Grand Harbour Marina p.l.c.

Interim condensed consolidated financial statements

Six months ended 30 June 2020

Company Registration Number C 26891

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The Directors present their interim report together with the unaudited condensed consolidated interim financial statements of the Company and its subsidiary (together referred to as the "**Group**"), and the Group's beneficial interest of 45% in a joint arrangement, IC Cesme Marina Yatirim, Turizm ve Islemeleri Anonim Sirketi ("**IC Cesme**"). The Group is itself a subsidiary of Camper & Nicholsons Marina Investments Limited ("**CNMI**" or the "**Parent Company**").

Principal activities

The principal activities of the Group are the development, operation and management of marinas.

Business review

Grand Harbour Marina p.l.c. Consolidated

The results for the first six months have been impacted by an uncertain economic situation caused by the coronavirus. This has led to a lower demand in some areas of the business and a weakening of the Turkish lira. In particular, due to the weakening of the Turkish Lira, a loss on the operation of the Cesme Marina is being reported, which in turn led to a group loss before tax. However, the Company is still reporting positive results from an operational perspective.

There was no dividend payment during the six months ended 30 June 2020 (June 2019: €Nil).

Group loss before tax for the period ended 30 June 2020, which includes the 45% share of the losses of IC Cesme, amounted to €0.05 million (June 2019: profit before tax of €0.33 million). During the period ended 30 June 2020 the Group generated net cash flows from operating activities of €0.36 million (June 2019: €0.54 million).

The published figures have been extracted from the unaudited management financial statements for the six months ended 30 June 2020 and the interim condensed consolidated financial statements for the comparative period in 2019.

The report is being published in terms of Listing Rule 5.75 issued by the Listing Authority and has been prepared in accordance with the applicable Listing Rules and International Accounting Standard 34- Interim Financial Reporting. The financial statements published in this half yearly report have been condensed with the requirements of IAS 34. In terms of the Listing Rule 5.75.5, the Directors are stating that these condensed interim financial statements have not been audited or reviewed by the company's independent auditors.

Business review *(continued)*

Grand Harbour Marina p.l.c. Consolidated (continued)

Grand Harbour Marina p.l.c. (including 45% of IC Cesme Marina, Turkey)

	January – June		
	2020	**2019**	***2018***
	€m	**€m**	**€m**
Total revenues	2.8	2.9	3.3
EBITDA	1.3	1.3	1.3
PBT	(0.1)	0.3	0.6
Capital expenditure	-	1.4	0.2

The Group's share price has traded in a range of €0.45 to €0.75 from January 2020 up to 26 August 2020. The market capitalisation was €14.4 million as at 26 August 2020.

The equity method requires the recognition of the 45% share in IC Cesme post-acquisition profits, together with the initial cost of the investment and the equity reserves of the Company. This is disclosed under 'Equity-accounted investee' on the Asset section and under 'Total Equity' on the Equity and Liabilities section of the Condensed consolidated statement of financial position. As at 30 June 2020, this amounted to a share of cumulative post-acquisition profit of €0.11 million (December 2019: €0.49 million).

The corresponding equity method adjustment in the Condensed consolidated statement of profit or loss and other comprehensive income is disclosed under 'Share of profit of equity-accounted investee, net of tax' and relates to the 45% share in IC Cesme profit or loss for the period being reported. For the period ended 30 June 2020, this amounted to a share of pre-tax and post-tax loss of €0.55 million and €0.41 million respectively (June 2019: share of pre-tax and post-tax profit of €0.06 million and €0.10 million respectively). All other movements between the current reporting period and their comparatives are related solely to the Company.

Grand Harbour Marina

Grand Harbour Marina, Malta

	January – June		
	2020	**2019**	***2018***
	€m	**€m**	**€m**
Marina operating revenues	2.1	2.0	2.4
EBITDA	1.0	0.9	0.9
PBT	0.4	0.2	0.5
Capital expenditure	-	-	0.1

The company registered €2.1 million in operating revenues, a marginal increase over the corresponding period of 2019, despite experiencing significant disruption due to the COVID-19 pandemic (see notes 6 and 24.4), while underperforming by €0.3 million when compared to the first half of 2018, attributable to the loss of income from visitor contracts and the consequential lower revenue from utilities.

EBITDA also performed slightly better than 2019 and 2018, thanks to the change in strategy adopted by the Group, savings on cost of sales and sales-related expenses which offset some of the sales shortfall, and the government support in the form of wage subsidy (see note 24.4).

Business review *(continued)*

Grand Harbour Marina (continued)

After deducting depreciation of €0.2 million and net finance costs of €0.4 million, including €0.2 million relating to notional interest on lease liabilities as required by IFRS 16, GHM achieved a profit before tax of €0.4 million (June 2019: €0.2 million).

IC Cesme

IC Cesme Marina, Turkey (100%)

	January – June		
	2020	2019	*2018*
	€m	€m	€m
Seaside revenues	1.0	1.1	1.1
Landside revenues	0.5	0.8	0.9
Total revenues	1.5	1.9	2.0
EBITDA	0.7	0.9	0.8
PBT	(1.2)	0.1	0.3
Capital expenditure	-	3.1	0.1

IC Cesme Marina maintained seaside revenues at a level similar to those of 2018 and 2019. However, it experienced a significant drop in landside revenues because of partial curfews and social distancing measures. Total revenues for the period January – June 2020 stood at €1.5 million compared to €1.9 million for the same period in 2019. An important contributor to this result has been the drop in value of the Turkish Lira of 18%, compared to the exchange rate for the corresponding period in 2019.

Although visitor and seasonal revenues decreased, these were compensated for by 51 new annual contracts, that resulted in a net increase of 833 square metres of water area let over 2019 (30 June 2019: 766 square metres). Landside occupancy has been maintained at 98%, but revenues were severely affected by the closure of the commercial area and a curfew which was put in place for a three-month period.

This resulted in a 22% decrease in EBITDA to €0.7 million (30 June 2019: €0.9 million). After deducting exchange losses of €1.4 million, arising from Euro denominated loans (see loan 18) adversely affected by the weakening of the Turkish Lira, and interest costs, depreciation and IFRS 16-related expenses of €0.5 million, IC Cesme Marina generated a loss before tax of €1.2 million (30 June 2019: profit before tax €0.1 million).

Conclusion

The coronavirus will continue to impact certain parts of the business, especially superyacht and pontoon visitors in both Malta and Turkey and revenues from landside activities in Turkey. We reaffirm the position stated in the Company Announcement of 2 April 2020 that the Company has sufficient resources to meet all its payment obligations, including but not limited to salaries and annual bond interest payments and its ability to redeem in full its current €15 million bond, maturing in 2027.

The Board of Directors remains vigilant in following developments to mitigate risks and to exploit opportunties that may arise. We will continue to focus on enhancing the sustainability of the Company by improving its operating efficiency during these challenging times.

Board of Directors

The Board of directors as at 30 June 2020 was:

Lawrence Zammit (Chairman)
Franco Azzopardi
David Martin Bralsford
Victor Lap-Lik Chu
Elizabeth Ka-Yee Kan
Clive Peter Whiley

Approved by the Board of Directors on 26 August 2020 and signed on its behalf by:

Lawrence Zammit
Chairman

Condensed consolidated statement of financial position

	Note	**2020**	2019
		€000	€000
ASSETS			
Property, plant and equipment	14	**4,930**	5,059
Deferred costs		**482**	482
Right-of-use asset	19	**5,457**	5,150
Net investment lease receivable	19	**5**	410
Equity-accounted investee	16	**2,281**	2,661
Other investments	17	**5,915**	5,651
Loan to Parent company	18	**3,921**	3,922
Non-current assets		**22,991**	23,335
Trade and other receivables	20	**3,389**	1,091
Cash and cash equivalents		**1,795**	4,054
Current assets		**5,184**	5,145
Total assets		**28,175**	28,480
EQUITY			
Share capital		**2,400**	2,400
Exchange translation reserve		**(184)**	(97)
Fair value reserve		**(90)**	4
Retained earnings		**1,161**	1,224
Total equity		**3,287**	3,531
LIABILITIES			
Lease liability	21	**6,095**	6,090
Debt securities in issue	21	**14,695**	14,677
Deferred tax liabilities		**1,050**	1,149
Non-current liabilities		**21,840**	21,916
Lease liability	19	**70**	65
Bank overdraft	21	**-**	1
Taxation payable		**497**	263
Trade and other payables	22	**1,108**	1,527
Contract liabilities	23	**1,373**	1,177
Current liabilities		**3,048**	3,033
Total liabilities		**24,888**	24,949
Total equity and liabilities		**28,175**	28,480

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Grand Harbour Marina p.l.c.
Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2020

	Note	2020 €000	2019 €000
Continuing operations			
Revenue	10	**2,092**	2,026
Direct costs	11	**(440)**	(421)
Contribution		**1,652**	1,605
Selling and marketing expenses	11	**(15)**	(41)
Administrative and other expenses	11	**(635)**	(704)
Impairment loss on financial assets	24	**(4)**	-
Depreciation on plant and equipment	14	**(138)**	(134)
Depreciation on right-of-use-asset	19	**(54)**	(43)
Operating profit		**806**	683
Finance income	12	**126**	93
Finance costs	12	**(568)**	(534)
Net finance costs		**(442)**	(441)
Share of profit of equity-accounted investee, net of tax	16	**(410)**	100
Profit before tax		**(46)**	342
Income tax expense	13	**(135)**	(105)
(Loss)/ Profit for the period		**(181)**	237
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	16	**31**	(208)
Unrealised fair value movement on debt investments at fair value through other comprehensive income (FVOCI)	17	**(94)**	42
Cumulative movement in fair value of debt securities disposed of during the year reclassified to profit or loss	17	**(1)**	(8)
Expected credit losses on investment in corporate debt securities at FVOCI	19	**1**	-
Other comprehensive expense for the period, net of tax		**(63)**	(174)
Total comprehensive income for the period		**(244)**	63
Earnings per share (cents)		**(1.219)**	0.315

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Grand Harbour Marina p.l.c.
Condensed consolidated statement of changes in equity
For the period ended 30 June 2020

	Share capital €000	Translation reserve €000	Fair value reserve €000	Retained earnings €000	Total €000
Balance as at 1 January 2019	2,400	(218)	(4)	1,112	3,290
Total comprehensive income for the period					
Profit for the period	-	-	-	229	229
Other comprehensive income:					
Foreign currency translation differences- equity accounted investees	-	145	-	(353)	(208)
Debt investments at FVOCI – net change in fair value	-	-	42	-	42
Total comprehensive income for the period	-	145	42	(124)	63
Balance at 30 June 2019	2,400	(73)	38	988	3,353
Balance as at 1 January 2020	**2,400**	**(97)**	**4**	**1,224**	**3,531**
Total comprehensive income for the period					
Loss for the period	**-**	**-**	**-**	**(181)**	**(181)**
Other comprehensive income:					
Foreign currency translation differences- equity accounted investees	**-**	**(87)**	**-**	**118**	**31**
Debt investments at FVOCI – net change in fair value	**-**	**-**	**(95)**	**-**	**(95)**
Expected credit losses on investment in corporate debt securities at FVOCI	**-**	**-**	**1**	**-**	**1**
Total comprehensive income for the period	**-**	**(87)**	**(94)**	**(63)**	**(244)**
Balance at 30 June 2020	**2,400**	**(184)**	**(90)**	**1,161**	**3,287**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Grand Harbour Marina p.l.c.
Condensed consolidated statement of cash flows
For the period ended 30 June 2020

	Note	**2020**	2019
		€000	€000
Cash flows from operating activities			
Profit for the period		**(181)**	237
Adjustments for:			
Depreciation on plant and equipment	14	**138**	134
Depreciation on right-of-use assets	19	**54**	43
Share of loss/ (profit) of equity accounted investee	16	**410**	(100)
Increase in expected credit losses (ECLs)	24	**4**	-
Net finance costs		**442**	441
Tax expense	13	**135**	105
		1,002	860
Changes in:			
- Trade and other receivables		**(87)**	44
- Contract liabilities on berthing income		**212**	302
- Trade and other payables		**(424)**	(328)
Cash generated from operating activities		**703**	878
Interest paid		**(340)**	(340)
Net cash from operating activities		**363**	538
Cash flows from investing activities			
Interest received/ (accrued)		**27**	(25)
Acquisition of property, plant and equipment	14	**(9)**	(44)
Acquisition of corporate debt securities	17	**(494)**	(2,534)
Proceeds from disposal of corporate debt securities	17	**137**	362
Intercompany cash transfer	25	**(2,000)**	-
Net cash used in investing activities		**(2,339)**	(2,241)
Cash flows from financing activities			
Proceeds from subleased properties	19	**7**	24
Payment of lease liabilities	19	**(290)**	(322)
Net cash used in financing activities		**(283)**	(298)
Net decrease in cash and cash equivalents		**(2,259)**	(2,001)
Cash and cash equivalents at the 1 January		**4,053**	8,324
Cash and cash equivalents at 30 June		**1,794**	6,323
Expected credit losses on cash and cash equivalents	24	**1**	-
Cash and cash equivalents at 30 June, net of ECLs		**1,795**	6,323

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Reporting entity

The condensed interim financial statements as at and for the six months ended 30 June 2020 comprise the Company and its joint venture (together referred to as "the Group").

2. Basis of accounting

These interim financial statements are being published in terms of Listing Rule 5.74 issued by the Listing Authority, have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

This Report has not been audited or reviewed by the Company's Independent Auditors.

These interim financial statements were authorised for issue by the Company's board of directors on 26 August 2020.

3. Basis of measurement

These interim financial statements have been prepared on the historical cost basis, except for other investments, which are measured at fair value on each reporting date. The financial statements have also been prepared on a going concern basis as explained below:

Going concern basis

As at 30 June 2020, the Group and the Company had a positive working capital and equity position. In spite of the COVID-19 outbreak during 2020, the Board is of the view that in the light of the current financial position and the funding structure in place, the Group and the Company have adequate resources in order to continue to fund their own operations, meet their debts as they fall due and continue to operate as a going concern. On this basis the directors continue to adopt the going concern assumption underlying the basis of preparation of these financial statements.

4. Functional and presentation currency

These interim financial statements are presented in Euro (€), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

5. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of the Group's 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 estimates are recognised prospectively.

5. Use of judgements and estimates (continued)

5.1 Judgements, assumptions and estimation uncertainties

Information about judgements, assumptions and estimation uncertainties as at 30 June 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 6 – COVID-19 related items, including:
  - i) Calculating the recoverable amount for cash generating units that exhibit indicators of impairment as at the period end, and determining the amount of impairment, if any, attributable to the cash generating unit, and
  - ii) Assessing whether the Group has reasonable assurance as to whether it will comply with the conditions attached to government grants

Additionally, while the changes in the following estimates and judgments have not had a material impact on the Group, the effects of COVID-19 have required revisions to:

- Note 24- Estimates of expected credit losses attributable to:
  - i) Accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates,
  - ii) Cash and cash equivalents
  - iii) Loan to parent company
  - iv) Investments in debt securities at FVOCI

5.2 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group assesses the evidence obtained from third parties to support the valuation in accordance with IFRSs as adopted by the EU.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair values hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Fair values have been determined based on the following methods. Where applicable, further information about the assumptions made in measuring fair values is included in note 24.

6. Significant events and transactions

The World Health Organisations declared coronavirus and COVID-19 a global health emergency on 30 January 2020. Since then, the Group has experienced significant disruption to its operations in the following respects:

- Restriction from entry into Maltese waters, starting from February 2020 to any yachts coming from Italian ports, to a country-wide entry restriction in March 2020, up until 30 June 2020, when the public health emergency was lifted, followed by the enabling of travelling to and from 22 countries from 1 July 2020, with restrictions to other 28 destinations lifted by 15 July 2020,

- Significant uncertainty concerning when government lockdowns will be lifted, social distancing requirements will be eased, application of quarantine periods to boats entering local waters and the long-term effects of the pandemic on the demand for the Group's services.

The significant events and transactions that have occurred since 31 December 2019 relate to the effects of the global pandemic on the Group's interim consolidated financial statements for the six months ended 30 June 2020 and are summarised as follows:

- Decrease in revenue and cash flows generated from pontoon and superyacht visitors- as disclosed in Note 10, the revenue streams from pontoon and superyacht visitors decreased by €33k and €208k respectively when compared to the same period last year, a fall of 36% and 74% respectively. The Group also experienced a significant fall in bookings for the Summer period when compared to historical periods, partially emanating from the uncertainty of when government lockdowns were to be lifted, and if a quarantine period was to apply to any boats entering local waters

- Government grants- The Group applied for one government support which was introduced in response to the global pandemic. Included in profit or loss, and as disclosed in Note 11, is €74k of government grants obtained relating to supporting the payroll of the Group's employees. The Group has elected not to present this government grant separately but has instead deducted the related expense "Wages and salaries" in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance". The Group had to commit to terms and conditions relating to this wage supplement program, including not to reduce employee head count for a specified period of time. The Group does not have any unfulfilled obligations relating to this program.

7. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019. A number of new standards are effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

8. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

9. Operating Segments

	Grand Harbour Marina €000	IC Cesme Marina €000	Total for Reportable Segments €000
For the 6 months ended 30 June 2020			
External revenues	**2,092**	**1,479**	**3,571**
Reportable segment profit before tax	**364**	**(913)**	**(549)**
For the 6 months ended 30 June 2019			
External revenues	2,026	1,857	3,883
Reportable segment profit before tax	242	137	379
As at 30 June 2020			
Reportable segment assets	**28,068**	**15,179**	**43,247**
Reportable segment liabilities	**(24,888)**	**(14,380)**	**(39,268)**
As at 31 December 2019			
Reportable segment assets	27,993	16,898	44,891
Reportable segment liabilities	(24,949)	(14,994)	(39,943)

	Reconciliation to Consolidated Amounts		
	Total for Reportable Segments €000	Eliminations €000	Group €000
For the 6 months ended 30 June 2020			
External revenues	**3,571**	**(1,479)**	**2,092**
Reportable segment profit before tax	**(549)**	**503**	**(46)**
For the 6 months ended 30 June 2019			
External revenues	3,883	(1,857)	2,026
Reportable segment profit before tax	379	(37)	342
As at 30 June 2020			
Reportable segment assets	**43,247**	**(15,072)**	**28,175**
Reportable segment liabilities	**(39,268)**	**14,380**	**(24,888)**
As at 31 December 2019			
Reportable segment assets	44,891	(16,411)	28,480
Reportable segment liabilities	(39,943)	14,994	(24,949)

9. Operating Segments (continued)

	30 June 2020 €000	30 June 2019 €000
Consolidated external revenue	**2,092**	2,026
	=======	=======
Consolidated profit before tax	**(46)**	334
	=======	=======

	30 June 2020 €000	31 Dec 2019 €000
Assets		
Total assets of Grand Harbour Marina p.l.c.	**28,068**	27,993
Share of post-acquisition profits of joint venture brought forward	**487**	406
Share of profits of joint venture for the period/ year	**(410)**	71
Foreign exchange currency translation differences for the period/ year	**30**	10
	--------------	--------------
Consolidated assets	**28,175**	28,480
	=======	=======
Liabilities		
Total liabilities of reportable segments	**(24,888)**	(24,949)
	--------------	--------------
Consolidated liabilities	**(24,888)**	(24,949)
	=======	=======

10. Revenue

10.1 Revenue streams

The Company generates revenue primarily from berthing income from annual, seasonal and visitor boats berthed in the marina. Other income is generated through the provision of water and electricity and other ancillary services to such customers.

	30 June 2020 €000	30 June 2019 €000
Revenue from short-term berthing	**1,557**	1,543
Ancillary services	**535**	483
	--------------	--------------
Total revenues recognised in statement of profit or loss	**2,092**	2,026
	=======	=======

10. Revenue (continued)

10.2 Disaggregation of revenue from contracts with customers

The following table disaggregates revenue recognised from contracts with customers into appropriate categories, being annual, seasonal and visitor revenue streams.

	30 June 2020 €000	30 June 2019 €000
Revenue from contracts with customers:		
Revenue generated from pontoons:		
Annual contracts	**752**	708
Seasonal contracts	**60**	56
Visitor contracts	**57**	90
Revenue generated from superyachts:		
Service fees	**222**	214
Annual contracts	**140**	91
Seasonal contracts	**252**	102
Visitor contracts	**74**	282
Revenue from contracts with customers	**1,557**	1,543
Revenue from ancillary services	**535**	483
Total revenue as reported in note 10.1	**2,092**	2,026

10.3 Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	30 June 2020 €000	31 Dec 2019 €000
Receivables, which are included in 'trade and other receivables'	**670**	551
Contract liabilities on berthing income	**(1,371)**	(1,159)

The above receivables mainly relate to trade receivables arising on trading operations, and the contract liabilities relate to consideration received in advance from customers for berthing contracts, for which revenue is recognised over time. From the amount of €1,159k recognised in contract liabilities at the beginning of the period, €875k has been recognised as revenue for the period ended 30 June 2020.

As at reporting date, the Company did not have any contract assets as the Company's rights to consideration for satisfied performance obligations was fully completed and billed in full by the reporting date.

11. Expenses

	30 June 2020 €000	30 June 2019 €000
Direct costs	**440**	421
Operating expenses:		
Directors' remuneration	**19**	31
Wages and salaries	**318**	315
Compulsory social security contributions	**22**	22
Government grant (see note 6)	**(74)**	-
Selling and distribution expenses	**15**	41
Repairs and maintenance	**34**	52
Variable lease payments	**50**	49
Auditors' remuneration	**22**	20
Impairment loss on financial assets (see note 24)	**4**	-
Gain on asset write-off	**(3)**	-
Operator fees (see note 25.2)	**99**	100
Other operating expenses	**147**	115
Total expenses recognised in statement of profit or loss	**1,093**	1,166

12. Net finance costs

	30 June 2020 €000	30 June 2019 €000
Finance income:		
Interest income under the effective interest method on:		
Loans and receivables- measured at amortised cost (see note 25.2)	**33**	35
Corporate debt securities- at FVOCI	**92**	37
Interest income on lease receivable	**-**	13
Corporate debt securities- at FVOCI		
Gain on derecognition reclassified from OCI (see note 17)	**1**	8
Finance income	**126**	93
Finance costs:		
Interest expenses on financial liabilities- measured at amortised cost	**(335)**	(335)
Interest expense on lease liabilities (see note 19.1.2)	**(191)**	(179)
Reversal of interest income on lease receivable	**(23)**	-
Amortisation of bond issue costs (see note 21.4)	**(17)**	(17)
Net foreign exchange losses	**(1)**	(3)
Expected credit losses on investment in debt securities at FVOCI (see note 24.3.2)	**(1)**	-
Finance costs	**(568)**	(534)
Net finance costs recognised in statement of profit or loss	**(442)**	(441)

13. Income taxes

Current tax is recognised at the corporate rate of 35% on the taxable income for the period from the Company's marina business activity, excluding that arising from the sale of long-term superyacht berths. During the periods ended 30 June 2020 and 2019, the Company did not conclude any such sale. Similarly, deferred tax charges and credits relate only to the marina business activity.

	30 June 2020 €000	30 June 2019 €000
Current tax:		
Charge during the year	**(234)**	(104)
	(234)	(104)
Deferred tax:		
Credit/ (Charge) during the year	**99**	(1)
	99	(1)
Tax expense on continuing operations recognised in statement of profit or loss	**(135)**	(105)

14 Property, plant and equipment

14.1

Group and Company	Total	Superyacht berths	Pontoon berths	Improvements to leased properties	Motor vehicles	Other plant and equipment	Assets in the course of construction
Cost	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Balance at 1 January 2019	9,468	4,340	3,581	774	47	574	152
Additions	195	-	193	-	-	-	2
Assets written off	(178)	-	(178)	-	-	-	-
Reclassifications	-	(41)	(75)	116	-	-	-
Balance at 31 December 2019	9,485	4,299	3,521	890	47	574	154
Balance at 1 January 2020	**9,485**	**4,299**	**3,521**	**890**	**47**	**574**	**154**
Additions	**9**	**-**	**(2)**	**-**	**8**	**3**	**-**
Balance at 30 June 2020	**9,494**	**4,299**	**3,519**	**890**	**55**	**577**	**154**

14 Property, plant and equipment (continued)

14.1 (continued)

Group and Company **Accumulated depreciation and impairment**	Total €000	Superyacht berths €000	Pontoon berths €000	Improvements to leased properties €000	Motor vehicles €000	Other plant and equipment €000	Assets in the course of construction €000
Balance at 1 January 2019	4,253	1,074	2,085	593	37	464	-
Depreciation charged for the year	278	86	141	24	5	22	-
Other	(114)	-	(114)	-	-	-	-
Assets written off	9	(1)	(3)	13	-	-	-
Balance at 31 December 2019	4,426	1,159	2,109	630	42	486	-
Balance at 1 January 2020	**4,426**	**1,159**	**2,109**	**630**	**42**	**486**	**-**
Depreciation charged for the year	**138**	**43**	**70**	**12**	**3**	**10**	**-**
Balance at 30 June 2020	**4,564**	**1,202**	**2,179**	**642**	**45**	**496**	**-**
Carrying amounts							
Balance at 1 January 2019	5,215	3,266	1,496	181	10	110	152
Balance at 31 December 2019	5,059	3,140	1,412	260	5	88	154
Balance at 30 June 2020	**4,930**	**3,097**	**1,340**	**248**	**10**	**81**	**154**

14. Property, plant & equipment (continued)

14.2 Capital commitments

No capital commitments were authorised and contracted for, or yet to be contracted for, at the reporting date and at the end of the comparative period.

15. Investment in subsidiary

On 29 June 2011, the Company acquired from Camper & Nicholsons Marinas International Limited the 100% shareholding in Maris Marine Limited ("MML") for a consideration of €115. This dormant company is incorporated in the United Kingdom and the registered office of this subsidiary is situated at The White Building, 4 Cumberland Place, Southampton, SO15 2NP. The reporting date of this non-trading entity is 31 March.

16. Equity-accounted investee

16.1 Cost of equity-accounted investee

The carrying amount of equity-accounted investments has changed as follows:

	30 June 2020 €000	31 Dec 2019 €000
Fair value of net identifiable assets at date of acquisition	**1,082**	1,082
Goodwill inherent in the cost of investment	**848**	848
	1,930	1,930
Cumulative capital contributions	**244**	244
Cost of investment	**2,174**	2,174
Share of post-acquisition reserves	**487**	406
Share of profit for the period	**(410)**	71
Foreign currency translation difference arising on share of profit for the period	**30**	10
Equity-accounted investee	**2,281**	2,661

16.2 Impairment assessment of investment in joint venture

The COVID-19 pandemic triggered the need for the Group to review, at interim stage, the recoverable amount of the investment in IC Cesme to determine whether it exceeds the carrying amount. The directors have included in their estimate of the recoverable amount analysis, the value of IC Cesme marina prepared by CBRE UK Limited as at 31 December 2019.

16. Equity-accounted investee (continued)

16.2 Impairment assessment of investment in joint venture (continued)

The recoverable amount was estimated based on its fair value less costs of disposal, following the BOT contract's extension to 31 December 2067. The fair value measurement falls within Level 3 of the fair value hierarchy. The fair value of the property has been arrived at by reference to its trading potential using a market comparison / income capitalisation valuation technique, whereby EBITDA for a reasonably efficient operator ("REO") is multiplied by a capitalisation multiple, and adjusted for other non-operating assets, net debt and a discount for joint control. EBITDA has been based on the 2020 actual performance for IC Cesme, adjusted for any normalisations applicable to REO. This EBITDA has been capitalised at a rate of 7.3% for the remainder of the term of 48 years for the BOT contract giving a capitalisation multiple of 13.3. The capitalisation rate was estimated on the basis of market information on transactions involving marinas. These are consistent with the December 2019 estimates, as the Group put more weight to the long-term macroeconomic forecasts used to calculate the recoverable amount, rather than focus on the temporary negative effect resulting from the impacts of COVID-19.

The estimated recoverable amount of the Company's investment in IC Cesme's net assets at Group and Company level, exceeds its' carrying amount by approximately €2,326k and €2,433k respectively (December 2019: €2,615k and €3,101k respectively). Management has identified the following assumption for which there could be a possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the extent by which the key assumption is required to vary in order for the estimated recoverable amount to be equal to the carrying amount.

Key assumption	**Value assigned**	**Reasonably possible change in key assumption for recoverable amount to equal carrying amount**	
		Company	**Group**
Yield %	7.3%	+3.1% points	+2.9% points

17. Other investments

The carrying amount of other investments has changed as follows:

	30 June 2020 €000	31 Dec 2019 €000
Non-current:		
Opening balance of corporate debt securities	**5,651**	494
Acquisition of corporate debt securities	**494**	5,507
Disposal of corporate debt securities	**(136)**	(355)
Net (decrease)/ increase in fair value	**(94)**	5
Closing balance of corporate debt securities at fair value	**5,915**	5,651
Impairment loss on corporate debt securities, recognised in Other Comprehensive income	**(1)**	(3)

17. Other investments (continued)

During the period ended 30 June 2020, the Company acquired investments in local listed bonds for €494k. Such investments have stated interest rates ranging from 3.25% to 6% and mature between 2023 and 2029. As at 30 June 2020, the value of such investments, by reference to quoted market prices on the Malta Stock Exchange, amounted to €5,915k (31 December 2019: €5,651k). Such a value was classified as a Level 1 investment by reference to the fair value hierarchy. During the interim period, the Company disposed of certain debt securities. The resulting fair value uplift of €1k recognised initially in OCI was recycled to profit or loss. The fair value loss of €94k on the remaining investments arising during the period ended 30 June 2020 (December 2019: fair value gain of €5k) has been presented in other comprehensive income and included in the fair value reserve.

18. Loans to parent company

	30 June 2020 €000	31 Dec 2019 €000
Non-current:		
At 1 January	**3,922**	2,950
Transfer from current portion	**-**	1,000
Expected credit loss on €2.95m cash pledged in favour of Isbank (see note 24.3.3)	**(2)**	(27)
Reversal/ (Charge) of expected credit loss on €1m intercompany loan (see note 24.3.3)	**1**	(1)
Non-current	**3,921**	3,922
Current:		
At 1 January	**-**	1,000
Transfer to non-current portion	**-**	(1,000)
Current	**-**	-
Total	**3,921**	3,922

Included in the reportable segment liabilities of IC Cesme (see note 9) is a subordinated loan of €6.55 million, with the Group's 45% share being €2.9 million. The subordinated loan provided by Isbank to IC Cesme is secured by cash pledges made by its shareholders, and Camper & Nicholsons Marina Investments Limited ("CNMI") acts as a guarantor and sponsor of IC Cesme's repayment obligations under the Term Facility and the Subordinated Loans to the extent of 45% (reflective of the Company's beneficial interest in IC Cesme) for any failure by IC Cesme to honour repayments. GHM has loaned €2.95 million to CNMI in recognition of the cash pledge of the same amount given by CNMI in support of the Group's share of the subordinated loan to IC Cesme.

In addition to the above pledged loan between the Company and its Parent company, additional upstream loans to the Parent company amount to €1 million, made up of two loan notes, one of €0.40 million and one of €0.60 million, carrying interest at a rate of 4% per annum and repayable by 31 December 2021.

19. Leases

19.1 As a lessee

19.1.1 Right-of-use asset

	Water space	Properties	Total
Non-current:	**€000**	**€000**	**€000**
Balance at 1 January 2019	5,218	922	6,140
Net Investment Receivable	-	(429)	(429)
Accrued lease payments under IAS 17	(452)	-	(452)
Depreciation on right-of-use asset	(60)	(49)	(109)
Balance at 31 December 2019	4,706	444	5,150
Balance at 1 January 2020	**4,706**	**444**	**5,150**
Adjustment following sub-lease termination (see note 19.2.2)	**-**	**361**	**361**
Depreciation on right-of-use asset	**(30)**	**(24)**	**(54)**
Balance at 30 June 2020	**4,676**	**781**	**5,457**

19.1.2 Lease liability

	Water space	Properties	Total
	€000	**€000**	**€000**
Balance at 1 January 2019	5,218	922	6,140
Interest expense on lease liability	328	53	381
Lease payments related to the year	(254)	(112)	(366)
Balance at 31 December 2019	5,292	863	6,155
Balance at 1 January 2020	**5,292**	**863**	**6,155**
Adjustment in accordance with retail price index	**-**	**2**	**2**
Interest expense on lease liability	**166**	**25**	**191**
Lease payments related to the year	**(127)**	**(56)**	**(183)**
Balance at 30 June 2020	**5,331**	**834**	**6,165**

19. Leases (continued)

19.2 As a lessor

19.2.1 Net investment lease receivable

	30 June 2020 €000	31 Dec 2019 €000
Non-current:		
At 1 January	**410**	429
Adjustment following sub-lease termination (see note 19.2.2)	**(359)**	-
Lease receipts related to the period/ year	**(22)**	(45)
Unearned finance income related to the period/ year	**(24)**	26
	5	410

19.2.2 The sub-lease agreement on the office building, which was classified as a finance lease under IFRS 16, and presented as "Net investment lease receivable" in the statement of financial position, was terminated in May 2020, and reclassified under "Right-of-use asset".

20. Trade and other receivables

	30 June 2020 €000	31 Dec 2019 €000
Current:		
Trade receivables, excluding related parties	**670**	551
Trade receivables due from related parties (see note 25.2)	**2,264**	251
Prepayments and other receivables	**455**	289
	3,389	1,091

21. Loans and borrowings

21.1 This note provides information about the contractual terms of the Group's interest-bearing borrowings which are measured at amortised cost.

	30 June 2020 €000	31 Dec 2019 €000
Non-current		
Debt securities in issue (see note 21.4)	**14,694**	14,677
Current		
Bank overdraft (see note 21.3)	**-**	1

21. Loans and borrowings (continued)

21.2 Terms and repayment schedule

The terms and conditions of outstanding loans are as follows

	Nominal int rate	Year of maturity	30 June 2020 Face value €000	30 June 2020 Carrying amount €000	31 Dec 2019 Face value €000	31 Dec 2019 Carrying amount €000
Bank overdraft	4.85%	Repayable on demand	**-**	**-**	1	1
Unsecured bond	4.50%	2027	**15,000**	**14,694**	15,000	14,677
Total interest-bearing liabilities			**15,000**	**14,694**	15,001	14,678

21.3 Bank overdraft

The bank overdraft represents the credit on the Company's credit card as at 30 June 2020, which is repaid on a monthly basis. This overdraft is secured by a pledge of €7k over cash balances held by the Company with HSBC Malta plc

21.4 Debt securities in issue

By virtue of the Prospectus dated 26 June 2017, the Company announced the early redemption of the 7% unsecured €12 million bond issued in 2010, from the proceeds of a new unsecured bond for an amount of €15 million, to which the existing bondholders and shareholders were given the option to subscribe. The bonds had a nominal value of €100 per bond and were issued at par. The bonds are subject to a fixed interest rate of 4.5% per annum payable semi-annually in arrears on 22 February and 22 August of each year. All bonds are redeemable at par (€100 for each bond) on the 23 August 2027.

The bonds are measured at the amount of net proceeds adjusted for the amortisation of the difference between net proceeds and the redemption value of the bonds using the effective interest method as follows:

	30 June 2020 €000	31 Dec 2019 €000
Cumulative amortisation of gross amount of bond issue costs		
Original face value of bonds issued	**15,000**	15,000
Gross amount of bond issue costs	**(402)**	(402)
Cumulative amortisation of gross amount of bond issue costs	**79**	45
Amortisation charge for the period/ year	**17**	34
Unamortised bond issue costs	**(306)**	(323)
Amortised cost and closing carrying amount of the bond	**14,694**	14,677

21. Loans and borrowings (continued)

21.4 The bonds have been admitted to the Official List of the Malta Stock Exchange. The quoted market price of the bonds at 30 June 2020 was €100.50 (31 December 2019: €104.60).

22. Trade and other payables

22.1

	30 June 2020 €000	31 Dec 2019 €000
Current:		
Trade payables, excluding related parties	**127**	442
Trade payables due to related parties (see notes 22.2 and 25)	**75**	142
Other trade payables	**227**	203
Accrued expenses	**679**	740
	1,108	1,527

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

23. Contract liabilities

23.1

	30 June 2020 €000	31 Dec 2019 €000
Current:		
Customer advances on berthing income (see note 23.2)	**1,371**	1,159
Deferred income on lease receivables (see note 23.3)	**2**	18
	1,373	1,177

23.2 The contract liabilities relate to the consideration received in advance from customers for berthing contracts, for which revenue is recognised over time.

23.3 The deferred income on lease receivable relate to income received on subleased properties which relates to period after 30 June 2020.

24 Financial instruments – fair values and risk management

24.1 Accounting classification and fair values

At 30 June 2020 and 31 December 2019, the carrying amount of financial assets and financial liabilities approximated their fair values. Level 1 prices have been applied to arrive at the amount disclosed for the fair value of the bonds in issue and debt securities- FVOCI, whereas Level 3 inputs have been used to arrive at the fair value of the marina held by IC Cesme. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Assets and liabilities classified under financial assets at amortised costs and under other financial liabilities respectively are not measured at fair value.

	Carrying amount							
	Financial assets at FVOCI		**Financial assets at amortised cost**		**Other financial liabilities**		**Total**	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	€000	€000	**€000**	€000	**€000**	€000	**€000**	€000
Investment in corporate debt securities	**5,915**	5,651	**-**	-	**-**	-	**5,915**	5,651
Loans to Parent company	**-**	-	**3,922**	3,922	**-**	-	**3,922**	3,922
Trade and other receivables	**-**	-	**3,389**	1,091	**-**	-	**3,389**	1,091
Cash and cash equivalents	**-**	-	**1,795**	4,054	**-**	-	**1,795**	4,054
Unsecured debt securities in issue	**-**	-	**-**	-	**(14,694)**	(14,677)	**(14,694)**	(14,677)
Bank overdraft	**-**	-	**-**	-	**-**	(1)	**-**	(1)
Trade and other payables	**-**	-	**-**	-	**(1,108)**	(1,527)	**(1,108)**	(1,527)
Contract liabilities	**-**	-	**-**	-	**(1,373)**	(1,177)	**(1,373)**	(1,177)
	=====	=====	=====	======	=====	====	====	====

24. Financial instruments- fair values and risk management (continued)

24.2 Financial risk management

The Group has experienced changes to the following risks from its use of financial instruments due to the COVID-19 pandemic:

- credit risk, and
- liquidity risk

24.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans receivable and investments in debt securities. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognised in the statement of profit or loss and other comprehensive income were as follows:

	30 June 2020 €000	31 Dec 2019 €000
Write-off on trade receivables (see note 24.3.1)	**4**	-
Impairment loss on corporate debt securities at FVOCI (see note 24.3.2)	**1**	3
Impairment loss on cash pledged in favour of Isbank (see note 24.3.3)	**2**	27
(Reversal)/ Charge of impairment loss on intercompany loan (see note 24.3.3)	**(1)**	1
(Reversal)/ Charge of impairment loss on cash and cash equivalents (see note 24.3.4)	**(1)**	2
	5	33

24.3.1 Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in note 10. The majority of the Group's customers have been transacting with the Group for over four years, and less than 0.50% of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, industry, trading history with the Group and existence of previous financial difficulties. At 30 June 2020, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	30 June 2020 €000	31 Dec 2019 €000
Individuals	**244**	159
Legal entities	**281**	300
Agents	**145**	92
	670	551

24. Financial instruments- fair values and risk management (continued)

24.3 Credit risk (continued)

24.3.1 Trade receivables (continued)

24.3.1.1 ECL assessment for corporate and individual customers as at 31 December 2019 and 30 June 2020

With regards to corporate customers, the Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

With regards to individual customers, the Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Since loss rates are based on actual credit loss experience over the past five years, the Group's weighted average loss rate for its receivables is less than 0.12%, and therefore no expected credit losses for trade receivables are registered as at 30 June 2020. The impairment loss of €4k related to a debtor which went bankrupt, and therefore the balance receivable was written-off.

24.3.2 Investment in corporate debt securities

The Group limits its exposure to credit risk on corporate debt securities at FVOCI by investing only in liquid debt securities that have the healthiest interest coverage ratios and gearing ratios, such as the net debt to EBITDA ratio. The Group then monitors changes in credit risk by tracking published annual financial statements of the companies in which the Group holds its debt securities, together with any significant changes in prices of such debt securities on the local stock exchange.

The Company concluded there was no significant change in credit risk on this financial asset due to the COVID-19 pandemic, as such assessment was focused on the changes in the lifetime risk of default, therefore calculating ECLs on 12 months. However, in its assessment, after taking into consideration the fall in bond prices experienced by the local market during the interim period, the Group lowered the ratings used in December 2019 in calculating the probability of default, from A, being the rating given to Malta (the country in which all debt securities trade) by the credit agencies as at 31 December 2019 and 30 June 2020, to BBB, hence increasing the probability of default used in calculating the ECLs to 0.06% (December 2019: 0.04%)

The Company measured loss allowance on the investment in corporate debt securities at an amount equal to 12-month ECLs, which amounted to €4k (2019: €3k). The difference in loss allowance is charged to profit or loss under net finance costs and is recognised in OCI.

The exposure to credit risk for debt securities at FVOCI, net of expected credit losses, at the reporting date by geographic region was as follows:

	30 June 2020 €000	31 Dec 2019 €000
Country		
Malta	**5,915**	5,651
	======	======

24. Financial instruments- fair values and risk management (continued)

24.3 Credit risk (continued)

24.3.3 Loan to Parent company

During the year ended 31 December 2019, the credit risk on the loan to Parent Company of €2,950k pledged in favour of Isbank's subordinated loan to Cesme had experienced a significant increase due to the political uncertainty in Turkey. During the period ended 30 June 2020, the COVID-19 pandemic affected the profitability and the devaluation of the functional currency of IC Cesme.

The Group has therefore measured loss allowance by probability weighting based on the following scenarios:

- Base case (50% weighting)- the probability of default on such loan would be equivalent to the current credit rating of Turkey, being BB emerging, resulting in a lifetime ECL of €7k
- Best case (25% weighting)- the probability of default on such loan would be equivalent to one higher scale than the current credit rating of Turkey, being BBB emerging, resulting in a lifetime ECL of €1k
- Worst case (25% weighting)- the probability of default on such loan would be equivalent to one lower scale than the current credit rating of Turkey, being B emerging, resulting in a lifetime ECL of €21k

This totalled to a lifetime ECL of €29k (December 2019: €27k). The difference in loss allowance is deducted from the gross carrying amount of the asset and presented separately in the statement of profit or loss under "Impairment loss on financial assets".

The reversal of loss allowance on the intercompany loan to CNMIL of €1,000k has been measured at 12-month ECL, which amounted to €1k (December 2019: charge of €1k) and has been included in that financial statement caption. The COVID-19 pandemic did not affect the ECLs on this intercompany loan, due to the healthy asset value, cash flow and jurisdiction in which the Parent company operates.

The exposure to credit risk for the loan to Parent company at amortised cost, net of expected credit losses, at the reporting date by geographic region was as follows:

	30 June 2020 €000	31 Dec 2019 €000
Country		
Turkey	**2,921**	2,923
Guernsey	**1,000**	999
	--------------	--------------
	3,921	3,922
	======	======

24. Financial instruments- fair values and risk management (continued)

24.3 Credit risk (continued)

24.3.4 Cash and cash equivalents

The Group held cash and cash equivalents of €1,795k as at 30 June 2020 (December 2019: €4,054k). The cash and cash equivalents are held with HSBC, which has a short-term rating of A-2 as per Standard and Poor's (S&P's).

Impairment on cash and cash equivalents has been measured on a 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external ratings of S&P's.

The loss allowance amounted to €1k (December 2019: €2k), the decrease of which is attributable to the lower cash balance held by the Company, and is recognized under "Impairment loss on financial asset" in the statement of profit or loss.

24.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group 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 extreme circumstances that cannot reasonably be predicted. In addition, the Company avails itself of a general banking facility amounting to €42k (2019: €42k), of which €nil (2019: €1k) was utilised as at 30 June 2020.

The Company, as already stated on 2 April 2020 by way of company announcement 168/2020, following the loss of sales predicted from Pontoon and Superyacht visitors due to the COVID-19 pandemic, had forecasted a worst-case scenario with no income up to and including September 2020. In such a scenario, the Company would still meet all the obligations associated with financial liabilities, including but not limited to salaries, annual bond interest payments and the full bond redemption in 2027.

The Company mitigated losses emanating from the COVID-19 pandemic by focusing on alternative targets and strategies, such as retaining seasonal superyachts for a big part of the Spring season, where it was usual practice for such segment to depart at the end of the Winter season, and identifying cost-cutting opportunities, such as local marketing events which used to be held on a weekly basis, and which were halted to prevent local transmission of the pandemic. Apart from the internal change in strategies, the Company also availed and benefitted from Government intervention in the form of wage subsidy programs.

25. Related parties

25.1 Parent and ultimate controlling party

The Company is a subsidiary of Camper & Nicholsons Marina Investments Limited ("CNMIL"), the registered office of which is situated at Bordage House, Le Bordage, St Peter Port Guernsey GY1 1BU. CNMIL prepares consolidated financial statements of the Group of which Grand Harbour Marina p.l.c. forms part.

On 21 February 2020, Camper & Nicholsons Marina Investments Limited acquired HSBC Bank Malta p.l.c.'s (as custodian/trustee) entire issued share capital in the Company equivalent to 1,397,216 shares.

As of 26 August 2020, Camper & Nicholsons Marina Investments Limited holds 17,393,590 shares, equivalent to 86.97% of the Company's total issued share capital.

25.2 Related party relationships, transactions and balances

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

	30 June 2020 €000	31 Dec 2019 €000
Camper & Nicholsons Marinas Limited		
Balance payable at 1 January	**(88)**	(106)
As per Marina Services Agreement:		
Recruitment, operational service fees (2.5% of revenue subject to a minimum fee of GBP18k per annum)	**(51)**	(105)
Sales and marketing fees (fixed fee of GBP3.2k per month)	**(22)**	(44)
Management, finance and other related services and expenses	**(6)**	(34)
Cash movements	**120**	201
Balance payable at end of reporting period	**(47)**	(88)
Camper & Nicholsons Marinas International Limited		
Balance payable at 1 January	**(54)**	(60)
Royalty fees (1.5% of revenue excluding direct costs of utilities) as per Trade Mark License Agreement	**(27)**	(54)
Cash movements	**2,054**	60
Balance receivable/ (payable) at end of reporting period	**1,973**	(54)

25. Related parties (continued)

25.2 Related party relationships, transactions and balances (continued)

	30 June 2020 €000	31 Dec 2019 €000
Camper & Nicholsons Marina Investments Limited		
Principal in respect of Cesme Cash Collateral (see note 18)	**2,950**	2,950
Interest accrued at beginning of the year	**251**	222
Interest accrued during the period	**13**	29
Subtotal	**3,214**	3,201
Principal in respect of Loan Note 1 (see note 18)	**400**	400
Interest accrued at beginning of the year	**-**	2
Interest accrued during the period	**8**	16
Interest paid during the period	**(8)**	(18)
Subtotal	**400**	400
Principal in respect of Loan Note 2 (see note 18)	**600**	600
Interest accrued at beginning of the period	**-**	43
Interest accrued during the period	**12**	24
Interest paid during the period	**(12)**	(67)
Subtotal	**600**	600
Costs recharged to/charged by CNMIL	**-**	1
Cash movements	**-**	(1)
Subtotal	**-**	-
Balance receivable at end of reporting period	**4,214**	4,201
Balance receivable, excluding principal of €3,950k (December 2019: €3,950k) at end of reporting period	**264**	251

26. Litigation and claims

The Company's joint venture, IC Cesme, is disputing the following claim:

i) A claim and lawsuit by a former tenant of Cesme Marina, Bolluca Turizm Gida San. ve Dis Tic.Ltd.Sti., which started a legal case against IC Cesme after its contract was terminated in 2011 due to the lack of rental payments. The Board of Directors of IC Cesme, having consulted the company's Attorney, consider that the claim is not valid. Izmir third Basic Commercial Court dismissed the case. The claimant made a request of appeal to Izmir Regional Court of Justice. Izmir Regional Court of Justice decided to revoke the case without conducting a main examination on the grounds that the dispute was due to the lease agreement and that the case should be brought before the Court of Peace. IC Holding Lawyers do not expect a different decision on the merits at the end of the trial to be held in the civil Court of Peace, and expect the case to be rejected, but the case will be prolonged as it needs to be heard again. However, as no accrual has been made, in the event that IC Cesme lost the lawsuit, it would result in a liability of €853k (December 2019: €1,007k) with the Group's 45% share being €384k (December 2019: €453k).

IC Cesme was disputing a claim and lawsuit by the Izmir Tax Inspection Board that it had incorrectly calculated the useful lives of certain assets and therefore the depreciation charge for the years between 2010 and 2013 resulting in a claim for payment of €100k tax, including an €60k penalty. The decision of Izmir 4th Tax Court was annulled in favour of the Company. The Council of State also approved the court's annulment decision and the decision was finalized in favour of IC Cesme, which freed it of the total risk of €100k. The case was closed in May 2020.

27 Subsequent events

i) Government grants- From 1 July 2020 to 26 August 2020, the Group recognised an additional €88k of government grants to wage subsidy programs related to July and August 2020 payroll expenses.

ii) Government imposed port closures- on 1 July 2020, Malta removed restrictions on entry into local water and ports, therefore the Company could start accepting bookings and visitors from outside the country.

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

The undersigned, for and on behalf of the Board, confirms that to the best of our knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of Grand Harbour Marina p.l.c (the “company”) and its subsidiary, (together referred to as the “**Group**”) as at 30 June 2020, and the financial performance and cash flows of the Company and the Group for the six month period then ended, which have been prepared in accordance with the EU adopted International Accounting Standard 34- *Interim Financial Reporting*, and

- The interim Directors’ report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Lawrence Zammit
Chairman
26 August 2020