Camper & Nicholsons Marinas

YACHTING SINCE 1782

Annual Report 2012

Camper & Nicholsons Marina Investments Limited

CONTENTS

	Page
Chairman's Statement	1
Business Review	3
General information	10
Directors	11
Directors' report	12
Auditor's report	17
Consolidated Statement of Comprehensive Income	18
Consolidated Statement of changes in equity	19
Consolidated Statement of Financial Position	20
Consolidated Statement of Cash Flows	21
Notes to the consolidated financial statements	22

Front cover photograph: Yas Marina, Abu Dhabi

CHAIRMAN'S STATEMENT

By Sir Christopher Lewinton, Chairman

In November 2012 the Board, supported by our shareholders, appointed Clive Whiley as interim CEO in succession to Nick Maris who has left the Company. We are pleased that Clive has now agreed to continue in the role as CEO. Our 2012 audited results show improved performance as detailed in the Business Review.

- Each of our three marinas showed improved performance. Grand Harbour Marina, which achieved a €3.1 million berth sale in December, generated a profit before tax. Cesme with significant revenue increases was close to being breakeven at PBT. Before and after non-cash impairment charges, Port Louis reduced its loss before tax.

- Revenues from our third party marina business increased by 73% in 2012 to reach €1.6 million (2011: €0.9 million) which included a first full year contribution of €0.1 million from CNFE our Hong Kong based joint venture. In Europe three new management services agreements were signed during the year, two in Italy and one in Greece which alongside initial progress in the Asia Pacific region is encouraging for future revenue.

- With the benefit of improved performance at our three marinas and the third party business and the completion of €3.2 million of total berth sales (2011: €1.2 million) the loss before tax and the impairment charge improved from the €5.1 million loss (7.6 Euro cents per share) reported in 2011 to €1.6 million (2.0 Euro cents per share). After a non-cash impairment charge of €3.8 million (2011: €10.0 million) relating to Port Louis the loss before tax improved from the €15.1 million reported in 2011 to €5.4 million.

On March 20 2013 we announced the terms of a fundraising to raise up to £4 million, fully underwritten by First Eastern, through the issue of 61,540,743 new Ordinary shares at a price of 6.5 pence per share. Details of the fundraising were provided in a Shareholder Circular mailed to shareholders on 12 April and following approvals given at the EGM held on 3 May 2013 the fundraising was completed on 7 May 2013 with the admission of the new shares to trading on AIM and the commencement of dealings in the new shares on that date. Following the fundraising the Company has 141,784,358 Ordinary shares in issue of which 23.3% are owned by First Eastern (Holdings) Limited and 25% by its majority owned subsidiary FE Marina Investments Limited. As disclosed in the Circular, the Directors subscribed for their full Basic Entitlement and, together with the shares purchased in the market by Mr Martin Bralsford on 24 April 2013 and some excess applications, this has resulted in the Directors owning 6.6% of the enlarged share capital.

The Board is of the firm opinion that the fundraising was both necessary and in the best interests of the Company as it:

- Ensures that we have sufficient funds to facilitate the removal of a banking covenant on the Scotia Bank loan to Camper & Nicholsons Grenada Limited and to meet loan capital repayments as they fall due in both 2013 and 2014.
- Covers the one-off costs of restructuring the business required to generate target cost savings
- Fund the working capital cost, of some US$750k, to support accelerated growth in our Third party business and CNFE, our Hong Kong based joint venture.

I am pleased to report that the appointment of Clive Whiley as our CEO has strengthened the Company. Clive has instituted a significant cost saving programme, which is now underway, introduced a simplified management structure and given clear leadership to the Management team. These actions will enable the management to operate more effectively.

We are pleased to have been working with finnCap as our financial adviser since 28 February 2013 and to have appointed them as our nominated adviser and broker with effect from 20 March.

OUTLOOK

With continuing above inflation revenue growth at our three marinas, the third party business and our Hong Kong based joint venture coupled with the cost reduction programme initiated by Clive Whiley, the Board expects the Group to move towards profitability and positive operating cash flow without the need for berth sales.

With the benefit of the additional funding, the improving performance of the business and with the Board and Management interests wholly aligned, the Board will be in a position to restore shareholder value and to explore strategic options to accelerate the growth of the business.

Sir Christopher Lewinton

Chairman

8 May 2013

BUSINESS REVIEW

By Clive Whiley, CEO of Camper & Nicholsons Marinas Limited

Review & Outlook

My initial observations, having been Chief Executive for three months, are that:

- The core strategy, at flotation in 2007, was to build asset value even to the extent that asset disposals were ultimately required to fund operating expenditure;
- a combination of that strategy and the prevailing market conditions led to the Company buying the right assets, at what with 20/20 hindsight was the wrong price, in aggregate, via a leveraged funding structure with full recourse to the Group balance sheet;
- a perpetuation of that strategy led to the dissipation of a further €4.5 milliion (net) of new equity raised less than two years ago, undermining investor communications, and perhaps unsurprisingly leading to a fall in the market rating;
- however the Company has acquired and subsequently invested significant capital into what are intrinsically good assets and the intangible capital residing in the business is undervalued due to a failure, to date, to optimise the return from the Company's consultancy activities;

Since my appointment I have been working closely with the management team to:

- stabilise the key operations of the business whilst co-terminously isolating the measures deemed necessary to align 2013 Operating Expenditure with forecast revenue (excluding berth sales) with the objective of cutting annualised costs by €1 million;
- forecasting 2013/14 total cash-flow requirements (excluding berth sales) alongside evaluating the external interest expressed in Group assets to ascertain whether there is a viable alternative to raising additional capital at this juncture;
- determine that the Company has the capital, management and revenue profile demanded of a company in order for it to thrive as a listed entity;

Accordingly having repositioned the business as indicated above I am satisfied that following the fundraising detailed below the Company will have sufficient additional capital to pursue a corporate development strategy, utilising the specialist skills exhibited within the consultancy activities, directed at optimising the strategic assets owned by the company. The objective of the capital raising being to clear a path to facilitate a balanced approach to debt reduction, capital investment and the restoration of shareholder value through both share price appreciation and distributions to shareholders.

Fund Raising

In order to ensure that the Company had sufficient funds to continue this positive trend, on 20 March 2013 we announced the terms of a fundraising to raise up to £4 million (the "Fundraising") through the issue of 61,540,743 new ordinary shares of no par value in the capital of the Company ("Ordinary Shares"). The Fundraising was structured as a subscription (the "Subscription") by First Eastern for 15,384,615 new Ordinary Shares (the "Subscription Shares") at 6.5 pence per Ordinary Share (the "Issue Price") and an open offer (the "Open Offer") to existing shareholders pursuant to which shareholders were entitled to subscribe at the Issue Price for 0.5752 new Ordinary shares for each Ordinary Share they held. The Fundraising was approved by shareholders at a general meeting on 3 May and the new Ordinary Shares were admitted to trading on AIM and dealings commenced on 7 May 2013.

As a result of the Subscription and their underwriting of the Open Offer, First Eastern's total shareholding in the Company has increased to 48.3% of the voting share capital. However at the general Meeting held on 3 May 2013, the independent shareholders (being those not related to First Eastern) approved the waiver granted by the Panel on Takeovers and Mergers from the obligation that would ordinarily arise on First Eastern pursuant to Rule 9 of the City Code and Takeovers and Mergers to make an offer for the remaining Ordinary Shares.

The proceeds will be utilised to:

- provide both a cash deposit of US$655,000, to facilitate the removal of a Debt Service Coverage Ratio covenant given to Scotiabank, that would otherwise have been breached on 31 March 2013 and secure a permanent waiver of prior breaches and, additionally, to be available as security for capital & interest payments as they fall due through to the bullet repayment of US$7,500,000 due to Scotia Bank on 30 June 2015;

- fund the estimated working capital cost, of some US$750,000, required to support the accelerated revenue growth anticipated in our Third Party business and the Hong Kong joint venture;
- cover the one-off costs associated with the restructuring necessary to generate the targeted cost savings;

The funds raised will also allow the Board to optimise the value of the Company's principal assets from a position of not being a distressed seller and having a cohesive and self-sustaining strategic plan.

Professional Advisors

We would like to thank Canaccord Genuity for their service since February 2009. Our goal now is to work closely with finnCap to re-engage with our institutional shareholder base.

Operating Performance

Continued Strong Growth in Revenues

As shown in the tables below revenues from marina operations, licensing of superyacht berths and third party marina services all increased significantly in 2012.

Marina operating revenues for our three marinas achieved further strong growth reaching €6.2 million, a 22% increase over 2011. Compound annual growth in revenues over the period 2008 to 2012 is over 37%.

Revenues excluding berth sales €m	2012	2011	2010	2009	2008
Marina Operating Revenues (Statutory basis)	6.2	5.1	3.8	2.6	1.8

Revenues from licensing of superyacht berths increased significantly to €3.2 million (2011: €1.2 million) for the year with the benefit of a major sale completed at GHM in the last quarter of the year. As shown below the 2012 sales were the highest in the last five years.

€m	2012	2011	2010	2009	2008
Licensing of superyacht berths	3.2	1.2	1.2	-	1.0

Our third party marina services business, which was acquired in December 2008, showed another year of strong growth with revenues increasing to €1.6 million. (2011: €0.9 million). These results include a first full year contribution from CNFE, our joint venture in China

€m	2012	2011	2010	2009	2008
Revenues from Third Party Marinas	1.6	0.9	0.5	0.2	-

Camper & Nicholsons Marina Investments Limited

The Directors believe that the growth in the Company's consultancy business should continue as marina owners and developers, and the financial institutions which fund them, increasingly recognize the value of professional design and operation and the worth of joining a premium branded chain of marinas.

The benefits to clients can run for periods of up to 10 years whilst, for the Company its marina services agreements provide a portfolio of stable long-term contracts with growing revenues. When all of the currently contracted marinas are completed, the Company will have some 3,500 berths under management, of which over 400 will be superyacht berths.

Annual Operating Results

EBITDA operating results for 2012 show a profit of €1.1 million, an improvement of €2.0 million from the €0.9 million loss reported in 2011.

	Annual Results			
€m	*2012*	*2011*	*2010*	*2009*
Marina operating activities	*6.2*	*5.1*	*3.8*	*2.6*
Licensing of superyacht berths	*3.2*	*1.2*	*1.2*	*-*
Marina consultancy fees	*1.6*	*0.9*	*0.5*	*0.2*
Total revenues	***11.0***	***7.2***	***5.5***	***2.8***
Gross Profit	*8.7*	*5.5*	*4.3*	*2.2*
EBITDA	***1.1***	***(0.9)***	***(2.5)***	***(4.0)***
Operating Profit/(Loss)	*(0.1)*	*(2.2)*	*(4.6)*	*(5.0)*
Strategic Review & Impairment Charge	(3.8)	(11.3)	-	-
Net interest expense	(1.5)	(1.6)	(1.3)	(0.6)
Profit/(Loss) before tax	**(5.4)**	**(15.1)**	**(5.9)**	**(5.7)**
Investments made (capital exp.)	*0.6*	*1.0*	*6.2*	*9.0*

The significant increase in EBITDA arose from improved operating performances in the marinas and in the third party marina business and from the increased level of superyacht berth licence income.

The net asset value of the Company at 31 December 2012 attributable to the ordinary shareholders is €22.5 million or 28.0 euro cents per share.

Grand Harbour Marina – *manager* Ben Stuart

	Annual Results			
€m	*2012*	*2011*	*2010*	*2009*
Berth Sales	3.1	1.2	-	-
Marina operating revenues	2.8	2.5	2.3	2.1
Total revenues	5.9	3.7	2.3	2.1
Cost of Sales	(1.2)	(1.0)	(0.4)	(0.4)
Operating Expenses	(2.1)	(1.6)	(1.6)	(1.6)
EBITDA	2.6	1.1	0.3	0.1
PBT	1.5	(0.1)	(0.8)	(0.4)

Grand Harbour Marina ("GHM"), Malta, continues to provide a high level of service as exemplified by the unsolicited words of the Captain of a major superyacht. "Our experience with the Grand Harbour Marina staff has been excellent. Problems that do arise are met with an attitude of 'how can we fix this and improve' and not the typical 'this is the way it is'. Grand Harbour Marina's offering is one of the finest experienced in my career."

During 2012 GHM took the headline sponsorship of the Baille de Suffren, a classic yacht race which starts in St. Tropez and ends at GHM. Together with the new twinning arrangement between Birgu and St. Tropez this will provide improved contacts with the key yachting area in the South of France. Increased contacts with Captains, crew and industry authorities will also be provided through GHM becoming a founding member, signatory and poste restante for the Malta Professional Yachtsmans Association.

Following completion of the berth sale, the Board of GHM, in February 2013, declared a dividend of 12 Euro cents per share which will result in a €950k dividend receipt for CNMIL. During 2012, GHM provided additional funding of €0.7 million to Cesme whilst that marina builds towards maturity. A fuller report on the performance of Cesme is given below.

Trading

EBITDA increased by €1.5 million to €2.6 million with revenues, benefitting by €3.1 million from the completion of a large berth sale (2011: €1.2 million from two berth sales) and a 10% increase in marina operating revenues, increasing to €5.9 million. After finance charges including a net interest cost of €0.7 million relating to the Bond and depreciation of €0.3 million, GHM made a profit before tax of €1.5 million (2011: €0.1 million loss).

Although the weak economic environment, and the difficulties in Italy in particular, resulted in less superyacht visitors and less Italian visitors to Malta, GHM maintained high levels of berth occupancy and also increased annual berthing tariffs by over 20%. Overall, berthing and utility revenues increased by 10% and 11% respectively with EBITDA also benefitting from an improvement in utility margins.

As reported last year, market conditions for the sale of long term superyacht berth licences were challenging. However in spite of this GHM achieved a €3.1m berth sale during December with the purchaser being an existing berth owner at GHM. There remains a pipeline of opportunities but it remains difficult to predict which, if any, may result in a future sale. Unsold super yacht berths have a value in excess of €40 million at current price levels. GHM's planning application for an extension of the super-yacht capacity continues to be pursued but reconfiguration work will commence only when there are sufficient buyers for the new berths.

CBRE valued GHM (based on a 100% interest) at €24.1 million as at 31 December 2012 (2011: €23.6 million). This valuation compares with the market capitalisation of GHM on the Malta Stock Exchange of €18.6 million.

Cesme Marina – manager Kemal Saatcioglu

For 100% of the Marina	***Annual Results***			
€m	*2012*	*2011*	*2010*	*2009*
Seaside revenues	2.2	1.4	0.5	-
Landside revenues	1.9	1.5	1.0	-
Total revenues	4.1	2.9	1.5	-
Cost of Sales	(0.4)	(0.3)	(0.2)	-
Operating expenses	(2.4)	(2.2)	(1.8)	(0.5)
EBITDA	1.3	0.4	(0.5)	(0.5)
PBT	(0.3)	(1.5)	(2.6)	(0.5)

Cesme Marina, Turkey, our 45% joint venture, completed a successful year with further growth in both seaside and landside revenues. The marina's profile increased further with the award for 'Best Tourism Investment of the Year', in the Izmir region. Approved by the Turkish Sailing Federation, the marina has organised sailing regattas to promote the marina and its' facilities to boat owners and crew. The marina has also hosted a number of landside events including concerts, festivals and parties which have attracted not only members of the yachting community but also many local people. The marina is now considered to be a key element of the local community.

Trading

Total revenues increased by 35% over 2011 with increases of 57% and 27% in seaside and landside respectively. With high conversion to profit of the €1.2 million increase in sales, EBITDA increased by €0.9 million to €1.3 million. After finance charges and depreciation, Cesme made a loss before tax of €0.3 million (2011: €1.5 million loss). The Group's 45% share includes revenues of €1.8 million (2011: €1.3 million) and loss before tax of €0.1 million (2011: €0.7 million loss),

At the end of 2012 there were 313 annual berthing contracts in place, an increase of 25% over the end 2011 level. Although that represents 90% of the available berths only 63% of the berthing area was occupied so there remains the opportunity for further berthing revenue growth in addition to the impact of price increases. The marina is at full capacity in relation to boats up to 15 metres.

The retail offering was improved with underperforming units replaced by new brands to ensure that all 58 retail units in the village remained fully occupied. Increased stand advertising revenues, extended utilisation of some food & beverage units and increased commercial sponsorship of events contributed to the improved landside performance.

The small extension of the breakwater to improve comfort in the marina was completed in the first half of 2012 and did assist with occupancy of the outermost large berths in spite of the unusually high wind levels during the 2012 season.

CBRE valued Cesme Marina (based on a 100% interest) at €18.1 million as at 31 December 2012 which is a small increase on their €18.0 million valuation as at 31 December 2011.

Port Louis – manager Glynn Thomas

	Annual Results			
€m	*2012*	*2011*	*2010*	*2009*
Berth Sales	0.1	-	1.2	-
Marina operating revenues	1.6	1.2	0.8	0.5
Total revenues	1.7	1.2	2.0	0.5
Cost of sales	(0.3)	(0.2)	(0.6)	(0.1)
Operating expenses	(1.4)	(1.3)	(1.4)	(1.3)
EBITDA	-	(0.3)	-	(0.9)
PBT	(0.9)*	(1.3)*	(2.0)	(2.6)

* 2012 and 2011 PBT results exclude the €3.8 million and €10 million impairment charges in those years respectively.

Port Louis Marina, Grenada, has maintained its reputation as a high quality marina providing a five star welcome to yacht owners, their guests and crews. In addition to being the home port for the Grenada Sailing Festival each January, the marina has secured the return of the Oyster Caribbean Regatta in 2013 and will be a stop off marina in 2014 for the World Rally.

Trading

Port Louis Marina experienced a record summer with more cruising boats selecting the marina as their chosen location given its favourable geographic position south of the hurricane belt. Marina operating revenues increased by 27% to €1.6 million (2011: €1.2 million) which included a 75% increase in annual berthing contract revenues, a 17% increase in visitor revenues and a 12% increase in landside revenues. Two small berth sales added further revenues of €0.1 million (2011: €Nil).

Operating costs increased slightly to €1.4 million which resulted in most of the additional sales revenues of €0.4 million being converted to EBITDA so generating a breakeven result (2011: €0.3 million loss). After depreciation and interest charges there was a pre and post-tax loss of €0.9 million (2011: €1.3 million loss). Capital expenditure reduced further with expenditure of just €0.1 million in the year (2011: €0.3 million).

The two small berth sales achieved during 2012 were associated with local property sales. The property market in the Caribbean remains difficult and further berth sales are likely to depend on an improvement of those market conditions.

CBRE has valued the Port Louis marina at US$22.6 million (€17.1 million) at 31 December 2012, (2011: US$26.8 million, €20.7 million). After adjusting for other assets and liabilities and losses in the period, there is a cumulative €1.0 million negative adjustment as at 31 December 2012.

Third Party Marina Service Agreements

	Annual Results			
€m	*2012*	*2011*	*2010*	*2009*
External revenues	1.6	0.9	0.5	0.2
Intra Group revenues	2.2	2.1	2.5	2.0
Total revenues	3.8	3.0	3.0	2.2

Since acquisition of the Third Party Marina Service Business in December 2008 as part of the internalisation of the Group's management company, external revenues have increased significantly, almost doubling each year. 2012 benefitted from the full year impact of the 10 year services agreement at Yas Marina on Yas Island Abu Dhabi which commenced on 1 June 2011. As reported on 20 November 2012, three new management services agreements were signed during the second half of 2012. These were at Pinetamare and Cala Ponte in Italy and Ermioni in Greece. Consultancy work has been completed on marinas in the Mediterranean, Caribbean and China and from these and other enquiries a strong pipeline of third party marina service agreement opportunities has been created. The 2012 results included €0.1 million revenues (2011: €Nil) being our 50% share of the revenues at CNFE, our Hong Kong based joint venture with First Eastern.

As reported last year the management team has been consolidated into an office in Richmond from where they are able to support our client marinas from the Caribbean through the Mediterranean and Abu Dhabi and our small team at CNFE in Hong Kong office which is focused primarily on marinas in China.

Net Asset Value and property valuation

At 31 December 2012 the Group's net assets, on an IFRS basis, amounted to €23.4 million (Dec 2011: €28.7 million). Of this amount, €0.9 million related to the minority shareholders in GHM with €22.5 million (Dec 2011: €28.1 million) attributable to the equity shareholders of the Company, which equated to 28.0 cents (Dec 2011: 35.1 cents) per share on both a basic and diluted basis. On a revaluation basis, the net assets per share were 34.6 cents (Dec 2011: 39.3 cents) 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.

However, in accordance with the Group's stated valuation policy, which was set out in its Admission Document, 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 RICS Appraisal and Valuation Standards, are €18.1 million, €24.1 million and US$22.6 million (€17.1 million) respectively. Adjusting for debt and other liabilities, and taking into account the Company's shareholdings in Cesme and Grand Harbour Marina of 45% and 79.2% respectively for Port Louis Marina, there is a cumulative NAV increase of €5.2 million equating to an Adjusted NAV per share of 34.6 cents on both a basic and diluted basis.

The Company holds certain 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)	22.5	28.0
Grand Harbour Marina	4.3	5.4
Cesme Marina, Turkey	1.9	2.4
Port Louis Marina	(1.0)	(1.2)
NAV (Adjusted)	27.7	34.6

Basic and diluted per share figures are the same as no options in issue at the reporting date

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

	Total (€m)	Per share (c) #
Adjusted NAV – 31 December 2011	31.6	39.3
Trading loss	(1.5)	(1.9)
Valuation adjustments		
Grand Harbour Marina	0.8	1.0
Cesme	0.1	0.1
Port Louis Marina	(3.0)	(3.6)
Exchange gain/(loss) on consolidation and other changes	(0.3)	(0.3)
Adjusted NAV – 31 December 2012	27.7	34.6

Basic and diluted per share figures are the same as no options in issue 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 – Professional Standards (2012) ("the Red Book") at 31 December 2012 in the sum of €24.1 million. We are in receipt of a valuation report as at 31 December 2012.

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 2012 in accordance with the RICS Valuation – Professional Standards (2012) ("the Red Book") in the sum of €18.1 million. We are in receipt of a valuation report as at 31 December 2012.

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 2012 in accordance with the RICS Valuation – Professional Standards (2012) ("the Red Book") in the sum of $22.6 million (€17.1 million). We are in receipt of a valuation report as at 31 December 2012.

Camper & Nicholsons Marina Investments Limited

General Information

Directors:

Sir Christopher Lewinton (Chairman)
Roger Lewis
Trevor Ash
Martin Bralsford
Clive Whiley
Nicholas Maris (resigned)
John Hignett (resigned)

Company Secretary:

Shaftesbury Limited

Registered office:

Island House
Grande Rue
St Martins
Guernsey
GY4 6RU

Guernsey based Administrator

Fort Management Services Limited
Island House,
Grande Rue
St Martins
Guernsey GY4 6RU

Legal Advisors United Kingdom:

Stephenson Harwood,
One, St Paul's Churchyard
London EC4M 8SH

Legal Advisors Guernsey:

Carey Olsen
7 New Street
St. Peter Port
Guernsey
GY1 4BZ

Nominated Advisor:

finnCap
60 New Broad Street
London EC2M 1JJ

Auditor:

KPMG Channel Islands Limited
20 New Street
St. Peter Port
Guernsey
GY1 4AN

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

DIRECTORS

Sir Christopher Lewinton - UK resident

Sir Christopher Lewinton is also Chairman of JF Lehman Europe, a private equity firm, and a member of the Advisory Board of Metalmark Capital/Morgan Stanley Capital Partners. He is an adviser to Compass Partners International Limited. 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).

Roger Lewis, Independent Director - Jersey resident

Roger Lewis was a director of Berkeley Group Holdings plc for over 15 years, the last 8 of which were as Chairman, a position from which he retired at the end of July 2007. He now acts as a consultant to the Group which is the holding company to UK land and property development entities including Berkeley Homes PLC, St. George PLC and St. James Group Limited. Prior to joining the Berkeley Group, Mr. Lewis was Group chief executive officer of The Crest Nicholson Group PLC from 1983 to 1991, managing director of Crest Homes Limited and Crest Estates Limited and subsequently Chief Executive of Crest Nicholson's property division from 1975 to 1983 and finance director of Crest Homes Limited from 1973 to 1975. Mr Lewis chaired the marina division of Crest Nicholson which included 4 marinas and led the development by Berkeley of Gunwharf Quays in Portsmouth.

Trevor Ash, Independent Director - Guernsey resident

Trevor Ash has over 30 years' investment experience. He is a Fellow of the Securities Institute in England & Wales. He was formerly managing director of Rothschild Asset Management (CI) Limited (now Insight Investment Management (CI) Limited). He is a director of a number of hedge funds, fund of hedge funds, venture capital, derivative and other offshore funds including several managed or advised by Insight, Merrill Lynch and Thames River Capital. Mr Ash recently retired as a director of NM Rothschild & Sons (CI) Limited, the banking arm of the Rothschild Group in the Channel Islands. He was a founding director of Valletta Fund Management Limited, the first fund management company to be established in Malta following the introduction of financial services regulations in 1995.

Martin Bralsford, Independent 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. His current Board appointments include being Chairman of UK listed Albion Prime VCT PLC and of The Stanley Gibbons Group plc, an AIM listed Jersey company. He is also Chairman of the wealth management business, Collins Stewart (CI) Ltd. Martin is a former President of the Jersey Chamber of Commerce and is approved by the Financial Service Regulatory Authorities in Jersey, Guernsey and the Isle of Man as a Director of a regulated body.

Clive Whiley

Clive Whiley has thirty 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 Managing Director of Evolution Securities China Limited - a Merchant Bank specialising in advisory services on China outbound M&A. He is 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 2012.

Principal activity

Camper & Nicholsons Marina Investments Limited ("the Company") is a limited liability company, incorporated and domiciled in Guernsey, whose shares are publicly traded on the AIM Market.

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, the United States and the 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.

Results and dividends

The results for the period are set out in the attached financial statements. No dividend has been paid in respect of the year ended 31 December 2012 (2011: Nil)

Fixed assets

Movements in fixed assets during the year are set out in Note 12 to the financial statements.

Directors

The directors, except where indicated otherwise, remained in office throughout the period and their interests in the shares of the Company as at 31 December 2012 were:

	Number of Shares Held
Sir Christopher Lewinton (Chairman)	*2,448,129*
Nicholas Maris (resigned 11 December 2012)	*8,309,297*
Roger Lewis	*166,666*
Trevor Ash	-
John Hignett (resigned 29 February 2012)	*50,000*
Martin Bralsford (appointed 29 February 2012)	*450,000*
Clive Whiley (appointed 12 November 2012)	-

Included in the holding for Mr Nicholas Maris are *3,246,625* shares held by the Maris Settlement, a discretionary trust of which Nicholas Maris is a potential beneficiary.

Mr Roger Lewis and Mr Clive Whiley retire from the board in accordance with the Company's Articles of Association and, being eligible, offers themselves for re-election.

Brief biographical details of each of the directors are shown on page 11.

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.

DIRECTORS' REPORT (Continued)

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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, International Financial Reporting Standards, and the AIM Rules of the London Stock Exchange. 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.

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 18, 20 and 21 of the consolidated financial statements. The Group's financial risk management objectives and policies are set out in note 28 and note 29 sets out the Group's financial instruments and risk.

Having completed the €4.6 million fundraising at the beginning of May 2013 and after making the necessary enquiries, the directors confirm that they are satisfied that the company has adequate resources to continue in business for the foreseeable future. The directors believe that it is appropriate to continue to apply the going concern basis in preparing the consolidated financial statements.

Substantial shareholdings

Individual shareholdings representing 3% or more of the company's issued share capital at the date of this report are detailed in note 30 to the accounts.

Corporate governance

Introduction

As a closed-ended investment company registered in Guernsey and AIM listed, the Company is eligible for exemption from the requirements of the Combined 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.

DIRECTORS' REPORT (Continued)

Board of directors

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

The board meets regularly 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 and dividend policies, gearing etc.

The table below sets out the number of board meetings held during the year ended 31 December 2012 and the number of meetings attended by each director:

	Scheduled Board Meetings		Ad Hoc Board Meetings	
	Held	**Attended**	**Held**	**Attended**
Sir Christopher Lewinton (Chairman)	4	4	3	3
Roger Lewis	4	4	3	3
Trevor Ash	4	4	3	3
Martin Bralsford (appointed 29 February 2012)	4	4	3	3
Clive Whiley (appointed 12 November 2012)	4	1	3	2
Nicholas Maris (resigned 11 December 2012)	4	3	3	3
John Hignett (resigned 29 February 2012)	4	-	3	-

The Company's Articles of Association require that one third of the directors 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. All directors therefore submit themselves for re-election at least every three years.

All Directors' contracts are for one year.

	Date of appointment	Unexpired term of contract at 31 December 2012	Contractual Annual rate of Directors fees	Emoluments in year ended 31 December 2012	
				Group	**Parent company**
			€	€	€
Sir Christopher Lewinton (Chairman)	19-Dec-08	12 months	80,185	131,211	124,223
Roger Lewis	20-Oct-06	10 months	30,830	37,720	30,732
Trevor Ash	20-Oct-06	10 months	34,530	34,420	34,420
Martin Bralsford	29-Feb-12	2 months	30,830	25,735	25,735
Clive Whiley	12-Nov-12	11 months	30,830	-	-
			207,205	229,086	215,110
<u>Former Directors</u>					
Nicholas Maris	Resigned 11-Dec-12		30,830	512,641	31,856
John Hignett	Resigned 29-Feb-12		30,830	6,260	4,996
			61,660	518,901	36,852

Further details relating to Directors' remuneration are provided in Note 5 to the Financial Statements.

DIRECTORS' REPORT (Continued)

Corporate governance (continued)

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 Marina SPV which employs the executive.

The Remuneration Committee comprises Roger Lewis (Chairman), Martin Bralsford, Sir Christopher Lewinton and Clive Whiley.

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 Sir Christopher Lewinton, Roger Lewis and Clive Whiley.

Audit Committee

The audit committee consists of Trevor Ash (chairman), Roger Lewis and Martin Bralsford. 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 safeguarded 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 manager.

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. 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.

DIRECTORS' REPORT (Continued)

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. Proxy voting figures for each resolution are announced at the annual general meeting.

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 0203 405 1782.

Annual General Meeting

Notice convening the 2013 annual general meeting of the Company and a form of proxy in respect of that meeting can each be found at the end of this document.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditor

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

By Order of the Board

Shaftesbury Limited
Secretary, 8 May 2013

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

We have audited the consolidated financial statements (the "financial statements") of Camper & Nicholsons Marina Investments Limited ("the Company" and "Group") for the year ended 31 December 2012 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as issued by the IASB..

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Directors; and the overall presentation of the consolidated financial statements.

In addition, we read all the financial and non-financial information in the Chairman's Statement, Business Review and Directors' Report to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2012 and of its loss for the year then ended;
- are in accordance with International Financial Reporting Standards as issued by the IASB; and
- comply with the Companies (Guernsey) Law, 2008.

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 consolidated 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.

KPMG Channel Islands Limited
Guernsey, Channel Islands
Chartered Accountants
8 May 2013

Camper & Nicholsons Marina Investments Limited
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2012

	Note	2012	2011
		€	€
Marina operating activities		6,229,087	5,097,041
Licensing of super yacht berths		3,220,781	1,176,794
Marina consultancy fees		1,588,930	920,382
Revenue		11,038,798	7,194,217
Cost of sales		(2,328,137)	(1,736,723)
Gross Profit		8,710,661	5,457,494
Directors' remuneration	5	747,987	312,163
Salaries & wages		2,724,422	2,460,487
Audit fees		157,598	141,214
Rent and rates		1,235,874	1,009,200
Other general administration expenses	6	1,929,202	1,620,879
Legal & professional and fundraising fees		359,495	266,874
Promotion		417,169	522,023
Depreciation		1,174,127	1,324,028
Exchange differences		38,783	(12,138)
Operating expenses		8,784,657	7,644,730
Operating loss		(73,996)	(2,187,236)
Impairment loss on Port Louis assets	13	(3,768,021)	(9,994,898)
Strategic review costs	7	-	(1,259,004)
		(3,842,017)	(13,441,138)
Finance income		157,314	138,369
Finance expense		(1,680,643)	(1,804,181)
		(1,523,329)	(1,665,812)
Loss before tax		(5,365,346)	(15,106,950)
Taxation	8	112,379	(147,731)
Loss for the year from continuing activities		(5,252,967)	(15,254,681)
Other comprehensive income			
Fair value reserve		48,601	(12,000)
Foreign exchange reserve		(141,050)	90,163
Other comprehensive income for the year		(92,449)	78,163
Total comprehensive income for the year		(5,345,416)	(15,176,518)
Loss attributable to:			
Equity shareholders		(5,570,059)	(15,122,379)
Non-controlling interest		317,092	(132,302)
Loss for the year		(5,252,967)	(15,254,681)
Total comprehensive income attributable to:			
Equity shareholders		(5,672,632)	(15,041,716)
Non-controlling interest		327,216	(134,802)
Total comprehensive income for the year		(5,345,416)	(15,176,518)
Loss per share (Euro cents)			
basic, attributable to equity shareholders	9	(6.94)	(22.46)
diluted, attributable to equity shareholders	9	(6.94)	(22.46)

The accompanying notes on pages 22 to 50 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 2012

	Issued Capital €	Fair Value Share Option Reserve €	Retained Earnings €	Fair Value Reserve €	Foreign Exchange Reserve €	Total €	Non-controlling Interests €	Total Equity €
Year Ended 31 December 2011								
At 1 January 2011	49,631,877	78,957	(14,282,145)	-	2,726,687	38,155,376	732,186	38,887,562
Exchange adjustment on IC Cesme reserves			499,984			499,984		499,984
Elimination of share option reserve	78,957	(78,957)	-	-	-	-	-	-
Issue of share capital	4,522,898	-	-	-	-	4,522,898	-	4,522,898
Total comprehensive income for the year								
Loss for the year	-	-	(15,122,379)	-	-	(15,122,379)	(132,302)	(15,254,681)
Other comprehensive income								
Fair value reserve	-	-	-	(9,500)		(9,500)	(2,500)	(12,000)
Foreign currency translation differences	-	-	-	-	90,163	90,163	-	90,163
At 31 December 2011	54,233,732	-	(28,904,540)	(9,500)	2,816,850	28,136,542	597,384	28,733,926
Year Ended 31 December 2012								
At 1 January 2012	54,233,732	-	(28,904,540)	(9,500)	2,816,850	28,136,542	597,384	28,733,926
Total Comprehensive income for the year								
Loss for the year	-	-	(5,570,059)	-	-	(5,570,059)	317,092	(5,252,967)
Other comprehensive income								
Fair value reserve	-	-	-	38,477	-	38,477	10,124	48,601
Foreign currency translation differences					(141,050)	(141,050)	-	(141,050)
At 31 December 2012	54,233,732	-	(34,474,599)	28,977	2,675,800	22,463,910	924,600	23,388,510

The accompanying notes on pages 22 to 50 form an integral part of these consolidated financial statements.

Camper & Nicholsons Marina Investments Limited
Consolidated Statement of Financial Position
As at 31 December 2012

	Note	31 December 2012 €	31 December 2011 €
Non current assets			
Property, plant and equipment	12	31,544,965	36,814,233
Cash pledge	14	3,502,535	2,738,246
Deferred tax asset		489,951	-
Available for sale financial assets	15	1,612,501	1,563,900
Goodwill	16	10,976,014	10,976,014
		48,125,966	52,092,393
Current assets			
Trade and other receivables	17	3,794,967	1,971,637
Cash and cash equivalents	18	4,864,152	6,993,944
		8,659,119	8,965,581
TOTAL ASSETS		56,785,085	61,057,974
Current Liabilities			
Trade and other payables	19	5,128,216	3,486,342
Loans repayable within one year	21	2,629,074	1,526,089
		7,757,290	5,012,431
TOTAL ASSETS LESS CURRENT LIABILITIES		49,027,795	56,045,543
Non current liabilities			
Loans repayable after more than one year	21	13,812,881	15,692,593
Unsecured 7% Bond	20	11,654,570	11,619,024
Other payables		171,834	-
		25,639,285	27,311,617
NET ASSETS		23,388,510	28,733,926
Equity attributable to equity shareholders			
Issued capital	22	54,233,732	54,233,732
Retained earnings		(34,474,599)	(28,904,540)
Fair value reserve		28,977	(9,500)
Foreign exchange reserve		2,675,800	2,816,850
		22,463,910	28,136,542
Non-controlling interest	25	924,600	597,384
Total equity		23,388,510	28,733,926
Net Assets per share:	23		
basic, attributable to ordinary equity shares		27.99c	35.06c
diluted, attributable to ordinary equity shares		27.99c	35.06c

The consolidated financial statements on pages 18 to 50 were approved by the Board of Directors on 8 May 2013.

Sir C Lewinton, Chairman		T C Ash, Director

The accompanying notes on pages 22 to 50 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 2012

	Year ended 31 December 2012 €	Year ended 31 December 2011 €
Cash flows from operating activities		
Loss before taxation	(5,365,346)	(15,106,950)
Adjusted for:		
Finance income	(157,314)	(138,369)
Finance expense	1,680,643	1,804,181
Depreciation	1,174,127	1,324,028
Asset impairment loss	3,768,021	9,994,898
Unrealised foreign exchange loss	(21,201)	(225,082)
	1,078,930	(2,347,294)
(Increase)/Decrease in receivables	(1,826,044)	42,722
Increase/(Decrease) in payables	1,769,120	(308,112)
Income tax expense	(377,572)	(147,731)
Net cash flows from operating activities	644,434	(2,760,415)
Cash flow from investing activities		
Acquisition of property, plant & equipment	(557,491)	(1,020,855)
Disposals of property plant and equipment	665,665	616,380
Acquisition of available for sale financial assets	-	(1,575,900)
Interest received	157,314	138,369
Net cash flows from investing activities	265,488	(1,842,006)
Cash flows from financing activities		
Proceeds of borrowings	766,796	763,627
Proceeds from new share issue	-	4,522,898
Increase in cash pledge	(764,289)	(755,246)
Repayment of borrowings	(1,382,779)	(2,115,236)
Interest paid	(1,680,643)	(1,804,181)
Net cash flows from financing activities	(3,060,915)	611,862
Net decrease in cash and cash equivalents	(2,150,993)	(3,990,559)
Opening cash and cash equivalents	6,993,944	10,759,421
Effect of exchange rate fluctuations on cash held	21,201	225,082
Closing cash and cash equivalents	4,864,152	6,993,944

The accompanying notes on pages 22 to 50 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 are publicly traded on the AIM Market.

The principal activity of the Company and its subsidiaries and joint ventures ("the Group") during 2012 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.

2. Basis of preparation and accounting policies

Basis of preparation

The consolidated financial statements of the Group for the year to 31 December 2012 have been prepared on a historical cost basis except that available for sale financial assets are valued at fair value in the consolidated financial statements. The consolidated financial statements are presented in Euros.

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 18, 20 and 21 of the consolidated financial statements. The Group's financial risk management objectives and policies are set out in note 28 and note 29 sets out the Group's financial instruments and risk.

Having completed the €4.6 million fundraising at the beginning of May 2013 and completed the negotiations with Scotiabank for the removal of the Debt Service Coverage Ratio covenant on its loan to a subsidiary company, the Board believes that the Group has adequate resources to continue trading for the foreseeable future and that it is appropriate to adopt the going concern basis for the preparation of these 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. With the adoption of The Companies (Guernsey) Law 2008, the Company is no longer required to disclose Company financial statements. The consolidated financial statements were authorised for issue by the Board of Directors on 8 May 2013.

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, using consistent accounting policies.

(i) Subsidiaries
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. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group assesses goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

2. Basis of preparation and accounting policies (continued)

Basis of preparation *(continued)*

When the excess is negative, a bargain purchase gain is recognised immediately in the Consolidated Statement of Comprehensive Income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the Consolidated Statement of Comprehensive Income.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(iii) Acquisitions of non-controlling interests
Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(iv) Interests in Jointly Controlled Entities
The Group has interests in two joint ventures, which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest. The Group recognises its interest in its joint ventures using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements.

The financial statements for the joint ventures are prepared for the same reporting year as the parent company using consistent accounting policies.

When the Group contributes or sells assets to the joint venture, any portion of gain or loss from the transaction is recognised based on the substance of the transaction.

A joint venture is proportionately consolidated until the date when the Group ceases to have joint control over the joint venture.

(v) Loss of control
On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Consolidated Statement of Comprehensive Income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

(vi) Transactions eliminated on consolidation
All intra-Group balances, transactions, income and expenses and profits and losses resulting from intra-Group transactions that are recognised in assets, are eliminated in full.

2. Basis of preparation and accounting policies (continued)

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 2 - Revenue recognition
- Notes 2 and 26 – Lease classification

Estimates and assumptions
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 discussed below.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Impairment of financial assets
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Share-based payments
The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. This cost is included as a Fair Value Option Reserve in the Statement of Financial Position. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. If the option expires the cost is transferred from the Fair Value Option Reserve to Issued Capital.

Deferred Tax Assets
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. The carrying value of recognised tax losses at 31 December 2012 was €489,951 (2011: Nil).

2. Basis of preparation and accounting policies (continued)

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:

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.

Interest income
Interest income is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends
Dividends are recognised by the parent company when the company's right to receive the payment is established. Intragroup dividends are eliminated in the consolidated financial statements.

Expenses

All expenses are accounted for on an accruals basis. Operating expenses are charged wholly to the Consolidated Statement of Comprehensive Income. Costs of issue of shares for cash are charged to shareholders' equity and share capital is shown in the consolidated Statement of Financial Position net of such costs. Costs incurred in issuing shares as consideration for the acquisition of business combinations are charged as an expense in the Consolidated Statement of Comprehensive Income.

Finance Income and Finance Expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in the Consolidated Statement of Comprehensive Income. Dividend income is recognised in the Consolidated Statement of Comprehensive Income on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets (other than trade receivables).

2. Basis of preparation and accounting policies (continued)

Finance Income and Finance Expense (continued)

Borrowing costs that are not directly related to the acquisition or construction of a qualifying asset are recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

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 probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets and liabilities is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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 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.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:
- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated Statement of Financial Position.

2. Basis of preparation and 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.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Consolidated Statement of Comprehensive Income.

(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 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 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 with non-current assets.

(iv) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss 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.

2. Basis of preparation and accounting policies (continued)

Property, plant and equipment (continued)

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 Revenue Recognition above.

Available for sale financial assets

Listed redeemable notes held by the Group that are traded in an active market are classified as Available for Sale financial assets and are stated at fair value at the end of each reporting period. Fair value is determined by reference to the quoted price of the relevant security at close of business on the last trading day of the reporting period by the stock exchange on which it is most actively traded. Changes in fair value are recognised in other comprehensive income and presented within equity in the fair value reserve.

Interest income, calculated using the effective interest method, is recognised in profit or loss. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available for sale financial assets are classified as non-current assets if they are expected to be held for a period exceeding one year otherwise they are shown as current assets.

Cash and cash equivalents

Cash and short term deposits 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, net of outstanding bank overdrafts.

Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. 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 rate 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.

2. Basis of preparation and accounting policies (continued)

Foreign currency

(i) Foreign currency transactions

The consolidated financial statements are prepared in Euros, which is the Company's functional and presentational currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currency are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency 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.

(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 a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

2. Basis of preparation and accounting policies (continued)

Impairment of non-financial assets *(continued)*

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in 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.

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.

Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax discount rate that reflects, where appropriate, the risks specific to the liability.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance policy, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

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 straight lined across the term of the lease.

Share based payment transactions

The company granted share options to each of its placing agents. These options were valued at the grant date using the Black and Scholes valuation method and were recognised as an expense, with a corresponding increase in equity. These options all expired on 29 January 2012 at which time none had been exercised. The value at which they were recognized in the cost of equity was transferred to Issued Capital during 2011. As no share options remain there is no potential dilution of the Group's earnings for the year ended 31 December 2012 or of the net assets of the Group at the reporting date.

The Group has no other share based payment transactions.

2. Basis of preparation and accounting policies (continued)

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed by the CEO of Camper & Nicholsons Marinas, the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance.

Reported segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities (primarily Camper & Nicholsons Marina Investments Limited) and head office expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Standards issued but not yet effective

A number of new standards, amendment to standards and interpretations are effective for annual accounts beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements

of the Group, except for IFRS *9 Financial Instruments*, IFRS 10 *Consolidated Financial Statements,* IFRS 11 *Joint arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*, the adoption of which become mandatory for the Group's 2013 financial statements.

Implementation of IFRS 9 could change the classification and measurement of financial assets.

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

Under IFRS 11, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting. The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity-accounted. The Group may need to reclassify its joint arrangements, which may lead to changes in current accounting for these interests.

IFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

3 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.

4 Segmental Reporting

Under the “management approach” to segmental reporting, the Company believes there are two separately reportable segments to its business, Marina operations and Marina consultancy. These two operating segments are managed separately as they have different resource and capital requirements. A summary of the business operations in each of these two operating segments is given below:

Marina operations: ownership and operation of high quality marina facilities providing berthing and ancillary services for yachts and super yachts.

Marina consultancy: provision through multi-year contracts of a range of services, including consultancy, to third party marinas.

The results for these two segments for the year ended 31 December 2012 are set out below:-

	Marina Operations	Marina Consultancy	Parent Company	Total
	€	€	€	€
For the year ended 31 December 2012				
Revenues from external customers	9,449,868	1,588,930	-	11,038,798
Intersegment revenues	-	2,161,596	94,479	2,256,075
Interest revenue	121,957	70	35,287	157,314
Interest expense	(1,660,364)	-	(20,279)	(1,680,643)
Depreciation & amortisation	1,125,668	48,459	-	1,174,127
Reportable segment profit / (loss)	479,525	(288,157)	(1,788,693)	(1,597,325)
Asset impairment	(3,768,021)	-	-	(3,768,021)
Reportable segment assets	50,480,943	2,002,093	32,831,164	85,314,200
Expenditures for reportable segment non-current assets	643,102	57,433	-	700,535
Reportable segment liabilities	(57,367,658)	(1,841,851)	(492,386)	(59,701,895)

	Marina Operations	Marina Consultancy	Parent Company	Total
	€	€	€	€
For the year ended 31 December 2011				
Revenues from external customers	6,273,835	920,382	-	7,194,217
Intersegment revenues	-	2,134,417	106,540	2,240,957
Interest revenue	93,993	327	44,049	138,369
Interest expense	(1,699,057)	(31,847)	(73,277)	(1,804,181)
Depreciation & amortisation	1,239,031	84,997	-	1,324,028
Reportable segment loss	(2,036,678)	(810,712)	(2,264,662)	(5,112,052)
Asset impairment	(9,994,898)	-	-	(9,994,898)
Reportable segment assets	52,261,253	2,226,856	34,768,691	89,256,800
Expenditures for reportable segment non-current assets	585,641	103,313	-	688,954
Reportable segment liabilities	(55,866,000)	(1,841,732)	(639,604)	(58,347,336)

Segmental reporting (continued)

Reconciliation of reportable segment revenues and profit and loss

	31 Dec 2012	31 Dec 2011
	€	€
Revenues		
Total revenues for reportable segments	13,200,394	9,328,634
Other revenues	94,479	106,540
Elimination of inter-segment revenues	(2,256,075)	(2,240,957)
Group Revenues	11,038,798	7,194,217
Profit & loss		
Total profit and loss for reportable segments	191,368	(2,847,390)
Other profit or loss	(1,788,693)	(2,264,662)
Group loss	(1,597,325)	(5,112,052)
Assets		
Total assets for reportable segments	52,483,036	54,488,109
Other assets	32,831,164	34,768,691
Less: intercompany loans	(26,305,320)	(26,023,288)
Less: investments in subsidiaries (net of goodwill)	(2,223,795)	(2,175,538)
Group Assets	56,785,085	61,057,974
Liabilities		
Total liabilities for reportable segments	(59,209,509)	(57,707,732)
Other liabilities	(492,386)	(639,604)
Less: intercompany loans	26,305,320	26,023,288
Group liabilities	(33,396,575)	(32,324,048)

5 Directors' remuneration

	Year ended 31 December 2012	Year ended 31 December 2011
	€	€
Directors' fees – Parent Company	236,547	165,568
Directors' fees – Other Group Companies	161,884	146,595
Mr Maris's contractual and statutory entitlements and ex gratia payment	349,556	-
Total	747,987	312,163

Mr Maris was given notice of the termination of his employment on 22 November 2012 and he was placed on gardening leave. Provision has been made in these accounts for the full cost of the remainder of the remuneration due to Mr Maris under the terms of his contract of employment, for his statutory entitlements and an ex gratia payment.

The 2012 Parent Company Directors' fees include an additional fee of £58,000 (€71,067) approved by the Board for Sir Christopher Lewinton in recognition of additional duties carried out. This was paid in 2013.

6 Other general administration expenses

	Year ended 31 December 2012	Year ended 31 December 2011
	€	€
Communications including travel	293,238	303,485
Repairs & maintenance	258,421	217,614
Security	150,967	142,556
Insurance	218,859	198,596
Electricity, water & gas	222,182	173,636
Administration fees	61,608	57,681
Printing stationery & postage	47,499	38,378
Bank charges	103,121	99,379
Bad debt provision	30,492	11,030
Trade Marks & Licence fees	154,711	139,484
Other	388,104	239,040
Total	1,929,202	1,620,879

7 Strategic review costs

	Year ended 31 December 2012	Year ended 31 December 2011
	€	€
Strategic Review	-	579,116
Restructuring costs	-	262,580
Malta Office closure costs	-	417,308
Total	-	1,259,004

During 2011, CBRE Limited were appointed to carry out a Strategic Review of the business. As a result of the review, First Eastern Marina Investments Limited made a significant investment in new share capital in the Company and a new joint venture was created between the Company and First Eastern to access the fast growing Asian market. A further result of the review was the decision to close the Malta office, the cost of which was incurred in 2011. There were no Strategic Review costs incurred during 2012.

Also during 2011, the Group completed the transaction whereby the Company's 45% equity interest in IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi ("IC Cesme") was sold to its' principal subsidiary, Grand Harbour Marina plc ("GHM"). The restructuring costs above incurred in 2011 include the costs of both the Company and GHM for that related party transaction.

8 Taxation

8.1 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 £600 has been paid. The Group's tax charge during the year is calculated as shown in the table below. The current period charge relates to the 12% final tax charge on the long term berth sales completed at Grand Harbour Marina.

	Year ended 31 December 2012	Year ended 31 December 2011
	€	€
Current period	377,572	148,358
Tax over provided in prior periods	-	(627)
Deferred tax – movement in temporary difference	(489,951)	-
Total (credit)/charge	(112,379)	147,731

Taxation (continued)

8.2 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 for the year ended 31 December 2012 is as follows:

	Year ended 31 December 2012 €	**Year ended 31 December 2011** €
Accounting loss before income tax	(5,365,346)	(15,106,950)
Income tax using the country domestic rates	469,955	(425,413)
Tax effect of:		
Brought forward losses	(17,092)	(19,191)
Profit on sale of long-term berths taxed separately	(704,040)	-
Expenses not deductible for income tax	411,909	207,468
Current tax (over) provided in prior periods	-	(627)
Movement in deductible temporary differences not recognised	-	(17,313)
Interest accrued taxable on receipt	(11,480)	-
Losses carried forward	26,111	254,449
12% final tax on berth sales	377,568	148,358
Recognition of previously unrecognised unrelieved tax losses and unabsorbed capital allowances	(460,679)	-
Change in recognised unrelieved tax losses and unabsorbed capital allowances	(29,272)	-
Unabsorbed capital allowances not previously recognised, now absorbed	(175,359)	-
Income tax (credit)/charge for the year	(112,379)	147,731

9 Earnings per share

Basic earnings per share amounts are calculated by dividing €5,570,059 Group net loss (2011: €15,122,379 Group net loss) for the year attributable to ordinary equity holders of the parent by 80,243,615 (2011: 67,327,691) being the weighted average number of ordinary shares outstanding during the period.

The weighted average number of shares used to calculate the basic and diluted earnings per share in both 2012 and 2011 is the same because there were no outstanding options.

10 Subsidiaries and jointly controlled entities

	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
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 Jointly Controlled Entities

The Group has 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 2012 the Group had invested €1.8 million (2011: €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 to provide funding of up to $1.25 million to CNFE over 2 years of which $0.5 million was provided in 2011.

The share of the assets, liabilities, income and expenses of the jointly controlled entities at 31 December 2012 and for the year then ended, which are included in the consolidated financial statements, are as follows:

	31 December 2012			31 Dec 2011
	IC Cesme	CNFE	Total	Total
	€	€	€	€
Current assets	989,461	155,056	1,144,517	752,301
Non-current assets	6,677,153	4,392	6,681,545	6,767,788
	7,666,614	159,448	7,826,062	7,520,089
Current liabilities	(1,644,050)	(184,119)	(1,828,169)	(1,001,620)
Non-current liabilities	(6,156,627)	-	(6,156,627)	(6,203,800)
	(134,063)	(24,671)	(158,734)	314,669

11 Jointly Controlled Entities (continued)

	31 December 2012			31 Dec 2011
	IC Cesme	CNFE	Total	Total
	€	€	€	€
Revenue	1,849,946	67,006	1,939,276	1,346,515
Operating expenses	(1,652,616)	(412,667)	(2,060,340)	(1,732,387)
Finance revenue	10,425	3	10,428	5,545
Finance costs	(338,309)	-	(338,309)	(344,054)
Loss before & after income tax	(130,554)	(345,658)	(448,945)	(724,381)
Non- controlling interest	27,194	-	27,194	87,883
Earnings	(103,360)	(345,658)	(421,751)	(636,498)

As reported in the 2010 Financial Statements, the Company sold its 45% beneficial equity investment in IC Cesme to its subsidiary, Grand Harbour Marina plc for consideration of €1.9 million in March 2011. The investment was sold at a price derived from an independent valuation completed by the Group's valuers, CBRE Limited.

12 Property, plant and equipment

	Marina Develop.	Deferred super yacht berth costs	Equipment & office furniture	Motor vehicles	Leasehold Property	Total
Cost:	€	€	€	€	€	€
Year ended 31 December 2011						
At 1 January 2011	46,983,445	527,771	4,977,868	79,448	256,871	52,825,403
Exchange adjustment on IC Cesme fixed assets	458,956	-	11,283	1,552	-	471,791
Additions	474,716	-	169,469	-	44,769	688,954
Reallocations	3,262,146	-	(3,262,146)	-	-	-
Sale of berths	(339,025)	-	-	-	-	(339,025)
Deferred costs	(24,064)	24,064	-	-	-	-
Disposals	-	-	(158,114)	-	(256,871)	(414,985)
Impairment charge (Note 13)	(9,994,898)	-	-	-	-	(9,994,898)
Exchange to closing rate	156,174	-	(212,280)	(69)	1,748	(54,427)
As at 31 December 2011	40,977,450	551,835	1,526,080	80,931	46,517	43,182,813
Year ended 31 December 2012						
Additions	474,743	-	206,512	7,016	1,992	690,263
Reallocations		-	-	-	-	
Sale of berths	(705,737)	-	-	-	-	(705,737)
Deferred costs	(39,171)	(56,009)	-	-	-	(95,180)
Disposals	(59,742)	-	(14,297)	-	-	(74,039)
Impairment charge (Note 13)	(3,768,021)					(3,768,021)
Exchange to closing rate	(309,034)	-	1,012	(404)	1,081	(307,345)
As at 31 December 2012	36,570,488	495,826	1,719,307	87,543	49,590	38,922,754

12 Property, plant and equipment (continued)

	Marina Develop.	Deferred super yacht berth costs	Equipment & office furniture	Motor vehicles	Leasehold Property	Total
Depreciation:	€	€	€	€	€	€
Year ended 31 December 2011						
At 1 January 2011	3,480,537	3,613	1,644,208	27,425	26,747	5,182,530
Exchange adjustment on IC Cesme fixed assets	(31,198)	-	2,464	540	-	(28,194)
Reallocations	1,092,789	-	(1,092,789)	-	-	-
Depreciation charge	1,061,881	-	233,587	15,550	13,010	1,324,028
Disposals	(21,607)	1,444	(78,457)	-	(39,010)	(137,630)
Exchange to closing rate	97,634	-	(70,166)	349	29	27,846
As at 31 December 2011	5,680,036	5,057	638,847	43,864	776	6,368,580
Year ended 31 December 2012						
Depreciation charge	893,896	-	250,058	20,259	9,914	1,174,127
Disposals	(103,637)	-	(10,474)	-	-	(114,111)
Exchange to closing rate	(50,511)	-	253	(504)	(45)	(50,807)
As at 31 December 2012	6,419,784	5,057	878,684	63,619	10,645	7,377,789
Net Book Value:						
As at 31 December 2011	35,297,414	546,778	887,233	37,067	45,741	36,814,233
As at 31 December 2012	30,150,704	490,769	840,623	23,924	38,945	31,544,965

13. Asset Impairment charge

During 2012 the Port Louis Marina generated further significant increases in on-going operating revenues, completed the sale of two small berths and maintained operating expenses at the same level as the prior year. In spite of this performance the marina continues to remain below the performance levels previously expected. CBRE Ltd have completed their annual valuation and having considered the low levels of super yacht berth sales, the continued slow take up of annual berthing contracts and the generally weak economic climate, have reduced their valuation of the asset to $22.6 million (2011: $26.8 million) or €17.1 million (2011: €20.7 million). The Group has reconsidered the value in use estimate for Port Louis Marina. Based on forecast future cash flows of the asset over its life, using an assumed discount rate of 15% (2011: 14.3%) and a terminal growth rate of 4% (2011: 5%) per annum, the value-in-use is estimated at $23.1 million (2011: $28.7 million) or €17.5 million (2011: €22.2 million) as compared with the book value of $28.1 million (2011: $41.8 million) or €21.3 million(2011: €32.3 million). Although the Directors remain confident that Port Louis Marina remains a sound long term investment, based on the currently estimated value in use, the financial statements for 2012 include an impairment charge of $5 million (2011: ($13.1 million) or €3.8 million (2011: €10.0 million) which represents the difference between the carrying value and the current estimated value in use,

14 Cash pledge

As detailed in Note 21, 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 2012 the Group's share of the cash pledge amounting to €3,499,247 (31 December 2011: €2,738,246) including interest added of €53,747 (31 December 2011: €23,996) 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.

In addition the Group's 50% owned Joint Venture CNFE has pledged cash of €4,872 (2011:Nil) of which the Group's share is €2,436 (2011: Nil), in support of two CNFE Company credit cards.

15 Available for sale financial assets

At 31 December 2012, the Group held Available for sale financial assets which consisted of an investment in Malta Government Bonds amounting to €1,563,900. Although the investment will be sold and will not be held to maturity, it is not expected that a sale will be completed in the short term. Consequently, the investment in Malta Government Bonds was classified as a non-current asset.

16 Goodwill

Goodwill arises from the following acquisitions:

			31 December 2012	31 December 2011
	Acquisition Cost	**Group share of fair value of assets / (liabilities) acquired**	**Goodwill**	**Goodwill**
	€	€	€	€
Grand Harbour Marina plc	11,167,684	1,835,062	9,332,622	9,332,622
IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi	1,084,091	711,900	372,191	372,191
Camper & Nicholsons Marina Holdings	125,808	(1,145,393)	1,271,201	1,271,201
			10,976,014	10,976,014

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. Valuations of Grand Harbour Marina and Cesme Marina were carried out as at 31 December 2012 by the specialist leisure consultancy team of CBRE Limited, the company's independent property valuer. Having reviewed these valuations and completed value in use assessments, the Directors have concluded that no adjustment to the carrying value of goodwill was necessary at 31 December 2012.

17 Trade and other receivables

	31 December 2012	31 December 2011
	€	€
Trade receivables	3,194,160	1,279,303
Taxation recoverable	34,076	33,022
Other receivables	158,911	247,069
Prepayments and accrued income	407,820	412,243
	3,794,967	1,971,637

Trade receivables are non-interest bearing and are generally on 30-90 days terms. The significant increase in trade receivables relates primarily to an increase at Grand Harbour Marina generated by the super yacht berth sale concluded in the last month of the year. 50% of the sales value of €3.15m was paid on completion with further instalments of €0.8m due in each of March and June 2013.

17 Trade and other receivables (continued)

As at 31 December 2012 the ageing analysis of trade receivables was as follows:-

	31 December 2012	31 December 2011
	€	€
Neither past due nor impaired	2,380,033	750,844
Past due but not impaired:		
Less than 30 days	74,037	49,595
Between 30 and 60 days	133,033	161,119
Between 60 and 90 days	367,014	113,467
Between 90 and 120 days	47,838	85,215
Greater than 120 days	184,686	119,051
Past due and impaired:		
Less than 120 days	37,049	741
Greater than 120 days	65,996	218,551
Less impairment	(95,526)	(219,280)
	3,194,160	1,279,303

18 Cash and cash equivalents

	31 December 2012	31 December 2011
	€	€
Cash and cash equivalents comprise the following:-		
Cash at bank and in hand	3,654,228	1,647,163
Short term deposits	1,209,924	5,346,781
	4,864,152	6,993,944

19 Trade and other payables

	31 December 2012	31 December 2011
	€	€
Trade payables	375,916	411,860
Other payables	1,115,533	466,741
Accrued expenses	2,604,849	1,752,032
Deferred revenue	1,031,918	855,709
	5,128,216	3,486,342

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

20 Unsecured Bond Issue

During the period ended 31 December 2010, Grand Harbour Marina plc ("GHM") issued €10,000,000 bonds, with an over-allotment option of €2,000,000 bearing an interest rate of 7%, redeemable on 25 February 2020 and subject to an early redemption option that may be exercised by GHM between 2017 and 2020.

As at 31 December 2012 the outstanding balance related to these bonds was €11,654,570 (31 December 2011: €11,619,024) which can be analysed as shown in the table below:

20 Unsecured Bond Issue (continued)

	31 December 2012	31 December 2011
	€	€
Opening balance	11,619,024	11,586,647
Amortisation of transaction costs	35,546	32,377
Balance at year end	11,654,570	11,619,024

21 Interest bearing loans and deposits

	31 December 2012	31 December 2011
	€	€
Scotia Bank Loan A	3,475,754	4,290,693
Scotia Bank Loan B	5,684,400	5,796,750
Isbank Loan	3,672,552	3,917,387
Isbank Subordinated Loan	3,431,249	2,700,000
Total Bank Loans	16,263,955	16,704,830
Bank Overdrafts	15,250	25,602
	16,279,205	16,730,432
Unsecured 7% Bond (Note 20)	11,654,570	11,619,024
Other Loan	162,750	488,250
Total Loans	28,096,525	28,837,706
Repayable within one year	2,629,074	1,526,089
Repayable after more than one year	25,467,451	27,311,617
	28,096,525	28,837,706

	Interest Rate at 31 December 2012	Interest Rate at 31 December 2011	Due 2013	Due 2014	Due 2015 & 2016	Due 2017 & 2018	Due 2019 & 2020	Total
	%	%	€	€	€	€	€	€
Scotia Bank Loan A	3.31%	3.40%	1,503,900	1,804,680	167,174	-	-	3,475,754
Scotia Bank Loan B	5.70%	5.70%	-	-	5,684,400	-	-	5,684,400
Isbank Loan	7.17%	7.26%	489,674	489,674	979,348	979,348	734,508	3,672,552
Isbank sub loan	1.40%	1.40%	457,500	457,500	915,000	915,000	686,249	3,431,249
Bank overdraft	5.00%	5.00%	15,250	-	-	-	-	15,250
Unsecured 7% Bond	7.00%	7.00%	-	-	-	-	11,654,570	11,654,570
Other Loan (Note 27)	5.61%	6.71%	162,750	-	-	-	-	162,750
Total			2,629,074	2,751,854	7,745,922	1,894,348	13,075,327	28,096,525

Information on the maturity profiles of the loans is given in Note 29.

21 Interest bearing loans and deposits (continued)

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$15,000,000 or equivalent charge over the fixed assets, goodwill, and uncalled capital of the borrower and a floating charge over all other assets.

The loan has been shown in two parts as Scotia Bank Loan A and Loan B to reflect the different repayment profiles. Scotia Bank Loan A, originally for US$7,500,000 is repayable in quarterly instalments that commenced at 30 June 2010 with the final payment due in June 2015. Scotia Bank Loan B for US$7,500,000, on which the interest rate has been fixed at 5.7% as shown above, is the bullet payment due in June 2015.

The Isbank loan is provided to IC Cesme in the form of a Term Facility Agreement ("Term Facility") in the amount of €9,249,386. This loan is repayable in semi-annual instalments which commenced in December 2011. 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. The Subordinated Loan has been secured against cash pledges by the shareholders and is repayable commensurate with the Term Facility. The Group's audited consolidated statement of financial position includes 45% of the value of these loans from Isbank reflecting its shareholding % in IC Cesme Marina. The Isbank loans are guaranteed by the shareholders as detailed in note 26.

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

- a first general hypothec for €1,747,030 on overdraft basis over all assets, present and future given by Grand Harbour Marina plc; and
- a first special hypothec for €1,747,030 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; and

Details of the Grand Harbour Marina 7% unsecured bond are given in Note 20.

The Other Loan is secured by a share charge in favour of the lender over shares that the Parent Company or its subsidiary owns in Camper & Nicholsons Marinas International Limited.

22 Share Capital

	Authorised	Issued & Fully Paid	
		2012	2011
Ordinary shares of no par value	Unlimited	80,243,615	80,243,615

The share capital is shown in the consolidated Statement of Financial Position net of issue costs of €2,552,043 (2011: €2,552,043).

23 Net asset value per share

The calculation of basic net asset value per share as at 31 December 2012 is based on net assets of €22,463,910 (2011: €28,136,542) attributable to the equity shareholders, divided by the 80,243,615 (2011: 80,243,615) ordinary shares in issue at that date. The basic and diluted net asset value per share are the same as at 31 December 2012 there were no options outstanding.

24 Share-based payments

Following the expiry in 2011 of options granted to each of the Company's placing agents, Arbuthnot Securities Limited and Cantor Fitzgerald Europe, in respect of the share issue at Listing in January 2007, there were no share based transactions during 2012.

25 Non-controlling interest

The non-controlling interest is all attributable to the 20.83% non-controlling shareholding in Grand Harbour Marina plc.

26 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 are payable as follows:

	2012		2011	
	€'000 Minimum	€'000 Maximum	€'000 Minimum	€'000 Maximum
Less than one year	798	1,176	722	1,043
Between one and five years	3,072	4,599	3,142	4,794
More than 5 years	12,921	19,251	13,402	20,114
Total	16,791	25,026	17,266	25,951

The marina leases have (a) 87 years, (b) 94 years and (c) 21 years unexpired at 31 December 2012. 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; under lease (b) the rent is dependent upon the square footage brought into use; and under lease (c) the 2012 rent of €0.8 million, 45% of which is included in the Group's results, is subject to index linking.

The office premises' leases range in length between 5 and 25 years and the rents are reviewable periodically to prevailing market rates. The unexpired periods of these leases at 31 December 2012 were between 2 and 18 years. The Group ceased to occupy one of the offices during 2012 and a sub-letting is currently being sought. Provision has been made for the cost of holding the property until the date by which it is anticipated that the sub-letting will be achieved.

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 licenses are collected at the outset of the contract, the Group's gross and net investment in finance leases is zero.

26 Commitments and contingencies (continued)

Finance lease and hire purchase commitments

At the reporting date the Group has no commitments as lessee under finance leases.

Capital commitments

At 31 December 2012, the Group had contracted capital commitments of €Nil (2011: €24,811).

Contingent liabilities

The Company had no contingencies at 31 December 2012 (2011: Nil) but the Group had the following:

Litigation and claims

At 31 December 2012, a subsidiary was party to claims amounting to €160,084 (2011: €160,084) for contract works carried out by third parties.

At 31 December 2012, another subsidiary was party to a claim amounting to €99k (2011: €Nil) for medical expenses, lost earnings and general damages in respect of an accident at the Marina in September 2010.

While liability is not admitted, if defence against these actions is unsuccessful, the disclosed amounts could become due although in respect of the claim relating to the accident at the marina any award should be met by the company's insurers. The directors do not expect the company to be found liable and no provision has been made for these claims in the consolidated financial statements.

Guarantees

The Company has 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 has 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 2012 was €7,103,800 (2011: €6,617,387).

Grand Harbour Marina plc, a subsidiary, has provided a guarantee in respect of a performance bond amounting to €34,941 (2011: €34,941).

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

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 €125,000 (base year 2009) rising annually in line with RPI.

27 Related party transactions

27.1 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.

27.2 Loan from Maris Marine Holdings Limited

Management of the Group was internalised in December 2008 when the Company acquired its Manager and Investment Advisor. The acquisition involved €1.5m of deferred consideration which, at the Company's request, was converted into a loan with extended payment terms. As at 31 December 2012, the Company had a loan of €162,750 from Maris Marine Holdings Limited, a company of which Nicholas Maris is a controlling shareholder. The loan is repayable by monthly instalments of €27,125 The Company may, in its discretion, accelerate any or all of the repayments (in whole or in part). The loan is subject to immediate repayment in the event of a sale or on a change of control of the Company. Interest is payable semi-annually on the loan at the rate of 5.5 per cent above Euribor. The loan is secured by a charge in favour of the lender over the shares that the Company or its subsidiary owns in Camper & Nicholsons Marinas International Limited.

27.3 Accounting services provided to Maris Marine Holdings Limited

Maris Marine Holdings Limited, a company of which Nicholas Maris is the controlling shareholder, has been charged €15,600 (2011: €15,900) for accounting services provided by an employee of Camper & Nicholsons Marinas Limited. At 31 December 2012 €Nil (2011: €Nil) was due to Camper & Nicholsons Marinas Limited and is included in trade debtors.

27.4 Marina database

The Company owns a database containing information on the global super-yacht fleet, existing and under construction and marinas worldwide including marina tariffs, berth numbers and berth mix. The database is a key tool for both the owned marinas and the Third Party management services business. Camper & Nicholsons Marinas Limited has incurred costs of €60,881 (2011: €52,900 incurred by Camper & Nicholsons Marinas International Limited) with Maris Technologies Limited, a subsidiary of Maris Marine Holdings Limited, for the maintenance of the database, a service that includes a twice yearly update of the key marina tariff data. At 31 December 2012 €6,050 (2011: €4,409) was due to Maris Technologies Limited and is included within trade creditors.

27.5 Trade Mark Licence

The Company has exclusive global rights in perpetuity for the use of the Camper & Nicholsons brand name in the marina sector. The brand is recognised internationally and attracts clients to the Third Party management services business and boats to the marinas. The royalties due under the Trade Mark licence referred to in Note 26 are payable to Camper & Nicholsons (Designs) Limited. Nicholas Maris is a director of Camper & Nicholsons (Designs) Limited, and a potential beneficiary of the Maris Settlement, a trust which ultimately controls Camper & Nicholsons (Designs) Limited. During the year, the Company paid royalties and other related fees of €154,711 (2011: €139,484) and there was €35,495 outstanding at 31 December 2012 (2011: €33,525).

27.6 Legal services provided to Camper & Nicholsons (Designs) Limited

During the period, Camper & Nicholsons (Designs) Limited has been charged €815 (2011: €5,687) for legal services and expenses provided by employees of Camper & Nicholsons Marinas Limited. At the end of the period, €Nil (December 2011: €Nil) was due to Camper & Nicholsons Marinas Limited.

Related party transactions (continued)

27.7 Administration and support services provided by and to CL Partners

CL Partners of which Sir Christopher Lewinton is a partner, has been charged €10,329 (2011: €Nil) for administrative services provided by an employee of Camper & Nicholsons Limited. At 31 December 2012 €Nil (2011: €Nil) was due to Camper & Nicholsons Marinas Limited. During 2011 CL Partners provided administration and support services to Camper & Nicholsons Marinas Limited for which it charged €32,262. There was no equivalent charge in the current year. At 31 December 2012 €Nil (2011: €4,923) was due to CL Partners and is included within trade creditors. During 2011 CL Partners also provided services to Camper & Nicholsons Marina Investments Limited in relation to the Strategic Review for which it charged fees of €150,000 all of which had been paid prior to 31 December 2011.

28 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, exchange rate risk and interest rate risk. The directors regularly review and agree policies for managing these risks and these are summarised as follows:

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 customers is small and there are no significant concentrations of credit risk within the Group.

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.

However, the Group has tried to mitigate the risk by limiting the size of the investment in any single property and investing in desirable locations.

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.

28 Financial risk management objectives and policies (continued)

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.

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.

29 Financial instruments

29.1 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	
	31 December 2012	31 December 2011
	€	€
Trade receivables	3,194,160	1,279,303
Other receivables	600,807	692,334
Cash Pledge	3,502,535	2,738,246
Malta Government Bonds	1,612,501	1,563,900
Cash and cash equivalents	4,864,152	6,993,944
	13,774,155	13,267,727

Cash and cash equivalents represents funds deposited with several major Banks, the most significant being; HSBC, Bank of Valletta, Barclays and Scotia Bank.

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

	Carrying amount	
	31 December 2012	31 December 2011
	€	€
Individual	329,262	158,287
Legal entities	2,831,874	1,132,552
Agents	128,550	207,744
	3,289,686	1,498,583
Amounts provided for	(95,526)	(219,280)
Carrying amount	3,194,160	1,279,303

Information relating to the aging of receivables at the reporting date and associated impairment is provided in note 17.

29 Financial Instruments (continued)

29.2 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**	**6-10 Years**
31 December 2012	€	€	€	€	€	€	€
Scotia Bank loan	9,232,880	(10,188,013)	(975,516)	(962,973)	(2,187,720)	(6,061,804)	-
Isbank Term loan	3,672,550	(4,717,059)	(376,498)	(367,721)	(709,109)	(1,916,668)	(1,347,063)
Isbank Subord Loan	3,431,250	(3,621,801)	(252,769)	(251,168)	(497,531)	(1,454,165)	(1,166,168)
7% Bond Issue	11,654,570	(18,300,000)	(420,000)	(420,000)	(840,000)	(2,520,000)	(14,100,000)
Bank overdraft	15,250	(15,250)	(15,250)	-	-	-	-
Loan due to related party	162,750	(167,315)	(167,315)	-	-	-	-
Accounts payable	375,916	(375,916)	(375,916)	-	-	-	-
	28,545,166	(37,385,354)	(2,583,264)	(2,001,862)	(4,234,360)	(11,952,637)	(16,613,231)
31 December 2011							
Scotia Bank loan	10,087,443	(11,057,575)	(556,294)	(549,725)	(1,842,786)	(8,108,770)	-
Isbank Term loan	3,917,387	(4,545,883)	-	(378,029)	(610,378)	(1,731,242)	(1,826,234)
Isbank Subord Loan	2,700,000	(3,133,183)	-	(260,550)	(420,694)	(1,193,232)	(1,258,707)
7% Bond Issue	11,619,024	(19,140,000)	(420,000)	(420,000)	(840,000)	(2,520,000)	(14,940,000)
Bank overdraft	25,602	(25,602)	(25,602)	-	-	-	-
Loan due to related party	488,250	(521,012)	(179,131)	(173,671)	(168,210)	-	-
Accounts payable	411,860	(411,860)	(411,860)	-	-	-	-
	29,249,566	(38,835,115)	(1,592,887)	(1,781,975)	(3,882,068)	(13,553,244)	(18,024,941)

As detailed in Note 21 part of the Scotia Bank loan at 31 December 2012 was subject to a floating interest rate based on Libor and part is at a fixed rate. The Isbank loan is subject to a floating interest rate based on Euribor. The loan due to the related party is also a floating rate loan based on Euribor. The Isbank loans to Cesme are guaranteed by shareholders and referred to in Note 26.

29.3 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 2012 that are subject to variable interest rates, an increase of 100 bps (2011: 100bps) would reduce profit before tax by €74k (2011: €87k). Similarly a reduction of 100bps (2011: 100bps) on all of the Group's borrowings subject to variable interest rates would increase profit before tax by €74k (2011: €87k).

29 Financial instruments (continued)

29.4 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 2012**	**31 December 2011**
Cash at bank		
GB Pounds	95	111
US Dollars	89	815
EC Dollars	41	58
Turkish Lira	88	88
Trade receivables		
GB Pounds	35	-
US Dollars	-	-
EC Dollars	166	60
Turkish Lira	47	47
Chinese RmB	55	-
Borrowings		
US Dollars	9,233	10,087

Exchange Rate to Euro Table

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

Currency	**Average rate**		**Year end rate**	
	2012	**2011**	**2012**	**2011**
GB Pounds	1.2332	1.1522	1.2253	1.1972
US Dollars	0.7783	0.7184	0.7579	0.7729
EC Dollars	0.2864	0.2651	0.2785	0.2820
Turkish Lira	0.4323	0.4277	0.4252	0.4092

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 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. This analysis assumes that all other variables, in particular interest rates remain constant. The analysis is performed on the same basis for 2011**.**

€000	**31 December 2012**		**31 December 2011**	
	Equity	**Profit or Loss**	**Equity**	**Profit or Loss**
GB Pounds	17	303	(16)	294
US Dollars	(2,240)	86	(2,299)	123
Turkish Lira	(31)	117	(31)	69

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 Financial instruments (continued)

29.5 Fair value hierarchy

The Available for Sale Financial Assets are Malta Government Bonds. As these Bonds are quoted on the Malta Stock Exchange they are carried at fair value at the reporting date based on the market value.

29.6 Fair values

At the reporting date the carrying amount of financial assets and financial liabilities approximated their fair values.

30 Substantial shareholdings

As at 7 May 2013 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
FE Marina Investments Ltd	25.00%
First Eastern (Holdings) Ltd	23.32%
Richard Griffiths	6.07%
Nicholas Maris	5.86%
Henderson Global Investors Ltd	5.66%
F&C Asset Management plc	4.55%
Deutsche Bank AG	4.22%
Overseas Asset Management (Cayman) Ltd	4.01%
Martin Bralsford	3.66%

Included in the holding for Nicholas Maris are 3,246,625 shares (2.29%) held by the Maris Settlement, a discretionary trust of which Nicholas Maris is a potential beneficiary.

31 Post balance sheet events

In accordance with the announcement made on 20 March 2013 and the subsequent issue of a Circular to shareholders and their approval of the proposed fundraising at an Extraordinary general Meeting on 3 May 2013, the Company has raised £4 million gross from the issue of 61,540,743 Ordinary shares at 6.5 pence per Ordinary share. These funds were raised through a firm subscription by First Eastern (Holdings) Limited for £1 million and a £3 million Open Offer to qualifying shareholders fully underwritten by First Eastern (Holdings) Limited. Following the fundraising the Company has 141,784,358 Ordinary shares in issue of which 23.32% are owned by First Eastern (Holdings) Limited and 25% by its majority owned subsidiary FE Marina Investments Limited.

In line with the requirements of the Bond Prospectus issued in 2010, Grand Harbour Marina plc has appointed HSBC as trustees of a purposely instituted Sinking Fund. During January 2013 Grand Harbour Marina plc placed €375,000 in this Fund.

CAMPER & NICHOLSONS MARINA INVESTMENTS LIMITED

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting will be held at Island House, Grande Rue, St Martins, Guernsey, Channel Islands, Great Britain GY4 6RU on 21st June 2013 at 09.30am for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the Directors and Auditors for the period ended 31st December 2012.

2. To approve the Directors' report on remuneration as set out on page 14 of the Consolidated Financial Statements.

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

4. To elect two directors:

   a. Mr Roger Lewis

   b. Mr Clive Whiley

5. To consider any other business.

By order of the Board

Shaftesbury Limited
Company Secretary

Registered office:
Island House, Grande Rue, St Martins, Guernsey, GY4 6RU

Dated this 8th May 2013

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.

Camper & Nicholsons Marinas

YACHTING SINCE 1782

Camper & Nicholsons Marina Investments Limited
Island House
Grande Rue
St Martins
Guernsey
GY4 6RU
www.cnminvestments.com

Camper & Nicholsons Marinas Ltd
Richmond Place
15 Petersham Road
Richmond
Surrey TW10 6TP
Tel: +44 (0)20 3405 1782
Fax: +44 (0)20 3405 3229
info@cnmarinas.com