signed a five year extension during 2016 with fourteen berths together with office and storage space, took a further three annual licences, increasing their contract to seventeen berths. Sunsail Moorings have also made an approach regarding increasing their berthing requirement.

Valuation

CBRE has valued the Port Louis marina at US$19.5 million (€16.3 million) at 31 December 2017, (2016: US$19.75 million, €18.7 million). After adjusting this valuation by US$1.5 million for the estimated value of the unused seabed to which CBRE did not attribute a specific value, the valuation is above the carrying value of the asset and no impairment is considered necessary. After adjusting for other assets and liabilities, losses and exchange impacts there is a cumulative positive NAV adjustment of €0.3 million.

Third Party Marina Consultancy (including 50% share of CNFE joint venture)

	Annual Results				
€m	*2017*	*2016*	*2015*	*2014*	*2013*
External revenues	0.8	1.3	2.7*	2.1	1.5
Revenues from owned marinas	0.8	1.0	1.1	0.6	0.6
Revenues from Parent Company	0.4	0.3	0.4	0.4	0.6
Total revenues	2.0	2.6	4.2	3.1	2.7
Cost of sales	(0.5)	(0.6)	(1.6)*	(1.5)	(1.0)
Third Party Business operating costs	(1.4)	(1.8)	(1.9)	(1.7)	(1.5)
One-off / redundancy costs	(0.1)	-	-	-	(0.2)
Third Party Business operating costs – CNFE	(0.2)	(0.5)	(0.4)	(0.3)	(0.3)
EBITDA	(0.2)	(0.3)	0.3*	(0.4)	(0.3)

* As reported previously the 2015 results included recharged expenses and a termination fee relating to Yas Marina which together generated external revenues of €1.7 million with an estimated EBITDA impact of €0.7 million. Non-recurrence of the Yas recharged expenses resulted also in a €1 million reduction in cost of sales from the 2015 level.

The above figures include the Group's 50% share of the results of Camper & Nicholsons First Eastern, our Asia Pacific joint venture with First Eastern although, under the IFRS 11 accounting standards, the detailed revenues and costs of the joint venture are not shown in the Statement of Comprehensive Income as they are included as part of a total share of profits and losses of equity accounted investees net of tax. The Group's share of CNFE's EBITDA in 2017 was a loss of €0.2 million (2016: €0.3 million loss) on our share of revenues of €0.2 million (2016: €0.35 million). Further information on the Group's share of the results of CNFE is provided in Note 13 to the Financial Statements.

The business provides sales and marketing, technical and operational services to a range of third party marinas in addition to our three owned marinas and also services to the parent company, Camper & Nicholsons Marina Investments Limited.

Year on year external revenue decrease reflected reductions in both ROW Consultancy and in CNFE. The former was impacted by delays to major projects in both the UK and Dubai, both of which now appear to be ready to start in 2018 subject to funding for the UK project, whilst the latter was impacted by project delays and staffing changes. The St Katharine Docks project in London moved successfully from a consultancy refurbishment project to the operational and branding phase and is now generating regular monthly revenues.

Revenues from the Group's owned businesses decreased due partly to a reduction in recharged expenses for which there was an equivalent reduction in cost of sales and partly due to exchange rate impacts, particularly on revenues from Cesme.

The combined operating costs of the business reduced from €2.3 million to €1.7 million with the beneficial impact of the lower average £:€ exchange rate on the UK business operating costs, the non recurrence of bad debt provisions accounted for in 2016 in both Rest of World Consultancy and CNFE and the recovery of bad debts and associated costs in CNFE in 2017.

Net Asset Value and property valuation

At 31 December 2017 the Group's net assets, on an IFRS basis, amounted to €26.4 million (Dec 2016: €26.0 million). Of this amount, €0.5 million related to the minority shareholders in GHM with €25.9 million (Dec 2016: €25.5 million) attributable to the equity shareholders of the Company, which equated to 12.5 cents (Dec 2016: 15.4 cents) per share on both a basic and diluted basis. As reported in prior years, these figures do not reflect any revaluation of the Company's investments in subsidiaries and joint ventures, since in accordance with our statutory accounting policies, which conform to the requirements of International Financial Reporting Standards (IFRS), such investments are consolidated in the statement of financial position at the book value of the Group's share of net assets. On a revaluation basis, the net assets per share were 16.1 cents (Dec 2016: 19.4 cents) on both a basic and diluted basis.

Net Asset Value and property valuation (continued)

However, in accordance with the Group's stated valuation policy, CBRE Limited has updated its valuations of Cesme Marina, Turkey, Grand Harbour Marina, Malta and Port Louis Marina, Grenada. The basis on which these valuations were completed, is explained in the Note at the end of this report. CBRE's valuations of Cesme, Grand Harbour Marina and Port Louis Marina, completed in accordance with the RICS Valuation – Global Standards 2017, are €17.6 million, €23.4 million and US$19.5 million (€16.3 million) respectively. Adjusting for debt and other liabilities, and taking into account the Company's 100% shareholding in Port Louis Marina and 79.2% shareholding in GHM, which itself owns 45% of Cesme, there is a cumulative NAV increase of €7.3 million equating to an Adjusted NAV per share of 16.1 cents on both a basic and diluted basis.

The Company holds some investments, which are accounted for and valued in currencies other than Euros. In keeping with its stated policies, it is not intended to hedge the exchange rate risk but, where possible, the Company's investments and related borrowings will be in matched currencies.

The NAV, and reconciliation to Adjusted NAV, are summarised in the table below.

	Total (€m)	Per share # (c)
NAV (IFRS)	25.9	12.5
Grand Harbour Marina	4.9	2.4
Cesme Marina, Turkey	2.1	1.0
Port Louis Marina	0.3	0.2
NAV (Adjusted)	33.2	16.1

Basic and diluted per share figures are the same as there are no options outstanding at the reporting date

The year on year reconciliation is shown in the table below:

	Total (€m)	Per share (c) #
Adjusted NAV – 31 December 2016	32.1	19.4
Issue of shares	3.5	(2.2)
Trading loss	(1.6)	(0.8)
Valuation adjustments		
Grand Harbour Marina	0.3	0.2
Cesme	0.1	-
Port Louis Marina	0.3	0.2
Exchange gain/(loss) on consolidation and other changes	(1.5)	(0.7)
Adjusted NAV – 31 December 2017	33.2	16.1

Basic and diluted per share figures are the same as there are no options outstanding at the reporting date

Note concerning Property Valuations

CBRE Ltd is the Company's property valuer and has prepared valuations for Grand Harbour Marina, Malta, Cesme Marina, Turkey and Port Louis Marina, Grenada. Further information is set out below.

Grand Harbour Marina, Malta
The property was initially valued as at 11 June 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of €23.2 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a sub-Emphyteusis agreement granted June 1999 expiring in 2098. The property was valued again in accordance with the RICS Valuation – Global Standards 2017 ("the Standards") at 31 December 2017 in the sum of €23.4 million. We are in receipt of a valuation report as at 31 December 2017.

Cesme Marina, Turkey
The property was initially valued as at 20 April 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, Fifth Edition (Red Book) in the sum of €4.1 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a Build Operate and Transfer agreement expiring after 25 years. On expiry, all interest in the Marina, its fixtures and fittings will revert to the Turkish Government, free of consideration or compensation. The property was valued again at 31 December 2017 in accordance with the RICS Valuation – Global Standards 2017 ("the Standards") in the sum of €17.6 million. We are in receipt of a valuation report as at 31 December 2017.

Port Louis Marina, Grenada
The property was initially valued as at 6 December 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of $27.3 million (€18.7 million). The property and reclaimed land for development was valued in its then current state with reference to trading potential. The property is occupied by way of a 99 year lease from the Government of Grenada which expires in 2105 but is renewable at that time for a further 99 years. The property was valued again at 31 December 2017 in accordance with the RICS Valuation – Global Standards 2017 ("the Standards") in the sum of $19.5 million (€16.3 million). We are in receipt of a valuation report as at 31 December 2017. Having decided that an impairment charge of US$1.1 million (€1.0 million) should be made in the financial statements for the year ended 31 December 2016, the Directors consider that no further impairment charge is necessary for the year ended 31 December 2017.

General Information

Directors:

Sir Christopher Lewinton (Chairman)
Roger Lewis
Martin Bralsford
Clive Whiley
Elizabeth Kan
Victor Chu

Company Secretary:

Shaftesbury Limited

Registered office:

Bordage House
Le Bordage
St Peter Port
Guernsey
GY1 1BU

Guernsey based Administrator:

Fort Management Services Limited
Bordage House
Le Bordage
St Peter Port
Guernsey GY1 1BU

Legal Advisors United Kingdom:

Stephenson Harwood,
1 Finsbury Circus
London
EC2M 7SH

Legal Advisors Guernsey:

Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey GY1 4BZ

Auditor:

KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St. Peter Port
Guernsey
GY1 1WR

Bankers:

HSBC Bank plc
PO Box 31
St Peter Port
Guernsey
GY1 3AT

Barclays Private Clients International
Le Marchant House
Le Truchot
St. Peter Port
Guernsey
GY1 3BE

Turkiye Is Bankasi
London Branch
8 Prince's Street
London
EC2R 8HL

The Bank of Nova Scotia
Halifax Street
PO Box 194
St. George's
Grenada

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Camper & Nicholsons Marina Investments Limited

DIRECTORS

Sir Christopher Lewinton, Chairman - UK resident

Sir Christopher Lewinton is a Director of Grand Harbour Marina plc, the Group's listed Maltese subsidiary. He is also a member of the Advisory Board of Metalmark Capital/Morgan Stanley Capital Partners and an Emeritus member of the Operating Executive Board of JF Lehman, both of which are US based private equity firms. Previous positions held include Chief Executive of TI Group plc (1986-1998) and its chairman (1989-2000), Chief Executive of the Wilkinson Sword Group and a member of the Board of Allegheny International, Inc. (1970-1985), non-executive Director of WPP Group plc (1998-2003), non-executive Director of Reed Elsevier plc (1993-1999) and a member of the Supervisory Board of Mannesman AG (1995-1999).

Martin Bralsford, Director - Jersey resident

Martin Bralsford is a Chartered Accountant with over 40 years business experience having held finance and general management roles in C.I. Traders, Le Riche Group, Premier Brands Ltd, Calor Gas, Rank Group, Smith Kline Beecham and Cadbury Schweppes. He was Chief Executive of C.I. Traders, an AIM listed public company engaged in leisure, retail and wholesale distribution and property businesses having held the same position at Le Riche Group which was acquired by C.I. Traders. He has served as a non-executive member of the Boards of a number of commercial, banking and investment companies. Martin joined the Board of Camper & Nicholsons Marina Investments Limited in February 2012 and the following month became a Director of its' majority owned subsidiary, Grand Harbour Marina plc which is listed on the Malta Stock Exchange. Martin's other listed company appointment is as Chairman of Fundsmith Emerging Equities Trust PLC which floated on the London Stock Exchange's Main Market in June 2014. Martin is a former President of the Jersey Chamber of Commerce and has been approved by the Financial Service Regulatory Authorities in Jersey, Guernsey and the Isle of Man as a Director of a regulated body.

Victor Chu, Director – Hong Kong resident

Victor Chu is a lawyer with over 30 years' experience of operating and investing in Asia. He is Chairman and principal shareholder of First Eastern (Holdings) Limited, which together with its wholly owned subsidiary, FE Marina Investments Limited, owns 87.2% of the Company's issued share capital. He became a Director of the Group's majority owned subsidiary, Grand Harbour Marina plc in November 2017. Mr Chu obtained his law degree at University College London and qualified as a solicitor in England and Hong Kong in 1982 with Herbert Smith, the City law firm. Over the last 30 years he has served, at various times, as a Director and Council Member of the Hong Kong Stock Exchange, Member of the Hong Kong Takeovers and Mergers Panel, Advisory Committee Member of the Hong Kong Securities and Futures Commission and part-time member of the Hong Kong Government's Central Policy Unit. Mr Chu served as Foundation Board Member of the World Economic Forum in Geneva from 2003 to 2015 and currently co-chairs the Forum's International Business Council. He is also Chairman of the Hong Kong – Europe Business Council, a Trustee of Asia House and serves on the Board of China Merchants China Direct Investments Ltd. In June 2011, Mr Chu was awarded the 2011 Global Economy Prize (jointly with Professor Larry Summers and then European Central Bank President Jean-Claude Trichet) by the Kiel Institute for the World Economy.

Elizabeth Kan, Director – Hong Kong resident

Ms Kan has extensive experience in direct investments and investment management in the People's Republic of China. She has been actively involved in creating and synergizing strategic relationships with potential and existing investors and developing investment strategies. Ms Kan is a Certified Public accountant (USA), a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Hong Kong Securities and Investment Institute and a fellow member of the Hong Kong Institute of Directors. She serves on the boards of several companies including Camper & Nicholsons First Eastern, the Company's Asia Pacific joint venture with First Eastern, and China Merchants China Direct Investments Limited a company listed on the Hong Kong Stock Exchange. Ms Kan is currently Managing Director of First Eastern Investment Group and was nominated for appointment as a Non-Executive Director by First Eastern (Holdings) Limited, a company which together with its wholly owned subsidiary, FE Marina Investments Limited, owns 87.2% of the Company's issued share capital. Ms Kan became a Director of the Group's majority owned subsidiary, Grand Harbour Marina plc in November 2017.

DIRECTORS (Continued)

Roger Lewis, Director - Jersey resident

Roger Lewis has extensive experience in the property sector, most recently as a Director of Berkeley Group Holdings plc for over fifteen years, the last eight of which were as Chairman, a position from which he retired at the end of July 2007. He subsequently acted as a consultant to the Berkeley Group until December 2012 and is currently a director of three of their Jersey based subsidiaries. Prior to the Berkeley Group he was UK Group Chief Executive Officer of the Crest Nicholson Group PLC from 1983 to 1991. Roger joined the Board of Camper & Nicholsons Marina Investments Limited (CNMIL) just prior to its' listing in January 2007 and subsequently joined the Board of Grand Harbour Marina plc following the acquisition of a majority share by CNMIL. He is also a Director of Picton Property Income Limited and Cambium Global Timberland Limited.

Clive Whiley, Director – UK resident

Clive Whiley has thirty five years' experience in regulated strategic management positions since becoming a Member of the London Stock Exchange. He has extensive main board executive director experience across a broad range of financial services, engineering, manufacturing, distribution & leisure businesses: encompassing the UK, Europe, North America, Australasia and the People's Republic of China. Mr Whiley is currently Interim Executive Chairman of Mothercare plc, a Non-Executive Director of Stanley Gibbons Group plc and also Chairman of China Venture Capital Management Limited, First China Venture Capital Limited and Y-LEE Limited.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2017.

Principal activity

Camper & Nicholsons Marina Investments Limited (the "Company") is a limited liability company, incorporated and domiciled in Guernsey, whose shares were delisted from the AIM Market on 10 January 2018.

The principal activity of the Company, and its subsidiaries and jointly controlled entities (together the "Group") is the acquisition, development, redevelopment and operation of an international portfolio of both new and existing marinas and related real estate primarily in the Mediterranean and the United States/Caribbean. The Company continues to develop its third party marina management and consulting business.

The Directors' Report should be read in conjunction with the Chairman's statement and the Business review which together provide a commentary on the Group's operations.

Directors

Brief biographical details of the Directors, who all remained in office throughout the period, are shown on pages 13 and 14.

Directors' and officers' liability insurance

The Company has maintained insurance cover on behalf of the Directors and Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards and applicable law.

The financial statements are required by law to 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or Group or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement due to fraud or error. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT (Continued)

Statement of directors' responsibilities (continued)

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Company's website and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Business Review. The financial position of the Group, its cash balances and borrowings are set out in notes 17, 19 and 20 of the consolidated financial statements. The Group's financial risk management objectives and policies are set out in note 27 and note 28 sets out the Group's financial instruments and risks.

Having completed the £3.3m (€3.6m) fundraising in August 2017, the Directors, after making the necessary enquiries, believe that the improvement in the underlying trading results in the second half of 2017, particularly in relation to Port Louis Marina, the consequent improvement in cash generation, alongside completed and planned further reductions in central costs following delisting, together with the availability of cash elsewhere within the Group which could be utilised if required, and access to funding from the Group's major shareholder, the Group has adequate resources to continue in business for the foreseeable future. Accordingly the Directors believe that it is appropriate to continue to apply the going concern basis in preparing the consolidated financial statements.

Corporate governance

Introduction

As a closed-ended investment company registered in Guernsey, the Company is not subject to the requirements of the UK Corporate Governance Code issued by the Financial Reporting Council. However, the Board recognises the importance of good corporate practice and is committed to maintaining high standards of corporate governance throughout the Group. It has put in place a framework which it considers appropriate for a company of this size, nature and stage of development.

Board of directors

The Company has a board of six non-executive directors.

The Board meets regularly, usually on a quarterly basis, and on other occasions as required, to review the investment performance and monitor compliance with the investment policy laid down by the Board. The Board has a formal schedule of matters specifically reserved for its decisions, including *inter alia* strategy, investment, funding, dividend policy and gearing.

The Company's Articles of Association require that one third of the Board should retire by rotation each year and seek re-election at the annual general meeting and that directors appointed by the Board should seek re-appointment at the next annual general meeting. However, since the 2016 AGM, the Board decided that all directors should subject themselves to annual re-election by shareholders. Sir Christopher Lewinton has decided not to seek re-election at the 2018 AGM. The remaining five Directors will seek re-election.

The Board has established Remuneration, Nominations and Audit Committees each with formally delegated duties and responsibilities.

Remuneration Committee

The Remuneration Committee is responsible for considering and making recommendations to the Board on the policy and on the quantum, structure and composition of remuneration packages of senior executives in the Group. In addition, it reviews the operation of the Company's incentive schemes. Rewards are linked to both individual performance and the performance of the Company or the relevant marina special purpose vehicles which employ the executives.

The Remuneration Committee comprises currently Roger Lewis (Chairman), Martin Bralsford, Elizabeth Kan and Sir Christopher Lewinton.

Corporate governance (continued)

Nominations Committee

The Nominations Committee is responsible for reviewing the composition of the Board and proposing appointments to and terminations from the Board to meet the desired composition and for proposing appointments to the various Board Committees. In addition, the committee has responsibility for reviewing the remuneration and terms of appointment of the non-executive Directors on the Board.

The Nominations Committee comprises currently Sir Christopher Lewinton (Chairman), Martin Bralsford and Roger Lewis.

Audit Committee

The Audit Committee consists currently of Martin Bralsford (Chairman) and Roger Lewis. The Audit Committee deals with matters relating to audit, financial reporting and internal control systems. The committee meets as required and has direct access to KPMG Channel Islands Limited, the Company's auditor.

Internal controls

The Directors have overall responsibility for keeping under review the effectiveness of the Company's systems of internal controls. The purpose of these controls is to ensure that proper accounting records are maintained, the Company's assets are safe-guarded and the financial information used within the business and for publication is accurate and reliable; such a system can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the business objectives. The Board regularly reviews financial results and investment performance with its investment adviser.

Fort Management Services Ltd is engaged to carry out the administration, including some of the accounting function, of the Company and retains physical custody of the documents of title relating to investments.

The Directors confirm that they have established a continuing process throughout the year and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company and have reviewed the effectiveness of the internal control systems. As part of this process an annual review of the internal control systems is carried out in accordance with the Turnbull guidelines for internal control. The Board does not consider it necessary to maintain a separate internal audit function.

Risk management

Management of liquid funds is carried out in accordance with the policy guidelines laid down and regularly reviewed by the Board. In general the guidelines require that un-invested cash will be held in money market funds and appropriate bank accounts. Group borrowings are monitored with a view to minimising both interest rate and currency risk. Wherever possible, borrowing is in the operational currency of the borrowing entity.

Relations with shareholders

The Board recognises the value of maintaining regular communications with shareholders. In addition to the formal business of the annual general meeting, an opportunity is given to all shareholders to question the Board on matters relating to the Company's operation and performance.

The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at the Registered Office. Alternatively, the investment adviser is happy to answer any questions shareholders may have and can be contacted in the UK on 020 3405 1782.

Annual General Meeting

A notice convening the 2018 annual general meeting of the Company and a form of proxy in respect of the annual general meeting can each be found at the end of this document.

DIRECTORS' REPORT (Continued)

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG Channel Islands Limited have expressed their willingness to continue in office as auditor.

By Order of the Board

Shaftesbury Limited
Secretary, 20 April 2018

Independent auditor's report to the members of Camper & Nicholsons Marina Investments Limited

Our opinion is unmodified

We have audited the consolidated financial statements (the "Financial Statements") of Camper & Nicholsons Marina Investments Limited (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

— give a true and fair view of the financial position of the Group as at 31 December 2017, and of the Group's financial performance and the Group's cash flows for the year then ended;

— are prepared in accordance with International Financial Reporting Standards; and

— comply with the Companies (Guernsey) Law, 2008

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company and Group in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the Financial Statements. We have nothing to report in these respects.

We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the Financial Statements. Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the Financial Statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Independent auditor's report (continued)

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on pages 15 and 16, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. 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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG Channel Islands Limited
Chartered Accountants, Guernsey

Date: 25 April 2018

Camper & Nicholsons Marina Investments Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2017

	Note	2017	2016
		€000	*€000*
Marina operating activities		6,465	6,178
Marina consultancy fees		1,015	1,451
Revenue		7,480	7,629
Cost of sales		(1,379)	(1,461)
Gross Profit		6,101	6,168
Operating expenses	6	(6,305)	(5,973)
Operating (loss)/profit pre impairment charge		(204)	195
Impairment charge on Port Louis assets	12	-	(1,044)
Operating (loss)/profit post impairment charge		(204)	(849)
Finance income		93	44
Finance expense		(950)	(975)
		(857)	(931)
Share of (losses) / profits of equity-accounted investees, net of tax	11	(119)	37
Loss before tax		(1,180)	(1,743)
Taxation	9	(360)	(379)
Loss for the year from continuing activities		(1,540)	(2,122)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange reserve		(1,530)	444
Other comprehensive income for the year		(1,530)	444
Total comprehensive loss for the year		(3,070)	(1,678)
(Loss) / profit attributable to:			
Equity shareholders		(1,551)	(2,200)
Non-controlling interest		11	78
Loss for the year		(1,540)	(2,122)
Total comprehensive (loss) / income attributable to:			
Equity shareholders		(3,081)	(1,756)
Non-controlling interest		11	78
Total comprehensive loss for the year		(3,070)	(1,678)

The accompanying notes on pages 25 to 49 form an integral part of these consolidated financial statements.

Camper & Nicholsons Marina Investments Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2017

	Issued Share Capital €000	Retained Earnings €000	Foreign Exchange Reserve €000	Total equity attributable to shareholders €000	Non-controlling Interests €000	Total Equity €000
Year Ended 31 December 2016						
Balance at 1 January 2016	61,621	(39,323)	4,969	**27,267**	550	**27,817**
Total comprehensive income						
Profit / (Loss) for the year	-	(2,200)	-	**(2,200)**	78	**(2,122)**
Other comprehensive income	-	-	444	**444**	-	**444**
Total comprehensive income	-	(2,200)	444	**(1,756)**	78	**(1,678)**
Transactions with owners of the Company						
Dividend paid to non-controlling interest	-	-	-	**-**	(100)	**(100)**
Total contributions and distributions	-	-	-	**-**	(100)	**(100)**
Balance at 31 December 2016	61,621	(41,523)	5,413	**25,511**	528	**26,039**
Year Ended 31 December 2017						
Balance at 1 January 2017	61,621	(41,523)	5,413	**25,511**	528	**26,039**
Total comprehensive income for the year						
Profit / (Loss) for the year	-	(1,551)	-	**(1,551)**	11	**(1,540)**
Other comprehensive income	-	-	(1,530)	**(1,530)**	-	**(1,530)**
Total comprehensive income	-	(1,551)	(1,530)	**(3,081)**	11	**(3,070)**
Transactions with owners of the Company						
New shares issued – see note 21	3,482	-	-	**3,482**	-	**3,482**
Total contributions and distributions	3,482	-	-	**3,482**	-	**3,482**
Balance at 31 December 2017	65,103	(43,074)	3,883	**25,912**	539	**26,451**

The accompanying notes on pages 25 to 49 form an integral part of these consolidated financial statements.

Camper & Nicholsons Marina Investments Limited
Consolidated Statement of Financial Position
As at 31 December 2017

	Note	31 December 2017 €000	31 December 2016 €000
Non current assets			
Property, plant and equipment	12	22,607	25,671
Equity accounted investees	11	1,236	1,188
Assets held under Trust	13	-	1,926
Cash pledges	14	3,144	4,047
Goodwill	15	10,604	10,604
		37,591	43,436
Current assets			
Trade and other receivables	16	1,749	1,847
Cash and cash equivalents	17	10,827	1,343
		12,576	3,190
TOTAL ASSETS		50,167	46,626
Current liabilities			
Trade and other payables	18	3,506	3,349
Loans repayable within one year	20	1,150	523
		4,656	3,872
TOTAL ASSETS LESS CURRENT LIABILITIES		45,511	42,754
Non current liabilities			
Loans repayable after more than one year	20	3,461	5,243
Unsecured Bond	19	14,610	10,810
Other payables		150	180
Deferred tax liability		839	482
		19,060	16,715
NET ASSETS		26,451	26,039
Equity attributable to equity shareholders			
Issued share capital	21	65,103	61,621
Retained earnings		(43,074)	(41,523)
Foreign exchange reserve		3,883	5,413
		25,912	25,511
Non-controlling interest	23	539	528
Total equity		26,451	26,039
Net assets per share:			
Basic, attributable to equity shareholders	22	12.50c	15.39c
Diluted, attributable to equity shareholders	22	12.50c	15.39c

The consolidated financial statements on pages 21 to 49 were approved by the Board of Directors on 20 April 2018

Sir C Lewinton, Chairman

M Bralsford, Director

The accompanying notes on pages 25 to 49 form an integral part of these consolidated financial statements.

Camper & Nicholsons Marina Investments Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2017

	Year ended 31 December 2017 €000	Year ended 31 December 2016 €000
Cash flows from operating activities		
Loss before taxation	(1,180)	(1,743)
Adjusted for:		
Finance income	(93)	(44)
Finance expense	950	975
Depreciation	837	833
Asset impairment loss	-	1,044
Share of losses / (profits) of equity accounted investees, net of tax	119	(37)
Amortised Bond issue costs	171	-
Unrealised foreign exchange loss / (gain)	20	(1)
	824	1,027
Increase in receivables	(121)	(486)
Increase in payables	230	279
Income tax paid	(3)	(1)
Net cash flows from operating activities	930	819
Cash flow from investing activities		
Acquisition of property, plant & equipment	(240)	(136)
Disposals of property plant and equipment	212	-
Short term investment in equity accounted investee	-	(253)
Interest received	93	44
Decrease / (Increase) in pledged cash	903	(39)
Net utilisation of / (contribution to) Trust to buy back bonds	1,926	(808)
Net cash flows from investing activities	2,894	(1,192)
Cash flows from financing activities		
Proceeds of borrowings	2	48
Proceeds of new share issue	3,482	-
Repayment of borrowings	(459)	(287)
Buyback of bonds issued	(10,970)	-
Net proceeds of new bond issue	14,599	-
Dividend paid	-	(100)
Interest paid	(974)	(975)
Net cash flows from financing activities	5,680	(1,314)
Net increase/(decrease) in cash and cash equivalents	9,504	(1,687)
Opening cash and cash equivalents	1,343	3,029
Effect of exchange rate fluctuations on cash held	(20)	1
Closing cash and cash equivalents	10,827	1,343

The accompanying notes on pages 25 to 49 form an integral part of these consolidated financial statements.

1 Corporate Information

Camper & Nicholsons Marina Investments Limited ("the Company") is a limited liability company, registered and domiciled in Guernsey, whose shares, having been publicly traded on the AIM Market, were delisted on 10 January 2018.

The principal activity of the Company and its subsidiaries and joint ventures (together the "Group") during 2017 was the acquisition, development, redevelopment and operation of an international portfolio of both new and existing marinas and related real estate in the Mediterranean and the United States / Caribbean. The Group has also continued to develop its third party marina management and consulting business.

The Consolidated Financial Statements of the Group for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 20 April 2018.

2 Basis of preparation

The consolidated financial statements of the Group for the year to 31 December 2017 have been prepared on a historical cost basis and are presented in Euro 000s.

Going concern
Having completed the £3.3m (€3.6m) fundraising in August 2017, the Directors, after making the necessary enquiries, believe that the improvement in the underlying trading results in the second half of 2017, particularly in relation to Port Louis Marina, the consequent improvement in cash generation, alongside completed and planned further reductions in central costs following delisting, together with the availability of cash elsewhere within the Group which could be utilised if required, and access to funding from the Group's major shareholder, the Group has adequate resources to continue in business for the foreseeable future. Accordingly the Directors believe that it is appropriate to continue to apply the going concern basis in preparing the consolidated financial statements.

Statement of compliance
The consolidated financial statements of the Group, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in compliance with The Companies (Guernsey) Law 2008.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, and with the exception of the UK subsidiary, Camper & Nicholsons Marinas Ltd, which are prepared under UK GAAP, are prepared using consistent accounting policies.

(i) Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(ii) Business Combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group (see note 2i). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

(iii) Equity Accounted Investees
The Group's interests in equity accounted investees comprise interests in two joint ventures and these are accounted for using the equity method. They are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss of equity accounted investees, until the date on which significant influence or joint control ceases.

2 Basis of preparation (continued)

(iii) Equity Accounted Investees (continued)

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(iv) Non-Controlling Interests
Non-Controlling Interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition plus their proportionate share of profits and losses since acquisition less any dividends paid.

(v) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements
Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in Note 4, *Revenue recognition* and *Taxation* and the useful lives of assets as shown in Note 4 section (iv) of *property, plant and equipment*.

(b) Assumptions and estimation uncertainties
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are: the impairment of non-financial assets and the impairment of trade receivables. The policies adopted for each of these items are included within the detailed accounting policies in Note 4.

3 Changes in accounting policies

The Group has applied consistently the accounting policies set out in Note 4 to all periods presented in these consolidated financial statements.

4 Summary of significant accounting policies

Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duty. The following specific recognition criteria must be met before revenue is recognised:

4 Summary of significant accounting policies (continued)

Revenue Recognition *(continued)*

Licensing of super yacht berths
Super yacht berths are licensed to berth holders on terms which transfer substantially all the risks and rewards incidental to ownership. Revenue from such licensing is recognised in the statement of comprehensive income on the signing of the licensing agreements with the berth-holders, on the basis that they give effect to the sale of the Group's right to the use of such berths.

Rendering of marina operating activities and consultancy fees
Revenue from the rendering of marina operating activities and consultancy fees is recognised when the services have been delivered. When services are delivered evenly over a period of time the revenue is recognised pro rata to the time elapsed.

Rental income
Rental income from operating leases is recognised on a straight line basis over the term of the rental.

Taxation

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognised for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill, and
- in respect of taxable temporary differences associated with investments in subsidiaries or joint ventures where the timing of the reversal of the temporary differences can be controlled and it is not probable that the temporary differences will reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that had been enacted or substantially enacted at the reporting date.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4 Summary of significant accounting policies (continued)

Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, including interest incurred during the construction phase.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. On-going repairs and maintenance expenditure is expensed as incurred.

(iii) Long term berth licences

As described above under revenue recognition, part of the Group's operating activities involves the licensing of superyacht berths under finance leases typically for periods of 25-30 years. The cost of such berths is apportioned between that part attributable to the initial licensing period, which is recognised immediately in profit or loss within the consolidated statement of comprehensive income, and that part (the residual amount) attributable to the time period which extends beyond the initial licensing period. The method of cost apportionment used represents a fair reflection of the pattern of future economic benefits estimated to accrue from the licensing of such berths. The residual amount is classified in the consolidated Statement of Financial Position as 'deferred costs' and included within property, plant and equipment. (see note 12)

(iv) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are installed and are ready for use. Assets in course of construction are not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Leasehold seabed	99 years
Buildings	10-24 years
Superyacht berths	50 years
Pontoons	25 years
Motor vehicles	5 years
Other equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

In relation to the superyacht berths, depreciation is provided up to the point when a long term licensing contract is signed, at which time the carrying amount of such berths is apportioned and accounted for as explained in (iii) above.

4 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the consolidated Statement of Financial Position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Receivables are carried at amortised cost and provision is made where there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Trade and other payables

Trade payables are included at the lower of their original invoiced value and the amount payable.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at fair value less directly attributable transaction costs.

After initial recognition interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are realised respectively in finance revenue and finance cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expense using the effective interest method.

Foreign currency

(i) Foreign currency transactions

The consolidated financial statements are prepared in Euros, which is the Company's functional and presentational currency. Transactions in a foreign currency are initially translated into the functional currency at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

All differences are taken to the consolidated Statement of Comprehensive Income.

4 Summary of significant accounting policies (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Euro at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign exchange reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign exchange reserve in equity.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite life intangible assets are tested every six months for impairment and at other times when such indicators exist. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

Impairment losses are recognised in profit or loss within the consolidated Statement of Comprehensive Income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment of non-derivative financial assets

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment which may include default or delinquency of a debtor, restructuring of amounts due to the Group on very unfavourable terms, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security.

Fair values

The Group uses market observable data as far as possible to measure the fair value of an asset or a liability. Fair values are categorised into different levels in a fair value hierarchy as defined in IFRS13.

Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases and not recognised in the consolidated Statement of Financial Position; lease payments under operating leases are accounted for on a straight line basis across the term of the lease.

4 Summary of significant accounting policies (continued)

Segment reporting

All operating segments' operating results are reviewed by the CEO of Camper & Nicholsons Marinas Ltd, the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance. As an unlisted business the Group is no longer required to disclose the details of the operating segment results.

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual accounts beginning after 1 January 2017, and have not been early adopted in preparing these consolidated financial statements.

Those which may be relevant to the Group are set out below.

IFRS 9 (*Financial Instruments*) published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group's assessment is that there will be no material reporting changes as a result of adopting this new standard.

IFRS 15 (Revenue from Contracts with Customers) establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted. The Group's assessment is that, although IFRS 15 may impact on presentation and disclosure requirements, there is not expected to be a material financial impact.

IFRS 16 (Leases) published in January 2016, replaces the existing guidance in IAS17 (Leases) and changes fundamentally the accounting by lessees. It introduces a single, on-balance sheet accounting model for all leases similar to the current finance lease accounting. Lessor accounting remains similar with lessors continuing to classify leases as finance and operating leases. Sale-and-leaseback is effectively eliminated as an off-balance sheet financing structure. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted provided IFRS15 has also been adopted. Although there are optional exemptions for short-term leases and leases of low value, this IFRS will impact on the Group's financial statements as it will need to recognise right-of-use assets representing the right to use the underlying leased assets arising from the 99 year deed of sub-emphyteusis relating to Grand Harbour Marina, Malta and the 99 year rental agreement for Port louis Marina.

When IFRS 16 is adopted, the initial recognition of both the asset and liability should be equivalent to the unpaid discounted minimum lease payments from the date of initial application of the standard until the end of the lease term. Following preliminary assessments of the financial impact on the Group's financial statements, the initial recognition of the right-of-use assets and lease liabilities in relation to Grand Harbour Marina and Port Louis Marina are expected to amount to around €9.5 million. Subsequently, the assets will be reduced with the yearly depreciation charge, while the liability is reduced as minimum lease payments are made and an imputed finance cost on the liability is recognised.

5 Seasonality of operations

Marinas derive their income from several sources some of which will produce greater revenues during the summer months and while these seasonally-affected sources are generally relatively small in relation to the overall level of sales they can make an important contribution to profitability. The timing of long term berth sales, which are neither seasonal by nature nor capable of accurate prediction, can have a more significant impact on the level of both sales and profits.

6 Operating expenses

	Note	Year ended 31 December 2017	Year ended 31 December 2016
		€000	*€000*
Directors' remuneration	7	186	195
Salaries & wages		2,108	2,162
Audit fees		141	139
Rent and rates		561	593
Other general administration expenses	8	1,993	1,571
Legal & professional fees		194	213
Promotion		183	367
Depreciation		837	833
Exchange gains		102	(100)
Total operating expenses		6,305	5,973

7 Directors' remuneration

	Year ended 31 December 2017	Year ended 31 December 2016
	€000	*€000*
Directors' fees – Parent Company	172	181
Directors' fees – Other Group Companies	14	14
Total	186	195

8 Other general administration expenses

	Year ended 31 December 2017	Year ended 31 December 2016
	€000	*€000*
Communications including travel	205	182
Repairs & maintenance	247	269
Security	84	88
Insurance	173	189
Electricity, water & gas	196	108
Administration fees	60	66
Printing stationery & postage	24	29
Bank charges	91	99
Bad debt (writeback) / provision	(20)	81
Bond costs amortisation	171	48
Royalty fees	278	246
Loss on asset disposals	219	-
Other	265	166
Total	1,993	1,571

9 Taxation

9.1 Taxation charge

The parent company, Camper & Nicholsons Marina Investments Limited is a Guernsey Exempt Company and is therefore not subject to taxation on its income under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. An annual exempt fee of £1,200 (2016: £1,200) has been paid. The Group's tax charge during the year is calculated as shown in the table below and consists primarily of a deferred tax charge and a small income tax charge with the latter relating to withholding tax in foreign jurisdictions.

The deferred tax liability has increased by €357k to €839k at 31 December 2017 (31 December 2016: €482k) with this balance reflecting the temporary differences relating mainly to plant and equipment net of unrelieved tax losses and unabsorbed capital allowances.

9 Taxation (continued)

	Year ended 31 December 2017	Year ended 31 December 2016
	€000	*€000*
Income Tax charge	3	1
Deferred Tax charge	357	378
Total charge	360	379

The deferred tax charge reflects the change in recognised unrelieved tax losses and unabsorbed capital allowances.

At 31 December 2017 the Group's UK subsidiary had carried forward losses which are available for use against future profits. These losses have not been reflected in the statement of financial position and represent an unrecognised deferred tax asset of around €170k (2016: €150k).

9.2 Reconciliation of taxation charge

A reconciliation between tax expense and the product of accounting profit multiplied by domestic tax rates in the countries of operation is as follows:

	Year ended 31 December 2017	Year ended 31 December 2016
	€000	*€000*
Accounting loss before income tax	(1,180)	(1,743)
Income tax (charge)/credit using the country domestic rates	(110)	(160)
Tax effect of:		
Brought forward losses	14	32
Expenses not deductible for income tax	(222)	(172)
Interest accrued taxable on receipt	-	(16)
Tax not recognised in prior period	(15)	(34)
Withholding tax in foreign jurisdictions	(3)	(1)
Movement in deductible temporary differences not recognised	(24)	(28)
Total tax charge for the year	(360)	(379)

10 Subsidiaries and Joint Ventures

	Activity	Country of Incorporation	% Equity Interest
Subsidiaries			
Camper & Nicholsons Marinas (Malta) Ltd	Investment Holding	Malta	100.00
Camper & Nicholsons Caribbean Holdings Ltd	Investment Holding	Bahamas	100.00
Camper & Nicholsons Grenada Ltd	Property Holding	Grenada	100.00
Camper & Nicholsons Grenada Services Ltd	Marina Operator	Grenada	100.00
Grand Harbour Marina plc (including its subsidiary Maris Marine Limited)	Marina Operator	Malta	79.17
Camper & Nicholsons Marinas International Ltd	Group Investment Management and Third Party Marina Management & Consultancy	Malta	100.00
Camper & Nicholsons Marinas Ltd	Group Investment Management and Third Party Marina Management & Consultancy	UK	100.00

10 Subsidiaries and Joint Ventures (continued)

Jointly Controlled Entities

Camper & Nicholsons First Eastern Ltd	Third Party Marina Management & Consultancy	Hong Kong	50.00
IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi	Marina Operator	Turkey	35.63*

* The Group's subsidiary Grand Harbour Marina plc, owns a 45% equity interest in IC Cesme Marina.

11 Equity Accounted Investees – Joint ventures

The Group accounts for a 45% interest in IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi ("IC Cesme"), a jointly controlled entity which operates a marina in Turkey. As at 31 December 2017 the Group had invested €1.8 million (31 December 2016: €1.8 million) in the equity of IC Cesme.

The Company has a 50% interest in Camper & Nicholsons First Eastern Limited ("CNFE"), a jointly controlled entity established during 2011 which is involved in marina management and consultancy in the Asia Pacific region. The Company agreed initially to provide funding of up to US$1.25 million to CNFE over 2 years of which $0.5 million was to be equity capital with US$0.75 million as shareholder loan. The equity capital was provided in 2011 and a US$0.3 million (€0.25 million) shareholder loan was provided in July 2013. In early 2016, the two joint venture partners concluded that, although there was an improvement in the activity levels at CNFE, it was unlikely that the business would be able to pay the outstanding amounts in the near future. The partners decided that each partner should convert the equivalent of US$950k of the amounts owed to them into a shareholder loan, to rank as preferred debt of CNFE, with interest at a rate of 3% per annum, and be due for repayment in April 2018 although the loan period can be extended by agreement between the parties. These shareholder loan arrangements were completed in April 2016 and following this each joint venture partner has provided funding of US$1.75 million (€1.46 million) of which US$0.5 million (€0.42 million) is equity capital and US$1.25 million (€1.04 million) is a shareholder loan. Since April 2016 the Group has provided a further €218k of short term investment in the joint venture in the form of extended payment of receivables.

	2017	2017	2017	2016	2016	2016
	IC Cesme	CNFE	Total	IC Cesme	CNFE	Total
At 100% level	€000	€000	€000	€000	€000	€000
Non-current assets	11,575	16	11,591	11,952	20	11,972
Cash and cash equivalents	2,919	180	3,099	4,458	104	4,562
Other current assets	1,564	76	1,640	2,079	240	2,319
Non-current financial liabilities	-	(2,084)	(2,084)	-	(2,372)	(2,372)
Other non-current liabilities	-	-	-	(177)	-	(177)
Isbank loan	(12,041)	-	(12,041)	(14,957)	-	(14,957)
Other current liabilities	(2,098)	(890)	(2,988)	(1,542)	(710)	(2,252)
Net assets / (net liabilities) (100%)	1,919	(2,702)	(783)	1,813	(2,718)	(905)
Percentage ownership interest	45%	50%		45%	50%	
Group's share of net assets / (net liabilities)	864	(1,351)	(487)	816	(1,359)	(543)
Goodwill	372	-	372	372	-	372
Loan to equity accounted investee	-	1,101	1,101	-	1,186	1,186
Short term investment in JV	-	218	218	-	51	51
Exchange	-	32	32	-	122	122
Carrying amount of interest in joint ventures	1,236	-	1,236	1,188	-	1,188

11 Equity Accounted Investees – Joint ventures (continued)

	2017	2017	2017	2016	2016	2016
	IC Cesme	CNFE	Total	IC Cesme	CNFE	Total
At 100% level	€000	€000	€000	€000	€000	€000
Revenue	4,817	416	5,233	5,391	710	6,101
Operating expenses	(4,026)	(592)	(4,618)	(3,238)	(1,274)	(4,512)
Depreciation and amortisation	(806)	(2)	(808)	(778)	(2)	(780)
Finance revenue	120	-	120	97	-	97
Finance costs	(391)	(126)	(517)	(444)	-	(444)
Tax	392	(30)	362	(383)	60	(323)
Profit/(Loss) and total comprehensive income (100%)	106	(334)	(228)	645	(506)	139
Percentage ownership interest	45%	50%		45%	50%	
Group's share of profit / (loss) and total comprehensive income	48	(167)	(119)	290	(253)	37

As reported previously and indicated above, CNFE, whilst making some payments during the year, has been allowed to continue taking extended credit terms on invoices from the two joint venture partners for services provided. At 31 December 2017 Management believed that €218k of the receivables due to the Group from CNFE should be considered to be a short term investment in CNFE (2016: €51k).

The lease of Cesme Marina in Turkey is held by IC Cesme Marina Yatrim Turizm ve Isletmeleri Sirketi, a company in which the Group's subsidiary, Grand Harbour Marina, has a 45% interest. The lease is non-cancellable and expires in 2033. The initial annual rent payable was approximately €1 million and this is index linked in future years in accordance with the Build Operate Transfer (BOT) contract.

The bank loan was provided by Isbank to IC Cesme in the form of a Term Facility Agreement ("Term Facility") in the amount of €9.25 million. This loan was repayable in semi-annual instalments which commenced in December 2011 and had reduced the outstanding balance to €5.44 million at 30 June 2015. In July 2015 negotiations were completed with Isbank to increase the loan by €1.56 million to €7.0 million (Group's 45% share, €3.15 million) with the additional funding to be used for further development of the marina. At the same time the interest rate on the loan was reduced to Euribor + 4.5% (previously Euribor + 5.5%) and the repayment profile was amended with the loan to be repaid in thirteen equal semi-annual instalments which commenced in July 2016 and will end in July 2022.

In addition to the Term Facility, Isbank provided a loan in the form of a General Cash and Non-Cash Credit Agreement (the "Subordinated Loan") with a maximum facility of €10 million against which €8.495 million was drawn down and which was secured against cash pledges by the shareholders. During 2017, IC Cesme repaid €1.8 million (Group's 45% share, €0.8 million) of the subordinated loan which, together with associated interest, resulted in a reduction of the cash pledge made to Isbank from €4 million to €3.1 million.

The Isbank loans are guaranteed by the shareholders as detailed in notes 14 and 24.

12 Property, plant and equipment

Cost:	Marina Development €000	Deferred super yacht berth costs €000	Equipment & office furniture €000	Motor vehicles €000	Leasehold Property €000	Total €000
Year ended 31 December 2016						
At 1 January 2016	34,510	496	1,052	53	94	36,205
Additions	49	-	67	19	-	135
Disposals	-	-	(14)	-	-	(14)
Effects of movements in exchange rates	1,054	-	(5)	1	(13)	1,037
At 31 December 2016	35,613	496	1,100	73	81	37,363
Year ended 31 December 2017						
Additions	255	-	23	18	-	296
Disposals	(395)	-	(5)	(2)	-	(402)
Effect of movements in exchange rates	(3,197)	-	(66)	(4)	(3)	(3,270)
At 31 December 2017	32,276	496	1,052	85	78	33,987
Accumulated depreciation and impairment losses						
Year ended 31 December 2016						
At 1 January 2016	8,645	5	855	53	29	9,587
Depreciation charge	732	-	75	4	22	833
Impairment charge	1,044	-	-	-	-	1,044
Disposals	-	-	(14)	-	-	(14)
Exchange to closing rate	254	-	(8)	1	(5)	242
At 31 December 2016	10,675	5	908	58	46	11,692
Year ended 31 December 2017						
Depreciation charge	782	-	25	9	21	837
Disposals	(185)	-	(5)	-	-	(190)
Effect of movements in exchange rates	(905)	-	(47)	(4)	(3)	(959)
At 31 December 2017	10,367	5	881	63	64	11,380
Carrying Amount:						
At 31 December 2017	21,909	491	171	22	14	22,607
At 31 December 2016	24,938	491	192	15	35	25,671

In 2016, following a weaker trading performance at Port Louis Marina, impairment was recognised and a €1.0 million charge was included in the 2016 financial statements. During 2017, trading performance at the Port Louis Marina improved significantly from the 2016 level with the benefit of boats moving South to avoid the hurricane damage in the northern Caribbean. Operating marina performance was above expectations and EBITDA increased from US$0.3 million in 2016 to nearly US$0.6 million (€0.5 million) before a US$0.2 million loss on disposal of certain non-performing fixed assets. Taking this into account, CBRE Ltd completed their annual valuation and applied a discount rate of 8.5% (2016: 8.5%) and an exit multiple of 12.5x (2016: 12.5x) to their forecast of the cash flows for the marina excluding the superyacht berths and this element of their valuation increased by 16% to US$6.3 million.

12 Property, plant and equipment (continued)

As previously CBRE has applied a bulk valuation approach to both the unsold superyacht dock area of 11,415 square metres and the other superyacht berth area of 5,355 square metres but reduced the assumed value per square metre for these areas. Although the value of forecast marina cash flows has improved the reduction in the bulk area valuations has resulted in CBRE reducing their overall valuation of the asset at 31 December 2017 to US$19.5 million (2016: US$19.75 million) or €16.3 million (2016: €18.7 million). This valuation is US$0.2 million (2016: US$1.75 million before the US$1.1 million impairment charge) below the US$19.7 million (2016: US$21.5 million) carrying value of the asset and is therefore considered to be a possible indicator of impairment of value.

When considering the value of the marina, the Directors reviewed the CBRE valuation carefully and noted that it still did not attribute a specific value to the 20,000 square metres of unutilised seabed for which there is planning permission to install additional berthing. Based on the cost originally attributed to the whole seabed area of around 50,000 square metres and after considering the overall decrease in the value of the marina since acquisition it is estimated that the unused seabed area had a value of around US$1.5 million (€1.25 million). The Directors have reviewed again the CBRE valuation as at 31 December 2017 and maintain the view that the unused seabed area has a value of US$1.5 million (€1.25 million).

The CBRE valuation is now around 1% below the current book value, primarily due to CBRE's use of a bulk valuation of the superyacht dock water area that is based on a price that is less than 45% of the current list price and the lack of a specific value being attributed to the unused seabed. However with consideration being given to expansion of the berthing capacity at Port Louis, the Directors have decided that no further impairment charge is required in the 2017 financial statements (2016: US$1.1 million or €1.0 million).

13 Assets held under Trust

In accordance with the terms of the Trust Deed for Grand Harbour Marina plc's ("GHM") unsecured 7% Bond, GHM was required to establish a sinking fund to support repayment of the Bond in 2020. During the year the Bond was refinanced with a 4.5% Bond and the assets held by the Trustees were released back to the GHM.

	31 December 2017	**31 December 2016**
	€000	*€000*
Balance at start of year	1,926	1,118
Transfers to Trustees	-	808
Release of assets following Bond redemption	(1,926)	-
Balance at end of year	-	1,926

14 Cash pledges

	31 December 2017	**31 December 2016**
	€000	*€000*
Isbank cash pledge	3,144	4,047

As detailed in Note 11, the subordinated loan provided by Isbank to IC Cesme is secured against cash pledges made by the IC Cesme Marina shareholders. The Company's interest in IC Cesme Marina was sold to Grand Harbour Marina plc ("GHM") in March 2011. Part of the contractual terms of the sale required GHM to take over the Company's obligations to Isbank. At 31 December 2017 the Group's share of the cash pledge amounted to €3,144k (31 December 2016: €4,047k) including interest added of €194k (31 December 2016: €210k). This continued to be held in the Company's name but in line with the terms of the sale agreement, GHM has lodged an equivalent sum with the Company in anticipation of Isbank agreeing to substitute GHM for the Company in relation to the banking arrangements for IC Cesme.

15 Goodwill

Goodwill arises from the following acquisitions:

			31 December 2017	31 December 2016
	Acquisition Cost	**Group share of fair value of assets acquired**	**Goodwill**	**Goodwill**
	€000	*€000*	*€000*	*€000*
Grand Harbour Marina plc	11,168	1,835	9,333	9,333
Camper & Nicholsons Marinas International Ltd			1,271	1,271
			10,604	10,604

The Company commissions annual professional valuations of the marinas in which it has a financial interest and reviews the carrying value of marina related goodwill by reference to those valuations. A valuation of Grand Harbour Marina was carried out as at 31 December 2017 by the specialist leisure consultancy team of CBRE Limited, (see page 11) the Company's independent property valuer, who also completed the 31 December 2016 valuation. Having reviewed this valuation the Directors have concluded that no adjustment to the carrying value of goodwill was necessary at 31 December 2017.

The goodwill relating to Camper & Nicholsons Marinas International Ltd arose originally on Camper & Nicholsons Marina Holdings ("CNMH") of which it was a wholly owned subsidiary. When CNMH was dissolved, Camper & Nicholsons Marinas International Ltd became a wholly owned subsidiary of the Company. In relation to Camper & Nicholsons Marinas International Ltd, management has considered the performance of the business during the last five years, and the forecast performance of the business in 2018. As this is a specialist business there are no recent transactions or listed businesses that are truly comparable. However management has used businesses with similar characteristics in estimating an appropriate EBITDA multiple range. Using the lower end of this range of multiples, being around 7x forecast EBITDA, the estimated value of the business is in excess of the carrying value of the business assets including the goodwill of €1.3 million and no impairment of goodwill is considered necessary. In the event that the assumed EBITDA multiple reduced below 5x or the forecast EBITDA decreased by 25% or more, management might need to consider whether the goodwill should be impaired.

16 Trade and other receivables

	31 December 2017	**31 December 2016**
	€000	*€000*
Trade receivables	1,322	1,428
Taxation recoverable	10	12
Other receivables	86	97
Prepayments and accrued income	331	310
	1,749	1,847

Trade receivables are non-interest bearing and are generally on 30-90 days terms.

At 31 December 2017 receivables totalling €415k (2016: €267k) were owed to Group companies by the Group's 50:50 joint venture with First Eastern, Camper & Nicholsons First Eastern ("CNFE"). As at 31 December 2017, €218k (2016: €51k) was considered to be a short term investment in the joint venture as detailed in note 11. The trade receivables figure above includes €197k (2016: €216k) owed to the Group by CNFE.

16 Trade and other receivables (continued)

As at 31 December 2017 the ageing analysis of trade receivables was as follows:

	31 December 2017	31 December 2016
	€000	*€000*
Neither past due nor impaired	298	272
Past due but not impaired:		
Less than 30 days	164	146
Between 30 and 60 days	229	326
Between 60 and 90 days	174	139
Between 90 and 120 days	128	144
Greater than 120 days	329	401
Past due and impaired:		
Less than 120 days	-	-
Greater than 120 days	144	306
Less impairment	(144)	(306)
	1,322	1,428

17 Cash and cash equivalents

	31 December 2017	31 December 2016
	€000	*€000*
Cash and cash equivalents comprise the following:-		
Cash at bank and in hand	10,827	1,343
	10,827	1,343

18 Trade and other payables

	31 December 2017	31 December 2016
	€000	*€000*
Trade payables	393	180
Other payables	338	266
Accrued expenses	1,796	1,867
Accrued bond and loan interest	242	266
Deferred revenue	737	770
	3,506	3,349

Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

19 Unsecured Bond Issue

During the period ended 31 December 2010, Grand Harbour Marina plc (“GHM”) issued €10 million bonds, with an over-allotment option of €2 million bearing an interest rate of 7%, redeemable on any day falling between and including 25 February 2017 and 25 February 2020. These Bonds were redeemed during the year from the proceeds of the new €15 million, 4.5%, 10 year Bond of a nominal value of €100 per Bond issued at par to which existing Bondholders and shareholders were given the option to subscribe.

This new 4.5% Bond is for a 10 year period with no early repayment option with repayment at par on 23 August 2027.

The table below shows the outstanding balances.

19 Unsecured Bond Issue (continued)

	31 December 2017	**31 December 2016**
7% Bonds	*€000*	*€000*
Opening balance	10,810	10,762
Amortisation of transaction costs	160	48
Redemption of Bonds	(10,970)	-
Balance of 7% Bonds at year end	-	10,810

4.5% Bonds	*€000*	*€000*
Bond Issue	15,000	-
Bond issue transaction costs	(401)	-
Amortisation of transaction costs	11	-
Balance of 4.5% Bonds at year end	14,610	-

20 Interest bearing loans and deposits

	31 December 2017	**31 December 2016**
	€000	*€000*
Scotia Bank Loan	4,608	5,765
Bank Overdrafts	3	1
	4,611	5,766
Unsecured 7% Bond (Note 19)	-	10,810
Unsecured 4.5% Bond (Note 19)	14,610	-
Total Loans	19,221	16,576
Repayable within one year	1,150	523
Repayable after more than one year	18,071	16,053
Total Loans	19,221	16,576

	Interest Rate at 31 December 2017	**Interest Rate at 31 December 2016**	**Due 2018**	**Due 2019**	**Due 2027**	**Total**
	%	*%*	*€000*	*€000*	*€000*	*€000*
Scotia Bank Loan	4.69%	4.00%	1,147	3,461	-	4,608
Bank overdraft	4.85%	4.85%	3	-	-	3
Unsecured 7% Bond	n/a	7.00%	-	-	-	-
Unsecured 4.5% Bond	4.5%	n/a	-	-	14,610	14,610
Total			1,150	3,461	14,610	19,221

Information on the maturity profiles of the loans is given in Note 28.

Security:

The Scotia Bank loan in respect of Camper & Nicholsons Grenada Limited (“CNGL”) is secured by:

- First ranking and continuing sum Demand Mortgage Debenture stamped for US$15 million or equivalent charge over the fixed assets, goodwill, and uncalled capital of the borrower and a floating charge over all other assets.

20 Interest bearing loans and deposits (continued)

The Scotia Bank loan is subject to a floating rate being Libor+3%. The capital repayment due at the end of the first quarter of 2018 is US$250k which then rises to US$375k from the end of the second quarter of the year with further quarterly payments at that level up to and including the end of the first quarter of 2019. The balance of the loan is then due as a final bullet payment in mid 2019.

The bank overdraft in respect of Grand Harbour Marina plc ("GHM") is secured by:

- a first general hypothec for €1,747k on overdraft basis over all assets, present and future given by Grand Harbour Marina plc; and
- a first special hypothec for €1,747k on overdraft basis over the temporary utile dominium for 99 years commencing from 2 June 1999 over the land measuring 1,410 square metres at Cottonera Waterfront Vittoriosa.

Details of the Grand Harbour Marina 4.5% unsecured bond are given in Note 19.

A reconciliation of the cash and non cash movements arising from financing activities for the years ended 31 December 2016 and 2017 is shown in the table below.

€000	Loans and Overdrafts	7% Bond	4.5% Bond	Total
For the year ended 31 December 2016				
Balance at 1 January 2016	5,812	10,762	-	16,574
(Repayment)/Drawdown	(287)		-	(287)
Amortisation of issue costs	-	48	-	48
Impact of exchange rate changes	241	-	-	241
Balance at 31 December 2016	5,766	10,810	-	16,576
For the year ended 31 December 2017				
Balance at 1 January 2017	5,766	10,810	-	16,576
Cash outflows at redemption	-	(10,970)	-	(10,970)
Cash flow from new issue	-	-	14,610	14,610
(Repayment)/Drawdown	(457)			(457)
Amortisation of issue costs	-	160	-	160
Impact of exchange rate changes	(698)	-	-	(698)
Balance at 31 December 2017	4,611	-	14,610	19,221

21 Issued Share Capital

	Authorised	**Issued & Fully Paid**	
		2017	**2016**
Ordinary shares of no par value (000)	Unlimited	207,230	165,784

The share capital is shown in the consolidated Statement of Financial Position net of issue costs of €3,006k (2016: €2,883k). In August 2017 the Company raised €3,605k (pre costs), €3,482k net of costs from the issue of 41.446 million shares at a price of 8 pence (Sterling) per share. These additional shares ranked pari passu with the existing shares including the right to receive all dividends and other distributions declared, made or paid after their admission to AIM.

22 Net asset value per share

The calculation of basic net asset value per share as at 31 December 2017 is based on net assets of €25,912k (2016: €25,511k) attributable to the equity shareholders, divided by the 207,230k (2016: 165,784k) ordinary shares in issue at that date. As there were no options outstanding at 31 December 2017 the basic and diluted net asset value per share are the same.

23 Non-controlling interest

The non-controlling interest is all attributable to the 20.83% non-controlling shareholding in Grand Harbour Marina plc ("GHM"), the Group's Maltese subsidiary which owns a 45% interest in IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi, in Turkey.

The following is summarised financial information for the GHM subgroup, prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	2017	**2016**
	€000	*€000*
Revenues	4,130	4,231
Profit	51	375
Profit attributable to non-controlling interest	11	78
Other comprehensive income	-	-
Total comprehensive income	51	375
Total comprehensive income attributable to non-controlling interest	11	78
Current assets	8,730	2,175
Non-current assets	12,320	14,607
Current liabilities	(2,725)	(2,660)
Non-current liabilities	(15,449)	(11,292)
Net assets	2,876	2,830
Net assets attributable to non-controlling interest	539	528
Cash flows from operating activities	1,700	1,673
Cash flows from investing activities	2,011	(1,273)
Cash flows from financing activities	2,871	(1,250)
Net decrease in cash and cash equivalents	6,582	(850)
Dividends paid to non-controlling interest during the year	-	100

24 Commitments and contingencies

Operating lease commitments – Group as lessee

The Group carries on business from three marinas and three office premises all of which are held under non-cancellable operating leases. Rentals, excluding those related to IC Cesme Marina which is not consolidated on a line by line basis, are payable as follows:

	2017		2016	
	€000	*€000*	*€000*	*€000*
	Minimum	**Maximum**	**Minimum**	**Maximum**
Less than one year	482	863	469	850
Between one and five years	1,682	3,209	1,647	3,174
More than 5 years	4,485	7,846	5,105	8,848
Total	6,649	11,918	7,221	12,872

The marina leases have (a) 82 years and (b) 89 years unexpired at 31 December 2017. In respect of lease (a) the Group has the option to terminate in 2033 and in respect of lease (b) the original term can be extended for a further 99 years. The rent payable under lease (a) is based on a percentage of turnover, subject to defined minimum and maximum levels and under lease (b) the rent is dependent upon the square footage brought into use.

The Group has four office premises. Three of these are held under non-cancellable operating leases which range in length between 5 and 25 years with rents reviewable periodically to prevailing market rates. The fourth property is held under a 15 year operating lease which is cancellable at any time after the first 5 years subject to a six month notice period. The unexpired periods of these leases at 31 December 2017 were between 1.7 and 13 years. The Group ceased to occupy one of the offices during 2012 and another during 2017. Both of these properties have now been sublet to the end of their terms.

Finance lease commitments – Group as lessor

The Group has granted a number of licences ranging in duration from 25 to 45 years in respect of berths at Grand Harbour Marina. The licence fees payable for the berth are accounted for in the year of sale and consequently there is no future licence fee income. Licensees are required to pay annual service charges to defray the costs of maintenance of the berths. Because all amounts receivable under long term licences are collected at the outset of the contract, the Group's gross and net investment in finance leases is zero.

Capital commitments

At 31 December 2017, the Group had contracted capital commitments of €Nil (2016: €Nil).

Contingent liabilities

The Group had the following contingencies at 31 December 2017:

The Group's joint venture, IC Cesme, is disputing a claim by the District Governorship of Cesme that the landside tenants/subtenants in Cesme should pay to the Governorship a charge of 1% on the annual revenues from 2010 to 2017 and in future years. This charge would ultimately be the responsibility of IC Cesme in the event that the Governorship's claim is successful and the tenants/subtenants do not make the payment. The Board of Directors of IC Cesme Marina believes that this claim is contrary to the signed agreements and in this regard has initiated a legal case. As at 31 December 2017, the potential claim would amount to €776k (2016: €772k) with the Group's 45% share being €349k (2016: €347k) if IC Cesme had to make payment in full.

24 Commitments and contingencies (continued)

Contingent liabilities (continued)

IC Cesme, is also disputing a claim and lawsuit by the Izmir Tax Inspection Board that it has incorrectly calculated the useful lives of certain assets and therefore the depreciation charge for the years between 2010 and 2013 resulting in a claim for payment of €145k tax, including a €87k penalty. The Board of Directors of IC Cesme, having consulted the company's Attorney, believe the lawsuit will be cancelled in a subsequent period. However, as no accrual has been made, in the event that it was not cancelled and IC Cesme lost the lawsuit, it would result in a liability of €145k (2016: €177k) with the Group's 45% share being €65k (2016: €80k).

IC Cesme is also disputing a claim and lawsuit by a former tenant of Cesme Marina, Bolluca Turizm Gida San. ve Dis Tic.Ltd.Sti., which started a legal case against IC Cesme after its contract was terminated in 2011 due to the lack of rental payments. The Board of Directors of IC Cesme, having consulted the company's Attorney, consider that the claim is not valid. However, as no accrual has been made, in the event that IC Cesme lost the lawsuit, it would result in a liability of €1,439k (2016: €Nil) with the Group's share being €648k (2016: €Nil).

Litigation and claims

At 31 December 2017, other than the three items noted above, there were no material claims against the Group or litigation issues with which the Group was involved.

Guarantees

The Company and Camper & Nicholsons Grenada Services Limited, a subsidiary, have each provided an unlimited guarantee in favour of The Bank of Nova Scotia in support of a loan facility provided to Camper & Nicholsons Grenada Limited.

The Company currently acts as a guarantor and sponsor of IC Cesme's repayment obligations under the Term Facility and the Subordinated Loan to the extent of 45% of any non-payment. As part of the contractual arrangements for the sale of the Company's interest in IC Cesme to GHM, GHM agreed to become guarantor in place of the Company but the legal formalities relating to this substitution had not been completed at the reporting date. GHM has indemnified the Company against any loss arising. The Group's potential liability at 31 December 2017 was €5,418k (2016: €6,731k).

Grand Harbour Marina plc, a subsidiary, has provided a guarantee in respect of a performance bond amounting to €35k (2016: €35k).

Trade Mark Licence

The Company has an exclusive, perpetual, global licence to use the Camper & Nicholsons brand and related trademarks in connection with marinas and marina related services and is liable to pay a royalty of, generally, 1.5% of the marina related turnover of entities licensed to use the brand and of 1.5% of fees earned from marina related consultancy services provided to third party clients, subject to a minimum annual payment of €125k (base year 2009) rising annually in line with RPI (UK).

25 Related party transactions

25.1 Transactions with key management personnel

Information on Directors' Emoluments, the key terms of their contracts and their interests in the shares of the Company is given in the Directors' Report.

25.2 Administration and support services provided by Y-Lee Limited

During the year, Y-Lee Limited charged €51k (2016: €55k) to Camper & Nicholsons Marinas Limited for providing the services of Clive Whiley as CEO. At 31 December 2017 €Nil (2016: €Nil) was due to Y-Lee Limited.

25 Related party transactions (continued)

25.3 Office Rental agreement with Evolution Securities China Limited

When Camper & Nicholsons Marinas Limited moved offices in October 2014 it agreed to share the office space with Evolution Securities China Limited, a Company which, like Camper & Nicholsons Marina Investments Limited, is majority owned by First Eastern. During the year €38k (2016: €41k) was charged to Evolution Securities China Limited for the provision of office space. At 31 December 2017 €Nil (2016: €4k) was due to Camper & Nicholsons Marinas Limited.

25.4 Consultancy Services provided to Victoria Quay Estate Limited ("VQEL")

During the year, Camper & Nicholsons Marinas Limited credited €19k (2016: charged €171k) to VQEL for marina consultancy services in relation to the proposed Victoria Quay development at East Cowes for which VQEL is the developer. First Eastern, which has an 87.2% shareholding in Camper & Nicholsons Marina Investments Limited, is also the lead investor in VQEL. At 31 December 2017 €Nil k (2016: €126k) was due to Camper & Nicholsons Marinas Limited.

26 Financial Instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts, as at 31 December 2017 and 31 December 2016, in the consolidated statement of financial position, are as follows.

	31 December 2017		31 December 2016	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	€000	*€000*	*€000*	*€000*
Financial assets not measured at Fair Value				
Trade and Other Receivables	1,749	1,749	1,847	1,847
Cash and Cash equivalents	10,827	10,827	1,343	1,343
Assets held under Trust (Note 13)	-	-	1,926	1,926
Cash pledges	3,144	3,144	4,047	4,047
Financial liabilities not measured at Fair Value				
Loans and Borrowings	(4,611)	(4,611)	(5,766)	(5,766)
Unsecured 4.5% Bond	(14,610)	(15,810)	-	-
Unsecured 7% Bond	-	-	(10,810)	(11,189)
Trade and Other liabilities	(3,506)	(3,506)	(3,349)	(3,349)
Other payables	(989)	(989)	(662)	(662)

The Unsecured 4.5% Bond, as was the case with the previous 7% Bond, is a financial instrument that is quoted on the Malta Stock Exchange. The Bond is considered to be Level 1 of the Fair Value hierarchy which is defined as being based on an unadjusted market price in an active market for identical assets or liabilities. The fair value of the bonds in issue at 31 December 2017, as shown above, is based on the trading price existing at the balance sheet date of €105.4 (2016 for 7% Bond: €102.0) per €100 nominal value.
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27 Financial risk management objectives and policies

The Group holds cash and liquid resources, bank and other loans as well as debtors and creditors arising from its operations.

The main risks arising from the Group's financial instruments and its fixed assets are market price risk, credit risk, liquidity risk, interest rate risk and exchange rate risk. The directors regularly review and agree policies for managing these risks and these are summarised as follows:

27 Financial risk management objectives and policies (continued)

Market price risk

The Group's exposure to market price risk relates mainly to changes in the value of its marina assets. Marinas and marina related real estate are inherently difficult to value due to the individual nature and particular characteristics of each property. As a result, professional valuations are subject to uncertainty and there can be no assurance that estimates resulting from the valuation process will reflect the actual sale price achievable in the marketplace.

The market value of the Group's marinas may be affected by general economic conditions, including changes in interest rates and inflation, by conditions and pricing within the markets in which the Group operates. It may also be affected by changes in the political and economic climate in the countries or regions within which the Group's assets are situated.

Operating income and capital values may also be affected by other factors specific to the marina industry such as competition from other marina owners, the perceptions of berth holders (and prospective berth holders) of the attractiveness, convenience and safety of marinas, and increases in operating costs such as labour, maintenance and insurance etc.

The Directors monitor market value by having annual valuations carried out by CBRE Limited.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. The nature of the Group's business is such that the amount of credit extended to individual external customers is usually small in order that significant concentrations of credit risk within the Group can be avoided. Whilst developing the Camper & Nicholsons First Eastern ("CNFE") business, however, the two partners have allowed the joint venture to take extended credit on amounts due and at 31 December 2017, in addition to the shareholder loan of €1,101k (2016: €1,186k), receivables totalling €415k (2016: €267k) were due to Group companies from CNFE. As explained in Note 16, at 31 December 2017, €218k (2016: €51k) of this receivables amount is considered to be a short term investment in the joint venture.

Liquidity risk

Liquidity risk is the risk the Group will encounter in realising assets or otherwise raising funds to meet financial commitments. Investments in marinas and marina related real estate are relatively illiquid.

Management monitor the Group's cash flow requirements on a weekly basis to ensure there is sufficient cash on demand to meet capital expenditure commitments and expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of circumstances that cannot reasonably be predicted.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash deposits and to its bank and other borrowings. In respect of cash balances, the Group's strategy is to maximise the amount of cash held on interest bearing accounts and to ensure that those accounts attract a competitive interest rate.

The Group may be exposed to the risk of interest rate fluctuations as borrowings may be obtained on either floating or fixed interest rate terms. It is the Group's policy not to hedge against interest rate risks.

Increases in interest rates may increase the costs of the Group's borrowings, in particular on floating interest rate loans and may have an adverse effect on the Group.

27 Financial risk management objectives and policies (continued)

Exchange rate risk

The Group makes investments in currencies other than Euros, the base currency of the Company. The Company's net asset value is reported in Euros. Changes in the rates of exchange may have an effect on the value, price or income of such investments. A change in foreign currency exchange rates may impact returns on the Group's non-Euro denominated investments. The Group intends to incur borrowings of up to 100% of the Company's net asset value and, where possible, it will mitigate the exchange rate risk by matching the investment and borrowing currencies.

Capital management

The Board's policy in the year was to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group is not subject to externally imposed capital requirements.

28 Financial instruments

28.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	Carrying amount	
Financial Assets	**31 December 2017**	**31 December 2016**
	€000	*€000*
Trade receivables	1,322	1,428
Other receivables	96	109
Cash Pledges	3,144	4,047
Assets held under Trust	-	1,926
Cash and cash equivalents	10,604	1,343
Total	15,166	8,853

Cash and cash equivalents represents funds deposited with several major Banks, the most significant being; HSBC, Bank of Valletta and Scotia Bank which are rated BBB to AA- based on Fitch Agency ratings.

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:-

	Carrying amount	
Trade Receivables	**31 December 2017**	**31 December 2016**
	€000	*€000*
Individual	205	207
Legal entities	967	1,123
Agents	294	404
	1,466	1,734
Impairment	(144)	(306)
Carrying amount	1,322	1,428

Information relating to the ageing of receivables at the reporting date and associated impairment is provided in note 16.

28 Financial instruments (continued)

28.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Financial Liabilities	**Carrying Amount**	**Contractual Cash Flows**	**6 Months or less**	**6 - 12 Months**	**1 - 2 Years**	**3 - 5 Years**	**Over 5 Years**
31 December 2017	*€000*	*€000*	*€000*	*€000*	*€000*	*€000*	*€000*
Scotia Bank loan	4,608	(4,884)	(627)	(718)	(3,539)	-	-
4.5% Bond Issue	14,610	(21,751)	(338)	(338)	(675)	(2,025)	(18,375)
Bank overdraft	3	(3)	(3)	-	-	-	-
Trade payables	393	(393)	(393)	-	-	-	-
Total	19,614	(27,031)	(1,361)	(1,056)	(4,214)	(2,025)	(18,375)
31 December 2016							
Scotia Bank loan	5,765	(6,257)	(305)	(443)	(1,496)	(4,013)	-
7% Bond Issue	10,810	(13,657)	(384)	(384)	(768)	(12,121)	-
Bank overdraft	1	(1)	(1)	-	-	-	-
Trade payables	180	(180)	(180)	-	-	-	-
Total	16,756	(20,095)	(870)	(827)	(2,264)	(16,134)	-

As indicated in Note 20, the Scotia Bank loan is subject to a floating interest rate of Libor plus 3%.

28.3 Exposure to interest rate risk

The Group is subject to changes in base interest rates as may be announced by the European Central Bank from time to time and to changes in the market rates for LIBOR. Based on the gross value of loans outstanding as at 31 December 2017 that are subject to variable interest rates, an increase of 100 bps (2016: 100bps) would reduce profit before tax by €63k (2016: €80k). Similarly a reduction of 100bps (2016: 100bps) on all of the Group's borrowings subject to variable interest rates would increase profit before tax by €63k (2016: €80k).

28.4 Exposure to currency risk

The Company's exposure to foreign currency risk at 31 December was as follows, based on notional amounts:

€000 based on year end exchange rates	**31 December 2017**	**31 December 2016**
<u>Cash at bank</u>		
GB Pounds	2,017	33
US Dollars	783	87
EC Dollars	245	72
<u>Trade receivables</u>		
GB Pounds	486	546
EC Dollars	187	121
<u>Borrowings</u>		
US Dollars	4,608	5,765

28 Financial instruments (continued)

28.4 Exposure to currency risk (continued)

Exchange Rate to Euro Table

The following significant exchange rates versus the Euro applied during the year:

Currency	Average rate 2017	Average rate 2016	Year end rate 2017	Year end rate 2016
GB Pounds	1.1406	1.2203	1.1271	1.1680
US Dollars	0.8852	0.9034	0.8338	0.9487
EC Dollars	0.3279	0.3346	0.3088	0.3514
Turkish Lira	0.2427	0.2991	0.2215	0.2695

Sensitivity analysis

A 10 percent strengthening of the Euro against the year end rate for the following currencies at 31 December would have increased / (decreased) equity by the amounts shown below whilst a 10 per cent strengthening of the average Euro rate during the year would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant. The analysis is performed on the same basis for 2016.

	31 December 2017		31 December 2016	
	Equity	Profit or Loss	Equity	Profit or Loss
	€000	*€000*	*€000*	*€000*
GB Pounds	(255)	178	(50)	183
US Dollars	(1,448)	12	(1,648)	7
Turkish Lira	(125)	(37)	(136)	(29)

A 10 percent weakening of the Euro against the year-end rates and average rates would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

29 Substantial shareholdings

As at 20 April 2018 the Directors had been notified, or were aware, of the following holdings representing more than 3 per cent of the Company's issued share capital:

	% held
First Eastern (Holdings) Ltd	62.20%
FE Marina Investments Ltd	25.00%
Richard Griffiths	11.67%

The ultimate controlling party is Mr Victor Chu, the Chairman and principal shareholder of First Eastern (Holdings) Limited, which together with its wholly owned subsidiary, FE Marina Investments Limited, owns 87.2% of Camper & Nicholsons Marina Investments Limited's issued share capital.

30 Post balance sheet events

As referred to in the Chairman's Statement, Business Review and Directors' Report, between the end of the reporting period and the date of signing of these consolidated financial statements, Camper & Nicholsons Marina Investments Limited delisted from the AIM market.

CAMPER & NICHOLSONS MARINA INVESTMENTS LIMITED

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting will be held at Bordage House, Le Bordage, St Peter Port, Guernsey, Channel Islands, Great Britain GY1 1BU on Wednesday 6 June 2018 at 10.30am for the following purposes:-

1. To receive and adopt the audited financial statements and the reports of the Directors and Auditor for the period ended 31 December 2017.

2. To re-appoint KPMG Channel Islands Limited as Auditor of the Company and to authorise the Audit Committee to determine the Auditor's remuneration.

3. To elect directors:
   a. Mr Martin Bralsford
   b. Mr Victor Chu
   c. Ms Elizabeth Kan
   d. Mr Roger Lewis
   e. Mr Clive Whiley

4. To consider any other business.

By order of the Board

Shaftesbury Limited
Company Secretary

Registered Office:
Bordage House
Le Bordage
St Peter Port
Guernsey,
GY1 1BU

Dated this 20 April 2018

N.B. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her. A proxy need not be a member of the Company.

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