

**Grand Harbour Marina p.l.c.**

**Half-Yearly Report**

**For the six months ended 30 June 2016**

Grand Harbour Marina p.l.c.  
Half-Yearly Report  
For the six months ended 30 June 2016

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# Grand Harbour Marina p.l.c.

## Directors' Report

### For the six months ended 30 June 2016

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The Directors are pleased to issue their Report pursuant to the Malta Financial Services Authority Listing Rules 5.81 to 5.84. This report shall be read in conjunction with the Condensed Consolidated Interim Financial Statements of the Group, of which Grand Harbour Marina p.l.c is the parent, for the six months ended 30 June 2016.

#### **Principal activities**

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

#### **Review of performance**

##### *Grand Harbour Marina plc Consolidated*

The results for the first six months of 2016 proved to be encouraging with both marinas returning a profit before tax, without the exceptional benefit of berth sales.

The Condensed Consolidated Financial Statements as at and for the six months ended 30 June 2016 include the results of the 45% beneficial interest of the Company in IC Cesme and wholly owned subsidiary of Maris Marine Limited, which is immaterial. These have been prepared using the equity method of accounting as required by International Financial Reporting Standard (“IFRS”) 11.

There was no dividend payment during the six months ended 30 June 2016 (2015: €0).

The performance of the Group has improved in the first six months of this year when compared to the corresponding period in 2015. The combined revenues of Grand Harbour Marina and IC Cesme improved from €2.8 million in the first six months of 2015 to €3.1million in the corresponding period this year, registering a percentage increase of over ten percent.

Group profit before tax for the period ended 30 June 2016, which includes our 45% share of the profits of IC Cesme, improved to €0.35 million (2015: €0.08 million profit).

During the period ended 30 June 2016 the Group generated net cash flows from operating activities of €0.9 million (2015: €0.3 million).

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

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

The Group's share price has traded in a range of €0.90 to €1.03 from January 2016 up to 30 August 2016. The market capitalisation was €18 million as at 30 August 2016.

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 2016, this amounted to a share of cumulative profit post-acquisition of €0.19 million (as at 31 December 2015: €0.08 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' and relates to the 45% share in IC Cesme profit for the period being reported. For the period ended 30 June 2016, this amounted to a share of after tax profit of €0.10 million and €0.13 million pre-tax (2015: share of after tax profit of €0.05 million and €0.10 million pre-tax). All other movements between the current reporting period and their comparatives are related solely to the Company.

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**Grand Harbour Marina plc (including 45% of IC Cesme)**

*Grand Harbour Marina plc (including 45% of IC Cesme Marina, Turkey)*

€m	2016 H1	January – June 2015 H1	2014 H1
Total revenues	3.1	2.8	2.5
EBITDA	1.2	1.0	0.9
PBT	0.3	0.1	-
Capital expenditure	-	-	-

**Grand Harbour Marina**

*Grand Harbour Marina, Malta*

€m	2016 H1	January – June 2015 H1	2014 H1
Berth Sales	-	-	-
Marina operating revenues	2.1	1.8	1.6
Total revenues	2.1	1.8	1.6
EBITDA	0.8	0.6	0.5
PBT	0.2	-	-
Capital expenditure	-	-	-

GHM's operating revenues increased by €0.3m or 15% over the same period in 2015. This improvement reflected an 18% improvement in berthing revenues and a 9% increase in utility and other revenues. Utility revenues decreased by 10% from the very high levels seen in 2015 but the shortfall was more than compensated by the €0.1m novation fee from the resale of a super yacht berth. The increase in berthing revenues reflected improvements in annual, up 22%, seasonal, up 10%, and visitor fees, up 26% with the last of these benefitting from a strong winter berthing season. Since 2014 compound annual growth of berthing revenues has been over 10% and utilities, excluding the novation fee, nearly 16%. Cost of sales increased slightly with the higher revenues whilst increases in turnover related overheads such as rent was the primary contributor to the €0.1m increase in overhead expenses. With improved revenues and the small increase in costs, EBITDA increased by €0.2 million to €0.8 million. (2015: €0.6 million) After deducting depreciation and the interest costs relating to the €11 million Bond GHM achieved a profit before tax of €0.2 million (2015: breakeven), the same level as achieved for the whole of 2015.

Although berth sale activity levels improved again during the period no sales were achieved and no sales are expected in the near future. However, with a number of new super yachts under construction, management believes that berth sales remain a good future revenue stream for the business.

The regeneration of the landside area, completed with the restoration of Fort Saint Angelo in 2015, has significantly improved the environment for the marina's visitors. The importance of the super yacht sector to Malta was highlighted in a recent study commissioned by the Malta Institute of Management.

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**IC Cesme**

*IC Cesme Marina, Turkey*

For 100% of Marina €m	2016 H1	January – June 2015 H1	2014 H1
Seaside revenues	1.5	1.5	1.3
Landside revenues	0.8	0.7	0.7
Total revenues	2.3	2.2	2.0
EBITDA	0.9	0.9	0.8
PBT	0.3	0.2	0.1
Capital expenditure	0.1	-	-

The marina has made further progress during the first half of 2016 with increases in sales and profit before tax whilst maintaining EBITDA at €0.9 million. Seaside revenues showed a small increase with 389 berths either let or reserved on annual contracts at the end of June 2016 as compared with 383 at the same time last year. This has been achieved in spite of the decision by 40 boat owners to leave the marina, primarily due to the sale of the boat or a wish to move to a different location and also the political uncertainty and the concerns over terrorism that have impacted negatively on the tourism industry generally in Turkey. The departing boats have been replaced with new contracts and although these represent a small increase in water area used the marina is still only around 75% occupied by square metre with scope therefore for further revenue growth. Cesme has formed an alliance with other high quality marinas, Palmarina and Marinturk Marinas in response to the discount programmes being offered by other Turkish marina chains.

As reported last year management completed the renewal of many of the landside agreements which had been in place since the marina opened in 2010. The renewal programme was executed successfully and the first benefits of it were seen in the second half of 2015 and these have continued during the first half of 2016 with landside revenues up €0.1m or 14%, within which non-utility revenues are up 17%.

In the first half of the year, Cesme generated revenues of €2.3 million (2015: €2.2 million) with all of the increase coming from landside revenues. With an increase in direct cost of sales, mainly relating to increased electricity charges, and operating costs before depreciation maintained at close to last year's level, Cesme made an operating profit of €0.9 million (2015: €0.9 million). After finance charges and depreciation, both reduced from the prior year level, Cesme increased profit before tax by €0.1 million to €0.3 million (2015: €0.2 million).

Cesme continues to promote both landside and seaside events. In February, the marina hosted again the final races and the closing ceremony of the Izmir Trophy race in which 27 (2015: 22) boats participated. Later in the period Cesme also hosted jazz events and an International chess competition.

CBRE Ltd valued the Cesme Marina BOT Contract (based on a 100% interest) at €18.9 million as at 31 December 2015 and this valuation has not been updated during the period to 30 June 2016.

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**Conclusion**

During the period ended 30 June 2016, both Grand Harbour Marina and IC Cesme have reported improved financial results, reflecting a more effective operational performance, a higher occupancy rate of the berths and a control of expenditure at a sustainable level. The Directors shall continue to focus on sustaining the operating efficiency of the marinas. The Board shall also continue to seek new investment opportunities that will enhance profitability.

**Board of Directors**

The Board of directors as at 30 June 2016 was:

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

Approved by the Board of Directors on 30 August 2016 and signed on its behalf by:



Lawrence Zammit  
Chairman

Grand Harbour Marina p.l.c.  
Condensed Consolidated Statement of Financial Position  
As at 30 June 2016

		At 30 June 2016	At 31 December 2015
	Notes	€ (000's)	€ (000's)
<b>ASSETS</b>			
Property, plant and equipment	9	5,537	5,680
Deferred costs		491	491
Equity-accounted investee	11	2,361	2,257
Parent company loan *	7	3,837	3,837
Assets held under trust	12	1,118	1,118
<b>Non-current assets</b>		<u>13,344</u>	<u>13,383</u>
Trade and other receivables		1,174	889
Cash and cash equivalents		2,464	1,938
<b>Current assets</b>		<u>3,638</u>	<u>2,827</u>
<b>Total assets</b>	5	<u>16,982</u>	<u>16,210</u>
<b>EQUITY</b>			
Total equity		<u>3,153</u>	<u>2,964</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>		11,056	10,866
<b>Current liabilities</b>		2,773	2,380
<b>Total liabilities</b>	5	<u>13,829</u>	<u>13,246</u>
<b>Total equity and liabilities</b>		<u>16,982</u>	<u>16,210</u>

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

The notes on pages 9 to 17 are an integral part of these Condensed Consolidated Financial Statements.



Grand Harbour Marina p.l.c.  
Condensed Consolidated Statement of Profit or Loss and Other  
Comprehensive Income  
For the six months ended 30 June 2016

		<b>1 January 2016 to 30 June 2016</b>	1 January 2015 to 30 June 2015
	Notes	€ (000's)	€ (000's)
<b>CONTINUING OPERATIONS</b>			
Revenue	5	<b>2,081</b>	1,800
Personnel expenses		<b>(197)</b>	(196)
Directors' emoluments		<b>(24)</b>	(24)
Depreciation		<b>(153)</b>	(156)
Other operating expenses		<b>(1,072)</b>	(940)
<b>Results from operating activities</b>		<b>635</b>	484
Finance income		<b>22</b>	26
Finance costs		<b>(408)</b>	(483)
<b>Net finance costs</b>		<b>(386)</b>	(457)
<b>Share of profit of equity-accounted investee</b>		<b>104</b>	54
<b>Profit before income tax</b>	5	<b>353</b>	81
Income tax expense	8	<b>(164)</b>	(118)
<b>Profit / (Loss) for the period</b>		<b>189</b>	(37)
<b>Total comprehensive income for the period</b>		<b>189</b>	(37)
<b>Profit / (Loss) per share (rounded)</b>		<b>1c</b>	(0c)

The notes on pages 9 to 17 are an integral part of these Condensed Consolidated Financial Statements.

Grand Harbour Marina p.l.c.  
 Condensed Consolidated Statement of Changes in Equity  
 For the six months ended 30 June 2016

	Share capital	Fair value reserve	Retained earnings	Total
	€ (000's)	€ (000's)	€ (000's)	€ (000's)
<b>At 1 January 2015</b>	<b>2,329</b>	<b>-</b>	<b>446</b>	<b>2,775</b>
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(37)	(37)
<b>Balance at 30 June 2015</b>	<b>2,329</b>	<b>-</b>	<b>409</b>	<b>2,738</b>
<b>At 1 January 2016</b>	<b>2,400</b>	<b>-</b>	<b>564</b>	<b>2,964</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	189	189
<b>Balance at 30 June 2016</b>	<b>2,400</b>	<b>-</b>	<b>753</b>	<b>3,153</b>

The notes on pages 9 to 17 are an integral part of these Condensed Consolidated Financial Statements.

Grand Harbour Marina p.l.c.  
Condensed Consolidated Statement of Cash Flows  
For the six months ended 30 June 2016

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	<b>1 January 2016 to 30 June 2016</b>	1 January 2015 to 30 June 2015
	€ (000's)	€ (000's)
<b>Net cash generated from operating activities</b>	<b>947</b>	308
<b>Net cash (used in) / generated from investing activities</b>	<b>(10)</b>	653
<b>Net cash used in financing activities</b>	<b>(409)</b>	(1,164)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>528</b>	(203)
Cash and cash equivalents 1 January	<b>1,936</b>	2,343
<b>Cash and cash equivalents 30 June</b>	<b>2,464</b>	2,140

The notes on pages 9 to 17 are an integral part of these Condensed Consolidated Financial Statements.

# Grand Harbour Marina p.l.c.

## Notes to the Condensed Consolidated Financial Statements

### For the six months ended 30 June 2016

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#### **1. Reporting entity**

Grand Harbour Marina p.l.c. (the “Company”) is a public limited liability company domiciled and incorporated in Malta. The Condensed Consolidated Financial Statements as at and for the six months ended 30 June 2016 comprise the Company and its subsidiary and the Group’s interest in its joint arrangement, IC Cesme Marina Yatirim, Turizm ve Isletmeleri Anonim Sirketi (“IC Cesme”).

The financial statements of the Company as at and for the year ended 31 December 2015 are available on the Company’s website at <http://en.cnmarinas.com/grand-harbour-marina/notification%20&%20publication> and also upon request from the Company’s registered office at ‘The Capitanerie, Vittoriosa Wharf, Vittoriosa BRG 1721, Malta’.

#### **2. Basis of Preparation**

##### **(a) Statement of compliance**

The Condensed Consolidated Financial Statements (the “Report”) of the Group is being published in terms of Listing Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Listing Rules and EU adopted International Accounting Standard 34, ‘*Interim Financial Reporting*’. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2015. The Report does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2015.

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

##### **(b) Use of estimates and judgements**

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

In preparing the Report, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2015.

Grand Harbour Marina p.l.c.  
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For the six months ended 30 June 2016

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**3. 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 2015.

**4. Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2015.

**5. Operating Segments**

	<b>Grand Harbour Marina € (000's)</b>	<b>IC Cesme Marina € (000's)</b>	<b>Total for Reportable Segments € (000's)</b>
<b>For the six months ended 30 June 2015</b>			
External revenues	1,800	2,220	4,020
Reportable segment profit before tax	27	224	251
<b>For the six months ended 30 June 2016</b>			
External revenues	<b>2,081</b>	<b>2,339</b>	<b>4,420</b>
Reportable segment profit before tax	<b>249</b>	<b>290</b>	<b>539</b>
<b>As at 31 December 2015</b>			
Reportable segment assets	16,127	18,297	34,424
Reportable segment liabilities	(13,246)	(17,130)	(30,376)
<b>As at 30 June 2016</b>			
Reportable segment assets	<b>16,795</b>	<b>18,459</b>	<b>35,254</b>
Reportable segment liabilities	<b>(13,829)</b>	<b>(17,060)</b>	<b>(30,889)</b>

Grand Harbour Marina p.l.c.  
Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2016

5. Operating Segments (*continued*)

<u>Reconciliation to Consolidated Amounts</u>			
	<b>Total for Reportable Segments</b>	<b>Elimination of Joint Venture segment</b>	<b>Consolidated External Revenues</b>
	€ (000's)	€ (000's)	€(000's)
<b>For the six months ended 30 June 2015</b>			
External revenues	4,020	(2,220)	1,800
<b>For the six months ended 30 June 2016</b>			
External revenues	<b>4,420</b>	<b>(2,339)</b>	<b>2,081</b>
		<b>2016</b>	<b>2015</b>
		€ (000's)	€ (000's)
<b>Consolidated external revenues</b>		<u><b>2,081</b></u>	<u><b>1,800</b></u>
	<b>Total for Reportable Segments</b>	<b>Elimination of Joint Venture segment</b>	<b>Consolidated Profit before Tax</b>
	€ (000's)	€ (000's)	€ (000's)
<b>For the six months ended 30 June 2015</b>			
Reportable segment profit before tax	251	(170)	81
<b>For the six months ended 30 June 2016</b>			
Reportable segment profit before tax	<b>539</b>	<b>(186)</b>	<b>353</b>
		<b>2016</b>	<b>2015</b>
		€ (000's)	€ (000's)
<b>Consolidated profit before tax</b>		<u><b>353</b></u>	<u><b>81</b></u>

Grand Harbour Marina p.l.c.  
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5. Operating Segments (*continued*)

Reconciliation to Consolidated Amounts (*continued*)

	Total for Reportable Segments	Elimination of Joint Venture segment	Consolidated Assets and Liabilities
	€ (000's)	€ (000's)	€ (000's)
<b>As at 31 December 2015</b>			
Reportable segment assets	34,424	(18,214)	16,210
Reportable segment liabilities	(30,376)	17,130	(13,246)
<b>As at 30 June 2016</b>			
Reportable segment assets	<b>35,254</b>	<b>(18,272)</b>	<b>16,982</b>
Reportable segment liabilities	<b>(30,889)</b>	<b>17,060</b>	<b>(13,829)</b>
	<b>30 June 2016</b>	<b>31 December 2015</b>	
	<b>€ (000's)</b>	<b>€ (000's)</b>	
<b>Assets</b>			
Total assets for reportable segments	<b>16,795</b>	16,127	
Share of post-acquisition (losses) / profits of joint venture brought forward	<b>83</b>	(175)	
Share of profits of joint venture for the period	<b>104</b>	258	
<b>Consolidated assets</b>	<b>16,982</b>	16,210	

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5. Operating Segments (*continued*)

Reconciliation to Consolidated Amounts (*continued*)

	<b>30 June 2016 € (000's)</b>	31 December 2015 € (000's)
<b>Liabilities</b>		
Total liabilities for reportable segments	<b>(13,829)</b>	(13,246)
<b>[N3] Consolidated liabilities</b>	<b>(13,829)</b>	(13,246)

6. Seasonality of operations

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

7. Parent company loan

Included in the reportable segment liabilities of IC Cesme (note 5) are a term loan of €7,000k and a subordinated loan of €8,495k. The subordinated loan provided by Isbank to IC Cesme is secured by cash pledges made by its shareholders. As at 30 June 2016 Camper & Nicholsons Marina Investments Limited's ("CNMI") cash pledge in relation to the subordinated loan amounted to €3,837k (December 2015: €3,837k). The Company advanced an equivalent amount in cash to CNMI at an interest rate of 1% per annum.

8. Taxation

Income tax expense is recognised based on the pro-rata calculation of the deferred tax expense forecasted for the full financial year ending 31 December 2016, applied for the interim period ended 30 June 2016.

The charge for income tax for the period ended 30 June 2016 was €164k (June 2015: €118k). As a result, the deferred tax liability as at 30 June 2016 stood at €268k (December 2015: €104k).



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**8. Taxation (continued)**

The deferred tax liability as at 30 June 2016 therefore comprises:

	<b>30 June 2016 € (000's)</b>	31 December 2015 € (000's)
Grand Harbour Marina plc:		
Deferred tax (liability)/ asset at 1 January	<b>(104)</b>	158
Actual income tax expense for the period/year	<b>(164)</b>	(262)
	<hr/>	<hr/>
Deferred tax liability at the end of the period/year	<b>(268)</b>	(104)
	<hr/> <hr/>	<hr/> <hr/>

**9. Plant and equipment**

During the six months ended 30 June 2016 the Group acquired assets at a cost of €10k (2015: €6k)

**10. Capital commitments**

The Group's capital commitments as at 30 June 2016 were €nil (2015: €nil).

**11. Equity-accounted investee**

The equity-accounted investee as at 30 June 2016 comprises:

	<b>30 June 2016 € (000's)</b>	31 December 2015 € (000's)
Acquisition of beneficial interest in IC Cesme	<b>1,930</b>	1,930
Group's share of increase in share capital	<b>244</b>	244
Share of post-acquisition profits	<b>187</b>	83
	<hr/>	<hr/>
	<b>2,361</b>	2,257
	<hr/> <hr/>	<hr/> <hr/>

Grand Harbour Marina p.l.c.  
Notes to the Condensed Consolidated Financial Statements  
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**12. Assets held under trust**

In accordance with the terms of the Trust Deed for Grand Harbour Marina's ("GHM") unsecured 7% Bond, GHM is required to establish a sinking fund to support repayment of the Bond in 2020. From 27 January 2014 up to 30 June 2016, 1.03 million nominal value bonds have been bought back by the company for a consideration of €1.13 million, to save on finance costs relating to the 7% GHM Bond 2017-2020 interest payments up to maturity date.

The sinking fund as at 30 June 2016 comprises:

	<b>30 June 2016</b>	31 December 2015
	€ (000's)	€ (000's)
Grand Harbour Marina plc:		
Sinking fund at 1 January	<b>1,118</b>	1,070
Transfers to the sinking fund	-	805
GHM bond buybacks	-	(757)
	<hr/>	<hr/>
Sinking fund at the end of the period/year	<b>1,118</b>	1,118
	<hr/> <hr/>	<hr/> <hr/>

**13. Interest bearing borrowings**

	Currency	Nominal interest rate	Year of maturity	<b>30 June 2016</b>	31 December 2015
		%		€ (000's)	€ (000's)
Unsecured 7% bonds	Euro	7.00	2017-2020	<b>10,788</b>	10,762
Bank overdrafts	Euro	4.85	on demand	<b>1</b>	1
				<hr/>	<hr/>
Total				<b>10,789</b>	10,763
				<hr/> <hr/>	<hr/> <hr/>
Non-current				<b>10,788</b>	10,762
Current				<b>1</b>	1
				<hr/>	<hr/>
Total				<b>10,789</b>	10,763
				<hr/> <hr/>	<hr/> <hr/>

Grand Harbour Marina p.l.c.  
Notes to the Condensed Consolidated Financial Statements  
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**14. Contingencies**

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

- i) A claim by the District Governorship of Cesme that the landside tenants/subtenants in Cesme should pay to the Governorship a charge of 1% on the annual revenues from 2010 to 2016 and in future years. This charge would ultimately be the responsibility of IC Cesme in the event that the Governorship's claim is successful and the tenants/subtenants do not make the payment. The management of IC Cesme believes that this claim is contrary to the signed agreements and in this regard has initiated a legal case. The Board of Directors of Grand Harbour Marina p.l.c. share the same opinion. As at 30 June 2016, the potential claim would amount to €780k (December 2015: €727k), with the Company's 45% share amounting to €351k (December 2015: €327k) if IC Cesme had to make a payment in full.
- ii) A claim and lawsuit by the Izmir Tax Inspection Board that IC Cesme, in determining depreciation, have incorrectly calculated the useful lives for the years between 2010 and 2013, resulting in under-declared tax and penalty of €205k (December 2015: €207k), which the entity is liable to pay, with the Group's share being €92k (December 2015: €93k). The management of IC Cesme is disputing this claim. While liability is not admitted, if defence against this action is unsuccessful, the above amount could become due. Based on legal advice, the management of IC Cesme do not expect that the entity is found liable. As a result no provision towards this amount has been made in these financial statements as the likelihood of occurrence of this claim is considered by management of IC Cesme as less likely than not. The Board of Directors of Grand Harbour Marina p.l.c. share the same opinion.

**15. Related party transactions**

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

**15.1 Transactions with key management personnel**

Other than the directors' emoluments amounting to €24k (June 2015: €24k), key management compensation amounted to €51k (June 2015: €53k).

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

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

Grand Harbour Marina p.l.c.  
Notes to the Condensed Consolidated Financial Statements  
For the six months ended 30 June 2016

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

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

**15.2.1 Camper & Nicholsons Marinas Limited**

	<b>30 June 2016 € (000's)</b>	31 December 2015 € (000's)
As per Marina Services Agreement:		
Balance payable at 1 January	(48)	(72)
Transactions incurred during the period	(140)	(237)
Cash movements	137	261
	<hr/>	<hr/>
<b>Balance payable</b>	<b>(51)</b>	<b>(48)</b>
	<hr/> <hr/>	<hr/> <hr/>

**15.2.2 Camper & Nicholsons Marinas International Limited**

	<b>30 June 2016 € (000's)</b>	31 December 2015 € (000's)
Balance payable at 1 January	(30)	(20)
Transactions incurred during the period	(28)	(50)
Cash movements	30	40
	<hr/>	<hr/>
<b>Balance payable</b>	<b>(28)</b>	<b>(30)</b>
	<hr/> <hr/>	<hr/> <hr/>

**15.2.3 Camper & Nicholsons Marina Investments Limited**

	<b>30 June 2016 € (000's)</b>	31 December 2015 € (000's)
Balance receivable at 1 January	4,006	3,972
Interest receivable	19	38
Recharge of expenses	-	5
Cash movements	-	(9)
	<hr/>	<hr/>
<b>Balance receivable</b>	<b>4,025</b>	<b>4,006</b>
	<hr/> <hr/>	<hr/> <hr/>

The above balance includes €3,837k (December 2015: €3,837k) receivable from Camper & Nicholsons Marina Investments Limited as described in note 7.

**16. Subsequent events**

There were no material subsequent events between the end of June 2016 and the date of this Report.

Grand Harbour Marina p.l.c.  
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**Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority**

I confirm that to the best of my knowledge:

- The Condensed Consolidated Financial Statements prepared in accordance with the EU adopted International Accounting Standard 34 *Interim Financial Reporting*, included in this Report, give a true and fair view of the assets, liabilities and financial position as at 30 June 2016 and profit of the Group for the period ended 30 June 2016; and
- The Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Lawrence Zammit  
Chairman  
30 August 2016