GRAND HARBOUR MARINA
VITTORIOSA MALTA

Grand Harbour Marina p.l.c.

Annual Report 2009

Company Registration Number: C 26891

Grand Harbour Marina p.l.c.

Annual Report 2009

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VITTORIOSA * MALTA

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Chairman's Statement

For the Year Ended 31 December 2009

Financial results

The objective of the Board of Directors during 2009 was to strengthen the fundamentals of the business in the light of the severe international recession. The board sought to increase revenue and continue to contain costs. We are pleased to announce that this has been achieved as total revenue excluding berth sales increased from €1,478,512 for 2008 to €2,053,407 for 2009. This increase in revenue is attributable to an increase in tariffs, increased occupancy, pontoon fees and ancillary revenue.

Berth sales have been negatively impacted by the economic environment and none were registered in 2009, but we are beginning to see evidence of clients willingness to commit to berth acquisitions.

Operating costs for 2009 were €1,900,805 compared to €2,403,746 for 2008. This has resulted in an increase in earnings before interest, tax, depreciation and amortisation of 64% from €93,241 to €152,602. During December 2009, it has been confirmed with the Inland Revenue that long-term super-yacht berth licensing agreements which took place on or after 1 November 2005 and which give effect to transfer of rights over immovable property are subject to a final withholding tax of 12% on the consideration received. This results in a reduction in the tax liability of Grand Harbour Marina p.l.c. ("GHM", the "Company") for the years to 31 December 2008, previously estimated on the basis of taxable income brought to tax at the rate of 35%, of €1,233,367.

The decrease in total assets to €11,175,188 at 31 December 2009 from 31 December 2008, €11,867,771, is mainly related to decrease in cash and cash equivalents, trade receivables and depreciation. The decrease in total liabilities to €5,788,302 at 31 December 2009 from 31 December 2008, €7,304,098, is mainly related to the decrease in the bank loan and company tax. As a result the value of net assets as at 31 December 2009 has increased by €823,213.

Operating performance

The Marina as presently configured, has 197 pontoon berths for yachts up to 25 metres in length and 33 berths for yachts between 30 and 100 metres in length. It is operated from a Capitainerie which offers high quality facilities for berth holders. Our clients constitute a mix of yachts owned by Maltese citizens and residents, foreign visiting and berth holding yachts and foreign super-yachts.

Our pontoon berths have remained at full occupancy, and the waiting list of clients seeking berths has been maintained. Our berth rental pricing was increased once more in 2009. Berthing rates in Malta remain materially below those of similar marinas in other EU countries.

During 2009, GHM also managed a number of berths located in Dockyard Creek on behalf of the Malta Maritime Authority.

Sales and marketing

GHM was once again represented at the Camper & Nicholsons stands at the Monaco, Dusseldorf and Fort Lauderdale boat shows with attendance at the Genoa and Antibes Charter Boat Shows. We also carried out a very intensive programme of one-to-one meetings with leading yacht brokers, managers, shipyards and professional intermediaries, apart from potential clients.

This strong presence in the market has not only helped us grow our business but has also made it possible for GHM to continue making a significant contribution to Malta's image in the international yachting sector.

Relationship with Camper & Nicholsons

GHM has continued to benefit from the management role of Camper & Nicholsons ("C&N"), whose parent company, Camper & Nicholsons Marina Investments Limited, is also a 79% shareholder in the Company. The marina management agreement between the Company and Camper & Nicholsons Marina Investments Limited has remained in operation during 2009.

In terms of this agreement, Camper & Nicholsons provides recruitment services, project management services commissioning, operational services, sales and marketing, branding and marina auditing.

The fourteen full time employees of the Company have today embraced the operating standards of C&N which help us to ensure that the Marina retains its status as one of the premium marinas in the Mediterranean. Through the management information system developed by C&N, we have been able to retain a high level of operating efficiency.

Bond issue

In January 2010 the Company issued €12,000,000 of bonds, including an over-allotment option of €2,000,000, bearing an interest rate at 7%, redeemable in 2020 and subject to an early redemption option that may be exercised by the Company between 2017 and 2020.

Our intentions in issuing the bond are in line with those communicated at the time of our Initial Public Offer in 2007. During February 2010 we exercised our option and prepaid our loan facility to HSBC Bank p.l.c. and we shall be considering further waterside and landside investments within the Marina itself and within Malta as well as considering options to co-invest with Camper & Nicholsons in existing and new investment marinas outside of Malta with a focus on the Mediterranean.

Corporate social responsibility

The Company has maintained its commitment to the community in Cottonera during 2009. We have continued to work with the Local Councils in the upkeep of the location such that this part of the Grand Harbour remains an attraction for both Maltese and tourists. We have once again sponsored the Vittoriosa Football Nursery.

During last year we also worked with Inspire/Eden Foundation and the Jubilee Sailing Trust from the UK in placing disabled individuals from Malta on board their ship Tenacious for a voyage from Malta. The Company made available to Maltese individuals 6 berths free of charge on trips held out of Malta.

GHM was proud to host the Rolex Middle Sea Race once again, which brought a truly world class fleet of seventy yachts.

Outlook

The global economic climate continued to exert a negative impact on our activity, especially in the area of berth sales, even if there still exists a shortage of berths when compared to demand. This is why we will continue to strive to make the Company profitable before taking into account berth sales. We shall continue seeking windows of opportunity presented by the current scenario such that we render more value to the Company's shareholders in the coming years.

Tabled at the Board of Directors' Meeting held on 12 April 2010.

Lawrence Zammit
Chairman

Grand Harbour Marina p.l.c.

Directors' Report

For the Year Ended 31 December 2009

The directors' present their report of Grand Harbour Marina p.l.c. (the "Company") for the year ended 31 December 2009.

Board of directors

Lawrence Zammit (Chairman)
Nicholas Maris
Trevor Charles Ash
John Mulock Hignett
Roger St John Hulton Lewis

Principal activities

The principal activities of the Company 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 operates only one marina, the Grand Harbour Marina. The Marina is operated and managed in association with the internationally well-known company Camper & Nicholsons Marinas Limited, a company largely involved in the management and operation of marinas worldwide.

The principal activity of the Company is therefore to seek prospective customers to berth their vessels within its facilities at the Grand Harbour Marina in Vittoriosa, Malta, and to service its existing customers by providing the high quality service required by both yacht owners and their crews.

Review of business development and financial position

The Chairman's statement on pages 1 to 3 reviews the business of the Company for the year. The results of its operations are set out in the statement of comprehensive income.

The financial position at 31 December 2009, as disclosed in the statement of financial position as at this date, reflects a healthy state of affairs.

Business risks and uncertainties

The Company is exposed, to a certain extent, to the risks associated with the trends and future outlook of the industry as a whole. In addition, there may be matters, outside the control of the Company which may have a negative impact on the development of the marina, namely, the development of the surrounding areas. This, in turn, may adversely affect the Company's growth potential.

Dividend

The directors are recommending the payment of a dividend amounting to €750,000.

Reserves

The movements on reserves are as set out in the statement of changes in equity.

Disclosure in terms of the Listing Rules

Pursuant to Listing Rule 9.43

Share capital structure

The Company's authorised and issued share capital is two million three hundred and twenty nine thousand three hundred and seventy euro (€2,329,370) divided into ten million ordinary shares of €0.232937 per share. All of the issued shares of the Company form part of one class of ordinary shares in the Company, which shares are listed on the Malta Stock Exchange. All shares in the Company have the same rights and entitlements and rank *pari passu* between themselves. The following are highlights of the rights attaching to the shares:

Dividends: The shares carry the right to participate in any distribution of dividend declared by the Company;

Voting rights: Each share shall be entitled to one vote at meetings of shareholders;

Pre-emption rights: Subject to the limitations contained in the memorandum and articles of association, shareholders in the Company shall be entitled, in accordance with the provisions of the Company's memorandum and articles of association, to be offered any new shares to be issued by the Company a right to subscribe for such shares in proportion to their then current shareholding, before such shares are offered to the public or to any person not being a shareholder;

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Directors' Report (continued)

For the Year Ended 31 December 2009

Disclosure in terms of the Listing Rules (continued)

Pursuant to Listing Rule 9.43

Capital distributions:	The shares carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise;
Transferability:	The shares are freely transferable in accordance with the rules and regulations of the Malta Stock Exchange, applicable from time to time;
Other:	The shares are not redeemable and not convertible into any other form of security;
Mandatory takeover bids:	Chapter 18 of the Listing Rules, implementing the relevant Squeeze-Out and Sell-Out Rules provisions of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004, regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids, squeeze-out rules and sell-out rules. The shareholders of the Company may be protected by the said Listing Rules in the event that the Company is subject to a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website of the Listing Authority - www.mfsa.com.mt

Holdings in excess of 5% of the share capital

On the basis of the information available to the Company as at the 31 December 2009 and 12 April 2010, Camper & Nicholsons Marina Investments Limited holds 7,917,209 shares in the Company, equivalent to 79.17% of its total issued share capital. As far as the Company is aware, no persons hold any indirect shareholding in excess of 5% of its total issued share capital.

Disclosure in terms of the Listing Rules (continued)

Pursuant to Listing Rule 9.43

Appointment and replacement of Directors

In terms of the memorandum and articles of association of the Company, the directors of the Company shall be appointed by the shareholders in the annual general meeting as follows:

(a) Any shareholder/s who in the aggregate hold not less than 100,000 shares having voting rights in the Company shall be entitled to nominate a fit and proper person for appointment as a director of the Company. The directors themselves or a committee appointed for that purpose may make recommendations and nominations to the shareholders for the appointment of directors at the next following annual general meeting.

(b) The shareholders are granted a period of 14 days to nominate candidates for the appointment as directors. Such notice may be given by the publication of an advertisement in at least two (2) daily newspapers. All such nominations, including the candidates acceptance to be nominated as director, shall on pain of nullity, be made on the form to be prescribed by the directors from time to time and shall reach the registered office (or such other place determined by the directors) not later than fourteen (14) days after the publication of the said notice (the "Submission Date"). Provided that the Submission Date shall not be less than fourteen (14) days prior to the date of the meeting appointed for such election. Nominations to be made by the Directors or any sub-committee of the Directors appointed for that purpose shall also be made by not later than the date established for the closure of nominations to shareholders.

(c) In the event that there are either less nominations than there are vacancies on the board or if there are as many nominations made as there are vacancies on the Board, then each person so nominated shall be automatically appointed a director.

(d) In the event that there are more nominations made, then an election shall take place. After the date established as the closing date for nominations to be received by the Company for persons to be appointed directors, the directors shall draw the names of each candidate by lot and place each name in a list in the order in which they were drawn. The list shall be signed by the Chairman and the Company Secretary for verification purposes.

(e) On the notice calling the annual general meeting at which an election of directors is to take place there shall be proposed one resolution for the appointment of each candidate in the order in which the names were drawn, so that there shall be as many resolutions as there are candidates. The Directors shall further ensure that any Member may vote for each candidate by proxy.

Disclosure in terms of the Listing Rules (continued)

Pursuant to Listing Rule 9.43

Appointment and replacement of Directors (continued)

(f) At the general meeting at which the election of directors is to take place the Chairman shall propose the name of each candidate as a separate resolution and the shareholders shall take a separate vote for each candidate. The shareholders shall first be asked to vote by a show of hands and if a poll is validly called in accordance with the provisions of these Articles a poll shall be conducted. Each shareholder shall be entitled, in the event of a poll, to use all or part only of his votes on a particular candidate.

(g) Upon a resolution being carried, whether by a show hands or by a poll, the candidate proposed by virtue of that resolution shall be considered elected and appointed a Director. No further voting shall take place once enough resolutions have been passed to ensure that all vacancies on the Board have been filled, even if there are still candidates with respect to whom a resolution has not yet been called.

(h) Shareholders may vote in favour or against the resolution for the appointment of a director in any election, and a resolution shall be considered carried if it receives the assent of more than fifty per cent (50%) of the shareholders present and voting at the meeting.

(i) Unless a shareholder demands that a vote be taken in respect of all or any one or more of the nominees, in the event that there are as many nominations as there are vacancies or less, no voting will take place and the nominees will be deemed appointed directors.

(j) Subject to the above, any vacancy among the directors may be filled by the co-option of another person to fill such vacancy. Such co-option shall be made by the board of directors and shall be valid until the conclusion of the next annual general meeting.

Amendment to the Articles of Association

In terms of the Companies Act, 1995 (Chapter 386, Laws of Malta), the Company may by extraordinary resolution at a general meeting alter or add to its memorandum or articles of association. An extraordinary resolution is one where:

(a) it has been taken at a general meeting of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principle purpose thereof has been duly given;

(b) it has been passed by a shareholder or shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy five per cent (75%) in nominal value of the shares issued by the Company represented and entitled to vote at the meeting and at least fifty one per cent (51%) in nominal value of all the shares issued by the Company and entitled to vote at the meeting.

Disclosure in terms of the Listing Rules (continued)

Pursuant to Listing Rule 9.43

Amendment to the Articles of Association (continued)

Provided that, if one of the aforesaid majorities is obtained but not both, another meeting shall be convened within thirty (30) days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a shareholder or shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy five per cent (75%) in nominal value of the shares issued by the Company represented and entitled to vote at the meeting. However, if more than half in nominal value of all the shares issued by the Company having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such shares so represented shall suffice.

Board members' powers

The Directors are vested with the management of the Company, and their powers of management and administration emanate directly from the memorandum and articles of association and the law. The Directors are empowered to act on behalf of the Company and in this respect have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of the memorandum and articles of association they may do all such things that are not by the memorandum and articles of association reserved for the Company in general meeting.

In particular, the Directors are authorised to issue shares in the Company with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors may from time to time determine, as long as such issue of Equity Securities falls within the authorised share capital of the Company. Unless the shareholders otherwise approve in a general meeting, the Company shall not in issuing and allotting new shares:

(a) allot any of them on any terms to any person unless an offer has first been made to each existing shareholder to allot to him at least on the same terms, a proportion of the new shares which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate shares in issue in the Company immediately prior to the new issue of shares; and

(b) allot any of them to any person upon the expiration of any offer made to existing shareholders in terms of a) above. Any such shares not subscribed for by the existing shareholders may be offered for subscription to the general public under the same or other conditions which however cannot be more favourable to the public than offer made under (a).

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Directors' Report (continued)

For the Year Ended 31 December 2009

Disclosure in terms of the Listing Rules (continued)

Pursuant to Listing Rule 9.43

Board members' powers (continued)

Furthermore, the Company may, subject to such restrictions, limitations and conditions contained in the Companies Act, 1995 (Chapter 386, Laws of Malta), acquire its own shares.

Save as otherwise disclosed herein, the provisions of Listing Rules 9.43.2, 9.43.4 to 9.43.7, 9.43.10 and 9.43.11 are not applicable to the Company.

Approved by the Board of Directors on 12 April 2010 and signed on its behalf by:

Lawrence Zammit Chairman	Nicholas Maris Director

Registered Office

Vittoriosa Wharf
Vittoriosa
Malta

Grand Harbour Marina p.l.c.

Statement by the Directors on the Financial Statements and Other Information included in the Annual Report

Pursuant to Listing Rule 9.44c.1, we, the undersigned, declare that to the best of our knowledge, the financial statements included in the Annual Report, and prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company, and that this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the Board of Directors on 12 April 2010 by:

Lawrence Zammit
Chairman

Nicholas Maris
Director

Grand Harbour Marina p.l.c.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance

Introduction

Pursuant to Listing Rules 8.36 to 8.38[1] issued by the Listing Authority, Grand Harbour Marina p.l.c. (the "Company") is hereby reporting on the extent of its adoption of the "Code of the Principles of Good Corporate Governance" (hereinafter the "Code") appended to the said Listing Rules with respect to the period under review.

Compliance with the Code

The Company acknowledges that the Code does not dictate or prescribe mandatory rules but recommends principles of good practice. However, the directors strongly believe that such practices are in the best interests of the Company and its shareholders and that compliance with principles of good corporate governance is not only expected by investors but also evidences the directors' and the Company's commitment to a high standard of governance.

The Company currently has a corporate decision-making and supervisory structure that is tailored to suit the Company's requirements and designed to ensure the existence of adequate checks and balances within the Company, whilst retaining an element of flexibility, particularly in view of the size of the Company and the nature of its business. This structure is characterised by the structure of the Company's board of directors (the "Board"), which is solely composed of non-executive directors.

The Board set up an audit committee, currently composed of Mr Lawrence Zammit (non-executive director and Chairman), Mr Trevor Ash (non-executive director) and Mr John Hignett (non-executive director). During 2009, the audit committee met four times. Furthermore, the Board consider that Mr John Hignett and Mr Lawrence Zammit to be independent for the purpose of the Listing Rules. The Board considers Mr John Hignett to be competent in accounting and/or auditing on the basis of Mr Hignett's qualification as a chartered accountant as well as his professional experience in the banking and finance industry. Mr Hignett occupied the post of Chartered Account with Deloitte, Corporate Finance and Managing Director of Lazard Brothers and Finance Director of Glaxo Holdings.

The general manager and financial controller of the Company attend meetings of the Board as and when requested. The Board is responsible for setting the business strategy and overall corporate governance of the Company. The attendance of the general manager during Board meetings is designed to ensure that all the directors have direct access to the day-to-day management of the Company's business. This is intended to, *inter alia,* ensure that the policies and strategies adopted by the Board are successfully implemented by the Company.

Mr Lawrence Zammit was appointed Chairman of the Company with effect from the 10 December 2008. The Chairman sets out the agenda for each board meeting and leads the Board. The Company is of the view that the recommendations pertinent to the Chairman were successfully implemented during the period under review.

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[1] The reference to Listing Rules 8.36 to 8.38 is a reference to such Listing Rules prior to their amendment in 2010, which amendments do not apply to the Annual Report of the Company for the financial year ended 31 December 2009.

Compliance with the Code (continued)

The Directors believe that certain other committees or boards that are suggested in the Code are not necessarily required by the Company, namely the remuneration committee and evaluation committee. In terms of the Code, the primary role of a Remuneration Committee is to devise the appropriate packages intended to attract, retain and motivate executive directors. The Board is of the view that the composition of the Board and the size of the Company, a separate remuneration committee is not required.

To comply with the requirements of the Code in respect of the disclosure of Directors' remuneration, the Board has opted to disclose an aggregate figure. For the financial year under review the aggregate remuneration of all directors of the Company amounted to €44,984.

In general the Directors believe that, in the context of its size and nature of its business, the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of checks and balances in line with the Company's requirements.

Board of Directors

Pursuant to generally accepted practices, as well as the Company's articles of association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders.

As stated above, the Board of Directors currently comprises five non-executive directors elected by the shareholders in general meeting (Mr Lawrence Zammit, Chairman and non-executive director is considered to be independent for the purposes of the Code). For the period under review the Board has implemented its policy to meet at least once every quarter. As a matter of practice, each board meeting to be held throughout the year is scheduled well in advance. Board meetings concentrate mainly on strategy, operational performance and financial performance of the Company. The Board also delegates specific responsibilities to the management team of the Company and the Audit Committee, which operates under its formal terms of reference.

Members	**No of Meetings held: 8** **Attended**
Lawrence Zammit	8
Nicholas Maris	8
John Hignett	6
Roger Lewis	8
Trevor Ash	8

Directors' Dealings

Directors and Senior Officers are informed and are aware of their obligations on dealings in securities of the Company within the established parameters of the law and the Listing Rules. Each such Director and Senior Officer has been provided with the code of dealing required in terms of Listing Rule 8.45.

Going Concern

The directors, after due consideration of the Company's profitability, statement of financial position, capital adequacy and solvency declare, pursuant to Listing Rule 9.44e.13, that the Company is in a position to continue operating as a going concern for the foreseeable future.

Audit Committee

The Audit Committee has met four times since during the period under review. Its principal role is the monitoring of internal systems and controls and risk management and conflicts of interest. In addition, unless otherwise dealt with in any other manner prescribed by the Listing Rules, the Audit Committee has the responsibility to monitor and scrutinise Related Party Transactions, if any, falling within the ambits of the Listing Rules and to make its recommendations to the Board of any such proposed Related Party Transactions.

The terms of reference for the Audit Committee are designed both to strengthen this function within the Company and to widen the scope of the duties and responsibilities of this Committee. The members of the audit committee are Mr Lawrence Zammit and Mr Trevor Ash, two of the non-executive directors of the Company and Mr John Hignett[2]. The committee also has the authority to summon any person to assist it in the performance of its duties.

Members	**No of Meetings held: 4** **Attended**
Lawrence Zammit	4
Trevor Ash	4
John Hignett	3

Senior Executive Management

Senior executive management is presently entrusted to Mr Ben Stuart, the general manager. The general manager is responsible for the implementation of the strategies set by the Board, management of the business of the Company and to deliver the results. In addition, the management of the grand harbour marina is entrusted to Camper & Nicholsons Marinas Limited pursuant to a marina service agreement dated 1 July 2007. The general manager and the management team of the Company report directly to the Board of the Company.

The Company's senior management is appointed by the Board who also determine their terms of appointment and remuneration.

Each Director is made aware of the Company's on-going obligations in terms of the Companies Act, the Listing Rules and other relevant legislation. Directors have access to the advice and services of the Company Secretary who is also the legal counsel to the Board and the Company.

[2] Mr John Hignett replaced Mr John Zammit on the 19 June 2009 prior to which Mr John Zammit had attended one audit committee meeting. The Listing Authority have been informed of the change in the composition of the audit committee.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance (continued)

Annual General Meeting

Business at the Company's Annual General Meeting ("AGM") generally covers the approval of the Annual Report and Audited Financial Statements, the declaration of a dividend, the election of Directors, the appointment of auditors, the authorisation of the Directors to set the auditors' remuneration and any other matter which requires the approval of the shareholders.

The Company gives priority to its relationship with its shareholders. Apart from the AGM, the Company communicates with its shareholders by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year and by company announcements to the market in general. The Company recognises the importance of maintaining a dialogue with its shareholders to ensure that its strategies and performance are well understood.

Internal Control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives, and can provide only reasonable, and not absolute, assurance against normal business risks or loss. The Board reviews the effectiveness of the Company's system of internal controls.

The key features of the Company's system of internal control are as follows:

Organisation

The Company operates through the general manager and the marina manager. The management of the Company operated within clear reporting lines and delegation of powers granted by resolution of the Board.

Control environment

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Company policies and employee procedures are in place for the reporting and resolution of improper activities.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Company objectives.

Risk identification

Company management is responsible for the identification and evaluation of key risks applicable to their respective areas of business.

Annual General Meeting (continued)

Information and communication

Company executives participate in periodic strategic reviews, which include consideration of long-term projections and the evaluation of business alternatives. Regular budgets and strategic plans are prepared. Performance against these plans is actively monitored and reported to the Board.

Communication with shareholders is effected in line with statutory and regulatory requirements. Company announcements are also made through the Malta Stock Exchange, as required by the Listing Rules.

The Directors consider that during the financial year under review the Company has put in place appropriate structures to comply with the principles and underlying spirit of the Code. However they shall keep the situation under regular review as appropriate.

Corporate Social Responsibility

The Company understands and supports its obligation towards society at large and has put in place a number of measures aimed at implementing such obligation. In particular, the Company has supported the local community through the sponsorship and support of a number of events, including, local council community development schemes, local regatta events and other sporting events. Furthermore, the Company has put in place CSR principles through the donation to various charitable organisations, the Maritime Museum and Heritage Malta. Furthermore, the Company was actively involved in the events organised by the Jubilee Sailing Trust and other organisations aimed at overcoming prejudices about disabled persons and helping with their integration in society. In carrying on its business, the Company is fully aware of its obligation to preserving the environment and has, in fact, put in place a number of policies aimed at respecting the environment and avoiding unnecessary pollution of the marina.

The Company considers itself to be a good employer and promotes open communication, responsibility and personal development. The Company maintains a staff development program aimed at providing training to staff to assist their development. Through investing in its people and their professional growth, the Company believes that this will result in a positive result to both its shareholders and stakeholders.

Signed on behalf of the Board of Directors on 12 April 2010 by:

Lawrence Zammit
Company Chairman and Chair of Audit Committee

Grand Harbour Marina p.l.c.

Shareholder Register Information

Pursuant to Listing Rule 9.44e.5 - Beneficial and Non-Beneficial Interest of Directors

No director has any beneficial or non-beneficial interest in the Company's share capital.

The following directors held beneficial/non-beneficial interests in the share capital of the Company's parent company, Camper & Nicholsons Marina Investments Limited:

Director	Number of shares held
Nicholas Maris	3,655,000
First Island Trustees Limited (of which Nicholas Maris, amongst others, holds a beneficial interest)	2,082,142

There were no changes in the above shareholdings as at the 12 April 2010.

Pursuant to Listing Rule 9.44e.6 - Shareholding

Shareholders holding 5% or more of the equity share capital as at 31 December 2009:

Camper & Nicholsons Marina Investments Limited	79.17%

There were no changes in shareholders holding 5% or more of the equity share capital as at the 12 April 2010.

Number of shareholders and shareholding details:

Range	No. of Shareholders 31 December 2009	No. of Shareholders 12 April 2010
1 - 1000	88	88
1001 - 5000	112	107
5001 and over	53	50

The total number of shareholders as at the 31 December 2009 was 253 and as at 12 April 2010, the total number thereof was 245. All shares in issue by the Company constitute one class of shares, each share being entitled to one vote at meetings of shareholders.

Grand Harbour Marina p.l.c.

Other Disclosures in terms of the Listing Rules

Pursuant to Listing Rule 9.44e.12 - Related Party Transactions

Marina Services Agreement with Camper & Nicholsons Marinas Limited

Grand Harbour Marina p.l.c. ("GHM", the "Company") has entered into a Marina Service Agreement dated 1 July 2007 with Camper & Nicholsons Marinas Limited ("CNML"). The agreement is for an initial period of 3 years and shall continue in force thereafter. CNML is entitled to receive from the Company the following fees/charges:

- in respect of recruitment, operational services and auditing - 2.5% on the sum of the total amounts (gross receipts) from the marina operations with a minimum payment of GBP18,000 per annum;
- sales and marketing - GBP3,200 per month and 2.5% on licences in excess of one year;
- commissioning - sums shall be agreed from time to time in connection with projects undertaken;
- project services - charges are agreed from time to time; and
- financial controller support - a rate of GBP48 per hour for actual time spent on GHM work.

Royalty Agreement with Camper & Nicholsons (Designs) Limited

The Company had formerly entered into an agreement with CNML. The agreement dated 1 April 2004 gives right for the marina to use the name of "C&N" for its operations. CNML was entitled for branding charges of GBP1,000 per month. This agreement has been replaced by an agreement dated 1 July 2007 between GHM and Camper & Nicholsons (Designs) Limited. Under the terms of this agreement, GHM is obliged to pay Camper & Nicholsons (Designs) Limited 0.25% of turnover as royalties with a minimum amount of GBP10,000 per annum. This agreement was terminated on 19 December 2008 and replaced by another agreement with Campers & Nicholsons Marinas International Limited. Under the terms of this new agreement the Company is obliged to pay Campers & Nicholsons Marinas International Limited 0.25% of operating turnover as royalties.

Pursuant to Listing Rule 9.44e.14

Company Secretary:	Dr Louis de Gabriele LL.D.
Registered Office of Company:	Vittoriosa Wharf Vittoriosa BRG 1721 Malta
Telephone:	(+356) 21 800 700

Grand Harbour Marina p.l.c.

Directors' Responsibility for the Financial Statements

The Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act") requires the directors of Grand Harbour Marina p.l.c. (the "Company") to prepare financial statements for each financial period which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss of the Company for that period in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, through oversight of management, are responsible to ensure that the Company establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Management is responsible, with oversight from the directors, to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Company's business. This responsibility includes establishing and maintaining controls pertaining to the Company's objective of preparing financial statements as required by the Act and managing risks that may give rise to material misstatements in those financial statements. In determining which controls to implement to prevent and detect fraud, management considers the risks that the financial statements may be materially misstated as a result of fraud.

Signed on behalf of the Board of Directors by:

Lawrence Zammit Chairman	Nicholas Maris Director

Grand Harbour Marina p.l.c.

Statement of Financial Position

As at 31 December 2009

	Note	2009 €	2008 €
ASSETS			
Property, plant and equipment	11	**8,054,865**	8,279,146
Deferred costs		**528,695**	527,770
Total non-current assets		**8,583,560**	8,806,916
Trade and other receivables	13	**500,818**	583,985
Cash and cash equivalents	17	**2,090,810**	2,476,870
Total current assets		**2,591,628**	3,060,855
Total assets		**11,175,188**	11,867,771
EQUITY			
Share capital	14.1	**2,329,370**	2,329,370
Retained earnings		**3,057,516**	2,234,303
Total equity		**5,386,886**	4,563,673
LIABILITIES			
Loans and other borrowings	15	**3,260,147**	3,357,278
Deferred tax liabilities	12	**-**	5,474
Total non-current liabilities		**3,260,147**	3,362,752
Loans and other borrowings	15	**602,055**	975,159
Taxation payable		**112,907**	1,275,015
Trade and other payables	16	**1,813,193**	1,691,172
Total current liabilities		**2,528,155**	3,941,346
Total liabilities		**5,788,302**	7,304,098
Total equity and liabilities		**11,175,188**	11,867,771

The notes on pages 24 to 58 are an integral part of these financial statements.

The financial statements on pages 20 to 58 were approved and authorised for issue by the Board of Directors on 12 April 2010 and signed on its behalf by:

Lawrence Zammit
Chairman

Nicholas Maris
Director

Grand Harbour Marina p.l.c.

Statement of Changes in Equity

For the Year Ended 31 December 2009

	Share capital	Statutory reserve	Retained earnings	Total
	€	€	€	€
Balance at 1 January 2008	2,329,370	20,888	4,624,263	6,974,521
Total comprehensive income for the year				
Profit or loss	-	-	(410,848)	(410,848)
Transactions with owners, recorded directly in equity				
Dividends paid	-	-	(2,000,000)	(2,000,000)
Total distribution to owners	-	-	(2,000,000)	(2,000,000)
Other movement in reserves for the year				
Transfer from statutory reserve	-	(20,888)	20,888	-
Balance at 31 December 2008	2,329,370	-	2,234,303	4,563,673
Balance at 1 January 2009	**2,329,370**	**-**	**2,234,303**	**4,563,673**
Total comprehensive income for the year				
Profit or loss	**-**	**-**	**823,213**	**823,213**
Balance at 31 December 2009	**2,329,370**	**-**	**3,057,516**	**5,386,886**

The notes on pages 24 to 58 are an integral part of these financial statements.

Grand Harbour Marina p.l.c.

Statement of Comprehensive Income

For the Year Ended 31 December 2009

	Note	2009 €	2008 €
CONTINUING OPERATIONS			
Revenue	5	**2,053,407**	2,496,987
Personnel expenses	6	**(316,988)**	(306,695)
Directors' emoluments		**(44,984)**	(44,098)
Depreciation		**(343,850)**	(334,959)
Other expenses	7	**(1,538,833)**	(2,052,953)
Result from operating activities		**(191,248)**	(241,718)
Finance income		**43,152**	139,840
Finance costs		**(267,532)**	(296,779)
Net finance costs	8	**(224,380)**	(156,939)
Loss before income tax		**(415,628)**	(398,657)
Tax over-provided for in prior periods	9.2	**1,233,367**	-
Other net income tax credit / (expense) items		**5,474**	(12,191)
Income tax credit / expense	9	**1,238,841**	(12,191)
Profit / (loss) for the year		**823,213**	(410,848)
Total comprehensive income for the year		**823,213**	(410,848)
Earnings / (loss) per share	10	**0.08**	(0.04)

The notes on pages 24 to 58 are an integral part of these financial statements.

Grand Harbour Marina p.l.c.

Statement of Cash Flows

For the Year Ended 31 December 2009

	Note	2009	2008
	Note	€	€
Cash flows from operating activities			
Profit / (loss) for the year		**823,213**	(410,848)
Adjustments for:			
Cost of super-yacht berths expensed	11.1	**6,088**	361,643
Depreciation	11.1	**343,850**	334,959
Loss on disposal of plant and equipment		**-**	1,074
Provision for doubtful debts		**(61,947)**	(101,413)
Net finance costs		**236,745**	183,189
Income tax (credit) / expense	9.1	**(1,238,841)**	12,191
		109,108	380,795
Change in trade and other receivables		**150,345**	1,780,291
Change in trade and other payables		**209,330**	(1,631,740)
		468,783	529,346
Income tax paid		**-**	(1,018,769)
Net cash from / (used in) operating activities		**468,783**	(489,423)
Cash flows from investing activities			
Acquisition of plant and equipment		**(199,701)**	(503,003)
Proceeds from disposal of plant and equipment		**-**	2,125
Interest received		**25,557**	120,332
Net cash used in investing activities		**(174,144)**	(380,546)
Cash flows from financing activities			
Repayment of bank loans		**(492,334)**	(566,217)
Interest paid		**(210,464)**	(469,683)
Dividends paid		**-**	(2,000,000)
Net cash used in financing activities		**(702,798)**	(3,035,900)
Net decrease in cash and cash equivalents		**(408,159)**	(3,905,869)
Cash and cash equivalents at 1 January		**2,417,136**	6,323,005
Cash and cash equivalents at 31 December	17	**2,008,977**	2,417,136

The notes on pages 24 to 58 are an integral part of these financial statements.

1 Reporting entity

Grand Harbour Marina p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU ("the applicable framework"). All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU. They have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta), to the extent that such provisions do not conflict with the applicable framework.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in Euro (€), which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS 1, *Presentation of Financial Statements* (2007).

2 Basis of preparation (continued)

2.5 Change in accounting polices

2.5.1 Presentation of financial statements and segmental reporting

The Company applies revised IAS 1, *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. Comparative information has been re-presented so that it conforms with the revised standard. Also, as of this date the Company, determines and presents operating segments based on the information that is provided internally to the Board of Directors, the Company's chief operating decision maker. The application of the revised standard did not result in the identification of any additional reporting. Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since this change only impacts presentation and disclosure aspects, there is no impact on earnings per share.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting polices.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Financial instruments

3.2.1 Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

3.2.1 Non-derivative financial assets (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial assets mainly comprise trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.2.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.2.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3 Significant accounting policies (continued)

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

As part of its operating activities, the Company licenses out super-yacht berths over longer periods, typically for periods ranging between 25 to 30 years. The cost of such berths is apportioned between that part attributable to the initial licensing period, which is recognised immediately in profit or loss, and that part (the residual amount) attributable to the time period which extends beyond the initial licensing period. The method of cost apportionment used represents a fair reflection of the pattern of future economic benefits estimated to accrue from the licensing of such berths. The residual amount is classified in the balance sheet as 'deferred costs'.

Items of property, plant and equipment, including super-yacht berths that have been completed but not yet licensed are measured at cost less accumulated depreciation (see accounting policy 3.3.3) and any impairment losses (see accounting policy 3.5.2).

In respect of borrowing costs relating to qualifying assets, the Company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The Company recognises, in the carrying amount of an item of plant and equipment, the cost of replacing part of such an item when that cost is incurred and it is probable that the resulting future economic benefits will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense when incurred.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

3.3.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embedded within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3 Significant accounting policies (continued)

3.3 Property, plant and equipment (continued)

3.3.3 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Assets in the course of construction are not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• super-yacht berths	50 years
• pontoons	25 years
• improvements to car park	50 years
• improvements to office premises	10 years
• motor vehicles	5 years
• office equipment	5 years

In relation to super-yacht berths, depreciation is provided up to the point in time when the long-term licensing contract is signed with the licensee, at which time the carrying amount of such berths is apportioned and accounted for as explained in 3.3.1. above.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4 Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases of land and buildings are classified as operating leases or finance leases in the same way as leases of other assets. The lease of land with an indefinite economic life where title is not expected to pass to the Company by the end of the lease term, is treated as an operating lease.

Other leases are operating leases and are not recognised on the entity's statement of financial position but are accounted for as discussed in note 3.9.

3 Significant accounting policies (continued)

3.5 Impairment

3.5.1 Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial assets is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.5.2 Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

3 Significant accounting policies (continued)

3.5 Impairment (continued)

3.5.2 Non-financial assets (continued)

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Employee benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. The Company contributes towards the State pension in accordance with local legislation.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3 Significant accounting policies (continued)

3.8 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

3.8.1 Licensing of long-term super-yacht berths

Revenue from such licensing (see accounting policy 3.3.1) is recognised in profit or loss on the signing of the licensing agreements with the berth-holders.

3.8.2 Other berthing licences and pontoon fees and revenue from ancillary services

Such revenue is recognised in profit or loss in the year in which the services to which they related have been rendered.

3.9 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.10 Finance income and expenses

Finance income comprises interest income on funds invested and foreign currency gains.

Finance costs comprise interest expense on borrowings and foreign currency losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

3.11 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3 Significant accounting policies (continued)

3.11 Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

3.12 Earnings per share

The Company prepares basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.13 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating result are reviewed regularly by the Board to make all decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see note 5).

3 Significant accounting policies (continued)

3.14 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements in the year of their initial application.

4 Financial risk management

4.1 Overview

This note presents information about the Company's exposure to risk, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

4.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

4.3 Credit risk

Credit risk is the risk of financial loss to the Company if a berth-holder or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from berth-holders.

4 Financial risk management (continued)

4.3 Credit risk (continued)

4.3.1 Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each berth-holder. Credit risk with respect to receivables from short-term berth-holders is limited due to the spread of the number of berth-holders comprising the Company's debtor base. Amounts receivable with respect to the licensing of long-term berths are secured upon the signing of the relative agreement with the berth-holder.

In relation to short-term berth sales the Company has credit policy in place whereby berth-holders are analysed into three categories: individuals, legal entities and agents. The credit terms offered to agents include a thirty-day credit period, whereas individuals and legal entities have no credit terms.

The Company does not require collateral in respect of such receivables.

4.3.2 Cash at bank

The Company's cash is placed with a quality financial institution, such that management does not expect this institution to fail to meet repayments of amounts held in the name of the Company.

4.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its cash flow requirements on a weekly basis and ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of circumstances that cannot reasonably be predicted. In addition, the Company maintains the following lines of credit:

- secured general banking facility amounting to €1,747,030. Interest is payable at the rate of 5 per cent per annum (note 15); and

- a secured bank loan amounting to €4,042,002, of which €3,780,369 has been drawn down, subject to interest payable at the rate of 5.25 per cent per annum (note 15).

4 Financial risk management (continued)

4.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

4.5.1 Currency risk

The Company is exposed to currency risk on expenses that are denominated in a currency other than the Company's functional currency, primarily the Great British Pound (GBP) and the United States Dollar (USD). The Company does not hedge against exchange gains or losses which may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

4.5.2 Interest rate risk

The Company adopts a policy of ensuring that its exposure to changes in interest rates on interest-bearing borrowings is limited by entering into financial arrangements subject to fixed interest margins over the base rate established by the banker's base rate.

4.6 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as the profit for the year divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management over its years of operation. The Company is not subject to externally imposed capital requirements.

5 Revenue

5.1 Segmental Reporting

Under the "management approach" to segmental reporting, the Company believes that while it has different categories of revenue, there is one reportable segment to its business which has common resources and capital requirements. This segment relates to its operations at the Grand Harbour Marina, in Vittoriosa, Malta. Its operations comprise the licencing and operation of high quality marina facilities and providing berthing and ancillary services for yachts, with a particular emphasis on super-yachts.

5 Revenue (continued)

5.1 Segmental reporting (continued)

	2009	2008
	€	€
Category of activity arising from reportable segment:		
Licensing of long-term super-yacht berths	**-**	1,018,475
Other berthing licenses and pontoon fees	**1,310,577**	900,188
Ancillary services	**742,830**	578,324
Revenue from external customers	**2,053,407**	2,496,987

Major customers

During 2009, no revenue was generated from the licencing of long-term super-yachts berths. As a result revenue represents berthing fees chargeable to the large number of berth-holders comprising the Company's client base.

5.2 Seasonality of operations

The marina derives its income from several sources some of which will produce greater revenues during the summer months and while these seasonally-affected sources are generally relatively small in relation to the overall level of sales they can make an important contribution to profitability. The timing of long-term 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 sales and net results.

6 Personnel expenses

Personnel expenses incurred by the Company during the year are analysed as follows:

	2009	2008
	€	€
Wages and salaries	**295,029**	284,328
Compulsory social security contributions	**21,959**	22,367
	316,988	306,695

6 Personnel expenses (continued)

The weekly average number of persons employed by the Company during the year was as follows:

	2009	2008
	No.	No.
Operating	**15**	15
Management and administration	**2**	2
	---------	---------
	17	17
	====	====

7 Other expenses

7.1 During the year, the following fees were charged by, or became payable to, the Company's auditors for services rendered in connection with:

	Charged during 2009	**Accrued at 31 Dec 2008**	**Accrued at 31 Dec 2009**	**Included in other expenses**	**Included in deferred costs (Note 13.2)**
	€	€	€	€	€
Auditors' remuneration	**30,000**	(30,000)	30,000	30,000	-
Other assurance services	**9,000**	-	-	9,000	-
Tax advisory services	**9,555**	(6,440)	12,800	15,915	-
Other non-audit services	**37,000**	-	-	2,000	35,000
	--------------	--------------	--------------	--------------	--------------
	85,555	(36,440)	42,800	56,915	35,000
	======	======	======	======	======

7.2 Operating leases

7.2.1

	Note	**2009**	2008
		€	€
Sub-ground rent on immovable property	11.2	**22,760**	22,760
Lease for the assignment of marina rights	7.2.2	**278,638**	462,349
Rent for use of premises	7.2.3	**43,811**	43,928
Other operating lease expenses	7.2.4	**16,879**	7,323
		--------------	--------------
		362,088	536,360
		======	======

7 Other expenses (continued)

7.2 Operating leases (continued)

7.2.2 By virtue of the other part of the deed of sub-emphyteusis referred to in note 11.2, the Company was assigned the right to develop, construct and install, own, operate, manage, control and promote a marina and ancillary facilities, including the right to grant mooring and berthing rights to third parties under such terms and conditions as it deems fit. Under the terms of a Development and Operations Agreement dated 30 June 2000 entered into with the consortium (the other party to the agreement), the Company is required to pay the consortium a yearly fee equivalent to 10% per annum of revenue, subject to minimum and maximum limits.

The Company has the option to terminate the Development and Operations Agreement during the 29th year from the date of the publication of the deed of sub-emphyteusis by giving the consortium at least 12 months prior written notice. The minimum and maximum future rental payments under the lease agreement are analysed below:

Minimum	**2009**	2008
	€	€
Less than one year	**139,762**	139,762
Between one and five years	**870,022**	755,299
More than five years	**4,962,427**	5,216,911
	5,972,211	6,111,972

Maximum	**2009**	2008
	€	€
Less than one year	**349,406**	349,406
Between one and five years	**2,175,052**	1,888,248
More than five years	**12,406,080**	13,042,290
	14,930,538	15,279,944

7 Other expenses (continued)

7.2 Operating leases (continued)

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

7.2.4 The Company leases out a garage which is used for storage purposes. In addition, during the year the Company also concluded another lease agreement for the storage of fuel at the marina. The lease charge amounts to €7,323 and €13,976 per annum respectively.

8 Finance income and expense

	2009	2008
	€	€
Interest income	**30,787**	113,591
Realised exchange differences	**12,365**	26,249
Finance income	**43,152**	139,840
Interest expense	**(267,532)**	(339,235)
Interest capitalised within plant and equipment	**-**	42,456
Finance expenses	**(267,532)**	(296,779)
Net finance expense recognised in profit or loss	**(224,380)**	(156,939)

9 Income tax

9.1 Income tax credit / (expense)

Current tax is provided for at the rate of 35% on the taxable income for the year, excluding revenue and direct costs attributable to licensing of long-term super yacht berths. The conclusion of long-term super-yacht berth licensing agreements by the Company give effect to transfers of rights over immovable property and are subject to a final withholding tax of 12% on the consideration received (see note 9.2).

	Note	2009	2008
		€	€
Current tax credit / (expense)			
Tax over-provided for in prior periods	9.2	**1,233,367**	-
Final withholding tax at 15%		**-**	(15,643)
		------------------	-------------
		1,233,367	(15,643)
Deferred tax expense			
Movement in temporary differences	12.3	**5,474**	3,452
		------------------	-------------
Income tax credit / (expense) for the year		**1,238,841**	(12,191)
		========	======

9.2 Change in estimate

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

During December 2009, it was confirmed with the Inland Revenue that such transactions which took place on or after 1 November 2005, and which give effect to transfer of rights over immovable property, are subject to a final withholding tax of 12% on the consideration received. This results in a reduction amounting to €1,233,367 in the tax liability of the Company for the years to 31 December 2008, previously estimated on the basis of taxable income brought to tax at the rate of 35%.

9 Income tax (continued)

9.3 Reconciliation of income tax credit / (expense)

The tax credit / (2008: expense) for the year and the result of the accounting profit / (loss) multiplied by the tax rate applicable in Malta, the Company's country of incorporation, are reconciled as follows:

	Note	**2009** €	2008 €
Profit / (loss) for the year		**823,213**	(410,848)
Total income tax (credit) / expense		**(1,238,841)**	12,191
Loss excluding income tax		**(415,628)**	(398,657)
Income tax credit at the domestic tax rate of 35%		**145,470**	139,530
Effect of different tax rates on bank interest received		**-**	20,858
Tax effect of:			
• expenses not deductible for tax purposes		**(66,321)**	(172,579)
• adjustment to opening deferred tax resulting from the change in estimate of prior periods' current tax	9.2	**354,501**	-
• unrelieved tax losses and unabsorbed capital allowances not recognised	12.1	**(428,176)**	-
Current tax over-provided for in prior periods	9.2	**1,233,367**	-
Income tax credit / (expense) for the year		**1,238,841**	(12,191)

10 Earnings / (loss) per share

The calculation of earnings / (loss) per share was based on the profit (2008: loss) attributable to the shareholders of €823,213 (2008: loss €410,848) and the number of shares in issue amounting to 10,000,000 shares.

11 Property, plant and equipment

11.1

	Total	Super-yacht berths	Pontoons	Improvements to car park and office premises	Motor vehicles	Other equipment	Assets in the course of construction-super-yacht berths and pontoons
	€	€	€	€	€	€	€
Cost							
Balance at 1 January 2008	9,366,433	3,267,474	3,211,947	665,514	15,735	170,624	2,035,139
Additions	629,139	80,176	95,103	17,090	-	81,922	354,848
Reallocations	-	1,945,355	82,356	-	-	-	(2,027,711)
Deferred costs	(51,663)	(9,530)	-	-	-	-	(42,133)
Expensed	(361,643)	(41,500)	-	-	-	-	(320,143)
Retired assets	(15,992)	-	-	-	-	(15,992)	-
Balance at 31 December 2008	9,566,274	5,241,975	3,389,406	682,604	15,735	236,554	-
Balance at 1 January 2009	**9,566,274**	**5,241,975**	**3,389,406**	**682,604**	**15,735**	**236,554**	**-**
Additions	**119,569**	**14,959**	**37,205**	**-**	**-**	**54,192**	**13,213**
Berths sold in prior periods:							
Additional costs incurred	**7,013**	**7,013**	**-**	**-**	**-**	**-**	**-**
Deferred costs	**(925)**	**(925)**	**-**	**-**	**-**	**-**	**-**
Expensed	**(6,088)**	**(6,088)**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2009	**9,685,843**	**5,256,934**	**3,426,611**	**682,604**	**15,735**	**290,746**	**13,213**

11 Property, plant and equipment (continued)

11.1 (continued)

	Total	Super-yacht berths	Pontoons	Improvements to car park and office premises	Motor vehicles	Other equipment	Assets in the course of construction- super-yacht berths and pontoons
	€	€	€	€	€	€	€
Depreciation							
Balance at 1 January 2008	964,963	177,885	619,448	55,588	15,735	96,307	
Depreciation charge for the year	334,959	104,840	135,576	56,794	-	37,749	-
Retired assets	(12,794)	-	-	-	-	(12,794)	-
Balance at 31 December 2008	1,287,128	282,725	755,024	112,382	15,735	121,262	-
Balance at 1 January 2009	**1,287,128**	**282,725**	**755,024**	**112,382**	**15,735**	**121,262**	**-**
Depreciation charge for the year	**343,850**	**105,139**	**137,062**	**56,797**	**-**	**44,852**	**-**
Balance at 31 December 2009	**1,630,978**	**387,864**	**892,086**	**169,179**	**15,735**	**166,114**	**-**

11 Property, plant and equipment (continued)

11.1 (continued)

	Total	Super-yacht berths	Pontoons	Improvements to car park and office premises	Motor vehicles	Other equipment	Assets in the course of construction-super-yacht berths and pontoons
	€	€	€	€	€	€	€
Carrying amounts							
At 1 January 2008	8,401,470	3,089,589	2,592,499	609,926	-	74,317	2,035,139
	========	========	========	========	========	========	========
At 31 December 2008	8,279,146	4,959,250	2,634,382	570,222	-	115,292	-
	========	========	========	========	========	========	========
At 1 January 2009	**8,279,146**	**4,959,250**	**2,634,382**	**570,222**	**-**	**115,292**	**-**
	========	========	========	========	========	========	========
At 31 December 2009	**8,054,865**	**4,869,070**	**2,534,525**	**513,425**	**-**	**124,632**	**13,213**
	========	========	========	========	========	========	========

11 Property, plant and equipment (continued)

11.2 Land held under title of temporary sub-emphyteusis

On the 2 June 1999, the Government of Malta entered into a deed of emphyteusis with a consortium, by virtue of which, the consortium was granted rights over parcels of land measuring 1,410 square metres and situated at Cottonera Waterfront Vittoriosa, Malta, for a period of 99 years thereon.

On the 4 September 2001, a deed of sub-emphyteusis was entered into between the Company and the consortium, whereby, by virtue of one part of this deed, the Company acquired, by the same title, immovable rights over such property for the unexpired period of the 99 years, subject to the payment of an annual sub-ground rent (note 7.2.1).

This property is hypothecated in favour of the Company's lenders as security for funds borrowed (note 15.4).

12 Deferred tax assets and liabilities

12.1 Unrecognised deferred tax assets

Deferred taxation arising from unrelieved tax losses and unabsorbed capital allowances has been recognised only to the extent of taxable temporary differences, as set out below:

	Note	2009 €	2008 €
Unrelieved tax losses		**412,057**	**-**
Unabsorbed capital allowances		**994,583**	334,229
		1,406,640	334,229
Recognised to the extent of available net taxable temporary differences	12.2	**(978,464)**	(334,229)
Unrecognised deferred tax asset		**428,176**	-

12 Deferred tax assets and liabilities (continued)

12.2 Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2009	2008	**2009**	2008	**2009**	2008
	€	€	**€**	€	**€**	€
Plant and equipment	**-**	-	**(988,945)**	(371,866)	**(988,945)**	(371,866)
Provision for doubtful debts	**10,481**	32,163	**-**	-	**10,481**	32,163
Unrelieved tax losses and unabsorbed capital allowances	**978,464**	334,229	**-**	-	**978,464**	334,229
	988,945	366,392	**(988,945)**	(371,866)	**-**	(5,474)

12.3 Movement in temporary differences during the year

	Balance 1 January 08	Recognised in profit or loss	Balance 31 December 08
	€	€	€
Plant and equipment	(76,582)	(295,284)	(371,866)
Provision for doubtful debts	67,656	(35,493)	32,163
Unrelieved tax losses and unabsorbed capital allowances	-	334,229	334,229
	(8,926)	3,452	(5,474)

	Balance 1 January 09	Recognised in profit or loss	Balance 31 December 09
	€	**€**	**€**
Plant and equipment	**(371,866)**	**(617,079)**	**(988,945)**
Provision for doubtful debts	**32,163**	**(21,682)**	**10,481**
Unrelieved tax losses and unabsorbed capital allowances	**334,229**	**644,235**	**978,464**
	(5,474)	**5,474**	**-**

13 Trade and other receivables

13.1

	Note	2009 €	2008 €
Trade receivables		**134,092**	321,807
Vat recoverable		**-**	11,355
Other receivables		**4,479**	40,700
Transaction costs	13.2	**159,521**	-
Prepayments		**202,726**	210,123
		500,818	583,985

13.2 This amount represents costs incurred in relation to the bond issued by the Company after balance sheet date (note 22). Such transaction costs will be deducted from the proceeds of the bond issue when such financial liability is recognised during the financial year ending 31 December 2010 which amount will be amortised over the term of the bond.

13.3 The Company's exposures to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 18.

14 Equity

14.1 Share capital

	2009 €	2008 €
Authorised share capital		
10,000,000 ordinary shares of €0.232937 each	**2,329,370**	2,329,370
Issued share capital		
On issue at 1 January and 31 December		
10,000,000 ordinary shares of €0.232937 each	**2,329,370**	2,329,370

14.2 Shareholders are entitled to vote at meetings of the Company on the basis of one vote for each share held. They are entitled to receive dividends as declared from time to time and rank *pari passu* with respect to any distribution, whether of dividends or capital, in a winding up or otherwise.

14.3 Dividends

After balance sheet date the directors of the Company recommended the payment of a dividend amounting to €750,000 representing a net dividend of €0.075 per qualifying share. During the year ended 31 December 2008 dividends amounting to €2,000,000 (€0.20 per qualifying share) were paid to the Company's shareholders on account of the previous year's profit.

15 Loans and other borrowings

15.1

	2009	2008
	€	€
Bank loan	**3,780,369**	4,272,703
Bank overdraft	**81,833**	59,734
	3,862,202	4,332,437
Non-current liabilities		
Bank loan	**3,260,147**	3,357,278
	3,260,147	3,357,278
Current liabilities		
Bank loan	**520,222**	915,425
Bank overdraft	**81,833**	59,734
	602,055	975,159

15.2 Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value and carrying amount 2009 €	2008 €
Secured bank loan	Euro	5.25%	2016	**3,780,369**	4,272,703
Bank overdraft	Euro	5.00%	On demand	**81,833**	59,734
				3,862,202	4,332,437

Bank borrowings falling due after more than five years amounted to €886,137 (2008: €Nil).

15 Loans and other borrowings (continued)

15.3 General banking facility

The Company enjoys a general banking facility up to an amount of €1,747,030 for working capital and bridging finance requirements in connection with the completion and operation of the marina. This facility incorporates the issuance of a Performance Bond in favour of the Malta Environmental and Planning Authority for €34,941.

15.4 Security

The bank borrowings are secured by:

- a first general hypothec for €1,747,030 on overdraft basis and for €3,780,369 (originally for €6,615,420) on loan basis over all the Company's assets, present and future;
- a first special hypothec for €1,747,030 on overdraft basis and for €3,780,369 (originally for €6,615,420) on loan basis on land held by the Company under title of temporary sub-emphyteusis (note 11.2);
- a pledge over cash balances held with HSBC Bank (Malta) p.l.c. for €1,500,000 (note 17.2); and
- a floating charge over cash balances held with HSBC Bank (Malta) p.l.c.

16 Trade and other payables

16.1

	Note	2009 €	2008 €
Trade payables		**169,566**	69,011
Amounts owed to related parties	16.2	**71,700**	122,370
VAT payable		**32,577**	-
Other payables		**81,815**	31,815
Capital creditors		**334,663**	407,782
Deferred income		**418,440**	353,877
Accrued expenses		**704,432**	706,317
		1,813,193	1,691,172

16.2 The amounts owed to the related parties are unsecured, interest free and repayable on demand.

16.3 The Company's exposures to currency and liquidity risks related to trade and other payables are disclosed in note 18.

17 Cash and cash equivalents

17.1

	Note	2009 €	2008 €
Cash in hand		**1,500**	900
Term deposit bank account	17.2	**1,800,000**	1,966,529
Other bank balances		**289,310**	509,441
Cash and cash equivalents		**2,090,810**	2,476,870
Bank overdraft used for cash management purposes	15.1	**(81,833)**	(59,734)
Cash and cash equivalents in the statement of cash flows		**2,008,977**	2,417,136

17.2 The Company holds €300,000 on a 30-day term deposit account and €1,500,000 on a three-month term deposit account, the latter of which is pledged and which are both renewable for further periods of 30 days or three months unless the Company instructs otherwise. By virtue of the pledge agreement, the Company benefits from a lower interest rate on the bank loan it has availed of from its bankers (note 15.2). Funds pledged in this way are only withdrawn by the Company by giving notice in advance of the lapse of the three-month period.

18 Financial instruments

18.1 Credit risk

18.1.1 Exposure to credit risk

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

	Carrying amount	
	2009	2008
	€	€
Trade receivables	**134,092**	321,807
Other receivables	**4,479**	40,700
	---------------	---------------
	138,571	362,507
	======	======

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

		Carrying amount	
		2009	2008
	Note	**€**	€
Individual		**51,774**	125,790
Legal entities		**45,711**	150,595
Agents		**66,555**	137,317
		--------------	--------------
		164,040	413,702
Amounts provided for (see below)		**(29,948)**	(91,895)
		--------------	--------------
Carrying amount	13.1	**134,092**	321,807
		======	======

The Company's most significant customers relate, in the main, to five agents.

Trade receivables that are less than thirty days past due are not considered impaired. As of 31 December 2009, trade receivables amounting to €115,213 (2008: €235,912) were past due but not impaired. These relate to a number of berth-holders which are considered as slow-payers but still recoverable. The ageing analysis of these trade receivables is as follows:

18 Financial instruments (continued)

18.1 Credit risk (continued)

18.1.1 Exposure to credit risk (continued)

	2009	2008
	€	€
1 to 2 months	**28,879**	147,187
2 to 4 months	**81,367**	50,722
Over 4 months	**4,967**	38,003
	--------------	--------------
	115,213	235,912
	======	======

As of 31 December 2009, receivables from berth-holders for berthing services provided by the Company amounting to €29,948 (2008: €91,895) were impaired and provided for. The ageing of these receivables is as follows:

	2009	2008
	€	€
4 to 12 months	**20,970**	35,768
12 to 24 months	**4,222**	28,976
Over 24 months	**4,756**	27,151
	--------------	--------------
	29,948	91,895
	======	======

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2009	2008
	€	€
Balance at 1 January	**91,895**	193,308
Impairment reversed recognised	**(61,947)**	(101,413)
	--------------	--------------
Balance at 31 December	**29,948**	91,895
	======	======

Impairment losses at 31 December 2009 relate to various short-term berth-holders that were slow-payers and, based on historic default rates, management believes that an impairment allowance is necessary.

18 Financial instruments (continued)

18.2 Liquidity risk

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

Financial liabilities	Carrying amount	Contractual cash flows	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	After 5 years
	€	€	€	€	€	€	€
31 December 2009							
Secured bank loan	**3,780,369**	**(4,416,703)**	**(350,000)**	**(350,000)**	**(700,000)**	**(2,100,000)**	**(916,703)**
Bank overdraft	**81,833**	**(81,833)**	**(81,833)**	**-**	-	-	-
	3,862,202	**(4,498,536)**	**(431,833)**	**(350,000)**	**(700,000)**	**(2,100,000)**	**(916,703)**
31 December 2008							
Secured bank loan	4,272,703	(4,808,135)	(550,000)	(550,000)	(1,100,000)	(2,608,135)	-
Bank overdraft	59,734	(59,734)	(59,734)	-	-	-	-
	4,332,437	(4,867,869)	(609,734)	(550,000)	(1,100,000)	(2,608,135)	-

18 Financial instruments (continued)

18.3 Interest rate risk

As at balance sheet date, the Company's exposure to changes in interest rates on bank accounts held with financial institutions and interest-bearing borrowings was limited. The Company is subject to changes in base interest rates as may be announced by the European Central Bank from time to time.

18.4 Exposure to currency risk

Given the current exposure of the Company to currencies other than the Euro, the impact of any fluctuations in exchange rates will not have a material bearing on the results and financial position of the Company.

18.5 Fair values

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

19 Capital commitments

	2009	2008
	€	€
Authorised and contracted for:		
Plant and equipment	**-**	78,000
Authorised but not contracted for:		
Plant and equipment	**-**	86,000
Marina berthing facilities	**-**	10,000
Onshore facilities	**-**	260,000
	-	356,000
	-	434,000

20 Contingency

At balance sheet date, the Company had a claim for an amount of €160,084 for contract works carried out by a third party at the marina, which it is disputing. While liability is not admitted, if defence against this action is unsuccessful, the amount could become due. The directors do not expect the Company to be found liable.

21 Related parties

21.1 Parent company

The Company is a subsidiary of Camper & Nicholsons Marina Investments Limited ("CNMI"), the registered office of which is situated at Island House, Grande Rue St Martins, Guernsey, GY4 6RU. CNMI prepares the consolidated financial statements of the Group of which Grand Harbour Marina p.l.c. forms part. These financial statements are filed and available for public inspection at the Financial Services Centre in Guernsey.

21.2 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:

	2009	2008
	€	€
Camper & Nicholsons Marinas Limited		
Balance at 1 January	**70,943**	317,032
As per Marina Services Agreement:		
Recruitment, operational services and auditing (2.5% of revenue subject to a minimum fee of GBP18,000 per annum)	**53,456**	66,210
Sales and marketing fees (fixed fee of GBP3,200 per month)	**43,227**	48,164
Commissions payable on the licensing of long-term super-yacht berths (2.5% on amounts received)	**-**	25,447
Management, finance and other related services	**120,880**	362,991
Cash movements	**(242,150)**	(748,901)
Balance at 31 December	**46,356**	70,943

21 Related parties (continued)

21.2 Related party relationships, transactions and balances (continued)

	2009	2008
	€	€
Camper & Nicholsons (Designs) Limited		
Balance at 1 January	**10,524**	26,666
Royalty fees (0.25% of revenue subject to a minimum of GBP10,000 per annum)	**-**	10,524
Cash movement	**(10,524)**	(26,666)
Balance at 31 December	**-**	10,524
Camper & Nicholsons Marinas International Limited		
Balance at 1 January	**40,903**	-
Royalty fees (2.5% of revenue) as per Trade Mark License Agreement	**4,656**	-
Management, finance and other related services	**226,776**	40,903
Cash movements	**(246,991)**	-
Balance at 31 December	**25,344**	40,903
Camper & Nicholsons Marinas Investments Limited		
Balance at 1 January	**-**	-
Management, finance and other related services	**1,238**	-
Cash movement	**(1,238)**	-
Balance at 31 December	**-**	-
Total amount repayable at 31 December	**71,700**	122,370

21 Related parties (continued)

21.3 Transactions with key management personnel

Other than the directors key management compensation amounting to €44,984 (2008: €44,098), there were no other transactions with key management personnel.

21.4 Other transactions with key management personnel

Details of shareholdings held by the directors are set out in the Shareholder Register Information included in the Annual Report.

22 Subsequent event

In January 2010 the Company issued €10,000,000 bonds, with an over-allotment option of €2,000,000, bearing an interest rate of 7%, redeemable in 2020 and subject to an early redemption option that may be exercised by the Company between 2017 and 2020. The Company has used part of the funds to repay its current loan facility of €3,780,369 (note 15.2).

Grand Harbour Marina p.l.c.

Independent Auditors' Report
To the Members of
Grand Harbour Marina p.l.c.

KPMG
Portico Building
Marina Street
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Independent Auditors' Report

To the Members of Grand Harbour Marina p.l.c.

Report on the Financial Statements

We have audited the financial statements of Grand Harbour Marina p.l.c. (the "Company"), as set out on pages 20 to 58, which comprise the statement of financial position as at 31 December 2009 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement set out on page 19, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 179 of the Act and may not be appropriate for any other purpose.

In addition, we read the other information contained in the Annual Report 2009 and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent material misstatements of fact or material inconsistencies with the financial statements.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditors' Report (continued)

To the Members of Grand Harbour Marina p.l.c.

Opinion on Financial Statements

In our opinion, the financial statements:

- give a true and fair view of the Company's financial position as at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and

- have been properly prepared in accordance with the Companies Act, 1995 (Chapter 386, Laws of Malta).

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception by the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act")

We have nothing to report in respect of the following matters where the Act requires us to report to you if, in our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is not consistent with the financial statements; or

- proper accounting records have not been kept by the Company; or

- the Company's financial statements are not in agreement with the accounting records; or

- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit; or

- certain disclosures of directors' remuneration specified by the Act are not made.

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Independent Auditors' Report (continued)

To the Members of Grand Harbour Marina p.l.c.

Report required by Listing Rule 8.38 issued by the Listing Authority in Malta on the Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance (the "Principles") outlined in Appendix 8.1 to Chapter 8 (Continuing Obligations) of the Listing Rules (the "Appendix")

Listing Rule 8.36 requires an Issuer whose securities are admitted to trading on a Regulated Market operating in Malta to prepare a corporate governance statement. In addition, as an Issuer registered in Malta, Listing Rule 8.36b requires that the Company endeavours to adopt the Principles and to prepare a report explaining how it has complied with the provisions of the Appendix.

Our responsibility as independent auditors of the Company, is laid down by Listing Rule 8.38, which requires us to issue a report on the Directors' Statement of Compliance with the Principles, which is set out in pages 12 to 16.

We review the Directors' Statement of Compliance and report as to whether this Statement provides the disclosures required by Listing Rules 8.37 and 8.38 as obtaining prior to the coming into effect of Circular 01/2010 issued to all Company Secretaries and Stockbroking Firms by the Listing Authority (Malta Financial Services Authority), which Circular came into effect on 11 January 2010. We are not required to, and we do not, consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risks and control procedures, nor on the ability of the Company to continue in operational existence.

In our opinion, the Directors' Statement of Compliance set out in pages 12 to 16 provides the disclosures required by the aforementioned Listing Rules 8.37 and 8.38 as obtaining prior to the coming into effect of Circular 01/2010 issued to all Company Secretaries and Stockbroking Firms by the Listing Authority (Malta Financial Services Authority), which Circular came into effect on 11 January 2010.

Hilary Galea-Lauri (Partner) for and on behalf of

KPMG
Registered Auditors

12 April 2010

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