

GRAND HARBOUR MARINA

VITTORIOSA ✳ MALTA

COMPANY ANNOUNCEMENT

GRAND HARBOUR MARINA P.L.C. (THE “COMPANY”)

Approval of Interim Financial Statements

Date of Announcement	29 August 2022
Reference	198/2022
Capital Markets Rules	5.16.20

This is a company announcement being made by the Company in compliance with Chapter 5 of the Capital Markets Rules:

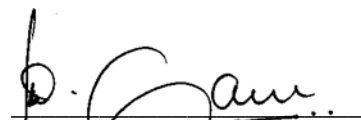
QUOTE

The Board of Directors approved the half-yearly report of the Company for the financial period 1 January 2022 to 30 June 2022, a copy of which is attached herewith and is also available on the Company’s website:

<https://en.cnmarinas.com/grand-harbour-marina/notification%20&%20publication>

UNQUOTE

Signed:



Louis de Gabriele
Company Secretary

Grand Harbour Marina p.l.c.

	Page
Interim Directors' Report pursuant to listing rules 5.75.2	1
Interim Condensed Consolidated Financial Statements	
Condensed consolidated statement of financial position	4
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8
Interim Directors' Statement pursuant to listing rules 5.75.3	34

Grand Harbour Marina p.l.c.

Interim Directors' Report pursuant to listing rules 5.75.2

Period Ended 30 June 2022

The Directors present their interim report together with the unaudited condensed consolidated interim financial statements of Grand Harbour Marina p.l.c. ("GHM" or "the Company") and its subsidiary, Maris Marine Limited (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").

Business Review

Grand Harbour Marina p.l.c. Consolidated

Total revenue at GHM decreased from €1.9 million to €1.7 million, while the Group's share of revenues at IC Cesme amounted to €0.7 million in 2022, in line with last year's first half. Both EBITDA and profit before tax at GHM fell by €0.1 million compared to 2021, whilst profit after tax of €0.1 million reached 2021 levels. The Group's share of EBITDA at IC Cesme fell by €0.1 million, while the share of profit before tax and share of profit after tax increased by €1.4 million and €1.2 million respectively, reflecting Cesme's non-monetary gains arising from Turkey being classified as a hyperinflationary economy (see note 6).

Grand Harbour Marina

€m	H1 Results				
	2022	2021	2020	2019	2018
<i>Marina operating revenues</i>	1.7	1.9	2.1	2.0	2.3
<i>Direct costs</i>	(0.3)	(0.4)	(0.4)	(0.4)	(0.6)
<i>Operating expenses</i>	(0.6)	(0.6)	(0.7)	(0.7)	(0.8)
<i>EBITDA</i>	0.8	0.9	1.0	0.9	0.9
<i>Profit before tax</i>	0.2	0.3	0.4	0.2	0.5
<i>Profit after tax</i>	0.1	0.1	0.2	0.1	0.3
<i>Capital expenditure</i>	0.1	-	-	-	0.1

Sales revenues in 2022 contracted by €0.2 million when compared to the comparative period of 2021, on the back of lower utility consumption by superyachts.

The Company registered EBITDA of €0.8 million (Jun 2021: €0.9 million). With net finance costs of €0.4 million (primarily made up of €0.3 million bond interest cost, €0.2 million interest expense on lease liabilities less interest receivable of €0.2 million) and depreciation of €0.2 million, the Company achieved a €0.2 million profit before tax (Jun 2021: €0.3 million) and a €0.1 million profit after tax (Jun 2021: €0.1 million). GHM paid €0.7m dividends during the period ended 30 June 2022 (Jun 2021: €nil).

Valuation

The market capitalisation of GHM on the Malta Stock Exchange on 29 August 2022 amounted to €14.0 million (18 April 2022: €12.4 million).

Grand Harbour Marina p.l.c.

Interim Directors' Report pursuant to listing rules 5.75.2

Period Ended 30 June 2022

IC Cesme

€m	H1 Results (for 100% of the Marina)				
	2022	2021	2020	2019	2018
Seaside revenues	1.1	1.1	1.0	1.1	1.2
Landside revenues	0.6	0.5	0.5	0.8	1.1
Total revenues	1.7	1.6	1.6	1.9	2.1
Direct costs	(0.3)	(0.1)	(0.2)	(0.2)	(0.2)
Operating expenses	(0.8)	(0.6)	(0.7)	(0.8)	(1.2)
EBITDA	0.6	0.9	0.7	0.9	0.7
Net finance charges and other costs	(1.2)	(1.6)	(1.9)	(0.8)	(0.5)
Gain on net monetary position (IAS 29)	3.0	-	-	-	-
Profit/ (Loss) before tax	2.4	(0.7)	(1.2)	0.1	0.2
Profit/ (Loss) after tax	1.7	(0.9)	(0.9)	0.2	0.2
Capital expenditure	0.1	0.2	-	3.1	-

IC Cesme Marina, the Company's 45% joint venture with IC Holdings, faced unprecedented inflation rates and geo-political uncertainties during the first half of 2022, which caused a 19% devaluation of the Turkish Lira to the Euro, moving from a 2021 closing rate of 14.68 to a 2022 mid-year closing rate of 17.52.

Nevertheless, when compared to last year's comparative results, Cesme improved slightly the performance on landside revenues, whilst matching the seaside revenues and occupation rates. The €0.1 million increase in landside revenues were achieved due to contract renewals at increased Turkish Lira prices in line with inflation. With regards to seaside revenues, the increase in revenue from annual contracts were set-off by an equivalent decrease in seasonal and visitor contracts.

Operating expenses and direct costs increased to €1.1 million (Jun 2021: €0.7 million) due to the higher cost base inflicted by a significant increase in price index during the first six months of 2022. After foreign exchange losses, net finance charges, depreciation, and IFRS 16 related costs totalling €1.2 million, IC Cesme made a loss before tax of €0.6 million (Jun 2021: €0.7 million) and a loss after tax of €1.3 million (Jun 2021: €0.9 million). However, as detailed in note 6, subsequent to Turkey's economy and currency being classified as hyperinflationary, Cesme applied IAS 29 *Financial Reporting in Hyperinflationary Economies* to its financial position and performance as at 30 June 2022, which resulted in an increase in profit before tax and profit after tax of €3.0 million each, consequently reclassifying Cesme's profit before tax and profit after tax to €2.4 million and €1.7 million respectively.

The Group's 45% share of IC Cesme's after tax profit amounted to €0.8 million (Jun 2021: loss of €0.4 million) and this is included within its total share of profits of equity-accounted investees.

Group Outlook

Throughout the pandemic, and now against the backdrop of developments in the Russia-Ukraine conflict, the Group's focus has been to firmly monitor on an ongoing basis, the direct and indirect impacts of these situations on its business model and cash flow generation.

The Board of Directors reaffirm the Group is well-positioned to honour its financial obligations as they fall due with particular reference to the interest payable on the listed bonds, as well as bank borrowings and other related obligations.

Grand Harbour Marina p.l.c.

Interim Directors' Report pursuant to listing rules 5.75.2
Period Ended 30 June 2022

Board of Directors

Lawrence Zammit (Chairman)
Franco Azzopardi
Victor Lap Lik Chu
Elizabeth Ka Yee Kan
Tarcisio Barbara (appointed on 28 June 2022)

Approved by the Board of Directors on 29 August 2022 and signed on its behalf by:



Lawrence Zammit
Chairman

Grand Harbour Marina p.l.c.

Condensed consolidated statement of financial position

As at 30 June 2022

		6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 Dec 2021
	Note	€000	€000	€000
ASSETS				
Property, plant and equipment	14	4,492	4,721	4,565
Deferred costs on property, plant and equipment		482	482	482
Right-of-use asset	19	5,197	5,331	5,260
Net investment lease receivable	19	-	2	1
Equity-accounted investee	16	3,242	942	714
Investment in debt securities	17	5,655	5,858	5,806
Loans to related parties	18	4,695	3,697	2,668
Non-current assets		23,763	21,033	19,496
Loans to related parties	18	1,190	2,474	3,248
Trade and other receivables	20	1,113	2,663	1,132
Cash and cash equivalents	21	2,437	1,337	2,466
Current assets		4,740	6,474	6,846
Total assets		28,503	27,507	26,342
EQUITY				
Share capital	22	2,400	2,400	2,400
Exchange translation reserve	16	180	(178)	73
Fair value reserve		(74)	34	(12)
Retained earnings		1,553	188	(316)
Total equity attributable to equity holders of the Company		4,059	2,444	2,145
LIABILITIES				
Lease liability	19	6,180	6,156	6,159
Debt securities in issue	23	14,770	14,731	14,751
Deferred tax liabilities	13	862	981	921
Non-current liabilities		21,812	21,868	21,831
Lease liability	19	22	22	22
Bank overdraft	23	1	-	1
Taxation payable		151	631	100
Trade and other payables	24	1,163	1,167	1,200
Contract liabilities	25	1,295	1,375	1,043
Current liabilities		2,632	3,195	2,366
Total liabilities		24,444	25,063	24,197
Total equity and liabilities		28,503	27,507	26,342

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

Grand Harbour Marina p.l.c.

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 June 2022

		6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 Dec 2021
	Note	€000	€000	€000
Continuing operations				
Revenue	10	1,712	1,928	3,621
Direct costs	11	(305)	(385)	(667)
Gross profit		1,407	1,543	2,954
Selling and marketing expenses	11	(17)	(12)	(26)
Administrative expenses:				
Depreciation on plant and equipment	14	(137)	(140)	(276)
Depreciation on right-of-use-asset	19	(71)	(72)	(143)
Other administrative expenses	11	(632)	(636)	(1,252)
Operating profit		550	683	1,257
Impairment reversal/ (loss) on financial assets		13	-	(98)
Finance income	12	184	167	329
Finance costs	12	(550)	(540)	(1,090)
		(353)	(373)	(859)
Share of profit/ (loss) of equity-accounted investee, net of tax	16	776	(410)	(889)
Profit/ (loss) before tax		973	(100)	(491)
Income tax expense	13	(89)	(180)	(293)
Profit/ (loss) for the year attributable to equity holders of the Company		884	(280)	(784)
Other comprehensive income:				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	16	107	50	301
Monetary gain on restating Cesme's non-monetary items as per IAS 29	16	1,645	-	-
Unrealised fair value movement on debt securities at fair value through other comprehensive income (FVOCI)	17	(64)	130	84
Cumulative movement in fair value of debt securities disposed of during the year reclassified to profit or loss	17	2	(5)	(5)
Expected credit losses (ECLs) on debt securities at FVOCI	17	-	1	-
Other comprehensive income, net of tax attributable to equity holders of the Company		1,689	175	380
Total comprehensive income/ (loss) attributable to equity holders of the Company		2,573	(105)	(404)
Earnings/ (Loss) per share (€)		0.044	(0.014)	(0.039)

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

Grand Harbour Marina p.l.c.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2022

	Share capital €000	Translation reserve €000	Fair value reserve €000	Retained earnings €000	Total €000
Balance at 1 January 2021	2,400	(228)	(91)	468	2,549
Total comprehensive income / (loss):					
Loss	-	-	-	(784)	(784)
Other comprehensive income / (loss):					
Foreign currency translation differences	-	301	-	-	301
Unrealised fair value movement on debt securities at fair value through other comprehensive income	-	-	84	-	84
Cumulative movement in fair value of debt securities disposed of during the year reclassified to profit or loss	-	-	(5)	-	(5)
Other comprehensive income	-	301	79	-	380
Total comprehensive income / (loss)	-	301	79	(784)	(404)
Balance at 31 December 2021	2,400	73	(12)	(316)	2,145
Balance at 1 January 2022	2,400	73	(12)	(316)	2,145
Total comprehensive income / (loss):					
Profit	-	-	-	884	884
Other comprehensive income / (loss):					
Foreign currency translation differences	-	107	-	-	107
Gain on the restatement of Cesme's non-monetary items	-	-	-	1,645	1,645
Unrealised fair value movement on debt securities at fair value through other comprehensive income	-	-	(62)	-	(62)
Other comprehensive income / (loss)	-	107	(62)	1,645	1,690
Total comprehensive income / (loss)	-	107	(62)	2,529	2,574
Transactions with owners:					
Dividends paid	-	-	-	(660)	(660)
Balance at 30 June 2022	2,400	180	(74)	1,553	4,059

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

Grand Harbour Marina p.l.c.

Condensed consolidated statement of cash flows For the six months ended 30 June 2022

		6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 Dec 2021
	Note	€000	€000	€000
Cash flows from operating activities				
Profit/ (loss)		884	(280)	(784)
Adjustments for:				
Depreciation on plant and equipment	14	138	140	276
Depreciation on right-of-use assets	19	71	72	143
(Decrease)/ increase in ECLs on financial assets		(13)	-	98
Share of (profit)/ loss of equity-accounted investee	16	(776)	410	889
Net finance costs, excluding realised fair value loss	12	362	378	766
Loss on assets written-off		-	-	24
Tax expense	13	89	180	293
		755	900	1,705
Changes in:				
- Trade and other receivables		(2)	17	663
- Contract liabilities		252	250	(81)
- Trade and other payables		(32)	(234)	(206)
Cash generated from operating activities		973	933	2,081
Interest paid on lease liabilities	19	(150)	(143)	(294)
Interest paid on debt securities in issue		(340)	(340)	(674)
Taxes paid		(97)	(53)	(755)
Net cash from operating activities		386	397	358
Cash flows from/ (used in) investing activities				
Interest received on corporate debt securities		26	16	193
Acquisition of property, plant and equipment	14	(64)	(30)	(34)
Disposal of corporate debt securities	17	86	151	152
Realised fair value (loss)/ gain from disposal of corporate debt securities	17	(2)	5	5
Principal received from related parties	28	115	-	157
Principal advanced to related parties	28	-	(799)	-
Interest received from related parties	28	115	106	178
Proceeds from subleased properties		1	1	2
Net cash from/ (used in) investing activities		277	(550)	653
Cash flows used in financing activities				
Dividends paid	22	(660)	-	-
Payment of lease liabilities	19	(32)	(38)	(74)
Net cash used in financing activities		(692)	(38)	(74)
Net (decrease)/ increase in cash and cash equivalents		(29)	(191)	937
Cash and cash equivalents at 1 January*		2,465	1,528	1,528
Cash and cash equivalents at end of period/ year*	21	2,436	1,337	2,465

*Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

1 Reporting entity and nature of operations

Grand Harbour Marina p.l.c. (the “Company”) is a public listed company domiciled and incorporated in Malta, with registration number C26891, and the registered office of which is situated at Vittoriosa Wharf, Vittoriosa, Malta.

The interim condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2022 comprise the Company and its subsidiary Maris Marine Limited, (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”). The principal activities of the Group are the development, operation and management of marinas.

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

2 Basis of preparation and statement of compliance with IFRS

The Interim Financial Statements are for the six months ended 30 June 2022, are presented in Euros (€), which is the functional currency of the Company, and have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. They do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021.

The Interim Financial Statements were approved for issue by the Board of Directors on 29 August 2022.

3 New Standards adopted at 1 January 2022

There is no accounting pronouncement which has become effective from 1 January 2022 and has a significant impact on the Group’s interim condensed consolidated financial statements.

4 Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group’s most recent annual financial statements for the year ended 31 December 2021.

5 Estimates and judgements

When preparing the Interim Financial Statements, management undertakes judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates, and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including key sources of estimation uncertainty, were the same as those applied in the Group’s last annual financial statements for the year ended 31 December 2021.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

6 Significant events and transactions

Management believes that the Group is well positioned to cope with a downturn in the economy. Factors contributing to the Group's strong position are:

- The Group has several long-term contracts with a number of its existing customers,
- The Group does not expect to need additional borrowing facilities in the next 12 months, due to its significant financial resources, existing facilities and strong liquidity reserves. The Group has significant headroom to comply with its debt covenants
- The Group's major customers have not experienced financial difficulties. Credit quality of trade receivables as at 30 June 2022 is considered to be good.

Overall, the Group is in a strong position and has sufficient capital and liquidity to service its operating activities and debt. The Group's objectives and policies for managing capital, credit risk and liquidity risk are described in its annual financial statements.

In light of the conflict in the Ukraine, fuel prices have risen significantly, which in turn impacted the lack of traffic of superyachts. However, the Group is expected to continue as a going concern, therefore the consolidated financial statements have been prepared on a going concern basis.

The International Monetary Fund, in its April 2022 World Economic Outlook database, forecasted Turkey's three-year cumulative inflation to reach 138% by the end of 2022, and classified Turkey as a hyperinflationary economy. In view of this, Cesme's financial position and performance as at 30 June 2022 are being reported by applying IAS 29 *Financial Reporting in Hyperinflationary Economies*, using inflation accounting in respect of Turkish lira functional operations for periods ending on or after 30 June 2022 using the published consumer price index (CPI), which as at 30 June 2022 was 78.6% (Dec 2021: 36.1%).

As a result of applying IAS 29 *Financial Reporting in Hyperinflationary Economies* to Cesme's financial position and performance as at 30 June 2022, Cesme's net assets and net income increased by €6,680k and €3,023k respectively, with GHM's share being €3,006k and €1,361k respectively.

9 Operating segments

9.1 Information about reportable segments

Under the "management approach" to segment reporting, the Group has two reportable segments, 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.

For each of the reporting segments, the Chief Executive Officer and the Board of Directors review internally financial and operating reports on a regular basis. 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 superyachts.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

9 Operating segments (continued)

9.1 Information about reportable segments (continued)

Performance is measured based on segment assets & liabilities, segment revenues and segment profit or loss before tax, as management believes that this information is most relevant in evaluating the result of both segments relative to other entities that operate in the same industry. The amounts reported for IC Cesme Marina reflect the full amount (100%) of its assets, liabilities, and revenues prior to the application of the equity method.

30 June 2022	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
Reportable segment assets	27,435	14,380	41,815
Reportable segment liabilities	(24,444)	(10,303)	(34,747)
Segment revenues- external	1,712	1,683	3,395

Reconciliation to Consolidated Amounts

	Total Reportable Segments €000	Eliminations €000	Group €000
Reportable segment assets	41,815	(13,312)	28,503
Reportable segment liabilities	(34,747)	10,303	(24,444)
Segment revenues- external	3,395	(1,683)	1,712

Reportable Group segment assets and liabilities as at 30 June 2022 are reconciled as follows:

	€000
Assets	
Total assets of Grand Harbour Marina p.l.c.	27,435
Share of post-acquisition losses of joint-venture brought forward	(1,191)
Share of non-monetary gains brought forward	1,645
Depreciation of fair value uplift on acquisition brought forward	(342)
Foreign exchange translation reserve of joint-venture brought forward	73
Share of profit of joint venture for the period	782
Depreciation of fair value uplift for the period	(6)
Foreign exchange translation differences for the period	107
Consolidated assets	28,503
Liabilities-	
Total liabilities of Grand Harbour Marina p.l.c.	(24,444)
Consolidated liabilities	(24,444)

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

9 Operating segments (continued)

9.1 Information about reportable segments (continued)

Reportable Group segment profit before tax for the period ended 30 June 2022 is reconciled as follows:

	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
Reportable profit before tax	197	2,432	2,629
Reconciliation to Consolidated Amounts			
	Total Reportable Segments €000	Eliminations €000	Group €000
Reportable profit before tax	2,629	(1,657)	973
			€000
Profit before tax			197
Total profit before tax of Grand Harbour Marina			776
Share of profit of IC Cesme Marina			973
Consolidated profit before tax			973

The comparative figures are analysed as follows:

	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
30 June 2021			
Reportable segment assets	28,739	12,646	41,385
Reportable segment liabilities	(25,063)	(13,706)	(38,769)
Segment revenues- external	1,928	1,604	3,532
Reconciliation to Consolidated Amounts			
	Total Reportable Segments €000	Eliminations €000	Group €000
Reportable segment assets	41,385	(13,878)	27,507
Reportable segment liabilities	(38,769)	13,706	(25,063)
Segment revenues- external	3,532	(1,604)	1,928

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

9 Operating segments (continued)

9.1 Information about reportable segments (continued)

Reportable Group segment assets and liabilities as at 30 June 2021 are reconciled as follows:

	€000
Assets	
Total assets of Grand Harbour Marina p.l.c.	28,739
Share of post-acquisition losses of joint venture brought forward	(314)
Depreciation of fair value uplift on acquisition brought forward	(330)
Foreign exchange translation reserve of joint venture brought forward	(228)
Share of loss of joint venture for the period	(404)
Depreciation of fair value uplift for the period	(6)
Foreign exchange translation differences for the period	50
Consolidated assets	<u>27,507</u>
Liabilities	
Total liabilities of Grand Harbour Marina p.l.c.	<u>(25,063)</u>
Consolidated liabilities	<u>(25,063)</u>

Reportable Group segment loss before tax for the period ended 30 June 2021 is reconciled as follows:

	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
Reportable profit/ (loss) before tax	310	(689)	(379)
	<u>Reconciliation to Consolidated Amounts</u>		
	Total Reportable Segments €000	Eliminations €000	Group €000
Reportable loss before tax	(379)	279	(100)
			€000
Loss before tax			
Total profit before tax of Grand Harbour Marina			310
Share of loss of IC Cesme Marina			(410)
Consolidated loss before tax			<u>(100)</u>

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

10 Revenue

10.1 Revenue streams

The Company generates revenue primarily from berthing income on annual, seasonal and visitor berthing contracts. Other income is generated through annual service charges to berth owners and the provision of other ancillary services to marina customers, such as water and electricity. During the first six months of 2022 and 2021, the Company did not affect any berth sales.

	6 months to 30 June 2022 €000	6 months to 30 June 2021 €000
Annual service charges to berth owners	225	218
Revenue from annual, seasonal and visitor contracts	1,229	1,258
Ancillary services	258	452
Total revenues	1,712	1,928

10.2 Disaggregation of revenue from contracts with customers

The following table disaggregates revenue recognised from contracts with customers into appropriate categories, being annual, seasonal and visitor revenue streams for pontoons (i.e. yachts under 27.99 metres) and superyachts (i.e. yachts over 28 metres) respectively.

	6 months to 30 June 2022 €000	6 months to 30 June 2021 €000
Revenue from contracts with customers:		
Revenue generated from pontoons:		
Annual contracts	713	756
Seasonal contracts	55	38
Visitor contracts	60	66
	828	860
Revenue generated from superyachts:		
Annual service charges to berth owners	225	218
Annual contracts	113	124
Seasonal contracts	102	101
Visitor contracts	186	173
	626	616
Revenue from contracts with customers	1,454	1,476
Revenue from ancillary services	258	452
Total revenue as reported in note 10.1	1,712	1,928

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

10 Revenue (continued)

10.3 Contract balances

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

	6 months to 30 June 2022 €000	Year to 31 Dec 2021 €000
Receivables, which are included in 'trade and other receivables' (note 20.1)	648	582
Contract liabilities on trade receivables (note 25)	1,295	1,043

The above receivables mainly relate to trade receivables arising on trading operations, and the contract liabilities relate to consideration received in advance from customers for berthing contracts, for which revenue is recognised over time. The amount of €791k (Dec 2021: €1,101k) recognised in contract liabilities at the beginning of the year has been recognised as revenue for the period ended 30 June 2022. The remaining amount of €252k (Dec 2021: €23k) has been deferred as it is the consideration relating to berthing contracts spanning into the period subsequent to 30 June 2022.

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

11 Expenses

11.1 Expenses by nature

	6 months to 30 June 2022 €000	6 months to 30 June 2021 €000
Direct costs	305	385
Operating expenses:		
Directors' remuneration (short-term benefits)	19	19
Wages and salaries (net of €5k (Jun 2021: €47k) government grant)	296	293
Compulsory social security contributions	19	23
Selling and marketing expenses	17	12
Repairs and maintenance	37	30
Variable lease expense	28	40
Auditors' remuneration	22	23
Net gain on asset write-off	(16)	(10)
Operator fees (see note 28.2)	91	96
Depreciation on plant and equipment (see note 14.1)	137	140
Depreciation on right-of-use asset (see note 19.1)	71	72
Other operating expenses	136	122
Total expenses recognised in statement of profit or loss	1,162	1,245

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

12 Net finance costs

	6 months to 30 June 2022 €000	6 months to 30 June 2021 €000
Finance income:		
Interest income under the effective interest method on:		
Loans to related parties - measured at amortised cost	86	73
Corporate debt securities - at FVOCI	100	89
Corporate debt securities- at FVOCI:		
(Loss)/ Gain on derecognition reclassified from OCI	(2)	5
Finance income	<u>184</u>	<u>167</u>
Finance costs:		
Interest expense on financial liabilities measured at amortised cost	(335)	(334)
Interest expense on lease liabilities (see note 19.1)	(195)	(187)
Amortisation of bond issue costs (see note 23.4)	(19)	(18)
Net foreign exchange losses	(1)	(1)
Finance costs	<u>(550)</u>	<u>(540)</u>
Net finance costs recognised in statement of profit or loss	<u>(366)</u>	<u>(373)</u>

13 Income taxes

13.1 Amount recognised in profit or loss

Current tax is recognised at the corporate rate of 35% on the taxable income for the year from the Company's marina business activity. Deferred tax charges and credits relate to the marina business activity.

	6 months to 30 June 2022 €000	6 months to 30 June 2021 €000
Group and company		
Current tax		
Charge during the year	(148)	(192)
	<u>(148)</u>	<u>(192)</u>
Deferred tax		
Movement in temporary differences	59	12
	<u>59</u>	<u>12</u>
Income tax expense on continuing operations recognised in statement of profit or loss	<u>(89)</u>	<u>(180)</u>

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

14 Property, plant and equipment

14.1 The following tables show the movements in property, plant and equipment.

	Total	Superyacht berths	Pontoon berths	Improvements to leased property, landscaping & switchboards	Motor vehicles, including shipping vessels	Cable infrastructure, marine & office equipment	Assets in the course of construction
Cost	€000	€000	€000	€000	€000	€000	€000
Balance at 1 January 2021	9,528	4,302	3,520	892	55	586	173
Additions	34	-	10	6	10	8	-
Assets written off	(82)	-	(81)	-	-	(1)	-
Reclassifications	-	-	-	4	-	18	(22)
Balance at 31 December 2021	9,480	4,302	3,449	902	65	611	151
Balance at 1 January 2022	9,480	4,302	3,449	902	65	611	151
Additions	64	-	62	2	-	-	-
Balance at 30 June 2022	9,544	4,302	3,511	904	65	611	151

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

14 Property, plant and equipment (continued)

14.1 (continued)

	Total	Superyacht berths	Pontoon berths	Improvements to leased property, landscaping & switchboards	Motor vehicles, including shipping vessels	Cable infrastructure, marine & office equipment	Assets in the course of construction
	€000	€000	€000	€000	€000	€000	€000
Accumulated depreciation and impairment							
Balance at 1 January 2021	4,697	1,245	2,243	654	48	507	-
Depreciation charge	276	86	137	25	5	23	-
Assets written off	(55)	-	(54)	-	-	(1)	-
Reclassifications	(3)	-	-	-	-	(3)	-
Balance at 31 December 2021	4,915	1,331	2,326	679	53	526	-
Balance at 1 January 2022	4,915	1,331	2,326	679	53	526	-
Depreciation charge	137	43	70	12	1	11	-
Balance at 30 June 2022	5,052	1,374	2,396	691	54	537	-
Carrying amounts							
Balance at 1 January 2021	4,831	3,057	1,277	238	7	79	173
Balance at 31 December 2021	4,565	2,971	1,123	223	12	85	151
Balance at 30 June 2022	4,492	2,928	1,115	213	11	74	151

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

14 Property, plant and equipment (continued)

14.2 Capital commitments

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

15 Investment in subsidiary

On 29 June 2011, the Company acquired from Camper & Nicholsons Marinas International Limited the 100% shareholding in Maris Marine Limited (“MML”) for a consideration of €115. This dormant company is incorporated in the United Kingdom and the registered office of this subsidiary is situated at “5th Floor, Cording House, 34- 35 St James Street, London, SW1A 1HD”. The reporting date of this non-trading entity is 31 March.

16 Equity-accounted investee

16.1 Carrying amount of investment in joint venture

	6 months to 30 June 2022	Year to 31 Dec 2021
	€000	€000
Fair value of net identifiable assets at date of acquisition	1,082	1,082
Goodwill inherent in the cost of investment	848	848
Consideration paid upon acquisition	1,930	1,930
Cumulative capital contributions	244	244
Cost of investment as at 1 January	2,174	2,174
Share of post-acquisition (losses)/ profits brought forward	(1,191)	(314)
Share of non-monetary gain as per IAS 29	1,645	-
Share of profit	782	(877)
Depreciation of fair value uplift on acquisition brought forward	(342)	(330)
Depreciation of fair value uplift on acquisition	(6)	(12)
Foreign currency translation brought forward	73	(228)
Foreign currency translation difference	107	301
Equity accounted investee as at end of period / year	3,242	714

16.2 Summary of financial information of joint venture

The Group’s share of profit in its equity accounted investee for the period, inclusive of the depreciation of fair value uplift upon acquisition, amounted to €776k (Dec 2021: loss of €889k). This investee is not listed, and consequently no published price quotations are available. The reporting date of this entity is 31 December. The entity is exposed to the country risks relating to Turkey and other risks associated with the trends and future outlook of the marina industry as a whole.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

16 Equity-accounted investee (continued)

16.2 Summary of financial information of joint venture (continued)

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.

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Non-current assets	12,817	7,454
Current assets (including cash and cash equivalent of €1,539k, Dec 2021: €1,788k)	1,563	2,050
Non-current liabilities	(3,451)	(1,343)
Current liabilities (including trade and other payables and provisions of €1,790k, Dec 2021: €1,737k)	(6,852)	(9,714)
IC Cesme net assets/ (liabilities) (100%) at end of period / year	<u>4,077</u>	<u>(1,553)</u>
Group's share of net liabilities (45%)	1,835	(699)
Fair value uplift on date of acquisition (less deferred tax impact)	907	907
Cumulative depreciation on fair value uplift, adjusted on consolidation	(348)	(342)
Goodwill	848	848
Carrying amount of interest in joint venture, as per Statement of financial position (see note 16.1)	<u>3,242</u>	<u>714</u>
Revenue	1,683	3,849
Operating expenses	(1,059)	(1,666)
Depreciation	(92)	(223)
Results from operating activities	<u>532</u>	<u>1,960</u>
Net finance costs (including gain on non-monetary items of €3,023k, interest expense of €211k and net foreign exchange loss of €950k less interest income of €38k, Dec 2021: interest expense of €787k and net foreign exchange loss of €3,839k less interest income of €83k)	1,901	(4,543)
Profit before tax	<u>2,433</u>	<u>(2,583)</u>
Taxation credit	(695)	634
Total comprehensive income for the year (100%)	<u>1,738</u>	<u>(1,949)</u>
Group's share of total comprehensive income (45%)	782	(877)
Depreciation on fair value uplift of depreciable assets	(6)	(12)
Share of loss of equity-accounted investee, net of tax, as per statement of profit or loss and OCI	(776)	(889)
Foreign currency translation difference arising during the year	107	301
Non-monetary gain as per IAS 29	1,645	-
Change in carrying amount of interest in joint venture	<u>2,528</u>	<u>(588)</u>

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

16 Equity-accounted investee (continued)

16.3 Impairment assessment of investment in joint venture

As explained in note 16.1 the Company acquired its investment in IC Cesme Marina Yatirim Turizm ve Isletmeleri A.S. ("IC Cesme"), a joint venture, in 2011. IC Cesme operates a marina with associated landside property in the Izmir region of Turkey, held in terms of a Build-Operate-Transfer agreement expiring in 2067.

In view of the geo-political status of the investee's jurisdiction, the directors have estimated the recoverable amount of the investment in IC Cesme to determine whether it exceeds the carrying amount. The directors have included in their estimate of the recoverable amount analysis, the value of the IC Cesme marina prepared by CBRE UK Limited in March 2022, who are appointed throughout the CNMIL Group to value the properties held.

The recoverable amount was estimated based on its fair value less costs of disposal. The fair value measurement falls within Level 3 of the fair value hierarchy. The fair value of the property has been arrived at by reference to its trading potential using both the market comparison and income capitalisation valuation technique, whereby EBITDA for a reasonably efficient operator ("REO") is multiplied by a capitalisation multiple, and adjusted for other non-operating assets, net debt and a discount for joint control.

EBITDA has been based on the 2021 actual performance for IC Cesme, adjusted for any normalisations applicable to REO. Adjusted EBITDA of year 2 to year 6 were also forecasted to grow at the expected inflation rate of Turkey. At Exit, the adjusted EBITDA of year 6 has been capitalised at a rate of 7.75% (Dec 2021: 7.75%) for the remainder of the term of 45 years (Dec 2021: 46 years) for the BOT contract giving a capitalisation multiple of 12.90 (Dec 2021: 12.90). The capitalisation rate was estimated based on market information of transactions involving marinas. The exit yield of 7.75% (Dec 2021: 7.75%) was added to the overage in line with the average annual inflation rate from year 2 to year 6 of 24.47% (Dec 2021: 13.25%) to give a discount rate of 32% (Dec 2021: 21%).

The estimated recoverable amount of the Company's investment in IC Cesme's net assets at Group and Company level, exceeds its' carrying amount.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

17 Investment in debt securities

17.1

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Non-current corporate debt securities		
Opening fair value	5,806	5,894
Disposals	(86)	(152)
Realised fair value loss/ (gain) on disposals	2	(5)
Net (decrease)/ increase in fair value, recognised in OCI	(62)	79
Unwinding of premium paid upon acquisition	(5)	(10)
Closing fair value	5,655	5,806
Impairment loss on corporate debt securities, recognised in P&L	-	-

During the period ended 30 June 2022, the Company did not acquire any corporate debt securities (Dec 2021: €nil) and disposed of €84k corporate debt securities held within the company's investment portfolio (Dec 2021: €157k), realising a fair value loss of €2k (Dec 2021: gain of €5k), which was recycled from OCI to profit or loss. The change in unrealised fair value loss of €62k (Dec 2021: unrealised fair value gain of €79k) on the investment in debt securities held as at 30 June 2022 has been presented in OCI and included in the fair value reserve.

As at 30 June 2022, the value of such investments, by reference to quoted market prices on the Malta Stock Exchange, amounted to €5,655k (Dec 2021: €5,806k). Such a value was classified as a Level 2 investment by reference to the fair value hierarchy.

18 Loans to related parties

18.1

	6 months to 30 June 2022 €000	Year to 31 Dec 2021 €000
At 1 January	5,916	6,072
Loans repaid (see notes 18.2)	(115)	(158)
Interest receivable (see note 28.2)	71	100
Decrease/ (Increase) in ECLs	13	(98)
Total	5,885	5,916
Loans to related parties (non-current)	4,695	2,668
Loans to related parties (current)	1,190	3,248

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

18 Loans to related parties (continued)

18.2 Related terms and conditions on cash pledged in favour of IC Cesme's bankers, Isbank and subsequent new Loan Notes

During the period ended 30 June 2022, the Company's joint venture, IC Cesme, repaid the remaining balance of €538k on the loan with Isbank, which was in the form of a Term Facility Agreement, repayable in semi-annual instalments subject to a nominal interest rate of six month Euribor plus 4.5%. This loan has now been settled in full.

In addition to the Term Facility referred to above, Isbank had provided other sub-loans to IC Cesme in the form of a General Cash and Non-Cash Credit Agreement ("Subordinated Loans"), which as at 31 December 2021 amounted to €6,185k, subject to nominal rates of interest ranging from 1% to 1.85%, with the various drawdowns maturing at different dates.

The Subordinated Loans, which were denominated in Euros, were secured by cash pledges by the shareholders of IC Cesme. The cash pledge continued to be held in the name of CNMIL, but in terms of the sale agreement, the Company had lodged an equivalent sum with CNMIL in anticipation of Isbank agreeing to complete the legal formalities relating to this substitution. Accordingly, CNMIL acted 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. In the meantime, the Company indemnified CNMIL in the event that Isbank enforced any of its rights under the Term Facility and had 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.

While during the period ended 30 June 2022, IC Cesme repaid €225k (GHM's share of €115k) from the Subordinated Loan of €6,185k, the remaining balance of €5,960k was settled between February and August 2022 through the release of the above-mentioned cash pledges to Isbank, in turn giving rise to new shareholder loans equivalent to the latter amount, with the Company's 45% share representing €2,682k. The shareholder loans bear interest at the fixed rate of 5% per annum and are to be repaid in full, together with interest, through bi-yearly payments in March and September, starting from 31 March 2023 through to 30 September 2028 (see table on next page).

The structure of the Company's 45% share of the shareholder loans is such that the said amount has been loaned to Camper & Nicholsons Marinas Limited ("CNML"), a company registered in England and a wholly owned subsidiary of CNMIL, under two separate Loan Notes, and in turn CNML on-lent the funds granted to it to IC Cesme. This loan structure was deemed necessary as the Company is the beneficial owner of the 45% shareholding in IC Cesme held in aggregate by CNML and Maris Marine Limited.

The entry into these two Loan Notes therefore did not necessitate a new outflow of funds in so far as the Company is concerned, but only required a reclassification of the funds in the Company's Statement of Financial Position from a loan to the Parent company (connected to the aforesaid cash pledge) to loans to a related party in the form of the Loan Notes. Following entry into the Loan Notes, the Subordinated Loans were extinguished and settled in full by IC Cesme by August 2022.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

18 Loans to related parties (continued)

18.2 Related terms and conditions on cash pledged in favour of IC Cesme's bankers, Isbank and subsequent new Loan Notes (continued)

The details of the two loan Notes are as follows:

	30 June 2022				31 Dec 2021		
	Amount €000	Interest p.a.	Maturity date		Amount €000	Interest p.a.	Maturity date
Loan 1	112	5.00%	31/03/2023	Subloan 1	551	1.00%	03/02/2022
Loan 1	45	5.00%	31/03/2024	Subloan 2	360	1.50%	12/06/2022
Loan 1	45	5.00%	31/03/2025	Subloan 3	236	1.35%	21/06/2022
Loan 1	113	5.00%	31/03/2026	Subloan 4	180	1.35%	21/06/2022
Loan 1	135	5.00%	31/03/2027	Subloan 5	758	1.85%	13/07/2022
Loan 2	22	5.00%	31/03/2023	Subloan 6	180	1.85%	20/07/2022
Loan 2	113	5.00%	30/09/2023	Subloan 7	517	1.85%	10/08/2022
Loan 2	135	5.00%	31/03/2024				
Loan 2	216	5.00%	30/09/2024				
Loan 2	180	5.00%	31/03/2025				
Loan 2	193	5.00%	30/09/2025				
Loan 2	135	5.00%	31/03/2026				
Loan 2	223	5.00%	30/09/2026				
Loan 2	139	5.00%	31/03/2027				
Loan 2	286	5.00%	30/09/2027				
Loan 2	275	5.00%	31/03/2028				
Loan 2	315	5.00%	30/09/2028				
	<u>2,682</u>				<u>2,782</u>		

Upstream loans to CNMIL amount to €3,250k (Dec 2021: €3,250k). The details of these loans are as follows:

	30 June 2022				31 Dec 2021		
	Amount €000	Interest p.a.	Maturity date		Amount €000	Interest p.a.	Maturity date
Loan Note 1	400	4.00%	31/12/2022	400	4.00%	31/12/2021	
Loan Note 2	600	4.00%	31/12/2022	600	4.00%	31/12/2021	
Loan Note 3	2,250	4.50%	30/09/2024	2,250	4.50%	30/09/2022	
	<u>3,250</u>			<u>3,250</u>			

All loans to CNMIL are unsecured.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

19 Leases

19.1 As a lessee

The Group leases water space under a deed of sub-emphyteusis together with other properties including offices and warehouses. Information about leases for which the Group is a lessee is presented below.

19.1.1 Right-of-use asset

The following table shows the movements in right-of-use assets.

	Water space		Other Properties		Total	
	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €000
Balance at 1 January	4,587	4,647	673	756	5,260	5,403
Recognition of right-of-use asset	-	-	8	-	-	-
Depreciation on right-of-use asset	(30)	(60)	(41)	(83)	(71)	(143)
Balance at end of period / year	4,557	4,587	640	673	5,197	5,260

During the period ended 30 June 2022, the Company entered a new lease agreement on a warehouse, amounting to a new right-of-use asset of €8k (Dec 2021: €nil).

19.1.2 Lease liability

The following table shows the movements in lease liabilities.

	Water space		Other Properties		Total	
	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €000
Balance at 1 January	5,452	5,370	729	803	6,181	6,173
Recognition of lease liability	-	-	8	-	8	-
Interest expense on lease liabilities	171	336	24	40	195	376
Lease payments related to the year	(126)	(254)	(56)	(114)	(182)	(368)
Balance at end of period / year	5,497	5,452	705	729	6,202	6,181

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

19 Leases (continued)

19.1 As a lessee (continued)

Lease liabilities included in the statement of financial position are analysed as follows:

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Lease liabilities (current)	22	22
Lease liabilities (non-current)	6,180	6,159
	<u>6,202</u>	<u>6,181</u>

20 Trade and other receivables

20.1

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Group and Company		
Trade receivables, excluding related parties	648	582
Amounts due from related parties (see notes 28.2)	18	109
Prepayments and other receivables	447	441
Balance at end of period / year	<u>1,113</u>	<u>1,132</u>

- 20.2** Amounts due from related parties of €18k relates to a receivable from First Eastern (Holdings) Limited (which together with its wholly owned subsidiary, FE Marina Investments Limited, owns 99.58% of CNMIL's issued share capital) in relation to a 50% recharge by the Company, of one of the Company's executive's salary, for the first two quarters of the year. This amount is unsecured, interest free and repayable on demand.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

21 Cash and cash equivalents

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Group and Company		
Cash in hand	3	3
Bank balances	<u>2,434</u>	<u>2,464</u>
	2,437	2,467
ECLs on cash and cash equivalents	<u>-</u>	<u>(1)</u>
Cash and cash equivalents in the statement of financial position	2,437	2,466
Bank overdraft used for cash management purposes (see note 23.3)	<u>(1)</u>	<u>(1)</u>
Cash and cash equivalents in the statement of cash flows	<u>2,436</u>	<u>2,465</u>

22 Capital and reserves

22.1 Share capital

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Authorised share capital		
20,000,000 ordinary shares of €0.12 each	<u>2,400</u>	<u>2,400</u>
Issued share capital		
20,000,000 ordinary shares of €0.12 each	<u>2,400</u>	<u>2,400</u>

22.2 Dividends

During the period ended 30 June 2022, the Company paid dividends of €660k to its equity shareholders (Dec 2021: €nil). This represents a payment of €3c3 per share.

23 Loans and borrowings

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

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Non-current		
Debt securities in issue (see note 23.4)	<u>14,770</u>	<u>14,751</u>
Current		
Bank overdraft (see note 23.3)	<u>1</u>	<u>1</u>

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

23 Loans and borrowings (continued)

23.2 Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Nominal int rate	Year of maturity	6 months to 30 June 2022		Year to 31 Dec 2021	
			Face value	Carrying amount	Face value	Carrying amount
			€000	€000	€000	€000
Bank overdraft	4.85%	Repayable on demand	-	1	-	1
Unsecured bond	4.50%	2027	15,000	14,770	15,000	14,751
Total interest-bearing liabilities			15,000	14,771	15,000	14,752

23.3 Bank overdraft

The bank overdraft represents the credit on the Company's credit card, which is repaid monthly. This overdraft is secured by a pledge of €7k over cash balances held by the Company with HSBC Malta plc. An additional €35k is pledged in favour of a guarantee with MEPA.

23.4 Debt securities in issue

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

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Original face value of bonds issued	15,000	15,000
Gross amount of bond issue costs	(402)	(402)
Cumulative amortisation of gross amount of bond issue costs as at 1 January	153	115
Amortisation charge (see note 13)	19	38
Unamortised bond issue costs as at end of period / year	(230)	(249)
Amortised cost and closing carrying amount of the bond liability	14,770	14,751

The bonds were admitted to the Official List of the Malta Stock Exchange in 2017. The quoted market price of the bonds at 30 June 2022 was €101.50 (Dec 2021: €104.00), which in the opinion of the directors represented the fair value of these financial liabilities.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

24 Trade and other payables

24.1

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Group and Company		
Trade payables, excluding related parties	169	189
Amounts due to related parties (see notes 28.2)	57	93
Other trade payables (see note 24.3)	252	207
Accrued expenses	685	711
	<u>1,163</u>	<u>1,200</u>

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

24.3 Other trade payables relate to VAT payable by the Group.

25 Contract liabilities

25.1

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Group and Company		
Customer advances on berthing contracts (see note 25.2)	<u>1,295</u>	<u>1,043</u>
	<u>1,295</u>	<u>1,043</u>

25.2 The contract liabilities relate to the consideration received in advance from customers for berthing contracts, for which revenue is recognised over time. Furthermore, the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the year is largely in relation to contracts with an original expected duration of one year or less.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

26 Financial instruments – fair values and risk management

26.1 Accounting classification and fair values

The following table shows the fair values of financial assets other than the investment in the joint venture and financial liabilities other than lease liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2022 and 31 Dec 2021	Fair value measurement using:								Carrying amount	
	Level 1		Level 2		Level 3		Total			
	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €000
Group and company										
Financial assets										
<i>Financial assets at FVOCI</i>										
Investment in corporate debt securities	-	-	5,655	5,806	-	-	5,655	5,806	5,655	5,806
<i>Financial assets at amortised cost</i>										
Loans to related parties	-	-	-	-	5,885	6,172	5,885	5,916	5,885	5,916
Lease receivable	-	-	-	-	-	1	-	1	-	1
	-	-	5,655	5,806	5,885	5,917	11,540	11,723	11,540	11,723
<i>Financial liabilities at amortised cost</i>										
Unsecured debt securities in issue	-	-	(15,225)	(15,600)	-	-	(15,225)	(15,600)	(14,770)	(14,751)

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

26 Financial instruments – fair values and risk management (continued)

26.2 Measurement of fair values

Valuation techniques and significant unobservable inputs

At the end of the current and the comparative period, the carrying amount of loans to related parties, trade receivables and cash and cash equivalents provided a reasonable approximation of their fair value due to their short-term maturities.

Loans to related parties were measured using level 3 of the fair value hierarchy.

At 30 June 2022, corporate debt securities at FVOCI with a carrying amount of €5,655k (Dec 2021: €5,806k) were measured using level 2 of the fair value hierarchy, by referring to their respective quoted prices in the local market.

At the end of the current and the comparative period, the carrying amount of trade and other payables, and bank overdraft provided a reasonable approximation of their fair value due to their short-term maturities.

At 30 June 2022, unsecured debt securities in issue were measured at amortised cost with a carrying amount of €14,770k (Dec 2021: €14,751k). The fair value of this financial liability as at 30 June 2022 amounting to €15,225k (Dec 2021: €15,600k) were measured using level 2 of the fair value hierarchy, by referring to their respective quoted prices in the local market.

26.3 Financial risk management

The Group, from its use of financial instruments, has exposure to credit, liquidity, and market risks. The Group's objectives and policies for managing such risks are described in its annual financial statements.

27 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.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

28 Related parties

28.1 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 "The Albany, South Esplanade, St Peter Port, Guernsey GY1 1AQ". The ultimate controlling party is Mr Victor Chu, the Chairman and principal shareholder of First Eastern (Holdings) Limited, which together with its wholly owned subsidiary, FE Marina Investments Limited, owns 99.58% of CNMIL's issued share capital (Dec 2021: 99.58%). Both First Eastern (Holdings) Limited and FE Marina Investments Limited are incorporated in Hong Kong. As of 29 August 2022, CNMIL holds 17,393,590 shares, equivalent to 86.97% of the Company's total issued share capital.

As described in note 16, the Company holds an investment in a joint venture.

CNMIL prepares consolidated financial statements of the Group of which Grand Harbour Marina p.l.c. forms part.

28.2 Related party relationships, transactions and balances

Companies forming part of the CNMIL Group are considered to be related parties, as these companies are ultimately owned by CNMIL and First Eastern (Holdings) Limited. The transactions and balances with such parties were as follows:

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Camper & Nicholsons Marinas Limited		
Shareholder loan principal at beginning of period / year (see note 18.2)*	2,797	2,954
Shareholder loan Principal received (see note 18.2)*	(115)	(157)
Interest accrued at beginning of period / year*	100	133
Interest accrued*	16	4
Interest received*	(45)	(37)
Balance receivable at end of period / year*	2,753	2,897
Balance receivable, excluding principal of €2,682k (Dec 2021: €2,797k) at end of period / year (see note 18.1)	71	100
Balance payable at beginning of period / year	(45)	(34)
As per Marina Services Agreement:		
Recruitment, operational service fees (2.5% of revenue subject to a minimum fee of GBP18k per annum)	(43)	(90)
Sales and marketing fees (fixed fee of GBP3.2k per month)	(23)	(45)
Management, finance and other related services and expenses	(5)	(13)
Cash paid	83	137
Balance payable at end of period / year (see note 24.1)	(33)	(45)

* 2021 figures relate to transactions on the loan to CNMIL, which in 2022 was gradually changed to a loan with CNML (see note 18.2)

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

28 Related parties (continued)

28.2 Related party relationships, transactions and balances (continued)

	6 months to 30 Jun 2022 €000	Year to 31 Dec 2021 €000
Camper & Nicholsons Marina Investments Limited		
Principal in respect of Loan Note 1 (see note 18.2)	400	400
Interest accrued	8	16
Interest received	(8)	(16)
Subtotal	400	400
Principal in respect of Loan Note 2 (see note 18.2)	600	600
Interest accrued	12	24
Interest received	(12)	(24)
Subtotal	600	600
Principal in respect of Loan Note 3 (see note 18.2)	2,250	2,250
Interest accrued	50	101
Interest received	(50)	(101)
Subtotal	2,250	2,250
Balance receivable at end of period / year	3,250	3,250
Camper & Nicholsons Marinas International Limited		
Balance payable at beginning of period / year	(48)	(53)
Royalty fees (1.5% of revenue excluding direct costs of utilities) as per Trade Mark License Agreement	(24)	(48)
Cash paid	48	53
Balance payable at end of period / year (see note 24.1)	(24)	(48)
First Eastern (Holdings) Limited		
Balance receivable at beginning of period / year	9	-
Recharge of expenses (see note 20.2)	18	18
Cash received	(9)	(9)
Balance receivable at end of period / year (see note 20.1)	18	9

28.3 Transactions with key management personnel

Other than the remuneration payable to the directors, there were no other transactions with key management personnel.

Grand Harbour Marina p.l.c.

Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2022

29 Subsequent events

In July and August 2022, IC Cesme settled a maturing sub-loan of €2,085k and €1,150k respectively by making use of the shareholder cash pledged against this sub-loan (GHM's 45% share being €938k and €517k respectively), this was in turn converted into a shareholder loan, as detailed in note 18.2.

As to Russia's military action against Ukraine, political events and sanctions are continually changing and differ across the globe. There is currently no indication that there will be a significant impact on the company's and the Group's financial performance, financial position and cash flows. The situation continues to be closely monitored by management to ensure that the interests of all its stakeholders are safeguarded.

30 Litigation and claims

The Company's joint venture, IC Cesme, is disputing a claim and lawsuit by a former tenant of Cesme Marina, Bolluca Turizm Gıda San. ve Dis Tic.Ltd.Sti., which started a legal case against IC Cesme after its contract was terminated in 2011 due to the lack of rental payments. The Board of Directors of IC Cesme, having consulted the company's Attorney, consider that the claim is not valid. The Izmir 3rd Basic Commercial Court dismissed the case and the claimant made an appeal to the Izmir Regional Court of Justice which was also rejected. A further case from the same claimant was rejected by the Izmir 3rd Basic Commercial Court on 16 October 2020 and the related decision finalized on 30 June 2021. Claimant made an appeal which is being investigated by the 6th Law Office of the Izmir Regional Court as file name 2021/4150E.

Based on the advice received, the probability of an outflow of resources embodying economic resources to settle the obligation is highly improbable. Nevertheless, in the unlikely event that IC Cesme lost the lawsuit, it would result in a liability of €375k (Dec 2021: €448k) with the Group's share being €169k (Dec 2021: €202k).

Grand Harbour Marina p.l.c.

Interim Directors' Statement pursuant to listing rules 5.75.3

For the six months ended 30 June 2022

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

- The condensed consolidated interim financial statements give a true and fair view of the financial position of Grand Harbour Marina p.l.c. ("GHM" or "the Company") and its subsidiary, Maris Marine Limited (together referred to as "the Group") as at 30 June 2022, and the financial performance and cash flows of the Company and the Group for the six month period then ended, which have been prepared in accordance with the EU adopted International Accounting Standard 34- *Interim Financial Reporting*, and
- The interim Directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Lawrence Zammit
Chairman
29 August 2022