Camper & Nicholsons
YACHTING SINCE 1782
MARINAS

Camper & Nicholsons Marina Investments Limited

Annual Report 2007

Turnover

€10.7million

Adjusted Net Asset Value

€53.8million

Profit before tax

€6.3million

World leader in marinas

Camper & Nicholsons' marinas are situated at some of the most beautiful yachting locations around the world, where the levels of yacht care, facilities and customer service are set to become the highest available in the world of yachting.

The name Camper & Nicholsons has been associated with premium marina and waterfront development for over 40 years. Our marinas are the destinations of choice for the discerning owner and skipper.

Highlights

- Successful AIM Listing raised €47.6 million net of expenses
- Since Listing made three acquisitions with a total commitment of €45.0 million
  - Cesme Marina, Turkey – 45% interest acquired for €3.8 million investment
  - Grand Harbour Marina, Malta – acquired nearly 80% for a total commitment of €16.6 million
  - Port Louis Marina, Grenada – wholly acquired for €16.4 million with total commitment of €24.6 million
- Grand Harbour Marina achieved long term berth sales of €10.0 million in December 2007 from the licencing of three superyacht berths
- Group profit before tax of €6.3 million on income of €10.7 million
- Net Asset Value on an independent market value basis of €53.8 million or 107.5c per share. A premium of 13.0% to the net proceeds raised at IPO
- Continued growth in superyacht order book. 2008 started with order book of 900 yachts, the highest level ever
- Further acquisitions envisaged being completed in 2008 and substantially all of the funds raised expected to be committed within 18 months of admission to AIM

Chairman's statement

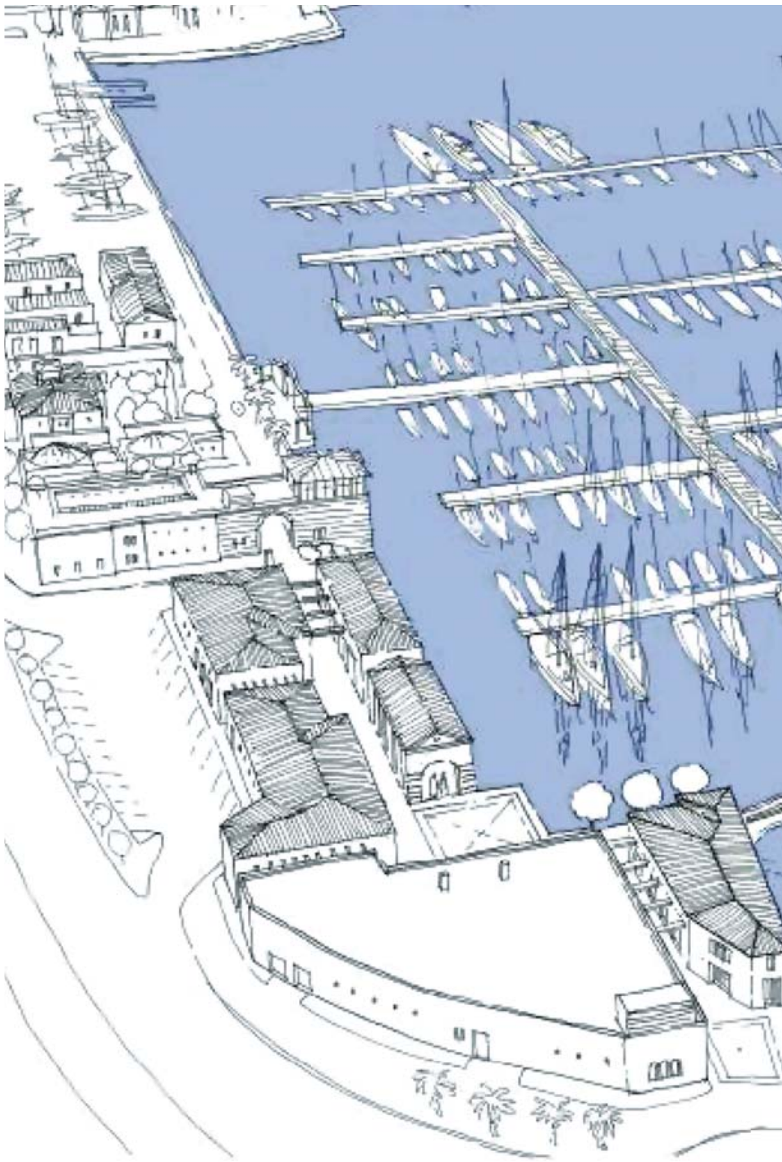
On 29 January 2007, Camper & Nicholsons Marina Investments Limited (CNMI) listed on the London Stock Exchange's Alternative Investment Market (AIM), becoming the first company specialising in marinas and marina related real estate, to secure an AIM quotation.

A total of 50 million shares were acquired by a range of investors, predominantly blue chip institutional investors, generating €47.6 million, net of expenses.

Acquisition summary
Our principal objective in the first year has been to invest the funds raised, in marinas and marina related real estate, on the right terms. In furtherance of this, in the 11 months which have followed admission to AIM, CNMI has pursued a successful acquisition policy which has resulted in three investments in strategically located marinas as detailed below. These marinas between them have 100,000 square metres of lettable berth area which will provide 1,000 berths including close to 100 superyacht berths, and over 50,000 square metres of land.

Investments/funding
The three marina investments to date have resulted in a total commitment of €45.0 million of which €5.4 million is from external debt finance. We are currently in negotiations with a number of banks with regards to increasing the level of debt deployed by CNMI. The optimum level of gearing will primarily depend on the mix and balance of marinas that we acquire and the prevailing available terms.

Performance, net asset value and profits
We have had a good first year. Net Asset Value (NAV), adjusted for year end valuations, has risen from €50.6 million (£34.1 million) at the 30 June interim stage to €53.8 million (£39.5 million) at the year end. This is an increase of 7.6% on the gross amount raised at listing (and an increase of 13% over the net issue proceeds). The year end NAV figure equates to diluted NAV per share figures on an IFRS basis and on a fair value adjusted basis of 100.5c (73.9p) and 107.5c (79.0p) respectively. These results compare with 95.4c (64.3p) and 101.2c (68.2p) respectively at 30 June 2007. In Sterling terms, since listing, NAV increased from £33.0 million to £39.5 million.

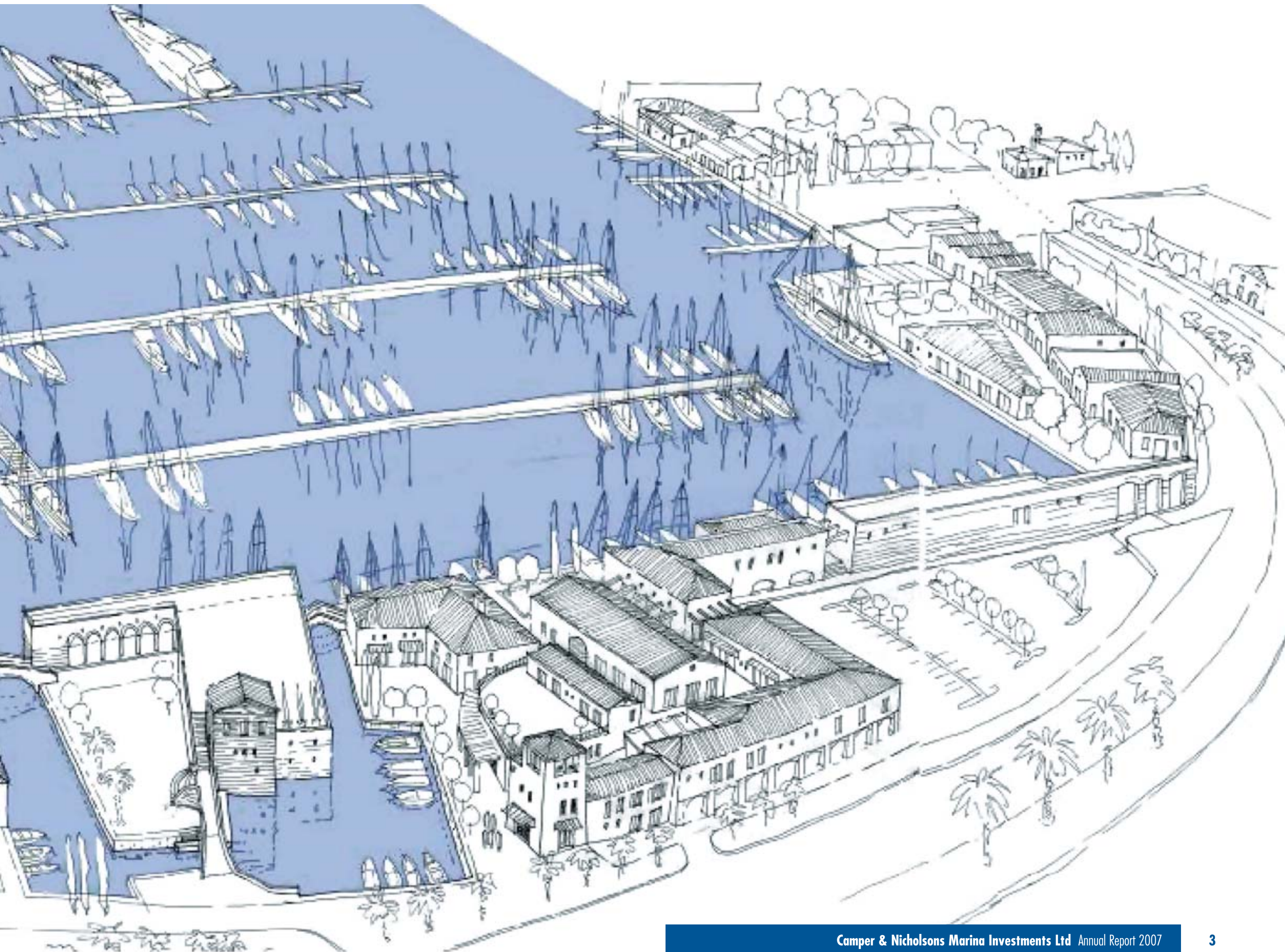


50million

A total of 50 million shares were acquired by a range of investors, predominantly blue chip institutional investors.

1,000berths

Our marinas between them will have 1,000 berths, of which close to 100 are superyacht berths.



Chairman's statement continued

Highlights

	2007 €m
Group	
Turnover	10.7
Gross profit	8.9
Operating profit	5.1
Pre-tax profits	6.3
Earnings per share basic and diluted	5.2c
Net assets (IFRS)	50.3
Adjusted net assets	53.8
Parent company	
Earnings per share basic and diluted	12.2c
Increase in value of investments	7.0

These figures exclude the $24 million (€16.4 million) acquisition of Port Louis that was completed post year end. CB Richard Ellis completed a valuation of this marina in December 2007 valuing it in its existing state at $27.3 million against total cost commitments, inclusive of transaction costs to that date, to acquire the marina, of $25.4 million (€17.4 million) resulting in a NAV uplift of $1.9 million (€1.3 million).

The Group generated profit before tax of €6.3 million (€3.5 million after tax) on income of €10.7 million. Basic and diluted earnings per share attributable to CNMI shareholders were 5.2c. In line with the policy set out in the Company's admission document the Board is not proposing a dividend, as funds generated are being re-invested during the first three years following admission.

Acquisition details

A summary of the acquisition of three marinas is included opposite. A full report on each of these three marinas is included in the Manager's report, on page 6, accompanying this statement.

Pipeline & commitment of balance of proceeds.

CNMI is well placed to conclude further acquisitions with several potential investments being at the heads of terms stage. Consequently we envisage further acquisitions being completed in 2008 and expect to meet our target of committing substantially all of the funds raised within 18 months of admission to AIM.

The C&N brand and active marketing campaigns, which included stands at the Dusseldorf and Monaco boat shows, have undoubtedly contributed to both deal flow and berth sales.

Outlook

At the time of flotation we described the marina sector as characterised by having more yachts than berths available to accommodate them, and that this has led to berth rental and sales price increases in key markets. We believe that these fundamentals are borne out by our first year experience.
In addition the superyacht sector, with a four year order book, seems set to weather any short term uncertainty.

Whilst the immediate general economic climate may be less predictable, our view is that the marina sector remains attractive for investors both in respect of its fundamentals and stage of development.

Overall we believe that CNMI is performing in line with its commitments to its investors in the first year of trading, and we look forward with confidence to making continued progress in creating the leading international chain of premium branded marinas.

I would like to thank our investors for their continuing support.

George Kershaw
Chairman
16 April 2008

Marina acquisitions

Cesme Turkey

Our first acquisition, in April 2007, was through a joint venture purchase of a 25 year "Build, Operate and Transfer" (BOT) Contract to develop and operate Cesme Marina in the Izmir region of Turkey. The Company and its Turkish Partner, IC Ictas, each have a 45% equity interest in the JV but with 50% of the Board voting rights. CNMI's total capital commitment to this investment is presently projected to be €3.8 million.

Grand Harbour Malta

Our second acquisition was the purchase, in two stages, of 79.2% of the issued share capital of Grand Harbour Marina plc ("GHM") in Malta for total consideration of €11.2 million. The company is listed on the Malta Stock Exchange. CNMI's total commitment to GHM is €16.6 million, including the €5.4 million debt assumed with the business.

Since acquiring our majority interest, GHM announced, in December, the sale of three superyacht berths on long term licences for total gross proceeds of €10 million.

Port Louis West Indies

Contracts were exchanged on our third acquisition, the marina at Port Louis, Grenada WI, on 24 December 2007 with completion on 18 January 2008. This marina is not therefore included in our year end figures. We acquired the marina and three parcels of marina related real estate for US$24 million (€16.4 million), which was substantially paid at completion.

Our total investment in this marina, which will benefit from being a key part of the wider US$500 million Port Louis mixed use development project, is expected to be US$36 million (€24.6 million).

Manager's report

We are pleased to present our Manager's report covering the 11 month period from 29 January 2007, the date on which Camper & Nicholsons Marinas Investment Limited (CNMI) was admitted to AIM, to 31 December 2007.

We remain committed to our investment strategy of generating returns for investors through the acquisition, development and operation of an international Camper & Nicholsons branded portfolio of new and existing marinas and marina related real estate. Our target remains to commit substantially all of the net proceeds raised within 18 months of admission to AIM.

Investing the funds: The two completed acquisitions of Cesme and Malta represent an aggregate gross commitment of €20.4 million at the Balance Sheet date of which €17.7 million had been invested. Following completion of the acquisition of Port Louis in January 2008, these figures increased to €45.0 million and €35.0 million respectively.

Cesme Marina, Turkey

The contract in relation to Cesme Marina was entered into in April 2007. Cesme is located in the Izmir region, a pivotal location within one of Turkey's main cruising areas. Izmir international airport is linked by dual carriageway highway directly to Cesme, giving excellent access to the marina for both foreign and domestic clients.

Acquisition of the marina, through a 25 year 'Build Operate and Transfer' Contract (BOT Contract), was completed in a joint venture with IC Ictas Insaat A.S., a respected Turkish conglomerate. Prior to acquisition, the Turkish Government had substantially completed the marina infrastructure. This acquisition resulted in a commitment by CNMI of €3.8 million in return for its 45% equity interest. The Joint Venture is committed to an initial rental payment of c. €1 million in the first full year of operation in relation to the BOT contract. CNMI and IC Ictas each have 50% of the Board voting rights and the marina will be operated under a service agreement with the Company's Investment Advisor, Camper & Nicholsons Marinas International Ltd.

Formal handover of the site has been delayed principally due to the inclusion within the BOT contract of an area of land not belonging to the Ministry of Transportation, the counterparty in the BOT contract. The area involved was not material in size or location, and it has now been agreed that site handover will be taken with the exclusion of this area. In valuing the BOT agreement CBRE has relied on our representations in this respect.

Completion of the marina is now expected to occur during Q1 2009, in time for the main summer season. This compares with the original expectation of completion in Q4 2008 but the delay is not expected to have a material effect on our financial projections for the marina. Cesme will provide a total of 375 berths together with on-shore storage capacity for a further 100 boats. The lettable berth area is about 30,000 square metres.

The leading marina architects, Xavier Bohl, through their local offices have been working on designs to make this amongst the finest marinas in the Mediterranean, in keeping with its premier location. Outline planning permission exists for approximately 6,000 square metres of associated development providing marina services and general commercial buildings including retail, restaurants and office space.

Strong interest has been shown by potential tenants. Sales and marketing activities for the marina started with a launch at the Dusseldorf boat show, with an encouraging level of enquiries for berths.

Opportunities to expand the marina in respect of both land and water areas are currently being explored and evaluated. Turkey, and Cesme in particular, remains an important location for CNMI. If the compatible investment opportunities being considered are successful, it could result in CNMI establishing an important strategic position in the country's marina sector.

CB Richard Ellis valued the Cesme Marina BOT contract (based on a 100% interest) at €4.1 million as at 30 June 2007 which remains unchanged following its updated valuation as at 31 December. After adjusting for CNMI's 45% shareholding and other assets and liabilities, CNMI's interest in Cesme is valued at €2.3 million against an investment of €1.0 million as at the year end. After adjusting for deferred tax of €0.25 million, the NAV uplift is €1.0 million.

€20.4million

The two completed acquisitions of Cesme and Malta represent an aggregate gross commitment of €20.4million.

375berths

Cesme Marina will provide a total of 375 berths. The lettable berth area is about 30,000 square metres.

Above left: Cesme Marina General Manager, Can Polat.
Above right: Minister of State Kursat Tuzmen visits the Cesme Marina Stand at the Avrasya Boat Show (Istanbul).
Left: Aerial view of the Cesme Marina site.
Below: Visual impression of completed marina by Architects Xavier Bohl.

Manager's report continued

Facing page
Left: Ben Stuart, Manager Grand Harbour Marina
Middle: Rolex Middle Sea Race overall winner George David's 90ft yacht Rambler hosted at Grand Harbour Marina.
(Pic: Kurt Arrigo/Rolex).
Right: Latest 3 x 75m berth sales at Grand Harbour Marina will provide moorings for one of the world's leading yacht builders Benetti
(Pic: Edmiston & Company).
Below left: Aerial View of Grand Harbour Marina.
Below right: New Capitainerie located in 16th century Treasury building.
Bottom: Superyachts at Grand Harbour Marina.

Grand Harbour Marina, Malta

The acquisition of a 79.2% shareholding in Grand Harbour Marina plc ("GHM"), a Maltese listed marina company, whose principal asset is an established marina of the same name, was completed in two stages in June and August 2007. CNMI's gross commitment to GHM is €16.6 million with an equity investment, inclusive of transaction costs, of €11.2 million and the assumption of €5.4 million of debt finance.

Permission has been obtained from the Listing Committee of the Malta Financial Services Authority to maintain GHM's listing on the Malta Stock Exchange even though the free float is below the normal requirement of 25% and we believe that this could prove beneficial in the forthcoming privatisation of other marinas in Malta.

Grand Harbour is held by GHM on the balance of a 99 year lease granted in 1999 and currently provides a total berthing area of 46,700 square metres. Of its 230 berths, 197 are for yachts of up to 25 metres, whilst 33 are for superyachts of up to 100 metres.

The marina's strategic location places it within a few days sailing of any point in the Mediterranean, an excellent feature for those wishing to use it as their home port. Its large superyacht capacity provides exposure to one of the fastest growing sectors of the yacht fleet through the sale of long term berth licences.

At the time of CNMI's investment seven superyacht berth licences had been sold leaving 26 further superyacht berth licences to be sold. In December 2007 GHM announced the sale of three 75 metre berth licences for a total consideration of approximately €10 million. This was ahead of GHM's own expectations, at the time of its IPO in March 2007, of approximately €4.2 million of berth licensing sales in 2007. The use of the Camper & Nicholsons brand name and management were instrumental in securing the three sales.

The marina's new capitainerie located in the 16th century Treasury building, now offers our clients and staff a high quality environment and facilities. The marina hosted the prestigious Rolex Middle Sea race, obtaining wide press coverage, and attracting favourable comments for the quality of facilities and the high standards of service provided by the marina staff.

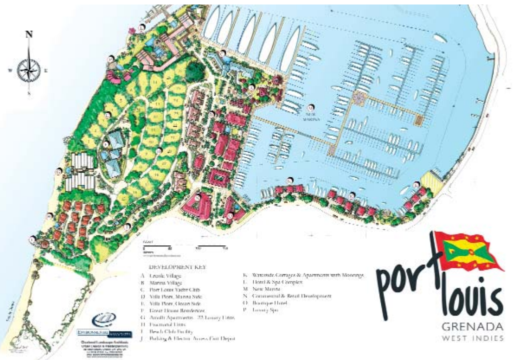
Since CNMI's investment was made, GHM has traded well with profit before tax of €7 million in the period to 31 December, mainly as a result of the berth sales. Pontoon berths are at 98% occupancy and rental income has increased with effective tariffs at renewal being raised by around 17% during the year. There is a waiting list for pontoon rentals of some 80 yachts. The current marina configuration is also being reviewed to determine ways of increasing the lettable berth area.

CB Richard Ellis valued GHM (based on a 100% interest) at €23.2 million as at 30 June 2007 which was increased, following the grant of the three long term licences in December 2007, to €24.1 million in its updated valuation as at 31 December. After adjusting for minority interests the NAV uplift is €5.8 million of which €3.3 million post acquisition profits have been consolidated into CNMI's trading results. CBRE advises that the significant change since the June 2007 valuation has been as a result of the confirmed long term superyacht berth sales and the strong rates obtained.

230berths

Grand Harbour Marina's 230 berths, comprise berths for 33 superyachts and 197 pontoon berths up to 25 metres.

Manager's report continued



390 yachts

The C&N marina at Port Louis will accommodate over 390 yachts including 73 superyachts.

$36 million

Our total investment in Port Louis is expected to be US$36 million (€24 million).

Facing page
Left: Berth plan at Port Louis Marina.
Right: Piling construction work taking place at Port Louis Marina.
Below left: General Manager at Port Louis Marina Bru Pearce.
Below right: Fully serviced berths are currently operating at Port Louis Marina.
Bottom: Maltese Falcon, one of the largest privately owned sailing yachts at 88 metres, visiting Port Louis.

Port Louis Marina, Grenada

We exchanged contracts for the acquisition of this strategically located marina on 24 December 2007 and completed the US$24 million purchase on 18 January 2008.

Substantially all of the acquisition price was paid at completion with further expenditure of approximately US$12 million (€8.2 million) required to complete the development of the marina to give an estimated total investment of US$36 million (€24.6 million). The purchase price includes approximately 23,800 square metres of land (including reclamation rights) for mixed use development for which detailed planning consent is in place.

The marina, which is held on a 99 year lease, comprises approximately 100,000 square metres of water area of which over 50,000 square metres is lettable berth area. The C&N marina at Port Louis will accommodate over 390 yachts including 73 superyachts of over 24 metres in length. A limited number of berths of all sizes will be offered on long term licences.

The marina will therefore provide important capacity for the superyacht fleet. The Government of Grenada has been pro-active in establishing a yacht friendly legislative and fiscal climate that will assist in the further growth of yachting in Grenada. We expect this to benefit the Grenadian economy as well as CNMI and its shareholders.

The marina opened over the Christmas and New Year period and now offers 50 serviced berths, including 14 superyacht berths. The marina has hosted the Grenada Sailing Festival and the Grenada Classic yacht series.

A construction contract has been let for the creation of a further 10 of the superyacht berths from 60 to 90 metres in length, with completion expected in Q3 of 2008. Subject to final design and layout, it is anticipated the whole marina will be substantially complete by Q1 of 2009. We expect that there could be further opportunities for development of the marina.

The marina owns the Creole Village which presently includes about 340 square metres of retail space including the restaurant. The marina will also benefit from being a key part of the major $500 million Port Louis development, which will include penthouses, apartments, luxury villas as well as hotels, restaurants, shops and art galleries bordering onto CNMI's marina. Purchasers of property are already approaching the marina for berth rentals and sales, and form part of the more than 80 enquiries already received, and this prior to any marketing being undertaken. The full marketing launch of the marina will be in May 2008.

As the acquisition of the marina was completed in January 2008, no trading results have been consolidated in the Group's accounts. CB Richard Ellis completed a valuation of the marina in December valuing the marina and reclaimed land for development in its existing state at $27.3 million (€18.7 million) against total cost commitments, inclusive of transaction costs to that date, to acquire the marina, of $25.4 million (€17.4 million) for an NAV uplift of $1.9million (€1.3 million). This increase has not been included in the figures in this report.

Manager's report continued

Pipeline

As reported with the half year results to 30 June 2007, the potential investment pipeline has continued to grow. The C&N name continues to be recognised as the premium international brand in the sector and attracts investment opportunities.

Projects in Greece, Turkey, Egypt, Italy, the Caribbean and North America are at various stages of negotiation and evaluation.

Sales and marketing activities

C&N continues its extensive marketing activities in support of both berth rentals and sales including stands at the Monaco and Dusseldorf boat shows. A continuing programme of improvements will see revised web sites launched in April, with an expansion of advertising, PR activities and boat show attendance.

Personnel

The Manager and Investment Advisor have continued to strengthen their management teams.

Financial overview

CNMI has performed well during its first 11 months of operations reflecting the completion of its first two transactions and the strong performance of Grand Harbour Marina, its majority owned subsidiary.

Whilst Cesme Marina had little impact on the results for the period, the strong performance of GHM with berth sales of €10 million in December 2007 was a significant contributor.

Sales of €10.7 million during the period and their directly attributable costs all of which related to GHM, generated a gross profit of €8.9 million. After operating expenses totalling €3.8 million and net interest income of €1.2 million this resulted in profit before tax of €6.3 million and with a tax charge of €2.8 million, an after tax figure of €3.5 million, of which €0.9m was attributable to the minority shareholders in GHM. Basic and diluted earnings per share to CNMI shareholders were 5.2c.

The consolidated Balance Sheet at 31 December 2007 comprises the assets and liabilities of the Company, Grand Harbour Marina plc and, on a proportional basis, the Company's interest in Cesme. The non current assets primarily comprise the tangible fixed assets employed in the marina businesses and the goodwill arising on the acquisitions. Current assets included the un-invested net proceeds of the AIM listing of around €33.3 million and the cash balances and trade and other debtors of the marina businesses. Current liabilities were mainly trade related, the tax payable by Grand Harbour and the current portion of long-term debt assumed on the acquisition of Grand Harbour. The non current liabilities comprised the balance of Grand Harbour's long term debt.

At 31 December 2007, the Group's net assets on an IFRS basis, amounted to €51.7m. Of this amount €1.4m related to the minority shareholders in GHM with €50.3m attributable to the Company, which equated to 100.6c per share and 100.5c per share on a diluted basis. On a revaluation basis, the net assets per share were 107.6c (diluted 107.5c) as shown below.

At 31 December 2007, the Company had cash deposits of approximately €33.3m held mainly as fixed short term deposits, some of which were denominated in US Dollars to match the commitment to purchase Port Louis marina.

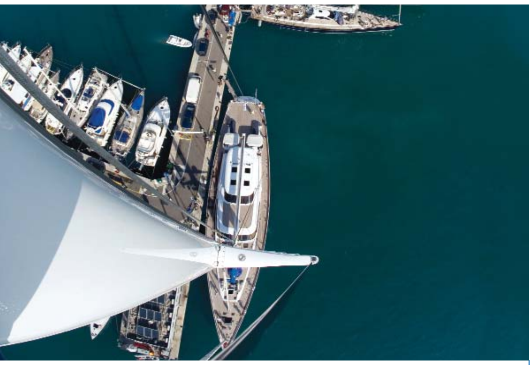
€10 million

A strong performance for Grand Harbour Marina with berth sales of €10 million.

€8.9 million

Sales of €10.7 million during the period generated a gross profit of €8.9 million.

Above middle: Yachts at Grand Harbour Marina.
Above right: High numbers of superyachts moored in the Caribbean.
Middle left: Camper & Nicholsons Marinas' stand at the January 2008 Dusseldorf Boat Show.
Below: Maltese Falcon docking at Port Louis.

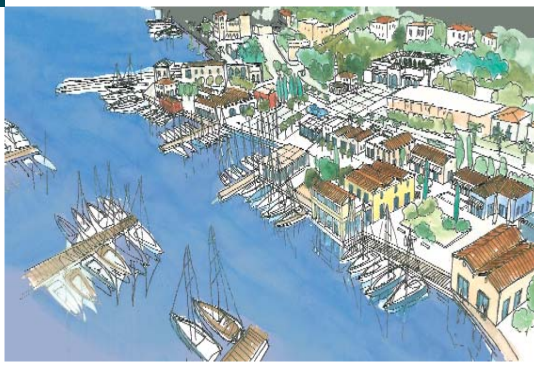


€53.8million

Adjusted NAV had risen to €53.8 million, an increase of 7.6% over the gross proceeds at the time of Listing.

€6.3million

After operating expenses totalling €3.8 million and net interest income of €1.2 million this resulted in profit before tax of €6.3 million.



Net asset value and property valuation

The statutory NAV of the Group as at 31 December 2007 was 100.6c per share (diluted 100.5c). As indicated at the half year, this figure does not reflect any revaluation of the Company's investments in subsidiaries and joint ventures since, in accordance with our statutory accounting policies, which conform to the requirements of International Financial Reporting Standards (IFRS), such investments are consolidated in the 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 has updated its valuations of both Cesme Marina, Turkey and Grand Harbour Marina, Malta. 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 and Grand Harbour Marina, completed in accordance with RICS Appraisal and Valuation Standards, are €4.1 million and €24.1 million respectively. Adjusting for debt and other liabilities, and taking into account the Company's shareholdings of 45% and 79.2% respectively in these two companies, this has resulted in an aggregate NAV uplift of €3.5 million, equating to an adjusted NAV per share of 107.6c (diluted 107.5c). This increase in NAV of €3.5 million at 31 December 2007 due to valuation changes compares with the 30 June 2007 increase of €2.9 million over book value.

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, so far as is practicable, 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)	50.3	100.6	100.5
Cesme Marina, Turkey – value uplift	1.0	2.0	2.0
Grand Harbour Marina – value uplift	2.5	5.0	5.0
NAV (Adjusted)	53.8	107.6	107.5

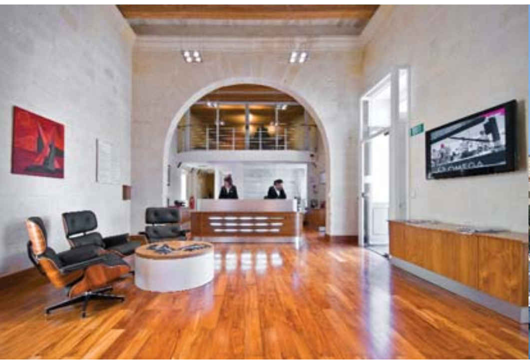
#after adjusting for options granted but not yet exercised

The adjusted NAV per share of 107.6c (diluted 107.5c) represents a 7.6% increase over the Listing price. This result also reflects the recovery of the Listing costs of €2.3 million or 4.6c per share and is considered an encouraging result for the first year.

Having made the initial investments using primarily the funds raised by the Company at Listing, the Manager, acting on behalf of the Company, is actively seeking to increase the level of debt finance within appropriate parameters. The optimum level of gearing will primarily depend on the mix and balance of marinas acquired and the prevailing available terms.

900 yachts

We go in to 2008 with the largest ever superyacht order book, more than 900 yachts.



68%

The order book in the 60 – 76 metre yacht range has grown by 68% during 2007.

The market

Marina revenue trends are governed by the balance between the supply of berths and the demand from yachts. For many years the supply of berths has lagged behind the demand from yachts, and this has led in the more mature markets, which include the South of France, much of Italy, the Balearics, Turkey, the Athens area of Greece, Eastern Florida, and Malta, to persistent waiting lists of yachts seeking berths, and a rise in berth rental rates, an average of 40% in key markets (France, Italy, Spain, Greece and Florida) between 2000 and 2006[(1)].

Demand for berths

Increases in demand for berths derives in large part from the delivery of newly built yachts. Other factors include the migration of yachts into developing marina areas from the mature areas, and product differentiation between competitive marinas. In one sector in particular, the superyacht sector (yachts over 24 metres in length), the number of yachts being built – the order book – has been growing sharply. We go in to 2008 with the largest ever such order book, more than 900 yachts. The order book which has grown most strongly is for the largest sizes of yachts. The order book in the 60-76 metre range has grown by 68% during 2007, whilst for yachts larger than 76 metres it has grown by 28%[(2)]. The existing superyacht fleet numbers somewhat over 4,000 units.

The yachts in the order book are all due for delivery within the next four years representing an average of over four yachts per week, every week for the next four years, without any additional orders. These yachts will require berths, leading us to believe that demand for well located superyacht berths will continue to rise and that CNMI, which has a significant percentage of each of its marinas' lettable berth areas dedicated to superyachts, Cesme 14%, GHM 75% and Port Louis 55%, will benefit accordingly.

The positive benefits of the strong superyacht sector are expected to be partially offset by weaker conditions in the sector for yachts below 24 metres in size, where new orders are correlated with the economy at large. The present downturn in growth, with the risk of recession, suggests that yacht deliveries of these smaller yachts will decline. Nonetheless our berth occupancy increase projections for development marinas is, we believe, conservative and a moderate downturn would not materially affect our projected IRRs.

Supply of berths

Marina berth supply in mature markets continues to grow very slowly despite the acknowledged shortages of berths. In 2006 16 out of 21 National Marine Industry Associations[(3)] answered 'No' to the question 'Adequate Marina Berths'. France for example is estimated to have a shortage of some 50,000 marina berths, compared to an existing stock of 170,000. In many areas planning restrictions have resulted in a freeze in new marina construction. The St Tropez to Nice area, arguably the largest concentration of marinas in the Mediterranean, and the whole of the Balearic Islands, fall into this category.

The French government is now working on an initiative to increase the number of berths in this region, whilst in the Balearics one marina has gained consent for expansion. Such is the demand in the region however that the latter marina, Port Adriano has recently set records for berth selling prices for its new berths, with recorded selling prices of €8,000 per m^2 (GHM Malta = €2,250 per m^2) and reputed figures of €11,000 per m^2. Taken overall we consider that the supply of marina berths will continue to grow more slowly than the increase in the number of yachts requiring berths and that this will be supportive of both rental and selling prices for appropriately located marinas.

(1) ERA study for C&N 2006
(2) Showboats International Global Order book 2008
(3) Icomia 2006

Sector fragmentation and benefits of consolidation

The marina sector remains unusually fragmented. In the US for example from a total of over 4,000 marinas, there are only 50 operators who own more than one, and the largest of these, Westrec, operates just 28, far below a 1% market share. For comparison the Marriot hotel chain has a 9% market share of the US hotel market[(4)].

The fact that most marinas are owned by single marina operators has the potential to translate on acquisition by CNMI to improved profitability, through economies of scale, marketing reach and the attraction to clients of uniform high service standards, with attendant premium pricing.

We are aware of only one other group which has a material program of acquisition of marinas internationally and we remain the only listed entity specialising in the sector.

Outlook

We have had a good first year and have a strong pipeline which we believe will allow us to continue to find attractive investment opportunities. We are pleased that at the year end the adjusted Net Asset Value had risen to €53.8 million, an increase of 7.6% and 13.0 % over the gross and net proceeds at the time of Listing respectively. We recognise however that the share price has declined as a consequence of the decline in the real estate sector. Whilst overall market conditions are very volatile we believe that growth in the marina sector and the broad balance of our business will more than offset the uncertain economic climate and allow us to make continued progress.

Marina Management International Limited
16 April 2008

Note concerning property valuations

CB Richard Ellis 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 initially valued as at 20 April 2007 and subsequently confirmed as at 31 December 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. We are in receipt of a valuation statement as at 31 December 2007.

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 at 31 December 2007 on the same basis in the sum of €24.1 million. We are in receipt of a valuation statement as at 31 December 2007.

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. We are in receipt of a detailed valuation report.

(4) Jeffries & Company 'Hotel, Restaurants & Leisure' Jan 21, 2008

Board of directors

Board of directors:

1. George Kershaw, Chairman – UK resident, aged 55
George Kershaw is on the board of the Association of Investment Companies having been a deputy chairman of the AITC from 2002 until April 2006. He is also an associate ofTrust Associates Limited, an independent adviser in the investment trust sector. Mr Kershaw started his career in stockbroking and joined de Zoete & Bevan in 1977, becoming a partner in 1984. He became head of global equity sales at BZW and following its acquisition by Credit Suisse First Boston became joint head of the investment trust team from 1996 to 2000. Mr Kershaw was an alternate member of the Takeover Panel from 2002 to 2006.

2. Roger Lewis, Independent Director – Jersey resident, aged 60
Roger Lewis was a director of the 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 Gunwharf Quays in Portsmouth.

3. Charles Mallory, Independent Director – US resident, aged 56
Charles Mallory is general partner of Clearview Investment Management Inc., a commercial real estate developer focussed on waterfront real estate and marina ownership in the USA. He has also been the founding partner of Mallory, Jones, Lynch, Flynn & Associates Inc., a ship brokerage business with offices in Stamford, Singapore, Geneva and Houston, since 1979. The Mallory family has been involved in the shipping industry since 1816

4. Trevor Ash, Independent Director – Guernsey resident, aged 61
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 the 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 73
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

Management Team:

1. Nick Maris, Chairman & CEO – Manager
14 years experience as a marina owner, with some 37 years experience in the marine sector. Current Chairman of C&N International Ltd, international marina consultants, and Director of Grand Harbour Marina Ltd. Chairs company which owns C&N trademarks.

2. Sir Christopher Lewinton, Deputy Chairman – Manager
30 years experience in senior executive positions. Current positions include Chairman of J F Lehman Europe, member of the Advisory Board of Metalmark/Morgan Stanley Capital Partners and advisor to Compass Partners. Former responsibilities include Chairman and CEO of TI Group plc.

3. Nicholas Papanicolaou, Director – Manager
35 years experience in the marine sector. President Lion Finance and Titan Capital companies engaged in marine investments and waterfront real estate. Previous roles include Vice President of the Onassis Organisation, Vice President of Olympic Refineries Inc., joint Chairman and controlling shareholder of Aston Martin Lagonda Holdings Ltd. Experienced superyacht owner.

4. David Mead, Director – Manager
Over 14 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.

5. David Johnson, Finance Director – Manager
A qualified chartered accountant with 24 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.

6. Bill Green MMI MNI, Technical Director – Investment Advisor
Bill Green is technical director for the Camper & Nicholsons Group, with nearly 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.

7. Alain Giudice, Operations Director – Investment Advisor
Alain Guidice has over 15 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).

8. Phil Ladmore, Commercial Director – Investment Advisor
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.

9. Ben Grigg, Sales and Marketing Director – Investment Advisor
20 years experience in the leisure marine sector including 12 years with Lewmar Marine plc where he became the Sales and Marketing Director. More recently providing sales, marketing and business development consultancy for RingProp plc, YachtWorld.com, XSMG Ltd and Fisher Associates.

10. Tarek Ragheb, Non Executive Director – Investment Advisor
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
George Kershaw (Chairman)
Roger Lewis
Charles Mallory
Trevor Ash
John Hignett

Company Secretary
Shaftesbury Limited

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Auditor
Ernst & Young LLP
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Guernsey
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Directors' report

The Directors present their report and the audited financial statements for the period from incorporation on 20 October 2006 to 31 December 2007.

Incorporation

The Company was incorporated on 20 October 2006 but it did not commence operations until its AIM Listing was obtained on 29 January 2007.

Principal activity

The principal activity of the Company and its subsidiaries and joint ventures ("The Group") is the acquisition, development, redevelopment and operation of an international portfolio of both new and existing marinas and related real estate primarily in the Mediterranean, the United States and the Caribbean.

The Directors' Report should be read in conjunction with the Chairman's statement and the Manager's report 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 period ended 31 December 2007.

Fixed assets

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

International Financial Reporting Standards ('IFRS')

The financial statements have been prepared in accordance with IFRS.

Open offers and offers for subscription

During the period ended 31 December 2007, a total of 50,000,000 ordinary shares of no par value were allotted at a price of €1 per share.

Directors

The Directors, all of whom were appointed on 20 October 2006, remained in office at the period end and at the date of signing of these accounts. Their interests in the shares of the Company as at 31 December 2007 were:

	Number of shares held
George Kershaw (Chairman)	50,000
Roger Lewis	–
Charles Mallory	–
Trevor Ash	–
John Hignett	50,000

There have been no changes in the Directors' share interests between 31 December 2007 and the date of this report.

Trevor Ash and John Hignett retire from the Board by rotation 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 18.

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) has been appointed to act as Manager to the Company. The principal terms of the agreement between the Company and MMIL are set out in Note 6 to the financial statements.

Statement of Directors' responsibilities

The Directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period. In preparing those 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law 1994. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 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 28 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 all of whom are independent of the management of Marina Management International Limited, the Manager.

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 period from incorporation to 31 December 2007 and the number of meetings attended by each Director:

	Scheduled Board meetings		Ad Hoc Board meetings	
	Held	Attended	Held	Attended
George Kershaw (Chairman)	5	5	11	7
Roger Lewis	5	5	11	11
Charles Mallory	5	5	11	3
Trevor Ash	5	4	11	10
John Hignett	5	5	11	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 2007	Annual rate of Directors fees €	Emoluments in period ended 31 December 2007 Group €	Parent Company €
George Kershaw (Chairman)	20-Oct-06	10 months	47,548	49,913	46,246
Roger Lewis	20-Oct-06	10 months	33,963	36,700	33,033
Charles Mallory	20-Oct-06	10 months	33,963	33,033	33,033
Trevor Ash	20-Oct-06	10 months	38,038	41,030	36,997
John Hignett	20-Oct-06	10 months	33,963	36,700	33,033
			187,475	197,376	182,342

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 consists of all the Directors with George Kershaw as chairman. The management engagement committee will ensure that the Company's contracts with the Manager, Investment Advisor, Administrator and other service providers are operating satisfactorily so as to ensure the safe and accurate management and administration of the Company's affairs and business and are competitive and reasonable for shareholders. The committee meets annually and has met once since incorporation.

Audit Committee

The audit committee consists of all the Directors with Trevor Ash as chairman. 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 Ernst & Young LLP, the Company's auditors. The committee met for the first time on 7 March 2008.

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 Manager.

Marina Management International Limited (MMIL) 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. The Company has no borrowing facilities nor has it entered into derivative transactions. 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 and the Manager 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 2008 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.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors.

By Order of the Board

Shaftesbury Limited
Secretary

16 April 2008

Independent Auditors' report

to the members of Camper & Nicholsons Marina Investments Ltd

We have audited the Group and Parent Company financial statements (the "financial statements") of Camper & Nicholsons Marina Investments Limited for the year ended 31 December 2007 which comprise the Group and Parent Company Income Statements, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, and the related notes 1 to 29. These 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 64 of the Companies (Guernsey) Law 1994. 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 auditors' 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 are responsible for the preparation of the financial statements in accordance with Guernsey Law, International Financial Reporting Standards (IFRSs) and the AIM Rules of the London Stock Exchange as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies (Guernsey) Law 1994. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 contained in the Annual Report and consider whether it is consistent with the Audited Financial Statements. This other information comprises the Chairman's Statement, Manager's Report, General Information, Directors and Directors' Report. We consider the implications for our Report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and 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 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 financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group's and the Parent Company's affairs as at 31 December 2007 and of the Group's and the Parent Company's profit for the year then ended; and have been properly prepared in accordance with the Companies (Guernsey) Law 1994.

Ernst & Young LLP
Guernsey, Channel Islands

16 April 2008

Group and Parent Company income statements

for the period from 20 October 2006 to 31 December 2007

	Note	Group €	Parent Company €
Income from Marina operating activities	5	10,706,930	–
Cost of sales		(1,830,259)	–
Gross profit		8,876,671	–
Manager's fees	6	850,233	850,233
Directors' fees		197,376	182,342
General administration	7	2,149,955	753,460
Legal & professional fees		304,611	237,533
Promotion		119,646	67,230
Depreciation		166,317	–
Operating expenses		3,788,138	2,090,798
Operating profit/(loss)		5,088,533	(2,090,798)
Finance revenue		1,427,047	1,402,444
Finance expense		(209,020)	–
Increase in value of investments		–	7,044,462
		1,218,027	8,446,906
Profit before tax		6,306,560	6,356,108
Taxation	8	(2,813,058)	(252,516)
Profit for the period from continuing activities		3,493,502	6,103,592
Attributable to:			
Equity holders of the parent		2,596,114	6,103,592
Minority interests		897,388	–
		3,493,502	6,103,592
Earnings per share			
basic, attributable to ordinary equity holders of the parent	9	5.19c	12.21c
diluted, attributable to ordinary equity holders of the parent	9	5.19c	12.20c

The accompanying notes on pages 29 to 47 form an integral part of these financial statements.

Group and Parent Company statements of changes in equity

for the period from 20 October 2006 to 31 December 2007

	Issued Capital €	Fair Value Share Option Reserve €	Retained Earnings €	Total €	Minority Interests €	Total Equity €
Group						
At 20 October 2006	–	–	–	–	–	–
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
Parent Company						
At 20 October 2006	–	–	–	–		
Issue of share capital	50,000,000	–	–	50,000,000		
Share issue costs	(2,396,696)	78,957	–	(2,317,739)		
Profit for the period	–	–	6,103,592	6,103,592		
At 31 December 2007	47,603,304	78,957	6,103,592	53,785,853		

The accompanying notes on pages 29 to 47 form an integral part of these financial statements.

Group and Parent Company balance sheets

As at 31 December 2007

	Note	Group €	Parent Company €
Non current assets			
Investments in subsidiary companies	10	–	16,960,518
Investment in joint venture	11	–	2,339,136
Property, plant & equipment	13	8,629,136	–
Goodwill	14	9,707,065	–
		18,336,201	19,299,654
Current assets			
Pre acquisition costs	15	565,648	565,648
Trade and other receivables	16	4,270,088	1,817,976
Cash and cash equivalents	17	39,702,038	33,277,384
		44,537,774	35,661,008
Total assets		62,873,975	54,960,662
Current liabilities			
Trade and other payables	18	3,979,053	922,293
Taxation payable		2,297,826	–
Loans repayable within one year	19	617,858	–
		6,894,737	922,293
Total assets less current liabilities		55,979,238	54,038,369
Non current liabilities			
Loans repayable after more than one year	19	4,311,795	–
Deferred tax liability		8,929	252,516
		4,320,724	252,516
Net assets		51,658,514	53,785,853
Equity attributable to equity holders of the parent			
Issued capital	20	47,603,304	47,603,304
Retained earnings	21	2,596,114	6,103,592
Fair value share option reserve	23	78,957	78,957
		50,278,375	53,785,853
Minority interests		1,380,139	–
Total equity		51,658,514	53,785,853
Net assets per share	22		
basic, attributable to ordinary equity holders of the parent		100.56c	107.57c
diluted, attributable to ordinary equity holders of the parent		100.55c	107.50c

The financial statements on pages 25 to 47 were approved by the Board of Directors on 16 April 2008.

G Kershaw
Chairman

T C Ash
Director

The accompanying notes on pages 29 to 47 form an integral part of these financial statements.

Group and Parent Company cash flow statements

for the period from 20 October 2006 to 31 December 2007

	Note	Group €	Parent Company €
Cash flows from operating activities			
Profit before taxation		6,306,560	6,356,108
Adjusted for:			
Finance revenue		(1,427,047)	(1,402,444)
Finance expense		209,020	–
Revaluation of investments		–	(7,044,462)
Depreciation		166,317	–
		5,254,850	(2,090,798)
Increase in pre-acquisition costs		(565,648)	(565,648)
Increase in receivables		(4,049,927)	(1,817,976)
Increase in payables		3,460,059	922,293
Income tax expense		(1,239,214)	–
Net cash flows from operating activities		2,860,120	(3,552,129)
Cash flow from investing activities			
Acquisition of property, plant & equipment		(2,105)	–
Acquisition of subsidiaries, net of cash acquired	12	(10,128,633)	(11,171,101)
Investment in joint venture	11	(372,191)	(1,084,091)
Interest received		1,427,047	1,402,444
Net cash flows from investing activities		(9,075,882)	(10,852,748)
Cash flows from financing activities			
Issue of own shares		50,000,000	50,000,000
Share issue costs		(2,317,739)	(2,317,739)
Proceeds of borrowings		373,039	–
Repayment of borrowings		(1,928,480)	–
Interest paid		(209,020)	–
Net cash flows from financing activities		45,917,800	47,682,261
Net increase in cash and cash equivalents	17	39,702,038	33,277,384

The accompanying notes on pages 29 to 47 form an integral part of these financial statements.

Notes to the financial statements

for the period from 20 October 2006 to 31 December 2007

1 Corporate information

The consolidated financial statements of the Group and Parent Company for the period from incorporation on 20 October 2006 to 31 December 2007 were authorised for issue in accordance with a resolution of the Directors on 16 April 2008.

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

The Company was admitted for listing on the AIM Market on 29 January 2007.

The principal activity of the Company and its subsidiaries and joint ventures ("the Group") is 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 period to 31 December 2007 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 Group accounts. In the Parent Company accounts investments in subsidiaries and joint ventures are shown at fair value with valuation movements being reflected in the Parent Company income statement. The financial statements are presented in euros.

Statement of compliance

The consolidated financial statements of the Group and Parent Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

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 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 2007 was nil.

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.

Treatment of investments in the Parent Company financial statements
In the Parent Company financial statements investments in subsidiaries and joint ventures are designated as at fair value through the Profit and Loss account as this is the basis for internal management reporting. Investments are initially recognised at the fair value of consideration plus attributable expenses. The business of each investee company is valued six monthly by external professional valuers using the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards. The investment carrying values are adjusted to fair value in the Parent Company's financial statements using these valuations as adjusted for the fair value of the investee company's other assets and liabilities.

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 business combinations. 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 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 superyacht berths
Superyacht 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 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. Intra-group dividends are eliminated in consolidated financial statements.

Expenses
All expenses are accounted for on an accruals basis. Operating expenses are charged wholly to the Income Statement. Costs of issue of shares are charged to shareholders' equity and share capital is shown in the balance sheet net of such costs.

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.

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 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.

The cost of superyacht berths that have been completed but not licensed and other items of plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Superyacht berths under construction and new works under construction are not depreciated.

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 income statement as an expense when incurred.

As part of its operating activities the Group licenses out superyacht 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 balance sheet as non current assets.

Valuations of marina businesses are performed every six months.

Notes to the financial statements

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Continued

2 Basis of preparation and accounting policies – continued

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.

Property, plant and equipment: depreciation
Depreciation is recognised in the 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:

Superyacht berths	50 years
Pontoons	25 years
Motor vehicles	5 years
Other equipment	5 years

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

Cash and cash equivalents
Cash and short term deposits in the 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 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 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.

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 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 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 Group 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
IAS 23 Borrowing Costs
A revised IAS 23 Borrowing costs was issued in March 2007, and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the Standard, the Group has already adopted this change. Accordingly, borrowing costs have been capitalised on qualifying assets.

IFRIC 12 Service Concession Arrangements
IFRIC Interpretation 12 was issued in November 2006 and becomes effective for annual periods beginning on or after 1 January 2008. This Interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is an operator and hence this Interpretation will have no impact on the Group.

IFRIC 13 Customer Loyalty Programmes
IFRIC Interpretation 13 was issued in June 2007 and becomes effective for annual periods beginning on or after 1 July 2008. This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled.
The Group expects that this interpretation will have no impact on the Group's financial statements as no such schemes currently exist.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC Interpretation 14 was issued in July 2007 and becomes effective for annual periods beginning on or after 1 January 2008. This Interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. The Group expects that this Interpretation will have no impact on the financial position or performance of the Group as it currently does not operate any defined benefit schemes.

Notes to the financial statements

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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 the Mediterranean basin. Since January 2008 the Company has expanded its activities to include the Caribbean.

5 Income from marina operating activities

Income from marina operating activities consists of:

	Group €	Parent Company €
Licensing of superyacht berths	10,020,158	–
Rendering of marina services	686,772	–
	10,706,930	–

6 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 and a performance fee of 20% of the growth in the value of the Group adjusted net assets that is in excess of a compound growth of 12% per annum. 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. The charge for the period comprises the basic fee because the hurdle rate for the performance fee was not achieved.

7 General administration expenses

General administration expense is made up of the following:

	Group €	Parent Company €
Audit fees	121,390	110,628
Administration fees	103,933	103,933
Operator fees and berth sales commissions	516,180	–
Rent and rates	146,034	–
Exchange differences	490,353	458,034
Other expenses	787,099	80,865
	2,164,989	753,460

8 Taxation/deferred taxation

The Parent Company, Camper & Nicholsons Marina Investments Ltd 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.

	Group €	Parent Company €
Current period	2,726,729	–
Deferred tax – movement in temporary differences	86,329	252,516
Total	2,813,058	252,516

A reconciliation between the tax expense and the product of accounting profit multiplied by domestic rates of taxation in the countries of operation in the period ended 31 December 2007 is as follows:

	Group €	Parent Company €
Accounting profit before income tax	6,306,560	6,356,108
Income tax using the country domestic rates	2,473,852	–
Tax effect of:		
Expenses not deductible for income tax	381,293	–
Different tax rates on bank interest received	(4,551)	–
Adjustment to deferred tax	(37,536)	252,516
Income tax charge for the year	2,813,058	252,516

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	Group			Parent Company
	Plant & equipment €	Provision for doubtful debts €	Total €	Increase of investment carrying value to fair value €
Assets	–	67,675	67,675	(252,516)
Liabilities	76,604	–	76,604	–
Net	(76,604)	67,675	(8,929)	(252,516)

Movement in deferred tax on temporary differences during the year

	Group €	Parent Company €
Acquisition of a subsidiary	247,465	–
Excess of depreciation over capital allowances	(170,500)	–
Exchange differences	16,496	–
Provision for doubtful debts	67,675	–
Tax effect of losses	(170,065)	–
Increase of investment carrying value to fair value	–	(252,516)
Net	(8,929)	(252,516)

Notes to the financial statements

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Continued

9 Earnings per share

Basic earnings per share amounts are calculated by dividing €2,596,114 Group net profit and €6,103,592 Parent Company net profit for the period attributable to ordinary equity holders of the parent by 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 profits attributable to ordinary equity holders of the parent by 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 20 and 23).

10 Parent Company investments in subsidiaries

	Activity	Country of Incorporation	% Equity interest	Fair value €
Camper & Nicholsons Marinas (Malta) Ltd	Investment holding	Malta	100.00	1,165
Grand Harbour Marina plc	Marina operator	Malta	79.17	16,959,353
				16,960,518

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:

	€
Payment to acquire equity	711,900
Incidental costs of acquisition	372,191
Increase to fair value	1,255,045
	2,339,136

The Parent Company accounts include a provision of €252,516 for deferred taxation on the above increase in fair value.

11 Joint venture – continued

The share of the assets, liabilities, income and expenses of the jointly controlled entity at 31 December 2007 and for the year then ended, which are included in the consolidated financial statements, are as follows:

	€
Current asset	501,505
Non-current assets	99,164
	600,669
Current liabilities	(7,369)
Non-current liabilities	–
	593,300
Revenue	–
Cost of sales	–
Administrative expenses	(120,451)
Finance revenue	1,851
Finance costs	–
Loss before income tax	(118,600)
Income tax expense	–
	(118,600)

The interest in the IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi was acquired in April 2007. Had this investment been made at the time of CNMI's listing on AIM there would be no change to the consolidated turnover nor the profit before tax for the period.

12 Business combination

On 22 June 2007 the Group acquired 70% and on 8 August 2007 a further 9.17% of the issued share capital of Grand Harbour Marina plc (GHM), a company operating a marina in Malta and listed on the Malta Stock Exchange. The acquisition has been accounted for using the purchase method of accounting. The consolidated financial statements include the assets of GHM at the balance sheet date. For the purposes of consolidation the acquisition has been treated as if it occurred on 30 June 2007 as there were no significant movements between 22 June and 30 June.

Notes to the financial statements

for the period from 20 October 2006 to 31 December 2007
Continued

12 Business combination – continued

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

	Fair value recognised on acquisition €	Previous book value €
Property, plant and equipment	8,409,217	8,759,217
Deferred superyacht berth costs	384,131	384,131
Deferred tax asset	247,465	247,465
Receivables and prepayments	642,095	642,095
Cash and cash equivalents	1,041,303	1,041,303
Current payables and accruals	(673,904)	(673,904)
Taxation	(976,950)	(976,950)
Deferred revenues	(270,450)	(270,450)
Loans repayable within one year	(1,647,515)	(1,647,515)
Loans repayable after more than one year	(4,837,579)	(4,837,579)
	2,317,813	2,667,813
Group share of fair value recognised on acquisition	1,835,062	
Excess of acquisition cost over fair value treated as goodwill	9,334,874	
Total acquisition cost	11,169,936	

Total acquisition cost of €11,169,936 comprised a payment of €10,727,687 to acquire the shares and €442,249 of directly attributed costs.

	€
Cash outflow on acquisition:	
Net cash acquired with the subsidiary	1,041,303
Cash paid	(11,169,936)
Net cash outflow	(10,128,633)

As indicated above the acquisition of the 79.17% interest in GHM occurred in June and August 2007. Had this investment been made at the time of CNMI's listing on AIM the consolidated turnover for the period would have increased by €406k and the profit before tax would have decreased by €600k.

€4,308,582 of the Group net profit after tax is attributable to GHM.

The commercial value of GHM at the date of the initial investment, as evidenced by an independent professional valuation, exceeded both the fair value of assets acquired and the total cost of the initial investment. There were no separately identifiable intangible assets, other than goodwill, to which the excess could be attributed and consequently the difference between the fair value of assets acquired and the cost of the investment has been allocated to goodwill.

13 Property, plant and equipment

	Marina developments €	Deferred superyacht berth costs €	Office furniture & equipment €	Motor vehicles €	Total €
Cost:					
Acquisition of a 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
Depreciation:					
Acquisition of a subsidiary	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
Net Book Value:					
As at 31 December 2007	8,074,306	476,241	78,589	–	8,629,136

Acquisitions and disposals

The Group acquired property plant and equipment, including deferred superyacht berth costs, worth €8,793,348, through the business combination described at note 12.

Additionally a joint venture in which the Group has a 45% holding acquired property plant and equipment with a value of €222,776, of which the Group's share is €100,249.

14 Goodwill

Goodwill arises from acquisitions as follows:

	Acquisition cost €	Group share of fair value of assets/ (liabilities) acquired €	Goodwill €
Grand Harbour Marina plc	11,169,936	1,835,062	9,334,874
IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi	1,084,091	711,900	372,191
			9,707,065

The Company commissions bi-annual professional valuations of the businesses in which it has financial interests and reviews the carrying value of goodwill for impairment by reference to those valuations. No adjustment was considered necessary at 31 December 2007.

14 Goodwill – continued

Valuations of Cesme Marina, Turkey and Grand Harbour Marina, Malta have been carried out by CB Richard Ellis, the Company's independent property valuer, with the work being undertaken by its specialist leisure consultancy team.

Marinas are often bought and sold other than by way of a freehold transfer. The two acquisitions made during the period were such transactions. In Cesme, the acquisition comprised a minority interest in an unquoted company and in Malta the acquisition consisted of a majority holding in a company quoted on the Malta Stock Exchange. The independent property valuer, by definition, provides advice only in respect of underlying assets and not in the financial interests acquired by the Company. In order to make an assessment of the Net Asset Value the Company has apportioned the valuations provided by CB Richard Ellis according to the shareholdings in the owning entities.

Cesme Marina, Turkey
The business acquired with Cesme Marina was valued by the Directors initially on the basis of anticipated cash flows and the required internal rate of return as determined by its standard business model. The difference between the total cost of acquisition and the Company's proportionate share of the fair value of the underlying net assets, together with other appropriate adjustments, resulted in a goodwill value of €372,191 for Cesme Marina.

The property was 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 €4.10m. 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. Based on this valuation there has been no impairment to the carrying value of goodwill.

Grand Harbour Marina, Malta
The business acquired with Grand Harbour Marina plc was valued by the Directors initially on the basis of anticipated cash flows and the required internal rate of return as determined by its standard business model. The difference between the total cost of acquisition and the Company's proportionate share of the fair value of the underlying net assets, together with other appropriate adjustments, resulted in a goodwill value of €9,334,874 for Grand Harbour Marina.

The property was 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 €24.05m. 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. Based on this valuation there has been no impairment to the carrying value of goodwill.

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 all the pre-acquisition costs carried in the balance sheet were in relation to Port Louis Marina, Grenada, the acquisition of which was subsequently successfully completed. Details of the acquisition are given in note 29.

16 Trade and other receivables

	Group €	Parent Company €
Trade receivables	363,739	–
Deposits paid re potential investments	1,736,821	1,736,821
VAT recoverable from berth holders	1,787,881	–
Other receivables	81,967	2,684
Prepayments and accrued income	299,679	78,471
	4,270,087	1,817,976

VAT recoverable from berth holders represents VAT at 18% arising on the long term superyacht berths licensed during the year. Such VAT is recoverable from the berth holders, in accordance with the terms of the licence agreements concluded with them. An equivalent amount in total has been recognised as a payable (note 18).

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

As at 31 December 2007 the ageing analysis of trade receivables was as follows:

	Group €	Parent Company €
Neither past due nor impaired	60,970	–
Past due but not impaired:		
Less than 30 days	–	–
Between 30 and 60 days	117,399	–
Between 60 and 90 days	43,834	–
Between 90 and 120 days	58,171	–
Greater than 120 days	83,365	–
Past due and impaired:		
Greater than 120 days	193,360	–
Less impairment	(193,360)	–
	363,739	–

17 Cash and cash equivalents

	Group €	Parent Company €
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	3,624,907	3,111,461
Short term deposits	36,077,131	30,165,923
	39,702,038	33,277,384

18 Trade and other payables

	Group €	Parent Company €
Trade payables	383,820	313,708
VAT payable	1,787,881	–
Other payables	432,597	524,029
Accrued expenses	1,374,754	84,556
	3,979,052	922,293

VAT payable represents VAT at 18% arising on the long term superyacht berths licensed during the year. An equivalent amount in total has been recognised as a receivable (note 16), since such VAT is 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

	At 31 Dec 2007 €
Subsidiaries	
Bank loans	4,607,221
Bank overdrafts	89,432
	4,696,653
Other loans	233,000
	4,929,653
Repayable within one year	617,858
Repayable after more than one year	4,311,795

	Interest rate at 31 December 2007 %	Year of maturity 2008 €	Year of maturity 2012 €
Bank loans	6.85%	295,426	4,311,795
Bank overdraft	6.75%	89,432	
Other loans	7.50%	233,000	

Bank borrowings are secured by a special hypothec amounting to €8,362,451, a general hypothec amounting to €8,362,451 and a cash pledge amounting to €4,609,500.

Other loans are secured by a special hypothec amounting to €232,937 and a general hypothec amounting to €232,937.

Special and general hypothecs are limited to the outstanding balances from time to time on loans and overdrafts.

20 Share capital

	Authorised	Issued and fully paid
Ordinary shares of no par value	Unlimited	50,000,000

During the period the Company issued 50,000,000 shares of no par value at a price of €1 each. The share capital is shown in the 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)

21 Reserves

	Retained earnings €	Fair value share option reserve €	Total €
Group			
Profit for the period	2,596,114	–	2,596,114
Issue of share options	–	78,957	78,957
	2,596,114	78,957	2,675,071
Parent Company			
Profit for the period	6,103,592	–	6,103,592
Issue of share options	–	78,957	78,957
	6,103,592	78,957	6,182,549

22 Net asset value per share

The calculation of basic net asset value per share as at 31 December 2007 is based on net assets of €50,278,375 for the Group and €53,785,853 for the Parent Company, divided by the 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 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 during the period 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 29 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.

Notes to the financial statements

for the period from 20 October 2006 to 31 December 2007
Continued

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.

The lease of Grand Harbour Marina in Malta is held by Grand Harbour Marina plc, 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 2029. 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 €7 million and the maximum to approximately €17 million.

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.

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 2007, the Group had contracted capital commitments of approximately €16.5 million in respect of the acquisition of Port Louis Marina, Grenada and marina works at Grand Harbour Marina, Malta.

Contingent liabilities
The Company had no contingencies at 31 December 2007. The Group had the following:

Litigation and claims
At 31 December 2007, a subsidiary was party to the following claims:

(a) Claims amounting to €196,487 for contract works carried out by third parties.
(b) Unquantified claims in relation to damages sustained by third parties as a result of works carried out at its property.

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 financial statements.

25 Commitments and contingencies – continued

Taxation
During the year, as part of its operating activities, a subsidiary concluded, by virtue of public deeds, three long term superyacht 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
A subsidiary has provided guarantees in respect of 2 performance bonds amounting in total to €617,450.

26 Related party transactions

Nicholas Maris, Chairman and CEO of both Camper & Nicholsons Marinas International Limited (‘C&N’) (the Investment Advisor to CNMI) and Marina Management International Limited (‘MMIL’) (the Manager to CNMI), was also Chairman of, and a 21.39 per cent shareholder in, Grand Harbour Marina plc as well as approximately a 2 per cent shareholder in CNMI (through controlled companies). A subsidiary of C&N is currently the manager of the Grand Harbour Marina under a marina contract entered into on 1 July 2007.

The agreement entered into between CNMI and Nicholas Maris constituted a transaction with a Related Party under AIM Rules. The Directors of CNMI considered, having consulted with the Company’s Nominated Advisor, Arbuthnot Securities Limited, that the terms of this agreement were fair and reasonable so far as CNMI’s shareholders are concerned. Prior to completion the Directors again reviewed with the Company’s Nominated Advisor the fairness of this agreement.

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 bi-annual 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.

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 it will mitigate the exchange rate risk by matching the investment and borrowing currencies.

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 based on floating or fixed-term interest rate terms. It is the Company's policy not to hedge against interest rate risks.

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

28 Substantial shareholdings

At at 15 April 2008 the Directors had been notified, or were aware, of the following holdings representing more than 3 per cent of the Company's issued share capital:

	% held
Deutsche Bank AG	
– RREEF Limited	7.72
– RGAL	16.43
F&C Asset Management plc	10.00
Henderson Global Investors Ltd	9.88
Moore Europe Capital Management LLP	6.40
UBS Global Asset Management (UK)	9.80
Berenberg	9.60
Universities Superannuation Scheme	8.00
Arbuthnot Banking Group plc	3.90

29 Post balance sheet events

The acquisition of Port Louis Marina in Grenada, West Indies was completed on 18 January 2008 at a cost of approximately €16.4m (US$24m). Further details of the acquisition are contained in the Chairman's and Manager's reports which form part of these financial statements.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting will be held at 31/33 The Pollet, St Peter Port, Guernsey, Channel Islands, Great Britain on Wednesday 28 May 2008 at 09.30 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the Directors and Auditors for the period ended 31 December 2007.

2. To approve the Directors' report on remuneration as set out on page 22 of the Consolidated Financial Statements.

3. To consider the appointment of Auditors and to authorise the Audit Committee to determine the Auditors' remuneration.

4. To elect two Directors:
   a) Mr Trevor Ash
   b) Mr John Hignett

5. 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 16 April 2008

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

Camper & Nicholsons is widely recognised to be the World's oldest and one of the most prestigious yachting business names with origins dating back to 1782 when boat building began at Gosport, in the South of England.

Camper & Nicholsons Marinas specialises in premium marina and waterfront developments and has provided services to clients in more than 25 countries worldwide.

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Camper & Nicholsons Marina Investments Limited Annual Report 2007

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