Camper & Nicholsons Marina Investments Limited

Unaudited Condensed Consolidated Interim Financial Statements

for the six months ended 30 June 2015

Half Year Report 2015

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Cover Picture: Limassol Marina, Cyprus

CHAIRMAN'S STATEMENT

I am pleased to report that following the completion of the cost reduction programme, the first half of 2015 has seen improvements in revenues, EBITDA and PBT at each of our three marinas and in our third party consultancy business. The adverse impact on our cost base of the strength of Sterling and the US Dollar versus the Euro has been offset by increased revenues and tight cost control and the third party consultancy business has also been looking to grow its Sterling and US Dollar revenues.

As a result of progress at each of our marina businesses, overall trading has improved over the same period last year and during the first half of 2015 the Results have been as follows:

- Group revenues, which under IFRS11 exclude revenues from our two joint ventures IC Cesme Marina and CNFE, increased by €1.4 million to €4.5 million (2014: €3.1 million). Half of the increase related to increased cost recharges for which there was an equivalent increase in cost of sales whilst the balance reflected increases at each of GHM, Port Louis and in the third party consultancy business.
- Operating expenses of €2.8 million showed an increase of €0.1 million from last year with the strength of Sterling and the US Dollar versus the weakness in the Euro responsible for the increase.
- Group operating profit of €0.1 million improved by €0.5 million from last year's €0.4 million loss. Of this improvement, €0.2 million related to the exchange gain on US Dollar deposits held.
- Loss before tax reduced to €0.6 million (2014: €0.8 million) which includes €0.2 million loss being our share of the losses of our Asia Pacific joint venture, CNFE.
- IC Cesme, our joint venture in Turkey, generated a €0.2 million profit before tax in the period with higher revenues and tight control of costs and Grand Harbour Marina generated a small profit before tax on sales of €1.8 million (2014: €1.6 million). With improved sales and tight cost control, Port Louis halved its loss before tax to €0.17 million (2014: €0.35 million).
- Performance at CNFE continues to be slower than expected but a good pipeline of opportunities in both China and the rest of the region has resulted in three consultancy contracts being agreed recently with others still being reviewed. It is anticipated that these should help generate increased revenues in the second half of the year.
- Cash flow from operating activities was a €0.2 million inflow as compared with the €0.1 million outflow in 2014. The improvement was a result of the improved operating profit partially offset by increased investment in working capital. Capital investment in the period was €0.1 million, the same as in the prior year.

We were naturally disappointed that Miral Asset Management LLC decided to take the management of Yas Marina in house. However in the short term we expect the loss of income to be offset by a cash payment of €0.76 million to us in line with the termination arrangements in the contract.

As explained in the Business Review, the good progress that we have made with the Victoria Quay project at East Cowes would not have been possible without the support of our major shareholder, First Eastern, which is expected to participate as the cornerstone investor in the project. A number of conditions still remain to be satisfied as this project progresses.

Following the closure of our Richmond office in October 2014 we are very pleased that our small consolidated office at 34 St James's Street, London is giving us a more efficiently run business with improved access to existing and potential clients. The office location enables us also to widen our corporate relationships.

<u>Outlook</u>

Our first half performance reflects the benefit of the completed cost reductions and the continuing return of confidence to the yachting sector. We have been investing significant management time to grow the business with Victoria Quay at East Cowes being a prime example. A number of our projects are well advanced and should come to fruition in 2016 and beyond and, as they do, we expect they will start to restore shareholder value.

Sir Christopher Lewinton
Chairman
29 September 2015

BUSINESS REVIEW

By Clive Whiley, Chief Executive Officer of Camper & Nicholsons Marinas Limited

Review

As highlighted in our Preliminary results for the year ended 31 December 2014, released in March, the extensive efforts made by the executive team in 2013/14 successfully brought to a close the actions deemed necessary to stabilise the operating expenses and to adjust the debt profile to a level commensurate with a normalised trading pattern.

Hence we entered 2015 with a cohesive and self-sustaining strategic plan, albeit with constricted cash resources as a result of deliberately seeking to minimise shareholder dilution during the recapitalisation phase, and our focus in the current year has been to explore ways to add value to the business:

Victoria Quay – East Cowes

In March we announced that our wholly owned trading subsidiary, Camper & Nicholsons Marinas Limited (CNML), had agreed with its landside partner, Westcourt Real Estate (Europe) Ltd (WREE) and the Homes and Communities Agency (HCA) to permit the development of Victoria Quay, a landside and seaside development which includes a new 400 berth marina, at East Cowes, Isle of Wight. Whilst this agreement remains subject to the satisfaction of certain conditions including documentation, funding, planning and building we are pleased to report the incorporation, to the satisfaction of HCA, of an investing company, Victoria Quay Estate Limited (VQEL). Accordingly it is proposed that VQEL will, alongside WREE & CNML formally assume the development of Victoria Quay and is anticipated to proceed to:

- engage Victoria Quay Anchor Limited, a development company in which Camper & Nicholsons Marina Investments Limited (CNMI) will have a 10% carried interest, to manage the overall Victoria Quay project as a result of which CNML will additionally be retained as consultants to oversee the construction of the marina;
- subsequently enter into a long-term marina lease, with CNML, to manage the marina subject to certain rolling rental performance conditions.

First Eastern, which has a 52.4% shareholding in CNMI, has been instrumental in supporting CNML and WREE throughout the negotiations with HCA and is expected to participate as the cornerstone investor in both Victoria Quay Estate Limited & Victoria Quay Anchor Limited. VQEL will now proceed to seek the balance of the development capital for this £50 million project.

The application of the Camper & Nicholsons brand to the marina at Victoria Quay will be our first new marina project since the restructuring of the Company. Hence, as our associated project costs to date have been fully expensed, with no corresponding revenue accrual in the figures reported today, this project should subsequently be accretive to both marina operating & consultancy revenues. We will also retain an economic interest in the landside property (both marina-related and residential) via Victoria Quay Anchor Limited.

Marina Consultancy Fees

In August we announced the decision by Miral Asset Management LLC to absorb the business & staff associated with our contract to manage Yas Marina into their own operating company. This notwithstanding we have continued to build our portfolio of marina management contracts where:

- the loss of the Yas contract is expected to lead to a gross one-off termination payment of €0.76 million to us this year and the significant improvements in the operation of Yas Marina, since our appointment in 2011, are widely recognised by the market;
- we are in discussions with a subsidiary of the Blackstone Group, to provide brand & marina management support to their refurbished St Katharine Docks marina in London. The appointment will be for an initial five year term following completion of the refurbishment of the marina and fees will be received for management and branding together with a marina performance incentive. This proposed appointment follows a period of working closely with Blackstone, as their marina consultant, on the feasibility and planning aspects of the refurbishment;
- In addition to the work completed on St Katharine Docks, we have so far this year completed feasibility studies on several marinas in Europe, which could lead to future consultancy revenues, and we continue to seek new management contracts to provide us with secure and predictable revenue and cash flows;

Operational Balance

In addition to the above strategic initiatives we have maintained our drive throughout the year to improve the operating balance of the business where:

- in July negotiations were completed with Isbank to increase their loan to IC Cesme by €1.56 million to €7.0 million (Group's 45% share, €3.15 million) with the additional funding to be used for further development of the marina. The interest rate on the loan has been reduced to Euribor + 4.5% (previously Euribor + 5.5%) and repayment will now be made in thirteen equal semi-annual instalments commencing July 2016 and ending July 2022;
- we have fine-tuned the detailed measures necessary to support sustainable revenue growth within CNFE, the Company's Hong Kong based joint venture, in order to provide a platform to access the long-term attractions of revenue growth in the region;
- our efforts to better match the currency mix of our revenues with our operating expenses, via an increased incidence of GBP & US$ revenues, continues with GBP based external consultancy fee income improving to 20% of the total from less than 2% in 2013;

It is against this background that we are pleased to report that a continuing close control of our multi-currency operating expenses, together with an underlying 25% increase in revenues year-on-year (excluding Yas Marina), led to the Group achieving €0.5 million positive EBITDA (2014: breakeven): more than compensating for a lower net contribution from our equity accounted investees and leading to a reduction in the loss before tax from €0.8 million loss in 2014 to €0.6 million loss in 2015.

The majority of our current strategic efforts seek to build upon our core owned-marina EBITDA stream, with new projects exhibiting a UK Sovereign and project management risk bias, which we believe to be increasingly supportive of the low watermark valuation of the business.

First Half Group Financials

		January – June	
€m	2015 H1	2014 H1	2013 H1
Marina operating activities	4.0	3.2	3.0
Marina consultancy fees	1.5	0.8	0.8
Licensing of superyacht berths	-	-	-
Total revenues	5.5	4.0	3.8
Adjustment for joint ventures*	(1.0)	(0.9)	(0.9)
Adjusted Sales Revenues	4.5	3.1	2.9
Cost of Sales	(1.6)	(0.8)	(0.7)
Gross Profit	2.9	2.3	2.2
Operating expenses	(2.4)	(2.3)	(2.2)
One off costs	-	-	(0.2)
EBITDA	0.5	-	(0.2)
Depreciation	(0.4)	(0.4)	(0.4)
Net interest expense	(0.6)	(0.5)	(0.6)
Loss before tax and share of Joint Ventures	(0.5)	(0.9)	(1.2)
Share of profit/(losses) of equity accounted investees	(0.1)	0.1	(0.2)
Group (loss) before tax	(0.6)	(0.8)	(1.4)

* Under the accounting standard IFRS 11, which was applied for the first time in 2013, the Group's 45% and 50% shares of the revenues and the costs of Cesme Marina and CNFE respectively are excluded from the Statement of Comprehensive Income. Instead the statement includes the Group's share of Cesme and CNFE's after tax profits or losses as a single amount for profits and losses of equity-accounted investees, net of tax.

The table above shows the Group revenues before this change, ie reflecting the Group's proportional share of the revenues of Cesme Marina and CNFE, with an adjustment made to show the impact of the change. All other figures in the table above are as reported in accordance with IFRS 11.

Grand Harbour Marina, Malta

	January – June		
€m	*2*015 H1	*2*014 H1	*2*013 H1
Berth Sales	-	-	-
Marina operating revenues	1.8	1.6	1.5
Total revenues	1.8	1.6	1.5
EBITDA	0.6	0.5	0.4
PBT	-	-	(0.1)
Capital expenditure	-	-	-

Berthing revenues showed a small increase over the same period last year whilst utility revenues increased by nearly €0.2 million to support the overall increase of the same amount for marina operating revenues. Berthing revenues from annual contracts increased by more than 30% to €0.6 million which more than offset reductions in seasonal and visitor fees from the high levels seen in 2014. Cost of sales increased by €0.1 million reflecting the higher utility revenues but with cost levels being maintained at last year's levels, EBITDA increased by €0.1 million to €0.6 million. (2014: €0.5 million) After deducting depreciation, the interest costs relating to the €12 million Bond and the 10% premium paid on the buyback of €0.68 million of bonds during the period, GHM achieved a breakeven profit before tax (2014: breakeven).

There were no berth sales generated in either the current period or the equivalent periods in each of the last two years. Although there have been a few enquiries about potential berth sales during the period, the price expectations of potential purchasers are not consistent with our own and no sales are expected therefore in the near future. Approval has been granted for the extension of the St Angelo wharf to accommodate an additional super yacht but construction will not be started until a sale has been agreed.

The Government of Malta has continued restoration work in the St Angelo area with the historic fort being a highly visible cultural attraction. Work is expected to be completed in the autumn in time for the Commonwealth Heads of Government meeting to be held in St Angelo in November.

CNMI continues to hold 79.2% of the shares of Grand Harbour Marina plc ("GHM"), a Maltese listed marina company, with the remainder of the shares being traded on the Malta Stock Exchange. As at 29 September 2015 the market capitalization of GHM was €20.0 million. CBRE Ltd valued GHM (based on a 100% interest) at €22.9 million as at 31 December 2014 and this valuation has not been updated during the period to 30 June 2015. Using the 31 December 2014 valuation and after adjusting for the Group's 79.2% shareholding, other assets and liabilities and losses there is a cumulative positive NAV adjustment of €5.3 million since acquisition.

Cesme Marina, Turkey

For 100% of Marina	January – June		
€m	*2*015 H1	*2*014 H1	*2*013 H1
Seaside revenues	1.5	1.3	1.1
Landside revenues	0.7	0.7	0.7
Total revenues	2.2	2.0	1.8
EBITDA	0.9	0.8	0.5
PBT	0.2	0.1	(0.2)
Capital expenditure	-	-	0.1

The marina has made further progress during the first half of 2015 with increases in sales, EBITDA and PBT. Seaside revenues continued to grow with 383 berths either let or reserved on annual contracts at the end of June 2015 as compared with 347 at the same time last year. This result was achieved even though 35 boat owners did not renew their contracts largely due to boat owners wishing to change location or having sold their boats. Cesme Marina attended the Izmir and Istanbul boat shows and generated 66 berthing enquiries with more than 20% being converted into berthing contracts. Although the marina is full in terms of berth occupancy further revenue growth is possible though increasing the average size of boats being hosted. Water area utilisation is being reviewed again to determine where additional berthing capacity might be added.

In the first six months of the year, the retail village maintained revenues at the same level as in the equivalent period last year whilst management was engaged in renewing many of the landside contracts which were originally put in place 5 years ago when the marina opened. Those renewed contracts have helped increase landside rental revenues by around 18% in the peak season months of July and August.

In the first half of the year, Cesme generated revenues of €2.2 million (2014: €2.0 million) with all of the increase coming from seaside revenues. After deducting direct cost of sales and normal operating costs (including for the first time since 2011 operator fees totalling €0.2 million for the two partners) but before depreciation, Cesme made an operating profit of €0.9 million (2014: €0.8 million). After finance charges and depreciation, Cesme generated a €0.2 million profit before tax as compared with the €0.1 million profit in 2014. Excluding depreciation but including €0.4 million of Government rent, operating expenses increased by €0.1 million to €1.2 million (2014: €1.1 million) with this increase resulting from the inclusion of €0.2 million operator fees for C&N and IC Holdings.

During the period the marina hosted the conclusion of the Izmir Trophy race in which 22 boats participated and hosted also the Ocean rowing boat, ‘Mr Hops’, which travelled from Tunisia, to create awareness and raise funds for Save the Children to support children caught in conflicts around the world. In June the marina was visited by the Royal Thames Yacht Club for the commemoration of the Gallipoli Rally.

CBRE Ltd valued the Cesme Marina BOT Contract (based on a 100% interest) at €18.2 million as at 31 December 2014 and this valuation has not been updated during the period to 30 June 2015. Using the 31 December 2014 valuation and after adjusting for the Group’s 45% shareholding, other assets and liabilities and losses there is a cumulative positive NAV adjustment of €1.4 million since acquisition.

Port Louis Marina, Grenada

	January – June		
€m	2015 H1	2014 H1	2013 H1
Berth Sales	-	-	-
Marina operating revenues	1.1	0.8	0.7
Total revenues	1.1	0.8	0.7
EBITDA	0.2	-	-
PBT	(0.2)	(0.3)	(0.4)
Capital expenditure	0.1	-	-

Port Louis Marina has increased operating revenues by €0.3 million to €1.1 million (2014: €0.8 million) with revenues in US Dollars increasing by around 22% with improvement primarily from increased seaside occupancy and utilities. The rest of the improvement was generated by a 23% strengthening of the US Dollar with an average rate of 0.8962 to the Euro this year as compared with 0.7298 during the same period last year.

Overhead costs in local currency were maintained at the same level as last year but with the strengthened US Dollar referred to above and a small increase in cost of sales generated by the increased utility revenues, total costs increased by €0.1 million leaving EBITDA of €0.2 million (2014: €Nil). After depreciation and net finance costs, both adversely impacted by the €:US$ exchange rate, the loss before and after tax of €0.2 million shows a €0.1 million improvement on last year.

Port Louis Marina again hosted the Grenada Sailing Week and provided berthing for the Spice Island Billfish tournament during January and in March the marina was visited by the World ARC during their 2014/15 Rally. The successful Royal Ocean Racing Club Transatlantic Race from Lanzarote to Grenada, which finished at Port Louis in December 2014, is expected to run again this year with an increased number of participants.

CBRE Ltd valued the Port Louis Marina and reclaimed land for development at US$20.9 million (€17.2 million) at 31 December 2014 and this valuation has not been updated during the period to 30 June 2015. Using the 31 December 2014 valuation adjusted by US$1.5 million for the estimated value of the unused seabed which CBRE did not include in their valuation and after adjusting for other assets and liabilities, losses and exchange impacts there is a cumulative negative NAV adjustment of €0.6 million.

Third Party Marina Service and Consultancy Agreements

	January – June		
€m	*2015*	*2014*	*2013*
External revenues	1.5	0.7	0.8
Revenues from Owned marinas	0.4	0.4	0.4
Revenues from Parent Company	0.2	0.2	0.3
Total revenues	2.1	1.3	1.5
Cost of Sales	(1.2)	(0.6)	(0.5)
Third Party Business operating costs	(0.9)	(0.8)	(0.8)
One-off redundancy costs	-	-	(0.2)
Third Party Business operating costs - CNFE	(0.2)	(0.2)	(0.2)
EBITDA	(0.2)	(0.3)	(0.2)
CNFE losses not consolidated	-	0.2	-
Adjusted EBITDA	(0.2)	(0.1)	(0.2)

The above figures include the Group's share (50%) of the results of Camper & Nicholsons First Eastern, our Asia Pacific joint venture with First Eastern although as explained previously, under the IFRS11 accounting standard, the detailed revenues and costs of the joint venture are not shown in the Statement of Comprehensive Income as they are included as part of a total share of profits and losses of equity-accounted investees, net of tax. The Group's share of CNFE's result in the current period was a €0.2 million loss (2014: €0.2 million loss) but as indicated in the table above, and as reported last year, under IFRS 11, the share of the 2014 first half losses was not consolidated. Further information on the Group's share of the results of CNFE is provided in Note 13 to the Financial Statements.

Total revenues in the period increased to €2.1 million (2014: €1.3 million) with nearly €0.7 million of the increase relating to recharged expenses for which there is an equivalent increase in cost of sales. External consultancy fees increased by more than €0.1 million with the recommencement of work for existing clients and the addition of new clients which are expected to provide an ongoing revenue stream. Although work continued on the Victoria Quay project no revenues have been included from that project as financing has not yet been arranged.

CNFE generated a small increase in revenues when compared with the prior year but still remains well below our expectations. Owners' ideas for many marinas each with a large number of berths, particularly in China, are considered unrealistic. The business focus is therefore on a small number of high quality opportunities in China and on projects elsewhere within the Asia Pacific region.

Following the cost reductions implemented in 2013, business operating costs which were maintained at €0.8 million in 2014 have increased by €0.1 million in 2015. All of this increase relates to the change of the £:€ rate from 1.218 in 2014 to 1.366 and the impact that this has on the business's costs which are primarily in Sterling. Costs in the CNFE joint venture, our share of which is €0.2 million, have been maintained at the same level as last year.

Financial Overview

The IFRS 11 Accounting Standard requires the results of the joint ventures, IC Cesme Marina and Camper & Nicholsons First Eastern to be included in a single line, share of profits and losses of equity-accounted investees, net of tax, in the Statement of Comprehensive Income. Their results are therefore excluded from the detailed lines of the Statement of Comprehensive Income.

Sales of €4.5 million (2014: €3.1 million) during the period, reflected increases of €0.2 million and €0.3 million at Grand Harbour Marina and Port Louis Marina respectively with a €0.8 million increase in our third party marina services and consultancy business of which €0.7 million related to recharged expenses for which there was an equivalent increase in cost of sales. After direct cost of sales of €1.6 million (2014: €0.8 million) and operating expenses, excluding depreciation, of €2.4 million (2014: €2.3 million) which benefitted from a positive €0.2 million exchange gain on the US Dollars held, the Group generated EBITDA of €0.5 million (2014: € breakeven). After deducting depreciation of €0.4 million and net interest expenditure of €0.6 million and including the Group's €0.1 million share of the net losses of the equity accounted investees, the loss before tax was €0.6 million (2014: €0.8 million loss) with an after tax figure of €0.7 million (2014: €0.9 million). The loss per share to CNMI shareholders was 0.42c (2014: loss per share of 0.63c).

The consolidated Statement of Financial Position at 30 June 2015 comprised the assets and liabilities of the Company, Grand Harbour Marina plc, Camper & Nicholsons Caribbean Holdings Ltd and Camper & Nicholsons Marinas International Limited and the Group's share of the net assets of IC Cesme and Camper & Nicholsons First Eastern. The non-current assets of €42.4 million (Dec 2014: €41.6 million) comprised the tangible fixed assets employed in the marina businesses, the goodwill arising on the acquisitions, €0.4 million held in a trust fund for the repayment of the unsecured 7% Bond and the €4.0 million pledged cash deposit relating to Cesme. Current assets included the Company's cash deposits of €0.5 million, held mainly as fixed short term deposits, GHM's cash balances of €2.1 million and the other cash balances and trade and other debtors of the majority owned businesses. As at 30 June 2015, the Group had total cash balances of €2.9 million available for use in the business, ie excluding the €4.0 million pledged cash deposits referred to above.

Current liabilities were mainly trade related, together with the current portion of long-term debt at Port Louis. The non-current liabilities comprised the GHM unsecured bond and the balance of the long term debt at Port Louis.

At 30 June 2015, the Group's net assets on an IFRS basis, amounted to €27.7 million (Dec 2014: €27.1 million). Of this amount, €0.5 million was attributable to the minority shareholders in GHM with €27.2 million (Dec 2014: €26.6 million) attributable to the Company, which equated to 16.40c (Dec 2014: 16.07c) per share on both a basic and diluted basis.

Net Asset Value and Property Valuation

In accordance with our statutory accounting policies, which conform to the requirements of International Financial Reporting Standards (IFRS), the statutory NAV of the Group on a basic and diluted basis as at 30 June 2015 of 16.40c per share (Dec 2014: 16.07c per share) does not reflect any revaluation of the Company's investments in subsidiaries and joint ventures, such investments being 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, CBRE Limited prepares valuations of Cesme Marina, Turkey, Grand Harbour Marina, Malta and Port Louis Marina, Grenada on an annual basis. The basis on which these valuations are completed, is explained in the Note at the end of this report. CBRE Ltd's valuations of Cesme, Grand Harbour Marina and Port Louis Marina, completed at 31 December 2014 in accordance with RICS Appraisal and Valuation Standards, were €18.2 million, €22.9 million and US$20.9 million respectively. Using those valuations and adjusting for debt and other liabilities, and the estimated value of the unused seabed at Port Louis, and taking into account the Company's shareholding in Grand Harbour Marina of 79.2%, results in a cumulative NAV increase of €6.1 million equating to an adjusted NAV per share on both a basic and a diluted basis of 20.1c per share.

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

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

	Total (€m)	Per share # (c)
NAV (IFRS)	27.2	16.4
Grand Harbour Marina – cumulative value uplift	5.3	3.2
Cesme Marina, Turkey – cumulative value uplift	1.4	0.9
Port Louis Marina – cumulative value decrease	(0.6)	(0.4)
NAV (Adjusted)	33.3	20.1

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

Note concerning Property Valuations

External valuations of the Group's owned marinas are prepared annually to coincide with the Group's full year results. CBRE Ltd, the Company's property valuer, prepared valuations for Grand Harbour Marina, Malta, Cesme Marina Turkey and Port Louis Marina, Grenada at 31 December 2014. Further information is set out below.

Grand Harbour Marina, Malta

The property was initially valued as at 11 June 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of €23.2 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a sub-Emphyteusis agreement granted June 1999 expiring in 2098. The property was valued again in accordance with the RICS Valuation – Professional Standards (2014) ("the Standards") at 31 December 2014 in the sum of €22.9 million. We are in receipt of a valuation report as at 31 December 2014.

Cesme Marina, Turkey

The property was initially valued as at 20 April 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, Fifth Edition (Red Book) in the sum of €4.1 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a Build Operate and Transfer agreement expiring after 25 years. On expiry, all interest in the Marina, its fixtures and fittings will revert to the Turkish Government, free of consideration or compensation. The property was valued again in accordance with the RICS Valuation – Professional Standards (2014) ("the Standards") at 31 December 2014 in the sum of €18.2 million. We are in receipt of a valuation report as at 31 December 2014.

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 US$27.3 million (€18.7 million). The property and reclaimed land for development was valued in its then current state with reference to trading potential. The property is occupied by way of a 99 year lease from the Government of Grenada which expires in 2105 but is renewable at that time for a further 99 years. The property was valued again in accordance with the RICS Valuation – Professional Standards (2014) ("the Standards") at 31 December 2014 in the sum of US$20.9 million (€17.2 million). We are in receipt of a valuation report as at 31 December 2014. However as explained in Note14 of the Consolidated Financial Statements for the year ended 31 December 2014, the Directors consider that although the CBRE valuation was around 7% below the current book value they believe that there are signs that more positive market conditions are returning to both the region and the marine market generally and that in the medium term the unused seabed area, for which a value of US$1.5 million was estimated but to which CBRE did not attribute a specific value, and super yacht berths are expected to be meaningful contributors to value.

Camper & Nicholsons Marina Investments Limited

General Information

Directors:

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

Company Secretary:

Shaftesbury Limited

Registered office:

Island House
Grande Rue
St Martins
Guernsey
GY4 6RU

Guernsey based Administrator

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

Legal Advisors United Kingdom:

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

Legal Advisors Guernsey:

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

Nominated Advisor:

finnCap
60 New Broad Street
London EC2M 1JJ

Auditor:

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

Bankers:

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

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

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

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

Independent review report to Camper & Nicholsons Marina Investments Limited

Introduction

We have been engaged by Camper & Nicholsons Marina Investments Limited (the "Company") to review the Unaudited Condensed set of Consolidated Interim Financial Statements in the half-year report for the six months ended 30 June 2015 of the Company together with its subsidiaries (together the "Group") which comprises the Unaudited Condensed Consolidated Statement of Comprehensive Income, Unaudited Condensed Consolidated Statement of Changes in Equity, Unaudited Condensed Consolidated Statement of Financial Position, Unaudited Condensed Consolidated Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the half-year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Unaudited Condensed set of Consolidated Interim Financial Statements.

This report is made solely to the Company in accordance with the terms of our engagement letter dated 17 August 2015. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-year report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year report in accordance with AIM Rules.

As disclosed in note 2, the annual consolidated financial statements of the Group are prepared in accordance with IFRSs. The Unaudited Condensed set of Consolidated Interim Financial Statements included in this half-year report has been prepared in accordance with IAS 34 *Interim Financial Reporting ("IAS34")*.

Our responsibility

Our responsibility is to express to the Company a conclusion on the Unaudited Condensed set of Consolidated Interim Financial Statements in the half-year report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Condensed set of Consolidated Interim Financial Statements in the half-year report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 and the AIM Rules.

KPMG Channel Islands Limited
Guernsey
29 September 2015

The maintenance and integrity of the Camper & Nicholsons Marina Investments Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

		30-Jun-2015	30-Jun-2014
		€000	*€000*
Marina operating activities		2,940	2,332
Marina consultancy fees		1,582	774
Revenue		4,522	3,106
Cost of sales		(1,602)	(764)
Gross Profit		2,920	2,342
Operating Expenses	6	(2,803)	(2,708)
Operating profit/(loss)		117	(366)
Finance income		27	68
Finance expense		(636)	(611)
		(609)	(543)
Share of (losses)/profits of equity-accounted investees, net of tax		(124)	59
Loss before tax		(616)	(850)
Taxation	9	(118)	(54)
Loss for the period from continuing activities		(734)	(904)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Fair value reserve		-	(4)
Foreign currency translation differences – foreign operations		1,246	41
Other comprehensive income for the period		1,246	37
Total comprehensive profit/(loss) for the period		512	(867)
Loss attributable to:			
Equity shareholders		(726)	(896)
Non-controlling interest		(8)	(8)
Loss for the period		(734)	(904)
Total comprehensive profit/(loss) attributable to:			
Equity shareholders		520	(858)
Non-controlling interest		(8)	(9)
Total comprehensive profit/(loss) for the period		512	(867)
Loss per share (Euro cents)			
Basic and diluted, attributable to equity shareholders	10	(0.44)	(0.63)

The accompanying notes on pages 16 to 29 form an integral part of these unaudited condensed consolidated interim financial statements**.**

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2015

	Issued Capital	Retained Earnings	Fair Value Reserve	Foreign Exchange Reserve	Total	Non-controlling Interests	Total Equity
	€000	*€000*	*€000*	*€000*	*€000*	*€000*	*€000*
6 months ended 30 June 2014							
At 1 January 2014	58,782	(36,888)	25	2,329	24,248	654	24,902
Total comprehensive income for the period							
Loss for the period	-	(896)	-	-	(896)	(8)	(904)
Other comprehensive income	-	-	(3)	41	38	(1)	37
Total comprehensive income	-	(896)	(3)	41	(858)	(9)	(867)
Transactions with owners of the Company Contributions and distributions							
Issue of ordinary shares	2,839	-	-	-	2,839	-	2,839
Dividend paid to non-controlling interest	-	-	-	-	-	(175)	(175)
Total contributions and distributions	2,839	-	-	-	2,839	(175)	2,664
At 30 June 2014	61,621	(37,784)	22	2,370	26,229	470	26,699
6 Months Ended 30 June 2015							
At 1 January 2015	61,621	(38,511)	-	3,528	26,638	508	27,146
Total comprehensive income for the period							
Loss for the period	-	(726)	-	-	(726)	(8)	(734)
Other comprehensive income	-	-	-	1,246	1,246	-	1,246
Total comprehensive income	-	(726)	-	1,246	520	(8)	512
Transactions with owners of the Company Contributions and distributions							
Issue of ordinary shares	-	-	-	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-
At 30 June 2015	61,621	(39,237)	-	4,774	27,158	500	27,658

The accompanying notes on pages 16 to 29 form an integral part of these unaudited condensed consolidated interim financial statements.

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2015

	Notes	30-Jun-2015	31-Dec-2014
		€000	*€000*
Non current assets			
Property, plant & equipment	12	26,671	25,154
Equity accounted investees	13	680	626
Assets held under Trust	11	410	1,070
Cash pledges	15	3,989	3,969
Deferred tax asset	9	40	158
Goodwill		10,604	10,604
		42,394	41,581
Current assets			
Trade and other receivables		2,273	1,546
Cash and cash equivalents	16	2,944	4,314
		5,217	5,860
TOTAL ASSETS		47,611	47,441
Current Liabilities			
Trade and other payables		3,343	2,930
Loans repayable within one year	18	226	612
		3,569	3,542
TOTAL ASSETS LESS CURRENT LIABILITIES		44,042	43,899
Non current liabilities			
Loans repayable after more than one year	18	5,486	5,191
Unsecured 7% Bond	17	10,725	11,393
Other payables		173	169
		16,384	16,753
NET ASSETS		27,658	27,146
Equity attributable to equity shareholders			
Issued capital		61,621	61,621
Retained loss		(39,237)	(38,511)
Foreign exchange reserve		4,774	3,528
		27,158	26,638
Non-controlling interest		500	508
Total equity		27,658	27,146
Net Assets per share:			
basic, attributable to ordinary equity shares	20	16.38c	16.07c
diluted, attributable to ordinary equity shares	20	16.38c	16.07c

The financial statements on pages 12 to 29 were approved by the Board of Directors on 29 September 2015

Sir C Lewinton, Chairman

Martin Bralsford, Director

The accompanying notes on pages 16 to 29 form an integral part of these unaudited condensed consolidated interim financial statements**.**

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	30-Jun-2015 €000	30-Jun-2014 €000
Cash flows from operating activities		
Loss before taxation	(616)	(850)
Adjusted for:		
Finance income	(27)	(68)
Finance expense	636	611
Depreciation	430	383
Share of loss/(profit) of equity accounted investees, net of tax	124	(59)
Unrealised foreign exchange gain	(31)	(84)
Realised gain on sale of available for sale financial assets	-	(13)
	516	(80)
Increase in receivables	(666)	(339)
Increase in payables	366	292
Income tax credit	-	44
Net cash flows from operating activities	216	(83)
Cash flow from investing activities		
Acquisition of property, plant & equipment	(110)	(96)
Short term investment in equity accounted investee	(178)	-
Interest received	27	68
Increase in pledged cash	(20)	(25)
Net utilisation of Trust assets to buy back bonds	660	98
Proceeds from sale of available for sale financial assets	-	276
Net cash flows from investing activities	379	321
Cash flows from financing activities		
Proceeds of borrowings	15	28
Proceeds of new share issue	-	1,820
Repayment of borrowings	(674)	(874)
Buyback of bonds issued	(755)	(365)
Dividend paid	-	(175)
Interest paid	(583)	(601)
Net cash flows from financing activities	(1,997)	(167)
Net (decrease)/increase in cash and cash equivalents	(1,402)	71
Opening cash and cash equivalents	4,314	4,567
Effect of exchange rate fluctuations on cash held	32	84
Closing cash and cash equivalents	2,944	4,722

The accompanying notes on pages 16 to 29 form an integral part of these unaudited condensed consolidated interim financial statements**.**

1. Corporate Information

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

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

The Unaudited Condensed Consolidated Interim Financial Statements of the Group and the Group's interest in joint ventures for the 6 months ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 29 September 2015.

2. Basis of preparation

(a) Statement of compliance
The Unaudited Condensed Consolidated Interim Financial Statements of the Group and the Group's interest in joint ventures for the 6 months ended 30 June 2015 have been prepared in accordance with IAS 34: *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2014. This unaudited condensed consolidated interim financial report does not include all of the information required for full financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

(b) Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Business Review. The financial position of the Group, its cash balances and borrowings are set out in notes 16, 17 and 18 of the unaudited condensed consolidated interim financial statements. The Group's financial risk management objectives and policies remain unchanged from those set out in notes 30 and 31 of the Group's consolidated financial statements for the year ended 31 December 2014.

Having completed the fundraisings in 2013 and 2014 and successfully re-profiled the significant bullet repayment on the Scotiabank loan to a subsidiary company, originally due in June 2015, the Board believes that, with the overall improvement in trading results and alongside the benefit of the expected €0.76 million gross termination payment from Yas Marina in the last quarter of the current year, the Group has adequate resources to continue trading for the foreseeable future and that it is appropriate to adopt the going concern basis for the preparation of these unaudited condensed consolidated financial statements.

(c) Judgements and estimates
The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Unaudited Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the accounting policies to the Group and the Group's interest in joint ventures and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

3. Significant Accounting Policies

The accounting policies applied by the Group and the Group's interest in joint ventures in the Unaudited Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2014.

3. Significant Accounting Policies (continued)

(a) Basis of consolidation

The treatments of the different entities within the Group in the consolidation are as follows:

Subsidiaries being entities controlled by the Group 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.

Joint ventures are contractual arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint ventures are considered to be equity accounted investees and the Group's interest in them is accounted for using the equity method. The unaudited condensed consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted investees.

Non-controlling interest. This reflects the 20.83% minority interest in the Group's majority owned subsidiary, Grand Harbour Marina plc. Adjustments to non-controlling interests in the period are based on a proportionate amount of the net assets of the subsidiary.

Intra Group transactions. 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. As charges to equity accounted investees relate to services provided and are charged to profit and loss as incurred, there will not be any unrealised gains on such transactions.

(b) Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy as defined in IFRS 13.

4. Seasonality of operations

Marinas derive their income from several sources of which visitor berthing and related income 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. Consultancy revenue is derived from both project work and monthly retainers so although there can be fluctuations from month to month the changes are not seasonal in nature. 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. There were no berth sales during the 6 months ended 30 June 2015 or in the same period last year.

5. Segmental reporting

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

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

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

5. Segmental reporting (continued)

The results for these two segments for the 6 months ended 30 June 2015 are set out below:-

	Marina Operations	Marina Consultancy	Parent Company	Totals
For the 6 months ended 30 June 2015	€000	€000	€000	€000
Revenues from external customers	3,939	1,500	18	5,457
Intersegment revenues	-	610	169	779
Total including Joint ventures	3,939	2,110	187	6,236
Exclude Joint Venture impact	(999)	(71)	-	(1,070)
Total excluding Joint Ventures	2,940	2,039	187	5,166
Revenues from external customers	2,940	1,546	36	4,522
Intersegment revenues	-	493	151	644
Interest revenue	8	-	19	27
Interest expense	(636)	-	-	(636)
Depreciation & amortisation	(399)	(31)	-	(430)
Reportable segment loss	(136)	(58)	(298)	(492)
Share of losses of equity accounted investees	54	(178)	-	(124)
Total including equity accounted investees	(82)	(236)	(298)	(616)
Expenditures for reportable segment non-current assets	104	5	-	109
For the 6 months ended 30 June 2014				
Revenues from external customers	3,231	744	17	3,992
Intersegment revenues	-	557	100	657
Total including Joint ventures	3,231	1,301	117	4,649
Exclude Joint Venture impact	(899)	(53)	-	(952)
Total excluding Joint Ventures	2,332	1,248	117	3,697
Revenues from external customers	2,332	740	34	3,106
Intersegment revenues	-	508	83	591
Interest revenue	48	-	20	68
Interest expense	(611)	-	-	(611)
Depreciation & amortisation	(355)	(28)	-	(383)
Reportable segment loss	(391)	(80)	(438)	(909)
Share of losses of equity accounted investees	59	(169)	-	(110)
Equity accounted investee loss not consolidated	-	169	-	169
Total including equity accounted investees	(332)	(80)	(438)	(850)
Expenditures for reportable segment non-current assets	122	-	-	122

5. Segmental reporting (continued)

	30-June-2015	30-June-2014
	€000	€000
Revenues		
Total revenues for reportable segments	5,166	3,697
Elimination of inter-segment revenues	(644)	(591)
Group revenues	4,522	3,106
Profit & Loss		
Total profit and loss for reportable segments	(492)	(909)
Share of losses of equity accounted investees	(77)	(110)
Equity accounted investee loss not consolidated	-	169
Group loss before tax	(569)	(850)

Reconciliation of reportable segment assets and liabilities

	Marina Operations	Marina Consultancy	Parent Company	Totals
As at 30 June 2015	€000	€000	€000	€000
Assets for reportable segments	44,329	2,077	39,276	85,682
Investment in and loan to equity accounted investees	680	-	-	680
Total	45,009	2,077	39,276	86,362
Less: intercompany loans				(36,551)
Less: investments in subsidiaries net of goodwill-				(2,200)
Group total assets				47,611
Liabilities for reportable segments	49,481	2,783	4,240	56,504
Less: intercompany loans				(36,551)
Group total liabilities				19,953
Group Net Assets				27,658
As at 31 December 2014				
Assets for reportable segments	43,220	1,972	39,444	84,636
Investment in equity accounted investees	626	-	-	626
Total	43,846	1,972	39,444	85,262
Less: intercompany loans				(35,621)
Less: investments in subsidiaries net of goodwill				(2,200)
Group total assets				47,441
Liabilities for reportable segments	49,345	2,390	4,181	55,916
Less: intercompany loans				(35,621)
Group total liabilities				20,295
Group Net Assets				27,146

6. Operating Expenses

	Note	30-Jun-2015 *€000*	30-Jun-2014 *€000*
Directors' remuneration		112	84
Wages, salaries and consultancy fees	7	1,063	945
Audit fees		84	86
Rent and rates		209	240
Other general administration expenses	8	811	670
Legal & professional fees		135	130
Promotion expenses		163	187
Depreciation		430	383
Foreign exchange gains		(204)	(17)
Total		2,803	2,708

7. Wages, salaries and consultancy fees and one-off costs of severance payments

	30-Jun-2015 *€000*	30-Jun-2014 *€000*
Marina Operations	450	378
Marina Consultancy	613	560
Own work capitalised	-	(18)
	1,063	920
One-off cost of severance payments	-	25
Total	1,063	945

8. Other General Administration expenses

	30-Jun-2015 *€000*	30-Jun-2014 *€000*
Communications including travel	107	96
Repairs & maintenance	105	72
Security	46	44
Insurance	94	90
Electricity, water & gas	85	79
Printing stationery & postage	22	14
Bank charges	48	55
Administration fees	34	31
Bad debt provision	4	1
Bond costs amortisation	14	28
Royalty fees	149	81
Other	103	79
Total	811	670

9. Taxation

The Company, Camper & Nicholsons Marina Investments Ltd is a Guernsey Exempt Company and is therefore not subject to taxation on its income, other than an annual exempt fee of £1,200 (2014: €600), under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989.

The taxation charge shown in these accounts is the aggregate of taxation payable and receivable by subsidiaries. The analysis of the current year charge is shown in the table below.

9. Taxation (continued)

	30-Jun-2015	**30-Jun-2014**
	€000	*€000*
Deferred tax charge	(118)	(72)
Income tax credit	-	18
Total tax charge	(118)	(54)

The deferred tax charge of €118k arises in a subsidiary where management has recognised a charge based on the estimated annual income tax rate being applied to the pre-tax income of the interim period. The deferred tax asset has reduced by the same amount to €40k at 30 June 2015 (31 December 2014: €158k). The prior year income tax credit arises in a subsidiary, being interest received following settlement in the second half of 2013 of prior years' tax accounts.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

10. Earnings per share

Basic earnings per share amounts are calculated by dividing €726k Group net loss (2014: €896k Group net loss) for the period attributable to ordinary equity holders of the parent by 165.784 million (2014: 141.917 million) being the weighted average number of ordinary shares outstanding during the period.

For the six months ended 30 June 2015 the weighted average number of shares used to calculate the basic and diluted earnings per share is the same because there were no outstanding options.

11. Assets held under Trust

In accordance with the terms of the Trust Deed for Grand Harbour Marina's ("GHM") unsecured 7% Bond, GHM is required to establish a sinking fund to support repayment of the Bond in 2020. During the period, GHM transferred €95k to the Trustees. As shown in the table below, funds held by the Trustees were used to buy back some of the 7% Bond.

	30-Jun-2015	**31-Dec-2014**
	€000	€000
Balance at start of period	1,070	854
Transfers to Trustees	95	591
Buy back of 7% Bond	(755)	(375)
Balance at end of period	410	1,070

The nominal value of bonds bought back was €682k with total costs and premium paid of €73k.

12. Property, plant and equipment

	Marina Develop. €000	Deferred super yacht berth costs €000	Office furniture & equipment €000	Motor vehicles €000	Leasehold Property €000	Total €000
Cost:						
At 1 January 2015	31,730	496	1,055	49	89	33,419
Additions	98	-	11	-	-	109
Disposals	-	-	(18)	-	-	(18)
Exchange adjustment to closing rate	2,275	-	62	3	8	2,348
As at 30 June 2015	34,103	496	1,110	52	97	35,858
Depreciation:						
At 1 January 2015	7,355	5	852	49	4	8,265
Depreciation charge	368	-	50	-	12	430
Disposals	-	-	(18)	-	-	(18)
Exchange adjustment to closing rate	460	-	46	3	1	510
As at 30 June 2015	8,183	5	930	52	17	9,187
Net Book Value						
As at 30 June 2015	25,920	491	180	-	80	26,671
As at 31 December 2014	24,375	491	203	-	85	25,154

At 31 December 2014, the CBRE valuation of the Port Louis Marina was below the book value but, as explained in note 14 of the consolidated financial statements for the year ended on that date, the Directors considered that no impairment of the asset value was required. With the further improvement in performance at Port Louis Marina and at Grand Harbour Marina in the period, the Directors continue to believe that marinas are sound long term investments and that no impairment provision is required.

13. Equity Accounted Investees

The Group has a 45% interest in IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi ("IC Cesme"), a jointly controlled entity which operates a marina in Turkey. As at 30 June 2015 the Group had invested €1.8 million (31 December 2014: €1.8 million) in the equity of IC Cesme.

The Company has a 50% interest in Camper & Nicholsons First Eastern Limited ("CNFE"), a jointly controlled entity established during 2011 which is involved in marina management and consultancy in the Asia Pacific region. The Company agreed to provide funding of up to US$1.25 million to CNFE over 2 years of which US$0.5 million was to be equity capital with US$0.75 million as shareholder loan. The equity capital was provided in 2011 and a US$0.3 million (€0.229 million) shareholder loan was provided in July 2013. Additional funding has been provided by both joint venture partners by permitting CNFE to take extended credit terms on invoices for services provided.

The share of the assets and liabilities of the jointly controlled entities, reported as equity accounted investees, at 30 June 2015 and at 31 December 2014, which are included in the consolidated financial statements, are as follows:

13. Equity Accounted Investees (continued)

	30-June-2015			31-Dec-2014
	IC Cesme	CNFE	Total	Total
Percentage ownership interest	45%	50%		
	€000	€000	€000	€000
Non current assets	13,004	16	13,020	13,381
Cash and cash equivalents	1,202	124	1,326	2,119
Other current assets	2,071	276	2,347	1,546
Non-current financial liabilities	(12,848)	(536)	(13,384)	(13,886)
Current financial liabilities	(1,088)	-	(1,088)	(1,088)
Other current liabilities	(1,658)	(1,590)	(3,248)	(2,750)
Net assets/(liabilities) (100%)	683	(1,710)	(1,027)	(678)
Group's share of net assets/(liabilities)	308	(855)	(547)	(367)
Goodwill	372	-	372	372
Loan to equity accounted investee	-	268	268	247
Short term investment in joint ventures	-	516	516	338
Exchange	-	71	71	36
Carrying amount of interest in joint ventures	680	-	680	626

The income and expenses of the jointly controlled entities for the six months ended 30 June 2015 and 30 June 2014 are shown in the table below. In accordance with IFRS 11 the Group's share of the losses of these joint ventures is included in the Statement of Comprehensive income. As the shareholder loan is considered to be part of the Group's investment cost in CNFE for equity accounting purposes, the current period losses and the unrecognised losses from the prior period are offset against the value of the loan.

	30-June-2015			30-Jun-2014
	IC Cesme	CNFE	Total	Total
Percentage ownership interest	45%	50%		
	€000	€000	€000	€
Revenue	2,220	112	2,332	2,078
Operating expenses	(1,310)	(466)	(1,776)	(1,640)
Depreciation & amortisation	(452)	(2)	(454)	(408)
Finance revenue	13	-	13	27
Finance costs	(247)	-	(247)	(263)
Tax	(105)	-	(105)	-
Profit/(Loss) and total comprehensive income (100%)	119	(356)	(237)	(206)
Profit/(Loss) and total comprehensive income (Group share)	54	(178)	(124)	(110)
Losses not consolidated	-	-	-	169
Group's share of loss and total comprehensive income	54	(178)	(124)	59

As indicated above CNFE has been allowed to take extended credit terms on invoices from the two joint venture partners for services provided. Management believes that the amounts owed to Group companies should be considered to be a short term investment in CNFE and €516k (31 December 2014: €338k) of the receivables due from CNFE have been treated in this way. The current period losses of CNFE have been written off against this short term investment.

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

13. Equity Accounted Investees (continued)

The bank loan is provided by Isbank to IC Cesme in the form of a Term Facility Agreement ("Term Facility") in the amount of €9.25 million. This loan is repayable in semi-annual instalments which commenced in December 2011 and had reduced the outstanding balance to €5.44 million at 30 June 2015. In addition to the Term Facility, Isbank provided a loan in the form of a General Cash and Non-Cash Credit Agreement (the "Subordinated Loan") with a maximum facility of €10 million of which €8.495 million has been drawn down. The Subordinated Loan has been secured against cash pledges by the shareholders and is repayable commensurate with the Term Facility. The Isbank loans are guaranteed by the shareholders as detailed in note 23.

In July 2015 negotiations were completed with Isbank to increase the loan by €1.56 million to €7.0 million (Group's 45% share, €3.15 million) with the additional funding to be used for further development of the marina. The interest rate on the loan has been reduced to Euribor + 4.5% (previously Euribor + 5.5%) and repayment will now be made in thirteen equal semi-annual instalments commencing July 2016 and ending July 2022.

14. Financial Instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts, as at 30 June 2015, in the unaudited condensed consolidated statement of financial position, and as at 31 December 2014 in the consolidated statement of financial position at that date are as follows:

	30-Jun-2015		31-Dec-2014	
€000	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets measured at Fair Value				
Assets held under Trust (Note 11)	410	410	1,070	1,070
Cash pledges	3,989	3,989	3,969	3,969
Financial assets not measured at Fair Value				
Trade and Other Receivables	2,273	2,273	1,546	1,546
Cash and Cash equivalents	2,944	2,944	4,314	4,314
Financial liabilities not measured at Fair Value				
Fixed rate borrowings	-	-	(5,802)	(5,935)
Other Loans and Borrowings	(5,712)	(5,712)	(1)	(1)
Unsecured 7% Bond	(10,725)	(12,394)	(11,393)	(12,877)
Trade and Other liabilities	(3,343)	(3,343)	(2,930)	(2,930)
Other payables	(173)	(173)	(169)	(169)

The assets held in Trust consist of cash and short term cash deposits.

The Unsecured 7% Bond is not a quoted financial instruments and therefore no market value is available for it. At 30 June 2015, as shown in the table above, the fair value has been based on a calculation of the net present value of the cash flows relating to the loan, being interest and capital payments, using a market interest rate for a similar instrument. The fair value has been categorised as Level 2.

15. Cash pledge

As detailed in Note 13, the subordinated loan provided by Isbank to IC Cesme is secured against cash pledges made by the IC Cesme Marina shareholders. The Company's interest in IC Cesme Marina was sold to Grand Harbour Marina plc ("GHM") in March 2011. Part of the contractual terms of the sale required GHM to take over the Company's obligations to Isbank. At 30 June 2015 the Group's share of the cash pledge amounted to €3,989k (31 December 2014: €3,969k) including interest added of €152k (31 December 2014: €132k) continued to be held in the Company's name but in line with the terms of the sale agreement, GHM has lodged an equivalent sum with the Company in anticipation of Isbank agreeing to substitute GHM for the Company in relation to the banking arrangements for IC Cesme.

16. Cash & Cash Equivalents

	30-Jun-2015	31-Dec-2014
	€000	*€000*
Cash & Cash Equivalents comprise the following:-		
Cash at bank and in hand	1,249	1,669
Short term deposits	1,695	2,645
	2,944	4,314

17. Unsecured Bond Issue

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

As at 30 June 2015 the outstanding balance related to these bonds was €10,725k (31 December 2014: €11,393k) which can be analysed as shown in the table below:

	30-Jun-2015	31-Dec-2014
	€000	€000
Opening balance	11,393	11,693
Amortisation of transaction costs	14	49
Buyback of bonds	(682)	(349)
Balance at period end	10,725	11,393

As indicated in Note 11, the Trustees utilised some of the cash transferred to the Sinking Fund to purchase, in the market, some of the Bonds in issue.

18. Interest bearing loans and borrowings

	30-Jun-2015	31-Dec-2014
	€000	*€000*
Scotia Bank Loan B	-	611
Scotia Bank Loan C	5,710	5,191
Total Bank Loans	5,710	5,802
Bank Overdrafts	2	1
	5,712	5,803
Unsecured 7% Bond	10,725	11,393
	16,437	17,196
Repayable within one year	226	612
Repayable after more than one year	16,211	16,584
	16,437	17,196

18. Interest bearing loans and borrowings (continued)

Security and maturity:

	Interest Rate at 30 June 2015	**Interest Rate at 31 December 2014**	**Due within 12 months**	**Due 1 July 2016 – 31 Dec 2017**	**Due 2018**	**Due 2019 & 2020**	**Total**
	%	*%*	*€000*	*€000*	*€000*	*€000*	*€*
Scotia Bank Loan C	3.28%	5.70%	224	1,344	1,232	2,910	5,710
Bank overdraft	4.85%	4.85%	2	-	-	-	2
Unsecured 7% Bond	7.00%	7.00%	-	-	-	10,725	10,725
Total			226	1,344	1,232	13,635	16,437

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

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

At 31 December 2014 the loan was shown in two parts as Scotia Bank Loan B and Loan C to reflect the different repayment profiles following the amendment to the loan agreement completed in June 2014.

Scotia Bank Loan B originally for US$7.5 million, on which the interest rate was fixed at 5.7% was previously subject to bullet repayment of the full amount in June 2015. The loan was re-profiled during June 2014 with the balance, now Loan C, payable in instalments commencing in June 2016 with the final balance due in June 2019. The interest rate on loan C is now at a floating rate of Libor+3% having previously been fixed at 5.7% until June 2015.

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

- a first general hypothec for €1,747,030 on overdraft basis over all assets, present and future given by Grand Harbour Marina plc; and
- a first special hypothec for €1,747,030 on overdraft basis over the temporary utile dominium for 99 years commencing from 2 June 1999 over the land measuring 1,410 square metres at Cottonera Waterfront Vittoriosa.

Details of the Grand Harbour Marina 7% unsecured bond are given in Note 17.

19. Share Capital

		30 Jun 2015	31 Dec 2014
Ordinary shares of no par value (000)	Unlimited	165,784	165,784

The share capital is shown in the consolidated Statement of Financial Position net of issue costs of €2,883k (31 December 2014: €2,883k).

20. Net asset value per share

The calculation of basic net asset value per share as at 30 June 2015 is based on net assets of €27,158k (December 2014: €26,638k) attributable to the equity shareholders, divided by the 165,784k (December 2014: 165,784k) ordinary shares in issue at that date. As there were no options outstanding at 30 June 2015 the basic and diluted net asset value per share are the same.

21. Subsidiaries and joint ventures

	Activity	Country of Incorporation	Equity Interest %
Subsidiaries			
Camper & Nicholsons Marinas (Malta) Ltd	Investment Holding	Malta	100.00
Camper & Nicholsons Caribbean Holdings Ltd	Investment Holding	Bahamas	100.00
Camper & Nicholsons Grenada Ltd	Property Holding	Grenada	100.00
Camper & Nicholsons Grenada Services Ltd	Marina Operator	Grenada	100.00
Grand Harbour Marina plc (including its subsidiary Maris Marine Limited)	Marina Operator	Malta	79.17
Camper & Nicholsons Marinas International Ltd	Group Investment Management and Third Party Marina Management & Consultancy	Malta	100.00
Camper & Nicholsons Marinas Ltd	Group Investment Management and Third Party Marina Management & Consultancy	UK	100.00
Jointly Controlled Entities			
Camper & Nicholsons First Eastern Ltd	Third Party Marina Management & Consultancy	Hong Kong	50.00
IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi	Marina Operator	Turkey	35.63*

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

22. Non-controlling Interest

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

23. 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.

The lease of Grand Harbour Marina in Malta is held by Grand Harbour Marina plc ("GHM"), a 79% subsidiary. The lease is non-cancellable and expires in 2098, except that it has a break clause exercisable by the tenant only in 2030. The rent payable is based on turnover but the lease specifies a minimum and maximum level of rent payable in any year. The minimum future rental payments under the lease amount to approximately €4 million and the maximum to approximately €10 million. Further details on the terms of, and background to, the lease of Grand Harbour Marina were included in Note 27 of the Consolidated Financial Statements for the year ended 31 December 2014.

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 2105 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 2015. The future rental payments under the terms of the lease, assuming that the whole area is brought into use are estimated at €2.0 million.

23. Commitments and contingencies (continued)

The Group has three office premises all of which are held under non-cancellable operating leases which range in length between 5 and 25 year with rents reviewable periodically to prevailing market rates. The unexpired periods of these leases at 30 June 2015 were between 4.2 and 15.5 years with total minimum future rentals payable under the three leases amounting to approximately €1.7 million before any subletting revenues. As the Group ceased to occupy one of the offices during 2012, those premises were sub-let for a period of at least three years at a premium to the rent payable.

Finance lease commitments – Group as lessor

The Group has granted a number of licences ranging in duration from 25 to 45 years in respect of berths at Grand Harbour Marina and Port Louis 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 reporting date the Group has no commitments as lessee under finance leases:

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.

Capital commitments

At 30 June 2015, the Group had contracted capital commitments of Nil (31 December 2014: €61k)

Contingent liabilities

The Group had the following contingent liabilities as at 30 June 2015:

As explained in Note 27 of the consolidated financial statements for the year ended 31 December 2014, the District Governorship of Cesme is claiming that the landside tenants/subtenants in Cesme should pay to the Governorship a charge of 1% on the annual revenues from 2010 until the current date and in future years. This charge would ultimately be the responsibility of IC Cesme in the event that the Governorship's claim is successful and the tenants/subtenants do not make the payment. The Board of Directors of IC Cesme Marina believes that this claim is contrary to the signed agreements and in this regard has initiated a legal case. As at 30 June 2015 the potential claim would amount to €641k (31 December 2014: €624k), with the Group's 45% share being €288k (31 December 2014: €281k), if IC Cesme had to make payment in full.

Litigation and claims

At 30 June 2015, there were no material claims against the Group or litigation issues with which the Group was involved.

Guarantees

The Parent Company has provided an unlimited guarantee in favour of the Bank of Nova Scotia in support of a loan facility provided to Camper & Nicholsons Grenada Limited.

The Parent Company currently acts as a guarantor and sponsor of IC Cesme's repayment obligations under the Term Facility and the Subordinated Loan to the extent of 45% of any non-payment. As part of the contractual arrangements for the sale of the Company's interest in IC Cesme to GHM, GHM has

23. Commitments and contingencies (continued)

Guarantees (continued)

agreed to become guarantor in place of the Company but the legal formalities relating to this substitution had not been completed at 30 June 2015. GHM has indemnified the Company against any loss arising. The Group's potential liability at 30 June 2015 was €6,271k (31 December 2014: €6,516k).

Grand Harbour Marina plc, a subsidiary, has provided a guarantee in respect of a performance bond amounting to €35k (December 2014: €35k).

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.

24. Related party transactions

Directors' Remuneration

During the six months ended 30 June 2015 the contractual level of fees for the six Directors that served throughout the period remained unchanged from that disclosed in the Directors' Report in the 2014 Annual Report. However, Mr Whiley waived his Director fees, which represented a saving of €17k (£12.5k). Mr Whiley and Mr Bralsford waived their entitlement to fees from Grand Harbour Marina which represented a further saving of €7k.

For the six months ended 30 June 2015, Directors' remuneration of €112k (30 June 2014: €84k) was charged and a payable amount of €Nil (31 December 2014: €Nil) was accrued in the Unaudited Condensed Consolidated Statement of Financial Position.

Administration and support services provided by Y Lee Limited

During the period, Y Lee Limited charged €31k (30 June 2014: €27k) to Camper & Nicholsons Marinas Limited for providing the services of Clive Whiley as CEO of that business. At 30 June 2015 €Nil (31 December 2014: €Nil) was due to Y Lee Limited.

Office Rental agreement with Evolution Securities China Limited

As explained in Note 28.3 of the consolidated financial statements for the year ended 31 December 2014, Camper & Nicholsons Marinas Limited shares office space with Evolution Securities China Limited, a Company which, like Camper & Nicholsons Marina Investments Limited, is majority owned by First Eastern. During the period €22,941 (30 June 2014: €Nil) was charged to Evolution Securities China Limited for the provision of office space. At 30 June 2015 €Nil (31 December 2014: €Nil) was due to Camper & Nicholsons Marinas Limited.

25. Financial Risk Management

The Group's financial risk management objectives and policies remain unchanged from the prior period. Details of these objectives and policies were included in Note 30 of the Consolidated Financial Statements for the year ended 31 December 2014.

26. Post balance sheet events

As announced on 13 August 2015 and commented upon in the Business Review, Miral Asset Management LLC decided to absorb the business and staff associated with our contract to manage Yas Marina into their own operating company. The loss of the Yas contract is expected to lead to a gross one-off termination payment of €0.76 million to the Company this year.

Except for the above there were no material subsequent events between the end of the reporting period and the date of signing these unaudited condensed consolidated interim financial statements.

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

www.cnminvestments.com

Camper & Nicholsons Marinas Ltd
5th Floor, Cording House
34 St James's Street
London SW1A 1HD
Tel: +44 (0)20 3405 1782
Fax: +44 (0)20 3405 3229
info@cnmarinas.com