Camper & Nicholsons Marina Investments Limited

Annual Report 2008

Top: Classic yachts on completion of the *Trophée Baille de Suffren*, from St Tropez to Malta.
Below left: Guests aboard a superyacht in Grand Harbour Marina.
Below right: Aerial view of Grand Harbour Marina.
Below: The yacht *Alegre* departing Malta at the start of the Rolex Middle Sea Race. Credit: Rolex/Kurt Arrigo.

Turnover

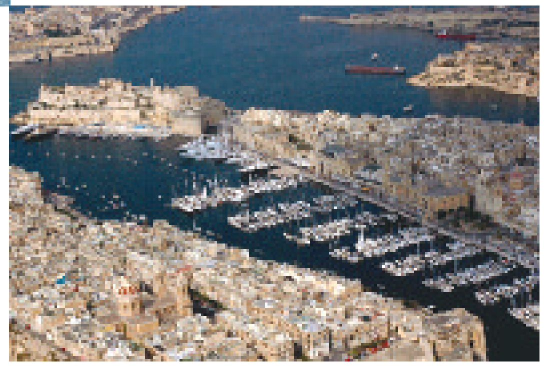
€2.8 million

Adjusted net asset value

€42.4 million

Investment in marina, property, plant and equipment during 2008

€24.2 million



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World leader in marinas

Camper & Nicholsons has been associated with premium marina and waterfront development for over 40 years, and is the most recognised international brand in the sector.

For yachts and yachtsmen the name means high quality services and a warm welcome whenever they visit a Camper & Nicholsons Marina.

For our business partners our wide experience, which includes having worked in more than 25 countries, and our strong sales and marketing reach, help them achieve their investment objectives in marinas and waterfront development.

Highlights

- Successful establishment of three high quality marina assets in Malta (Grand Harbour Marina, "GHM"), Grenada ("Port Louis") and Turkey ("Cesme"). GHM is fully operational with Port Louis and Cesme being developed.
- Revenues of €2.8 million (2007: €10.7 million) during the year reflected the lower level of superyacht berth sales.
- Pre tax loss before one off items of €(4.2) million (2007: €6.3 million profit).
- Adjusted NAV of €42.4 million, equating to 78.3c per share (2007: 107.6c).
- Since incorporation in 2007, the Company has generated profits before tax and goodwill impairment, of approximately €0.7 million over a two year period.
- GHM is operating at full occupancy and expected to be cash flow positive in 2009, excluding further berth sales.
- Increased inquiries for berth sales at GHM and Port Louis marinas have continued in 2009.
- Following internalisation, the Company has secured a new business stream, involving the management of 3rd party marinas, requiring modest capital, and capable of significant growth and profits.
- Net cash of €12 million at Parent Company level as at the year end.
- In October 2008, the Company secured a $25m development term loan facility with Bank of Nova Scotia to build out the Port Louis Marina.
- The Company has sufficient cash resources to meet its currently planned developments through 2009 and 2010.

Chairman's statement

Despite the dramatic deterioration in the external economic environment since the IPO, I am pleased to be able to report that we have had a successful first two years of operation, with the marina sector continuing to benefit from the fact that there are more boats than berths. We also have a strong pipeline of possible acquisitions coupled with negotiations at an advanced stage for contracts to manage third-party marinas.

Looking forward, your Board has confidence that Camper & Nicholsons will report continued positive progress.

Highlights

	2008 €m	2007 €m
Group		
Turnover	**2.8**	10.7
Gross profit	**2.1**	8.9
Operating (loss)/profit	**(7.1)**	5.1
Pre-tax (loss)/profit	**(6.6)**	6.3
Earnings per share basic	**(12.8)c**	5.2c
Earnings per share diluted	**(12.7)c**	5.2c
Net assets (IFRS)	**45.3**	50.3
Adjusted net assets	**42.4**	53.8

Following an extremely successful first year in 2007 when the Group reported profit before tax of €6.3 million as a result of revenues of €10 million generated from sales of long-term berth licences coming in ahead of expectations, the corresponding loss in 2008 was €5.6 million (before goodwill impairment). Given the lumpy nature of berth sales, a balanced view of the business is to take the two periods together which shows a profit, before goodwill impairment, over the first two years of operation of €0.7 million.

The loss in 2008 reflects primarily the reduced level of revenues from sales of long-term berth licences, the one-off costs relating to funding and acquisition initiatives pursued during the year, coupled with the costs of the internalisation completed in December. The planned costs during the development phase of Port Louis Marina, acquired in January 2008, and Cesme Marina, also impacted on 2008.

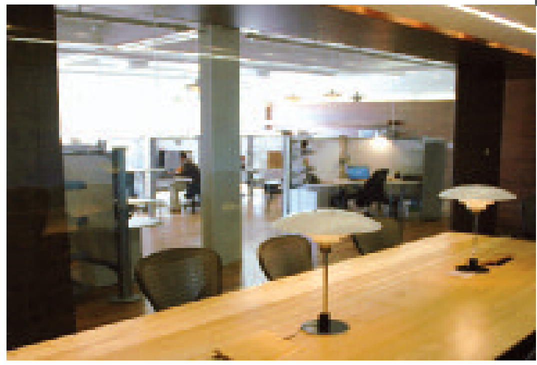
The significant variation in revenues from long-term berth licenses makes year-on-year comparisons difficult and looking ahead a 2 or 3 year average of this type of revenue will give a more balanced view of the business. However, the performance of our marina businesses before berth sales is showing steady improvement, as tariff-rate increases at GHM in Malta demonstrate.

The €47.6 million raised in February 2007 has been substantially invested in 3 marinas in Malta, Grenada and Turkey. Malta is fully operational, Grenada is expected to be substantially complete later this year and Cesme is targeted to open in April 2010. Full details of the operations of the business are covered in the Business Review by my colleague, Nick Maris, Chairman of Camper & Nicholsons Marinas International Ltd.

Right: The Rolex Middle Sea Race fleet moored in Grand Harbour Marina. Credit: Rolex/Kurt Arrigo.
Below left: The new Camper & Nicholsons Marinas offices, overlooking Grand Harbour Marina.
Below right: One of the classic yachts taking part in the *Trophée Baille de Suffren*, hosted at Grand Harbour Marina.

4.175 million

New ordinary shares issued in December 2008 to acquire the Manager and Investment Advisor.



€12 million

The Parent Company held €12 million net cash at 31 December 2008.

Before moving to the future I would like to thank my predecessor, George Kershaw, for his leadership of the Company since listing on AIM in January 2007 until his resignation in December 2008 and also Charles Mallory for his services as a Director of the Company over the same period.

The Company entered 2009 in a strong position as a consequence of the following:

- We now have an internalised structure following the acquisition of the C&N management team.
- We acquired the C&N management business of third-party marinas which is expected to generate steady cash flows in the future.
- We acquired in perpetuity the rights to the C&N brand name for the marina sector which is the premier brand name in this sector and is truly global.
- The interests of the shareholders, the Board and the Management are now fully aligned which will be a help in both growing the business and meeting the needs of our shareholders.

Outlook and conclusion

The business plan shows that the Group's cash position is sufficient through 2010 to complete the successful development of our 3 marinas at which point all planned berths will have been brought into use. We will also continue to develop the third–party business.

Despite the dramatic deterioration in the external economic environment since the IPO, I am pleased to be able to report that we have had a successful first two years of operation, with the marina sector continuing to benefit from the fact that there are more boats than berths. We also have a strong pipeline of possible acquisitions coupled with negotiations at an advanced stage for contracts to manage third-party marinas.

Your board believes that the true value of the business, particularly given its investment in Grand Harbour Marina and significant cash balances, is not adequately reflected in the market value of the Company. With this in mind the Board is considering the steps it needs to take to successfully grow and develop the business and also meet the needs of our shareholders.

Sir Christopher Lewinton
Chairman
25 March 2009

Business review

By Nick Maris, Chairman and CEO of
Camper & Nicholsons Marinas International Limited.

Notwithstanding the depths of the current global economic crisis however, the fundamentals of more boats than berths, coupled with the continuing difficulty of creating new marinas, will we consider continue to make investment in marinas a sound proposition.

Introduction

During the year the Company moved, with the overwhelming support of its shareholders, from being an externally managed fund, to an integrated operating company, through the purchase of its Manager and Investment Advisor. It also secured the exclusive and perpetual license of the Camper & Nicholsons brand names in the marina sector.

The benefits of the internalisation include:

1. An experienced in house management team whose interests are aligned fully with the shareholders

2. A new business stream, the management of 3rd party marinas, requiring modest capital, and capable of significant growth and profits.

3. Exclusive use of the C & N brands in the marina sector, a magnet to management and investment opportunities.

Internalisation has strengthened the Company's resources, and permits it to expand its business without requiring additional capital.

Although 2008 saw a strengthened level of enquiry for new berth sales across the marina portfolio, after an outstanding year in 2007 when berth sales reached €10 million, concluded berth sales for 2008 were €1 million at Grand Harbour Marina – Malta, with conditional purchases of approximately €0.3 million achieved at Port Louis – Grenada, with completion triggered when the berths are constructed in Q4 of 2009.

Overall, the economic climate has caused caution amongst buyers but underlying demand particularly for superyachts, is strong due to scheduled deliveries of yachts in build for 2009 and 2010.

During 2008, the Port Louis development has continued with a $25 million development financing facility secured from the Bank of Nova Scotia in October 2008. As a result, an additional 10 superyacht berths came on line as planned in November 2008. At Cesme Marina in Turkey, design and planning works continued, with site handover being taken in July of 2008. The delay in handover, caused by issues between various government departments, means that the planned opening of the marina is now in April of 2010.

With the reduced level of berth sales at GHM, the one off costs of €2.4 million relating to fund raising initiatives and to internalisation including goodwill, two marinas in their development phase and one fully operational marina, the Company's loss before tax was €6.6 million (2007: profit €6.3 million).

Encouragingly, recurring berth rental revenue demonstrated resilience at GHM, the Company's fully completed marina, which has now achieved berth rental rate increases above inflation in each of 2007, 2008 and going into 2009. Revenues, other than berth sales, at GHM rose to €1.5 million (2007: €0.7 million) as a result of maintaining full occupancy and the tariff increases.

Internalisation

On 19 December 2008 the Company completed the Internalisation of its Management through the acquisition of

Left: The marina at Port Ghalib, near Marsa Alam in the Egyptian Red Sea. Part of a development by the Kuwaiti-based Kharafi Group that also includes an InterContinental Hotel, waterside residences and a 1500 seater convention centre, the marina has been operational since 2005. When the final development phase is complete, Port Ghalib Marina will have 740 berths across 77,000 square metres.

Below: Artist's impression of Cala Ponte Marina, Polignano A Mare, near Bari in Italy. This 336 berth marina is part of a resort development that will include shops, restaurants, leisure facilities and an apart-hotel. Cala Ponte will be a perfect location from which to cruise the western Adriatic.

Below: Aerial view of Porto San Rocco, in the Muggia region of Italy. Able to accommodate yachts up to 60m in length, this 453 berth marina is set within a charming and fully pedestrianised village designed by the celebrated architect Luigi Vetti. It is ideally located for cruising the Gulf of Trieste and the Istrian and Dalmation coasts.

Business review continued

its Third Party Manager (Marina Management International) and Investment Advisor (Camper & Nicholsons Marinas International). At the same time the Company acquired the rights to use the C&N brand name in perpetuity in the Marina Sector. These acquisitions were completed for the issue of 4.175 million new shares in the Company which were admitted to listing on AIM on 22 December, 2008 and the assumption of €2.5 million of gross debt of which €1.0 million was repaid at completion, the balance being payable between June 2011 and June 2012. At the same time the Company agreed to establish an Employee Benefit Trust through purchases in the market of the lesser of 1.325 million shares or shares to the value of €0.5 million. These purchases were substantially completed in January 2009.

Following completion of these transactions, the Company believes it has secured the Management team required to manage and grow the business and that the interests of Shareholders, the Board and Management are now completely aligned.

When the Company acquired Camper & Nicholsons Marinas International it also acquired a new business activity, the third party marina advisory, management and consultancy business, which included four existing contracts one of which is conditional upon final planning consents.

This is an attractive business with the potential of earning high returns on capital and providing recurring income and cash flow through long-term contracts. Over time it is expected to develop into a significant revenue, profit and cash flow stream for the Company. It is also a source of future investment opportunities.

This third party business will be managed as a separate profit centre within the Group utilising the Group's Technical and Operations expertise as necessary.

Grand Harbour Marina, Malta

CNMI's investment in Grand Harbour Marina plc ("GHM") remains unchanged from 31 December 2007 with a holding of 79.2% of GHM's equity. The balance is listed on the Malta Stock Exchange. At the share price ruling on 24 March 2009 the market capitalization is €19.8 million.

GHM is the Group's only fully operational marina and is performing well. The business of the marina is divided into two components; the sale of superyacht berth licences typically for periods of 25 years, and the rental of berths, mostly of 25 metres and below in length, for periods of up to one year.

Pontoon berth demand has shown resilience, despite the economic climate, and these berths continue to be fully occupied with a waiting list. Tariffs which were increased by 17% and 5% in 2007 and 2008 respectively have now been increased by 15% for 2009, with visitor rates increased by 50%.

An additional 20 berths of 15 metres and 4 berths of 12 metres were created by installing pontoons in the space allocated to certain 30 metre superyacht berths, which were not programmed for sale at present. These pontoon berths were immediately let.

During 2008, two berths with a total value of about €1 million were sold which, with the €10 million of berths sold in 2007, gives an average of €5.5 million over the two years, well ahead

€2.8 million

Grand Harbour Marina's turnover during 2008 was €2.8 million including €1.0 million from berth sales.

Above left: The 119m superyacht 'A', designed by Philippe Starck, alongside in Grand Harbour Marina.
Above right: The pontoon berths at Grand Harbour Marina, now fully occupied and with a waiting list.
Right: Classic yachts on completion of the *Trophée Baille de Suffren*, from St Tropez to Malta.
Below: The start of the Rolex Middle Sea Race. Credit: Rolex/Kurt Arrigo.

Facing page: Grand Harbour Marina in the early evening.

€19.8 million

At 31 December 2008 Grand Harbour Marina's market capitalisation on the Malta Stock Exchange was €19.8 million.

32,000 sq mtrs

Completed Cesme Marina will have nearly 32,000 square metres of lettable berth area.

375 berths

Cesme Marina will provide a total of 375 berths when complete.

Facing page
Top right: Yachts moored in the harbour at Cesme.
Far left: The harbour and town of Cesme.
Below left: Architect's rendering of the marina and shoreside development in Cesme, designed by Atelier Xavier Bohl/Ayyapi.

Right: The beautiful waters of the Aegean.

of expectations at the time of CNMIL's investment in GHM. The investment is proving to be a very sound one for CNMIL.

Enquiry levels remain high although buyers continue to show caution in committing to purchases. Nonetheless the level of enquiries supports the view that demand for these berths will resume, with the Company targeting completions in 2009 and in light of this a planning application has been made to reconfigure the existing 2 berths of 100 metres in length, to yield a new 90 metre berth and two 130 metre berths.

The net overall effect of the above is that during the year GHM generated revenues of €2.5 million (2007: €10.7 million) with €1.5 million (2007: €0.7 million) from marina operating activities and €1 million from the sale of two 30 metre long term berth licences. After deducting cost of sales and normal operating costs but before depreciation, GHM made a small operating profit of €0.1 million (2007: €7.5 million). Before loan repayments, interest, payment of tax relating to the berth sales completed in 2007 and the dividend referred to below, GHM had a small cash outflow. Based on the current level of enquiries and the Company's business plan, we expect this position to be reversed in 2009, even in the absence of any new berth sales. In June 2008, GHM paid a dividend of €2.0 million from the total consideration of approximately €10 million received in December 2007 from the sale of three 75 metre long term berth licences. CNMIL's share of this dividend was €1.6 million.

CB Richard Ellis valued GHM (based on a 100% interest) at €21.0 million as at 31 December 2008. (€24.1 million at 31 December 2007) Factors in the reduction included the lower level of sales, and the higher yields now expected by property investors. Although the CBRE valuation is lower than the 31 December 2007 figure it remains above the cost of CNMIL's investment in GHM, the amount included in CNMIL's balance sheet, and therefore there is an increase in NAV. After adjusting for minority interests the NAV uplift is €2.3 million of which €1.7 million has been consolidated into CNMI's trading results to give a net NAV uplift at 31 December 2008 of €0.6 million.

As reported in the Interim Financial Statements, the government of Malta has announced the intended privatisation of the existing government marinas, a process which is expected to commence during the second quarter of 2009. GHM will be reviewing the tender documents, when issued, in conjunction with the Company to determine the best way to participate in the process.

Cesme Marina, Turkey

Handover of this marina, which was acquired through a 25 year 'Build Operate and Transfer' contract (BOT contract) with our joint venture partner, IC Holdings, occurred on 13 July 2008. The delay in site handover occurred because of title issues relating to a small part of the marina's overall land area. Construction is now planned to start so as to open for the 2010 season.

Even with these delays berth demand has remained strong and many Turkish marinas have posted double digit tariff increases during the year. The closest marina to Cesme increased its tariffs in 2008 by approximately 60%. Projected opening tariffs are now expected to be over 50% higher than those in the tender business case.

Business review continued

Left: Superyachts moored at Port Louis.

Facing page
Top left: Fireworks to celebrate the opening of the Port Louis superyacht dock, December 2008.
Below left: Grenada's Minister for Foreign Affairs and Tourism, Hon. Peter David, opens the superyacht dock at Port Louis.
Below right: Port Louis by night.
Below: Superyachts up to 90 metres in length moored at Port Louis.

The market for landside retail space in Turkey, however, weakened markedly in the second half of 2008. As a result, it is now intended to defer construction of some of the marina related real estate until economic conditions justify the expansion.

The investment made to manage the site and promote the marina for the future resulted in a pre tax loss of €0.4 million. The Company's share of this loss is €0.2 million being 45% of the total.

CB Richard Ellis valued the Cesme Marina BOT contract (based on a 100% interest) at €4.1 million at each of the previous period ends. Due to the general reduction in commercial property yields caused by the global economic climate and the overall delays in the project, CBRE reduced their valuation to €3.3 million as at 31 December 2008. After adjusting for CNMI's 45% shareholding and other assets and liabilities, CNMI's interest in Cesme is valued at €1.5 million. Compared to an investment of €1.1 million and after allowing for consolidated losses and deferred tax of €0.1 million on the uplift in value there is an NAV uplift of €0.7 million.

Port Louis Marina, Grenada

As reported previously, acquisition of this strategically located marina was completed on 18 January 2008 for a price of $24 million with substantially all of this being paid at completion. The marina has been in a development phase during 2008, with capital expenditure of $10.7 million incurred on completing the necessary infrastructure and on the creation of 10 superyacht docks so that the marina was ready for the season starting in November 2008. These superyacht docks were successfully brought into use and have seen higher than expected levels of occupancy averaging around 50% during the peak months of December and January with favourable comments and repeat visits from visiting boats.

Construction works which were paused in late November to permit un-interrupted enjoyment of the marina during the season will re-commence in Q2 2009. In-water works, primarily pontoon berthing for yachts in the size range 10 to 40 metres is being phased with the next phase comprising nearly 280 berths complete in time for the 2009 high season.

In October 2008, negotiations were completed successfully with the Bank of Nova Scotia for a $25 million loan facility for the construction of Port Louis Marina. During 2008, $11.7 million was drawn down against this facility with $7 million being held as cash collateral against the loan. Since 31 December 2008 and up to the date of this report further draw downs totalling $1.4 million have been made against this facility.

Even before the berths have been constructed, contracts have been agreed for the 30 year licences of 2 berths representing total revenues of $0.4 million. These revenues, however, were not included in the 2008 figures as the payments only become due when the associated berths are complete. These contracts were concluded at a price of $2,000 per square metre, in line with management expectations at the time of the acquisition. The completed marina will contain about 51,000 square metres of berths, with a capacity of about 380 boats. The marina continues to see strong enquiry levels for further long term licences.

32,000 sq mtrs

Lettable berth area of 32,000 square metres representing 170 berths for yachts up to 100m in length planned on line for late 2009

$35 million

Our investment to date in Port Louis has been $35 million (€24 million)

Top left: Some of the magazines in which advertising and press coverage have run.
Top right: Camper & Nicholsons Marinas' stand at the Monaco Yacht Show, September 2008.
Right: Camper & Nicholsons Marinas' stand at the Düsseldorf Boat Show, January 2009.
Below: Plan of Istanbul Marina, to be constructed in Istanbul, Turkey – 490 berths and 52,000 square metres of berth area.

During the year, whilst the marina has been in the development phase, expenditure has been incurred on marketing to promote the marina and on the staff required to meet client needs. As expected, this investment, together with the construction work affecting berth availability and revenues, resulted in the marina making an operating loss before depreciation of €1.4 million for the year. After depreciation of €0.5 million and a small interest expense the pre and post tax loss was €1.9 million.

CB Richard Elllis valued the Port Louis Marina in its then existing state at $27.3 million (€18.7 million) at 31 December 2007. Capital expenditure of $10.7 million (€7.3 million) during the year brought the marina to an operational state for the season with further expenditure planned in 2009 to complete the marina. With the reduced property yields and generally weaker economic conditions CBRE has valued the marina at $27.9 million (€20.0 million) as at 31 December 2008. After a small positive benefit from the €:$ exchange rate there is a €4.2 million negative NAV adjustment reported in relation to the Port Louis Marina and its related real estate. With the investment made, however, we believe that we have completed a key step towards creating a valuable high quality marina for the future.

Third Party Marina Management Contracts

This new business stream was acquired as part of Camper & Nicholsons Marinas International, the Investment Advisor, in December 2008. It utilises Camper & Nicholsons technical and operational experience to provide a service to improve operational and financial performance at third party marinas. Camper & Nicholsons offers to clients services ranging from sales and marketing through to turnkey marina management. Agreements currently exist with Port Ghalib Marina in Egypt, Port Gocek Marina in Turkey, Istanbul Marina to be constructed in Istanbul Turkey, Polignano Marina being constructed in Italy, and Porto San Rocco Marina in Italy. Agreements vary in term from 1 year through 10 years. A number of additional contracts are under negotiation. The 2008 results include no contribution from this business as it was only acquired on 19 December 2008 but the business is expected to have a positive impact on Group results going forwards.

Sales and marketing activities

Camper & Nicholsons has increased its marketing programme to promote the Group's 3 marinas and in particular to help generate additional income from both berth sales and rentals. Activities included attendance at the Dusseldorf, Genoa Charter, Istanbul, Ft Lauderdale, and Monaco boat shows. Our marinas hosted the Rolex Middle Sea Race, the Baille de Suffren, the Grenada Sailing Festival and the World ARC rally. Press visits from leading yachting magazines resulted in wide editorial coverage. Most leading brokerage firms and managers, and many leading boat builders were met face to face, as were many professionals involved in yacht finance and contracting.

Positive results are being seen across the Group with a significant increase by value of berth sales enquiries, full pontoon berth occupancy and continuing waiting list at GHM, increased visitor numbers at GHM, immediate occupation of completed superyacht docks at Port Louis, a substantial number of registered enquiries for berths at Cesme, and strong support for our client marinas.

Financial overview

2008 Results

CNMI's loss before tax of €6.6 million (2007: profit €6.3 million) reflected the one-off expenditure incurred re potential fund raising and the internalisation of Management, the costs incurred at Port Louis and Cesme during their development/pre operational phases and the normal running costs of the Company.

Sales of €2.8 million (2007: €10.7 million) during the year reflected the lower level of superyacht berth sales. After directly attributable costs of €0.7 million (2007: €1.8 million) which related primarily to GHM, these sales generated a gross profit of €2.1 million (2007: €8.9 million). After operating costs of €9.2 million (2007: €3.8 million) which included the €2.4 million relating to funding initiatives and the internalisation of Management (2007: nil) and net interest income of €0.5 million (2007: €1.2 million) this resulted in a pre tax loss of €6.6 million (2007: €6.3 million profit). With a small tax credit (2007: €2.8 million charge) the after tax loss was €6.5 million (2007: €3.5 million profit). The loss per share to CNMI shareholders was 12.82c (2007: earnings per share 5.19c).

Comparison of results with 2007

The change in revenues, operating expenses and cost of sales and profit before tax from 2007 to 2008 is summarised in the table below:

€ million	Sales	Op. exps. and cost of sales	Profit before tax
2007	10.7	(5.6)	6.3
Reduced berth sales	(9.5)	2.0	(7.5)
Full Year effect of GHM (acquired June 2007)	1.1	(1.3)	(0.2)
GHM second half improvements	0.2	(0.1)	0.1
Addition of Port Louis	0.3	(2.2)	(1.9)
Increase in Parent Company costs	–	(0.3)	(0.3)
One-off costs re funding initiatives and internalisation	–	(2.4)	(2.4)
Net interest income reduction	–	–	(0.7)
2008	2.8	(9.9)	(6.6)

Balance sheet

The consolidated Balance sheet at 31 December, 2008 comprised the assets and liabilities of the Company, the Management companies acquired in the Internalisation process in December 2008, Grand Harbour Marina plc, Camper & Nicholsons Caribbean Holdings Ltd, and on a proportional basis the Company's interest in Cesme. The non current assets of €44.5 million (2007: €18.3 million) comprised primarily the tangible fixed assets employed in the marina businesses and the goodwill arising on the acquisitions. The significant increase since the end of 2007 reflects primarily the acquisition of, and subsequent investment in, Port Louis Marina.

Current assets of €22.0 million (2007: €44.5 million) included the un-invested net proceeds of the AIM listing of around €12.1 million (2007: €33.3 million) held mainly as fixed short term deposits and the cash balances and trade debtors of the marina businesses. Current liabilities were mainly normal trade related items, tax payable by GHM and the current portion of long term debt at GHM. The non current liabilities comprised the long term portion of GHM's debt, the debt of Port Louis Marina and the debt acquired with Camper & Nicholsons Marinas International as part of the Internalisation transaction.

At 31 December 2008 the Group's net assets on an IFRS basis amounted to €46.2 million (2007: €51.7 million). After deducting €0.9 million (2007: €1.4 million) relating to the minority interests in GHM this resulted in net assets of €45.3 million (2007: €50.3 million) attributable to the Company. This equated to 83.6c (2007: 100.6c) and 83.8c (2007: 100.5c) per share on a basic and diluted basis respectively. On a revaluation basis the net assets per share were 78.3c (2007: 107.6c) and 78.5c (2007: 107.5c) on a basic and diluted basis respectively as shown in the table below. Calculation of these figures for 2008 take account of the 4.175 million new shares issued in relation to the Internalisation of Management which was completed on 19 December 2008.

At 31 December 2008 the Company had cash deposits of €12.1 million excluding the $7 million cash collateral held in relation to the Scotia Bank loan.

Net Asset Value and Property Valuation

The statutory NAV of the Group as at 31 December 2008 was 83.6c per share (2007: 100.6c per share) and on a diluted basis 83.8c per share (2007:100.5c per share). As reported previously these figures do not reflect any revaluations 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 balance sheet 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 the Admission Document, CB Richard Ellis 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. CB Richard Ellis's valuations of Cesme Marina, Grand Harbour Marina and Port Louis Marina, completed in accordance with RICS Appraisal and Valuation Standards are €3.3 million, €21 million and US$27.9 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 this has resulted in an aggregate adjusted NAV decrease of €2.9 million equating to an Adjusted NAV per share of 78.3c (diluted 78.5c per share). This decrease in NAV of €2.9 million at 31 December 2008 compares with the 31 December 2007 and 30 June 2008 increases of €3.5 million and €3.2 million respectively. The Company holds certain investments which are denominated in currencies other than Euros. In keeping with its stated policies the Company does not hedge the exchange rate risk but where possible the Company's investments and related borrowings will be in matched currencies.

Camper & Nicholsons Marina Investments Ltd

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

	Total (€m)	Per share (c)	Diluted* Per share (c)
NAV (IFRS)	45.3	83.6	83.8
Cesme Marina, Turkey – value change	0.7	1.3	1.3
Grand Harbour Marina – value change	0.6	1.1	1.1
Port Louis Marina – value change	(4.2)	(7.7)	(7.7)
NAV (Adjusted)	42.4	78.3	78.5

*after adjusting for options granted but not yet exercised.

The adjusted NAV per share of 78.3c represents a 22% decrease from the listing price and an 18% decrease from the NAV immediately after listing.

The Adjusted NAV and NAV per share at 31 December, 2008 have decreased by 21% and 27% respectively since 31 December, 2007 due to the decreased valuation of the 3 marina assets and the increased number of shares following Internalisation. The year on year reconciliation is shown on the table below:

	Total (€m)	Per share (c)	Diluted* Per share (c)
Adjusted NAV – 31 December 2007	53.8	107.6	107.5
Trading Loss	(6.4)	(12.8)	(12.7)
Valuation adjustments			
Cesme	(0.3)	(0.6)	(0.6)
Grand Harbour Marina	(1.9)	(3.8)	(3.8)
Port Louis Marina	(4.2)	(8.4)	(8.3)
Exchange gain on consolidation	0.4	0.8	0.8
Assets acquired re internalisation	1.0	(4.5)	(4.4)
Adjusted NAV – 31 December 2008	42.4	78.3	78.5

Outlook

Looking forwards, management has identified significant business opportunities in each of the Group's three main business segments:

- The C&N brand name for which the Company now has an exclusive worldwide licence for use in the marina sector continues to be recognised as the premium international brand in the sector. As a result of this, and enquiries for marina management, the potential investment pipeline remains strong with opportunities to acquire existing operational marinas being evaluated.
- Our berth sales team is very encouraged by the level of enquiries for both sales and rentals and our ability to increase prices.
- We are in active negotiations for a number of 3rd party marina management contracts and believe that this part of the business will be an important contributor to the Group going forwards.

However we are not alone in having been surprised by the severity of the economic downturn, notwithstanding having expected a recession. We have long held that mature marinas are resilient to downturns and Grand Harbour Marina, our completed marina, seems to evidence this with its pontoons remaining at full occupancy and with tariffs being increased. We believe this remains the situation at mature marinas in sound locations, and consider it more likely than not that this situation will continue.

The superyacht order book as reported by Showboats rose again during 2008 to record a figure of 1,019 vessels, 11% up on the previous year. Cancellations have however undoubtedly been occurring, as too have new orders. There is no doubt however that deliveries will continue at a high rate for the next 2 to 3 years. The fact that, most particularly in the small to mid boat sizes, sales have fallen sharply, by 40% in the US for example, does not particularly affect existing marinas.

Notwithstanding the depths of the current global economic crisis however, the fundamentals of more boats than berths, coupled with the continuing difficulty of creating new marinas will, we consider, continue to make investment in marinas a sound proposition. In light of this and the opportunities shown above we believe that CNMIL will continue to make progress.

Nick Maris
Chairman & CEO of Camper & Nicholsons Marinas International Limited
25 March 2009

Note concerning property valuations

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

Cesme Marina, Turkey
The property was valued at previous period ends 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 was valued again at 31 December 2008 on the same basis in the sum of €3.3 million. 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. We are in receipt of a valuation statement as at 31 December 2008.

Grand Harbour Marina, Malta
The property was initially valued at 31 December 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of €24.1 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a sub-Emphyteusis agreement granted June 1999 expiring in 2098. The property was valued again at 31 December 2008 on the same basis in the sum of €21.0 million. We are in receipt of a valuation statement as at 31 December 2008.

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. 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 2008 on the same basis, but adjusting for investments made since acquisition, in the sum of $27.9 million. We are in receipt of a detailed valuation report as at 31 December 2008.

Board of directors

1. Sir Christopher Lewinton, Chairman – UK resident, aged 77
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).

2. Nicholas Maris, Non-executive Director – UK resident, aged 60
Nicholas Maris has 38 years' experience in the marine sector, and a 15 year track record as a marina investor with experience of financing, developing, managing and investing in marinas and marina projects globally, including the acquisition and subsequent redevelopment and sale of Gosport Marina Limited in the United Kingdom and investment in Grand Harbour Marina Limited in Malta. He joined the Camper & Nicholsons Group as an investor and a non-executive Director in 1981 and since 1983 has held executive positions within the Group, including current positions as the Chairman of Camper & Nicholsons Marinas International Limited, Camper & Nicholsons Marinas Limited and Chairman of Camper & Nicholsons (Designs) Limited, which owns the rights to the Camper & Nicholsons trade marks. Mr Maris was also a Director and then Chairman of Camper & Nicholsons Yachts Limited (yacht builders and naval architects) from 1981 to 1999 and Chairman of Camper & Nicholsons International Limited (yacht brokers, charterers and managers) from 1988 to 1992.

3. Roger Lewis, Independent Director – Jersey resident, aged 61
Roger Lewis was a director of Berkeley Group Holdings plc for over 15 years, the last 8 of which was 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.

4. Trevor Ash, Independent Director – Guernsey resident, aged 62
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.

5. John Hignett, Independent Director – Italian resident, aged 74
John Hignett has over 40 years' experience in investment banking and finance. He has recently retired as chairman of Schroder Income Growth Fund Plc but remains a non-executive director of The World Trust Fund. Previous positions include head of Corporate Finance Division (1980) and managing director (1984 – 1988) at Lazard Brothers & Co. Limited, finance director of Glaxo Holdings Plc from 1988 to 1994, and non-executive director of Smiths Group Plc from 1999 to 2003. Furthermore Mr. Hignett served as Director General of the Panel on Takeovers and Mergers from 1981 to 1984 and as Director General of the Council for the Securities Industry in 1983.

Management team

1. David Mead, Finance
Over 15 years of experience in the marina sector at C&N Marinas Ltd. Additionally 20 years marine industry experience with C&N (Yachts) Ltd., C&N (Designs) Ltd., Gosport Marina Ltd. and Barlow Gibb UK Ltd.

2. David Johnson, Finance
A chartered accountant with 25 years' experience in senior financial roles with US and European public companies. He spent 16 years with TI group where his roles included group manager of corporate finance and director of special projects.

3. Bill Green, Technical
Bill Green is technical director for the Camper & Nicholsons Group, with 20 years' experience in the marina sector in positions including project manager for Port Gocek, Turkey and Grand Harbour Marina, Malta and operations director for Crest Nicholsons Marinas Ltd.

4. Alain Giudice, Business Development
Alain Guidice has over 16 years' experience in the marina sector including over 12 years in executive positions as director of marina operations at Atlantis Marina Nassau (Bahamas) and Boca Raton Resort and Club (Florida).

5. Phil Ladmore, Commercial & Legal
A qualified solicitor with over 20 years experience in senior legal and commercial roles ranging from private practice, public companies and private equity backed ventures. He was Commercial Director of TI Group plc's and Smiths Group plc's Aerospace divisions and Commercial and Legal Director at Terra Firma backed HBS Business Services Group.

6. Anna Tabone, Sales
Anna Tabone is International Sales Manager for Camper & Nicholsons Marinas with over 30 years experience in sales and general management in nautical, yachting and marina related businesses including most recently as marina manager and sales & marketing manager at Grand Harbour Marina.

7. Gordon Vassallo, Business Development
Business Development Director within Camper & Nicholsons Marinas with 3 years experience in the marina sector, working in aspects of project design, development and business planning. Further 8 years experience in management positions in engineering sector.

8. Tarek Ragheb, Non Executive
Founder of businesses in Egypt involved in the manufacture and operation of luxury yachts, information technology, real estate and marina development. Divisional Vice President for Gulfstream Aerospace, Middle East, Europe and Africa. Previously worked in the private sector for major US owned aerospace and defence companies after serving in the US Air Force and State Department.

General information

Directors
Sir Christopher Lewinton (Chairman)
Nicholas Maris
Roger Lewis
Trevor Ash
John Hignett

Company Secretary
Shaftesbury Limited

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Auditor
KPMG Channel Islands Limited
20 New Street
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Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2008.

Principal activity

The principal activity of the Company and its subsidiaries and joint ventures ("The Group") continues to be 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. On 19 December 2008 the Company acquired the Camper & Nicholsons marina advisory, management and consultancy businesses. The 2008 results of these businesses are not reflected in these financial statements.

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 2008 (2007: nil).

Fixed assets

Movements in fixed assets during the year are set out in Note 13 to the financial statements.

Open offers and offers for subscription

The Company acquired the whole of the issued share capitals of the Manager and the Investment Advisor on 19 December 2008. The consideration payable was the issue of 4,175,000 ordinary shares of no par value at a price of €0.2516 per share.

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 2008 were:

	Number of shares held
Sir Christopher Lewinton (Chairman), appointed 19 December 2008	1,125,000
Nicholas Maris, appointed 19 December 2008	3,980,000
George Kershaw, resigned 19 December 2008	50,000
Roger Lewis	–
Charles Mallory, resigned 19 December 2008	–
Trevor Ash	–
John Hignett	50,000

Included in the holding for Nicholas Maris are 1,025,000 shares held by the Maris Settlement, a discretionary trust of which Nicholas Maris is a beneficiary. On 12 January 2009 Sir Christopher Lewinton acquired an additional 275,000 shares and the Maris Settlement acquired 1,057,142 shares.

Sir Christopher Lewinton and Nicholas Maris retire from the board in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election.

Brief biographical details of each of the Directors are shown on page 16.

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.

Management

Marina Management International Limited (MMIL) is the appointed Manager to the Company and was acquired by the Company on 19 December 2008. The principal terms of the agreement between the Company and MMIL are set out in Note 5 to the financial statements.

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 consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards and applicable law.

The consolidated 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 consolidated 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.

Directors' report

Continued

Going concern
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 29 to the accounts.

Corporate governance
Introduction
As a closed-ended investment Company registered in Guernsey, 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

Board of Directors
The Company has a board of five non-executive Directors. Until 19 December 2008 all of the Directors were independent of the management of Marina Management International Limited, the Manager which became a wholly owned subsidiary on that date. Sir Christopher Lewinton and Nicholas Maris, previously directors of the Manager, became Directors of the Company on 19 December 2008.

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 2008 and the number of meetings attended by each Director:

	Scheduled Board meetings		Ad Hoc Board meetings	
	Held	Attended	Held	Attended
Sir Christopher Lewinton (Chairman)	–	–	–	–
Nicholas Maris	–	–	–	–
George Kershaw	4	4	13	9
Roger Lewis	4	4	13	11
Charles Mallory	4	3	13	4
Trevor Ash	4	3	13	10
John Hignett	4	4	13	8

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 contract	Unexpired term of contract at 31 December 2008	Annual rate of Directors fees €	Emoluments in period ended 31 December 2008 Group €	Parent Company €
Sir Christopher Lewinton (Chairman)	19-Dec-08	12 months	75,000	2,671	2,671
Nicholas Maris	19-Dec-08	12 months	26,772	1,164	934
George Kershaw	–	–	–	81,105	74,117
Roger Lewis	20-Oct-08	10 months	26,772	59,478	52,490
Charles Mallory	–	–	–	30,390	30,390
Trevor Ash	20-Oct-08	10 months	29,985	63,823	56,137
John Hignett	20-Oct-08	10 months	26,772	37,378	30,390
			185,301	276,009	247,129

The board has established a Management Engagement Committee and an Audit Committee each with formally delegated duties and responsibilities.

Corporate governance – continued
Management Engagement Committee
The Management Engagement Committee consisted of all the Directors with George Kershaw as chairman. The Management Engagement Committee ensured that the Company's contracts with the Manager, Investment Advisor, Administrator and other service providers were operating satisfactorily so as to ensure the safe and accurate management and administration of the Company's affairs and business and were competitive and reasonable for shareholders. Subsequent to the acquisition of the Manager and the Investment Advisor on 19 December 2008, this committee was disbanded and replaced with nominations and remuneration committees.

Audit Committee
Until 19 December 2008 the audit committee consisted of all the Directors with Trevor Ash as chairman. The current audit committee members are Trevor Ash (chairman), Roger Lewis and John Hignett. 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 auditors.

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.

Marina Management International Limited is engaged as Manager.

The Fort Group (formerly The Kensington Corporation Limited) is engaged to carry out the administration including the accounting function for the Parent 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
MMIL carries out management of liquid funds 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. MMIL also monitors Group borrowing with a view to minimising both interest rate and currency risk. Wherever possible borrowing is in the operational currency of the borrowing entity.

Relations with shareholders
The board recognises the value of maintaining regular communications with shareholders. In addition to the formal business of the Annual General Meeting, an opportunity is given to all shareholders to question the board on matters relating to the Company's operation and performance. 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 Manager is happy to answer any questions you may have and can be contacted in the UK on 020 8334 8046.

Annual General Meeting
Notice convening the 2009 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.

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

By Order of the Board

Shaftesbury Limited
Secretary
24 March 2009

Independent Auditors' report

to the members of Camper & Nicholsons Marina Investments Ltd

We have audited the consolidated financial statements (the "financial statements") of Camper & Nicholsons Marina Investments Limited for the year ended 31 December 2008 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes. These consolidated financial statements have been prepared under the accounting policies set out therein.

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

The Directors' responsibilities for preparing the consolidated financial statements which give a true and fair view and are in accordance with International Financial Reporting Standards and are in compliance with applicable Guernsey law are set out in the Statement of Directors' Responsibilities on page 19.

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the consolidated financial statements give a true and fair view, are in accordance with International Financial Reporting Standards and comply with The Companies (Guernsey) Law, 2008. We also report to you if, in our opinion, the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information accompanying the consolidated financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Opinion

In our opinion the consolidated financial statements:

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

KPMG Channel Islands Limited
Guernsey, Channel Islands
24 March 2009

Consolidated income statement

for the year ended 31 December 2008

	Note	Year ended 31 December 2008 €	Period ended 31 December 2007 €
Marina operating activities		1,776,105	686,772
Licensing of super yacht berths		1,018,475	10,020,158
Revenue		2,794,580	10,706,930
Cost of sales		(737,925)	(1,830,259)
Gross profit		2,056,655	8,876,671
Manager's fees	5	968,319	850,233
Directors' fees		276,009	197,376
Audit fees		115,218	121,390
Administration fees		120,688	103,933
Operator fees and berth sales commissions		425,392	516,180
Rent and rates		604,787	146,034
Other general administration expenses	6	1,583,070	772,065
Internalisation and fundraising costs	7	2,359,743	–
Legal and professional fees		604,124	304,611
Promotion		791,390	119,646
Depreciation		887,223	166,317
Exchange differences		420,535	490,353
Operating expenses		9,156,498	3,788,138
Operating (loss)/profit		(7,099,843)	5,088,533
Finance income		796,929	1,427,047
Finance expense		(270,364)	(209,020)
		526,565	1,218,027
(Loss)/profit before tax		(6,573,278)	6,306,560
Taxation	8	75,521	(2,813,058)
(Loss)/profit for the year/period from continuing activities		(6,497,757)	3,493,502
Attributable to:			
Equity shareholders		(6,430,057)	2,596,114
Minority interests		(67,700)	897,388
		(6,497,757)	3,493,502
Earnings per share			
basic, attributable to equity shareholders	9	(12.82c)	5.19c
diluted, attributable to equity shareholders	9	(12.70c)	5.19c

The accompanying notes on pages 27 to 47 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2008

	Issued capital €	Fair value share option reserve €	Retained earnings €	Foreign exchange reserve €	Total €	Minority interests €	Total equity €
Period ended 31 December 2007							
Issue of share capital	50,000,000	–	–	–	50,000,000	–	50,000,000
Share issue costs	(2,396,696)	78,957	–	–	(2,317,739)	–	(2,317,739)
Minority Share of assets acquired	–	–	–	–	–	482,751	482,751
Profit for the period	–	–	2,596,114	–	2,596,114	897,388	3,493,502
At 31 December 2007	47,603,304	78,957	2,596,114	–	50,278,375	1,380,139	51,658,514
Year ended 31 December 2008							
Issue of share capital	**1,050,491**	**–**	**–**	**–**	**1,050,491**	**–**	**1,050,491**
Dividend paid to minority	**–**	**–**	**–**	**–**	**–**	**(416,558)**	**(416,558)**
Loss for the year	**–**	**–**	**(6,430,057)**	**420,436**	**(6,009,621)**	**(67,700)**	**(6,077,321)**
At 31 December 2008	**48,653,795**	**78,957**	**(3,833,943)**	**420,436**	**45,319,245**	**895,881**	**46,215,126**

The accompanying notes on pages 27 to 47 form an integral part of these consolidated financial statements.

Consolidated balance sheet

as at 31 December 2008

	Note	31 December 2008 €	31 December 2007 €
Non current assets			
Property, plant and equipment	13	**33,434,127**	8,629,136
Deferred tax		**82,234**	–
Goodwill	14	**10,976,014**	9,707,065
		44,492,375	18,336,201
Current assets			
Pre acquisition costs	15	**–**	565,648
Stock		**5,513**	–
Trade and other receivables	16	**1,400,886**	4,270,088
Cash and cash equivalents	17	**20,583,862**	39,702,038
		21,990,261	44,537,774
Total assets		**66,482,636**	62,873,975
Current liabilities			
Trade and other payables	18	**3,830,657**	3,979,053
Taxation payable		**1,279,393**	2,297,826
Loans repayable within one year	19	**975,159**	617,858
		6,085,209	6,894,737
Total assets less current liabilities		**60,397,427**	55,979,238
Non current liabilities			
Loans repayable after more than one year	19	**13,065,228**	4,311,795
Other payables	20	**1,117,073**	–
Deferred tax liability		**–**	8,929
		14,182,301	4,320,724
Net assets		**46,215,126**	51,658,514
Equity attributable to equity shareholders			
Issued capital	21	**48,653,795**	47,603,304
Retained earnings		**(3,833,943)**	2,596,114
Fair value share option reserve		**78,957**	78,957
Foreign exchange reserve		**420,436**	–
		45,319,245	50,278,375
Minority interests	24	**895,881**	1,380,139
Total equity		**46,215,126**	51,658,514
Net assets per share	22		
basic, attributable to ordinary equity shares		**83.65c**	100.56c
diluted, attributable to ordinary equity shares		**83.80c**	100.55c

The consolidated financial statements on pages 23 to 47 were approved by the Board of Directors on 24 March 2009.

Sir C Lewinton, Chairman **T C Ash,** Director

The accompanying notes on pages 27 to 47 form an integral part of these consolidated financial statements.

Consolidated cash flow statement

for the year ended 31 December 2008

	Year ended 31 December 2008 €	Period ended 31 December 2007 €
Cash flows from operating activities		
(Loss)/profit before taxation	(6,573,278)	6,306,560
Adjusted for:		
Finance income	(796,929)	(1,427,047)
Finance expense	270,364	209,020
Depreciation	887,223	166,317
Goodwill impairment	1,011,951	–
	(5,200,669)	5,254,850
(Increase)/decrease in pre-acquisition costs	565,648	(565,648)
(Increase)/decrease in receivables	3,556,812	(4,049,927)
Increase/(decrease) in payables	(2,980,877)	3,460,059
Increase in stock	(5,513)	–
Income tax expense	(1,034,075)	(1,239,214)
Net cash flows from operating activities	(5,098,674)	2,860,120
Cash flow from investing activities		
Acquisition of property, plant and equipment	(24,191,002)	(2,105)
Disposals of property plant and equipment	3,199	–
Acquisition of subsidiaries, net of cash acquired	527,124	(10,128,633)
Investment in joint venture	–	(372,191)
Interest received	796,929	1,427,047
Net cash flows from investing activities	(22,863,750)	(9,075,882)
Cash flows from financing activities		
Issue of own shares	–	50,000,000
Share issue costs	–	(2,317,739)
Proceeds of borrowings	9,707,950	373,039
Repayment of borrowings	(597,216)	(1,928,480)
Dividend paid	(416,558)	–
Interest paid	(270,364)	(209,020)
Net cash flows from financing activities	8,423,812	45,917,800
Net (decrease)/increase in cash and cash equivalents	(19,538,612)	39,702,038
Opening cash and cash equivalents	39,702,038	–
Effect of exchange rate fluctuations on cash held	420,436	–
Closing cash and cash equivalents	20,583,862	39,702,038

The accompanying notes on pages 27 to 47 form an integral part of these consolidated financial statements.

Notes to the financial statements

for the year ended 31 December 2008

1 Corporate information

Camper & Nicholsons Marina Investments Limited ("the Parent 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 Parent Company and its subsidiaries and joint ventures ("the Group") during 2008 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.

2 Basis of preparation and accounting policies

Basis of preparation

The consolidated financial statements of the Group for the year to 31 December 2008 have been prepared on a historical cost basis except that assets and liabilities acquired by business combinations are valued at fair value at the date of acquisition in the consolidated financial statements. The consolidated financial statements are presented in euros.

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 Parent Company financial statements. Consequently these have been removed from the consolidated financial statements.

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.

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.

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.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

Significant accounting judgments, estimates and assumptions

The preparation of the Group's 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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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.

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. 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. The assumptions and models used are disclosed in Note 23.

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 2008 was €82,234.

Notes to the financial statements

for the year ended 31 December 2008
Continued

2 Basis of preparation and accounting policies – continued

Summary of significant accounting policies

Business combinations and goodwill
Business combinations are accounted for using the purchase method.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

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.

Interests in joint ventures
The Group has an interest in a joint venture, which is a jointly controlled entity. 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 the joint venture using proportional 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 venture 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.

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

Pre acquisition costs
Pre acquisition costs consist of expenditure incurred in investigating possible future acquisitions. Amounts are only included in pre acquisition costs to the extent that it is expected that there will be a flow of future economic benefit to the Group from such expenditure. Otherwise the expenditure is included as an expense in the consolidated income statement.

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. They are therefore classified as finance leases. All amounts receivable under such contracts are collected at the outset of the contract. Revenue from such licensing over long term periods is recognised in full in the consolidated income statement on signing of the licensing contracts.

Rendering of marina services
Revenue from the rendering of marina services 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 in the Parent Company financial statements when the Company's right to receive the payment is established. Intragroup dividends are eliminated in consolidated financial statements.

Expenses
All expenses are accounted for on an accruals basis. Operating expenses are charged wholly to the consolidated income statement. Costs of issue of shares for cash are charged to shareholders' equity and share capital is shown in the consolidated balance sheet 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 income statement.

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 balance sheet date.

2 Basis of preparation and accounting policies – continued

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 balance sheet 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 balance sheet.

Property, plant and equipment: recognition and measurement
Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of replacing an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. The costs of the day-to-day servicing of the plant and equipment are recognised in profit or loss as incurred. Assets in the course of construction are not depreciated.

Interest incurred during the construction phase is capitalised as part of the cost of marina facilities.

Where parts of an item of plant and equipment have different useful lives they are accounted for as separate items of plant and equipment. The Group recognises, in the carrying amount of an item of plant and equipment, the cost of replacing part of such an item when that cost is incurred and it is probable that the resulting future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the consolidated income statement as an expense when incurred.

As part of its operating activities the Group licenses out super-yacht berths over longer periods, typically 25-30 years under finance leases as described under Revenue Recognition above. The cost of such berths is apportioned between that part attributable to the initial licensing period, which is recognised immediately in the income statement and that part (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 balance sheet as non-current assets.

Valuations of marina businesses are performed every six months.

The policy on business combinations for accounting treatment on initial recognition of property plant and equipment of businesses acquired is set out in the "Business combinations and goodwill policy", see above.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed biannually and where adjustments are required these are made prospectively.

Notes to the financial statements

for the year ended 31 December 2008
Continued

2 Basis of preparation and accounting policies – continued

Property, plant and equipment: depreciation
Depreciation is recognised in the consolidated income statement on a straight line basis over the estimated useful life of each part of an item of plant and equipment. The estimated useful lives are as follows:

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

In relation to the super-yacht 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.

Cash and cash equivalents
Cash and short term deposits in the consolidated balance sheet 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 cash flow statement, 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 are recognised as an expense when incurred except when capitalised during construction.

Foreign currency translation
The consolidated financial statements are prepared in Euros, which is the Parent 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 balance sheet date. All differences are taken to the consolidated income statement.

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.

Exchange differences arising on consolidation are taken directly to equity.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Impairment of assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
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.
Impairment losses on continuing operations are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount

2 Basis of preparation and accounting policies – continued

is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value.

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 income statement 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 balance sheet; lease payments under operating leases are straight lined across the term of the lease.

Share based payment transactions
The Company has granted share options to each of its placing agents. These options were valued at the grant date using the Black and Scholes valuation method. They have been included in the cost of equity.

The Group has no other share based payment transactions.

Standards issued but not yet effective
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these consolidated financial statements:

IFRS 8 Operating segments, introduces the "management approach" to segment reporting. IFRS 8 which becomes mandatory for the Group's 2009 consolidated financial statements, may require a change in the disclosure and presentation of segment information. Currently the Group does not present segmental information as it considers that class of business is its primary basis of segmental reporting and there is only one class of business.

Revised IAS 1 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes of equity in a single statement), or an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for the Group's 2009 consolidated financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements.
The Group plans to provide a separate consolidated statement of comprehensive income for its 2009 consolidated financial statements.

Revised IFRS 3, Business Combinations (2008) incorporates changes into the scope and treatment of business combinations. Revised IFRS3, which becomes mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and there will therefore be no impact on prior periods in the Group's 2010 consolidated financial statements.

Amended IAS 27 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. The amendments to IAS 27, which becomes mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IFRS 2, Share-based payments – Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2, which become mandatory for the Group's 2009 consolidated financial statements with retrospective application, are not expected to have a significant impact on the Group's consolidated financial statements.

Notes to the financial statements

for the year ended 31 December 2008
Continued

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

The Company currently has only one class of business and derives its income from marina operating activities in two geographical regions, the Mediterranean basin and the Caribbean. The Company considers class of business as its primary basis for segmental reporting and as it has only one class no segmental analysis is appropriate. It does not consider that a geographical analysis would be helpful in understanding or evaluating its consolidated financial statements.

5 Manager's fees

Under the terms of the management agreement between the Company and the Manager, Marina Management International Limited, the Manager is entitled to a basic fee of 1.85% per annum of Group adjusted net assets. Group adjusted net assets are calculated monthly and are based on balance sheet values, adjusted to take account of the surpluses or deficits arising on the biannual professional valuations of the Group's fixed assets. Prior to its acquisition, the Manager was also entitled to a performance fee. The charge for the period comprises the basic fee because the hurdle rate for the performance fee was not achieved.

6 Other general administration expenses

	Year ended 31 December 2008 €	Period ended 31 December 2007 €
Staff costs	**762,333**	138,640
Communications including travel	**202,742**	59,359
Repairs and maintenance	**95,005**	22,493
Security	**95,876**	28,098
Insurance	**99,042**	24,036
Electricity, water and gas	**73,378**	5,188
Printing stationery and postage	**47,310**	2,646
Bank charges	**34,354**	6,627
Bad debt provision/(write back)	**(101,413)**	188,350
Other	**274,443**	296,628
Total	**1,583,070**	772,065

7 Internalisation and fundraising fees

As reported in the Business Review the Company considered various fundraising opportunities during 2008 and completed the acquisition of its Manager and Investment Advisor on 19 December 2008 with associated costs of €2.4 million which are analysed in the table below. There was no equivalent cost in 2007.

	€
Legal and professional fees	998,449
Employee Benefit Trust and key consultants	349,343
Impairment of goodwill relating to Marina Management International (see below)	1,011,951
Total	2,359,743

Following the acquisition of Marina Management International Limited, the arrangements for the management of the Group were simplified and the terms of the Management Agreement were varied to exclude the performance fee element. The effect of these changes was to extinguish the value of the goodwill acquired on the purchase of Marina Management International Limited and consequently the carrying value has been written off at 31 December 2008.

As part of the internalisation arrangements, the Company undertook to make payments (not exceeding €500,000 in aggregate) to an employee benefit trust and to certain key consultants to provide them with an economic participation in the future performance of the Group. The Company had not fulfilled its obligations at 31 December 2008 and an accrual has been made for the expected cost of €349,343, the whole of which has been charged as an expense in the year under review. The expected cost comprised a payment of £250,000 to the trustees of the employee benefit trust, who subsequently acquired 1.1 million shares, and €86,868 to consultants for the purchase of 225,000 shares. The shares held by the trustees of the employee benefit trust have not yet vested in individual employees.

8 Taxation/deferred taxation

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.

	Year ended 31 December 2008 €	Period ended 31 December 2007 €
Current period	**15,642**	2,726,729
Deferred tax – movement in temporary differences	**(91,163)**	86,329
Total (credit)/charge	**(75,521)**	2,813,058

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 2008 is as follows:

	Year ended 31 December 2008 €	Period ended 31 December 2007 €
Accounting (loss)/profit before income tax	**(6,573,278)**	6,306,563
Income tax using the country domestic rates	**(140,191)**	2,473,852
Tax effect of:		
Expenses not deductible for income tax	**150,527**	381,293
Different tax rates on bank interest received	**(20,858)**	(4,551)
Adjustment to deferred tax	**(64,999)**	(37,536)
Income tax (credit)/charge for the year	**(75,521)**	2,813,058

Notes to the financial statements

for the year ended 31 December 2008
Continued

8 Taxation/deferred taxation – continued

Movement in deferred tax on temporary differences during the year:

	Year ended 31 December 2008 €	Period ended 31 December 2007 €
Acquisition of a subsidiary	–	247,465
Excess of depreciation over capital allowances	(126,657)	(170,500)
Exchange differences	–	16,496
Provision for doubtful debts	35,494	67,675
Tax effect of losses	–	(74,807)
	(91,163)	86,329

9 Earnings per share

Basic earnings per share amounts are calculated by dividing €6,430,057 Group net loss (2007: €2,596,114 Group net profit) for the year attributable to ordinary equity holders of the parent by 50,148,292 (2007: 50,000,000) being the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the above net (losses)/profits attributable to ordinary equity holders of the parent by 50,648,292 (2007: 50,009,660), being the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares (see notes 21 and 23).

10 Parent Company investments in subsidiaries and joint venture

	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	Marina Operator	Malta	79.17
Marina Management International Ltd	Investment Management	Malta	100.00
Camper & Nicholsons Marina Holdings Ltd	Investment Holding	Malta	100.00
Camper & Nicholsons Marinas Investments Ltd	Investment Holding	Malta	100.00
Camper & Nicholsons Marinas International Ltd	Investment Management	Malta	100.00
Camper & Nicholsons Marinas Ltd	Investment Management	UK	100.00
Joint venture			
IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi	Marina Operator	Turkey	45.00

11 Joint venture

The Company has a 45% interest in IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi, a jointly controlled entity which is involved in the construction and subsequent operation of a marina in Turkey.

This investment comprises:

	31 December 2008 €	31 December 2007 €
Payment to acquire equity	711,900	711,900
Incidental costs of acquisition	372,191	372,191
Increase to fair value	401,555	1,255,045
	1,485,646	2,339,136

The share of the assets, liabilities, income and expenses of the jointly controlled entity at 31 December 2008 and for the year then ended, which are included in the consolidated financial statements, are as follows:

	31 December 2008 €	31 December 2007 €
Current asset	130,933	501,505
Non-current assets	367,665	99,164
	498,598	600,669
Current liabilities	(121,287)	(7,369)
Non-current liabilities	–	–
	377,311	593,300
Revenue	4,400	–
Administrative expenses	(170,355)	(120,451)
Finance revenue	3,230	1,851
Finance costs	(966)	–
Loss before income tax	(163,691)	(118,600)
Income tax expense	–	–
	(163,691)	(118,600)

Notes to the financial statements

for the year ended 31 December 2008
Continued

12 Business combination

On 19 December 2008 the Group acquired 100% of the share capital of Camper & Nicholsons Marina Holdings Limited Group and Marina Management International Limited. For the purposes of consolidation the acquisition has been treated as if it occurred on 31 December 2008 as there were no significant movements between 19 and 31 December.

The fair value of the identifiable assets and liabilities of the companies at the date of acquisition was:

	Camper & Nicholsons Marina Holdings Limited and subsidiaries		Marina Management International Limited	
	Fair value recognised on acquisition €	Previous book value €	Fair value recognised on acquisition €	Previous book value €
Property, plant and equipment	387,338	387,338	–	–
Receivables and prepayments	677,756	677,756	9,854	9,854
Cash and cash equivalents	449,813	449,813	75,059	75,059
Current payables and accruals	(2,660,300)	(2,660,300)	(172,181)	(172,181)
	(1,145,393)	(1,145,393)	(87,268)	(87,268)
Excess of acquisition cost over fair value treated as goodwill	1,271,201		1,011,951	
Total acquisition cost	125,808		924,683	

Total acquisition cost of €1,050,491 was satisfied by the issue of 4,175,000 new ordinary shares.

Cash flow on acquisition:

	Camper & Nicholsons Marina Holdings Limited and subsidiaries €	Marina Management International Limited €
Net cash acquired with the subsidiary	449,813	75,059
Cash paid	–	–
Net cash inflow	449,813	75,059

Had these investments been made at 1 January 2008 the consolidated turnover for the period would have increased by €0.3 million and the loss before tax would have increased by €0.2 million.

13 Property, plant and equipment

	Marina development €	Deferred super yacht berth costs €	Office furniture and equipment €	Motor vehicles €	Leasehold property €	Total €
Cost:						
Period ended 31 December 2007						
Acquired with subsidiary	9,086,785	386,347	140,124	15,739	–	9,628,995
Additions	835,529	–	35,811	–	–	871,340
Interest capitalised	51,996	–	–	–	–	51,996
Deferred Costs	(93,508)	93,508	–	–	–	–
Expensed	(936,968)	–	–	–	–	(936,968)
Disposals	(16,305)	–	–	–	–	(16,305)
As at 31 December 2007	8,927,529	479,855	175,935	15,739	–	9,599,058
Year ended 31 December 2008						
Acquired with subsidiary	**–**	**–**	**184,166**	**–**	**203,172**	**387,338**
Additions	**24,798,904**	**(128)**	**799,132**	**32,715**	**–**	**25,630,623**
Interest capitalised	**42,456**	**–**	**–**	**–**	**–**	**42,456**
Deferred costs	**(51,663)**	**51,663**	**–**	**–**	**–**	**–**
Expensed	**(365,263)**	**–**	**–**	**–**	**–**	**(365,263)**
Disposals	**–**	**–**	**(15,993)**	**–**	**–**	**(15,993)**
As at 31 December 2008	**33,351,963**	**531,390**	**1,143,240**	**48,454**	**203,172**	**35,278,219**
Depreciation:						
Period ended 31 December 2007						
Acquired with subsidiaries	743,053	2,216	76,212	14,166	–	835,647
Deferred Costs	(1,398)	1,398	–	–	–	–
Expensed	(15,737)	–	–	–	–	(15,737)
Depreciation charge	143,610	–	21,134	1,573	–	166,317
Disposals	(16,305)	–	–	–	–	(16,305)
As at 31 December 2007	853,223	3,614	97,346	15,739	–	969,922
Year ended 31 December 2008						
Adjustment arising on GHM adoption of Euro	**(227)**	**(1)**	**(27)**	**(4)**	**–**	**(259)**
Depreciation charge	**698,138**	**–**	**183,321**	**5,764**	**–**	**887,223**
Disposals	**–**	**–**	**(12,794)**	**–**	**–**	**(12,794)**
As at 31 December 2008	**1,551,134**	**3,613**	**267,846**	**21,499**	**–**	**1,844,092**
Net book value:						
As at 31 December 2008	**31,800,829**	**527,777**	**875,394**	**26,955**	**203,172**	**33,434,127**
As at 31 December 2007	8,074,306	476,241	78,589	–	–	8,629,136

14 Goodwill

Goodwill arises from the following acquisitions:

	31 December 2008				31 December 2007
	Acquisition cost €	Group share of fair value of assets/(liabilities) acquired €	Impairment €	Goodwill €	Goodwill €
Grand Harbour Marina plc	**11,167,684**	**1,835,062**	**–**	**9,332,622**	9,334,874
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**	–
Marina Management International	**924,683**	**(87,268)**	**(1,011,951)**	**–**	–
				10,976,014	9,707,065

The Company commissions biannual 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, Port Louis Marina and Cesme Marina were carried out as at 31 December 2008 by the specialist leisure consultancy team of CB Richard Ellis, the Company's independent property valuer. Having reviewed the valuations, the Directors have concluded that no adjustment to the carrying value was necessary at 31 December 2008 except for a very small reduction to Grand Harbour Marina's goodwill due to a minor alteration to the costs of its acquisition.

As a result of the contractual changes referred to in note 7 above, the Directors consider that the carrying value of the goodwill of Marina Management International Limited is no longer sustainable and the whole value has been impaired.

15 Pre acquisition costs

Pre acquisition costs represent amounts expended to date on due diligence and professional fees on potential investments, on projects where a transaction proposal has been approved by the board, and where the Directors are of the opinion that these investments will proceed. At the balance sheet date there were no pre-acquisition costs carried forward (2007: €565,648).

16 Trade and other receivables

	31 December 2008 €	31 December 2007 €
Trade receivables	**801,603**	363,739
Deposits paid re potential investments	**–**	1,736,821
VAT recoverable from berth holders	**–**	1,787,881
Taxation recoverable	**162,397**	–
Other receivables	**61,820**	81,968
Prepayments and accrued income	**375,066**	299,679
	1,400,886	4,270,088

VAT recoverable from berth holders at 31 December 2007 represented VAT at 18% arising on the long term super-yacht berths licensed during that year. Such VAT has been recovered from the berth holders, in accordance with the terms of the licence agreements concluded with them. An equivalent amount in total was recognised as a payable at 31 December 2007 (note 18).

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

16 Trade and other receivables – continued

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

	31 December 2008 €	31 December 2007 €
Neither past due nor impaired	**135,445**	60,970
Past due but not impaired:		
Less than 30 days	**105,736**	–
Between 30 and 60 days	**222,089**	117,399
Between 60 and 90 days	**252,014**	43,834
Between 90 and 120 days	**13,479**	58,171
Greater than 120 days	**72,840**	83,365
Past due and impaired:		
Greater than 120 days	**124,711**	193,360
Less impairment	**(124,711)**	(193,360)
	801,603	363,739

17 Cash and cash equivalents

	31 December 2008 €	31 December 2007 €
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	**2,061,083**	3,624,907
Short term deposits	**13,493,979**	36,077,131
Scotia Bank collateral deposit	**5,028,800**	–
	20,583,862	39,702,038

The Scotia Bank deposit (US$7,000,000) is collateral for loans to Camper & Nicholsons Grenada Limited.

18 Trade and other payables

	31 December 2008 €	31 December 2007 €
Trade payables	**1,595,873**	383,820
VAT payable	**–**	1,787,881
Other payables	**89,970**	157,054
Accrued expenses	**1,785,217**	1,374,755
Deferred revenue	**359,597**	275,543
	3,830,657	3,979,053

VAT payable at 31 December 2007 represented VAT at 18% arising on the long term super-yacht berths licensed during that year. An equivalent amount in total was recognised as a receivable (note 16), since such VAT was recoverable from the berth holders, in accordance with the terms of the licence agreements concluded with them.

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

19 Interest bearing loans and deposits

	31 December 2008 €	31 December 2007 €
Bank loans	**12,478,653**	4,607,221
Bank overdrafts	**59,734**	89,432
	12,538,387	4,696,653
Other loan	**1,502,000**	233,000
	14,040,387	4,929,653
Repayable within one year	**975,159**	617,858
Repayable after more than one year	**13,065,228**	4,311,795
	14,040,387	4,929,653

	Interest rate at 31 December 2008 %	Interest rate at 31 December 2007 %	Year of maturity 2009 €	Year of maturity 2012 €	Year of maturity 2013 €
Bank loan 1	5.75%	6.85%	915,425	3,357,278	–
Bank loan 2	5.25%	N/A	–	–	8,205,950
Bank overdraft	5.50%	6.75%	59,734	–	–
Other loan	5.18%	N/A	–	1,502,000	–

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

Security:
The first bank loan and the bank overdraft in respect of Grand Harbour Marina plc ("GHM") are secured by:

- a first general hypothec for €1,747,030 on overdraft basis and for €4,605,982 (originally for €6,615,420) on loan basis over all GHM assets, present and future; and
- a first special hypothec for €1,747,030 on overdraft basis and for €4,605,982 (originally for €6,615,420) on loan basis on land held by GHM under title of temporary sub-emphyteusis; and
- a floating charge over GHM cash balances held with HSBC Bank (Malta) plc.; and
- other security which does not attach to GHM assets.

The second bank loan in respect of Camper & Nicholsons Grenada Limited ("CNGL") is secured by:

- First ranking and continuing sum Demand Mortgage Debenture stamped for US$25,000,000 or equivalent charge over the fixed assets, goodwill, and uncalled capital of the borrower and a floating charge over all other assets.

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

20 Non-current liabilities – other payables

The amount of other payables totalling €1,117,073 (2007: nil) represents deferred consideration and retentions on the initial acquisition of Port Louis Marina.

The amount for Deferred Consideration relates to US$1,500,000 (€1,042,800) payable to Port Louis Land Limited within 3 years from the date of transfer of assets as set out in section 3.2.1.1 of the Master Agreement between Camper & Nicholsons Grenada Limited and Port Louis Land Limited dated December 24, 2007.

Retentions of EC$234,900 (€74,273) relate to the balance of sums retained by Camper & Nicholsons Grenada Limited pursuant to the construction works status statements as set out in the Master Agreement section 3.2.1.2. This is payable to Port Louis Land Limited pending completion of additional works by Port Louis Land Limited set out in the master agreement.

The amount included in the statement of cash flows as acquisition of property plant and equipment is shown net of the balance of the deferred consideration above, as this has not yet been paid.

21 Share Capital

	Authorised	Issued and fully paid
Ordinary shares of no par value	Unlimited	54,175,000

During the period the Company issued 4,175,000 ordinary shares of no par value at a price of €0.2516 each to acquire Marina Management International Ltd and Camper & Nicholsons Marina Holdings Ltd.

The share capital is shown in the consolidated balance sheet net of issue costs of €2,396,696. Included in share issue costs is €78,957, being the fair value at the balance sheet date of options in respect of 500,000 ordinary shares granted to the Placing Agents for the ordinary shares issued. (See note 23 below)

22 Net asset value per share

The calculation of basic net asset value per share as at 31 December 2008 is based on net assets of €45,319,245 (2007: €50,278,375), divided by the 54,175,000 (2007: 50,000,000) ordinary shares in issue at that date. The calculation of diluted net asset value per share is based on the above figures plus €500,000, being the exercise price of the options, divided by 54,675,000 (2007: 50,500,000) shares that would be in issue post the exercise of the options.

23 Share-based payments

The Company has granted an option to each of its placing agents, Arbuthnot Securities Ltd and Cantor Fitzgerald Europe, in respect of the share issue at Listing in January 2007, to subscribe for up to 250,000 ordinary shares each at a price of €1 each at any time between the first and fourth anniversaries of the admission for listing of the Company's shares on the AIM market on 29th January 2007.

The share options have been valued at €78,957 at the listing date, using the Black and Scholes valuation method and have been recognised in the cost of equity. No options have been exercised during the period.

24 Minority interests

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

25 Commitments and contingencies

Operating lease commitments – Group as lessee
The Group has entered into the equivalents of commercial leases in respect of certain of the properties it occupies.

By virtue of the other part of the deed of sub-emphyteusis referred to in note 19, Grand Harbour Marina plc, a 79% subsidiary, was assigned the right to develop, construct and install, own, operate, manage, control and promote a marina and ancillary facilities, including the right to grant mooring and berthing rights to third parties under such terms and conditions as it deems fit. Under the terms of a Development and Operations Agreement dated 30 June 2000 entered into with the consortium (the other party to the agreement), Grand Harbour Marina plc is required to pay the consortium a yearly fee equivalent to 10% per annum of revenue, subject to minimum and maximum limits.

Grand Harbour Marina plc has the option to terminate the Development and Operations Agreement during the 29th year from the date of the publication of the deed of sub-emphyteusis by giving the consortium at least 12 months prior written notice. The minimum future rental payments under the lease amount to approximately €6.1 million (2007: €6.2 million) and the maximum to approximately €15.2 million (2007: €15.6 million) as analysed in the table below:

Period	Minimum (€ millions)	Maximum (€ millions)
Within 1 year	0.1	0.3
More than 1 and less than 5	0.8	1.9
More than 5	5.2	13.0
Total	6.1	15.2

On 15 August 2003, Grand Harbour Marina plc entered into a further deed for the lease of premises referred to as the "Capitainerie", forming part of a building unofficially known as "The Treasury Building" and situated in the same locality as the marina, for a period of 25 years. These premises are to be used for marina related services.

The lease of Cesme Marina in Turkey is held by IC Cesme Marina Yatrim Turizm ve Isletmeleri Sirketi, a company in which the Group has a 45% interest. The lease is non-cancellable and expires in 2033. The initial annual rent payable is approximately €1m which is index linked in future years in accordance with the BOT contract.

The lease of the water area of Port Louis Marina in Grenada is held by Camper & Nicholsons Grenada Ltd, a 100% subsidiary. The lease is non-cancellable and expires in 2106 with an option to extend for a further 99 years subject to negotiation on expiry of the initial term. The rent payable is based on the total square footage brought into use. Not all the available area has yet been brought into use and may not be during 2009. The future rental payments analysed below assume that the whole area is brought into use:

Period	Rental payments (€ millions)
Within 1 year	Less than 0.1
More than 1 and less than 5	Less than 0.1
More than 5	2.3
Total	2.4

Finance lease commitments – Group as lessor
The Group has granted a number of licences ranging in duration from 25 to 30 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.

Finance lease and hire purchase commitments
At the balance sheet date the Group has no commitments as lessee under finance leases.

Capital commitments
At 31 December 2008, the Group had contracted capital commitments of approximately €0.2 million (2007: €16.5 million) in respect of the marina works at Grand Harbour Marina and Port Louis Marina.

25 Commitments and contingencies – continued

Contingent liabilities
The Company had no contingencies at 31 December 2008 but the Group had the following:

Litigation and claims
At 31 December 2008, a subsidiary was party to claims amounting to €160,084 (2007: €196,487) for contract works carried out by third parties.

While liability is not admitted, if defence against these actions is unsuccessful, the disclosed amounts could become due. 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.

Taxation
During 2007, as part of its operating activities, a subsidiary concluded, by virtue of public deeds, three long term super-yacht berth licensing agreements, the effect of which, based on notarial advice, was the transfer from the subsidiary of real rights over immovable property, which is subject to a final withholding tax of 12% on the consideration received, paid on the registration of the deeds.

It is still uncertain whether such transactions give effect to transfers of real or personal rights. Should the view taken be such that these represent the transfer of personal rights, the subsidiary will become taxable at the rate of 35%, on its taxable income for the year.

Provision has been made in the financial statements for the estimated amount of taxation at the rate of 35% on the taxable income for the year, on the basis that such transfers are not subject to a final withholding tax of 12%. In the event that the amount of actual tax due differs from the amount provided for, the difference will impact on the taxation charge for the period when the tax treatment is determined, the financial effect of which is estimated to reduce such charge by €1,361,328, and create a deferred tax credit amounting to €120,980 on the resulting unrelieved tax loss.

Guarantees
The Parent Company has provided an unlimited guarantee supported by a US$7 million cash deposit in favour of The Bank of Nova Scotia in support of a loan facility provided to Camper & Nicholsons Grenada Limited.

Grand Harbour Marina plc, a subsidiary, has provided guarantees in respect of 2 performance bonds amounting in total to €617,284 (2007: €617,450).

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 rising annually in line with RPI.

26 Related party transactions

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.

Loan from Maris Marine Limited
As at 31 December 2008, the Company had a loan of €1,502,000 from Maris Marine Limited, a company in which Nicholas Maris has a significant equity interest. The loan is repayable by instalments of €500,000 on 30 June and 31 December, the first such instalment to be paid on 30 June 2011. 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 2.5% 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 and Marina Management International Limited.

26 Related party transactions – continued

Internalisation
Under conditional agreements entered into on 24 November 2008 between the Company and, inter alia, Nicholas Maris, the Company agreed to acquire the whole of the issued share capitals of Marina Management International Limited ("MMIL") and Camper & Nicholsons Marina Holdings Limited ("C&N") and was granted an exclusive, perpetual Trade Mark licence for the use of the Camper & Nicholsons brand name in relation to marinas by Camper & Nicholsons (Designs) Limited ("CND"). The agreements became unconditional and were completed on 19 December 2008. At the time the agreements were entered into, Mr Maris was Chairman and Chief Executive of MMIL, C&N and CND and was a significant shareholder in those companies (either directly or through controlled entities or family trusts). The agreements between the Company and Mr Maris constituted Related Party transactions under AIM Rules. The Board, having consulted Arbuthnot Securities Limited, then the Company's Nominated Advisor, both before entering into conditional agreements and immediately prior to completion, considered the terms of the agreements fair and reasonable so far as the Company's shareholders were concerned.

27 Financial risk management objectives and policies

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

The main risks arising from the Group's financial instruments and its fixed assets are market price risk, credit risk, liquidity risk, 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 berthholders (and prospective berthholders) 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 biannual valuations carried out by CB Richard Ellis.

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.

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 Company's policy not to hedge against interest rate risks.

27 Financial risk management objectives and policies – continued

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.

28 Financial instruments

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 2008 €	31 December 2007 €
Trade receivables	**801,603**	363,739
VAT receivable from berth-holders	**–**	1,787,881
Other receivables	**599,283**	2,118,468
Cash and cash equivalents	**20,583,862**	39,702,038
	21,984,748	43,972,126

Cash and cash equivalents represents funds deposited with several major Banks, the most significant being; Bank of Scotland International, Barclays, Bank of Valletta 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 2008 €	31 December 2007 €
Individual	**123,733**	248,657
Legal entities	**665,264**	209,776
Agents	**137,317**	98,666
	926,314	557,099
Amounts provided for	**(124,711)**	(193,360)
Carrying amount	**801,603**	363,739

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

28 Financial instruments – continued

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 €	2 – 5 years €
31 December 2007						
Secured bank loan	4,607,221	(5,570,818)	(302,499)	(302,499)	(2,349,993)	(2,615,827)
Bank overdraft	89,432	(89,432)	(89,432)	–	–	–
Loan due to related party	233,000	(316,788)	(316,788)	–	–	–
Accounts payable	383,820	(383,820)	(383,820)	–	–	–
	5,313,473	(6,360,858)	(1,092,539)	(302,499)	(2,349,993)	(2,615,827)
31 December 2008						
Secured bank loan	**4,272,703**	**(4,808,135)**	**(550,000)**	**(550,000)**	**(2,200,000)**	**(1,508,135)**
Secured bank loan	**8,253,818**	**(8,253,818)**	**(47,868)**	**–**	**(1,319,794)**	**(6,886,156)**
Bank overdraft	**59,734**	**(59,734)**	**(59,734)**	**–**	**–**	**–**
Loan due to related party	**1,502,000**	**(1,749,502)**	**(41,241)**	**(41,241)**	**(1,151,236)**	**(515,784)**
Accounts payable	**1,595,873**	**(1,595,873)**	**(1,595,873)**	**–**	**–**	**–**
Retentions and deferred consideration	**1,191,346**	**(1,191,346)**	**–**	**(74,273)**	**–**	**(1,117,073)**
	16,875,474	**(17,658,408)**	**(2,294,716)**	**(665,514)**	**(4,671,030)**	**(10,027,148)**

The two secured bank loans at 31 December 2008 are subject to floating interest rates one being based on Euribor and one on Libor. The loan due to the related party is also a floating rate loan based on Euribor.

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 2008, an increase of 100 bps on all of the Group's borrowing costs would reduce profit before tax by €141k. Similarly a reduction of 100bps on all of the Group's borrowing costs would increase profit before tax by €141k.

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 2008	31 December 2007
Cash at bank		
GB Pounds	**329**	75
US Dollars	**6,251**	15,519
EC Dollars	**491**	–
Turkish Lira	**10**	9
Trade receivables		
GB Pounds	**18**	–
US Dollars	**283**	–
EC Dollars	**22**	–
Borrowings		
US Dollars	**8,206**	–

28 Financial instruments – continued

Exposure to currency risk – continued

Exchange Rate to Euro Table
The following significant exchange rates versus the Euro applied during the year:

	Average rate		Year end rate	
Currency	**2008**	2007	**2008**	2007
GB Pounds	**1.2584**	1.4620	**1.0499**	1.3585
US Dollars	**0.6836**	0.7309	**0.7184**	0.6849
EC Dollars	**0.2542**	N/A	**0.2607**	N/A
Turkish Lira	**0.5254**	0.5600	**0.4667**	0.5859

Sensitivity analysis
A 10% 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% 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 2007.

	31 December 2008		31 December 2007	
	Equity	**Profit or loss**	Equity	Profit or Loss
GB Pounds	**(9)**	**274**	–	133
US Dollars	**(2,107)**	**187**	(1,552)	–
Turkish Lira	**(38)**	**16**	(59)	12

A 10% 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.

Fair values
At balance sheet date the carrying amount of financial assets and financial liabilities approximated their fair values.

29 Substantial shareholdings

As at 24 March 2009 the Directors had been notified, or were aware, of the following holdings representing more than 3% of the Company's issued share capital:

	% held
Deutsche Bank AG	19.51
Nicholas Maris	9.30
F&C Asset Management plc	9.23
Henderson Global Investors Ltd	8.70
UBS Global Asset Management (UK)	8.29
Universities Superannuation Scheme	7.38
Moore Europe Capital Management LLP	5.81
Berenberg	3.51

Included in the holding for Nicholas Maris are 2,082,142 shares (3.8%) held by the Maris Settlement, a discretionary trust of which Nicholas Maris is a beneficiary.

30 Post balance sheet events

As at the date of this report, there are no known post balance sheet events.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting will be held at the Old Government House Hotel, St Ann's Place, St Peter Port, Guernsey, Channel Islands, Great Britain on Tuesday 23 June 2009 at 12.00 noon for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the Directors and Auditors for the year ended 31 December 2008.

2. To approve the Directors' report on remuneration as set out on page 20 of the consolidated financial statements.

3. To consider the appointment of KPMG Channel Islands Limited as Auditors and to authorise the Audit Committee to determine the Auditors' remuneration.

4. To elect two directors:
   a) Sir Christopher Lewinton
   b) Mr Nicholas Maris

5. SPECIAL RESOLUTION
   THAT the Company be authorised in accordance with The Companies (Purchase of Own Shares) Ordinance, 1998, to make market purchases (as defined in section 5 of the said Ordinance) of its own shares provided that:

   a. The maximum number of shares hereby authorised to be purchased is 14.99% of the shares in issue as at the date of the passing of this resolution;

   b. This authority shall expire at the conclusion of the next annual general meeting of the Company (although the Company may, prior to the expiry of such authority, enter into a contract to purchase shares under such authority and make a purchase of shares pursuant to any such contract).

6. To consider any other business of the Company.

By order of the Board

Shaftesbury Limited
Company Secretary

Registered office:
31/33 The Pollet
St Peter Port
Guernsey
GY1 1WQ

Dated this 5 May 2009

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

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