Camper & Nicholsons
YACHTING SINCE 1782
MARINAS

Camper & Nicholsons Marina Investments Limited

Annual Report 2009

Top: Port Ghalib.
Below left: Limassol Marina (CGI rendering).
Below right: Grand Harbour Marina.
Below: Superyachts in Grand Harbour Marina.

Turnover

€2.8million

Net assets

€42.0million

Investment in marina, property, plant and equipment during 2009

€9.0million

World leader in marinas

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

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

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

Highlights

- Significant progress to complete marina construction works, which will be finished this year
- Revenues of €2.8m (2008: €2.8m) with no berth sales (2008: €1.0m)
- Loss before tax of €5.7m (2008: €6.6m)
- Loss per share of 8.7 euro cents (2008: 12.8 euro cents)
- Group cash and cash equivalents of €10.3m at 31 December 2009 (2008: €20.6m)
- Adjusted NAV per share 54.8 euro cents (2008: 78.3 euro cents)
- Grand Harbour Marina successful Bond issue in February 2010 raised €12m to develop business
- Main construction at Port Louis completed December 2009 for season opening
- Cesme development on time and on budget with scheduled marina opening in May 2010
- Three new 10 year marina management contracts signed during the period, with a further two existing contracts extended

Chairman's statement

We made significant progress in 2009 with the integration of the Manager and Investment Advisor which established a strengthened Board and Management team whose interests are fully aligned with our shareholders. As a consequence 2009 saw significant progress to complete the "development phase" of this business which will be finished this year. This is later than originally expected because of the severe economic downturn experienced during the last year or so.

Highlights

	2009 €m	2008 €m
Group		
Turnover	**2.8**	2.8
Gross profit	**2.2**	2.1
Operating (loss)/profit	**(5.1)**	(7.1)
Pre tax (loss)/profit	**(5.7)**	(6.6)
Earnings per share basic (cents)	**(8.7)**	(12.8)
Earnings per share diluted (cents)	**(8.6)**	(12.7)
Cash and cash equivalents	**10.3**	20.6
Net assets (IFRS)	**40.9**	45.3
Adjusted net assets	**29.7**	42.4

For the year to 31 December, 2009, arising in part from the delayed completion, the Group made a loss before tax of €5.7m (2008: loss of €6.6m including €1.0m goodwill impairment) on sales of €2.8m (2008: €2.8m). Although revenues in 2009 were at the same level as in 2008, an increase in berth rental revenues compensated for the lack of sales of long term berth licences (2008: €1.0m).

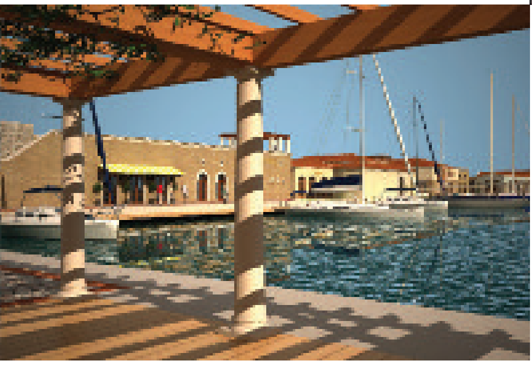
To report on our 3 marinas:

Port Louis:
- Main construction completed in December 2009 for season opening
- Weak US market has affected Caribbean visitor numbers and tariffs
- Marina landside retail premises fully let
- Successful Grenada Sailing Festival
- Strengthened management team.

Cesme:
- Planned marina opening expected May 2010
- Strong level of berth enquiries, with pre-letting under way
- Real Estate 80% pre let
- Strong local JV partner, IC Holdings, a well regarded, successful Turkish construction company.

GHM:
- Positive EBITDA in 2009 without any berth sales
- Pontoons maintain full occupancy at increased prices
- Bond issue in Q1 2010 raised €12m to develop business.

Right: Rolex Middle Sea Race preparations in Grand Harbour Marina.
Below left: Cesme Marina (CGI rendering).
Below right: Port Louis Marina following completion.



80% pre let

Cesme Marina
real estate
80% pre let.

In addition to our 3 marinas we now have a growing 3rd party business with 7 marinas under management contracts covering periods of 5 to 10 years in length. Whilst some development marinas are delayed due to the economy, we expect growing revenues from this business in the coming years. We also have a decent pipeline of marinas in current contract negotiations which we expect to complete this year, most of which are under the umbrella of our world class Camper & Nicholsons brand name.

Berth sales have been negatively impacted by the economic environment but we are encouraged by the continuing level of serious enquiries. However, we are pleased to report that prices for berth rentals have been maintained.

Outlook

The significant change in the economic environment since we launched on AIM in January 2007 has delayed the completion of the "development phase" of this business and caused a significant slowdown in berth sales. Consequently it will take longer than originally anticipated to return CNMI to profitability.

However by the end of 2010 we will have our 3 marinas – GHM, Cesme and Port Louis – completed and fully operational and a growing 3rd party business all benefitting from the Camper & Nicholsons brand name. We will enter 2011 with the "development phase" completed and look forward to seeing a steady improvement in the performance of this business, supported by a cost reduction programme and a strengthened management team. With three completed and operational marinas, an end of the major investment programmes at Port Louis and Cesme and planned measures to improve performance, the Group is projected to be cash sufficient well into 2011.

We are also encouraged that the GHM €12 million bond issue was over-subscribed and that this positions GHM well for the future.

Looking forward, your Board are confident that following completion of the development phase of this business we can expect to see increasing shareholder value.

Sir Christopher Lewinton
Chairman
12 April 2010

Business review

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

We have continued with our objective of building a premium branded international marina chain, comprising owned and managed marinas. Planned development of our owned marinas will complete by mid 2010. Revenues are expected to rise materially with completion of the marinas. Management contracts continue to be added.

Highlights

- Port Louis – Grenada W.I – Phase 6 development completed to provide a total of c. 30,000 square metres of lettable berth area. Shoreside facilities completed and additional 167 square metres of retail/commercial space completed and tenanted to give total lettable property area of 405 square metres. Capital expenditure fully funded and substantially completed. Caribbean demand has been affected by the economic environment leading to slower than planned build-up of occupancy.

- Cesme – Turkey – Joint venture with IC Holdings, construction underway with marina substantial completion expected May 2010 to provide c. 32,000 square metres of lettable berth area. Good berth demand with pre-letting started, tariffs are set at 40% above acquisition case. Built area totalling 6,300 square metres being constructed. Tenant demand leads to 80% pre-letting. €9.25m financing facility agreed to fund development.

- Grand Harbour Marina – Malta – Berth rental revenues of €1.6 million (2008: €1.2 million) continue to grow through berth tariff increases and increased visitor occupancy. Successful €12m 10 year 7% coupon bond issue with proceeds being received February 2010. Proceeds to be used to repay bank debt and to continue to expand business. EBITDA profit without berth sales.

- Three further 10 year management contracts signed: 168 berth development marina in St Kitts, Caribbean, 577 berth development marina in Limassol, Cyprus, and 200 berth existing marina in Hurghada, Egypt, with further contracts under negotiation. Financing issues have delayed the start of construction of certain client owned marinas which also affects C&N revenues.

- Management strengthened with appointment of James Beaver – Operations Director.

- Continued development of C&N's proprietary client, marina and yacht databases and related software which we believe to be the best in the industry.

- At Port Louis, two previously agreed long term sales were concluded in the first quarter of 2010 for total consideration of $436k.

Financials

€m	**2009**	2008	2007
Berth sales	**–**	1.0	10.0
Other revenues	**2.8**	1.8	0.7
Total revenues	**2.8**	2.8	10.7
Gross profit	**2.2**	2.1	8.9
EBITDA	**(4.0)**	(6.2)	5.3
Operating profit/(loss)	**(5.1)**	(7.1)	5.1
Average lettable berth area (square metres)	**67,100**	52,800	23,300
Year end lettable berth area (square metres)	**76,400**	64,000	46,700
Investments made	**9.0**	23.7	10.5

Right: Port Louis Marina.
Middle: Port Ghalib, Egypt.
Below: Grand Harbour Marina from Valletta.

200 berth

10 year services agreement signed for the 200 berth Hurghada Marina on Egypt's thriving Red Sea coast.

€1.6 million

Grand Harbour Marina, Malta, berth rental revenues of €1.6 million continue to grow through berth tariff increases and increased visitor occupancy.

Left: Port Louis Marina.

Facing page
Top left: A friendly welcome at Port Louis.
Below right: Port Louis Marina and Grenada's capital, St George.
Below: Port Louis Marina by night.

Port Louis Marina, Grenada

Presently planned construction (Phase 6) was substantially completed in December of 2009 which increased the lettable berth area to around 30,000 square metres. The recession reduced US demand so affecting occupancy and tariffs in the Caribbean. Phase 6 takes account of this, by allowing quick increases in capacity through the addition of floating pontoons, the necessary infrastructure having been completed.

Tenant demand has led to the construction of 167 square metres of additional retail/commercial space which has now been fully let. Consistent with the policy of focusing management time on the marina operations, the Victory Bar and Restaurant has been let to an experienced food and beverage operator. High standard toilets and washrooms have been completed. Management has been strengthened by the recruitment of Glynn Thomas as General Manager of the marina. With some 10 years of marina management experience, most recently as manager of one of the UK's largest marinas, he has been responsible for the improvement in tenancy at the marina, and for substantial cost reductions.

Revenues have been affected by construction, a weak Caribbean charter season and the negative effect on tariffs caused by the recession in the US. However revenues for December and January, excluding berth sales, rose to €122k compared to 2008's €88k and customer feedback has been very positive. Annual berthing contracts have been signed with 4 yachts to date, at an average rate equating to US$105 per square metre.

One new berth sale with a value of US$150,000 has been concluded in early 2010, contingent on Alien Land Holding permission. Two previously agreed sales were completed in January and March of 2010 which realized $0.4 million. The value of the existing berths at Port Louis based on the tariff price of $2,000 per square metre, is close to US$60 million (€42million), for the fully built-out marina the figure is close to US$90 million (€63 million).

In February 2010 the marina hosted a number of events relating to the Grenada Sailing Festival with the marina being described by participants as the perfect venue for the Festival. The number of yachts increased from 30 last year to 55 this year.

During the year the marina generated total revenues of €0.5million (2008: €0.3 million) which, after depreciation, operating and marketing costs resulted in an operating loss of €2.1 million (2008: €1.9 million). After an interest charge of €0.4 million (2008: Nil) there was a pre and post tax loss of €2.5 million (2008: €1.9 million)

Operating expenses for 2009 were €1.4 million (2008 €1.6 million). For 2010 operating expenses are expected to be reduced to €1.1 million (based on the current dollar/euro exchange rate).

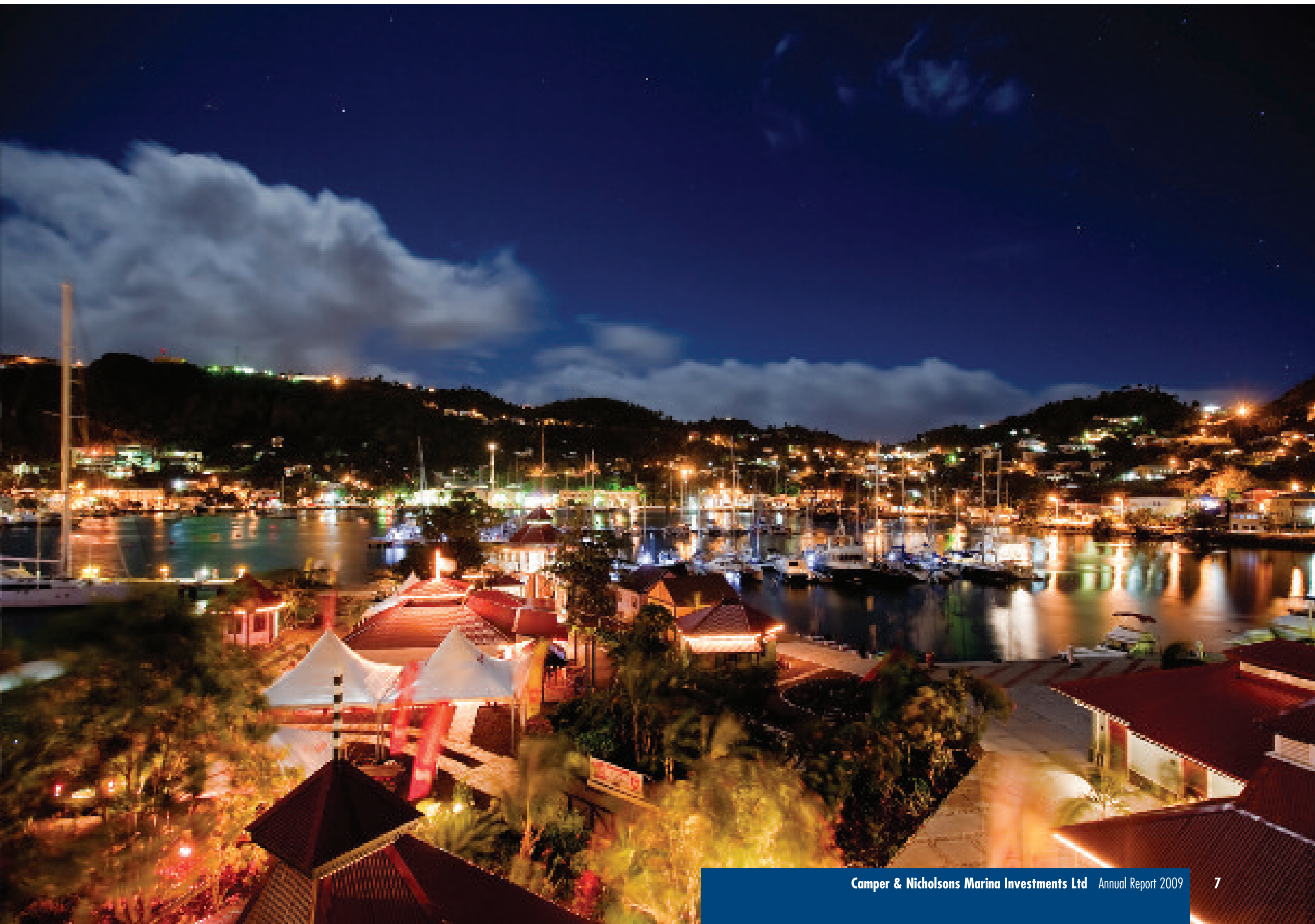
CB Richard Ellis valued the Port Louis Marina and reclaimed land for development at US$27.9 million at 31 December 2008. CBRE has valued the asset at US$28.6 million at 31 December 2009. After adjusting for other assets and liabilities and losses there is an €11.2 million negative NAV adjustment reported in relation to the Port Louis Marina as at 31 December 2009.

167 square metres

Tenant demand has led to the construction of 167 square metres of additional retail/commercial space which has now been fully let.

$60 million

The value of the existing berths at Port Louis based on the tariff price of $2,000 per square metre, is close to $60 million.



50 tenants

Pre-let agreements reached with 50 commercial tenants

Above left and above right: CGI renderings of Cesme Marina.
Right: Cesme Marina evening.
Below: Some of the many international and Turkish brands that are making Cesme Marina a prime yachting and retail destination.

Facing page: The Aegean coast near Cesme.

375 berths

Cesme full marina development c.32,000 sq mtrs lettable berthing area for 375 yachts.

chezvouz13 **carrefour** sir winston tea
bonjour cafe **lena** marin eln
burger king *teknosa* kids entertainment
seasnow **shakespeare in love** **nike**
mado **furun** *kumrucu sevki* algida cafe
lemon sailing **gant** north sails **azimut**
murphy & nye taka helly hansen
giormani optik **polo garage** babylon
sarküterya **slam** *blue crab* pilgrim
vakko cruise stonerock **quiksilver**

The present CBRE valuation reflects the current difficult economic conditions which have slowed the level of berth sales and annual contracts, reduced the shoreside development by others in the area around the marina and therefore caused delays to the marina reaching maturity. The Board believes, however, that the value decrease is not permanent and that Port Louis will provide an attractive investment for the Company. Some comfort is provided in this belief through early berth sales where the prices agreed are in line with our targets at $2,000 per square metre.

Cesme Marina, Turkey

This strategically located development marina is held through a joint venture with the respected Turkish holding company IC Holdings. Our share of the JV is 45% (50% of the voting rights). The construction contract was signed on 9 July 2009 for the full marina development comprising c.32,000 square metres of lettable berthing area for 375 yachts.

As at February 2010 over 900 yachts had registered enquiries for berths and these are being actively pursued by the sales & marketing and marina staff. With good demand and increasing tariff rates at neighbouring marinas, Cesme Marina opening annual tariff rates average approximately €70 per square metre, more than 40% above the acquisition case, after allowing for a promotional opening discount of c. 25%.

Negotiations with retail space tenants have led to some 45 contracts being agreed, representing over 80% of the total retail area. This includes significant anchor tenants such as supermarket Carrefour S.A. and leading branded outlets including Calvin Klein, Nike, Helly Hansen, high end restaurants and bars, and a well known nightclub. The marina retail areas will enhance Cesme's adjacent busy shopping district, while giving marina clients a wide range of activities to choose from.

Careful attention is being paid to keep operating costs to a minimum whilst still achieving C&N's premium standards.

In December 2009 negotiations were completed and a binding term sheet signed with the leading Turkish bank Isbank AS for a €9.25 million 10 year term loan being approximately 75% of the planned development costs. A bridging loan for the Euro equivalent of US$5 million was drawn down pending documentation finalization. During the year the JV partners invested €0.5 million (2008: €0.4 million) to promote the marina, manage the site and commence construction. This resulted in a loss before tax of a similar amount of which CNMI's 45% share is a loss of €0.2 million (2008: €0.2 million).

CB Richard Ellis valued the Cesme Marina BOT Contract (based on a 100% interest) at €3.3 million as at 31 December 2008 which has been reduced to €2.9 million at 31 December 2009. This valuation is based on the assumption that the marina is completed by the extended construction completion date in October 2010. Management is targeting completion of the marina in May 2010. After adjusting for CNMI's 45%, shareholding and other assets and liabilities, CNMI's interest in Cesme is valued at €0.3 million against an investment of €1.3 million as at the period end. After adjusting for retained losses, the NAV decrease is €0.4 million.

Business review continued

Facing page
Top left: The start of the Rolex Middle Sea Race.
Far right: Grand Harbour Marina Capitanerie.
Middle right: Competitors in the Rolex Middle Sea Race gather at Grand Harbour Marina.
Below right: Press advertising announcing the Grand Harbour Marina Bond Issue.

Left: Superyacht entering Grand Harbour Marina.

Grand Harbour Marina, Malta
CNMI holds 79% of the shares in this important superyacht marina through Grand Harbour Marina plc (GHM) listed on the Malta Stock Exchange. The market capitalization of GHM as at 12 April 2010 was €18.7 million.
The Directors of GHM have recommended a dividend payment of €0.75 million which, if approved at that company's AGM in June, will result in a dividend of nearly €0.6 million to CNMI.

Berth rental revenues increased to €1.6 million, up 39% from €1.2 million in 2008, mainly because GHM's pontoon berths remain fully occupied, with a waiting list of over 150 yachts, whilst tariff rates have been increased for 2010 by 5% for yachts up to 20 meters and 15% for larger and visiting yachts. This follows 2009's increases of 15% for annual berth holders and 50% for visitors. GHM continues to offer good value compared to like standard southern European marinas.

No berth sales were made during the year. Enquiries for berth sales have continued to be received and stood at some €13m of live enquiries as at Feb 2010. The existing stock of superyacht berths held for phased release for sale, has a value at present prices of over €31 million. A planning application has been lodged which, if approved, would, in a first phase add approximately 1,100 square metres and in a second phase a further 2,500 square metres of superyacht berths to the existing stock.

During 2009, GHM agreed a temporary management contract with the Malta Maritime Authority to manage approximately 50 unserviced berths in the water area adjacent to the marina known as Dock 1. This arrangement is expected to continue.

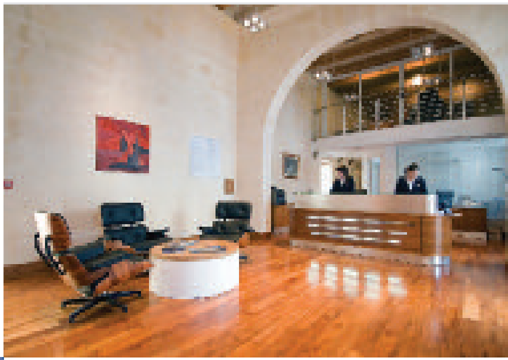
A new programme of landscaping and regeneration in the areas surrounding GHM has been committed to by Government, with a budget of some €10m. Works, which are planned to start later this year, will further enhance the attractiveness to clients of what is already one of the Mediterranean's most beautiful marina environments.

The Government of Malta has shown consistent support to develop Malta as a centre of excellence in the yachting sector. It has been responsive to requests to further strengthen the nature of clients' title to long term berth licenses, already arguably amongst the strongest in the Mediterranean, and to give certainty on tax matters relating to berth licensing. A consequence of the latter has been to write back a tax liability which had been provided for, which, together with associated costs, totalled €1.1 million, increasing post tax profits by a like amount. In the long term the effect of these tax changes however is expected to be broadly neutral

In a year without berth sales, GHM generated revenues of €2.1 million (2008: €2.5 million of which €1.0 million were berth sales). After deducting direct cost of sales and normal operating costs but before depreciation, GHM made an operating profit of €0.1 million. After finance charges, depreciation and tax, (€1.1m credit) GHM made a profit of €0.7 million (2008: €0.3 million loss). Operating expenses in 2009 remained stable at €1.6 million.

39% increase

Berth rental revenues increased to €1.6 million, up 39%.



€12 million

GHM Bond issue in Q1 2010 raised €12 million to develop business.

€10 million

Landscaping and regeneration program in the areas surrounding GHM has been committed to by Government, with a budget of some €10 million.

Right: Hurghada Marina, Egypt.
Middle: Cockleshell Bay Marina, St Kitts (artist's impression).
Below: Limassol Marina, Cyprus (CGI rendering).

5 star

5 star resort development at Cockleshell Bay, St Kitts. 10 year services agreement signed for the 168 berth marina that will be the centrepiece of this beautiful resort.

Right: Limassol Marina, Cyprus (CGI rendering) – 10 year services agreement signed.
Below: Hurghada Marina, Egypt.

577 berths

"The most highly anticipated and ambitious project the island has ever seen."

Antonis Paschalides, Minister of Commerce, Industry and Tourism, Cyprus.

In view of potential attractive investment opportunities within and outside of Malta, GHM, working with HSBC and Rizzo Farrugia, successfully issued €12 million 10 year 7% bonds. The issue was over-subscribed with over €21 million of applications being lodged. The net proceeds, after costs of €0.4 million, were received in February 2010. Of this €3.8 million has been used to repay existing bank debt with the balance being available for investment by GHM.

CB Richard Ellis valued GHM (based on a 100% interest) at €21.0 million as at 31 December 2008 which was decreased to €20.5 million in its valuation as at 31 December 2009. After adjusting for minority interests the NAV uplift is €0.4 million.

Third Party Marina Service Agreements

The Camper & Nicholsons brand, the experienced management, and proven systems offer third party clients the opportunity to reduce risks, increase revenues, decrease operating costs all whilst offering high service standards to their marina clients. As a result enquiries for management have continued to flow from clients worldwide.

The business development team was strengthened in early 2009 through the appointment of Gordon Vassallo as dedicated business development director supported by Alain Giudice. We are pleased to say that during 2009 we signed three long term service contracts, one in Europe, one in Egypt and one in the Caribbean:

- Limassol Marina in Cyprus – 577 berth development marina – 10 year full services agreement with branding
- Cockleshell Bay Marina – 168 berth development marina St Kitts Caribbean – 10 year full services agreement with branding
- Hurghada – 200 berth existing marina in Egypt –10 year full services agreement with branding

The Company now has seven third party marina contracts with over half being 10 year management agreements running until at least 2018. The difficult economic environment has resulted in a number of contracted projects being delayed because of problems in obtaining equity and/or debt finance. This has adversely affected the revenues expected from the provision of technical services to development marinas (the majority of our existing clients) and will inevitably extend the date when the operating fee income from certain marinas reaches optimum levels. While it appears highly likely that the delayed projects will recommence because demand for berths remains strong, the timing remains uncertain.

As reported previously, during the year, the Company carried out its first assignment in China, being consultancy work on a 285 berth marina in Sanya on Hainan Island. This project has required further work in early 2010 whilst negotiations have also commenced for a possible multi-year service contract. During 2009 the Group also entered into a Memorandum of Understanding for service agreements for up to 4 marinas in Cuba. Several more services agreements are presently in the detailed stages of negotiation. During the period the acquired business of Camper & Nicholsons Marinas International Limited generated total revenues of €2.2 million including

Left: C&N Marinas stand at Dusseldorf boat show.
Right: World Superyacht Awards 2009.
Credit: Mark Sims/Boat International.
Below: Monaco Yacht Show stand.

€1.0 million from the provision of operating, management, sales & marketing and technical services to the Group's owned marinas, primarily Port Louis and GHM. As the group's own marinas are completed, the resources of the management team will be available to support the growing third party business.

The Directors remain confident that the management contracts will ultimately yield both attractive margins and recurring cash flows for the Group. However, because the timing of the commencement of income streams from individual marinas is difficult to predict, particularly during a period of economic uncertainty when funding of major capital projects is difficult to obtain, it is likely to take longer than previously forecast for the full benefits of the third party management contracts to be realised.

Management team – cost reductions – proprietary databases

The management team has been strengthened with James Beaver joining as Operations Director. His 10 years of marina experience include the development of the British Olympic marina at Portland, while prior to that he had experience in the luxury hotel market. We have also been joined by Aris Cefai formerly Group HR Director at Qatari National Hotels who brings experience of high end worldwide recruitment of hotel staff and related training which is directly applicable to the needs of our own marinas and those of our third party clients.

We have taken important steps to reduce management costs for the 2010 year, through both salary and other cost reductions. Your directors have also agreed to reduced fees in the year. The effect of these changes is anticipated to be a cost reduction of €0.5 million in 2010.

The Group has continued to invest in sales and marketing activities to promote our 3 owned marinas and to provide the agreed services to our third party marina clients.

Activities included attendance at the major boat shows in Dusseldorf, Monaco, Istanbul and Fort Lauderdale and sponsorship of the World Superyacht Awards held in London in 2009.

We have also continued involvement with events such as the Rolex Middle Sea Race (Grand Harbour Marina) and the Grenada Sailing Festival (Port Louis Marina). Ongoing advertising and PR campaigns helped increase the business's profile which in turn helped to generate increased coverage in the industry and general media.

The Group's proprietary worldwide marina database containing detailed information, including berth mix and tariffs in over 1,200 marinas globally, is a key asset in formulating pricing policy for our own and clients' marinas, and also in determining appropriate berth mixes and dimensions when designing marinas. Integration of yacht owners' details captured through our marina management software, with our customer relations management software, has greatly strengthened our ability for focussed marketing to yacht owners.

Financial overview

2009 results

CNMI's loss before tax of €5.7 million (2008: €6.6 million loss) reflected a €0.4 million loss at GHM, the costs incurred whilst developing both Port Louis and Cesme, the running costs of the Company including those required to develop the third party marina services business, and a net interest charge of €0.6 million (2008: €0.5 million income). After tax the Group reported a loss of €4.5 million (2008: €6.5 million loss) with a tax credit of €1.1 million arising from the negotiations with the Tax Authorities in Malta as explained in the Grand Harbour Marina commentary earlier.

Sales of €2.8 million (2008: €2.8 million) included increased berthing revenues from GHM and Port Louis and a first full year contribution from the third party marina services and consultancy business acquired with Camper & Nicholsons Marinas International Limited in December 2008. The level of revenues was unchanged from the prior year in spite of there being no revenues from superyacht berth sales. (2008: €1.0 million).

Comparison of results with 2008

The change in revenues, operating expenses and cost of sales and profit before tax from the period January 1 to December 31 2008 to the same period in 2009 is summarised in the table below:

		Operating expenses and cost of sales			
€m	Sales	Marinas	Consultancy	Other	Loss before tax
Marinas	2.8	(5.1)	–	–	(2.3)
Parent Company	–	–	–	(4.8)	(4.8)
Interest					0.5
2008	2.8	(5.1)	–	(4.8)	(6.6)
Reduced berth sales	(1.0)	0.4	–	–	(0.6)
GHM Performance changes	0.6	–	–	–	0.6
Port Louis Performance changes	0.2	(0.4)	–	–	(0.2)
Acquisition of Manager and Investment Advisor (see detail below)	0.2	–	(1.7)	1.0	(0.5)
Reduction in Parent Company and other costs	–	–	–	0.3	0.3
Reduction in one-off costs re funding initiatives and internalisation	–	–	–	2.4	2.4
Change in interest					(1.1)
2009	**2.8**	**(5.1)**	**(1.7)**	**(1.1)**	**(5.7)**
Analysed as:					
Marinas	2.6	(5.1)	–	–	(2.5)
Marina Consultancy	0.2	–	(1.7)	–	(1.5)
Parent Company	–	–	–	(1.1)	(1.1)
Interest					(0.6)

The impact of the acquisition of the Manager and Investment Advisor completed in December 2008 through the Internalisation process, as shown above, is analysed in more detail in the table below:

€m	Sales	Operating exps and cost of sales	Loss before tax
Total Manager and Investment Advisor	2.2	(2.7)	(0.5)
Services to Group companies	(1.0)	1.0	–
Subtotal	1.2	(1.7)	(0.5)
Elimination of Manager Fee post Internalisation	(1.0)	1.0	–
Net impact on Group	0.2	(0.7)	(0.5)

Statement of financial position

The consolidated Statement of Financial Position at 31 December 2009 comprised the assets and liabilities of the Company, Grand Harbour Marina plc, Camper & Nicholsons Caribbean Holdings Ltd and Camper & Nicholsons Marinas Holdings Limited and, on a proportional basis, the Company's interest in Cesme. The non current assets of €52.1 million (Dec 2008: €44.5 million) comprised the tangible fixed assets employed in the marina businesses and the goodwill arising on acquisitions. Current assets included the un-invested net proceeds of the AIM listing of around €4.3 million held mainly as fixed short term deposits, the US$2.7 million cash collateral held in respect of the Scotia Bank loan and the cash balances and trade and other debtors of the marina businesses. As at 31 December 2009 the Group had total cash balances of €10.3 million. The Group expects to be cash sufficient entering 2011, excluding the proceeds of the GHM bond issue.

Current liabilities were mainly trade related and the current portion of long-term debt at Grand Harbour and Port Louis and the Group's 45% share of the Bridge Finance loan at Cesme. The non current liabilities comprised the balance of Grand Harbour's and Port Louis's long term debt and the debt acquired with Camper & Nicholsons Marinas International.

At 31 December 2009, the Group's net assets on an IFRS basis, amounted to €42.0 million (Dec 2008: €46.2 million). Of this amount, €1.1 million related to the non controlling interests in GHM with €40.9 million (Dec 2008: €45.3 million) attributable to the Company, which equated to 75.6c (Dec 2008: 83.6c) and 75.8c (Dec 2008: 83.8c) per share on a basic and diluted basis respectively.

Net Asset Value and property valuation

The statutory NAV of the Group as at 31 December 2009 was 75.6c per share (Dec 2008: 83.6c per share) with a diluted NAV per share of 75.8c (Dec 2008: 83.8c per share). As indicated previously, 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 Limited has updated its valuations of Cesme Marina, Turkey, Grand Harbour Marina, Malta and Port Louis Marina, Grenada. The basis on which these valuations were completed is explained in the Note at the end of this Report. CB Richard Ellis's valuations of Cesme, Grand Harbour Marina and Port Louis Marina, completed in accordance with RICS Appraisal and Valuation Standards, are €2.9 million, €20.5 million and US$28.6 million respectively. Adjusting for debt and other liabilities, and taking into account the Company's shareholdings in Cesme and Grand Harbour Marina of 45% and 79.2% respectively, this has resulted in an aggregate NAV decrease in the period of €8.3 million, and a decrease of €11.2 million on a cumulative basis equating to an adjusted NAV per share of 54.8c (diluted 55.2c). The Company holds certain investments which are accounted for and valued in currencies other than Euros. In keeping with its stated policies it is not intended to hedge the exchange rate risk but, where possible, the Company's investments and related borrowings will be in matched currencies.

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

	Total (€m)	Per share (c)	Diluted per share* (c)
NAV (IFRS)	40.9	75.6	75.8
Cesme Marina, Turkey – value uplift	(0.4)	(0.8)	(0.8)
Grand Harbour Marina – value uplift	0.4	0.7	0.7
Port Louis Marina	(11.2)	(20.7)	(20.5)
NAV (Adjusted)	29.7	54.8	55.2

* after adjusting for options granted but not yet exercised

The Adjusted NAV and NAV per share at 31 December, 2009 have both decreased by 30% since 31 December, 2008 primarily due to the decreased valuation of the 3 marina assets. The year on year reconciliation is shown on the table below:

	Total (€m)	Per share (c)	Diluted per share* (c)
Adjusted NAV – 31 December 2008	42.4	78.3	78.5
Trading loss	(4.7)	(8.7)	(8.6)
Valuation adjustments			
Cesme	(1.1)	(2.0)	(2.0)
Grand Harbour Marina	(0.2)	(0.4)	(0.4)
Port Louis Marina	(7.0)	(12.9)	(12.8)
Exchange gain on consolidation	0.3	0.5	0.5
Adjusted NAV – 31 December 2009	29.7	54.8	55.2

* after adjusting for options granted but not yet exercised

Outlook

2010 will see all three marinas in which we are invested substantially completed and in full operation. The additional berths, which will be available for rental and sale, and the additional retail space being completed and let during the year, should all contribute to materially increased revenues in 2010. 2011 should show further improvements as all marinas will be in operation for the full year, and occupancy of Cesme and Port Louis marinas is expected to increase further.

Berth sales are relevant to both Grand Harbour Marina and Port Louis. With the global superyacht order book standing at some 500 yachts for delivery over the next 3 years, and with smaller yacht sales stabilizing, we anticipate a resumption of a modest level of sales activity during 2010 across all sizes.

Berth rental tariff rises and high occupancy in many existing marinas in Turkey and Malta suggest continuing strong berth demand in those areas, which appears likely to be sustained through 2010, although a slow charter market may decrease visitor numbers somewhat. In the Caribbean the downturn in the US has affected both tariffs and visitor numbers and improvement is likely to be gradual.

We will continue to stimulate revenues through our international sales and marketing campaign and we expect our cost control measures to show through during 2010.

Clients for our branded marina management are finding the services we can offer them of particular value in these difficult times. We therefore expect to sign additional contracts during 2010, and to see some delayed projects resume development as financing is completed.

The CB Richard Ellis valuation methodology requires them to value the 3 marinas at the point in time of the valuation. Given the current global economic conditions the Board considers that present valuations can materially understate the value of these long term assets. This is particularly the case for Port Louis where the recession reduced US demand so impacting both tariffs and occupancy. The Board believes that the NAV decreases will reverse as economic uncertainty is removed and the performance of the marinas improves.

Your Company has a number of considerable strengths; it has arguably the most experienced international marina management team, the best recognized international premium brand, and it is invested in 3 excellently located large scale modern marinas. We are confident Camper & Nicholsons will deliver value both to its shareholders and its clients.

Nick Maris
Chairman & CEO of Camper & Nicholsons Marinas International Limited
12 April 2010

Note concerning Property Valuations

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

Cesme Marina, Turkey
The property was initially valued as at 20 April 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, Fifth Edition (Red Book) in the sum of €4.1 million. The property was valued as a fully operational business entity with reference to trading potential. The property was valued again at 31 December 2009 in accordance with Royal Institution of Chartered Surveyors Valuation Standards, Sixth Edition in the sum of €2.9 million. The property is occupied by way of a Build Operate and Transfer agreement expiring after 25 years. On expiry, all interest in the Marina, its fixtures and fittings will revert to the Turkish Government, free of consideration or compensation. We are in receipt of a valuation statement as at 31 December 2009.

Grand Harbour Marina, Malta
The property was initially valued as at 11 June 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of €23.2 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a sub-Emphyteusis agreement granted June 1999 expiring in 2098. The property was valued again in accordance with Royal Institution of Chartered Surveyors Valuation Standards, Sixth Edition at 31 December 2009 in the sum of €20.5million. We are in receipt of a valuation statement as at 31 December 2009.

Port Louis Marina, Grenada
The property was initially valued as at 6 December 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of $27.3 million. The property and reclaimed land for development was valued in its then current state with reference to trading potential. The property is occupied by way of a 99 year lease from the Government of Grenada which expires in 2105 but is renewable at that time for a further 99 years. The property was valued again at 31 December 2009 in accordance with Royal Institution of Chartered Surveyors Valuation Standards, Sixth Edition in the sum of $28.6 million. We are in receipt of a valuation statement as at 31 December 2009.

Board of directors

1. Sir Christopher Lewinton, Chairman – UK resident, aged 78

Sir Christopher Lewinton is also Chairman of JF Lehman Europe, a private equity firm, and a member of the Advisory Board of Metalmark Capital/Morgan Stanley Capital Partners. He is an advisor to Compass Partners International Limited. Previous positions held include Chief Executive of TI Group plc (1986-1998) and its chairman (1989-2000), Chief Executive of the Wilkinson Sword Group and a member of the Board of Allegheny International, Inc. (1970-1985), non-executive Director of WPP Group plc (1998-2003), non-executive Director of Reed Elsevier plc (1993-1999) and a member of the Supervisory Board of Mannesman AG (1995-1999).

2. Nicholas Maris, Non-executive Director – UK resident, aged 61

Nicholas Maris has 39 years' experience in the marine sector, and a 16 year track record as a marina investor with experience of financing, developing, managing and investing in marinas and marina projects globally, including the acquisition and subsequent redevelopment and sale of Gosport Marina Limited in the United Kingdom and investment in Grand Harbour Marina Limited in Malta. He joined the Camper & Nicholsons Group as an investor and a non-executive Director in 1981 and since 1983 has held executive positions within the Group, including current positions as the Chairman of Camper & Nicholsons Marinas International Limited, Camper & Nicholsons Marinas Limited and Chairman of Camper & Nicholsons (Designs) Limited, which owns the rights to the Camper & Nicholsons trade marks. Mr Maris was also a Director and then Chairman of Camper & Nicholsons Yachts Limited (yacht builders and naval architects) from 1981 to 1999 and Chairman of Camper & Nicholsons International Limited (yacht brokers, charterers and managers) from 1988 to 1992.

3. Roger Lewis, Independent Director – Jersey resident, aged 62

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

4. Trevor Ash, Independent Director – Guernsey resident, aged 63

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

5. John Hignett, Independent Director – Italian resident, aged 75

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

Management team

1. James Beaver, Operations
Operations Director for Camper & Nicholsons Marinas, James's experience includes senior management roles in the marine and leisure sectors, with such companies as Esporta Plc, De Vere Group Plc and Wildwind Holidays Limited. During his last assignment, with Dean & Reddyhoff Limited, for whom he worked for over 8 years, James was responsible for projects which included the £26.5m extensive development of a 600 berth marina and dry stack operation in Portland, Dorset. He also opened and operated a £2m 7,200ft^2 bar and restaurant at Portland Marina and played the leading role in the £3.6m redevelopment of East Cowes Marina.

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

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

4. Bill Green, Technical
Bill Green is technical director for the Camper & Nicholsons Group, with over 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.

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

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

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

8. Gordon Vassallo, Business Development
Business Development Director within Camper & Nicholsons Marinas with 4 years' experience in the marina sector, working in aspects of project design, development and business planning. Further 8 years' experience in management positions in engineering sector.

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

General information

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

Company Secretary
Shaftesbury Limited

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

Legal Advisors United Kingdom
Stephenson Harwood
One St Paul's Churchyard
London EC4M 8SH

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

Nominated Advisor
Collins Stewart Europe Limited
88 Wood Street
London EC2V 7QR

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

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

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

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

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009.

Principal activity

The principal activity of the Company and its subsidiaries and joint ventures ("The Group") continues to be the acquisition, development, redevelopment and operation of an international portfolio of both new and existing marinas and related real estate primarily in the Mediterranean, the United States and the Caribbean. Following the acquisition of its Manager and Investment Advisor in December 2008 the Company is continuing to develop its third party marina management and consulting business.

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

Results and dividends

The results for the period are set out in the attached financial statements. No dividend has been paid in respect of the year ended 31 December 2009 (2008: Nil).

Fixed assets

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

Directors

The directors remained in office throughout the year and their interests in the shares of the Company as at 31 December 2009 were:

	Number of shares held
Sir Christopher Lewinton (Chairman)	1,850,000
Nicholas Maris	5,737,142
Roger Lewis	–
Trevor Ash	–
John Hignett	50,000

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

Mr Roger Lewis retires from the board in accordance with the Company's Articles of Association and, being eligible, offers himself 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

To simplify the Group structure, as at 31 December 2009, the business, assets and liabilities of Marina Management International Limited have been merged into Camper & Nicholsons Marinas International Limited which is responsible for the operational management of the Group. Prior to its acquisition as part of the internalisation process completed in December 2008, Marina Management International Limited was the Company's external Manager with Camper & Nicholsons Marinas International Limited, also acquired in December 2008, as the Company's Investment Advisor.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

The consolidated financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the consolidated financial statements comply with The Companies (Guernsey) Law, 2008, International Financial Reporting Standards, and the AIM Rules of the London Stock Exchange. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Going concern

After making the necessary enquiries, the directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. The directors believe that it is appropriate to continue to apply the going concern basis in preparing the consolidated financial statements.

Substantial shareholdings

Individual shareholdings representing 3% or more of the Company's issued share capital at the date of this report are detailed in note 27 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.

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

The table below sets out the number of board meetings held during the year ended 31 December 2009 and the number of meetings attended by each director:

	Scheduled Board meetings		Ad Hoc Board meetings	
	Held	Attended	Held	Attended
Sir Christopher Lewinton (Chairman)	4	4	8	7
Nicholas Maris	4	4	8	7
Roger Lewis	4	4	8	8
Trevor Ash	4	4	8	3
John Hignett	4	4	8	7

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.

				Emoluments in period ended 31 December 2009	
	Date of appointment	Unexpired term of contract at 31 December 2009	Annual rate of Directors fees €	Group €	Parent Company €
Sir Christopher Lewinton (Chairman)	19-Dec-08	12 months	75,000	105,000	105,000
Nicholas Maris	19-Dec-08	12 months	28,175	230,886	27,642
Roger Lewis	20-Oct-06	10 months	28,175	34,630	27,642
Trevor Ash	20-Oct-06	10 months	31,556	38,645	30,959
John Hignett	20-Oct-06	10 months	28,175	34,979	27,642
			191,081	444,140	218,885

In addition to the Directors fees shown above, Mr Nicholas Maris is entitled to a salary of £170,000 (€191,590) in his position as Chief Executive Officer of Camper & Nicholsons Marinas, the Group's management subsidiary.

All Directors have volunteered to waive part or all of their Directors fees for the calendar year 2010.

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

Corporate governance – continued

Remuneration Committee

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

The Remuneration Committee comprises John Hignett (Chairman), Roger Lewis, Sir Christopher Lewinton and Nicholas Maris.

Nominations Committee

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

The Nominations Committee comprises Sir Christopher Lewinton, John Hignett and Nicholas Maris.

Audit Committee

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

Internal controls

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

The Fort Group 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

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

Relations with shareholders

The board recognises the value of maintaining regular communications with shareholders. In addition to the formal business of the annual general meeting, an opportunity is given to all shareholders to question the board on matters relating to the Company's operation and performance. Proxy voting figures for each resolution are announced at the annual general meeting.

The board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at the Registered Office. Alternatively, the Company can be contacted in the UK on 020 8334 4787.

Annual General Meeting

Notice convening the 2010 annual general meeting of the Company and a form of proxy in respect of that meeting can each be found at the end of this document.

Disclosure of information to auditors

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

Auditor

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

By Order of the Board

Shaftesbury Limited
Secretary
12 April 2010

Independent Auditors' report

to the members of Camper & Nicholsons Marina Investments Ltd

We have audited the consolidated financial statements of Camper & Nicholsons Marina Investments Limited for the year ended 31 December 2009 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, and the related notes. These consolidated financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the consolidated financial statements which give a true and fair view and are in accordance with International Financial Reporting Standards and are in compliance with applicable Guernsey law are set out in the Statement of Directors' Responsibilities on page 21.

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2009 and of the Group's loss for the year then ended;
- are in accordance with International Financial Reporting Standards; and
- comply with The Companies (Guernsey) Law, 2008.

KPMG Channel Islands Limited
Guernsey, Channel Islands
12 April 2010

Consolidated statement of comprehensive income

for the year ended 31 December 2009

	Note	2009 €	2008 €
Marina operating activities		**2,574,402**	1,776,105
Licensing of superyacht berths		**–**	1,018,475
Marina consultancy fees		**230,059**	–
Revenue		**2,804,461**	2,794,580
Cost of sales		**(566,163)**	(737,925)
Gross profit		**2,238,298**	2,056,655
Manager's fees	5	**–**	968,319
Directors' fees		**444,140**	276,009
Salaries and wages		**1,727,220**	762,333
Audit fees		**131,702**	115,218
Administration fees		**121,337**	120,688
Operator fees and berth sales commissions		**–**	425,392
Rent and rates		**602,506**	604,787
Other general administration expenses	6	**1,600,695**	820,737
Internalisation and fundraising costs		**44,057**	2,359,743
Legal and professional fees		**480,308**	604,124
Promotion		**453,244**	791,390
Depreciation		**1,165,396**	887,223
Exchange differences		**605,016**	420,535
Operating expenses		**7,375,621**	9,156,498
Operating loss		**(5,137,323)**	(7,099,843)
Finance income		**280,593**	796,929
Finance expense		**(840,340)**	(270,364)
		(559,747)	526,565
Loss before tax		**(5,697,070)**	(6,573,278)
Taxation	7	**1,151,136**	75,521
Loss for the year from continuing activities		**(4,545,934)**	(6,497,757)
Other comprehensive income			
Foreign exchange reserve		**314,885**	420,436
Other comprehensive income for the year		**314,885**	420,436
Total comprehensive income for the year		**(4,231,049)**	(6,077,321)
Loss attributable to:			
Equity shareholders		**(4,699,139)**	(6,430,057)
Non-controlling interest		**153,205**	(67,700)
Loss for the year		**(4,545,934)**	(6,497,757)
Total comprehensive income attributable to:			
Equity shareholders		**(4,384,254)**	(6,009,621)
Non-controlling interest		**153,205**	(67,700)
Total comprehensive income for the year		**(4,231,049)**	(6,077,321)
Loss per share			
Basic, attributable to equity shareholders	8	**(8.67)c**	(12.82)c
Diluted, attributable to equity shareholders	8	**(8.59)c**	(12.70)c

The accompanying notes on pages 29 to 51 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2009

	Issued capital €	Fair value share option reserve €	Retained earnings €	Foreign exchange reserve €	Total €	Non-controlling interest €	Total equity €
Year ended 31 December 2008							
At 1 January 2008	47,603,304	78,957	2,596,114	–	50,278,375	1,380,139	51,658,514
Issue of share capital	1,050,491	–	–	–	1,050,491	–	1,050,491
Total comprehensive income for the year							
Loss for the year	–	–	(6,430,057)	–	(6,430,057)	(67,700)	(6,497,757)
Distributions to owners							
Dividends to non-controlling interest	–	–	–	–	–	(416,558)	(416,558)
Other comprehensive income							
Foreign currency translation differences	–	–	–	420,436	420,436	–	420,436
At 31 December 2008	48,653,795	78,957	(3,833,943)	420,436	45,319,245	895,881	46,215,126
Year ended 31 December 2009							
At 1 January 2009	**48,653,795**	**78,957**	**(3,833,943)**	**420,436**	**45,319,245**	**895,881**	**46,215,126**
Total comprehensive income for the year							
Loss for the year	**–**	**–**	**(4,699,139)**	**–**	**(4,699,139)**	**153,205**	**(4,545,934)**
Other comprehensive income							
Foreign currency translation differences	**–**	**–**	**–**	**314,885**	**314,885**	**–**	**314,885**
At 31 December 2009	**48,653,795**	**78,957**	**(8,533,082)**	**735,321**	**40,934,991**	**1,049,086**	**41,984,077**

The accompanying notes on pages 29 to 51 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at 31 December 2009

	Note	31 December 2009 €	31 December 2008 €
Non current assets			
Property, plant and equipment	12	41,148,143	33,434,127
Goodwill	13	10,976,014	10,976,014
Deferred tax		–	82,234
		52,124,157	44,492,375
Current assets			
Stock		–	5,513
Trade and other receivables	14	1,079,942	1,400,886
Cash and cash equivalents	15	10,314,872	20,583,862
		11,394,814	21,990,261
Total assets		63,518,971	66,482,636
Current liabilities			
Trade and other payables	16	2,774,588	3,830,657
Taxation payable		112,907	1,279,393
Loans repayable within one year	17	2,976,657	975,159
		5,864,152	6,085,209
Total assets less current liabilities		57,654,819	60,397,427
Non current liabilities			
Loans repayable after more than one year	17	14,551,098	13,065,228
Other payables	18	1,119,644	1,117,073
		15,670,742	14,182,301
Net assets		41,984,077	46,215,126
Equity attributable to equity shareholders			
Issued capital	19	48,653,795	48,653,795
Retained earnings		(8,533,082)	(3,833,943)
Fair value share option reserve	21	78,957	78,957
Foreign exchange reserve		735,321	420,436
		40,934,991	45,319,245
Non-controlling interest	22	1,049,086	895,881
Total equity		41,984,077	46,215,126
Net assets per share	20		
Basic, attributable to ordinary equity shares		75.56c	83.65c
Diluted, attributable to ordinary equity shares		75.78c	83.80c

The consolidated financial statements on pages 25 to 51 were approved by the Board of Directors on 12 April 2010.

Sir C Lewinton, Chairman

T C Ash, Director

The accompanying notes on pages 29 to 51 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2009

	Year ended 31 December 2009 €	Year ended 31 December 2008 €
Cash flows from operating activities		
Loss before taxation	**(5,697,070)**	(6,573,278)
Adjusted for:		
Finance income	**(280,593)**	(796,929)
Finance expense	**840,340**	270,364
Depreciation	**1,165,396**	887,223
Goodwill impairment	**–**	1,011,951
Unrealised foreign exchange loss	**78,115**	–
	(3,893,812)	(5,200,669)
Decrease in pre-acquisition costs	**–**	565,648
Decrease in receivables	**320,944**	3,556,812
Decrease in payables	**(572,617)**	(2,980,877)
Decrease/(increase) in stock	**5,513**	(5,513)
Income tax expense	**–**	(1,034,075)
Net cash flows from operating activities	**(4,139,972)**	(5,098,674)
Cash flow from investing activities		
Acquisition of property, plant and equipment	**(8,978,179)**	(24,191,002)
Disposals of property plant and equipment	**–**	3,199
Acquisition of subsidiaries, net of cash acquired	**–**	527,124
Interest received	**280,593**	796,929
Net cash flows from investing activities	**(8,697,586)**	(22,863,750)
Cash flows from financing activities		
Proceeds of borrowings	**3,979,702**	9,707,950
Repayment of borrowings	**(492,334)**	(597,216)
Dividend paid	**–**	(416,558)
Interest paid	**(840,340)**	(270,364)
Net cash flows from financing activities	**2,647,028**	8,423,812
Net decrease in cash and cash equivalents	**(10,190,530)**	(19,538,612)
Opening cash and cash equivalents	**20,583,862**	39,702,038
Effect of exchange rate fluctuations on cash held	**(78,460)**	420,436
Closing cash and cash equivalents	**10,314,872**	20,583,862

The accompanying notes on pages 29 to 51 form an integral part of these consolidated financial statements.

Notes to the financial statements

for the year ended 31 December 2009

1 Corporate information

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

The principal activity of the Parent Company and its subsidiaries and joint ventures ("the Group") during 2009 was the acquisition, development, redevelopment and operation of an international portfolio of both new and existing marinas and related real estate in the Mediterranean and the United States/Caribbean. Following the acquisition of its Manager and Investment Advisor in December 2008 the Company is continuing to develop its third party marina management and consulting business.

2 Basis of preparation and accounting policies

Basis of preparation

The consolidated financial statements of the Group for the year to 31 December 2009 have been prepared on a historical cost basis except that assets and liabilities acquired by business combinations are valued at fair value at the date of acquisition in the consolidated financial statements. The consolidated financial statements are presented in euros.

Statement of compliance

The consolidated financial statements of the Group, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in compliance with The Companies (Guernsey) Law 2008. With the adoption of The Companies (Guernsey) Law 2008, the Company is no longer required to disclose Parent Company financial statements.

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.

Non-controlling interest represents the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated Statement of Comprehensive Income and within equity in the consolidated Statement of Financial Position, separately from parent shareholders' equity. Acquisitions of non-controlling 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. Under the revised standard, effective for the Group's 2010 consolidated financial statements, acquisitions of non-controlling interests will be accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill will be recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the exchange. Any change in the accounting policy is to be applied prospectively and should include the impact on earnings per share.

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 21.

2 Basis of preparation and accounting policies – continued

Significant accounting judgments, estimates and assumptions – continued

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 2009 was Nil (2008: €82,234).

Summary of significant accounting policies

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

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

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

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

The financial statements for the joint venture are prepared for the same reporting year as the Parent Company using consistent accounting policies.

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

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

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 profit or loss on signing of the licensing contracts.

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

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

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

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

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

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

2 Basis of preparation and accounting policies – continued

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

Deferred income tax assets and liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill, and

- in respect of taxable temporary differences associated with investments in subsidiaries or joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

Sales tax
Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

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

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

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

Where parts of an item of plant and equipment have different useful lives they are accounted for as separate items of plant and equipment. The Group recognises, in the carrying amount of an item of plant and equipment, the cost of replacing part of such an item when that cost is incurred and it is probable that the resulting future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss 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 profit or loss and that part (residual amount) attributable to the time period which extends beyond the initial licensing period. The method of cost apportionment used represents a fair reflection of the pattern of future economic benefits estimated to accrue from the licensing of such berths. The residual amount is classified in the consolidated Statement of Financial Position as non-current assets.

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.

2 Basis of preparation and accounting policies – continued

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

Leasehold seabed	99 years
Buildings	10/20 years
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 consolidated Statement of Financial Position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less.

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

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

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

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

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

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

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

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the profit or loss.

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

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

Exchange differences arising on consolidation are taken directly to other comprehensive income.

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 profit or loss 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 Statement of Comprehensive Income net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

Leases

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

Share based payment transactions

The Company 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.

Changes in presentation

The Group has applied revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result the Group presents in the Consolidated Statement of Changes in Equity all owner changes in equity, whereas all non-owner changes in equity are presented in the Consolidated Statement of Comprehensive Income. This presentation has been applied in these Consolidated Financial Statements as of and for the year ended 31 December 2009.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since this change only impacts presentation aspects, there is no impact on earnings per share.

Determination and presentation of operating segments

As at 1 January 2009 the Group determines and presents operating segments based on the information that is provided internally to the Chairman and CEO of Camper & Nicholsons Marinas International, the Group's chief operating decision maker. Prior to the acquisition of the Company's Manager and Investment Advisor in December 2008, the Board considered there to be a single class of business for financial reporting purposes and therefore had no segmental reporting. The Marina consultancy business, acquired in December 2008 is shown as a separate operating segment for the year ended 31 December 2009 due to the adoption of IFRS 8 *Operating segments.*

Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since this change only impacts presentation and disclosure aspects, there is no impact on earnings per share.

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

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

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

2 Basis of preparation and accounting policies – continued

Standards issued but not yet effective
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements:

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

IFRS 9, Financial Instruments (2009) was published on 12 November 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. The standard is effective for annual periods beginning on or after 1 January 2013 but may be applied earlier.

Amended IAS 27 Consolidated and Separate Financial Statements (2009) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. The amendments to IAS 27, which becomes mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the Group's consolidated financial statements.

3 Seasonality of operations

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

4 Segmental reporting

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

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

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

The results for these two segments for the year ended 31 December 2009 are set out below:

	Marina operations €	Marina consultancy €	Parent Company €	Total €
For the year ended 31 December 2009				
Revenues from external customers	2,574,402	230,059	–	2,804,461
Intersegment revenues	–	2,001,915	–	2,001,915
Interest revenue	31,662	735	210,067	242,464
Interest expense	(663,088)	(68,910)	(70,213)	(802,211)
Depreciation & amortisation	1,098,151	67,245	–	1,165,396
Reportable segment loss	(3,209,098)	(592,283)	(1,895,689)	(5,697,070)
Reportable segment assets	55,413,087	2,063,839	34,426,728	91,903,654
Expenditures for reportable segment non current assets	8,754,555	131,870	–	8,886,425
Reportable segment liabilities	(43,550,592)	(2,873,125)	(1,814,736)	(48,238,453)

4 Segmental reporting – continued

	Marina operations €	Marina consultancy €	Parent Company €	Total €
For the year ended 31 December 2008				
Revenues from external customers	2,794,580	–	–	2,794,580
Intersegment revenues	–	–	–	–
Interest revenue	146,508	–	650,421	796,929
Interest expense	(267,592)	–	(2,772)	(270,364)
Depreciation and amortisation	887,223	–	–	887,223
Reportable segment loss	(2,436,094)	–	(4,137,184)	(6,573,278)
Reportable segment assets	47,291,189	2,243,822	36,809,934	86,344,945
Expenditures for reportable segment non current assets	25,630,623	–	–	25,630,623
Reportable segment liabilities	(33,939,859)	(2,407,569)	(2,309,212)	(38,656,640)

Reconciliation of reportable segment revenues, profit and loss, assets and liabilities

	31 Dec 2009 €	31 Dec 2008 €
Revenues		
Total revenues for reportable segments	**4,806,376**	2,794,580
Elimination of inter-segment revenues	**(2,001,915)**	–
Group revenues	**2,804,461**	2,794,580
Profit and loss		
Total profit and loss for reportable segments	**(3,801,381)**	(2,436,094)
Other profit or loss	**(1,895,689)**	(4,137,184)
Group loss	**(5,697,070)**	(6,573,278)
Assets		
Total assets for reportable segments	**57,476,926**	49,535,011
Other assets	**34,426,728**	36,809,934
Less: inter-company loans	**(26,703,559)**	(18,389,130)
Less: investments in subsidiaries (net of goodwill)	**(1,681,124)**	(1,473,179)
Group assets	**63,518,971**	66,482,636
Liabilities		
Total liabilities for reportable segments	**(46,423,717)**	(36,347,428)
Other liabilities	**(1,814,736)**	(2,309,212)
Less: inter-company loans	**26,703,559**	18,389,130
Group liabilities	**(21,534,894)**	(20,267,510)

5 Manager's fees

The Company acquired its Manager, Marina Management International, and Investment Advisor, Camper & Nicholsons Marinas International Limited in December 2008. As a result of those acquisitions, there has been no external manager during the year ended 31 December 2009 and therefore no external manager fees have been paid.

Notes to the financial statements

for the year ended 31 December 2009
Continued

6 Other general administration expenses

	Year ended 31 December 2009 €	Year ended 31 December 2008 €
Communications including travel	**362,698**	202,742
Repairs and maintenance	**127,163**	95,005
Security	**96,899**	95,876
Insurance	**267,283**	99,042
Electricity, water and gas	**97,191**	73,378
Printing stationery and postage	**62,675**	47,310
Bank charges	**65,472**	34,354
Bad debt provision/ (write back)	**37,696**	(101,413)
Other	**483,618**	274,443
Total	**1,600,695**	820,737

7 Taxation

7.1 Taxation credit

The Parent Company, Camper & Nicholsons Marina Investments Limited, is a Guernsey Exempt Company and is therefore not subject to taxation on its income under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. An annual exempt fee of £600 has been paid. The Group's tax credit during the year is calculated as shown in the table below:

	Year ended 31 December 2009 €	Year ended 31 December 2008 €
Current tax (credit)/expense		
Tax over-provided in prior periods	**(1,233,370)**	–
Current period	**–**	15,642
Deferred tax		
Movement in temporary differences	**82,234**	(91,163)
Total credit	**(1,151,136)**	(75,521)

7.2 Change in estimate

As part of its operating activities, the Group's operating subsidiary in Malta, Grand Harbour Marina, enters into long-term superyacht berth licensing agreements. On the basis that it was uncertain as to whether such transactions were subject to tax at the rate of 35% on the taxable income for the relevant year or subject to a final withholding tax of 12% on the consideration received, Grand Harbour Marina made provision in its financial statements up to and including the year ended 31 December 2008, for the estimated amount of taxation payable at the rate of 35% on the taxable income for the relevant year.

During December 2009, it has been confirmed with the Inland Revenue in Malta that such transactions which took place on or after 1 November 2005 and which give effect to transfer of rights over immovable property are subject to a final withholding tax of 12% on the consideration received. This results in a reduction in the tax liability of Grand Harbour Marina for the years to 31 December 2008, previously estimated on the basis of taxable income brought to tax at the rate of 35%, of €1,233,370.

7 Taxation – continued

7.3 Reconciliation of taxation credit

A reconciliation between tax expense and the product of accounting profit multiplied by domestic tax rates in the countries of operation for the year ended 31 December 2009 is as follows:

	Year ended 31 December 2009 €	Year ended 31 December 2008 €
Accounting loss before income tax	(5,697,070)	(6,573,278)
Income tax using the country domestic rates	(145,472)	(140,191)
Tax effect of:		
Expenses not deductible for income tax	89,031	150,527
Different tax rates on bank interest received	–	(20,858)
Current tax overprovided in prior periods	(1,233,370)	–
Movement in deductible temporary differences not recognised	428,178	–
Deductible temporary differences arising as a result of change in estimate	(354,502)	–
Adjustment to deferred tax	64,999	(64,999)
Income tax credit for the year	(1,151,136)	(75,521)

Movement in deferred tax on temporary differences during the year:

	Year ended 31 December 2009 €	Year ended 31 December 2008 €
Plant and equipment	1,039,017	–
Excess of depreciation over capital allowances	–	(126,657)
Provision for doubtful debts	21,681	35,494
Tax effect of losses	(978,464)	–
	82,234	(91,163)

8 Earnings per share

Basic earnings per share amounts are calculated by dividing €4,699,139 Group net loss (2008: €6,430,057 Group net loss) for the year attributable to ordinary equity holders of the parent by 54,175,000 (2008: 50,148,292) being the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the above net losses attributable to ordinary equity holders of the parent by 54,675,000 (2008: 50,648,292), 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 19 and 21).

9 Parent Company investments in subsidiaries and joint venture

	Activity	Country of incorporation	% Equity interest
Subsidiaries			
Camper & Nicholsons Marinas (Malta) Ltd	Investment Holding	Malta	100.00
Camper & Nicholsons Caribbean Holdings Ltd	Investment Holding	Bahamas	100.00
Camper & Nicholsons Grenada Ltd	Property Holding	Grenada	100.00
Camper & Nicholsons Grenada Services Ltd	Marina Operator	Grenada	100.00
Grand Harbour Marina plc	Marina Operator	Malta	79.17
Marina Management International Ltd	Investment Management	Malta	100.00
Camper & Nicholsons Marina Holdings Ltd*	Investment Holding	Malta	100.00
Camper & Nicholsons Marinas Investments Ltd*	Investment Holding	Malta	100.00
Camper & Nicholsons Marinas International Ltd	Investment Management	Malta	100.00
Camper & Nicholsons Marinas Ltd	Investment Management	UK	100.00
Joint venture			
IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi	Marina Operator	Turkey	45.00

* These companies, which were effectively dormant, are in the process of being dissolved.

10 Joint venture

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

This investment comprises:

	31 December 2009 €	31 December 2008 €
Payment to acquire equity	**711,900**	711,900
Shareholder loan converted to equity	**207,945**	–
Incidental costs of acquisition	**372,191**	372,191
(Decrease)/increase to fair value	**(975,063)**	401,555
	316,973	1,485,646

The share of the assets, liabilities, income and expenses of the jointly controlled entity at 31 December 2009 and for the year then ended, which are included in the consolidated financial statements, are as follows:

	31 December 2009 €	31 December 2008 €
Current assets	**1,309,559**	130,933
Non-current assets	**1,342,069**	367,665
	2,651,628	498,598
Current liabilities	**(2,297,586)**	(121,287)
Non-current liabilities	**–**	–
	354,042	377,311
Revenue	**–**	4,400
Administrative expenses	**(235,605)**	(170,355)
Finance revenue	**438**	3,230
Finance costs	**–**	(966)
Loss before income tax	**(235,167)**	(163,691)
Income tax expense	**–**	–
Loss after tax	**(235,167)**	(163,691)

11 Business combination

The Group made no acquisitions of companies or businesses during 2009.

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

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

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

The goodwill relating to Marina Management International Limited was impaired fully in the Group's reported results for 2008.

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

Cash flow on acquisition:

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

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for the year ended 31 December 2009
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12 Property, plant and equipment

	Marina development €	Deferred superyacht berth costs €	Equipment and office furniture €	Motor vehicles €	Leasehold property €	Total €
Cost:						
Year ended 31 December 2008						
At 1 January 2008	8,927,529	479,855	175,935	15,739	–	9,599,058
Acquired with subsidiary	–	–	184,166	–	203,172	387,338
Additions	24,798,904	(128)	799,132	32,715	–	25,630,623
Interest capitalised	42,456	–	–	–	–	42,456
Deferred costs	(51,663)	51,663	–	–	–	–
Expensed	(365,263)	–	–	–	–	(365,263)
Disposals	–	–	(15,993)	–	–	(15,993)
As at 31 December 2008	33,351,963	531,390	1,143,240	48,454	203,172	35,278,219
Year ended 31 December 2009						
Additions	**8,673,732**	**925**	**157,747**	**502**	**53,519**	**8,886,425**
Reallocations	**(956,151)**	**–**	**956,151**	**–**	**–**	**–**
Deferred costs	**(925)**	**–**	**–**	**–**	**–**	**(925)**
Expensed	**(6,088)**	**–**	**–**	**–**	**–**	**(6,088)**
As at 31 December 2009	**41,062,531**	**532,315**	**2,257,138**	**48,956**	**256,691**	**44,157,631**
Depreciation:						
Year ended 31 December 2008						
At 1 January 2008	853,223	3,614	97,346	15,739	–	969,922
Adjustment arising on GHM adoption of Euro	(227)	(1)	(27)	(4)	–	(259)
Depreciation charge	698,138	–	183,321	5,764	–	887,223
Disposals	–	–	(12,794)	–	–	(12,794)
As at 31 December 2008	1,551,134	3,613	267,846	21,499	–	1,844,092
Year ended 31 December 2009						
Depreciation charge	**697,771**	**–**	**447,954**	**6,302**	**13,369**	**1,165,396**
As at 31 December 2009	**2,248,905**	**3,613**	**715,800**	**27,801**	**13,369**	**3,009,488**
Net book value:						
As at 31 December 2009	**38,813,626**	**528,702**	**1,541,338**	**21,155**	**243,322**	**41,148,143**
As at 31 December 2008	31,800,829	527,777	875,394	26,955	203,172	33,434,127

13 Goodwill

Goodwill arises from the following acquisitions:

	31 December 2009			31 December 2008
	Acquisition cost €	Group share of fair value of assets/(liabilities) acquired €	Goodwill €	Goodwill €
Grand Harbour Marina plc	**11,167,684**	**1,835,062**	**9,332,622**	9,332,622
IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi	**1,084,091**	**711,900**	**372,191**	372,191
Camper & Nicholsons Marina Holdings	**125,808**	**(1,145,393)**	**1,271,201**	1,271,201
			10,976,014	10,976,014

The Company commissions biannual professional valuations of the marinas in which it has a financial interest and reviews the carrying value of marina related goodwill by reference to those valuations. Valuations of Grand Harbour Marina, Port Louis Marina and Cesme Marina were carried out as at 31 December 2009 by the specialist leisure consultancy team of CB Richard Ellis, the Company's independent property valuer. Having reviewed the valuations, the directors have concluded that no adjustment to the carrying value was necessary at 31 December 2009.

14 Trade and other receivables

	31 December 2009 €	31 December 2008 €
Trade receivables	**289,050**	801,603
Taxation recoverable	**115,665**	162,397
Other receivables	**213,531**	61,820
Prepayments and accrued income	**461,696**	375,066
	1,079,942	1,400,886

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

As at 31 December 2009 the ageing analysis of trade receivables was as follows:

	31 December 2009 €	31 December 2008 €
Neither past due nor impaired	**87,084**	135,445
Past due but not impaired:		
Less than 30 days	**–**	105,736
Between 30 and 60 days	**33,527**	222,089
Between 60 and 90 days	**69,908**	252,014
Between 90 and 120 days	**19,017**	13,479
Greater than 120 days	**79,514**	72,840
Past due and impaired:		
Greater than 120 days	**139,655**	124,711
Less impairment	**(139,655)**	(124,711)
	289,050	801,603

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15 Cash and cash equivalents

	31 December 2009 €	31 December 2008 €
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	**3,489,292**	2,061,083
Short term deposits	**4,899,992**	13,493,979
Scotia Bank collateral deposit	**1,925,588**	5,028,800
	10,314,872	20,583,862

The Scotia Bank deposit of US$2,773,984 (2008: US$7,000,000) is collateral for loans to Camper & Nicholsons Grenada Limited.

16 Trade and other payables

	31 December 2009 €	31 December 2008 €
Trade payables	**323,263**	1,595,873
Other payables	**449,734**	89,970
Accrued expenses	**1,578,150**	1,785,217
Deferred revenue	**423,441**	359,597
	2,774,588	3,830,657

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

17 Interest bearing loans and deposits

	31 December 2009 €	31 December 2008 €
Bank loans	**15,942,894**	12,478,653
Bank overdrafts	**82,861**	59,734
	16,025,755	12,538,387
Other loan	**1,502,000**	1,502,000
Total loans	**17,527,755**	14,040,387
Repayable within one year	**2,976,657**	975,159
Repayable after more than one year	**14,551,098**	13,065,228
	17,527,755	14,040,387

	Interest rate at 31 Dec 2009 %	Interest rate at 31 Dec 2008 %	Year of maturity 2010 €	Year of maturity 2012 €	Year of Maturity 2013 €	Year of Maturity 2016 €	Total €
Bank loan 1	5.25%	5.75%	520,222	–	–	3,260,147	3,780,369
Bank loan 2	3.30%	5.25%	793,699	–	9,788,951	–	10,582,650
Bank loan 3	6.20%	n/a	1,579,875	–	–	–	1,579,875
Bank overdraft	5.00%	5.50%	82,861	–	–	–	82,861
Other loan (see note 24)	3.82%	5.18%	–	1,502,000	–	–	1,502,000
Total			2,976,657	1,502,000	9,788,951	3,260,147	17,527,755

Information on the maturity profiles of the loans is given in note 26.

17 Interest bearing loans and deposits – continued

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

- a first general hypothec for €1,747,030 on overdraft basis and for €3,780,369 (originally for €6,615,420) on loan basis over all GHM assets, present and future; and
- a first special hypothec for €1,747,030 on overdraft basis and for €3,780,369 (originally for €6,615,420) on loan basis on land held by GHM under title of temporary sub-emphyteusis; and
- a pledge over cash balances held with HSBC Bank Malta p.l.c. for €1,500,000; and
- a floating charge over GHM cash balances held with HSBC Bank Malta p.l.c.; and
- other security which does not attach to GHM assets.

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

- First ranking and continuing sum Demand Mortgage Debenture stamped for US$15,000,000 or equivalent charge over the fixed assets, goodwill, and uncalled capital of the borrower and a floating charge over all other assets.

The third bank loan in respect of Cesme is guaranteed by the shareholders as detailed in note 23.

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

18 Non-current liabilities – other payables

The amount of other payables totalling €1,119,644 (2008:€1,117,073) represents deferred consideration and retentions on the initial acquisition of Port Louis Marina.

The amount for Deferred Consideration relates to US$1,500,000 (€1,058,265) payable to Port Louis Land Limited within 3 years from the date of transfer of assets as set out in section 3.2.1.1 of the Master Agreement between Camper & Nicholsons Grenada Limited and Port Louis Land Limited dated December 24, 2007.

Retentions of EC$234,900 (€61,379) relate to the balance of sums retained by Camper & Nicholsons Grenada Limited pursuant to the construction works status statements as set out in the Master Agreement section 3.2.1.2. This is payable to Port Louis Land Limited pending completion of additional works by Port Louis Land Limited set out in the master agreement.

19 Share Capital

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

The share capital is shown in the consolidated Statement of Financial Position 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 21 below).

20 Net asset value per share

The calculation of basic net asset value per share as at 31 December 2009 is based on net assets of €40,934,991 (2008: €45,319,245), divided by the 54,175,000 (2008: 54,175,000) ordinary shares in issue at that date. The calculation of diluted net asset value per share is based on the above figures plus €500,000, being the exercise price of the options, divided by 54,675,000 (2008: 54,675,000) shares that would be in issue post the exercise of the options.

21 Share-based payments

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

22 Non-controlling interest

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

23 Commitments and contingencies

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

By virtue of the other part of the deed of sub-emphyteusis referred to in note 17, Grand Harbour Marina plc, a 79% subsidiary, was assigned the right to develop, construct and install, own, operate, manage, control and promote a marina and ancillary facilities, including the right to grant mooring and berthing rights to third parties under such terms and conditions as it deems fit. Under the terms of a Development and Operations Agreement dated 30 June 2000 entered into with the consortium (the other party to the agreement), Grand Harbour Marina plc is required to pay the consortium a yearly fee equivalent to 10% per annum of revenue, subject to minimum and maximum limits.

Grand Harbour Marina plc has the option to terminate the Development and Operations Agreement during the 29th year from the date of the publication of the deed of sub-emphyteusis by giving the consortium at least 12 months prior written notice. The minimum future rental payments under the lease amount to approximately €6.0 million (2008: €6.1 million) and the maximum to approximately €15.0 million (2008: €15.2 million) as analysed in the table below:

Period	Minimum (€ millions)	Maximum (€ millions)
Within 1 year	0.1	0.3
More than 1 and less than 5	0.9	2.2
More than 5	5.0	12.5
Total	6.0	15.0

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

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

23 Commitments and contingencies – continued

The lease of the water area of Port Louis Marina in Grenada is held by Camper & Nicholsons Grenada Ltd, a 100% subsidiary. The lease is non-cancellable and expires in 2105 with an option to extend for a further 99 years subject to negotiation on expiry of the initial term. The rent payable is based on the total square footage brought into use. Not all the available area has yet been brought into use and may not be during 2010. The future rental payments analysed below assume that the whole area is brought into use:

Period	Rental payments (€ millions)
Within 1 year	0.01
More than 1 and less than 5	0.05
More than 5	1.58
Total	1.64

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

Capital commitments

At 31 December 2009, the Group had contracted capital commitments of approximately €5.1 million (2008: €0.2 million) in respect of the marina works at Grand Harbour Marina, Port Louis Marina and Cesme Marina.

Contingent liabilities

The Company had no contingencies at 31 December 2009 but the Group had the following:

Litigation and claims

At 31 December 2009, a subsidiary was party to claims amounting to €160,084 (2008: €160,084) for contract works carried out by third parties.

While liability is not admitted, if defence against these actions is unsuccessful, the disclosed amounts could become due. The directors do not expect the subsidiary to be found liable and no provision has been made for these claims in the consolidated financial statements.

Guarantees

The Parent Company has provided an unlimited guarantee supported by a US$2.8 million cash deposit (2008: US$7 million) in favour of The Bank of Nova Scotia in support of a loan facility provided to Camper & Nicholsons Grenada Limited.

The Parent Company has deposited €100,000 with HSBC Bank plc in support of a bid bond provided by the bank in connection with a tender for two marina concessions.

The Parent Company acts as a guarantor and sponsor of IC Cesme Marina's repayment obligations under the General Cash and Non-Cash Credit Agreement (the "Bridge Facility") to the extent of 45% of any non-payment (being reflective of its shareholding % in IC Cesme Marina). The Parent Company's liability at 31 December 2009 was €1,579,875.

Grand Harbour Marina plc, a subsidiary, has provided guarantees in respect of a performance bond amounting to €34,941 (2008: €617, 284).

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

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23 Commitments and contingencies – continued

Trade Mark Licence
The Company has an exclusive, perpetual, global licence to use the Camper & Nicholsons brand and related trade marks in connection with marinas and marina related services and is liable to pay a royalty of, generally, 1.5% of the marina related turnover of entities licensed to use the brand and of 1.5% of fees earned from marina related consultancy services provided to third party clients, subject to a minimum annual payment of €125,000 rising annually in line with RPI.

24 Related party transactions

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

24.2 Loan from Maris Marine Limited
As at 31 December 2009, the Company had a loan of €1,502,000 from Maris Marine Limited, a company in which Nicholas Maris has a significant equity interest. The loan is repayable by instalments of €500,000 on 30 June and 31 December, the first such instalment to be paid on 30 June 2011. The Company may, in its discretion, accelerate any or all of the repayments (in whole or in part). The loan is subject to immediate repayment in the event of a sale or on a change of control of the Company. Interest is payable semi-annually on the loan at the rate of 2.5% above Euribor. The loan is secured by a charge in favour of the lender over the shares that the Company or its subsidiary owns in Camper & Nicholsons Marinas International Limited and Marina Management International Limited.

24.3 Accounting services provided to Maris Marine Limited
Maris Marine Limited, a company of which Nicholas Maris is the controlling shareholder, has been charged £13,800 for accounting services by an employee of Camper & Nicholsons Marinas Limited. At 31 December 2009 £1,322 was due to Camper & Nicholsons Marinas Limited and is included in trade debtors.

24.4 Marina database
A subsidiary has incurred costs of €37,020 with Maris Technologies Limited, a subsidiary of Maris Marine Limited, for the development and use of a database. At 31 December 2009 €3,085 was due to Maris Technologies Limited and is included within trade creditors.

24.5 Trade Mark Licence
The royalties due under the Trade Mark licence referred to in note 23 are payable to Camper & Nicholsons (Designs) Limited. Nicholas Maris is a director of Camper & Nicholsons (Designs) Limited, and a potential beneficiary of the Maris Settlement, a trust which ultimately controls Camper & Nicholsons (Designs) Limited. During the year, the Company paid royalties of €134,003 (2008: €nil) and there was nothing outstanding at 31 December 2009 (2008: €nil).

24.6 Administration and support services provided by CL Partners
During the year, CL Partners, of which Sir Christopher Lewinton is a partner, provided administration and support services to Camper & Nicholsons Marinas Limited for which it charged £56,000 (2008: Nil). At 31 December 2009 £8,050 (2008: Nil) was due to CL Partners and is included within trade creditors.

25 Financial risk management objectives and policies

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

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

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 and by conditions and pricing within the markets in which the Group operates. It may also be affected by changes in the political and economic climate in the countries or regions within which the Group's assets are situated.

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

The directors monitor market value by having biannual valuations carried out by CB Richard Ellis.

Credit risk
Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. The nature of the Group's business is such that the amount of credit extended to individual customers is small and there are no significant concentrations of credit risk within the Group.

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

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

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

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

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

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

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

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26 Financial instruments

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

	Carrying amount	
	31 December 2009 €	31 December 2008 €
Trade receivables	**289,050**	801,603
Other receivables	**790,892**	599,283
Cash and cash equivalents	**10,314,872**	20,583,862
	11,394,814	21,984,748

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

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

	Carrying amount	
	31 December 2009 €	31 December 2008 €
Individual	**67,108**	123,733
Legal entities	**295,044**	665,264
Agents	**66,553**	137,317
	428,705	926,314
Amounts provided for	**(139,655)**	(124,711)
Carrying amount	**289,050**	801,603

Information relating to the ageing of receivables at the reporting date and associated impairment is provided in note 14.

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

Financial liabilities

	Carrying amount €	Contractual cash flows €	6 months or less €	6 – 12 months €	1 – 2 years €	2 – 5 years €
31 December 2008						
Secured bank loan	4,272,703	(4,808,135)	(550,000)	(550,000)	(2,200,000)	(1,508,135)
Secured bank loan	8,253,818	(8,253,818)	(47,868)	–	(1,319,794)	(6,886,156)
Bank overdraft	59,734	(59,734)	(59,734)	–	–	–
Loan due to related party	1,502,000	(1,749,502)	(41,241)	(41,241)	(1,151,236)	(515,784)
Accounts payable	1,595,873	(1,595,873)	(1,595,873)	–	–	–
Retentions and deferred consideration	1,191,346	(1,191,346)	–	(74,273)	–	(1,117,073)
	16,875,474	(17,658,408)	(2,294,716)	(665,514)	(4,671,030)	(10,027,148)

26 Financial instruments – continued

Financial liabilities – continued

	Carrying amount €	Contractual cash flows €	6 months or less €	6 – 12 months €	1 – 2 years €	2 – 5 years €
31 December 2009						
Secured bank loan	**3,780,369**	**(4,416,703)**	**(350,000)**	**(350,000)**	**(1,400,000)**	**(2,316,703)**
Secured bank loan	**10,582,650**	**(11,447,524)**	**(432,115)**	**(685,982)**	**(2,658,026)**	**(7,671,401)**
Secured bank loan	**1,579,875**	**(1,694,817)**	**–**	**(1,694,817)**	**–**	**–**
Bank overdraft	**82,861**	**(82,861)**	**(82,861)**	**–**	**–**	**–**
Loan due to related party	**1,502,000**	**(1,616,790)**	**(28,688)**	**(28,688)**	**(1,559,414)**	**–**
Accounts payable	**323,263**	**(323,263)**	**(323,263)**	**–**	**–**	**–**
Retentions and deferred consideration	**1,119,644**	**(1,119,644)**	**–**	**–**	**(1,119,644)**	**–**
	18,970,662	**(20,701,602)**	**(1,216,927)**	**(2,759,487)**	**(6,737,084)**	**(9,988,104)**

The three bank loans at 31 December 2009 are subject to floating interest rates one being based on HSBC Bank Malta p.l.c. Base Rate, one on Libor and one on Euribor. The loan due to the related party is also a floating rate loan based on Euribor.

26.3 Exposure to interest rate risk

The Group is subject to changes in base interest rates as may be announced by the European Central Bank from time to time and to changes in the market rates for LIBOR. Based on the gross value of loans outstanding as at 31 December 2009, an increase of 100 bps on all of the Group's borrowing costs would reduce profit before tax by €175k. Similarly a reduction of 100bps on all of the Group's borrowing costs would increase profit before tax by €175k.

26.4 Exposure to currency risk

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

€000 based on year end exchange rates	31 December 2009	31 December 2008
Cash at bank		
GB Pounds	**62**	329
US Dollars	**2,080**	6,251
EC Dollars	**715**	491
Turkish Lira	**1,183**	10
Trade receivables		
GB Pounds	**5**	18
US Dollars	**–**	283
EC Dollars	**23**	22
Borrowings		
US Dollars	**10,583**	8,206

26 Financial instruments – continued

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

	Average rate		Year end rate	
Currency	**2009**	2008	**2009**	2008
GB Pounds	**1.1224**	1.2584	**1.1270**	1.0499
US Dollars	**0.7170**	0.6836	**0.6942**	0.7184
EC Dollars	**0.2735**	0.2542	**0.2613**	0.2607
Turkish Lira	**0.4636**	0.5254	**0.4621**	0.4667

Sensitivity analysis
A 10% strengthening of the euro against the year end rate for the following currencies at 31 December would have increased/(decreased) equity by the amounts shown whilst a 10% strengthening of the average euro rate during the year would have increased/(decreased) profit or loss by the amounts shown. This analysis assumes that all other variables, in particular interest rates remain constant. The analysis is performed on the same basis for 2008.

	31 December 2009		31 December 2008	
	Equity	**Profit or loss**	Equity	Profit or loss
GB Pounds	**(207)**	**199**	(9)	274
US Dollars	**(1,967)**	**256**	(2,107)	187
Turkish Lira	**(105)**	**21**	(38)	16

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

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

27 Substantial shareholdings

As at 2 March 2010 the Directors had been notified, or were aware, of the following holdings representing more than 3% of the Company's issued share capital:

	% held
Deutsche Bank AG	14.4
Nicholas Maris	10.6
F&C Asset Management plc	9.5
Henderson Global Investors Ltd	8.7
Universities Superannuation Scheme	8.3
UBS Global Asset Management (UK)	8.3
Moore Europe Capital Management LLP	5.8
Sir Christopher Lewinton	3.4
Aerion Fund Management Ltd	3.2

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

28 Post balance sheet events

In January 2010 Grand Harbour Marina issued €12,000,000 bonds, which included the over-allotment option of €2,000,000, bearing an interest rate of 7%, redeemable in 2020 and subject to an early redemption option that may be exercised by Grand Harbour Marina between 2017 and 2020. Grand Harbour Marina used part of the funds to repay its current loan facility of €3,780,369.

By means of an extraordinary resolution dated 10 December 2009, Camper & Nicholsons Marinas International Limited will merge with Marina Management International Limited by acquiring its assets and liabilities in exchange for shares. The effective date of merger and acquisition of the assets and liabilities was 1 January 2010 and the statements of financial position on which the merger was based were those of 31 December 2009.

By means of extraordinary resolutions dated 10 December 2009, two of the Group's dormant Malta subsidiaries, Camper & Nicholsons Marina Holdings Limited and Camper & Nicholsons Marinas Investments Limited, gave notice in accordance with Article 265 (1) of the Malta Companies Act for their dissolution on 31 December 2009 and consequential voluntary winding up. This will have no impact on the Group's financial position.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting will be held at Island House, Grande Rue, St Martins, Guernsey, Channel Islands, Great Britain GY4 6RU on 16 June 2010 at 09.30am for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the Directors and Auditors for the period ended 31 December 2009.

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

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

4. To elect as a director Mr Roger Lewis.

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

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

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

6. To consider any other business of the Company.

By order of the Board

Shaftesbury Limited
Company Secretary

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

Dated this 7 May 2010

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
YACHTING SINCE 1782
MARINAS

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