Camper & Nicholsons Marinas

YACHTING SINCE 1782

Camper & Nicholsons Marina Investments Limited

Unaudited Condensed Consolidated Interim Financial Statements

for the six months ended 30 June 2014

Half Year Report

2014

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Cover Picture: Sani Marina, Greece - a 1782 Club member marina

CHAIRMAN'S STATEMENT

As stated in our 2013 full year report in June this year we completed a successful fundraising to raise £2.4m (£2.28 million net of expenses) through the issue of 24,000,000 new ordinary shares at a price of 10 pence per share, 14.3% above the market price at the time of issue. As a result of the share issue our major shareholder First Eastern Holdings Limited and its majority owned subsidiary, FE Marina Investments Limited (together "First Eastern") own in total 52.4% of the issued share capital and the Directors own 7.8%.

Following completion of the fundraising, the loan agreement amendment was signed with Scotia Bank to re-profile the repayment schedule and remove the US$7.5 million bullet repayment previously due in June 2015. US$1.1 million of the loan will now be paid by June 2015 with the remaining US$6.4 million being reconstituted as a loan with capital repayments spread over the period June 2016 to June 2019 including a final repayment of US$2.9 million at that end date.

Overall trading has improved over the same period last year and during the first half of 2014 the Results have been as follows:

- Group revenues, excluding berth sales (no berth sales in 2013 or 2014) of €3.1 million (2013: €2.9 million). As reported last year in accordance with new accounting standards these figures exclude the revenues of our joint ventures. If the proportionate share of our joint revenues are included Group revenues would have been €4.0 million (2013: €3.8 million)
- Operating expenses of €2.7 million (2013: €2.6 million excluding €0.2 million one-off redundancy costs)
- Operating loss reduced to €0.3 million (2013: €0.4 million loss prior to inclusion of the €0.2 million severance costs)
- Loss before tax reduced to €0.8 million (2013: €1.4 million)
- IC Cesme, our joint venture in Turkey, generated a small profit before tax in the period with higher revenues and tight control of costs and Grand Harbour Marina reduced its loss before tax to less than €0.1 million on sales of €1.6 million (2013: €1.5 million). Port Louis improved loss before tax slightly to €0.3 million (2013: €0.4 million) on sales of €0.8 million (2013: €0.7 million)
- Although the outlook for our Asia Pacific joint venture, CNFE, looks positive, performance in the first half of 2014 has been disappointing with delays in agreeing contractual terms being a significant factor. However under the new accounting standards implemented last year, the Group's share (€0.2 million) of the loss at CNFE in the period has not been consolidated but is carried forward to future periods.
- Cash flow from operating activities was a €0.1 million outflow as compared with an inflow of €0.3 million in 2013. In the first half of last year however we benefitted from €1.0 million inflow being the net impact of the final two installment payments on the GHM berth sale made in December 2012.

In August 2011 Victor Chu, through his investment company, First Eastern, made his first investment in the Company and since that time has given great support to the Company. This culminated in the underwriting of our recent fund raise and resulting in First Eastern owning 52.4% of the Company. During this time the Board has been very pleased with his support of the business and our strategy going forward. As indicated in the fund raising circular issued in June, the Board issued an invitation for Mr Chu to join the Board which he has accepted.

<u>Outlook</u>
2013 saw the slow return of consumer confidence in the yachting sector and recovery from difficult market conditions. We are encouraged that super-yacht sales are now at their highest level since the financial crisis in 2008. With the improving market conditions, continuity of our management team and profitable operating performance we can now focus on generating top line growth.

The Board will be strengthened by the appointment of Mr Chu, Chairman and principal shareholder of First Eastern (Holdings) Limited, our majority shareholder. With the new funds raised we are now in a stronger cash position which, together with the underlying improvement in the operating performance of the business, will enable us to take a measured approach to optimising asset value and a debt reduction programme. The Board believes that we are now well positioned to achieve an increase in shareholder value.

Sir Christopher Lewinton

Chairman

30 September 2014

BUSINESS REVIEW

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

Strategic Development

At the beginning of June we announced our Preliminary results for the year ended 31 December 2013 and our intention to raise £2.4 million gross through an open offer of 24 million new ordinary shares at 10 pence per share, pro rata to existing shareholdings. I would like to thank all shareholders who supported the fund raising, whether through the approval of the necessary whitewash and / or their application for new shares, and especially to First Eastern which fully underwrote the fundraising and is, as a result, now a 52.4% shareholder. The fundraising was approved on the 28 June and the new shares were allotted and listed on AIM on 30 June.

As indicated in the June circular to shareholders the net proceeds of the fundraising have allowed the Company to:

- amend the terms of the Scotia Bank loan to Camper & Nicholsons Grenada Limited ("CNGL"), which was previously repayable as a US$7.5 million bullet repayment in June 2015. This has been reconstituted as a loan with staged repayments of principal through to 2019, at a floating interest rate of 3% over LIBOR with effect from 1 July 2015, representing a likely significant reduction from the existing fixed rate of 5.7%;
- fund the capital expenditure needed to increase the number of marina berths at GHM and Cesme and improve the utilisation of existing water space, as identified in our in depth review of the business;
- support the anticipated increase in working capital to sustain revenue growth within CNFE, the Company's Hong Kong based joint venture; and
- provide general working capital for use across the Company and the Group.

This brings to a close the actions considered necessary to stabilise the operating expenses and to adjust the debt profile to a level commensurate with a normalised trading pattern.

We have however achieved much more as we emerge from this difficult period with a cohesive and self-sustaining strategic plan and a platform to adopt a balanced approach to debt reduction, capital investment and the restoration of shareholder value, through both share price appreciation and, in due course, distributions to shareholders.

Strategic outlook

We are pleased to report that the significant reduction in operating expenses, implemented last year, has been maintained in the first half of the current year and that, following a small increase in revenues year-on-year and an improved contribution from our equity accounted investees, the Group has achieved breakeven EBITDA and a reduction in the loss before tax from €1.4 million loss in 2013 to €0.8 million loss in 2014.

Moreover, this has in no way constricted our continued investment in sales and marketing activities to promote revenue growth in both the owned and managed third party marinas and to support our B2B activities, where we are seeking now to include CNFE, our Asia Pacific joint venture with First Eastern. This commences with the brand refresh, carried out in 2013, being extended to CNFE with the global website launch in Chinese.

We also continue to explore ways to add new revenue streams, such as the '1782 Club', a strategic initiative to extend more effectively the Camper & Nicholsons marina network, which was launched in January 2014 and which has attracted interest from a number of marinas and potential strategic partners.

Accordingly we anticipate that the remainder of the year and 2015 should witness a more expansive phase of our development strategy as we aim to both harvest the latent development potential within our existing portfolio of assets as well as identifying new projects and areas of activity designed to enhance margin growth as the macro-economic environment improves.

First Half Group Financials

	January – June		
€m	2014 H1	2013 H1	2012 H1
Marina operating activities	3.2	3.0	2.9
Marina consultancy fees	0.8	0.8	0.8
Licensing of superyacht berths	-	-	-
Total revenues	4.0	3.8	3.7
Adjustment for joint ventures*	(0.9)	(0.9)	(0.7)
Adjusted Sales Revenues	3.1	2.9	3.0
Cost of Sales	(0.8)	(0.7)	(0.7)
Gross Profit	2.3	2.2	2.3
Operating expenses	(2.3)	(2.2)	(2.7)
Strategic review & transaction/one off costs	-	(0.2)	-
EBITDA	-	(0.2)	(0.4)
Depreciation	(0.4)	(0.4)	(0.4)
Net interest expense	(0.5)	(0.6)	(0.6)
Loss before tax and share of Joint Ventures	(0.9)	(1.2)	(1.4)
Share of profit/(losses) of equity accounted investees	0.1	(0.2)	(0.3)
Group (loss) before tax	(0.8)	(1.4)	(1.7)

* Under the accounting standard IFRS 11, which was applied for the first time in 2013, the Group no longer uses proportional consolidation to include its 45% and 50% shares of the revenues and the costs of Cesme Marina and CNFE respectively in the Statement of Comprehensive Income. Instead the statement includes the Group's share of Cesme and CNFE's after tax profits or losses as a single amount for profits and losses of equity-accounted investees, net of tax.

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

Grand Harbour Marina, Malta

	January – June		
€m	2014 H1	2013 H1	2012 H1
Berth Sales	-	-	-
Marina operating revenues	1.6	1.5	1.3
Total revenues	1.6	1.5	1.3
EBITDA	0.5	0.4	0.3
PBT	-	(0.1)	(0.3)
Capital expenditure	-	-	0.1

Marina operating revenues increased by €0.1 million with all of the increase relating to berthing, supported by improved superyacht visitor revenues towards the end of the period. Revenues from utilities decreased slightly from the 2013 levels which, as reported last year, benefited from high utility consumption by one megayacht. With cost levels being maintained the revenue increase resulted in improved profitability. GHM generated EBITDA of €0.5 million (2013: €0.4 million) and after deducting depreciation and the interest costs relating to the €12 million Bond, GHM achieved a breakeven profit before tax (2013: €0.1 million loss). There were no berth sales generated in either the current period or the equivalent periods in each of the last two years. As reported in the 2013 Annual Report, the Board of GHM, in March 2014, declared a dividend of 8.4 Euro cents per share and CNMIL received €665k being its share of the dividend on 16 April 2014.

Following a review of the water area in the marina some changes have been made to the layout which will improve the overall water utilisation and provide 6 additional berths ranging in size from 20m to 25m.

Market conditions for berth sales remain challenging. However there remain a number of current prospects which are being actively pursued.

Camper & Nicholsons Marinas continued its exclusive headline sponsorship of the Bailli de Suffren, the sailing race for classic yachts which runs between St Tropez and Malta. This year's race, the 13th edition, which attracted 12 entries, started with a quayside blessing by the Curé of Saint-Tropez, and finished with a volley of musket fire over Malta's Grand Harbour Marina. The event concluded with a champagne reception in Mdina and a prize giving dinner at the Malta Maritime Museum.

CNMI continues to hold 79.2% of the shares of Grand Harbour Marina plc ("GHM"), a Maltese listed marina company, with the remainder of the shares being traded on the Malta Stock Exchange. As at 29 September 2014 the market capitalization of GHM was €18.6 million. CBRE Ltd valued GHM (based on a 100% interest) at €22.8 million as at 31 December 2013 and this valuation has not been updated during the period to 30 June 2014. Using the 31 December 2013 valuation and after adjusting for the Group's 79.2% shareholding, other assets and liabilities and losses there is a cumulative positive NAV adjustment of €5.0 million since acquisition.

Cesme Marina, Turkey

For 100% of Marina		**January – June**	
€m	2014 H1	2013 H1	2012 H1
Seaside revenues	1.3	1.1	1.0
Landside revenues	0.7	0.7	0.6
Total revenues	2.0	1.8	1.6
EBITDA	0.8	0.5	0.3
PBT	0.1	(0.2)	(0.5)
Capital expenditure	-	0.1	0.5

The results above demonstrate the continuing progress being made by Cesme Marina and that, with the strong support provided by ourselves and our local joint venture partners IC Holdings Ltd, the marina has generated a profit before tax in the first six months of the year. Seaside revenues continued to grow with 347 berths either let or reserved on annual contracts at the end of June 2014 as compared with 325 at the same time last year. This is a very satisfactory result as 49 boats have not renewed their contracts largely due to boat owners wishing to change location or having sold their boats. Water area utilisation has been reviewed and during the period an additional 6 berths of up to 20 metres in length have been created. Six and two month seasonal contracts have also been popular with an average of 20 boats per month in the marina on seasonal contracts.

In the first six months of the year, the retail village maintained revenues at the same level as in the equivalent period last year in spite of some adverse currency impact from those revenues payable in Turkish Lira as the average €:Turkish Lira rate changed from 2.38 in the comparable period to 2.97 this year. The peak months for landside revenues however are July and August and revenues have increased appreciably in this period before the impact of exchange rates.

In the first half of the year, Cesme generated revenues of €2.0 million (2013: €1.8 million) with all of the increase coming from seaside revenues. As noted above the peak months for the landside are July and August. After deducting direct cost of sales and normal operating costs but before depreciation, Cesme made an operating profit of €0.8 million (2013: €0.5 million). After finance charges and depreciation, Cesme generated a €0.1 million PBT profit as compared with the €0.2 million loss in 2013. Excluding depreciation but including €0.4 million of Government rent, operating expenses were maintained at €1.1 million (2013: €1.1 million).

During the period the marina has hosted successful yacht races and rallies with well attended jazz and pop concerts on the landside. In February the marina collected the prestigious Jack Nicol Award from PIANC (the World Association for Waterborne Transport Infrastructure) for Marina Design Excellence. In May the marina hosted EU Economic Counsellors during their Cesme – Chios tour with a welcome cocktail party in the marina attended by the mayor.

CBRE Ltd valued the Cesme Marina BOT Contract (based on a 100% interest) at €17.7 million as at 31 December 2013 and this valuation has not been updated during the period to 30 June 2014. Using the 31 December 2013 valuation and after adjusting for the Group's 45% shareholding, other assets and liabilities and losses there is a cumulative positive NAV adjustment of €1.8 million since acquisition.

Port Louis Marina, Grenada

€m	January – June 2014 H1	2013 H1	2012 H1
Berth Sales	-	-	-
Marina operating revenues	0.8	0.7	0.9
Total revenues	0.8	0.7	0.9
EBITDA	-	-	0.1
PBT	(0.3)	(0.4)	(0.4)
Capital expenditure	-	-	0.1

Port Louis Marina has managed to increase operating revenues by €0.1 million to €0.8 million (2013: €0.7 million). Revenues in US Dollars increased by around 10% with improvement on both seaside and land revenues but with the weakening of the US Dollar, reported revenues only increased by 6%.

With no berth sales in the current or prior period, the marina generated total revenues of €0.8 million (2013: €0.7 million). With small increases in cost of sales and operating costs, the former relating to higher utility revenues, the marina achieved a breakeven EBITDA result (2013:breakeven). After depreciation and net finance costs the loss before and after tax of €0.3 million shows a €0.1 million improvement on last year.

Port Louis Marina hosted a highly successful New Year party attended by around 1,500 guests. Other activities have included the joint hosting of the Grenada Sailing Week which will return in 2015, berthing for the Spice Island Billfish tournament, a visit by the Oyster Round the World Rally and a three week visit by EOS, the world's largest private sailing yacht. In February it was announced that the Royal Ocean Racing Club had chosen Port Louis as the finish for its Transatlantic Race which will start from Lanzarote at the end of November. The race is expected to involve some of the fastest offshore yachts in the world.

CBRE Ltd valued the Port Louis Marina and reclaimed land for development at US$21.1 million (€15.3 million) at 31 December 2013 and this valuation has not been updated during the period to 30 June 2014. Using the 31 December 2013 valuation adjusted by US$1.5 million for the estimated value of the unused seabed which CBRE did not include in their valuation and after adjusting for other assets and liabilities, losses and exchange impacts there is a cumulative negative NAV adjustment of €0.6 million.

Third Party Marina Service and Consultancy Agreements

€m	January – June 2014	2013	2012
External revenues	0.7	0.8	0.8
Revenues from Owned marinas	0.4	0.4	0.4
Revenues from Parent Company	0.2	0.3	0.3
Total revenues	1.3	1.5	1.5
Cost of Sales	(0.6)	(0.5)	(0.4)
Third Party Business operating costs	(0.8)	(0.8)	(1.0)
One-off redundancy costs	-	(0.2)	-
Third Party Business operating costs - CNFE	(0.2)	(0.2)	(0.2)
EBITDA	(0.3)	(0.2)	(0.1)
CNFE losses not consolidated	0.2	-	-
Adjusted EBITDA	(0.1)	(0.2)	(0.1)

The above figures include the Group's share (50%) of the results of Camper & Nicholsons First Eastern, our Asia Pacific joint venture with First Eastern although as explained above, under the new accounting standard, IFRS 11, the detailed revenues and costs of the joint venture are not shown in the Statement of Comprehensive Income as they are included as part of a total share of profits and losses of equity-accounted investees, net of tax. The Group's share of CNFE's result in the current period was a €0.2 million loss (2013: €0.1 million loss) but as indicated in the table above, under IFRS 11, the share of the 2014 losses has not been consolidated but has been carried forward to offset against future profits. Further information on the Group's share of the results of CNFE is provided in Note 12 to the Financial Statements.

Total revenues in the period decreased to €1.3 million (2013: €1.5 million) with a €0.1 million reduction in revenues from the parent company and a €0.1 million reduction in external revenues resulting from continued deferral of some projects. However we have a strong pipeline of opportunities with clients who have previously been serviced on a consultancy basis which we expect to be associated with Camper & Nicholsons on a longer term basis.

We continued also to provide support to CNFE where, notwithstanding sales revenues in the joint venture have been lower than anticipated due to the extended time periods required to safeguard contractual terms, we have established a solid foundation from which to expand sales in 2015. Furthermore during the last month terms have been agreed for in excess of US$500k of work for the Chinese business of an internationally respected Hong Kong client and for which work is already in progress.

Following the cost reductions implemented in 2013, business operating costs have been maintained at €0.8 million, the same level as in 2013 and €0.2 million below the first half of 2012. Operating costs in the CNFE joint venture have been maintained at the same level as last year with work continuing on building the pipeline of opportunities and completing the contracts won.

We continue to view the long term potential of the Asia Pacific market positively.

Financial Overview

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

Sales of €3.1 million (2013: €2.9 million) during the period, reflected small increases at each of Grand Harbour Marina, Port Louis Marina and in our third party marina services and consultancy business. After direct cost of sales of €0.8 million (2013: €0.7 million) and operating expenses, excluding depreciation, of €2.3 million (2013: €2.4 million, including €0.2 million of one-off redundancy costs) the Group was slightly above breakeven EBITDA (2013: €0.2 million loss). After deducting depreciation of €0.4 million and net interest expenditure of €0.5 million but including the Group's €0.1 million share of the profit at IC Cesme Marina, the loss before tax was €0.8 million (2013: €1.4 million loss) with an after tax figure of €0.9 million (2013: €1.4 million). The loss per share to CNMI shareholders was 0.63c (2013: loss per share of 1.42c).

The consolidated Statement of Financial Position at 30 June 2014 comprised the assets and liabilities of the Company, Grand Harbour Marina plc, Camper & Nicholsons Caribbean Holdings Ltd and Camper & Nicholsons Marinas International Limited and the Group's share of the net assets of IC Cesme and Camper & Nicholsons First Eastern. The non-current assets of €40.4 million (Dec 2013: €40.9 million) comprised the tangible fixed assets employed in the marina businesses, the goodwill arising on the acquisitions, €0.5 million of Malta Government Bonds held as available for sale financial assets, €0.8 million held in a trust fund for the repayment of the unsecured 7% Bond, a deferred tax asset of €0.3 million and the €4.4 million pledged cash deposit relating to Cesme (€3.9 million) and Port Louis (€0.5 million). Current assets included the Company's cash deposits of €2.4 million, held mainly as fixed short term deposits but excluding the pledged cash relating to the Scotia Bank loan, €1.0 million of fundraising proceeds not received until 2nd July 2014, GHM's cash balances of €1.9 million and the other cash balances and trade and other debtors of the majority owned businesses. As at 30 June 2014, the Group had total cash balances of €4.7 million available for use in the business, ie excluding the €4.4 million pledged cash deposits referred to above.

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

Camper & Nicholsons Marina Investments Limited

At 30 June 2014, the Group's net assets on an IFRS basis, amounted to €26.7 million (Dec 2013: €24.9 million). Of this amount, €0.5 million was attributable to the minority shareholders in GHM with €26.2 million (Dec 2013: €24.2 million) attributable to the Company, which equated to 15.82c (Dec 2013: 17.10c) per share on both a basic and diluted basis.

Net Asset Value and Property Valuation

The statutory NAV of the Group on a basic and diluted basis as at 30 June 2014 of 15.82c per share (Dec 2013: 17.10c per share) includes the impact of the new share issue completed on 30 June 2014. In accordance with our statutory accounting policies, which conform to the requirements of International Financial Reporting Standards (IFRS), this figure does not reflect any revaluation of the Company's investments in subsidiaries and joint ventures, such investments being consolidated in the balance sheet at the book value of the Group's share of net assets.

However, in accordance with the Group's stated valuation policy, CBRE Limited prepares valuations of Cesme Marina, Turkey, Grand Harbour Marina, Malta and Port Louis Marina, Grenada on an annual basis. The basis on which these valuations are completed, is explained in the Note at the end of this report. CBRE Ltd's valuations of Cesme, Grand Harbour Marina and Port Louis Marina, completed at 31 December 2013 in accordance with RICS Appraisal and Valuation Standards, were €17.7 million, €22.8 million and US$21.1 million respectively. Using those valuations and adjusting for debt and other liabilities, and the estimated value of the unused seabed at Port Louis, and taking into account the Company's shareholding in Grand Harbour Marina of 79.2%, results in a cumulative NAV increase of €6.2 million equating to an adjusted NAV per share on both a basic and a diluted basis of 19.6c per share.

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

Camper & Nicholsons Marina Investments Ltd

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

	Total (€m)	Per share # (c)
NAV (IFRS)	26.2	15.8
Grand Harbour Marina – cumulative value uplift	5.0	3.0
Cesme Marina, Turkey – cumulative value uplift	1.8	1.1
Port Louis Marina – cumulative value decrease	(0.6)	(0.3)
NAV (Adjusted)	32.4	19.6

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

Note concerning Property Valuations

External valuations of the Group's owned marinas are prepared annually to coincide with the Group's full year results. CBRE Ltd, the Company's property valuer, prepared valuations for Grand Harbour Marina, Malta, Cesme Marina Turkey and Port Louis Marina, Grenada at 31 December 2013. Further information is set out below.

Grand Harbour Marina, Malta
The property was initially valued as at 11 June 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of €23.2 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a sub-Emphyteusis agreement granted June 1999 expiring in 2098. The property was valued again in accordance with the RICS Valuation – Professional Standards (2012) ("the Red Book") at 31 December 2013 in the sum of €22.8 million. We are in receipt of a valuation report as at 31 December 2013.

Cesme Marina, Turkey

The property was initially valued as at 20 April 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, Fifth Edition (Red Book) in the sum of €4.1 million. The property was valued as a fully operational business entity with reference to trading potential. The property is occupied by way of a Build Operate and Transfer agreement expiring after 25 years. On expiry, all interest in the Marina, its fixtures and fittings will revert to the Turkish Government, free of consideration or compensation. The property was valued again in accordance with the RICS Valuation – Professional Standards (2012) ("the Red Book") at 31 December 2013 in the sum of €17.7 million. We are in receipt of a valuation report as at 31 December 2013.

Port Louis Marina, Grenada

The property was initially valued as at 6 December 2007 in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Fifth Edition (Red Book) in the sum of US$27.3 million (€18.7 million). The property and reclaimed land for development was valued in its then current state with reference to trading potential. The property is occupied by way of a 99 year lease from the Government of Grenada which expires in 2105 but is renewable at that time for a further 99 years. The property was valued again in accordance with the RICS Valuation – Professional Standards (2012) ("the Red Book") at 31 December 2013 in the sum of US$21.1 million (€15.3 million). We are in receipt of a valuation report as at 31 December 2013. However as explained in Note13 of the Consolidated Financial Statements for the year ended 31 December 2013, the Directors consider that although the CBRE valuation is around 6% below the current book value they believe that there are signs that more positive market conditions are returning to both the region and the marine market generally and that in the medium term the unused seabed area, for which a value of US$1.5 million was estimated but to which CBRE did not attribute a specific value, and super yacht berths are expected to be meaningful contributors to value.

General Information

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Independent review report to Camper & Nicholsons Marina Investments Limited

Introduction

We have been engaged by Camper & Nicholsons Marina Investments Limited (the "Company") to review the Unaudited Condensed set of Consolidated Interim Financial Statements in the half-yearly financial report for the six months ended 30 June 2014 of the Company together with its subsidiaries (together the "Group") which comprises the Unaudited Condensed Consolidated Statement of Comprehensive Income, Unaudited Condensed Consolidated Statement of Changes in Equity, Unaudited Condensed Consolidated Statement of Financial Position, Unaudited Condensed Consolidated Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Unaudited Condensed set of Consolidated Interim Financial Statements.

This report is made solely to the company in accordance with the terms of our engagement letter dated 24 July 2014. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Condensed set of Consolidated Interim Financial Statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with IAS 34 and the AIM Rules.

KPMG Channel Islands Limited
Guernsey
29 September 2014

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2014

	Note	30-Jun-2014	30-Jun-2013
		€	€
Marina operating activities		2,331,795	2,222,301
Licensing of super yacht berth		-	-
Marina consultancy fees		774,298	713,986
Revenue		3,106,093	2,936,287
Cost of sales		(764,072)	(750,786)
Gross Profit		2,342,021	2,185,501
Directors' fees		84,324	90,972
Wages, salaries and consultancy fees	6	944,601	1,148,929
Audit fees		85,834	62,024
Rent and rates		239,986	232,625
Other general administration expenses	7	670,381	653,742
Legal & professional fees		130,554	91,980
Promotion expenses		186,760	163,089
Depreciation		383,239	381,695
Foreign exchange losses		(17,260)	8,642
Operating expenses		2,708,419	2,833,698
Operating loss		(366,398)	(648,197)
Finance income		68,219	98,836
Finance expense		(610,875)	(638,221)
		(542,656)	(539,385)
Share of profits/(losses) of equity-accounted investees, net of tax		59,345	(196,851)
Loss before tax		(849,709)	(1,384,433)
Taxation	8	(53,953)	(68,156)
Loss for the period from continuing activities		(903,662)	(1,452,589)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Fair value reserve		(3,628)	38,849
Foreign currency translation differences – foreign operations		40,444	87,077
Other comprehensive income/(loss) for the period		36,816	125,926
Total comprehensive loss for the period		(866,846)	(1,326,663)
Profit / (Loss) attributable to:			
Equity shareholders		(895,714)	(1,407,532)
Non-controlling interest		(7,948)	(45,057)
Loss for the period		(903,662)	(1,452,589)
Total comprehensive loss attributable to:			
Equity shareholders		(858,142)	(1,289,698)
Non-controlling interest		(8,704)	(36,965)
Total comprehensive loss for the period		(866,846)	(1,326,663)
Loss per share (Euro cents)			
Basic and diluted, attributable to equity shareholders	9	(0.63)	(1.42)

The accompanying notes on pages 17 to 30 form an integral part of these unaudited condensed interim financial statements**.**

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2014

	Issued Capital €	Retained Earnings €	Fair Value Reserve €	Foreign Exchange Reserve €	Total €	Non-controlling Interests €	Total Equity €
6 months ended 30 June 2013							
At 1 January 2013	54,233,732	(34,449,928)	28,977	2,675,800	22,488,581	924,600	23,413,181
Total comprehensive income for the period							
Loss for the period	-	(1,407,532)	-	-	(1,407,532)	(45,057)	(1,452,589)
Other comprehensive income	-	-	30,757	87,077	117,834	8,092	125,926
Total comprehensive income	-	(1,407,532)	30,757	87,077	(1,289,698)	(36,965)	(1,326,663)
Transactions with owners of the Company Contributions and distributions							
Issue of ordinary shares	4,548,565	-	-	-	4,548,565	-	4,548,565
Dividend paid to non-controlling interest	-	-	-	-	-	(249,935)	(249,935)
Total contributions and distributions	4,548,565	-	-	-	4,548,565	(249,935)	4,298,630
At 30 June 2013	58,782,297	(35,857,460)	59,734	2,762,877	25,747,448	637,700	26,385,148
6 Months Ended 30 June 2014							
At 1 January 2014	58,782,297	(36,888,613)	24,928	2,329,210	24,247,822	653,691	24,901,513
Total comprehensive income for the period							
Loss for the period	-	(895,714)	-	-	(895,714)	(7,948)	(903,662)
Other comprehensive income	-	-	(2,872)	40,444	37,572	(756)	36,816
Total comprehensive income	-	(895,714)	(2,872)	40,444	(858,142)	(8,704)	(866,846)
Transactions with owners of the Company Contributions and distributions							
Issue of ordinary shares	2,838,517	-	-	-	2,838,517	-	2,838,517
Dividend paid to non-controlling interest	-	-	-	-	-	(174,955)	(174,955)
Total contributions and distributions	2,838,517	-	-	-	2,838,517	(174,955)	2,663,562
At 30 June 2014	61,620,814	(37,784,327)	22,056	2,369,654	26,228,197	470,032	26,698,229

The accompanying notes on pages 17 to 30 form an integral part of these unaudited condensed interim financial statements.

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2014

	Notes	30-Jun-2014	31-Dec-2013
		€	€
Non current assets			
Property, plant & equipment	11	23,434,680	23,630,648
Equity accounted investees	12	330,750	271,405
Assets held under Trust	10	755,853	853,860
Cash pledges	14	4,428,578	4,403,964
Available for sale financial assets		526,711	793,002
Deferred tax asset	8	276,906	349,086
Goodwill		10,603,823	10,603,823
		40,357,301	40,905,788
Current assets			
Trade and other receivables		2,926,549	1,561,189
Cash and cash equivalents	15	4,722,285	4,567,010
		7,648,834	6,128,199
TOTAL ASSETS		48,006,135	47,033,987
Current Liabilities			
Trade and other payables		3,233,350	2,896,351
Loans repayable within one year	17	1,897,574	1,741,241
		5,130,924	4,637,592
TOTAL ASSETS LESS CURRENT LIABILITIES		42,875,211	42,396,395
Non current liabilities			
Loans repayable after more than one year	17	4,641,848	5,643,565
Unsecured 7% Bond	16	11,379,640	11,692,797
Other payables		155,494	158,520
		16,176,982	17,494,882
NET ASSETS		26,698,229	24,901,513
Equity attributable to equity shareholders			
Issued capital		61,620,814	58,782,297
Retained loss		(37,784,327)	(36,888,613)
Fair value reserve		22,056	24,928
Foreign exchange reserve		2,369,654	2,329,210
		26,228,197	24,247,822
Non-controlling interest		470,032	653,691
Total equity		26,698,229	24,901,513
Net Assets per share:			
basic, attributable to ordinary equity shares	19	15.82c	17.10c
diluted, attributable to ordinary equity shares	19	15.82c	17.10c

The financial statements on pages 13 to 30 were approved by the Board of Directors on 29 September 2014

Sir C Lewinton, Chairman

Martin Bralsford, Director

The accompanying notes on pages 17 to 30 form an integral part of these unaudited condensed interim financial statements**.**

Camper & Nicholsons Marina Investments Limited
Unaudited Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2014

	30-Jun-2014 €	30-Jun-2013 €
Cash flows from operating activities		
Loss before taxation	(849,709)	(1,384,433)
Adjusted for:		
Finance income	(68,219)	(98,836)
Finance expense	610,875	638,221
Depreciation	383,239	381,695
Share of (profit)/loss of equity accounted investees, net of tax	(59,345)	196,851
Unrealised foreign exchange loss/(gain)	(83,648)	41,572
Realised gain on sale of available for sale financial assets	(12,987)	-
	(79,794)	(224,930)
Decrease/(Increase) in receivables	(339,178)	1,574,888
Increase / (decrease) in payables	291,264	(1,001,500)
Income tax credit / (expense)	44,223	-
Net cash flows from operating activities	(83,485)	348,458
Cash flow from investing activities		
Acquisition of property, plant & equipment	(95,565)	(73,293)
Disposals of property plant and equipment	-	3,461
Loan to equity accounted investee	-	(229,350)
Interest received	68,219	98,836
Increase in pledged cash	(24,614)	(910,061)
Net utilisation of Trust assets to buy back bonds	98,007	-
Proceeds from sale of available for sale financial assets	275,650	-
Net cash flows from investing activities	321,697	(1,110,407)
Cash flows from financing activities		
Proceeds of borrowings	28,372	18,747
Proceeds of new share issue	1,820,353	4,548,565
Repayment of borrowings	(873,504)	(941,221)
Buyback of bonds issued	(365,432)	-
Dividend paid	(174,955)	(249,935)
Interest paid	(601,419)	(645,125)
Net cash flows from financing activities	(166,585)	2,731,031
Net decrease in cash and cash equivalents	71,627	1,969,082
Opening cash and cash equivalents	4,567,010	4,194,301
Effect of exchange rate fluctuations on cash held	83,648	(40,660)
Closing cash and cash equivalents	4,722,285	6,122,723

The accompanying notes on pages 17 to 30 form an integral part of these unaudited condensed interim financial statements**.**

1. Corporate Information

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

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

The Unaudited Condensed Consolidated Interim Financial Statements of the Group and the Group's interest in joint ventures for the 6 months ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 29 September 2014.

2. Basis of preparation

(a) Statement of compliance
The Unaudited Condensed Consolidated Interim Financial Statements of the Group and the Group's interest in joint ventures for the 6 months ended 30 June 2014 have been prepared in accordance with IAS 34: *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2013. This unaudited condensed consolidated interim financial report does not include all of the information required for full financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013.

(b) Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Business Review. The financial position of the Group, its cash balances and borrowings are set out in notes 15, 16 and 17 of the unaudited condensed consolidated interim financial statements. The Group's financial risk management objectives and policies remain unchanged from those set out in note 29 and note 30 of the Group's consolidated financial statements for the year ended 31 December 2013.

Having completed the €2.9 million (€2.8 million net of expenses) fundraising at the end of June 2014 and completed the negotiations with Scotiabank for the re-profiling of the bullet repayment due in 2015 on its loan to a subsidiary company, the Board believes that the Group has adequate resources to continue trading for the foreseeable future and that it is appropriate to adopt the going concern basis for the preparation of these unaudited condensed consolidated financial statements.

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

In preparing these Unaudited Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the accounting policies to the Group and the Group's interest in joint ventures and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

3. Significant Accounting Policies

The accounting policies applied by the Group and the Group's interest in joint ventures in the Unaudited Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2013.

3. Significant Accounting Policies (continued)

(a) Basis of consolidation

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

Subsidiaries being entities controlled by the Group are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

Intra Group transactions. All intra-Group balances, transactions, income and expenses and profits and losses resulting from intra-Group transactions that are recognised in assets, are eliminated in full. As charges to equity accounted investees relate to services provided and are charged to profit and loss as incurred, there will not be any unrealised gains on such transactions.

(b) Measurement of fair values
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

4. Seasonality of operations

Marinas derive their income from several sources of which visitor berthing and related income will produce greater revenues during the summer months and while these seasonally-affected sources are generally relatively small in relation to the overall level of sales they can make an important contribution to profitability. Consultancy revenue is derived from both project work and monthly retainers so although there can be fluctuations from month to month the changes are not seasonal in nature. The timing of long term berth sales, which are neither seasonal by nature nor capable of accurate prediction, can have a more significant impact on the level of both sales and profits. During the 6 months ended 30 June 2014 berth sales revenues totalled €Nil whilst in the same period last year they totalled €Nil.

5. Segmental reporting

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

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

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

5. Segmental reporting (continued)

The results for these two segments for the 6 months ended 30 June 2014 are set out below:-

	Marina Operations	Marina Consultancy	Parent Company	Totals
For the 6 months ended 30 June 2014	€	€	€	€
Revenues from external customers	3,230,806	744,183	17,298	3,992,287
Intersegment revenues	-	556,590	100,217	656,807
Total including Joint ventures	3,230,806	1,300,773	117,515	4,649,094
Exclude Joint Venture impact	(899,011)	(52,751)	-	(951,762)
Total excluding Joint Ventures	2,331,795	1,248,022	117,515	3,697,332
Revenues from external customers	2,331,795	739,703	34,595	3,106,093
Intersegment revenues	-	508,319	82,920	591,239
Interest revenue	48,590	7	19,622	68,219
Interest expense	(610,875)	-	-	(610,875)
Depreciation & amortisation	(354,977)	(28,262)	-	(383,239)
Reportable segment profit/(loss)	(390,872)	(79,777)	(438,405)	(909,054)
Share of losses of equity accounted investees	59,345	(168,790)	-	(109,445)
Equity accounted investee loss not consolidated	-	168,790	-	168,790
Total including equity accounted investees	(331,527)	(79,777)	(438,405)	(849,709)
Expenditures for reportable segment non-current assets	122,169	-	-	122,169
For the 6 months ended 30 June 2013				
Revenues from external customers	3,022,236	796,148	16,750	3,835,134
Intersegment revenues	-	646,976	86,200	733,176
Total including Joint ventures	3,022,236	1,443,124	102,950	4,568,310
Exclude Joint Venture impact	(799,935)	(158,336)	-	(958,271)
Total excluding Joint Ventures	2,222,301	1,284,788	102,950	3,610,039
Revenues from external customers	2,222,301	680,486	33,500	2,936,287
Intersegment revenues	-	604,302	69,450	673,752
Interest revenue	78,970	80	19,786	98,836
Interest expense	(635,709)	-	(2,512)	(638,221)
Depreciation & amortisation	(352,641)	(29,054)	-	(381,695)
Reportable segment profit/(loss)	(455,921)	(186,249)	(545,412)	(1,187,582)
Share of losses of equity accounted investees	(81,061)	(115,790)	-	(196,851)
Total including equity accounted investees	(536,982)	(302,039)	(545,412)	(1,384,433)
Expenditures for reportable segment non-current assets	35,508	29,308	-	64,816

5. Segmental reporting (continued)

	30-June-2014	30-June-2013
Revenues	€	€
Total revenues for reportable segments	3,697,332	3,610,039
Elimination of inter-segment revenues	(591,239)	(673,752)
Group revenues	3,106,093	2,936,287
Profit & loss		
Total profit and loss for reportable segments	(909,054)	(1,187,582)
Share of losses of equity accounted investees	(109,445)	(196,851)
Equity accounted investee loss not consolidated	168,790	-
Group loss before tax	(849,709)	(1,384,433)

Reconciliation of reportable segment assets and liabilities

	Marina Operations	Marina Consultancy	Parent Company	Totals
As at 30 June 2014	€	€	€	€
Assets for reportable segments	41,778,259	2,059,459	39,775,689	83,613,407
Investment in and loan to equity accounted investees	330,750	-	-	330,750
Total	42,109,009	2,059,459	39,775,689	83,944,157
Less: intercompany loans				(33,738,488)
Less: investments in subsidiaries net of goodwill				(2,199,534)
Group total assets				48,006,135
Liabilities for reportable segments	48,690,345	2,136,539	4,219,510	55,046,394
Less: intercompany loans				(33,738,488)
Group total liabilities				21,307,906
Group Net Assets				26,698,229
As at 31 December 2013				
Assets for reportable segments	42,704,646	1,885,397	36,598,484	81,188,527
Investment in equity accounted investees	271,405	-	-	271,405
Total	42,976,051	1,885,397	36,598,484	81,459,932
Less: intercompany loans				(32,226,411)
Less: investments in subsidiaries net of goodwill				(2,199,534)
Group total assets				47,033,987
Liabilities for reportable segments	48,375,213	1,866,578	4,117,094	54,358,885
Less: intercompany loans				(32,226,411)
Group total liabilities				22,132,474
Group Net Assets				24,901,513

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

	30-Jun-2014	30-Jun-2013
	€	€
Marina Operations	378,120	379,593
Marina Consultancy	559,797	598,165
Own work capitalised	(18,316)	(2,823)
	919,601	974,935
One-off cost of severance payments	25,000	173,994
Total	944,601	1,148,929

7. Other General Administration expenses

	30-Jun-2014	30-Jun-2013
	€	€
Communications including travel	96,191	105,585
Repairs & maintenance	72,184	71,394
Security	43,682	48,436
Insurance	89,663	90,603
Electricity, water & gas	78,904	75,390
Printing stationery & postage	13,756	15,920
Bank charges	55,412	30,661
Administration fees	31,590	29,797
Bad debt provision	582	13,086
Bond costs amortisation	27,743	18,747
Royalty fees	81,572	79,169
Other	79,102	74,954
Total	670,381	653,742

8. Taxation

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

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

	30-Jun-2014	30-Jun-2013
	€	€
Deferred tax charge	(72,180)	(68,156)
Income tax credit	18,227	-
Total tax credit/(charge)	(53,953)	(68,156)

The deferred tax charge of €72,180 arises in a subsidiary where management has recognised a charge based on the estimated annual income tax rate being applied to the pre-tax income of the interim period. The deferred tax asset has reduced by the same amount to €276,906 at 30 June 2014 (31 December 2013: €349,086). The income tax credit arises in a subsidiary being interest received following settlement in the second half of 2013 of prior years' tax accounts.

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

9. Earnings per share

Basic earnings per share amounts are calculated by dividing €895,714 Group net loss (2013: €1,407,532 Group net loss) for the period attributable to ordinary equity holders of the parent by 141,916,955 (2013: 98,943,841) being the weighted average number of ordinary shares outstanding during the period. The average number of shares in the current period increased slightly from the 2013 year end figure because of the issue of 24 million new ordinary shares on 30 June 2014.

For the six months ended 30 June 2014 the weighted average number of shares used to calculate the basic and diluted earnings per share is the same because there were no outstanding options.

10. Assets held under Trust

In accordance with the terms of the Trust Deed for Grand Harbour Marina's ("GHM") unsecured 7% Bond, GHM is required to establish a sinking fund to support repayment of the Bond in 2020. During the period, GHM transferred €267,425 to the Trustees which as shown in the table below was used to buy back some of the 7% Bond.

	30-Jun-2014	**31-Dec-2013**
	€	€
Balance at start of period	853,860	-
Transfers to Trustees	267,425	853,860
Buy back of 7% Bond	(365,432)	-
Balance at end of period	755,853	853,860

The nominal value of bonds bought back was €340,900 with total costs and premium paid of €24,532.

11. Property, plant and equipment

	Marina Develop.	**Deferred super yacht berth costs**	**Office furniture & equipment**	**Motor vehicles**	**Leasehold Property**	**Total**
	€	€	€	€	€	€
<u>Cost:</u>						
At 1 January 2014	29,022,723	495,826	1,027,271	51,174	48,543	30,645,537
Additions	121,564	-	605	-	-	122,169
Exchange adj to closing rate	75,040	-	13,057	99	1,950	90,146
As at 30 June 2014	29,219,327	495,826	1,040,933	51,273	50,493	30,857,852
<u>Depreciation:</u>						
At 1 January 2014	6,207,009	5,057	736,430	46,231	20,162	7,014,889
Depreciation charge	323,424	-	52,399	2,471	4,945	383,239
Exchange adj to closing rate	14,597	-	9,416	99	932	25,044
As at 30 June 2014	6,545,030	5,057	798,245	48,801	26,039	7,423,172
Net Book Value						
As at 30 June 2014	22,674,297	490,769	242,688	2,472	24,454	23,434,680
As at 31 December 2013	22,815,714	490,769	290,841	4,943	28,381	23,630,648

12. Equity Accounted Investees

The Group has a 45% interest in IC Cesme Marina Yatirim Turizm ve Isletmeleri Sirketi ("IC Cesme"), a jointly controlled entity which operates a marina in Turkey. As at 30 June 2014 the Group had invested €1.8 million (31 December 2013: €1.8 million) in the equity of IC Cesme.

The company has a 50% interest in Camper & Nicholsons First Eastern Limited ("CNFE"), a jointly controlled entity established during 2011 which is involved in marina management and consultancy in the Asia Pacific region. The company agreed to provide funding of up to US$1.25 million to CNFE over 2 years of which US$0.5 million was to be equity capital with US$0.75 million as shareholder loan. The equity capital was provided in 2011 and a US$0.3 million (€0.229 million) shareholder loan was provided in July 2013.

The share of the assets and liabilities of the jointly controlled entities, reported as equity accounted investees, at 30 June 2014 and at 31 December 2013, which are included in the consolidated financial statements, are as follows:

	30-June-2014			**31-Dec-2013**
	IC Cesme	CNFE	Total	Total
Percentage ownership interest	45%	50%		
	€	€	€	€
Non current assets	13,737,235	16,036	13,753,271	14,071,395
Cash and cash equivalents	830,576	49,318	879,894	1,633,692
Other current assets	1,767,734	266,584	2,034,318	1,534,134
Non-current financial liabilities	(13,935,815)	(439,302)	(14,375,117)	(13,608,040)
Current financial liabilities	(1,088,163)	-	(1,088,163)	(2,395,086)
Other current liabilities	(1,403,659)	(759,012)	(2,162,671)	(1,980,010)
Net assets (100%)	(92,092)	(866,376)	(958,468)	(743,915)
Group's share of net assets	(41,441)	(433,188)	(474,629)	(360,759)
Brought forward losses not consolidated	-	42,443	42,443	24,671
Current year losses not consolidated	-	168,790	168,790	17,772
Goodwill	372,191	-	372,191	372,191
Loan to equity accounted investee	-	219,660	219,660	217,530
Exchange	-	2,295	2,295	-
Carrying amount of interest in joint ventures	330,750	-	330,750	271,405

The income and expenses of the jointly controlled entities for the six months ended 30 June 2014 and 30 June 2013 are shown in the table below. In accordance with IFRS 11 the Group's share of the losses of these joint ventures is included in the Statement of Comprehensive income. As the shareholder loan is considered to be part of the Group's investment cost in CNFE for equity accounting purposes, the current period losses and the unrecognised losses from the prior period are offset against the value of the loan.

12. Equity Accounted Investees (continued)

	30-June-2014			30-Jun-2013
	IC Cesme	CNFE	Total	Total
Percentage ownership interest	45%	50%		
	€	€	€	€
Revenue	1,997,802	80,476	2,078,278	2,061,479
Operating expenses	(1,216,270)	(424,142)	(1,640,412)	(1,701,405)
Depreciation & amortisation	(407,370)	(642)	(408,012)	(441,959)
Finance revenue	20,164	6,728	26,892	10,311
Finance costs	(262,445)	-	(262,445)	(290,798)
Profit/(Loss) and total comprehensive income (100%)	131,881	(337,580)	(205,699)	(362,372)
Profit/(Loss) and total comprehensive income (Group share)	59,345	(168,790)	(109,445)	(172,180)
Prior year losses recognised	-	-	-	(24,671)
Losses not consolidated		168,790	168,790	-
Group's share of loss and total comprehensive income	59,345	-	59,345	(196,851)

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

The bank loan is provided by Isbank to IC Cesme in the form of a Term Facility Agreement ("Term Facility") in the amount of €9,249,386. This loan is repayable in semi-annual instalments which commenced in December 2011. In addition to the Term Facility, Isbank provided a loan in the form of a General Cash and Non-Cash Credit Agreement (the "Subordinated Loan") with a maximum facility of €10 million of which €8.495 million has been drawn down. The Subordinated Loan has been secured against cash pledges by the shareholders and is repayable commensurate with the Term Facility. The Isbank loans are guaranteed by the shareholders as detailed in note 22.

13. Financial Instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts, as at 30 June 2014, in the unaudited condensed consolidated statement of financial position, and as at 31 December 2013 in the consolidated statement of financial position at that date are as follows.

	30-Jun-2014		31-Dec-2013	
€	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets measured at Fair Value				
Assets held under Trust (Note 10)	755,853	755,853	855,740	855,740
Cash pledges	4,428,578	4,428,578	4,403,964	4,403,964
Available for sale financial assets	526,711	526,711	793,002	793,002
Financial assets not measured at Fair Value				
Trade and Other Receivables	2,926,549	2,926,549	1,561,189	1,561,189
Cash and Cash equivalents	4,722,285	4,722,285	4,565,130	4,565,130

13. Financial Instruments (continued)

	30-June 2014		31 Dec 2013	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial liabilities not measured at Fair Value				
Fixed rate borrowings	(5,459,400)	(5,601,067)	(5,438,325)	(5,588,292)
Other Loans and Borrowings	(1,080,022)	(1,080,022)	(1,946,481)	(1,946,481)
Unsecured 7% Bond	(11,379,640)	(11,944,959)	(11,692,797)	(12,155,765)
Trade and Other liabilities	(3,233,350)	(3,233,350)	(2,896,351)	(2,896,351)
Other payables	(155,494)	(155,494)	(158,520)	(158,520)

The assets held in Trust and the Available for sale financial assets both consist of investments in Malta Government Bonds which are quoted and freely traded on the Malta Stock Exchange and are considered to be Level 1 assets in the Fair Value hierarchy. As at 30 June 2014 these assets were re-valued to market value and their Carrying Amount is therefore the same as the Fair Value. The increase in market value of these assets since 31 December 2013 is classified as a Fair Value Reserve in other Comprehensive Income.

The Fixed rate borrowings and the Unsecured 7% Bond are not quoted financial instruments and therefore no market value is available for them. At 30 June 2014, as shown in the table above, the fair value has been based on a calculation of the net present value of the cash flows relating to the loan, being interest and capital payments, using a market interest rate for a similar instrument. The fair value has been categorised as Level 2.

14. Cash pledges

	30-Jun-2014	31-Dec-2013
	€	€
Cash Pledges comprise the following:		
Isbank	3,948,987	3,929,023
Scotia Bank	479,591	474,941
	4,428,578	4,403,964

As detailed in Note 12, the subordinated loan provided by Isbank to IC Cesme is secured against cash pledges made by the IC Cesme Marina shareholders. The Company's interest in IC Cesme Marina was sold to Grand Harbour Marina plc ("GHM") in March 2011. Part of the contractual terms of the sale required GHM to take over the Company's obligations to Isbank. At 30 June 2014 the Group's share of the cash pledge amounted to €3,948,987 (31 December 2013: €3,929,023) including interest added of €111,987 (31 December 2013: €92,023) continued to be held in the Company's name but in line with the terms of the sale agreement, GHM has lodged an equivalent sum with the Company in anticipation of Isbank agreeing to substitute GHM for the Company in relation to the banking arrangements for IC Cesme.

In accordance with the information provided at the time of the fund raising in April 2013, a cash deposit of €0.5 million (US$655k) was placed with Scotiabank to facilitate the removal of the Debt Service Coverage Ratio covenant given to Scotiabank, that would otherwise have been breached on 31 March 2013, and secure a permanent waiver of prior breaches of the covenant. In accordance with the amendment agreement signed with Scotia Bank on 27 June 2014 this cash deposit will be used to pay down part of the outstanding loan from Scotia Bank although this has not been done until after 30 June 2014.

15. Cash & Cash Equivalents

	30-Jun-2014	31-Dec-2013
	€	€
Cash & Cash Equivalents comprise the following:-		
Cash at bank and in hand	3,721,012	1,841,870
Short term deposits	1,001,273	2,725,140
	4,722,285	4,567,010

16. Unsecured Bond Issue

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

As at 30 June 2014 the outstanding balance related to these bonds was €11,379,640 (31 December 2013: €11,692,797) which can be analysed as shown in the table below:

	30-Jun-2014	31-Dec-2013
	€	€
Opening balance	11,692,797	11,654,570
Amortisation of transaction costs	27,743	38,227
Buyback of bonds	(340,900)	-
Balance at period end	11,379,640	11,692,797

As indicated in Note 10 the Trustees utilised some of the cash transferred to the Sinking Fund to purchase in the market some of the Bonds in issue.

17. Interest bearing loans and borrowings

	30-Jun-2014	31-Dec-2013
	€	€
Scotia Bank Loan A	1,078,680	1,945,768
Scotia Bank Loan B	817,552	5,438,325
Scotia Bank Loan C	4,641,848	-
Total Bank Loans	6,538,080	7,384,093
Bank Overdrafts	1,342	713
	6,539,422	7,384,806
Unsecured 7% Bond	11,379,640	11,692,797
	17,919,062	19,077,603
Repayable within one year	1,897,574	1,741,241
Repayable after more than one year	16,021,488	17,336,362
	17,919,062	19,077,603

17. Interest bearing loans and borrowings (continued)

Security and maturity:

	Interest Rate at 30 June 2014	Interest Rate at 31 December 2013	Due within 12 months	Due 1 July 2015 – 31 Dec 2016	Due 2017 & 2018	Due 2019 & 2020	Total
	%	%	€	€	€	€	€
Scotia Bank Loan A	3.23%	3.40%	1,078,680	-	-	-	1,078,680
Scotia Bank Loan B	5.70%	5.70%	817,552	-	-	-	817,552
Scotia Bank Loan C	5.70%	n/a	-	545,940	1,728,810	2,367,098	4,641,848
Bank overdraft	4.85%	5.00%	1,342	-	-	-	1,342
Unsecured 7% Bond	7.00%	7.00%	-	-	-	11,379,640	11,379,640
Total			1,897,574	545,940	1,728,810	13,746,738	17,919,062

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

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

The loan has been shown in three parts as Scotia Bank Loan A, Loan B and Loan C to reflect the different repayment profiles following the amendment to the loan agreement completed in June 2014. Scotia Bank Loan A, originally for US$7,500,000 is repayable in quarterly instalments that commenced at 30 June 2010. The cash deposit of €0.5 million (US$655,000) lodged with Scotiabank during 2013 (see Note 14) will be offset against Loan A for which final payment will now be made in December 2014.

Scotia Bank Loan B originally for US$7,500,000, on which the interest rate was fixed at 5.7% was previously subject to bullet repayment of the full amount in June 2015. The loan has been re-profiled during June 2014 with a partial repayment due by June 2015 with the balance, now Loan C, payable in instalments commencing in June 2016 with the final balance due in June 2019. The interest rate on loan C is fixed at 5.7% until June 2015 at which time it will be amended to a floating rate of Libor+3%.

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

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

Details of the Grand Harbour Marina 7% unsecured bond are given in Note 16.

18. Share Capital

		30 Jun 2014	31 Dec 2013
Ordinary shares of no par value	Unlimited	165,784,358	141,784,358

During the current period the Company raised additional share capital of €2,994,480, €2,838,517 net of costs through a Subscription and Open Offer issuing a total of 24,000,000 new ordinary shares at a price of 10 pence each.

The share capital is shown in the consolidated Statement of Financial Position net of issue costs of €2,882,724 (31 December 2013: €2,726,761).

19. Net asset value per share

The calculation of basic net asset value per share as at 30 June 2014 is based on net assets of €26,228,197 (December 2013: €24,247,822) attributable to the equity shareholders, divided by the 165,784,358 (December 2013: 141,784,358) ordinary shares in issue at that date. At 30 June 2014 the number of shares includes the 24 million new ordinary shares issued on 30 June 2014. As there were no options outstanding at 30 June 2014 the basic and diluted net asset value per share are the same.

20. Subsidiaries and joint ventures

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

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

21. Non-controlling Interest

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

22. Commitments and contingencies

Operating lease commitments – Group as lessee

The Group has entered into the equivalents of commercial leases in respect of certain of the properties it occupies.

The lease of Grand Harbour Marina in Malta is held by Grand Harbour Marina plc ("GHM"), a 79% subsidiary. The lease is non-cancellable and expires in 2098, except that it has a break clause exercisable by the tenant only in 2029. The rent payable is based on turnover but the lease specifies a minimum and maximum level of rent payable in any year. The minimum future rental payments under the lease amount to approximately €5 million and the maximum to approximately €13 million. Further details on the terms of, and background to, the lease of Grand Harbour Marina were included in Note 26 of the Consolidated Financial Statements for the year ended 31 December 2013.

22. 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 2014. The future rental payments under the terms of the lease, assuming that the whole area is brought into use are estimated at €1.7 million.

The Group has three office premises all of which are held under non-cancellable operating leases which range in length between 5 and 25 year with rents reviewable periodically to prevailing market rates. The unexpired periods of these leases at 30 June 2014 were between 0.5 and 16.5 years with total minimum future rentals payable under the three leases amounting to approximately €1.3 million before any subletting revenues. As the Group ceased to occupy one of the offices during 2012, those premises have been sub-let for a period of at least three years at a premium to the rent payable. At the end of May notice was given on the office lease with the shortest unexpired period and in September a five year lease was signed for a London office.

Finance lease commitments – Group as lessor

The Group has granted a number of licences ranging in duration from 25 to 45 years in respect of berths at Grand Harbour Marina and Port Louis Marina. The licence fees payable for the berth are accounted for in the year of sale and consequently there is no future licence fee income. Licensees are required to pay annual service charges to defray the costs of maintenance of the berths. Because all amounts receivable under long term licenses are collected at the outset of the contract, the Group's gross and net investment in finance leases is zero.

Finance lease and hire purchase commitments

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

Trade Mark Licence

The Company has an exclusive, perpetual, global licence to use the Camper & Nicholsons brand and related trademarks in connection with marinas and marina related services and is liable to pay a royalty of, generally, 1.5% of the marina related turnover of entities licensed to use the brand and of 1.5% of fees earned from marina related consultancy services provided.

Capital commitments

At 30 June 2014, the Group had contracted capital commitments of Nil (31 December 2013: Nil)

Contingent liabilities

Neither the Parent Company nor the Group had any contingent liabilities at 30 June 2014 except as disclosed below.

Litigation and claims

There were no changes in contingent liabilities as at 30 June 2014 when compared to those previously reported in the financial statements for the year ended 31 December 2013.

Guarantees

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

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

22. Commitments and contingencies (continued)

had not been completed at 30 June 2014. GHM has indemnified the Company against any loss arising. The Group's potential liability at 30 June 2014 was €6,760,790 (December 2013: €7,005,625).

Grand Harbour Marina plc, a subsidiary, has provided a guarantee in respect of a performance bond amounting to €34,941 (December 2013: €34,941).

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

23. Related party transactions

Directors' Remuneration

During the six months ended 30 June 2014 the contractual level of fees for the five Directors that served throughout the period remained unchanged from that disclosed in the Directors' Report in the 2013 Annual Report. However, Mr Whiley waived his Director fees, which represented a saving of €15,220 (£12,500). Mr Whiley and Mr Bralsford waived their entitlement to fees from Grand Harbour Marina which represented a further saving of €7,332.

For the 6 months ended 30 June 2014, Directors' remuneration of €84,324 (30 June 2013: €90,972) was charged and a payable amount of €Nil (31 December 2013: €Nil) was accrued in the Unaudited Condensed Consolidated Statement of Financial Position.

Administration and support services provided by Y Lee Limited

During the period, Y Lee Limited charged €27,396 (2013: Nil) to Camper & Nicholsons Marinas Limited for providing the services of Clive Whiley as CEO of that business. At 30 June 2014 €Nil (31 December 2013: €Nil) was due to Y Lee Limited.

24. Financial Risk Management

The Group's financial risk management objectives and policies remain unchanged from the prior period. Details of these objectives and policies were included in Note 29 of the Consolidated Financial Statements for the year ended 31 December 2013.

25. Post balance sheet events

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

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