Annual Report 2014

Camper & Nicholsons Marinas
YACHTING SINCE 1782

GRAND HARBOUR MARINA
VITTORIOSA * MALTA

Annual Report
2014

Company Registration Number: C26891

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For the Year Ended 31 December 2014

Overview

During 2014 the Board of Directors, management and staff continued to make improvements in the operations at Grand Harbour Marina ("GHM"), and with the support of IC Holdings, to improve the performance of IC Cesme Marina ("IC Cesme") for that business to consolidate the achievements of 2013. We are proud to announce that we have achieved both objectives. The operation at GHM was close to breaking even without sales of superyacht berth licences, while IC Cesme reported an increase in profit before tax.

Summary of Group Results

	2014			2013		
	Grand Harbour Marina	45% Share of IC Cesme	Combined	Grand Harbour Marina	45% Share of IC Cesme	Combined
All Figures in € millions						
Revenues	**3.40**	**2.17**	**5.57**	3.15	1.96	5.11
EBITDA	**1.01**	**0.98**	**1.99**	0.88	0.68	1.56
(Loss) / profit before income tax	**(0.01)**	**0.35**	**0.34**	(0.08)	0.03	(0.05)
(Loss) / profit after income tax	**(0.18)**	**0.35**	**0.17**	(0.13)	0.03	(0.10)

Grand Harbour Marina plc Consolidated

The Consolidated Financial Statements as at and for the year ended 31 December 2014 include the 45% beneficial interest of the Company in IC Cesme and the results of a wholly owned subsidiary, the latter being immaterial.

Group revenues of €3.40 million (2013: €3.15 million) are reported in accordance with accounting standards which result in the revenues of our joint venture being excluded from these headline figures. The total revenue of Grand Harbour Marina and IC Cesme Marina amounted to €5.57 million in 2014 compared to €5.11 million in 2013.

As reported in the Statements of Profit or Loss and Other Comprehensive Income, Group profit before tax for the year ended 31 December 2014, which includes our 45% share of the profits of IC Cesme, was €0.34 million (2013: €0.05 million loss).

The Group's share price has traded in a range of €1.82 to €1.87 during 2014 and the market capitalisation was €18,800,000 as at 30 March 2015.

As reported previously, the Board of GHM, in March 2014, declared a dividend of €840,000 (8.4 Euro cents per share) which was paid in April 2014.

During 2014, GHM ("the Company") provided no additional funding (2013: €0.39 million) to IC Cesme and in accordance with the terms of the Bond issue made in 2010, placed €0.59 million (2013: €0.85 million) in a sinking fund towards repayment of the Bond. Nearly €0.37 million of the funds placed in the sinking fund were utilised to buy back some of the issued bonds thus reducing future interest costs. The total amount available in the sinking fund as at 31 December 2014 amounted to €1.07 million.

Management changes

In January 2014 Ms Caroline Navarro was appointed Sales and Marketing Manager and in November 2014 Mr Gordon Vassallo was appointed Marina Manager at GHM. In April 2014 Mr Can Akaltan was appointed General Manager of IC Cesme Marina. All appointments have strengthened the Company's commitment to operate premium marinas and deliver an excellent service to its clients.

Grand Harbour Marina

Financial Results

Sales revenues excluding berth sales increased by 8% with berthing revenues increasing by more than 9% and utility revenues, including fuel sales, increasing by 5.5%. Over the last 5 years the business has achieved an annual compound growth rate of over 10% for sales excluding berth sales. Although there were small increases in operating expenses and cost of sales, some of which related to the increased turnover, earnings before interest, tax, depreciation and amortization (EBITDA) improved to €1 million. The compound growth in EBITDA over the last 4 years is 35%. After deducting finance charges including a net interest cost of €0.84 million, primarily relating to the Bond and depreciation of €0.31 million, GHM achieved a breakeven result (2013: €0.1 million loss).

Operational Performance

Camper & Nicholsons Marinas Limited have maintained their management role, and renewed efforts have been made to ensure that the operations at GHM meet the standards demanded of comparable premium marinas in the Mediterranean and remain a benchmark for the marina sector in Malta.

The occupancy rate on the pontoon berths was maintained at over 100%. It reached 107% in 2014 compared to 106% in 2013. The occupancy in terms of square meters was 97%, an increase of 3 percentage points over 2013. Occupancy of super yacht berths also increased in 2014, rising to 63% from 54% in 2013. The number of super yachts visiting GHM during 2014 was 178 (2013: 152).

The Government led regeneration of the waterfront, around and adjacent to the marina, costing in excess of €9 million was completed in 2014 together with the refurbishment of Dock 1, an adjacent water area. In addition the Government restoration work on historic Fort Saint Angelo and the Old Naval Bakery, currently housing the Malta Maritime Museum, was commenced and is expected to be completed during 2015. The improvements in the surrounding area have enhanced the GHM experience for all visitors to the marina.

Conditions for the sale of long-term superyacht berth licences remained challenging and no sales were completed during 2014. There was however some activity in the Mediterranean market which may indicate an initial step in the recovery of the market.

Sales and Marketing

The recruitment of a Sales and Marketing Manager at the beginning of 2014 has strengthened relations with its customers and enhanced the Company's presence in the market. The Company has increased its focus on strategic partnerships with local agents, developed one-to-one communication with our customers and has built on its contacts to encourage super yacht visits and ensure small to mid size berths remain at peak occupancy.

During 2014 the Company increased the number of events offered to visitors at GHM. These have included welcome parties, captain and crew parties, wine tasting events, a photography course and activities related to specific events such as Christmas and Halloween. We have created partnerships with other service providers to render the crews' stay in Malta as enjoyable as possible.

These efforts have delivered the expected benefits as the number of summer super yacht visitors increased by over 40% and June saw the highest ever level of monthly super yacht visitors at the marina.

The Company maintained its sponsorship agreement for the international classic boat race 'The Camper & Nicholsons Trophee Bailli de Suffren', which starts in Saint Tropez in France and ends at GHM in Malta.

This exposure to the international yachting community was supported by the Company's presence in the international boat shows in Monaco, Genoa, Palma and Cannes, its presence in the social media, and continued improvements to the website.

Thanks to the marketing expertise of Camper & Nicholsons we continue to position GHM as one of the leading yachting centres of the Mediterranean, as the development of this activity has proven to produce significant economic benefits for the whole country.

Corporate Social Responsibility

The Company is mindful of its commitment to Malta and in particular the Community in Cottonera. Our efforts to promote GHM are closely tied to the promotion of our country as a prime maritime destination with its centuries of history. We have also maintained our support to the city of Birgu and the Malta Maritime Museum.

IC Cesme Marina

Financial Results

IC Cesme Marina, our 45% joint venture in Turkey, had a very successful year and ended 2014 with a profit before tax of €0.8 million compared to a profit of €0.1 million in 2013. Revenues and EBITDA increasing by 10% and 50% respectively. Total revenues increased by €0.5 million over 2013, while EBITDA increased from €1.5 million to €2.2 million. Cost of sales were maintained at levels similar to 2013 and 2012, while operating expenses reduced by €0.3 million partly due to the exchange rate impact.

The property valuers, CBRE, valued Cesme Marina (based on a 100% interest) at €18.2 million as at 31 December 2014 which is a small increase on their €17.7 million valuation as at 31 December 2013.

Operational Performance

By the end of 2014, with 357 berthing contracts in place (2013: 330 contracts), the marina had reached full occupancy in terms of berth numbers and 72% in terms of berthing area. Management created an additional 6 berths during the year from improved utilisation of the water area and continues to try to increase the average size of boats in the marina to close the gap between the two occupancy measures. With berthing prices quoted in Euros, the weakening of that currency has been beneficial for local boat owners who were impacted adversely by the weakness of the Turkish Lira in 2013 and early 2014. Berth pricing was not a significant factor for boats leaving the marina in 2014 and management have recently implemented an average price increase of 13% as annual contract renewals become due.

The retail properties remained fully occupied during the year with management seeking to change tenants where necessary to improve the quality of the customer offering. As the marina opened in 2010, around 55% of the landside rental agreements are due for renegotiation in 2015. Management has established a programme for these renewals to ensure they are completed on a timely basis and that weaker tenants are replaced if possible by higher quality ones.

Sales and Marketing

In January 2014, IC Cesme won the prestigious PIANC Marina Excellence Design Jack Nichol Award. This award recognises excellence in the design of modern recreational boating facilities around the world. This is the fourth award that the marina has won since its opening, thereby strengthening its profile as one of the leading marinas in the Eastern Mediterranean.

The marina in Cesme has continued to be a focal point for the local community with a number of events being organised throughout the year. Cesme Marina has hosted again many sailing regattas including the Izmir Autumn and Winter Trophy races, the East Mediterranean Yacht Rally and the Channel Cup between Cesme and Chios. In addition the marina hosted a cocktail party for EU Economic Counsellors during their Cesme to Chios tour and helped organise a two day basic sailing course at the marina for University students. It also organised the Instagram photo contest.

The emphasis placed on social media and other digital marketing tools is reaping the expected benefits as evidenced by results achieved. IC Cesme was also present at the Istanbul, Monaco and Dusseldorf boat shows.

The support of Camper & Nicholsons and our joint venture partners Ibrahim Cecen Investment Holding AS continues to be critical in achieving these positive results and in charting the future path of this prestigious marina in Western Turkey.

Group Outlook

The improvements in profitability that were targeted during the year have been achieved, in spite of the continued uncertainty in the international economic environment. This will spur the Board of Directors and the management team to make further gains in 2015, strengthen the sustainability of the Company and map out its next stage of development.

The input of our major shareholder Camper & Nicholsons Marina Investments Ltd through its involvement in the strategic, operating, technical and marketing role and the input of our joint venture partners in Turkey Ibrahim Cecen Investment Holding AS are considered as highly valuable and we seek to strengthen our collaboration with them.

Lawrence Zammit
Chairman

Directors' Report

For the Year Ended 31 December 2014

The directors present their report of Grand Harbour Marina p.l.c. (the "Company") for the year ended 31 December 2014.

Board of Directors

Lawrence Zammit (Chairman)
Roger St John Hulton Lewis
Sir Christopher Lewinton
Franco Azzopardi
David Martin Bralsford
Clive Whiley

Principal Activities

The principal activities of the Company and its joint venture are largely the acquisition, 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 the Grand Harbour Marina in Malta and the 45% interest in Çeşme Marina Yatirim, Turizm ve Işletmeleri Anonim Şirketi ("IC Cesme"), in Turkey. The marinas are 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 and its joint venture entity is therefore to seek prospective customers to berth their vessels within the facilities at the Grand Harbour Marina in Vittoriosa, Malta, and at IC Cesme 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 5 to 7 reviews the business of the Company and its joint venture for the year. The results of its operations are set out in the Statements of Profit or Loss and Other Comprehensive Income.

The financial position at 31 December 2014, as disclosed in the Statements of Financial Position as at this date, reflects a healthy state of affairs.

Future Developments

The directors continue to place emphasis on improving operating efficiency at both Grand Harbour Marina and IC Cesme to strengthen the sustainability of the Company.

Furthermore the directors have confidence that the acquisition of the 45% interest in IC Cesme will continue reaping benefits, thus contributing to an acceleration in the growth of the Company which will generate increasing value for the shareholders.

Business Risks and Uncertainties

The financial performance of the Company partly depends on the timing, number and extent of berth sales. Whereas the Company's business model has been shifting towards a financial performance based on the maximisation of marina occupancy and closer management of costs, there inevitably remains an exposure, to a certain extent, to the risks associated with the trends and future outlook of the berth sale 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.

Going Concern

The directors have reviewed the Company's operational and cash flow forecasts. On the basis of this review, after making enquiries, and in the light of the current financial position, the existing banking facilities and other funding arrangements, the directors confirm, in accordance with Listing Rule 5.62, that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Dividend

During the year a dividend amounting to €840,000 was paid to the shareholders of the Company.

Reserves

The movements on reserves are as set out in the Statements of Changes in Equity.

Auditors

KPMG have expressed their willingness to continue in office. A resolution proposing the reappointment of KPMG as auditors of the Company will be submitted at the forthcoming Annual General Meeting.

Disclosure in terms of the Listing Rules

Pursuant to Listing Rule 5.64

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;
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 11 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 2014, Camper & Nicholsons Marina Investments Limited holds 7,917,209 shares in the Company, equivalent to 79.17% of its total issued share capital. In addition, the Company is informed that HSBC Bank Malta plc (as custodian/trustee) holds in aggregate 886,380 shares in the Company (representing 8.86% of the 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.

Appointment/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 thereof may make recommendations and nominations to the shareholders for the appointment of directors at the next following annual general meeting.
(b) Shareholders are granted a period of at least fourteen (14) days to nominate candidates for 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 candidate's acceptance to be nominated as director, shall on pain of disqualification be made on the form to be prescribed by the Directors from time to time and shall reach the Office 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.
(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 (either by a show of hands or through a poll). 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, 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 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 Memorandum and Articles of Association

In terms of the Companies Act, Cap 386 of the 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.

If one of the aforesaid majorities is obtained but not both, another meeting shall be duly convened within 30 days 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 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).

Furthermore, the Company may, subject to such restrictions, limitations and conditions contained in the Companies Act, acquire its own shares.

Save as otherwise disclosed herein, the provisions of Listing Rules 5.64.2, 5.64.4 to 5.64.7, 5.64.10 and 5.64.11 are not applicable to the Company.

Approved by the Board of Directors on 30 March 2015 and signed on its behalf by:

Lawrence Zammit
Chairman

Franco Azzopardi
Director

Registered Office:
Vittoriosa Wharf
Vittoriosa
Malta

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

Pursuant to Listing Rule 5.68, we, the undersigned, declare that, to the best of our knowledge, the financial statements included in this 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 loss of Grand Harbour Marina p.l.c. (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 30 March 2015 by:

Lawrence Zammit
Chairman

Franco Azzopardi
Director

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

Introduction

Pursuant to the Listing Rules issued by the Listing Authority, Grand Harbour Marina p.l.c. (the "Company") as a company whose equity securities are listed on a regulated market should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Listing Rules (the "Code"). In terms of Listing Rule 5.94, the Company is obliged to prepare a report explaining how it has complied with the Code. For the purposes of the Listing Rules, the Company is hereby reporting on the extent of its adoption of 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.

Good corporate governance is the responsibility of the Board of Directors of the Company (the "Board"), and in this regard the Board has carried out a review of the Company's compliance with the Code during the period under review. As demonstrated by the information set out in this statement, the Company believes that it has, save as indicated herein the section entitled "Non-Compliance with the Code", throughout the accounting period under review, applied the principles and complied with the provisions of the Code. In the Non-Compliance Section, the Board indicates and explains the instances where it has departed from or where it has not applied the Code, as allowed by the Code.

Part 1: Compliance with the Code

Principle 1: The Board

The Board's principal purpose is to provide the required leadership of the Company, to set the present and future strategy of the Company and to ensure proper oversight and accountability. The Board currently comprises five non-executive directors, including the Chairman and one executive director, all of whom were elected by the shareholders in general meeting. The directors, inter alia, exercise prudent and effective control, are accountable for their or their delegates' actions or inactions, regularly review management performance and have a broad knowledge of the business of the Group. The directors are aware of their statutory and regulatory requirements. They allocate sufficient time to perform their responsibilities and regularly attend Board meetings.

The Board delegates specific responsibilities to the Audit Committee. Further details in relation to the responsibilities of the Board and the Audit Committee are found in Principles 4 and 5 of this Statement respectively.

Principle 2: Chairman and Chief Executive

During 2014, the chairmanship of the Company was vested with Mr Lawrence Zammit and the position of Chief Executive Officer was occupied by Mr Clive Whiley. The roles of the Chief Executive Officer and of the Chairman are separate from each other.

The Chairman is responsible to lead the Board and to set its agenda. The Chairman ensures that the Board's discussions on any issue put before it go into adequate depth, that the opinions of all the directors are taken into account, and that all the Board's decisions are supported by adequate and timely information. The Chairman was also entrusted to ensure that the Chief Executive Officer develops a strategy which is agreed to by the Board. On the other hand, the Chief Executive Officer led the Company's management team and ensured that the Company is being managed in line with the strategies and policies set by the Board.

Principle 3: Composition of the Board

The Board considers that the size of the Board, whilst not being large as to be unwieldy, is appropriate, taking into account the size of the Company and its operations. The combined and varied knowledge, experience and skills of the Board members provides the balance of competences that are required, and adds value to the functioning of the Board and gives direction to the Company.

During the period under review, the Board consisted of five non-executive directors (one of whom is the Chairman of the Company) and one executive director. Mr Lawrence Zammit and Mr Franco Azzopardi are considered to be independent within the meaning provided by the Code. The presence of the executive director on the Board is designed to ensure that the Board has direct access to the individuals having the prime responsibility for the executive management of the Company and the implementation of approved polices. Each director is provided with the information and explanations as may be required by any particular agenda item.

Principle 4: The Responsibilities of the Board

The Board has the first level responsibility for executing the four basic roles of Corporate Governance, namely accountability, monitoring, strategy formulation and policy development.

The Board has established a clear and external reporting system to ensure that the board has access to accurate, relevant and timely information.

Principle 5: Board Meetings

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 was scheduled well in advance. Board meetings concentrate mainly on strategy, operational performance and financial performance of the Company. After each Board meeting and before the next, Board minutes that faithfully record attendance, key issues and decisions are sent to the directors. Board meetings are set well in advance of their due date and each director is provided with detailed Board papers relating to each agenda item. Management prepares detailed reviews for each Board meeting covering all aspects of the Company's business. During 2014, the Board met 5 times. Meetings were attended as follows:

Members	No of Meetings held: (5)	Attended
Lawrence Zammit		5
Roger St. John Hulton Lewis		5
Sir Christopher Lewinton		5
Franco Azzopardi		5
David Martin Bralsford		5
Clive Whiley		5

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.

Board Committees

Audit Committee

The Board delegates certain responsibilities to the Audit Committee, the terms of reference of which reflect the requirements stipulated in the Listing Rules. In addition, unless otherwise dealt with in any other manner prescribed by the Listing Rules, the Audit Committee has the responsibility to, if required, vet, approve monitor and scrutinise Related Party Transactions, if any, falling within the ambits of the Listing Rules and to make its recommendations to the Board on any such proposed Related Party Transactions. The Audit Committee also establishes internal procedures and monitors these on a regular basis. 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 Committee also has the authority to summon any person to assist it in the performance of its duties, including the Auditors of the Company who are invited to all relevant meetings.

The Audit Committee is currently composed of Mr Lawrence Zammit (non-executive director and Chairman of the Company), Mr Franco Azzopardi (non-executive director) and Mr Martin Bralsford (non-executive director). During 2014, the Audit Committee met 4 times.

Members	No of Meetings held: (4)	Attended
Lawrence Zammit		4
Franco Azzopardi		4
Martin Bralsford		2

Mr Martin Bralsford sits on the Board of Directors of CNMI, which holds 79% of the issued share capital of the Company. As such Mr. Bralsford does not participate in meetings which discuss and where deemed appropriate, approve related parties transactions.

The Board considers Mr Franco Azzopardi to be independent and competent in accounting and/or auditing on the basis that Mr Azzopardi qualified as an accountant 1985 and received a Master of Science in Finance from the University of Leicester in 2006.

Senior Executive Management

On the 28th February 2014, Mr Ben Stuart resigned from his position as general manager of the Company. The operations of the Company continued to be vested in the Company's Chief Executive Officer, its finance team and in the Grand Harbour Marina Manager (Camper & Nicholsons Marinas Limited). With effect from the 1 December 2014, the Company appointed Mr Gordon Vassallo as Marina Manager.

The Chief Executive Officer was responsible for the implementation of the strategies set by the Board, management of the business of the Company and to deliver the results. The Chief Executive Officer reports directly to the Board of the Company. The Company's senior management is appointed by the Board.

The Board is responsible for setting the business strategy and overall corporate governance of the Company. The Marina Manager and Financial Controller of the Company attended meetings of the Board as and when requested. The attendance of such persons 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 and to, inter alia, ensure that the policies and strategies adopted by the Board are successfully implemented by the Company.

The Company also owns 45% shareholding in Çeşme Marina Yatirim, Turizm ve Işletmeleri Anonim Şirketi ("IC Cesme"), which company owns and operates a marina in Cesme, Turkey. The operations of the said marina are vested in the board of directors of IC Cesme and the marina's general manager (Mr Can Akaltan).

Principle 6: Information and Professional Development

On joining the Board, a director is provided with briefings by the Company's senior management on the different activities within the Company. 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 in order to ensure that each director is aware of his legal obligations. The Company is also prepared to bear the expense incurred by the directors requiring independent professional advice should they judge it necessary to discharge their responsibilities as directors. The Board actively also considers the professional and technical development of all senior management.

The Company recognises the need for a succession plan for the senior management of the Company. The marina service agreement with Camper & Nicholsons Marinas Limited provides the necessary tool for succession planning purposes. The value added by having this marina service agreement with Camper & Nicholsons Marinas Limited is the possibility for the Company to tap in on any additional resources it may require from time to time. This serves the purpose of also ensuring the continuity of operations of the marina. Appointments and changes to senior management is the responsibility of the Chief Executive Officer and are approved by the Board.

Principle 7: Evaluation of the Board's Performance

With respect to the year under review, the Board undertook an evaluation of its own performance, the Chairman's performance and that of its Committees. The Board did not per se appoint a committee to carry out this performance evaluation, but the evaluation exercise was conducted through a questionnaire, completed copies of which were sent to the Chairman, Mr Lawrence Zammit.

Principle 8: Committees

Remuneration Committee

As is permitted in terms of provision 8.A.2 of the Code, on the basis of the fact that the remuneration of the directors is not performance-related, the Company has not set up a Remuneration Committee. The functions which would otherwise be carried out by such committee are carried out by the Board. In addition, the Board has mandated the Remuneration Committee established by the Company's parent company Camper & Nicholsons Marina Investments Limited to evaluate the remuneration of the senior executives of the Company and submit recommendations to the Board. The Chairman of the Company attends the Remuneration Committee meetings of the parent company where the evaluations are carried out and recommendations made.

Principle 9: Relations with Shareholders and with the Market and Principle 10: Institutional Investors

The Board is of the view that over the period under review the Company has communicated effectively with the market through a number of company announcements that it published informing the market of significant events happening within the Company.

The Company also communicates with its shareholders through its Annual General Meeting (further detail is provided under the section entitled General Meetings). The Chairman arranges for all directors to attend the annual general meeting and for the chairman of the Audit Committee to be available to answer questions, if necessary.

The Chairman also ensures that sufficient contact is maintained with major shareholders to understand issues and concerns.

Apart from the annual general meeting, the Company intends to continue with its active communication strategy in the market and shall accordingly continue to communicate with its shareholders and the market by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year and through the directors statements published on a six-monthly basis, and by company announcements to the market in general. The Company recognises the importance of maintaining a dialogue with the market to ensure that its strategies and performance are well understood and disclosed to the market in a timely manner.

The Company's website (http://www.cnmarinas.com/ghm) also contains information about the Company and its business which is a source of further information to the market.

Principle 11: Conflicts of Interest

The directors are aware that their primary responsibility is always to act in the interest of the Company and its shareholders as a whole irrespective of who appointed them to the Board. Acting in the interest of the Company includes an obligation to avoid conflicts of interest. In such instances, the Company has strict policies in place which allow it to manage such conflicts, actual or potential, in the best interest of the Company.

Principle 12: Corporate Social Responsibility

The Company strives to follow principles of corporate social responsibility by conducting the marina operation in an ethical manner, protecting the environment and supporting the development of the locality of Vittoriosa.

During 2014, the Company contributed towards the restoration of the clock mechanism at the Maritime Museum and towards a number of initiatives of the Vittoriosa local council. The Company also participated in other projects including the installation of an automated external defibrillator for Vittoriosa, the Birgu Fest and a twinning event between the mayors of Birgu and St. Tropez.

The Company's personnel actively participate in everyday community activities and promote social events to facilitate the yachting crew experience in Malta. Furthermore during the Christmas period, the Company's staff sponsored an activity organised by the local council.

Part 2: Non-Compliance with the Code

Code Provision 4.2.7:

This Code Provision recommends "the development of a succession policy for the future composition of the Board of Directors and particularly the executive component thereof, for which the Chairman should hold key responsibility". In the context of the appointment of directors being a matter reserved exclusively to the Company's shareholders (except where the need arises to fill a casual vacancy), considering that every director retires from office at the AGM, the Company does not consider it feasible to have in place such a succession policy. However, the recommendation to have in place such a policy will be kept under review. An active succession policy is however in place for senior executive positions in the Company.

Principle 8B (Nomination Committee):

Pursuant to the Company's Articles of Association, the appointment of directors to the Board is reserved exclusively to the Company's shareholders (in line also with general and commonly accepted practice in Malta). Any shareholder/s who in the aggregate hold not less than 100,000 shares having voting rights in the Company is entitled to nominate a fit and proper person for appointment as a director of the Company. Furthermore, in terms of the Memorandum and Articles of Association of the Company, the directors themselves are entitled to make recommendations and nominations to the shareholders for the appointment of directors at the next following annual general meeting.

Within this context, the Board believes that the setting up of a Nomination Committee is not required since the Board itself has the authority to recommend and nominate directors. Notwithstanding this, the Board will retain under review the issue relating to the setting up of a Nomination Committee.

Code Provision 9.3:

The Company does not have a formal mechanism in place as required by Code provision 9.3 to resolve conflicts between minority shareholders and controlling shareholders and no such conflicts have arisen.

Internal Control and Risk Management

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 management team of the Company. Such team operates 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.

Listing Rule 5.97.5

The information required by this Listing Rule is found in the Directors' Report.

General Meetings and Shareholders' Rights

Conduct of general meetings

It is only shareholders whose details are entered into the register of members on the record date that are entitled to participate in the general meeting and to exercise their voting rights. In terms of the Listing Rules, the record date falls 30 days immediately preceding the date set for the general meeting to which it relates. The establishment of a record date and the entitlement to attend and vote at general meeting does not, however, prevent trading in the shares after the said date.

In order for business to be transacted at a general meeting, a quorum must be present. In terms of the Articles of Association, 51% of the nominal value of the issued equity securities entitled to attend and vote at the meeting constitutes a quorum. If within half an hour, a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the directors may determine. In any event, the adjourned meeting must be held at least ten days after the final convocation is issued and no new item must put on the agenda of such adjourned meeting. If at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the member or members present shall constitute a quorum. Generally, the chairman of the Board of Directors presides as chairman at every general meeting of the Company. At the commencement of any general meeting, the chairman may, subject to applicable law, set the procedure which shall be adopted for the proceedings of that meeting. Such procedure is binding on the members.

If the meeting consents or requires, the chairman shall adjourn a quorate meeting to discuss the business left unattended or unfinished. If a meeting is adjourned for 30 days or more, notice of the quorate meeting must be given as in the case of an original meeting. Otherwise, it is not necessary to give any notice of an adjourned meeting or of the business to be transacted at such quorate meeting.

At any general meeting a resolution put to the vote shall be determined and decided by a show of hands, unless a poll is demanded before or on the declaration of the result of a show of hands by:

i. the chairman of the meeting; or
ii. by at least three (3) members present in person or by proxy; or
iii. any member or members present in person or by proxy and representing not less than one tenth of the total voting power of all members having the right to vote at that meeting; or
iv. a member or members present in person or by proxy holding equity securities conferring a right to vote at the meeting, being equity securities on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the equity securities conferring that right.

Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost together with an entry to that effect in the minute book, shall constitute conclusive evidence of the fact without need for further proof. If a resolution requires a particular majority in value, in order for the resolution to pass by a show of hands, there must be present at that meeting a member or members holding in the aggregate at least the required majority. A poll demanded on the election of the chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at the discretion of the chairman. In the case of equality of votes, whether on a show of hands or on a poll, the chairman has a second or casting vote. On a show of hands every member present in person or by proxy shall have one vote, and on a poll every member shall have one vote for each equity security carrying voting rights of which he is the holder provided that all calls or other sums presently payable by him in respect of equity securities have been paid.

Proxy

Every member is entitled to appoint one person to act as proxy holder to attend and vote at a general meeting instead of him. The proxy holder shall enjoy the same rights to participate in the general meeting as those to which the member thus represented would be entitled. If a member is holding shares for and on behalf of third parties, such member shall be entitled to grant a proxy to each of his clients or to any third party designated by a client and the said member is entitled to cast votes attaching to some of the shares differently from the others. In the case of voting by a show of hands, a proxy who has been mandated by several members and instructed to vote by some shareholders in favour of a resolution and by others against the same resolution shall have one vote for and one vote against the resolution.

The instrument appointing a proxy must be deposited at the office or by electronic mail at the address specified in the notice convening the meeting not less than forty-eight (48) hours before the time for holding the meeting or, in the case of a poll, not less than forty-eight (48) hours before the time appointed for the taking of the poll. The same applies to the revocation of the appointment of a proxy.

A form of instrument of proxy shall be in such form as may be determined by the directors and which would allow a member appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution.

Including items on the agenda

A shareholder or shareholders holding not less than 5% of the issued share capital may include items on the agenda of the general meeting and table draft resolutions for items included on the agenda of a general meeting. Such right must be exercised by the shareholder at least 46 days before the date set for the general meeting to which it relates.

Questions

Shareholders have the right to ask questions which are pertinent and related to the items on the agenda.

Electronic voting

In terms of the Articles of Association of the Company, the directors may establish systems to:

a) allow persons entitled to attend and vote at general meetings of the Company to do so by electronic means in accordance with the relevant provisions of the Listing Rules; and
b) allow for votes on a resolution on a poll to be cast in advance.

Where a shareholder requests the Company to publish a full account of a poll, the Company is required to publish the information on its website not later than 15 days after the general meeting at which the result was obtained.

Further details on the conduct of a general meeting and shareholders' rights are contained in the Memorandum and Articles of Association of the Company and in chapter 12 of the Listing Rules.

Remuneration Statement

As is permitted in terms of provision 8.A.2 of the Code, on the basis of the fact that the remuneration of the directors is not performance-related, the Company has not set up a remuneration committee. The functions which would otherwise be carried out by such Committee are carried out by the Board.

Remuneration Policy – Senior Executives

The Board determines the framework of the overall remuneration policy and individual remuneration arrangements for its senior executives based on recommendations from the Remuneration Committee of its parent company, Camper & Nicholsons Marina Investments Limited. The Board considers that these remuneration packages reflect market conditions and are designed to attract appropriate quality executives to ensure the efficient management of the Company. During the current year under review there have been no significant changes in the Company's remuneration policy and no significant changes are intended to be effected thereto in the year ahead. The terms and conditions of employment of each individual within the executive team are set out in their respective indefinite contracts of employment with the Company. None of these contracts contain provisions for termination payments and other payments linked to early termination. The Company's senior executives may be paid a bonus by the Company, the payment and extent of payment of such bonus is entirely at the discretion of the Board.

Moreover, share options and profit sharing are currently not part of the Company's remuneration policy.

The Company has opted not to disclose the amount of remuneration paid to its senior executives on the basis that it is commercially sensitive.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance
Listing Rule 5.97.5 Remuneration Statement (continued)

Remuneration Policy – Directors

The Board determines the framework of the remuneration policy for the members of the Board as a whole. The maximum annual aggregate emoluments that may be paid to the directors is approved by the shareholders in the Annual General Meeting. The financial statements disclose an aggregate figure in respect of the directors' remuneration which, with respect to the period under review, amounted to €48,975 (entirely representing a fixed remuneration). Directors' emoluments are designed to reflect the time committed by directors to the Company's affairs. The remuneration of the directors is not performance-related.

Signed on behalf of the Board of Directors on 30 March 2015 by:

Franco Azzopardi
Director and Member of Audit Committee

Other Disclosures in terms of the Listing Rules

Pursuant to Listing Rule 5.70

5.70.1 Material Contracts in relation to which a Director of the Company was directly or indirectly interested

Marina Services Agreement between the Company and Camper & Nicholsons Marinas Limited

On the 1 July 2007, the Company 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:

1. 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;
2. sales and marketing - GBP3,200 per month and 2.5% on licences in excess of one year;
3. commissioning - sums shall be agreed from time to time in connection with projects undertaken;
4. project services - charges are agreed from time to time; and
5. financial controller support - a rate of GBP48 per hour for actual time spent on GHM work.

Royalty Agreement between the Company and Camper & Nicholsons Marinas International 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 Camper & Nicholsons Marinas International Limited. Under the terms of this new agreement the Company is obliged to pay Camper & Nicholsons Marinas International Limited 0.25% of operating turnover as royalties.

The following directors of the Company are also directors of Camper & Nicholsons Marinas International Limited and / or other companies forming part of the same group of companies:-

Mr Clive Whiley
Mr Roger St. John Hulton Lewis
Sir Christopher Lewinton
Mr David Martin Bralsford

Pursuant to Listing Rule 5.70.2

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

Statement of Directors' Responsibilities

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 and the Group as at the end of the financial period and of the profit or loss of the Company and the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, through oversight of management, are responsible for ensuring that the Group 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 Group'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

Franco Azzopardi
Director

Statements of Financial Position

As at 31 December 2014

	Note	2014 Group €	2014 Company €	2013 Group €	2013 Company €
ASSETS					
Property, plant and equipment	13	**5,968,764**	**5,968,764**	6,196,664	6,196,664
Deferred costs		**490,769**	**490,769**	490,769	490,769
Investment in subsidiary	14	**-**	**115**	-	115
Investment in joint venture	15	**1,999,063**	**2,173,797**	1,654,840	2,173,797
Parent company loan*	16	**3,837,000**	**3,837,000**	3,837,000	3,837,000
Available-for-sale investments	17	**-**	**-**	793,002	793,002
Assets held in trust	18	**1,069,842**	**1,069,842**	853,860	853,860
Deferred tax asset	19	**158,497**	**158,497**	349,086	349,086
Total non-current assets		**13,523,935**	**13,698,784**	14,175,221	14,694,293
Trade and other receivables	20	**693,628**	**693,628**	844,786	844,786
Cash at bank and in hand	24	**2,344,389**	**2,344,389**	2,512,029	2,512,029
Total current assets		**3,038,017**	**3,038,017**	3,356,815	3,356,815
Total assets		**16,561,952**	**16,736,801**	17,532,036	18,051,108
EQUITY					
Share capital	21	**2,329,370**	**2,329,370**	2,329,370	2,329,370
Fair value reserve	21	**-**	**-**	31,487	31,487
Exchange translation reserve	21	**5,505**	**-**	(19,417)	-
Retained earnings	21	**441,688**	**622,042**	1,147,154	1,646,809
Total equity		**2,776,563**	**2,951,412**	3,488,594	4,007,666
LIABILITIES					
Borrowings	22	**11,392,614**	**11,392,614**	11,692,797	11,692,797
Total non-current liabilities		**11,392,614**	**11,392,614**	11,692,797	11,692,797
Borrowings	22	**1,412**	**1,412**	713	713
Trade and other payables	23	**2,391,363**	**2,391,363**	2,349,932	2,349,932
Total current liabilities		**2,392,775**	**2,392,775**	2,350,645	2,350,645
Total liabilities		**13,785,389**	**13,785,389**	14,043,442	14,043,442
Total equity and liabilities		**16,561,952**	**16,736,801**	17,532,036	18,051,108

* The parent company loan represents the parent company's cash pledge relating to IC Cesme's Subordinated Loans as further explained in note 16.2.
The notes on pages 33 to 68 are an integral part of these financial statements.

Statements of Financial Position
As at 31 December 2014 (continued)

The financial statements on pages 26 to 68 were approved and authorised for issue by the Board of Directors on 30 March 2015 and signed on its behalf by:

Lawrence Zammit
Chairman

Franco Azzopardi
Director

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2014

	Note	2014 Group €	2014 Company €	2013 Group €	2013 Company €
Continuing operations					
Revenue	7	**3,404,620**	**3,404,620**	3,145,020	3,145,020
Personnel expenses	8	**(359,717)**	**(359,717)**	(365,053)	(365,053)
Directors' emoluments		**(48,975)**	**(48,975)**	(43,292)	(43,292)
Depreciation	13	**(313,980)**	**(313,980)**	(323,374)	(323,374)
Other operating expenses	9	**(1,916,023)**	**(1,916,023)**	(1,798,703)	(1,798,703)
Operating profit		**765,925**	**765,925**	614,598	614,598
Finance income	10	**127,570**	**127,570**	198,708	198,708
Finance costs	10	**(905,901)**	**(905,901)**	(897,304)	(897,304)
Net finance costs		**(778,331)**	**(778,331)**	(698,596)	(698,596)
Share of profit of equity-accounted investees, net of tax	15	**354,723**	-	38,867	-
Profit / (loss) before tax		**342,317**	**(12,406)**	(45,131)	(83,998)
Income tax expense	11	**(172,361)**	**(172,361)**	(44,857)	(44,857)
Profit / (loss)		**169,956**	**(184,767)**	(89,988)	(128,855)
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Net change in fair value of available-for-sale financial assets		**7,034**	**7,034**	35,492	35,492
Net change in fair value reclassified to profit or loss		**(38,521)**	(38,521)	(40,606)	(40,606)
Net fair value changes during the year	17	**(31,487)**	**(31,487)**	(5,114)	(5,114)
Foreign currency translation differences – equity accounted investee	15	**(10,500)**	-	(5,592)	-
Other comprehensive income, net of tax		**(41,987)**	**(31,487)**	(10,706)	(5,114)
Total comprehensive income		**127,969**	**(216,254)**	(100,694)	(133,969)
Earnings / (loss) per share (rounded)	12	**2 cents**	**(2 cents)**	(1 cent)	(1 cent)

The notes on pages 33 to 68 are an integral part of these financial statements.

Statements of Changes in Equity

For the Year Ended 31 December 2014

	Share capital €	Fair value reserve €	Translation reserve €	Retained earnings €	Total €
Group					
Balance as at 1 January 2013	2,329,370	36,601	(2,302)	2,425,619	4,789,288
Total comprehensive income					
Loss	-	-	-	(89,988)	(89,988)
Other comprehensive income:					
Net change in fair value of available -for-sale financial assets	-	(5,114)	-	-	(5,114)
Foreign currency translation differences – equity accounted investee	-	-	(17,115)	11,523	(5,592)
Total comprehensive income	-	(5,114)	(17,115)	(78,465)	(100,694)
Transactions with owners of the Company					
Dividends	-	-	-	(1,200,000)	(1,200,000)
Balance at 31 December 2013	2,329,370	31,487	(19,417)	1,147,154	3,488,594
Balance as at 1 January 2014	**2,329,370**	**31,487**	**(19,417)**	**1,147,154**	**3,488,594**
Total comprehensive income					
Profit	-	-	-	**169,956**	**169,956**
Other comprehensive income:					
Net change in fair value of available-for-sale financial assets	-	**(31,487)**	-	-	**(31,487)**
Foreign currency translation differences – equity accounted investee	-	-	**24,922**	**(35,422)**	**(10,500)**
Total comprehensive income	-	**(31,487)**	**24,922**	**134,534**	**127,969**
Transactions with owners of the Company					
Dividends	-	-	-	**(840,000)**	**(840,000)**
Balance at 31 December 2014	**2,329,370**	-	**5,505**	**441,688**	**2,776,563**

The notes on pages 33 to 68 are an integral part of these financial statements.

Statements of Changes in Equity For the Year Ended 31 December 2014 (continued)

	Share capital €	Fair value reserve €	Retained earnings €	Total €
Company				
Balance as at 1 January 2013	2,329,370	36,601	2,975,664	5,341,635
Total comprehensive income				
Loss	-	-	(128,855)	(128,855)
Other comprehensive income	-	(5,114)	-	(5,114)
Total comprehensive income	-	(5,114)	(128,855)	(133,969)
Transactions with owners of the Company				
Dividends	-	-	(1,200,000)	(1,200,000)
Balance at 31 December 2013	2,329,370	31,487	1,646,809	4,007,666
Balance as at 1 January 2014	**2,329,370**	**31,487**	**1,646,809**	**4,007,666**
Total comprehensive income				
Loss	-	-	**(184,767)**	**(184,767)**
Other comprehensive income	-	**(31,487)**	-	**(31,487)**
Total comprehensive income	-	**(31,487)**	**(184,767)**	**(216,254)**
Transactions with owners of the Company				
Dividends	-	-	**(840,000)**	**(840,000)**
Balance at 31 December 2014	**2,329,370**	-	**622,042**	**2,951,412**

The notes on pages 33 to 68 are an integral part of these financial statements.

Statements of Cash Flows

For the Year Ended 31 December 2014

	Note	2014 Group	2014 Company	2013 Group	2013 Company
		€	€	€	€
Cash flows from operating activities					
Profit / (loss)		**169,956**	**(184,767)**	(89,988)	(128,855)
Adjustments for:					
Depreciation		**313,980**	**313,980**	323,374	323,374
Profit on disposal of plant and equipment		-	-	(82)	(82)
Reversal of provision for doubtful debts		**(4,377)**	**(4,377)**	(2,754)	(2,754)
Share of profit of equity accounted investee		**(354,723)**	-	(38,867)	-
Interest receivable		**(89,049)**	**(89,049)**	(157,790)	(157,790)
Net gain on disposal of available-for-sale financial asset including amounts reclassified from equity		**(38,521)**	**(38,521)**	(40,621)	(40,621)
Interest payable		**833,143**	**833,143**	859,077	859,077
Amortisation of bond issue costs		**48,617**	**48,617**	38,227	38,227
Premium on bond buybacks		**24,141**	**24,141**	-	-
Income tax expense		**172,361**	**172,361**	44,857	44,857
		1,075,528	1,075,528	935,433	935,433
Change in trade and other receivables		**190,547**	**190,547**	1,901,498	1,901,498
Change in trade and other payables		**59,572**	**59,572**	(999,417)	(999,417)
Cash generated from operations		**1,325,647**	**1,325,647**	1,837,514	1,837,514
Interest received		**47,411**	**47,411**	64,168	64,168
Interest paid		**(10,761)**	**(10,761)**	(19,076)	(19,076)
Income tax refund		**18,227**	**18,227**	96,008	96,008
Net cash from operating activities		**1,380,524**	**1,380,524**	1,978,614	1,978,614
Cash flows from investing activities					
Additions of property, plant and equipment		**(86,080)**	**(86,080)**	(35,960)	(35,960)
Proceeds from disposal of plant and equipment		-	-	501	501
Proceeds from disposal of investments		**800,036**	**800,036**	855,006	855,006
Transfer of cash to assets held in trust		**(215,982)**	**(215,982)**	(853,860)	(853,860)
Interest received		-	-	9,315	9,315
Loan advance to parent company*		-	-	(391,500)	(391,500)
Net cash from / (used in) investing activities		**497,974**	**497,974**	(416,498)	(416,498)
Cash flows from financing activities					
Bonds bought back		**(372,540)**	**(372,540)**	-	-
Dividends paid		**(840,000)**	**(840,000)**	(1,200,000)	(1,200,000)
Interest paid		**(834,297)**	**(834,297)**	(840,000)	(840,000)
Cash used in financing activities		**(2,046,837)**	**(2,046,837)**	(2,040,000)	(2,040,000)
Net decrease in cash and cash equivalents		**(168,339)**	**(168,339)**	(477,884)	(477,884)
Cash and cash equivalents at 1 January		**2,511,316**	**2,511,316**	2,989,200	2,989,200
Cash and cash equivalents at 31 December	24	**2,342,977**	**2,342,977**	2,511,316	2,511,316

* The parent company loan represents the assumption of the parent company's cash pledge relating to IC Cesme's Subordinated Loans as further explained in note 16.2.

The notes on pages 33 to 68 are an integral part of these financial statements.


PLAN B

Notes to the Financial Statements for the year ended 31 December 2014

1 Reporting entity

Grand Harbour Marina p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta. The consolidated financial statements of the Group as at and for the year ended 31 December 2014 comprise 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 ("CNMIL" or the "Parent Company"), a company listed on the AIM of the London Stock Exchange.

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

2 Basis of accounting

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). The consolidated financial statements were authorised for issue by the Board of Directors on 30 March 2015. Details of the accounting policies are included in note 3.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for available-for-sale investments which are measured at fair value.

The methods used to measure fair value are discussed further in note 5.

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

In preparing these financial statements management has made judgements, estimates and assumptions 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 the estimates. Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in these financial statements is included in the following notes:

- Note 3.7 – revenue recognition; and
- Notes 3.9 and 9.2 – leases classification.

2.4.2 Assumptions and estimates uncertainties

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these financial statements is included in note 15.4 – impairment assessment of investment in joint venture.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group entities.

Effective 1 January 2013, the Group had early-adopted the following standards, as a result of the Company's parent adopting these same standards:

- IFRS 10 — *Consolidated Financial Statements (2011)*
- IFRS 11 — *Joint Arrangements*
- IFRS 12 — *Disclosure of Interest in Other Entities*
- IAS 27 (Revised) — *Separate Financial Statements (2011); and*
- IAS 28 — *Investments in Associates and Joint Ventures (2011).*

3 Significant accounting policies (continued)

3.1 Basis of consolidation

3.1.1 Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see accounting policy 3.1.3). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see accounting policy 3.5). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair values of the contingent consideration are recognised in profit or loss.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 Non-controlling interests (“NCI”)

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.5 Interest in equity-accounted investees

Interest in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date at which significant influence or joint control ceases.

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements’ returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to assets, and obligations for the liabilities relating to an arrangement, it accounts for each of its assets, liabilities and transactions including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – when the Group has rights only to the net assets of the arrangement, it accounts for its interest using the equity method. Joint ventures are recognised initially at cost which includes acquisition costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of the equity-accounted investees, until the date on which joint control ceases.

3.1.6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

3.2.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euro at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve ("translation reserve") in equity, except to the extent that the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of, either entirely or partially, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group disposes of only part of its interest in a subsidiary but retains control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, then foreign currency differences arising from such item form part of a net investment in the foreign operation and are recognised in other comprehensive income, and accumulated in the translation reserve in equity.

3.3 Financial instruments

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

3.3.1 Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivable and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group 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 in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

3.3.2 Non-derivative financial assets - measurement

3.3.2.1 Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the Statements of Cash Flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

3 Significant accounting policies (continued)
3.3 Financial instruments (continued)

3.3.2.2 Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in other comprehensive income ("OCI") and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

3.3.3 Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

3.3.4 Share capital

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

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Property, plant and equipment of the Group includes super-yacht berths that have been completed but not yet licensed (see below), pontoons, improvements to leased property, motor vehicles and office equipment.

Items of property, plant and equipment are measured at cost less accumulated depreciation (see accounting policy 3.4.3) and any accumulated impairment losses (see accounting policy 3.5.2).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs as these relate to qualifying assets.

As part of its operating activities, Grand Harbour Marina plc licenses out super-yacht berths, typically for periods ranging between 25 to 30 years (see accounting policy 3.7.1). 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' and included with non-current assets.

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 gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net in the Statements of Profit or Loss and Other Comprehensive Income.

3.4.2 Subsequent expenditure

Subsequent expenditure is capitalised if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3.4.3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives.

Depreciation is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group 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 and other marina development 25 years
- improvements to car park 50 years
- improvements to office premises 10 years
- motor vehicles 5 years
- office equipment 5 years

Super-yacht berths are depreciated from the date of full construction 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 accounting policy 3.4.1.

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

3.5 Impairment

3.5.1 Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired included matters such as:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indication that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers.

3.5.1.1 Financial assets measured at amortised cost

The Group considered evidence of impairment of these assets at an individual asset level.

An impairment loss is calculated as the difference between an asset's 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. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.5.1.2 Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

3.5.1.3 Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3.5.2 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generated cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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

The Group contributes towards the State defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of contributions. Obligations for contributions to the defined contribution plan are recognised in profit or loss.

3 Significant accounting policies (continued)

3.7 Revenue

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

3.7.1 Licensing of long-term super-yacht berths

Revenue from such licensing (see accounting policy 3.4.1) is recognised in the profit or loss on the signing of the licensing agreements with the berth-holders, on the basis that they give effect to the sale of the Company's right to the use of such berths.

3.7.2 Other berthing revenues, revenue from ancillary services and income from tenants, concessions and technical services

Such revenue is recognised in profit or loss in the period in which the services to which they relate are rendered.

3.8 Deferred income

Deferred income is recognised within trade and other payables in the Statements of Financial Position and relates to revenue received for services not yet rendered at the reporting date.

3.9 Leases

3.9.1 Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease.

At inception or reassessment of the arrangement that contains a lease, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

3.9.2 Leased assets

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On 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.

Assets held such as the lease of land with an indefinite economic life, where title is not expected to pass to the Group by the end of the lease term, are classified as operating leases and are not recognised in the Group's Statements of Financial Position.

3.9.3 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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.10 Finance income and finance costs

Finance income includes interest income on funds invested (including available-for-sale financial assets), foreign currency gains, dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, amortised bond issue costs, losses on disposal of available-for-sale financial assets, impairment losses recognised on financial assets (other than trade receivables) and foreign currency losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset (see accounting policy 3.4.1) are recognised in the Statements of Profit or Loss and Other Comprehensive Income.

3.11 Income tax

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

3.11.1 Current tax

Current tax comprises 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. It is measured using tax rates enacted or sustainably enacted at the reporting date.

3.11.2 Deferred tax

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 for:

- temporary differences on the initial recognition of assets or liabilties in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unrelieved tax losses, unabsorbed capital allowances and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be used. 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. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain conditions are met.

3.12 Earnings / (loss) per share

The Group presents basic earnings / (loss) per share data for its ordinary shares. Basic earnings / (loss) per share is calculated by dividing the profit / (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.13 Segment reporting

Segment results that are reported to the CEO of Grand Harbour Marina plc, (the Group's chief operating decision maker), include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 New standards and interpretations not yet adopted

4.1 IFRS as adopted by the EU

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements as they are not relevant to the Group. Those which may be relevant to the Group, once endorsed by the EU, are set out in note 4.2 below. The Group does not plan to early-adopt these standards.

4.2 Relevant standards and amendments issued by the IASB but not yet endorsed by the EU

IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments of Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

4 New standards and interpretations not yet adopted (continued)
4.2 Relevant standards and amendments issued by the IASB but not yet endorsed by the EU (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

5 Determination of fair values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as 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 might be categorised in 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, if any, between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 25 – financial instruments.

6 Operating segments

6.1 Information about reportable segments

Under the "management approach" to segment reporting, the Group has two reportable segments, which are the marinas in which it has an interest, namely, the "Grand Harbour" marina located in Malta, and the "IC Cesme" marina located in Turkey. These two geographically operating segments are managed separately as they have their own resource and capital requirements. The business operation in each of these two operating segments is the ownership and operation of marina facilities providing berthing and ancillary services for yachts and super-yachts.

The amounts reported for IC Cesme Marina reflect the full amount (100%) of the respective assets, liabilities, revenues and expenses.

6 Operating segments (continued)
6.1 Information about reportable segments (continued)

	31 December 2014		
	Grand Harbour Marina	IC Cesme Marina	Total for Reportable Segments
	€	€	€
Segment revenues - external	3,404,620	4,812,615	8,217,235
Interest income	127,570	22,362	149,932
Interest expense	(905,901)	(589,785)	(1,495,686)
Depreciation	(313,980)	(817,209)	(1,131,189)
Capital expenditure	86,080	121,415	207,495

	Reconciliation to Consolidated Amounts		
	Total for Reportable Segments	Eliminations	Group
	€	€	€
Segment revenues - external	8,217,235	(4,812,615)	3,404,620
Interest income	149,932	(22,362)	127,570
Interest expense	(1,495,686)	589,785	(905,901)
Depreciation	(1,131,189)	817,209	(313,980)
Capital expenditure	207,495	(121,415)	86,080

	Grand Harbour Marina	IC Cesme Marina	Total for Reportable Segments
	€	€	€
Reportable segment assets	16,736,801	16,601,719	33,338,520
Reportable segment liabilities	13,785,389	16,037,418	29,822,807

	Reconciliation to Consolidated Amounts		
	Total for Reportable Segments	Eliminations	Group
	€	€	€
Reportable segment assets	33,338,520	(16,776,568)	16,561,952
Reportable segment liabilities	29,822,807	(16,037,418)	13,785,389

6 Operating segments (continued)

6.1 Information about reportable segments (continued)

Reportable Group segment assets and liabilities for 2014 are reconciled as follows:

Assets	€
Total assets of Grand Harbour Marina p.l.c.	16,736,801
Share of post-acquisition losses of joint venture brought forward	(518,957)
Share of profits of joint venture for the year, net of foreign currency translation differences	344,223
Elimination of investment in subsidiary	(115)
Consolidated assets	**16,561,952**

Liabilities	€
Total liabilities for reportable segments	13,785,389
Consolidated liabilities	**13,785,389**

	31 December 2014		
	Grand Harbour Marina	IC Cesme Marina	Total for Reportable Segments
	€	€	€
Reportable segment (loss) / profit before tax	**(12,406)**	**788,274**	**775,868**

	Reconciliation to Consolidated Amounts		
	Total for Reportable Segments	Eliminations	Group
	€	€	€
Reportable segment profit before tax	**775,868**	**(433,551)**	**342,317**

Reportable Group segment loss before tax for 2014 is reconciled as follows:

Profit before tax	€
Total profit before tax for reportable segments	342,317
Consolidated profit before tax	**342,317**

The comparative figures are analysed as follows:

	31 December 2013		
	Grand Harbour Marina	IC Cesme Marina	Total for Reportable Segments
	€	€	€
Segment revenue - external	3,145,020	4,360,176	7,505,196
Interest income	198,708	32,696	231,404
Interest expense	(897,304)	(588,303)	(1,485,607)
Depreciation	(323,374)	(878,862)	(1,202,236)
Capital expenditure	35,960	73,543	109,503

6 Operating segments (continued)
6.1 Information about reportable segments (continued)

	Reconciliation to Consolidated Amounts		
	Total for Reportable Segments	Eliminations	Group
	€	€	€
Segment revenues - external	7,505,196	(4,360,176)	3,145,020
Interest income	231,404	(32,696)	198,708
Interest expense	(1,485,607)	588,303	(897,304)
Depreciation	(1,202,236)	878,862	(323,374)
Capital expenditure	109,503	(73,543)	35,960

	Grand Harbour Marina	IC Cesme Marina	Total for Reportable Segments
	€	€	€
Reportable segment assets	18,051,108	16,862,398	34,913,506
Reportable segment liabilities	14,043,442	17,086,371	31,129,813

	Reconciliation to Consolidated Amounts		
	Total for Reportable Segments	Eliminations	Group
	€	€	€
Reportable segment assets	34,913,506	(17,381,470)	17,532,036
Reportable segment liabilities	31,129,813	(17,086,371)	14,043,442

Reportable Group segment assets and liabilities for 2013 are reconciled as follows:

Assets	€
Total assets for reportable segments	18,051,108
Share of post-acquisition losses of joint venture brought forward	(552,232)
Share of losses of joint venture for the year, net of foreign currency translation differences	33,275
Elimination of investment in subsidiary	(115)
Consolidated assets	17,532,036

Liabilities	€
Total liabilities for reportable segments	14,043,442
Consolidated liabilities	14,043,442

	Grand Harbour Marina	IC Cesme Marina	Total for Reportable Segments
	€	€	€
Reportable segment profit / (loss) before tax	(83,998)	86,371	2,373

6 Operating segments (continued)
6.1 Information about reportable segments (continued)

	Reconciliation to Consolidated Amounts		
	Total for Reportable Segments	Eliminations	Group
	€	€	€
Reportable segment profit / (loss) before tax	2,373	(47,504)	(45,131)

Reportable Group segment loss before tax for 2013 is reconciled as follows:

Loss before tax	€
Total loss before tax for reportable segments	(45,131)
Consolidated loss before tax	**(45,131)**

7 Revenue

7.1 Revenues for the year is analysed as follows:

	2014	2013
	€	€
Group and Company		
Other berthing revenues	**2,529,093**	2,315,357
Ancillary services	**835,359**	764,475
Other income	**40,168**	65,188
	3,404,620	3,145,020

7.2 Seasonality of operations

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

8 Personnel expenses

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

	2014	2013
	€	€
Group and Company		
Wages and salaries	311,159	317,104
Compulsory social security contributions	48,558	47,949
	359,717	365,053

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

	2014	2013
	No.	No.
Group and Company		
Operating	12	13
Management and administration	4	3
	16	16

9 Other operating expenses

9.1 Auditors' remuneration

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

	€
2014	
Auditors' remuneration	**37,100**
Other assurance services	**13,000**
Tax advisory services	**2,500**
Other non-audit services	**2,600**
	55,200
2013	
Auditors' remuneration	36,100
Other assurance services	12,700
Tax advisory services	1,600
Other non-audit services	2,500
	52,900

9.2 Operating leases

9.2.1

		2014	2013
	Note	€	€
Group and Company			
Sub-ground rent on immovable property	13.2	**22,760**	22,760
Lease for the assignment of marina rights	9.2.2	**299,739**	248,758
Rent for use of premises	9.2.3	**50,481**	48,509
Other operating lease expenses	9.2.4	**24,430**	22,551
		397,410	342,578

9 Other operating exp
9.2 Operating leases
(continued)

9.2.2

By virtue of the other part of the deed of sub-emphyteusis referred to in note 13.2 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 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 (being the year 2030) by giving the consortium at least 12 months' prior written notice.

The minimum and maximum future rental payments under the lease agreement of the Company are analysed below:

	2014	2013
	€	€
Minimum		
Less than one year	**254,484**	254,484
Between one and five years	**1,017,936**	1,017,936
More than five years	**3,690,007**	3,944,491
	4,962,427	5,216,911
Maximum		
Less than one year	**636,210**	636,210
Between one and five years	**2,544,840**	2,544,840
More than five years	**9,225,029**	9,861,239
	12,406,079	13,042,289

9.2.3

On 15 August 2003, the Company entered into a deed for the lease of premises referred to as the "Capitanerie", 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.

9.2.4

The Company leases a garage which is used for storage purposes. On 24 April 2009 it concluded another lease agreement for the storage of fuel at the marina.

10 Net finance costs

10.1

	2014	2013
	€	€
Group and Company		
Interest income on investments and cash at bank	**82,825**	107,342
Net gain on disposal of available-for-sale financial assets including amounts reclassified from equity	**38,521**	40,621
Interest income on receivables	**6,224**	50,448
Net foreign exchange gains	**-**	297
Finance income	**127,570**	198,708
Interest expense on financial liabilities measured at amortised cost cost including premium paid on bond buy-back	**(839,041)**	(840,000)
Amortisation of bond issue costs (note 22.2)	**(48,617)**	(38,227)
Net foreign exchange losses	**(4,153)**	-
Other finance costs	**(14,090)**	(19,077)
Finance costs	**(905,901)**	(897,304)
Net finance costs	**(778,331)**	(698,596)

11 Income taxes

11.1 Tax recognised in profit or loss

Current tax is recognised at the rate of 35% on the taxable income for the year from the Company's marina business activity, excluding the profit attributable to the sale of long-term super-yacht berths. During the year ended 31 December 2014, the Company did not conclude any such sale. Similarly, deferred tax charges and credits relate only to the marina business activity.

	2014	2013
	€	€
Group and Company		
Current tax income		
Refund of tax over-paid in prior periods	**18,227**	96,008
	18,227	96,008
Deferred tax expense		
Change in recognised unrelieved tax losses and unabsorbed capital allowances	**(190,588)**	(140,865)
	(190,588)	(140,865)
Income tax expense	**(172,361)**	(44,857)

11 Income taxes (continued)

11.2 Reconciliation of tax expense

The income tax expense 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:

	2014 Group	**2014 Company**	2013 Group	2013 Company
	€	**€**	€	€
Profit / (loss) before income tax	**342,317**	**(12,406)**	(45,131)	(83,998)
Tax (expense) / income at the domestic tax rate of 35%	**(119,811)**	**4,342**	15,796	29,399
Tax effect of:				
• expenses not deductible for tax purposes	**(194,930)**	**(194,930)**	(170,264)	(170,264)
• share of profit of equity accounted investee	**124,153**	**-**	13,603	-
Refund of tax over-paid in prior periods	**18,227**	**18,227**	96,008	96,008
Income tax expense for the year	**(172,361)**	**(172,361)**	(44,857)	(44,857)

12 Earnings / (loss) per share

12.1

The calculation of the earnings / (loss) per share is based on the profit / (loss) attributable to the ordinary shareholders and the number of shares in issue is reconciled as follows:

	2014 Group	**2014 Company**	2013 Group	2013 Company
	€	**€**	€	€
Profit / (loss) attributable to shareholders	**169,956**	**(184,767)**	(89,988)	(128,855)
Number of shares in issue during year	**10,000,000**	**10,000,000**	10,000,000	10,000,000
Earnings / (loss) per share	**2 cents**	**(2 cents)**	(1 cent)	(1 cent)

13 Property, plant and equipment

13.1 Group and company

	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)
	€	€	€	€	€	€	€
Cost							
Balance at 1 January 2013	9,021,309	4,298,873	3,470,379	684,929	24,711	411,839	130,578
Additions	35,960	-	-	3,770	-	4,761	27,429
Disposal of fixed assets	(1,614)	(335)	-	-	-	(1,279)	-
Balance at 31 December 2013	9,055,655	4,298,538	3,470,379	688,699	24,711	415,321	158,007
Balance at 1 January 2014	**9,055,655**	**4,298,538**	**3,470,379**	**688,699**	**24,711**	**415,321**	**158,007**
Additions	**86,080**	-	**63,865**	**1,105**	-	**1,255**	**19,855**
Balance at 31 December 2014	**9,141,735**	**4,298,538**	**3,534,244**	**689,804**	**24,711**	**416,576**	**177,862**

13 Property, plant and equipment
13.1 Group and company (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)
	€	€	€	€	€	€	€
Depreciation							
Balance at 1 January 2013	2,536,812	557,156	1,306,966	339,964	14,826	317,900	-
Depreciation charge for the year	323,374	85,971	138,815	57,404	4,942	36,242	-
Disposal of fixed assets	(1,195)	-	-	-	-	(1,195)	-
Balance at 31 December 2013	2,858,991	643,127	1,445,781	397,368	19,768	352,947	-
Balance at 1 January 2014	**2,858,991**	**643,127**	**1,445,781**	**397,368**	**19,768**	**352,947**	-
Depreciation charge for the year	**313,980**	**85,971**	**139,898**	**57,514**	**4,943**	**25,654**	-
Balance at 31 December 2014	**3,172,971**	**729,098**	**1,585,679**	**454,882**	**24,711**	**378,601**	-

13 Property, plant and equipment
13.1 Group and company (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)
	€	€	€	€	€	€	€
Carrying amounts							
At 1 January 2013	6,484,497	3,741,717	2,163,413	344,965	9,885	93,939	130,578
At 31 December 2013	6,196,664	3,655,411	2,024,598	291,331	4,943	62,374	158,007
At 31 December 2014	**5,968,764**	**3,569,440**	**1,948,565**	**234,922**	-	**37,975**	**177,862**

13 Property, plant and equipment (continued)

13.2 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 an initial period of 99 years.

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 9.2.1).

This property is hypothecated in favour of the Company's lenders as security for funds borrowed (note 22.4). In addition, this property is subject to a special legal hypothec in favour of the consortium, in respect of the payment of annual and temporary ground rent (for the unexpired period) imposed on the property, arising by virtue of the said deed of sub-emphyteusis.

14 Investment in subsidiary

14.1

On 29 June 2011, the Company acquired from Camper and Nicholsons Marinas International Limited the 100% shareholding in Maris Marine Limited for a consideration of €115. This company is incorporated in the United Kingdom and the principal place of business and registered office of this subsidiary is situated at Latimer House, 5-7 Cumberland Place, Southampton, S015 2BH. The reporting date of this non-trading entity is 31 March.

15 Investment in joint venture

15.1 Cost of acquisition

On the 18 March 2011, the Company entered into an agreement with its parent company, as a result of which the Company acquired the beneficial interest of 45% shareholding in IC Cesme Marina Yatirim, Turizm ve Isletmeleri Anonim Sirketi ("IC Cesme"), a company registered under the laws of Turkey, which company owns and operates a marina in Turkey for a total consideration of €1,930,000. The registered address and principal place of business of this entity is Musalla Mh. 1016 SK. No.8, Cesme, Izmir, Turkey. During that year the Company made an additional shareholder's contribution of €243,797, which amount has been capitalised as part of the Company's net investment in the joint venture.

15.2 Cost of equity accounted investee

	2014 Group €	**2014 Company €**	2013 Group €	2013 Company €
Cost of investment at 1 January and 31 December	**2,173,797**	**2,173,797**	2,173,797	2,173,797
Share of post-acquisition reserves	**(518,957)**		(552,232)	
Share of profit for the year	**354,723**		38,867	
Foreign currency translation difference arising on share of profit for the year	**(10,500)**		(5,592)	
Equity accounted investee at 31 December	**1,999,063**		1,654,840	

15 Investment in joint venture
15.2 Cost of and equity accounted investee (continued)

IC Cesme, the only joint arrangement in which the Group participates, is principally engaged in the operation of a marina in Turkey. The Group has joint control and a 45% ownership interest. IC Cesme is an unlisted joint arrangement and is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified the investment in IC Cesme as a joint venture which is equity accounted.

In accordance with the agreement under which IC Cesme is established, the Group and the other investors to the joint venture agree to make additional contributions in proportion to their interests, if required.

15.3 Summary of financial information of joint venture

The Group's share of profit in its equity accounted investee for the year amounted to €354,723 (2013: €38,867). This investee is not listed and consequently no published price quotations are available. The reporting date of this entity is December 31. The entity is exposed to the risks associated with the trends and future outlook of the yachting industry as a whole.

The following table summarises the financial information of IC Cesme based on its financial information prepared in accordance with IFRS as adopted by the EU. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in IC Cesme, which is accounted for using the equity method of accounting:

	2014	2013
	€	€
Non-current assets	13,363,609	14,063,023
Current assets (including cash and cash equivalents amounting to 2014: €1,911,059 (2013: €1,543,256)	3,238,110	2,799,375
Non-current liabilities	(13,391,733)	(13,172,974)
Current liabilities (including trade and other payables amounting to 2014: €78,087 (2013: €114,321)	(2,645,685)	(3,913,397)
Net assets	564,301	(223,973)
Group's interest in net assets – 45% interest therein at the beginning of the year	(100,788)	(134,064)
Group's share of profit and total comprehensive income (45%)	354,723	38,867
Group's interest in net assets of investee at end of year	253,935	(100,788)
Carrying amount in the statement of financial position	1,999,063	1,654,840
Continuing operations		
Revenue	4,812,615	4,360,176
Personnel expenses	(717,249)	(794,585)
Depreciation	(817,209)	(878,862)
Other operating expenses	(1,922,460)	(2,044,751)
Results from operating activities	1,355,697	641,978
Net finance costs	(567,423)	(555,607)
Profit and total comprehensive income for the year	788,274	86,371
Group's share of profit and total comprehensive income (45%)	354,723	38,867
Foreign currency translation difference arising on share of profit for the year	(10,500)	(5,592)
Change in carrying amount of interest in joint venture	344,223	33,275

15 Investment in joint venture (continued)

15.4 Impairment assessment of investment in joint venture

As explained in note 15.1, the Company acquired its investment in IC Cesme, a joint venture in 2011. IC Cesme owns a marina in Turkey. Between 2012 and 2013, IC Cesme established itself as a fully operational marina. In view of the investment held in this marina, the directors have evaluated whether the recoverable amount of the investment in IC Cesme exceeded the recoverable amount by reference to its value in use (“VIU”).

This was determined by discounting the projected future cash flows to be generated from the continuing use of the marina up till the end of the “Build-Operate-Transfer” agreement which expires in 2033. Management has prepared projections based on 2015 forecasted figures to which growth rates were applied for subsequent years until 2033.

The key assumptions used in the calculation of the VIU of the IC Cesme Marina are:

(a) a compound annual average growth rate in EBITDA for the years 2015 to 2020 is estimated at 6.73% (2013: 9.42%);

(b) post-2020, revenues, other than berth rental income, and costs are projected to increase by an estimated yearly inflation of 4.5%. In addition to the estimated yearly inflation of 4.5%, berth rental income is projected to increase by a further 4% per annum beyond 2020;

(c) a pre-tax discount rate of 11.90% (2013: 13.25%) applied to the projected cash flows, based on a debt-to-equity ratio of 60:40; and

(d) a rate of exchange of 1 EUR = 2.9 TL was used to convert the cash flows from TL into Euro.

In determining the key assumptions, management has considered the past experience of its operator, Camper & Nicholsons Marinas Limited, having considerable expertise in the marina industry. The estimated average growth rates applied are consistent with the expected growth trends of other marinas which Camper & Nicholsons Marinas Limited manages. On this basis, management believes that the growth rates applied are reasonable and sustainable both in the short and long term.

Management believes that the 4% average annual real growth rate in berthing income applied beyond the explicit period, does not exceed the long-term average growth rate that might be expected in the marina industry, bearing in mind the historic growth rates in berthing tariffs in Turkish marinas.

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 €4,222,561 and €4,047,827 and respectively. Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount.

The following table shows how these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

	Management’s Assessment of VIU	Sensitivities on Key Assumptions	
Pre-tax discount rate	11.9 %	11.9 %	17.5 %
Average annual real growth rate in berthing income post 2016.	4%	(1.0%)	4%
Excess of recoverable amount over net assets:			
The Group	€4,222,561	€174,734	€174,734
The Company	€4,047,827	€Nil	€Nil

16 Parent company loan

16.1

	2014	2013
	€	€
Group and Company		
At 1 January	**3,837,000**	3,445,500
Change during the year	-	391,500
At 31 December	**3,837,000**	3,837,000

16.2 Related Terms and conditions

The Company's joint venture (note 15), IC Cesme has a loan with Isbank in the form of a Term Facility Agreement ("Term Facility", which facility amounts to EUR10m). This loan is repayable in semi-annual installments which commenced in December 2011, is subject to a nominal interest rate of 7.17%, and is repayable in semi-annual repayments of €544,082 each, in full, by the fall of 2019.

In addition to the Term Facility referred to above, Isbank provided other sub-loans in the form of a General Cash and Non-Cash Credit Agreement ("Subordinated Loans") with a maximum facility of EUR10 million, subject to a 1.4% nominal rate of interest with the various drawdowns maturing at different dates depending on the respective draw-down date.

The Subordinated Loans are secured by cash pledges by the shareholders of IC Cesme. The Company's parent company ("CNMIL") 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.

As at the date of acquisition of the 45% interest in IC Cesme, the Company indemnified CNMIL in the event that Isbank enforces any of its rights under the Term Facility and has irrevocably instructed and authorized the Company's parent company to hold and apply the cash pledge in conformity with all the obligations under the Isbank documents.

As a result of the aforementioned General Cash and Non-Cash Credit Agreement, as at 31 December 2014 and 2013 respectively, the Company had a loan receivable from its parent company amounting to €3,837,000 (2013: €3,837,000), which has in turn been pledged in favour of Isbank for the Subordinated Loans taken out. To date, the directors have successfully negotiated with Isbank and managed to roll forward all the sub-loans that had been drawn-down and which were due for repayment in 2014 and following balance sheet date, for a further period of two years from the date of their respective maturities.

Based on the cash projections prepared, the directors expect that IC Cesme will be able to generate sufficient cash flow to be able repay its existing loan commitments and will also be in a position to roll-forward and agree new repayment terms, in respect of any outstanding balance due on the sub-loans, to a period beyond 2019 in such a way which will not necessitate the bank to make recourse to the cash pledge.

On the basis of the foregoing the directors continue to be of the view that there are no triggers for impairment in relation to the loan receivable.

17 Available-for-sale investments

	Note	2014 €	2013 €
Group and Company			
At 1 January		**793,002**	1,612,501
Amounts transferred to assets held in trust		-	(393,788)
Disposal during the year		**(761,515)**	(420,597)
Net fair value changes during the year		**(31,487)**	(5,114)
At 31 December	18	-	793,002

18 Assets held in trust

18.1

In accordance with the terms of the Trust Deed for the Company's unsecured 7% Bond, the Company is required to establish a sinking fund to support repayment of the Bond by 2020. In the comparative year assets held in trust consisted of part of the proceeds derived from the disposal of available-for-sale investments and bank deposits. During the year, the available-for-sale investments held were disposed in full and a further portion of the proceeds derived therefrom, was transferred to the sinking fund, such that, once again, at balance sheet date the assets held in trust consisted fully of bank deposits.

19 Deferred tax assets and liabilities

19.1 Unrecognised deferred tax asset

Unrelieved tax losses of the joint venture in Turkey expire after a period of five years. Deferred tax assets have not been recognised in respect of the following items arising from temporary differences pertaining to the joint venture:

Financial year in which tax losses have arisen	Year of expiry	2014 Amount TL	2013 Amount TL
2007	2012	-	448,147
2008	2013	-	676,701
2009	2014	**1,107,179**	1,107,179
2010	2015	**3,231,302**	3,231,302
2011	2016	**796,785**	796,785
		5,135,266	6,260,114
Utilised/expired		**(1,723,838)**	(962,772)
		3,411,428	5,297,342
Tax effect at 20% in TL at 31 December		**682,285**	1,059,468
Tax effect at 20% in Euro at 31 December		**241,885**	360,793
Group's share therein in Euro		**108,848**	162,356

19.2 Recognised Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group and Company	Assets		Liabilities		Net	
	2014	2013	**2014**	2013	**2014**	2013
	€	€	**€**	€	**€**	€
Plant and equipment	**-**	-	**(1,485,903)**	(1,427,297)	**(1,485,903)**	(1,427,297)
Provision for doubtful debts	**11,092**	12,623	**-**	-	**11,092**	12,623
Operating lease charges	**190,678**	193,912	**-**	-	**190,678**	193,912
Unrelieved tax losses and unabsorbed capital allowances	**1,442,630**	1,569,848	**-**	-	**1,442,630**	1,569,848
Net tax assets / (liabilities)	**1,644,400**	1,776,383	**(1,485,903)**	(1,427,297)	**158,497**	349,086

19.3 Movement in temporary differences during the year

	Balance 1 January 2014	**Recognised in profit or loss**	**Balance 31 December 2014**
	€	**€**	**€**
Group and Company			
Plant and equipment	**(1,427,297)**	**(58,606)**	**(1,485,903)**
Provision for doubtful debts	**12,623**	**(1,531)**	**11,092**
Operating lease charges	**193,912**	**(3,234)**	**190,678**
Unrelieved tax losses and unabsorbed capital allowances	**1,569,848**	**(127,218)**	**1,442,630**
	349,086	**(190,589)**	**158,497**

	Balance 1 January 2013	**Recognised in profit or loss**	**Balance 31 December 2013**
	€	**€**	**€**
Group and Company			
Plant and equipment	(1,364,678)	(62,619)	(1,427,297)
Provision for doubtful debts	13,587	(964)	12,623
Operating lease charges	196,177	(2,265)	193,912
Unrelieved tax losses and unabsorbed capital allowances	1,644,865	(75,017)	1,569,848
	489,951	(140,865)	349,086

20 Trade and other receivables

20.1

		2014	2013
	Note	**€**	€
Group and Company			
Amount receivable in respect of the sale of long-term super-yacht berths	20.2	-	199,992
Other trade receivables		**411,283**	367,162
Amounts receivable from related parties:			
Camper & Nicholsons Marina Investments Limited	20.3	**135,250**	95,959
Other receivables		**1,782**	3,536
Prepayments and accrued income		**145,313**	178,137
		693,628	844,786

20.2

In accordance with the terms of the sale agreements concluded for the sale of long-term berths in prior periods, the repayment of the outstanding sales price was to be effected by means of periodical repayments, with the outstanding balance of €199,992 being repaid by end of 2014. The fair value of the consideration was determined by discounting all future receipts using an imputed rate of interest of 7%. The remaining difference of €NIL (2013: €6,224) between the fair value and the nominal amounts is deferred. The movement for the year amounting to €6,224 (2013: €50,448) has been recognised in profit and loss (note 10).

20.3

The amounts owed by the related parties are interest free and repayable on demand.

20.4

The Company's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 25.

21 Equity

21.1 Share capital

	2014	2013
	€	€
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

21.2 Shareholders' rights

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.

21.3 Fair value reserve

The fair value reserve represents the cumulative net change in the fair value of available-for-sale investments held by the Company (note 17). Following the disposal of such investments during 2014, the fair value reserve as at 31 December 2014 was fully transferred to profit or loss.

21.4 Translation reserve

This translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

21.5 Availability of reserves for distribution

	2014	2013
	€	€
Distributable	**463,545**	1,297,723
Non-distributable	**158,497**	380,573
	622,042	1,678,296

21.6 Dividends

The following dividends were declared and paid by the Company for the year ended 31 December:

	2014	2013
	€	€
€0.084 (2013: €0.12) per qualifying ordinary share	840,000	1,200,000

22 Borrowings

22.1

This note provides information about the contractual terms of the Group's interest-bearing borrowings which are measured at amortised cost. For more information about the Company's exposures to liquidity and interest rate risks, see note 25.

	2014	2013
	€	€
Group and Company		
Non-current		
Unsecured bonds-in-issue (note 22.2)	**11,392,614**	11,692,797
Current		
Bank overdraft (note 24.1)	**1,412**	713

The bank overdraft bears interest at the rate of 4.85% per annum and is repayable on demand.

22 Borrowings (continued)

22.2 Unsecured bonds-in-issue

During the year ending 31 December 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 fair value of the bonds in issue at 31 December 2014 amounted to €12,758,064 (2013: €12,840,000) based on the trading price existing at balance sheet date of €109.5 (2013: €107.0). Furthermore from the beginning of 2015 up to the date of approvable of the financial statements the Company purchased a further €668,200 7% bonds 2017-2020 at a premium. All such bonds were similarly cancelled.

	2014	2013
	€	€
Group and Company		
Proceeds on issue	**12,000,000**	12,000,000
Transaction costs (net of amount expensed during the year, note 10)	**(258,586)**	(307,203)
Nominal value of 7% Bonds 2017-2020 bought back	**(348,800)**	-
	11,392,614	11,692,797

During 2014, the Company purchased €348,800 of its 7% Bonds 2017-2020 from its bondholders at a premium of €24,141. All such purchased bonds were subsequently cancelled.

22.3 Banking facilities

The Company enjoys a general banking facility up to an amount of €1,747,030 in connection with the operation of the marina and the issuance of special guarantees. This facility incorporates the issuance of a Performance Bond in favour of the Malta Environmental and Planning Authority for €34,941 (2013: €34,941).

22.4 Security

22.4.1 The Company's bank overdraft is secured by:

- a first general hypothec for €1,747,030 on overdraft basis over all the Company's assets, present and future; and
- a first special hypothec for €1,747,030 on overdraft basis on land held by the Company under title of temporary sub-emphyteusis (note 9.2.2).

23 Trade and other payables

23.1

	Note	2014	2013
	Note	**€**	€
Group and Company			
Trade payables		**196,923**	21,681
Amounts payable to related parties:			
Camper & Nicholsons Marinas Limited	23.2	**71,689**	92,021
Camper & Nicholsons Marinas International Limited	23.2	**19,962**	6,119
Camper & Nicholsons Grenada Services Limited	23.2	**360**	-
Other payables		**130,350**	130,333
Deferred income		**730,485**	675,552
Accrued expenses		**1,241,594**	1,424,226
		2,391,363	2,349,932

23.2

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

23.3

The Group's exposures to currency and liquidity risks related to trade and other payables are disclosed in note 25.

24 Cash and cash equivalents

24.1

	Note	2014 €	2013 €
Group and Company			
Cash in hand		**3,039**	3,039
Bank term deposit	24.2	**1,300,000**	1,300,000
Other bank balances		**1,041,350**	1,208,990
Cash at bank and in hand		**2,344,389**	2,512,029
Bank overdraft used for cash management purposes	22.1	**(1,412)**	(713)
Cash and cash equivalents in the Statements of Cash Flows		**2,342,977**	2,511,316

24.2

The Company holds €1,300,000 (2013: €1,300,000) on a six-month term deposit (2013: 3 month-term deposit) which is renewable for further periods upon instructions given by the Company.

25 Financial instruments

25.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

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

25.2 Risk management framework

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

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

25.3 Credit risk

Credit risk is the risk of financial loss to the Group if a berth-holder or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from berth-holders and amounts on-lent to the Company's parent which has been pledged as collateral for funds borrowed by the joint venture (note 16.2).

25 Financial instruments
25.3 Credit risk
(continued)

25.3.1 Loans and receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each berth-holder, by way of concessions. 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 Group's debtor base. Amounts receivable with respect to the licensing of long-term berths are usually secured upon the signing of the relative agreement with the berth-holder. An instalment sale could be agreed with long-term berth holders on a case-by-case basis, in which case the Group will mitigate its credit risk by retaining the special privilege competent to it in terms of law on the right of use of the berth granted by Grand Harbour Marina plc to the Grantee.

In relation to short-term berth licenses, the Group has a 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 any receivables. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

25.3.2 Cash at bank and assets held in trust

Credit risk on assets held in trust is limited as such comprise deposits with a local financial institution with investment grade rating (Fitch) BBB+. Credit risk on cash at bank is also limited as funds are likewise held with local financial institutions with investment grade ratings (Fitch) AA- and BBB+.

25.3.3 Exposure to credit risk

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

		Carrying amount	
		2014	**2013**
	Note	**€**	**€**
Group and Company			
Parent company loan	16.1	**3,837,000**	3,837,000
Available-for-sale investments	17	-	793,002
Trade receivables	20.1	**411,283**	567,154
Amounts receivable from related parties	20.1	**135,250**	95,959
Other receivables	20.1	**1,782**	3,536
Cash at bank	24.1	**2,341,350**	2,508,990
		6,726,665	7,805,641

The maximum exposure to credit risk for trade receivables which arise all in Malta at the reporting date by type of customer was:

		Carrying amount	
		2014	2013
	Note	**€**	€
Group and Company			
Individuals		**95,885**	144,971
Legal entities		**212,728**	372,856
Agents		**134,360**	85,394
		442,973	603,221
Impairment losses	25.3.4	**(31,690)**	(36,067)
		411,283	567,154

25.3.4 Impairment losses

The ageing of trade receivables at the reporting date, before impairment losses, was:

Group and Company

	2014	2013
	€	€
Not past due not impaired	**89,945**	348,565
1 to 2 months	**160,422**	72,828
2 to 4 months	**154,876**	84,306
Over 4 months	**37,730**	97,522
	442,973	603,221
Impairment losses		
Past due and impaired	**31,690**	36,067

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

Group and Company

	2014	2013
	€	€
Balance at 1 January	**36,067**	38,821
Reversal of impairment loss	**(4,377)**	(2,754)
Balance at 31 December	**31,690**	36,067

25.3.5 Guarantees and letter of financial support

As explained in note 16.2, the Company has pledged the amount due by the Company's parent as security for funds borrowed and has also provided a letter of financial support to its joint venture for the provision of additional finance as may be deemed necessary.

25.4 Liquidity risk

Liquidity risk is the risk that the Group encounters 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 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 €1,747,030 (note 22.3), of which €1,412 was utilised at 31 December 2014 (note 24.1).

25 Financial instruments
25.4 Liquidity risk (continued)

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

Group and Company	Note	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	3 - 5 years	More than 5 years
		€	€	€	€	€	€	€
31 December 2014								
Unsecured bonds-in-issue	22.1	**11,392,614**	**(15,729,120)**	**(407,792)**	**(407,792)**	**(815,584)**	**(14,097,952)**	-
Bank overdraft	22.1	**1,412**	**(1,412)**	**(1,412)**	-	-	-	-
Trade and other payables	23	**2,391,363**	**(2,391,363)**	-	**(2,391,363)**	-	-	-
		13,785,389	**(18,121,895)**	**(409,204)**	**(2,799,155)**	**(815,584)**	**(14,097,952)**	-
31 December 2013								
Unsecured bonds-in-issue	22.1	11,692,797	(17,880,000)	(420,000)	(420,000)	(1,680,000)	(2,520,000)	(12,840,000)
Bank overdraft	22.1	713	(713)	(713)	-	-	-	-
Trade and other payables	23	2,349,932	(2,349,932)	-	(2,349,932)	-	-	-
		14,043,442	(20,230,645)	(420,713)	(2,769,932)	(1,680,000)	(2,520,000)	(12,840,000)

25.5 Market risk

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

25.5.1 Currency risk

The Group's exposure to currency risk is limited to expenses that are denominated in a currency other than the Company's functional currency, primarily the British Pound (GBP), on intra-group balances. The Group it not exposed to exchange rate movements on the Turkish Lira other than in respect of the Group's share in the post-acquisition reserves of its equity-accounted investee. The Group 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.

25.5.2 Interest rate risk

The Group 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 rates and other arrangements with a fixed interest margin over the bank's base rate. During the year ended 31 December 2010 the Company issued bonds at a fixed rate of 7%. These are, therefore, not subject to interest rate fluctuations.

25.6 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. Equity consists of share capital, other reserves and retained earnings. 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 Group's approach to capital management during the year. Neither the Group nor its joint-venture are subject to externally imposed capital requirements.

25.7 Fair values

At 31 December 2014 and 2013, the carrying amount of financial assets and financial liabilities approximated their fair values. Level 1 prices have been adopted in arriving at the fair value of available-for-sale investments and Level 2 prices have been applied to get to the amount disclosed for the fair value of the bonds in issue.

26 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.

27 Related parties

27.1 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 Island House, Grande Rue St Martins, Guernsey. CNMIL prepares the consolidated financial statements of the Group of which Grand Harbour Marina p.l.c. forms part. CNMIL is listed on AIM and its financial statements are publicly available.

27.2 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:

27 Related parties
27.2 Related party relationships, transactions and balances (continued)

Group and Company

	2014	2013
	€	€
Camper & Nicholsons Marinas Limited		
Balance payable at 1 January	**(92,021)**	(250,816)
As per Marina Services Agreement:		
Recruitment, operational services and auditing (2.5% of revenue subject to a minimum fee of GBP 18,000 p.a.)	**(84,567)**	(75,152)
Sales and marketing fees (fixed fee of GBP 3,200 per month)	**(47,836)**	(45,124)
Management, finance and other related services and expenses	**(157,815)**	(191,095)
Cash movements	**310,550**	470,166
Balance payable at 31 December	**(71,689)**	(92,021)

	2014	2013
Camper & Nicholsons Marinas International Limited		
Balance (payable) / receivable at 1 January	**(6,119)**	47,383
Royalty fees (0.25% of revenue excluding direct costs of utilities) as per Trade Mark License Agreement	**(7,624)**	(8,209)
Management, finance and other related services	**(13,439)**	(3,851)
Cash movements	**7,220**	(41,442)
Balance payable at 31 December	**(19,962)**	(6,119)

	2014	2013
Camper & Nicholsons Marina Investments Limited		
Balance receivable at 1 January	**95,959**	53,745
Recharge or expenses	**2,761**	3,941
Interest receivable	**38,521**	38,273
Cash movements	**(1,991)**	-
Balance receivable at 31 December*	**135,250**	95,959

* This amount excludes the cash-pledge of €3,837,000 (2013: €3,837,000) in note 16.

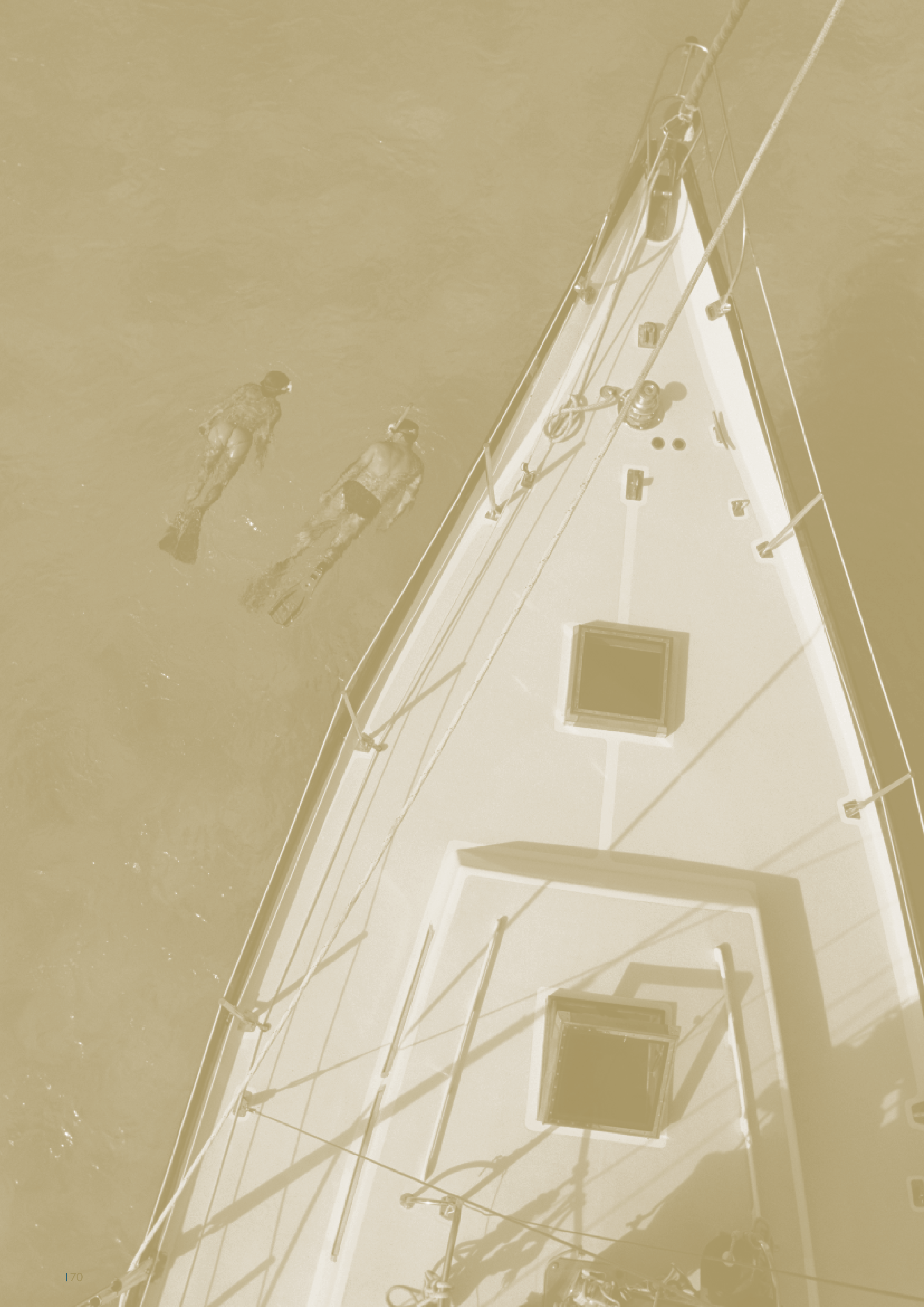
Camper & Nicholsons Grenada Services Limited	2014	2013
	€	€
Balance payable at 1 January	-	-
Recharge of expenses	(360)	-
Balance payable at 31 December	**(360)**	-
Net amount receivable / (payable) at 31 December	**43,239**	(2,181)

27.3 Transactions with key management personnel

Other than the directors' compensation amounting to €48,975 (2013: €43,292), key management compensation amounted to €101,137 (2013: €123,331). There were no other transactions with key management personnel.

28 Contingent liability

The Company's joint venture, IC Cesme, is disputing 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 2014 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 31 December 2014, the potential claim would amount to €623,902 (Company's 45% share to €280,756) if IC Cesme had to make a payment in full.



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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") and of the Group of which the Company is the parent, as set out on pages 26 to 68, which comprise the statements of financial position as at 31 December 2014 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement set out on page 25, the directors are responsible for the preparation of financial statements that (a) give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and (b) are properly prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act"), and, as regards the financial statements of the Group, Article 4 of the IAS Regulation. They are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 2014 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of financial statements that give a true and fair view 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

To the Members of Grand Harbour Marina p.l.c. (continued)

Opinion on Financial Statements

In our opinion, the financial statements:

- give a true and fair view of the Group's and the Company's financial position as at 31 December 2014, and of their financial performance and their 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), and, as regards the financial statements of the Group, Article 4 of the IAS Regulation.

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.

Report required by Listing Rule 5.98 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 5.1 to Chapter 5 (Continuing Obligations) of the Listing Rules (the "Appendix")

Listing Rule 5.97 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 5.94 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 5.98, which requires us to issue a report on the Directors' Statement of Compliance with the Principles, which is set out on pages 15 to 21.

We review the Directors' Statement of Compliance, and report as to whether this Statement provides the disclosures required by Listing Rule 5.97. We are not required to, and we do not, consider whether the Board's statements on internal control and risk management systems cover all the risks and controls in relation to the financial reporting process, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risks and control procedures, nor on the ability of the Group to continue in operational existence.

In our opinion, the Directors' Statement of Compliance set out on pages 15 to 21 provides the disclosures required by Listing Rule 5.97 issued by the Listing Authority of Malta.

Giles Schembri (Partner) for and on behalf of
KPMG
Registered Auditors

30 March 2015

Camper & Nicholsons Marinas

YACHTING SINCE 1782

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