COMPANY ANNOUNCEMENT

**GRAND HARBOUR MARINA P.L.C.**
(THE "**COMPANY**")

Approval of half yearly report

| | |
|---|---|
| **Date of Announcement** | **30 August 2013** |
| **Reference** | **87/2013** |
| **Listing Rule** | **LR 5.16.20** |

**QUOTE**

The Board of Directors approved the half yearly report of the Company for the financial period 1 January 2013 to 30 June 2013, a copy of which is attached hereto and is available for public inspection in electronic form on the Company's website (www.cnmarinas.com).

**UNQUOTE**

Signed:

Louis de Gabriele
Company Secretary

# Grand Harbour Marina p.l.c.

## Half-Yearly Report

## For the six months ended 30 June 2013

Company Registration Number C 26891

# Contents

The Directors are pleased to issue their Report pursuant to the Malta Financial Services Authority Listing Rules 5.81 to 5.84. This report shall be read in conjunction with the Condensed Consolidated Interim Financial Statements of the Group, of which Grand Harbour Marina p.l.c is the parent, for the six months ended 30 June 2013.

**Principal activities**

The principal activities of Grand Harbour Marina p.l.c ("Company") and its 45% interest in a joint arrangement , IC Cesme Marina Yatirim, Turizm ve Isletmeleri Anonim Sirketi ("IC Cesme"), are largely the development, operation and management of marinas. The Company is geared towards providing a high quality service to yachts, with a particular emphasis on super-yachts, which by their very nature, demand high level marina related services. Currently the Company owns Grand Harbour Marina in Malta and a 45% interest in IC Cesme in Turkey. The Marinas are operated and managed in association with the internationally well-known company Camper & Nicholsons Marinas Limited, a company involved in the management and operation of marinas worldwide.

**Review of performance**

***Grand Harbour Marina plc Consolidated***

The Condensed Consolidated Financial Statements as at and for the period ended 30 June 2013 include the results of the wholly owned subsidiary of Maris Marine Limited, which are immaterial, and the 45% beneficial interest of the Company in IC Cesme.

Group revenues of €1.5 million (2012: €1.3 million) are reported in accordance with new accounting standards which result in the revenues of our joint venture being excluded from these headline figures. Prior to the introduction of the new accounting standards implemented this year, Group revenues would have been €2.3 million (2012: €2.0 million).

As reported in the Condensed Consolidated Statement of Comprehensive Income, Group loss before tax for the period ended 30 June 2013, which includes our 45% share of the losses of IC Cesme, improved to €0.1 million (2012: €0.5 million loss).

The Group's share price has traded in a range of €1.82 to €1.98 during the first 8 months of 2013 and the market capitalisation was €19 million as at 30 August 2013.

As from 1 January 2013, as indicated above, the Condensed Consolidated Financial Statements have been prepared using the equity method of accounting as required by IFRS 11 which is a change from prior years, when the 45% beneficial interest in IC Cesme was included using proportionate consolidation. The financial impact of this change is disclosed in note 3.

The equity method requires the recognition of the 45% share in IC Cesme post-acquisition profit/loss together with the initial cost of the investment and the equity reserves of the Company. This is

**Review of performance *(continued)***

***Grand Harbour Marina plc Consolidated (continued)***

disclosed under 'Equity-accounted investee' on the Asset section and under 'Total Equity' on the Equity and Liabilities section of the Condensed Consolidated Statement of Financial Position. As at 30 June 2013, this amounted to a share of cumulative loss post-acquisition of €0.6 million in line with the share of loss as at 31 December 2012.

The corresponding equity method adjustment in the Condensed Consolidated Statement of Comprehensive Income is disclosed under 'Share of loss of equity-accounted investee' and relates to the 45% share in IC Cesme profit/loss for the period being reported. For the period ending 30 June 2013, this amounted to a share of loss of €0.1 million when compared to a share of loss of €0.2 million for the same period last year. All other movements between the current reporting period and their comparatives are solely related to the Company.

***Grand Harbour Marina (Malta)***

Income from pontoon fees and from ancillary services for the 6 months ended 30 June 2013 amounted to €1.5 million (2012: €1.3 million) which was 16% higher than the same period of last year. There were no super yacht berth sales during the period ended 30 June 2013 (2012: €nil)

The Company's operating costs including depreciation for the six months ended 30 June 2013 remained at €1.2 million (2012: €1.2 million). Profit before interest, tax, depreciation and amortisation (EBITDA) for the six months ended 30 June 2013 rose from €0.3 million to €0.4 million.

Net finance costs decreased to €0.3 million (2012: €0.4 million) and mainly relate to the interest costs of the bond issued in February 2010.

Total non-current assets of €14 million comprise tangible fixed assets employed in the marina businesses, the investment in IC Cesme, the pledged amount of €3.8 million (note 7), and the investment of the bond proceeds in Malta Government stocks of €1.7 million at fair value, of which €0.4 million are held in a trust. Non-current assets also include the deferred tax asset of the Company of €0.4 million (note 8) that has been recognised on the basis that it is probable that future taxable profit will allow the deferred tax asset to be recovered as further explained later.

Current assets include trade and other receivables of the marina businesses and other cash balances. Current liabilities are mainly trade related and include deferred revenue of €1 million. Non-current liabilities relate to the unsecured bond of the Company.

Management carried out a reassessment of the Company's deferred tax asset previously recognised and concluded that it continues to be probable that future taxable profit will be sufficient to recover the deferred tax asset. The assessment of the deferred tax position as at 30 June 2013 determined an income tax charge for the period of €68,156. Subsequently, the deferred tax asset as at 30 June 2013 stood at €421,795 as outlined in note 8.

**Review of performance *(continued)***

***Grand Harbour Marina (Malta) (continued)***

Overall, the results of Grand Harbour Marina for the 6 months ended 30 June 2013 show a loss before tax of €0.1 million compared to a loss before tax of €0.3 million in the same period of 2012. After tax, the Company registered a loss of €0.1 million compared to a profit of €0.2 million in 2012.

***IC Cesme Marina (Turkey)***

The performance of IC Cesme in the six months ending 30 June 2013 has once again proved to be better than budgeted. Seaside revenues increased by 13% over the equivalent period in 2012 as berth occupancy and tariffs continued to rise and an improved contribution from lifting and storing yachts ashore. At the end of June 2013, 325 berths were either let or reserved on annual contracts representing a 10 % increase on the level at 30 June 2012. The retail village continued to perform strongly with landside revenues increasing by 4% over the equivalent period in 2012.

During 2013 the marina is hosting a series of ICYC races with 6 Spring Trophy races held in May and early June, 6 Autumn Trophy races scheduled in September and October and 6 Winter Trophy races scheduled in November and December. In July IC Cesme again hosted the Navy Cup Regatta, a traditional Turkish offshore race organised on behalf of the Turkish Navy, by the Turkish Offshore Racing Club. This year's event attracted a total of 62 boats and more than 500 yachtsmen.

In the first half of the year, IC Cesme generated revenues of €1.8 million (2012: €1.6 million) with both the seaside and landside revenues increasing by €0.1 million from 2012 levels. After deducting direct cost of sales and normal operating costs but before depreciation, IC Cesme made an operating profit of €0.5 million (2012: €0.3 million profit). After finance charges and depreciation, IC Cesme reduced its loss to €0.2 million (2012: €0.5 million loss). Excluding depreciation but including €0.4 million of Government rent, operating expenses remained at €1.1 million, the same as in 2012 and 2011.

The Group has early adopted International Financial Reporting Standards 11 ("IFRS 11") *Joint Arrangements* (together with the other mandatory IFRSs that also need to be early adopted). As a result, under IFRS 11, the Group no longer applies the proportionate consolidation to include its 45% share of revenues and costs of IC Cesme marina in the Statement of Comprehensive Income. Instead the group recognises its 45% share, €0.1 million loss (2012: €0.2 million loss) of IC Cesme's after tax loss separately under 'share of loss of equity-accounted investee'.

**Long Term Berth Sales**

Market conditions for berth sales remain challenging with both global economic conditions and competition from non EU locations being contributing factors. However there is a number of current prospects which we continue to pursue.

**Outlook**

During the period both Grand Harbour Marina and IC Cesme have reported improved operational performance, reflecting the Directors' strengthened focus to deliver value to the shareholders. As we move forward we will continue to give priority to increasing revenue whilst maintaining operating expenditure at a sustainable level. We will also continue with our efforts to maximise the return on assets of the Company.

**Board of Directors**

The Board of directors as at 30 June 2013 was:

Mr Lawrence Zammit - Chairman
Mr Franco Azzopardi
Mr David Martin Bralsford
Sir Christopher Lewinton
Mr Roger Lewis
Mr Clive Whiley

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Approved by the Board of Directors on 29 August 2013 and signed on its behalf by:

Lawrence Zammit
Chairman

# Grand Harbour Marina p.l.c.
# Condensed Consolidated Statement of Financial Position
# As at 30 June 2013

| | Notes | **At 30 June 2013** € | At 31 December 2012 Restated* € |
|---|---|---|---|
| **ASSETS** | | | |
| Deferred tax asset | 8 | **421,795** | 489,951 |
| Property, plant and equipment | 9 | **6,358,142** | 6,484,497 |
| Deferred costs | | **490,769** | 490,769 |
| Equity-accounted investee | 11 | **1,540,504** | 1,621,564 |
| Parent company loan ** | 7 | **3,837,000** | 3,445,500 |
| Available-for-sale investments | | **1,238,512** | 1,612,501 |
| Assets held under trust | 12 | **412,838** | – |
| **Non-current assets** | | **14,299,560** | 14,144,782 |
| Trade and other receivables | | **1,060,270** | 2,709,671 |
| Cash and cash equivalents | | **2,396,596** | 3,004,450 |
| **Current assets** | | **3,456,866** | 5,714,121 |
| **Total assets** | 5 | **17,756,426** | 19,858,903 |
| **EQUITY** | | | |
| Total Equity | | **3,411,832** | 4,789,290 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | 13 | **11,673,317** | 11,654,570 |
| **Current liabilities** | | **2,671,277** | 3,415,043 |
| **Total liabilities** | 5 | **14,344,594** | 15,069,613 |
| **Total equity and liabilities** | | **17,756,426** | 19,858,903 |

* See note 3

** The Parent Company loan represents the assumption of the Parent Company’s cash pledge relating to IC Cesme as explained further in note 7.

The notes on pages 9 to 22 are an integral part of these Condensed Consolidated Financial Statements.

# Grand Harbour Marina p.l.c.
# Condensed Consolidated Statement of Comprehensive Income
# For the six months ended 30 June 2013

| | Notes | **1 January 2013 to 30 June 2013** € | 1 January 2012 to 30 June 2012 Restated* € |
|---|---|---|---|
| **CONTINUING OPERATIONS** | | | |
| Revenue | 5 | **1,501,766** | 1,294,828 |
| Personnel expenses | | **(196,200)** | (192,811) |
| Directors' emoluments | | **(18,681)** | (25,711) |
| Depreciation | | **(159,377)** | (173,491) |
| Other operating expenses | | **(852,991)** | (793,418) |
| **Results from operating activities** | | **274,517** | 109,397 |
| Finance income | | **97,381** | 72,850 |
| Finance costs | | **(438,991)** | (445,597) |
| **Net finance costs** | | **(341,610)** | (372,747) |
| **Share of loss of equity-accounted investee** | | **(81,060)** | (219,924) |
| **Loss before income tax** | 5 | **(148,153)** | (483,274) |
| Income tax credit / (expense) | 8 | **(68,156)** | 436,129 |
| **Loss for the period** | | **(216,309)** | (47,145) |
| **Other comprehensive income** | | | |
| Net change in fair value of available-for-sale financial assets | | **38,849** | 3,150 |
| **Other comprehensive income** | | **38,849** | **3,150** |
| **Total comprehensive income for the period** | | **(177,460)** | (43,995) |
| **Loss per share (rounded)** | | **(2 cents)** | (0.5 cents) |

* See note 3

The notes on pages 9 to 22 are an integral part of these Condensed Consolidated Financial Statements.

# Grand Harbour Marina p.l.c.
# Condensed Consolidated Statement of Changes in Equity
# For the six months ended 30 June 2013

| | Share capital | Fair value reserve | Retained earnings | Translation reserve | Total |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| At 1 January 2012 – as previously reported | 2,329,370 | (12,000) | 872,020 | (26) | 3,189,364 |
| Effect of early adoption of IFRS 11* | | | 28,555 | 26 | 28,581 |
| At 1 January 2012 – at restated | 2,329,370 | (12,000) | 900,575 | – | 3,217,945 |
| **Total comprehensive income for the period** | | | | | |
| Loss for the period | – | – | (47,145) | – | (47,145) |
| Other comprehensive income | – | 3,150 | – | – | 3,150 |
| **Restated* balance as at 30 June 2012** | **2,329,370** | **(8,850)** | **853,430** | **–** | **3,173,950** |
| At 1 January 2013 – as previously reported | 2,329,370 | 36,601 | 2,358,478 | (26) | 4,724,423 |
| Effect of early adoption of IFRS 11* | | | 64,841 | 26 | 64,867 |
| At 1 January 2013 – as restated | **2,329,370** | **36,601** | **2,423,319** | **–** | **4,789,290** |
| **Total comprehensive income for the period** | | | | | |
| Loss for the period | **–** | **–** | **(216,309)** | **–** | **(216,309)** |
| Other comprehensive income | **–** | **38,849** | **–** | **–** | **38,849** |
| **Transactions with owners of the company** | | | | | |
| Dividends paid | **–** | **–** | **(1,200,000)** | **–** | **(1,200,000)** |
| **Balance at 30 June 2013** | **2,329,370** | **75,450** | **1,007,012** | **–** | **3,411,832** |

* See note 3

The notes on pages 9 to 22 are an integral part of these Condensed Consolidated Financial Statements.

| | **1 January 2013 to 30 June 2013** | 1 January 2012 to 30 June 2012 Restated* |
|---|---|---|
| | **€** | € |
| **Net cash generated from operating activities** | **1,422,805** | 203,138 |
| **Net cash used in investing activities** | **(390,405)** | (596,748) |
| **Net cash used in financing activities** | **(425,004)** | (405,299) |
| **Dividends paid** | **(1,200,000)** | **-** |
| **Net decrease in cash and cash equivalents** | **(592,604)** | (798,909) |
| Cash and cash equivalents 1 January | **2,989,200** | 2,176,714 |
| **Cash and cash equivalents 30 June** | **2,396,596** | 1,377,805 |

* See note 3

The notes on pages 9 to 22 are an integral part of these Condensed Consolidated Financial Statements.

## 1. Reporting entity

Grand Harbour Marina p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta. The Condensed Consolidated Financial Statements as at and for the six months ended 30 June 2013 comprise the Company and its subsidiary and the Group's interest in its joint arrangement, IC Cesme Marina Yatirim, Turizm ve Isletmeleri Anonim Sirketi ("IC Cesme").

The financial statements of the Company as at and for the year ended 31 December 2012 are available on the Company's website at www.cnmarinas.com/ghm-investor-relations/notifications-publications and also upon request from the Company's registered office at "The Capitanerie", Vittoriosa Wharf, Vittoriosa BRG 1721, Malta.

## 2. Basis of Preparation

### (a) Statement of compliance

The Condensed Consolidated Financial Statements (the "Report") of the Group is being published in terms of Listing Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Listing Rules and EU adopted International Accounting Standard 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 2012. The Report does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2012.

This Report has not been audited nor reviewed by the Company's Independent Auditors.

### (b) Use of estimates and judgements

The preparation of the Report 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 the Report, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2012.

## 3. Significant accounting policies

Except as describe below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2012. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2013.

As a result of the ultimate parent of the Group, namely Camper & Nicholsons Marina Investments Limited ("CNMI"), adopting a number of new standards as from 1 January 2013, the Group has early adopted the following new standards and amendments to standards, including any consequential amendments to other standards:

- IAS 27r *Separate Financial Statements* (2011)
- IAS 28r *Investments in Associates and Joint Ventures* (2011)
- IFRS 10 *Consolidated Financial Statements* (2011) (see (a))
- IFRS 11 *Joint Arrangements* (see (b))
- IFRS 12 *Disclosure of Interests in Other Entities*

IAS 27 (2011), IAS 28 (2011) and IFRS 12 do not have any impact on the figures of the Group. The nature and the effects of the changes brought about by IFRS 10 (2011) and IFRS 11 are further explained below.

### (a) Subsidiaries

As a result of IFRS 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investee. IFRS 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investees and ability to use its power to affect those returns. In particular, IFRS 10 (2011) requires the Group to consolidate the investees that it controls on the basis of *de facto* circumstances.

The Standard addresses specifically the issue of collective control where two or more investors must act together to direct the relevant activities of an investee. In this case if no single investor can direct the activities of an investee without the co-operation of the other investor(s) then no investor controls the investee. The investors then need to consider whether the investee is a joint arrangement, an associate or an investment to which financial instrument accounting applies.

In accordance with the transitional provisions of IFRS 10 (2011), the Group reassessed the control conclusion for its investee at 1 January 2013. The main considerations underlining the nature of the investment of GHM in IC Cesme are as follows:

i) 45% equity owned but 50% of voting rights
ii) Significant decisions have to be made jointly with the local partner in Turkey, IC Holdings, in accordance with the terms of a formal joint venture agreement.

Based on the above, the Directors conclude that the 45% interest held by the Company in the net equity of IC Cesme provides the Company with joint control over IC Cesme.

**3. Significant accounting policies *(continued)***

**(b) Joint arrangements**

As a result of IFRS 11, the Group has changed its accounting policy for its interests in joint arrangements. Under IFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structures of the arrangements, the legal form of any separate vehicle, the contractual terms of the engagements and other factors and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its only joint arrangement and the Directors have concluded that the Company has collective control over IC Cesme and since this business is a separate vehicle it needs to be accounted for as a joint venture using equity accounting. In order to achieve this the prior year results have been restated and the current period figures were prepared showing a single line entry for the joint venture in the Condensed Consolidated Statement of Comprehensive Income and in the Condensed Consolidated Statement of Financial Position.

**(c) Summary of quantitative impact**

The following tables summarise the material impacts resulting from the above changes in accounting policies on the Group's financial position, comprehensive income and cash flows.

As the Group has taken advantage of the transitional provisions of *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (Amendments to IFRS10, IFRS11 and IFRS12)*, the following tables do not include the effect of the changes in accounting policies on the current period:

**3. Significant accounting policies *(continued)***

**(c) Summary of quantitative impact *(continued)***

**Condensed Consolidated Statement of Financial Position**

| **1 January 2012** | | **Effect of changes in accounting policies** | |
|---|---|---|---|
| | **As previously reported** | **Joint venture** | **As restated** |
| | € | € | € |
| **ASSETS** | | | |
| Property, plant and equipment | 15,045,145 | (7,865,580) | 7,179,565 |
| Deferred costs | 546,776 | – | 546,776 |
| Equity-accounted investee | – | 1,751,661 | 1,751,661 |
| Goodwill | 848,799 | (848,799) | – |
| Parent company loan | 2,714,250 | – | 2,714,250 |
| Available-for-sale investments | 1,563,900 | – | 1,563,900 |
| **Non-current assets** | 20,718,870 | (6,962,718) | 13,756,152 |
| Trade and other receivables | 1,450,289 | (271,816) | 1,178,473 |
| Cash and cash equivalents | 2,299,858 | (123,144) | 2,176,714 |
| **Current assets** | 3,750,147 | (394,960) | 3,355,187 |
| **Total assets** | 24,469,017 | (7,357,678) | 17,111,339 |
| **EQUITY** | | | |
| Total equity | 3,189,366 | 28,581 | 3,217,947 |
| **LIABILITIES** | | | |
| Deferred tax liability | 219,559 | (219,559) | – |
| Other non-current liabilities | 17,822,824 | (6,203,800) | 11,619,024 |
| **Non-current liabilities** | 18,042,383 | (6,423,359) | 11,619,024 |
| **Current liabilities** | 3,237,268 | (962,900) | 2,274,368 |
| **Total liabilities** | 21,279,651 | (7,386,259) | 13,893,392 |
| **Total equity and liabilities** | 24,469,017 | (7,357,678) | 17,111,339 |

**3. Significant accounting policies *(continued)***

**(c) Summary of quantitative impact *(continued)***

**Condensed Consolidated Statement of Financial Position**

| 31 December 2012 | | Effect of changes in accounting policies | |
|---|---|---|---|
| | As previously reported | Joint venture | As restated |
| | € | € | € |
| **ASSETS** | | | |
| Deferred tax asset | 489,951 | – | 489,951 |
| Property, plant and equipment | 14,214,100 | (7,729,603) | 6,484,497 |
| Deferred costs | 490,769 | – | 490,769 |
| Equity-accounted investee | – | 1,621,564 | 1,621,564 |
| Goodwill | 848,799 | (848,799) | – |
| Parent company loan | 3,445,500 | – | 3,445,500 |
| Available-for-sale investments | 1,612,501 | – | 1,612,501 |
| **Non-current assets** | 21,101,620 | (6,956,838) | 14,144,782 |
| Trade and other receivables | 3,128,728 | (419,057) | 2,709,671 |
| Cash and cash equivalents | 3,574,863 | (570,413) | 3,004,450 |
| **Current assets** | 6,703,591 | (989,470) | 5,714,121 |
| **Total assets** | 27,805,211 | (7,946,308) | 19,858,903 |
| **EQUITY** | | | |
| Total equity | 4,724,423 | 64,867 | 4,789,290 |
| **LIABILITIES** | | | |
| Deferred tax liability | 210,849 | (210,849) | – |
| Other non-current liabilities | 17,811,197 | (6,156,627) | 11,654,570 |
| **Non-current liabilities** | 18,022,046 | (6,367,476) | 11,654,570 |
| **Current liabilities** | 5,059,102 | (1,644,059) | 3,415,043 |
| **Total liabilities** | 23,081,148 | (8,011,535) | 15,069,613 |
| **Total equity and liabilities** | 27,805,571 | (7,946,668) | 19,858,903 |

**3. Significant accounting policies** ***(continued)***

**(c) Summary of quantitative impact** ***(continued)***

**Condensed Consolidated Statement of Comprehensive Income**

| **For the six months ended 30 June 2012** | | **Effect of changes in accounting policies** | |
|---|---|---|---|
| | **As previously reported** | **Joint venture** | **As restated** |
| | € | € | € |
| Revenue | 2,027,806 | (732,978) | 1,294,828 |
| Personnel expenses | (373,565) | 180,754 | (192,811) |
| Directors' emoluments | (25,711) | – | (25,711) |
| Depreciation | (398,793) | 225,302 | (173,491) |
| Other operating expenses | (1,196,749) | 403,331 | (793,418) |
| **Results from operating activities** | 32,988 | 76,409 | 109,397 |
| Finance income | 74,285 | (1,435) | 72,850 |
| Finance costs | (613,156) | 167,559 | (445,597) |
| **Net finance costs** | (538,871) | 166,124 | (372,747) |
| **Share of loss of equity accounted investee** | – | (219,924) | (219,924) |
| **Loss before income tax** | (505,883) | 22,609 | (483,274) |
| Income tax credit / (expense) | 440,651 | (4,522) | 436,129 |
| **Loss for the period** | (65,232) | 18,087 | (47,145) |
| **Other comprehensive income** | | | |
| Net change in fair value of available-for-sale financial assets | 3,150 | – | 3,150 |
| **Other comprehensive income** | 3,150 | – | 3,150 |
| **Total comprehensive income for the period** | (62,082) | 18,087 | (43,995) |

**3. Significant accounting policies** ***(continued)***

**(c) Summary of quantitative impact** ***(continued)***

**Condensed Consolidated Statement of Cash Flow**

| **For the six months ended 30 June 2012** | | **Effect of changes in accounting policies** | |
|---|---|---|---|
| | **As previously reported** | **Joint venture** | **As restated** |
| | € | € | € |
| Net cash from operating activities | 6,927 | 196,211 | 203,138 |
| Others | 1,608,203 | (433,536) | 1,174,667 |
| **Cash and cash equivalents** | 1,615,130 | (237,325) | 1,377,805 |

**4. Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2012.

**5. Operating Segments**

| | **Grand Harbour Marina** | **IC Cesme Marina** | **Total for Reportable Segments** |
|---|---|---|---|
| | **€** | **€** | **€** |
| **For the six months ending 30 June 2012** | | | |
| External revenues | 1,294,828 | 1,628,840 | 2,923,668 |
| Reportable segment loss before tax | (263,350) | (488,720) | (752,070) |
| **For the six months ending 30 June 2013** | | | |
| External revenues | **1,501,766** | **1,777,633** | **3,279,399** |
| Reportable segment loss before tax | **(67,093)** | **(180,134)** | **(247,227)** |
| **As at 31 December 2012** | | | |
| Reportable segment assets | 20,411,249 | 17,036,918 | 37,448,167 |
| Reportable segment liabilities | (15,069,612) | (17,334,838) | (32,404,450) |
| **As at 30 June 2013** | | | |
| Reportable segment assets | **18,389,833** | **16,929,827** | **35,319,660** |
| Reportable segment liabilities | **(14,344,594)** | **(17,407,880)** | **(31,752,474)** |

**5. Operating Segments *(continued)***

**Reconciliation to Consolidated Amounts**

| | Total for Reportable Segments | Elimination of Joint Venture segment | [N1] |
|---|---|---|---|
| | € | € | € |
| **For the six months ending 30 June 2012** | | | |
| External revenues | 2,923,668 | (1,628,840) | 1,294,828 |
| **For the six months ending 30 June 2013** | | | |
| External revenues | **3,279,399** | **(1,777,633)** | **1,501,766** |

| | 2013 | 2012 |
|---|---|---|
| | € | € |
| **[N1] Consolidated external revenues** | **1,501,766** | 1,294,828 |

| | Total for Reportable Segments | Elimination of Joint Venture's Share | [N2] |
|---|---|---|---|
| | € | € | € |
| **For the six months ending 30 June 2012** | | | |
| Reportable segment loss before tax | (752,070) | 268,796 | (483,274) |
| **For the six months ending 30 June 2013** | | | |
| Reportable segment loss before tax | **(247,227)** | **99,074** | **(148,153)** |

| | 2013 | 2012 |
|---|---|---|
| | € | € |
| **[N2] Consolidated loss before tax** | **(148,153)** | (483,274) |

**5. Operating Segments *(continued)***

**Reconciliation to Consolidated Amounts *(continued)***

| | Total for Reportable Segments | Elimination of Joint Venture's Share | [N3] |
|---|---|---|---|
| | € | € | € |
| **As at 31 December 2012** | | | |
| Reportable segment assets | 37,448,167 | (9,370,305) | 28,077,863 |
| Reportable segment liabilities | (32,404,450) | 9,534,161 | (22,870,289) |
| **As at 30 June 2013** | | | |
| Reportable segment assets | **35,319,660** | **(9,311,405)** | **26,008,255** |
| Reportable segment liabilities | **(31,752,474)** | **9,574,334** | **(22,178,140)** |

| | 30 June 2013 | 30 December 2012 |
|---|---|---|
| | € | € |
| **Assets** | | |
| Total assets for reportable segments | **26,008,255** | 28,077,863 |
| Elimination of assets of joint venture | **(7,618,422)** | (7,666,613) |
| Share of post-acquisition losses of joint venture brought forward | **(552,461)** | (421,907) |
| Share of losses of joint venture for the period | **(81,060)** | (130,554) |
| Share of post-acquisition profit/(loss) of subsidiary brought forward | **114** | (343) |
| Share of profit of subsidiary for the period | - | 457 |
| **[N3] Consolidated assets** | **17,756,426** | 19,858,903 |

**5. Operating Segments *(continued)***

**Reconciliation to Consolidated Amounts *(continued)***

| | 30 June 2013 € | 30 December 2012 € |
|---|---|---|
| **Liabilities** | | |
| Total liabilities for reportable segments | **(22,178,140)** | (22,870,289) |
| Elimination of liabilities of joint venture | **7,833,546** | 7,800,676 |
| **[N3] Consolidated liabilities** | **(14,344,594)** | (15,069,613) |

**6. Seasonality of operations**

The Company and its joint venture derive their income from different types of revenue streams, including annual, seasonal and visitor berthing fees. During the summer months, revenue generation is higher, and while it may be relatively smaller in relation to the overall level of revenue, it makes a significant contribution to the profitability of the Group. The timing of long-term super-yacht berth sales, which are neither seasonal by nature nor capable of accurate prediction, can have a more significant impact on the level of both revenues and net results.

**7. Parent company loan**

Included in the reportable segment liabilities of IC Cesme (note 5) are a term loan of €7,617,141 and a subordinated loan of €8,495,000. The subordinated loan provided by Isbank to IC Cesme is secured by cash pledges made by its shareholders. As at 30 June 2013 Camper & Nicholsons Marina Investments Limited's ("CNMI") cash pledge in relation to the subordinated loan amounted to €3,837,000 (December 2012 : €3,445,500). The Company advanced an equivalent amount in cash to CNMI at an interest rate of 1% per annum.

**8. Taxation**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The charge for income tax for the period ended 30 June 2013 was €68,156 (2012: €24,550) which has been offset against the deferred tax asset as at 31 December 2012. As a result, the deferred tax asset as at 30 June 2013 stood at €421,795 (December 2012: €489,951). Its continued recognition was confirmed on the basis of management's assessment that it is still probable that future taxable income will allow the available capital allowances to be absorbed.

**8. Taxation *(continued)***

The deferred tax asset as at 30 June 2013 therefore comprises:

| | **30 June 2013 €** | 31 December 2012 € |
|---|---|---|
| Grand Harbour Marina plc: | | |
| Deferred tax at 1 January | **489,951** | – |
| Income tax expense based on the annual effective tax rate | **(68,156)** | (24,550) |
| Effect of deferred tax not previously recognised | – | 460,679 |
| Income tax credit for the year | – | 53,822 |
| Deferred tax asset at the end of the period / year | **421,795** | 489,951 |

**9. Plant and equipment**

During the six months ended 30 June 2013 the Group acquired assets at a cost of €118,271 (2012: €319,486).

**10. Capital commitments**

The Group's capital commitments as at 30 June 2013 were €nil (2012: €4,150).

**11. Equity-accounted investee**

As from 1 January 2013, the 45% beneficial interest in IC Cesme is being recognised using the equity method of accounting rather than included using proportionate consolidation. The new method requires the recognition of the investment in IC Cesme at original cost plus the Company's share of post-acquisition profit/loss as follows:

| | **30 June 2013 €** | 31 December 2012 € |
|---|---|---|
| Acquisition of beneficial interest in IC Cesme | **1,930,000** | 1,930,000 |
| Group's share of increase in share capital | **243,796** | 243,796 |
| Share of post-acquisition loss of equity-accounted investee | **(633,292)** | (552,232) |
| | **1,540,504** | 1,621,564 |

## 12. 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 January 2013, GHM transferred Malta Government Bonds that had cost €393,788 to the Trustees and at 30 June 2013 these Bonds had a market value of €412,838. These Bonds were sold by the Trustees in July and generated net proceeds of €417,133.

## 13. Interest bearing borrowings

| | Currency | Nominal interest rate | Year of maturity | **30 June 2013** | 31 December 2012 |
|---|---|---|---|---|---|
| | | % | | **€** | € |
| Unsecured 7% bonds | Euro | 7.00 | 2017-2020 | **11,673,317** | 11,654,570 |
| Bank overdrafts | Euro | 5.00 | on demand | **339** | 15,250 |
| Total | | | | **11,673,656** | 11,669,820 |
| Non-current | | | | **11,673,317** | 11,654,570 |
| Current | | | | **339** | 15,250 |
| | | | | **11,673,656** | 11,669,820 |

## 14. Contingencies

There were no changes in contingent liabilities as at 30 June 2013 when compared to those previously reported in the financial statements for the year ended 31 December 2012.

## 15. Related party transactions

The Group is a subsidiary of Camper & Nicholsons Marina Investments Limited ("CNMI"), the registered office of which is situated at Island House, Grand Rue, St Martins, Guernsey.

### 15.1 Transactions with key management personnel

Other than the directors' compensation amounting to €18,681 (June 2012: €25,711), key management compensation amounted to €62,836 (June 2012: €64,484).

**15. Related party transactions *(continued)***

**15.2 Related party relationships, transactions and balances**

Companies forming part of the CNMI Group are considered by the directors to be related parties as these companies are ultimately owned by CNMI. The transactions and balances with such parties are as follows:

***15.2.1 Camper & Nicholsons Marinas Limited***

| | **30 June 2013 €** | 31 December 2012 € |
|---|---|---|
| As per Marina Services Agreement: | | |
| Balance payable at 1 January | **(250,816)** | (74,280) |
| Transactions incurred during the period | **(142,739)** | (462,821) |
| Cash movements | **350,812** | 286,285 |
| **Balance payable** | **(42,743)** | (250,816) |

***15.2.2 Camper & Nicholsons Marinas International Limited***

| | **30 June 2013 €** | 31 December 2012 € |
|---|---|---|
| Balance receivable at 1 January | **47,382** | 10,616 |
| Transactions incurred during the period | **(8,824)** | (21,420) |
| Cash movements | **(41,442)** | 58,186 |
| **Balance (payable) / receivable** | **(2,884)** | 47,382 |

***15.2.3 Camper & Nicholsons Marinas Investments Limited***

| | **30 June 2013 €** | 31 December 2012 € |
|---|---|---|
| Balance receivable at 1 January | **3,499,245** | 2,735,197 |
| Further cash pledged (note 7) | **391,500** | 731,250 |
| Interest receivable | **18,931** | 32,798 |
| Transactions incurred during the period | **(592)** | – |
| Cash movements | **–** | – |
| **Balance receivable** | **3,909,084** | 3,499,245 |

**15. Related party transactions *(continued)***

**15.2 Related party relationships, transactions and balances *(continued)***

The above balance includes €3,837,000 (December 2012: €3,445,500) receivable from Camper & Nicholsons Marina Investments Limited as described in note 7.

**16. Subsequent events**

There were no material subsequent events between the end of June 2013 and the date of this Report.

**Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority**

I confirm that to the best of my knowledge:

- The Condensed Consolidated Financial Statements prepared in accordance with the EU adopted International Accounting Standard 34 *Interim Financial Reporting*, included in this Report, give a true and fair view of the assets, liabilities and financial position as at 30 June 2013 and loss of the Group for the period ended June 2013; and

- The Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Lawrence Zammit
Chairman
30 August 2013