

GRAND HARBOUR MARINA

VITTORIOSA ✳ MALTA

COMPANY ANNOUNCEMENT

GRAND HARBOUR MARINA P.L.C. (THE "COMPANY")

Approval of half yearly report

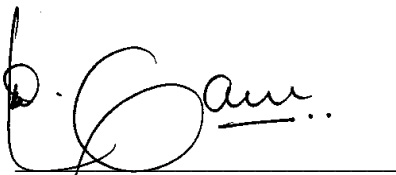
Date of Announcement	30 August 2012
Reference	70/2011
Listing Rule	LR 5.16.20

QUOTE

The Board of Directors approved the half yearly report of the Company for the financial period 1 January 2012 to 30 June 2012, a copy of which is attached hereto and is available for public inspection in electronic form on the Company's website (www.cnmarinas.com).

UNQUOTE

Signed:



Louis de Gabriele
Company Secretary

Grand Harbour Marina p.l.c.

Half-Yearly Report

For the six months ended 30 June 2012

Company Registration Number C 26891

Grand Harbour Marina p.l.c.
Half-Yearly Report
For the six months ended 30 June 2012

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Grand Harbour Marina p.l.c.

Directors' Report

For the six months ended 30 June 2012

The Directors are pleased to issue their Report pursuant to the Malta Financial Services Authority Listing Rules 5.81 to 5.84. This report shall be read in conjunction with the Condensed Consolidated Interim Financial Statements of the Group, of which Grand Harbour Marina p.l.c is the parent, for the six months ended 30 June 2012.

Principal activities

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

Review of performance

Grand Harbour Marina (Malta)

Income from pontoon fees and from ancillary services for the first 6 months ended 30 June 2012 amounted to €1.3 million (2011 : € 1.3 million) which was marginally higher than the same period of last year (excluding long term berth sales). There were no super yacht berth sales during the period ended 30 June 2012 (2011 : €0.4 million)

The Company's operating costs for the six months ended 30 June 2012 decreased from €1.2 million to €1 million. This decrease is mainly related to the direct costs of revenue from the sale of the long term berth in 2011, which included the capital costs of the berth sold, brokerage commissions and turnover rent payable.

As a result of the above, profit before interest, tax, depreciation and amortisation (EBITDA) for the six months ended 30 June 2012 decreased from €0.5 million to €0.3 million.

Finance expenses incurred were €0.4 million (2011: € 0.4 million) which mainly relate to the interest costs of the bond issued in February 2010.

During the first half of 2012 management has carried out an assessment of it's deferred tax position and concluded that it is probable that future taxable profit would allow a deferred tax asset to be recovered. As a result of this assessment the unrecognised deferred tax asset of €460,679 (note 8) that would have been applicable as at 31 December 2011 was recognised during the six months ending 30 June 2012. The recovery of this deferred tax asset in the 6 months to 30 June 2012 amounted to €24,550 leading to a total income tax credit in the period of €436,129.

Grand Harbour Marina p.l.c.

Directors' Report

For the six months ended 30 June 2012

As a result of the above, the results of Grand Harbour Marina for the 6 months ended 30 June 2012 show a profit after tax of €0.2 million compared to a loss of €0.2 million in the same period of 2011.

IC Cesme Marina (Turkey)

The performance of IC Cesme marina in the six months ending 30 June 2012 has proved to be better than budgeted. Seaside revenues almost doubled from the equivalent period in 2011 as berth occupancy continued to rise. At the end of June 2012, 296 berths were either let or reserved on annual contracts representing a 25 % increase on the level at 30 June 2011. Initial price discounts that were offered when the marina was opened were reduced from 1 January 2012 representing an effective price increase of 13%. As reported in the 2011 Annual Report a small breakwater extension costing around €0.5 million was completed during the period to improve comfort for vessels in the outer berths and also to improve water utilisation. The improved conditions have already resulted in favourable comments from several boat owners and captains.

The retail village continued to perform strongly and with increased turnover in several locations and the replacement of some underperforming tenants, landside revenues increased by 30% over the equivalent period in 2011.

Following the two awards gained by Cesme marina in 2011, it was awarded 'The Best Tourism Investment of the Year' in the region of Izmir. The marina has become a focal point for local activities with major parties at New Year and at season opening and a jazz concert by a Polish Group on a floating stage in the marina. In July Cesme hosted 70 yachts from the Navy Cup Regatta, a traditional Turkish offshore race organised on behalf of the Turkish Navy, by the Turkish Offshore Racing Club.

The results for IC Cesme reflect a full 6 months for 2012 with last year's reported figures covering the period from acquisition date, that is 18 March 2011 until 30 June 2011.

During the six months ending 30 June 2012, IC Cesme generated revenues of €1.6 million (our 45% interest: €0.7 million) when compared to the 3 and a half months last year of €0.7 million (our 45% interest : €0.3 million). Using management figures from IC Cesme, revenues increased by 56% in the 6 months when compared to the same period in 2011.

Operating costs for the six months ending 30 June 2012 were €1.3 million (our 45% interest : €0.6 million) compared to the 3 and a half months of last year of €0.7 million (our 45% interest : €0.3 million).

As a result, the profit before interest, tax, depreciation and amortisation (EBITDA) increased from €Nil (our 45% interest : €Nil) to €0.3 million (our 45% interest : €0.1 million).

Finance expenses incurred were €0.4 million (our 45% interest : €0.2 million) which mainly relates to the interest costs of the loans from Isbank (Turkey).

Grand Harbour Marina p.l.c.

Directors' Report

For the six months ended 30 June 2012

The results of IC Cesme show a loss after tax of €0.5 million (our 45% interest: €0.2 million) for the six months ending 30 June 2012 compared to a loss of €0.4 million (our 45% interest: €0.2 million), which is for the period from acquisition date, 18 March 2011 until 30 June 2011.

On a consolidated basis

The condensed consolidated financial statements include the proportionate consolidation of the 45% beneficial interest in IC Cesme.

The revenue earned of €2 million for the six months ending 30 June 2012 (2011 : €1.6 million), reflects an increase in the level of marina operating activities of the Group excluding the effect of any long term berth sales.

Operating expenses, including personnel expenses and directors' emoluments, were €1.6 million (2011: €1.6 million) in the first six months of 2012. Although operating expenses were similar they reflect the increase in IC Cesme's operating expenses being for a period of 6 months as compared to 3 and a half months in the prior period and the decrease in direct costs incurred in relation to the long term berth sold in the prior period.

As a result, EBITDA generated in the first six months of 2012 amounts to €0.4 million (2011 : €0.5 million including the effect of the long term berth sale).

The income tax credit of €0.4 million includes the deferred tax asset as explained above and in note 8.

The consolidated results of the Group for the first 6 months ended 30 June 2012 show a loss after tax of €0.1 million (2011 : €0.4 million loss).

The main reasons for the decrease in cash and cash equivalents of €0.7 million were :

- a) The acquisition of plant and equipment of €0.3 million which includes our 45% share of the cost of a break water constructed at IC Cesme Marina in Turkey and,
- b) The interest paid of €0.4 million which is mainly related to the interest paid on the bonds issued in February 2010.

The consolidated statement of financial position as at 30 June 2012 comprises the assets and liabilities of the Company, its wholly owned subsidiary Maris Marine Limited and on a proportional basis, the Company's interest in IC Cesme.

Total non-current assets of €21.6 million comprise tangible fixed assets employed in the marina businesses, the goodwill arising on the acquisition of IC Cesme of €0.8 million, the pledged amount of €3.3 million, as detailed in note 7, and the investment of the bond proceeds in Malta Government stocks of €1.6 million at fair value. Non-current assets also include the deferred tax asset of the Company of €0.4 million (note 8) that has been recognised on the basis that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Grand Harbour Marina p.l.c.

Directors' Report

For the six months ended 30 June 2012

Current assets include the un-invested net proceeds of the bond issue of €0.4 million, other cash balances, and trade and other receivables of the marina businesses. Current liabilities were mainly trade related plus the current portion of the long-term debt at IC Cesme. Non-current liabilities comprise the unsecured bond of the Company, the long term debt of IC Cesme and the deferred tax liability of €0.2 million which arose on the acquisition of IC Cesme in relation to the fair value adjustment of the property held by IC Cesme.

Significant related party transactions, including amount of such transactions and the nature of the related party relationships are detailed in note 14.

Long Term Berth Sales

The Company continues to focus on long term berth sales and has a number of potential clients with whom it is in discussion.

Grand Harbour Marina has been selected as a home port by 14 super-yachts which have acquired long term licenses to date. In times of economic uncertainty long term commitments are often delayed, however the fundamental reasons for berth ownership have, if anything, strengthened in the past year.

Taxation issues have assumed greater importance and Malta's yacht friendly jurisdiction is particularly attractive to owners of larger yachts. Likewise, berth ownership in an easily accessible homeport that provides yacht crews with a high quality of life, while meeting the ongoing operational needs of the yacht, helps ensure crew retention whilst keeping operating costs contained.

Historic and future growth in the super-yacht fleet also supports the demand for super-yacht berths. The Super-yacht Report from August 2012 records that over 2,800 super yachts have been added to the fleet since 1992, with 1,000 yachts delivered between 2005 and 2012 alone. The total fleet currently stands at over 4,500 and conservative estimates anticipate it will reach 7,000 in the next two decades.

As these super-yachts increase in numbers, they are also dramatically increasing in size, providing an opportunity for marinas with large super-yacht berths and superior infrastructure and services, to benefit through increased occupancy and berth sales.

Berth ownership provides owners of berths with protection against future rental rate increases and the opportunity for capital appreciation.

Outlook

The international economic environment and in particular the crisis in the Euro zone, remain challenging.

We continue to investigate means of increasing the lettable water areas within the existing boundaries of our marinas. The Company also has at its disposal the remaining bond issue proceeds available for investment and continues to actively seek new opportunities.

Grand Harbour Marina p.l.c.
Directors' Report
For the six months ended 30 June 2012

Board of Directors

The board of directors as at 30 June 2012 was:

Mr Lawrence Zammit - Chairman
Mr Roger Lewis
Mr Nicholas Maris
Sir Christopher Lewinton
Mr Franco Azzopardi
Mr David Martin Bralsford

The Directors remain fully focused on delivering good results for the Group's shareholders.

Approved by the Board of Directors on 29 August 2012 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 2012

		At 30 June 2012	At 31 December 2011
	Notes	€	€
ASSETS			
Deferred tax asset	8	436,129	-
Property, plant and equipment	9	14,958,302	15,045,145
Deferred costs		547,189	546,776
Goodwill	11	848,799	848,799
Parent company loan *	7	3,265,500	2,714,250
Available-for-sale investments		1,567,050	1,563,900
		-----	-----
Non-current assets		21,622,969	20,718,870
		-----	-----
Trade and other receivables		1,848,438	1,450,289
Cash and cash equivalents		1,713,490	2,299,858
		-----	-----
Current assets		3,561,928	3,750,147
		-----	-----
Total assets	5	25,184,897	24,469,017
		=====	=====
EQUITY			
Total Equity		3,127,310	3,189,366
		-----	-----
LIABILITIES			
Deferred tax liability	8	215,037	219,559
Other non-current liabilities	12	17,909,013	17,822,824
		-----	-----
Non-current liabilities		18,124,050	18,042,383
		-----	-----
Current liabilities		3,933,537	3,237,268
		-----	-----
Total liabilities	5	22,057,587	21,279,651
		-----	-----
Total equity and liabilities		25,184,897	24,469,017
		=====	=====

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

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

Grand Harbour Marina p.l.c.
Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2012

		1 January 2012 to 30 June 2012	1 January 2011 to 30 June 2011
	Notes	€	€
CONTINUING OPERATIONS			
Revenue	5	2,027,806	2,055,089
Personnel expenses		(373,565)	(273,087)
Directors' emoluments		(25,711)	(26,019)
Depreciation		(398,793)	(283,666)
Other operating expenses		(1,196,749)	(1,252,847)
		-----	-----
Results from operating activities		32,988	219,470
		-----	-----
Finance income		74,285	43,890
Finance costs		(613,156)	(523,567)
		-----	-----
Net finance costs		(538,871)	(479,677)
		-----	-----
Business acquisition-related costs		-	(85,846)
		-----	-----
Loss before income tax	5	(505,883)	(346,053)
Income tax credit / (expense)	8	440,651	(48,499)
		-----	-----
Loss for the period		(65,232)	(394,552)
		=====	=====
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		3,150	-
		-----	-----
Other comprehensive income		3,150	-
		-----	-----
Total comprehensive income for the period		(62,082)	(394,552)
		=====	=====
Loss per share (rounded)		(1 cent)	(4 cents)
		=====	=====

The results for IC Cesme reflect a full 6 months for 2012 with last year's reported figures covering the period from acquisition date, that is 18 March 2011 until 30 June 2011.

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

Grand Harbour Marina p.l.c.
 Condensed Consolidated Statement of Changes in Equity
 For the six months ended 30 June 2012

	Share capital	Fair value reserve	Retained earnings	Translation reserve	Total
	€	€	€	€	€
Balance at 1 January 2011	2,329,370	-	1,536,074	-	3,865,444
Total comprehensive income for the period					
Loss for the period	-	-	(394,552)	-	(394,552)
Balance as at 30 June 2011	2,329,370	-	1,141,522	-	3,470,892
Balance at 1 January 2012	2,329,370	(12,000)	872,022	(26)	3,189,366
Total comprehensive income for the period					
Loss for the period	-	-	(65,232)	-	(65,232)
Other comprehensive income	-	3,150	-	26	3,176
Balance at 30 June 2012	2,329,370	(8,850)	806,790	-	3,127,310

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

Grand Harbour Marina p.l.c.
 Condensed Consolidated Statement of Cash Flows
 For the six months ended 30 June 2012

	1 January 2012 to 30 June 2012	1 January 2011 to 30 June 2011
	€	€
Net cash generated from operating activities	6,927	783,169
Net cash used in investing activities	(765,157)	(4,693,813)
Net cash generated from / (used in) financing activities	99,083	(203,817)
	-----	-----
Net decrease in cash and cash equivalents	(659,147)	(4,114,461)
Cash and cash equivalents 1 January	2,274,277	8,516,273
	-----	-----
Cash and cash equivalents 30 June	1,615,130	4,401,812
	=====	=====

The results for IC Cesme reflect a full 6 months for 2012 with last year's reported figures covering the period from acquisition date, that is 18 March 2011 until 30 June 2011.

The notes on pages 10 to 18 are an integral part of these condensed consolidated financial statements.

Grand Harbour Marina p.l.c.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

1. Reporting entity

Grand Harbour Marina p.l.c. (the “Company”) is a public limited liability company domiciled and incorporated in Malta. The condensed consolidated financial statements as at and for the six months ended 30 June 2012 comprise the Company and its subsidiary and the Group’s interest of 45%, in its jointly controlled entity, IC Cesme Marina Yatirim, Turizm ve Isletmeleri Anonim Sirketi (“IC Cesme”).

The financial statements of the Company as at and for the year ended 31 December 2011 are available on the Company’s website at www.cnmarinas.com/ghm-investorrelations/notifications-publications and also upon request from the Company’s registered office at “The Capitanerie”, Vittoriosa Wharf, Vittoriosa BRG 1721, Malta.

2. Basis of Preparation

(a) Statement of compliance

The condensed consolidated financial statements (the “Report”) of the Group is being published in terms of Listing Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Listing Rules and EU adopted International Accounting Standard 34, ‘*Interim Financial Reporting*’. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2011. The Report does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2011.

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

(b) Use of estimates and judgements

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

In preparing the Report, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2011.

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

3. Significant accounting policies

The accounting policies adopted in the preparation of this Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2011.

4. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2011.

5. Operating Segments

	Grand Harbour Marina	IC Cesme Marina	Total for Reportable Segments
	€	€	€
For the six months ending 30 June 2011			
External revenues	1,727,561	1,041,406	2,768,967
Reportable segment loss before tax	(157,929)	(906,336)	1,064,265
For the six months ending 30 June 2012			
External revenues	1,294,828	1,628,840	2,923,668
Reportable segment loss before tax	(263,350)	(488,720)	(752,070)
As at 31 December 2011			
Reportable segment assets	17,559,169	15,859,832	33,419,001
Reportable segment liabilities	(13,918,972)	(15,867,630)	(29,786,602)
As at 30 June 2012			
Reportable segment assets	17,780,343	17,009,951	34,790,294
Reportable segment liabilities	(13,964,216)	(17,506,469)	(31,470,685)

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

5. Operating segments (continued)

Reconciliation to Consolidated Amounts				
	Total for Reportable Segments	Pre- Acquisition Amounts	Elimination of Joint Venture Partner's Share	[N1]
	€	€	€	€
For the six months ending 30 June 2011				
External revenues	2,768,967	(313,566)	(400,312)	2,055,089
Reportable segment loss before tax	(1,064,265)	531,155	206,350	(326,760)
For the six months ending 30 June 2012				
External revenues	2,923,668	-	(895,862)	2,027,806
Reportable segment loss before tax	(752,070)	-	268,796	(483,274)
As at 31 December 2011				
Reportable segment assets	33,419,001	-	(8,722,908)	24,696,093
Reportable segment liabilities	(29,786,602)	-	8,727,194	(21,059,408)
As at 30 June 2012				
Reportable segment assets	34,790,294	-	(9,355,473)	25,434,821
Reportable segment liabilities	(31,470,685)	-	9,628,558	(21,842,127)
			2012	2011
			€	€
Loss before tax				
Total loss for reportable segments			(483,274)	(326,760)
Depreciation on adjustment to fair value on the initial accounting of the jointly-controlled entity			(22,609)	(19,293)
[N1] Consolidated loss before tax			(505,883)	(346,053)
			=====	=====

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

5. Operating segments (continued)

	30 June 2012	30 December 2011
	€	€
Assets		
Total assets for reportable segments	25,434,821	24,696,093
Elimination of investment in jointly-controlled entity and subsidiary	(2,173,911)	(2,173,911)
Goodwill	848,799	848,799
Fair value adjustment on the initial accounting of the jointly-controlled entity	1,133,570	1,133,570
Depreciation on adjustment to fair value on the initial accounting of the jointly-controlled entity	(58,387)	(35,777)
Asset of subsidiary	5	243
	-----	-----
[N1] Consolidated assets	25,184,897	24,469,017
	=====	=====
	30 June 2012	30 December 2011
	€	€
Liabilities		
Total liabilities for reportable segments	21,842,127	21,059,408
Deferred tax	215,037	219,559
Liability of subsidiary	423	684
	-----	-----
[N1] Consolidated liabilities	22,057,587	21,279,651
	=====	=====

6. Seasonality of operations

The Company and its jointly-controlled entity 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.

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

7. Parent company loan

The subordinated loan provided by Isbank to IC Cesme (note 12) is secured by cash pledges made by its shareholders. As at 30 June 2012 Camper & Nicholsons Marina Investments Limited's ("CNMI") cash pledge in relation to the subordinated loan amounted to €3,265,500 (December 2011 : € 2,714,250). The Company advanced an equivalent amount in cash to CNMI at an interest rate of 1% per annum.

8. Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The charge for income tax has been recognised for the period ended 30 June 2012 at €24,550 (2011 : € nil).

In addition, the unrecognised deferred tax asset as at 31 December 2011 of €460,679 was recognised during the current period on the basis of management's assessment that it has become probable that future taxable income will allow the available capital allowances to be absorbed.

The income tax credit for the six months ending 30 June 2012 therefore comprises :

	2012	2011
	€	€
Grand Harbour Marina plc:		
Income tax expense based on the annual effective tax rate	(24,550)	-
Effect of deferred tax not previously recognised	460,679	-
Final withholding tax on sale of long-term berths	-	(52,358)
	-----	-----
	436,129	(52,358)
Deferred tax arising on the initial accounting of the jointly-controlled entity	4,522	3,859
	-----	-----
Income tax credit / (expense)	440,651	(48,499)
	=====	=====

The deferred tax liability of €215,037 (2011 : €219,559) relates to the tax effect of the excess of the fair value of the Marina situated in Turkey over its book value, on the initial accounting in 2011 of the jointly-controlled entity, as adjusted for the reversal accruing from the depreciation on such excess.

9. Plant and equipment

During the six months ended 30 June 2012 the Group acquired assets at a cost of €319,486 (2011 : €63,024).

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

10. Capital commitments

The Group's commitments as at 30 June 2012 were at €4,150 (2011 : €54,464).

11. Goodwill

Impairment assessment of goodwill

For the purpose of impairment testing of goodwill arising upon the acquisition of the beneficial interest in IC Cesme, the recoverable amount of the Cesme Marina was based on its value in use ("VIU"). Value in use as at 30 June 2012 was determined similarly to the 31 December 2011 goodwill impairment test, 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 2034.

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 2012 until 2018 is estimated at 14.3%;
- (b) post-2018, 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 5% per annum; and
- (c) a pre-tax discount rate of 13.2% applied to the projected cash flows, based on a debt-to-equity ratio of 60:40.

In determining the key assumptions, management has considered the past experience of its operator, Camper & Nicholsons, who has expertise in the marina industry. The estimated average growth rates applied are consistent with the past and expected growth trends of other marinas which Camper and Nicholsons manages. On this basis, management believes that the growth rates applied are reasonable and sustainable both in the short and long term. Furthermore, management has considered that the widely reported economic problems in Greece make this marina an attractive berthing location for Greek boat owners wishing to relocate from Greece.

Management has used the 7 year explicit period projections prepared in conjunction with Camper & Nicholsons and the Company's joint venture partners, Ibrahim Cecen Investment Holdings. Camper & Nicholsons considers that 2018 would be the year when the marina would reach a mature level of berth occupancy and berth optimisation, hence the 7-year explicit period.

Management also believes that the 5% average annual real growth rate in berthing income applied beyond the explicit 7-year period, that is 2018, 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.

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
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11. Goodwill (continued)

The estimated recoverable amount of IC Cesme's net assets (including goodwill) exceeds its carrying amount by approximately €860,000. 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 that 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	13.2%	13.2%	14.1%
Average annual real growth rate in berthing income post 2018.	5%	3.6%	5%
Excess of recoverable amount over net assets (including goodwill)	€ 860,000	€ Nil	€ Nil

12. Interest bearing borrowings

	Currency	Nominal interest rate	Year of maturity	2012	2011
		%		€	€
Unsecured 7% bonds	Euro	7.00	2017-2020	11,636,456	11,619,024
Bank loans:					
Isbank loan	Euro	7.17	2019	3,917,387	3,917,387
Isbank subordinated loan	Euro	1.40	2019	3,251,250	2,700,000
Bank overdrafts	Euro	5.00	on demand	98,360	25,581
Total				18,903,453	18,261,992
Non-current				17,909,013	17,822,824
Current				994,440	439,168
				18,903,453	18,261,992

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

13. Contingencies

There were no changes in contingent liabilities as at 30 June 2012 when compared to those previously reported in the financial statements for the year ended 31 December 2011.

14. Related party transactions

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

14.1 Transactions with key management personnel

Other than the directors’ compensation amounting to €25,711 (June 2011: €26,019), key management compensation amounted to €40,061 (June 2011: €39,221).

14.2 Related party relationships, transactions and balances

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

14.2.1 Camper & Nicholsons Marinas Limited

	30 June 2012	31 December 2011
	€	€
As per Marina Services Agreement:		
Balance payable at 1 January	(74,279)	(50,172)
Transactions incurred during the period	(138,542)	(195,630)
Cash movements	174,244	171,523
	-----	-----
Balance payable	(38,577)	(74,279)
	=====	=====

14.2.2 Camper & Nicholsons Marinas International Limited

	30 June 2012	31 December 2011
	€	€
Balance payable at 1 January	(17,963)	(37,750)
Transactions incurred during the period	(10,399)	(252,883)
Cash movements	(6,380)	272,670
	-----	-----
Balance payable	(34,742)	(17,963)
	=====	=====

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

14. Related party transactions (continued)

14.2 Related party relationships, transactions and balances (continued)

14.2.3 Camper & Nicholsons Marinas Investments Limited

	30 June	31 December
	2012	2011
	€	€
Balance receivable at 1 January	20,947	-
Interest receivable	15,158	20,947
Cash movements	-	-
	-----	-----
Balance receivable	36,105	20,947
	=====	=====

The Company also has a balance of €3,265,500 (2011 : € 2,714,250) receivable from Camper & Nicholsons Marina Investments Limited (note 7).

15. Subsequent events

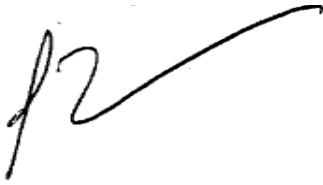
There were no material subsequent events between the end of June 2012 and the date of this Report.

Grand Harbour Marina p.l.c.
Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2012

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

I confirm that to the best of my knowledge:

- the condensed consolidated financial statements prepared in accordance with the EU adopted International Accounting Standard 34 *Interim Financial Reporting*, included in this Report, give a true and fair view of the assets, liabilities, financial position and loss of the Group as at 30 June 2012; and
- the Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Lawrence Zammit
Chairman
29 August 2012