Grand Harbour Marina p.l.c.

Interim condensed consolidated financial statements

Six months ended 30 June 2021

Company Registration Number C 26891

Contents

Grand Harbour Marina p.l.c.
Interim Directors' Report pursuant to listing rules 5.75.2
For the period ended 30 June 2021

The Directors present their interim report together with the unaudited condensed consolidated interim financial statements of the Company and its subsidiary (together referred to as "the **Group**"), and the Group's beneficial interest of 45% in a joint arrangement, IC Cesme Marina Yatirim, Turizm ve Islemeleri Anonim Sirketi ("**IC Cesme**"). The Group is itself a subsidiary of Camper & Nicholsons Marina Investments Limited ("**CNMI**" or the "**Paren**t **Company**").

Principal activities

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

Business review

Grand Harbour Marina p.l.c. Consolidated

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

There was no dividend payment during the six months ended 30 June 2021 (June 2020: €Nil).

Total revenue at Grand Harbour Marina (GHM) decreased by 8%, from €2.09 million to €1.93 million, while the Group's share of revenues at IC Cesme increased by 8% to €0.72 million as at 30 June 2021 compared to €0.67 million in the corresponding period of 2020. EBITDA, Profit before tax and Profit after tax at GHM fell by €0.10 million, €0.05 million and €0.10 million respectively compared to the first 6 months of 2020, while the Group's share of EBITDA, Profit before tax and Profit after tax at IC Cesme increased by €0.09 million, €0.24 million and €0.01 million respectively.

The published figures have been extracted from the unaudited management financial statements for the six months ended 30 June 2021 and the unaudited interim condensed consolidated financial statements for the comparative period in 2020.

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

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

	January – June		
	2021	***2020***	***2019***
	€m	**€m**	**€m**
Revenue	2.6	2.8	2.9
EBITDA	1.3	1.3	1.3
(Loss)/ Profit after tax	(0.3)	(0.1)	0.3
Capital expenditure	0.1	-	1.4

The Group's share price has traded in a range of €0.60 to €0.65 from 1 January 2021 up to 23 August 2021. The market capitalisation was €12 million as at 23 August 2021.

Business review (continued)

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

The equity method requires the recognition of the 45% share in IC Cesme post-acquisition profits, together with the initial cost of the investment and the equity reserves of the Company. This is disclosed under ‘Equity-accounted investee’ on the Asset section and under ‘Total Equity’ on the Equity and Liabilities section of the Condensed consolidated statement of financial position. As at 30 June 2021, this amounted to a share of cumulative post-acquisition loss of €0.72 million (Dec 2020: €0.32million).

The corresponding equity method adjustment in the Condensed consolidated statement of profit or loss and other comprehensive income is disclosed under ‘Share of loss of equity-accounted investee, net of tax’ and relates to the 45% share in IC Cesme profit or loss for the period being reported. For the period ended 30 June 2021, this amounted to a share of pre-tax and post-tax loss of €0.31 million and €0.40 million respectively (June 2020: €0.55 million and €0.41 million respectively). All other movements between the current reporting period and their comparatives are related solely to the Company.

Grand Harbour Marina

Grand Harbour Marina, Malta

	January – June		
	2021	***2020***	***2019***
	€m	**€m**	**€m**
Revenue	1.9	2.1	2.0
EBITDA	0.9	1.0	0.9
Profit before tax	0.3	0.4	0.2
Capital expenditure	0.1	-	-

The company registered €1.9 million in operating revenues, a marginal decrease compared to the corresponding period of 2020 and 2019, on the back of the disruptions caused by the COVID-19 pandemic (see notes 6 and 25.6).

The company’s EBITDA of €0.9 million, albeit marginally lower than 2020, is equivalent to that registered in 2019, on the back of savings on cost of sales and sales-related expenses (which offset some of the sales shortfall caused by the pandemic), and the government support in the form of wage subsidy (see note 25.6).

After deducting depreciation of €0.1 million and net finance costs of €0.4 million, including €0.2 million relating to notional interest on lease liabilities as required by IFRS 16, GHM achieved a profit before tax of €0.3 million (June 2020: €0.4 million).

Business review (continued)

IC Cesme

IC Cesme Marina, Turkey (100%)

	January – June		
	2021	*2020*	*2019*
	€m	€m	€m
Seaside revenues	*1.1*	*1.0*	*1.1*
Landside revenues	*0.5*	*0.5*	*0.8*
Total revenues	*1.6*	*1.5*	*1.9*
EBITDA	*0.9*	*0.7*	*0.9*
(Loss)/ Profit before tax	*(0.7)*	*(1.2)*	*0.1*
Capital expenditure	*0.2*	*-*	*3.1*

IC Cesme Marina maintained seaside revenues at a level similar to those of 2019 and 2020. It also maintained the same levels of 2020 landside revenues, which however had experienced a significant drop when compared to 2019 because of partial curfews and social distancing measures. Total revenues for the period January to June 2021 stood at €1.6 million compared to €1.5 million for the same period in 2020.

Although visitor and seasonal revenues decreased, these were compensated for by 49 new annual contracts, that resulted in a net increase of 2,553 square metres of water area let over 2021 (June 2020: increase 833 square metres). Landside occupancy has been maintained at 98%, but revenues were severely affected by the closure of the commercial area and a curfew which was put in place for a three-month period.

This resulted in a 28.5% increase in EBITDA to €0.9 million (June 2020: €0.7 million). After deducting exchange losses of €1.1 million, arising from Euro denominated loans (see note 18) adversely affected by the weakening of the Turkish Lira, and interest costs, depreciation and IFRS 16-related expenses totalling €0.5 million, IC Cesme Marina generated a loss before tax of €0.7 million (June 2020: loss before tax €1.2 million). An important contributor to this result has been the drop in value of the Turkish Lira of 26%, compared to the exchange rate for the corresponding period in 2020.

Conclusion

Throughout the pandemic, the Group's focus has been to firmly monitor the situation on an ongoing basis, with a view primarily to mitigate as much as possible any potential negative effects that COVID-19 might bring on its operations in 2021 and possibly beyond, either directly or as a result of the impact that may be felt by the customer base.

Although 2021 is proving to be another challenging year, 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.

Board of Directors

The Board of Directors as at 30 June 2021 was:

Lawrence Zammit (Chairman)
Franco Azzopardi
Victor Lap-Lik Chu
Elizabeth Ka-Yee Kan

Approved by the Board of Directors on 23 August 2021 and signed on its behalf by:

Lawrence Zammit
Chairman

Condensed consolidated statement of financial position

	Note	June 2021 €000	Dec 2020 €000
ASSETS			
Property, plant and equipment	14	**4,721**	4,831
Deferred costs		**482**	482
Right-of-use asset	19	**5,331**	5,403
Net investment lease receivable	19	**2**	3
Equity-accounted investee	16	**942**	1,302
Investment in corporate debt securities	17	**5,858**	5,894
Loans to Parent company	18	**3,697**	4,242
Non-current assets		**21,033**	22,157
Loans to Parent company	18	**2,474**	1,930
Trade and other receivables	20	**2,663**	1,834
Cash and cash equivalents	21	**1,337**	1,528
Current assets		**6,474**	5,292
Total assets		**27,507**	27,449
EQUITY			
Share capital		**2,400**	2,400
Exchange translation reserve		**(178)**	(228)
Fair value reserve		**34**	(91)
Retained earnings		**188**	468
Total equity		**2,444**	2,549
LIABILITIES			
Lease liability	19	**6,156**	6,020
Debt securities in issue	22	**14,731**	14,713
Deferred tax liabilities		**981**	993
Non-current liabilities		**21,868**	21,726
Lease liability	19	**22**	153
Bank overdraft	22	**-**	-
Taxation payable		**631**	491
Trade and other payables	23	**1,167**	1,406
Contract liabilities	24	**1,375**	1,124
Current liabilities		**3,195**	3,174
Total liabilities		**25,063**	24,900
Total equity and liabilities		**27,507**	27,449

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

Grand Harbour Marina p.l.c.
Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2021

	Note	**June 2021 €000**	June 2020 €000
Continuing operations			
Revenue	10	**1,928**	2,092
Direct costs	11	**(385)**	(440)
Gross profit		**1,543**	1,652
Selling and marketing expenses	11	**(12)**	(15)
Administrative expenses	11	**(636)**	(635)
Impairment loss on financial assets	11	**-**	(4)
Depreciation on plant and equipment	14	**(140)**	(138)
Depreciation on right-of-use-asset	19	**(72)**	(54)
Operating profit		**683**	806
Finance income	12	**167**	126
Finance costs	12	**(540)**	(568)
Net finance costs		**(373)**	(442)
Share of loss of equity-accounted investee, net of tax	16	**(410)**	(410)
Loss before tax		**(100)**	(46)
Income tax expense	13	**(180)**	(135)
Loss for the year		**(280)**	(181)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	16	**50**	31
Unrealised fair value movement on debt investments at fair value through other comprehensive income (FVOCI)	17	**130**	(94)
Cumulative movement in fair value of corporate debt securities disposed of during the year reclassified to profit or loss	17	**(5)**	(1)
Expected credit losses on investment in corporate debt securities at FVOCI	17	**-**	1
Other comprehensive income for the period, net of tax		**175**	(63)
Total comprehensive income for the period		**(105)**	(244)
Earnings per share (cents)		**(1.402)**	(1.219)

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

Grand Harbour Marina p.l.c.
Condensed consolidated statement of changes in equity
For the period ended 30 June 2021

	Share capital €000	Translation reserve €000	Fair value reserve €000	Retained earnings €000	Total €000
Balance as at 1 January 2020	2,400	(97)	4	1,224	3,531
Total comprehensive income for the period					
Loss for the period	-	-	-	(181)	(181)
Other comprehensive income:					
Foreign currency translation differences- equity-accounted investees	-	(87)	-	118	31
Debt investments at FVOCI – net change in fair value	-	-	(95)	-	(95)
Expected credit losses on investment in corporate debt securities at FVOCI	-	-	1	-	1
Total comprehensive income for the period	-	(87)	(94)	(63)	(244)
Balance at 30 June 2021	2,400	(184)	(90)	1,161	3,287
Balance as at 1 January 2021	**2,400**	**(228)**	**(91)**	**468**	**2,549**
Total comprehensive income for the period					
Loss for the period	**-**	**-**	**-**	**(280)**	**(280)**
Other comprehensive income:					
Foreign currency translation differences- equity-accounted investees	**-**	**50**	**-**	**-**	**50**
Debt investments at FVOCI – net change in fair value	**-**	**-**	**125**	**-**	**125**
Total comprehensive income for the period	**-**	**50**	**125**	**(280)**	**(105)**
Balance at 30 June 2021	**2,400**	**(178)**	**34**	**188**	**2,444**

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

Grand Harbour Marina p.l.c.
Condensed consolidated statement of cash flows
For the period ended 30 June 2021

	Note	**June 2021 €000**	June 2020 €000
Cash flows from operating activities			
Loss for the period		**(280)**	(181)
Adjustments for:			
Depreciation on plant and equipment	14	**140**	138
Depreciation on right-of-use assets	19	**72**	54
Share of loss of equity-accounted investee	16	**410**	410
Increase in expected credit losses on financial assets	25	**-**	4
Net finance costs, excluding realised fair value gain	12	**378**	442
Tax expense	13	**180**	135
		900	1,002
Changes in:			
- Trade and other receivables		**17**	(87)
- Contract liabilities		**250**	212
- Trade and other payables		**(234)**	(424)
Cash generated from operating activities		**933**	703
Interest paid		**(340)**	(340)
Taxes paid		**(53)**	-
Net cash from operating activities		**540**	363
Cash flows from investing activities			
Interest received		**122**	27
Acquisition of property, plant and equipment	14	**(30)**	(9)
Acquisition of corporate debt securities	17	**-**	(494)
Disposal of corporate debt securities (nom value)	17	**151**	137
Realised fair value gain from disposal of corporate debt securities	17	**5**	-
Amounts advanced to related parties	26	**(799)**	(2,000)
Net cash used in investing activities		**(551)**	(2,339)
Cash flows from financing activities			
Proceeds from subleased properties	19	**1**	7
Payment of lease liabilities	19	**(181)**	(290)
Net cash used in financing activities		**(180)**	(283)
Net decrease in cash and cash equivalents		**(191)**	(2,259)
Cash and cash equivalents at the 1 January*		**1,528**	4,053
Cash and cash equivalents at 30 June*		**1,337**	1,794

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

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

1. Reporting entity

The condensed consolidated interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiary (together referred to as "the Group").

2. Basis of accounting

These interim financial statements are being published in terms of Listing Rule 5.74 issued by the Listing Authority, have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

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

These interim financial statements were authorised for issue by the Company's Board of Directors on 23 August 2021.

3. Basis of measurement

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

Going concern basis

As at 30 June 2021, the Group and the Company had a positive working capital and equity position. In spite of the COVID-19 outbreak during 2020, the Board is of the view that in the light of the current financial position and the funding structure in place, the Group and the Company have adequate resources in order to continue to fund their own operations, meet their debts as they fall due and continue to operate as a going concern. On this basis the directors continue to adopt the going concern assumption underlying the basis of preparation of these financial statements.

4. Functional and presentation currency

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

5. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

5. Use of judgements and estimates (continued)

5.1 Judgements, assumptions and estimation uncertainties

Information about judgements, assumptions and estimation uncertainties as at 30 June 2021, that have the most significant effects on the amounts recognised in the financial statements, is included in the following note:

- Note 18.4 – determining the recoverable amount of the Group's investment in IC Cesme: key assumptions underlying recoverable amount, being the EBITDA for a Reasonably Efficient Operator and the yield applied.

5.2 Measurement of fair values

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

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

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

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Fair values have been determined based on the following methods. Where applicable, further information about the assumptions made in measuring fair values is included in note 25.2.

6. Significant events and transactions

The World Health Organisations declared COVID-19 a global health emergency on 30 January 2020. During 2021, the Group has experienced the following disruptions to its operations:

- Starting from 15 July 2021, prior to entering Maltese waters, unvaccinated people aboard boats had to present a negative PCR test taken no more than 72 hours before their arrival. In the absence of such test, it was mandatory to undergo a quarantine of 14 days at their expense. This created disruptions for the yacht owners and crew, both from an administrative and an economic perspective, which impacted negatively resulting in a vast amount of cancelled summer bookings, and
- Significant uncertainty concerning the application of quarantine periods to boats entering local waters and the long-term effects of the pandemic on the demand for the Group's services.

The effects of the global pandemic have impacted the Group's interim condensed consolidated financial statements for the period ended 30 June 2021, as follows:

- The Group experienced a significant fall in superyacht visitors when compared to historical periods preceding 2020. Subsequent to the period ended 30 June 2021, the Company also experienced a significant fall in summer bookings by superyacht visitors, mainly emanating from the decision of applying a mandatory quarantine period (in the absence of a PCR test) to any boats entering local waters;
- Government grants- The Group applied for a government support scheme which was introduced in response to the global pandemic. Included in profit or loss, and as disclosed in note 11, is €47k (June 2020: €67k) of government grants obtained relating to a wage support scheme. The Group has elected not to present this government grant separately but has instead deducted the related expense "Wages and salaries" in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*;
- During June 2020, the sub-lease agreement on one office was terminated by the sub-lessee. As at reporting date, the office, on which the Company pays a head lease, is still vacant;
- IC Cesme Marina experienced a low level of landside revenues because of the closure of the commercial area and a curfew which was put in place for a three-month period;
- The Turkish Lira dropped in value by 13% compared to the closing exchange rate for 2020, which resulted in exchange losses of €1.1 million, arising from Euro denominated loans (see note 18).

7. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

8. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

9. Operating Segments

9.1 Information about reportable segments

30 June 2021	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
Segment revenues- external	**1,928**	**1,604**	**3,532**
Reportable segment profit/ (loss) before tax	**310**	**(689)**	**(379)**

	Reconciliation to Consolidated Amounts		
	Total Reportable Segments €000	Eliminations €000	Group €000
Segment revenues- external	**3,532**	**(1,604)**	**1,928**
Reportable segment profit/ (loss) before tax	**(379)**	**279**	**(100)**

	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
Reportable segment assets	**28,739**	**12,646**	**41,385**
Reportable segment liabilities	**(25,063)**	**(13,706)**	**(38,769)**

	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)**

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	**27,507**

Liabilities	
Total liabilities of Grand Harbour Marina p.l.c.	**(25,063)**
Consolidated liabilities	**(25,063)**

Reportable Group segment loss before tax as at 30 June 2021 is reconciled as follows:

	€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	**(100)**

9. Operating segments (continued)

9.1 Information about reportable segments (continued)

The restated comparative figures are analysed as follows:

30 June 2020	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
Segment revenues- external	2,092	1,479	3,571
Reportable segment profit/ (loss) before tax	364	(913)	(549)

	Reconciliation to Consolidated Amounts		
	Total Reportable Segments €000	Eliminations €000	Group €000
Segment revenues- external	3,571	(1,479)	2,092
Reportable segment profit/ (loss) before tax	(549)	503	(46)

31 December 2020	Grand Harbour Marina €000	IC Cesme Marina €000	Total Reportable Segments €000
Reportable segment assets	28,321	14,239	42,560
Reportable segment liabilities	(24,900)	(14,513)	(39,413)

	Reconciliation to Consolidated Amounts		
	Total Reportable Segments €000	Eliminations €000	Group €000
Reportable segment assets	42,560	(15,111)	27,449
Reportable segment liabilities	(39,413)	14,513	(24,900)

9. Operating segments (continued)

9.1 Information about reportable segments (continued)

Reportable Group segment assets and liabilities as at 31 December 2020 are reconciled as follows:

	€000
Assets	
Total assets of Grand Harbour Marina p.l.c.	28,321
Share of post-acquisition losses of joint-venture brought forward	536
Depreciation of fair value uplift on acquisition brought forward	(318)
Foreign exchange translation reserve of joint-venture brought forward	(97)
Share of loss of joint venture for the year	(850)
Depreciation of fair value uplift for the year	(12)
Foreign exchange translation differences for the year	(131)
Consolidated assets	27,449

Liabilities	
Total liabilities of Grand Harbour Marina p.l.c.	(24,900)
Consolidated liabilities	(24,900)

Reportable Group segment loss before tax as at 30 June 2020 is reconciled as follows:

	€000
Loss before tax	
Total profit before tax of Grand Harbour Marina	364
Share of loss of IC Cesme Marina	(410)
Consolidated loss before tax	(46)

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 2021 and 2020, the Company did not affect any berth sale.

	June 2021 €000	June 2020 €000
Group and Company		
Annual service charges to berth owners	**218**	222
Revenue from short-term berthing	**1,258**	1,335
Ancillary services	**452**	535
Total revenues	**1,928**	2,092

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. boats under 27.99 metres) and superyachts (i.e. boats over 28 metres) respectively.

	June 2021 €000	June 2020 €000
Revenue from contracts with customers:		
Revenue generated from pontoons:		
Annual contracts	**756**	752
Seasonal contracts	**38**	60
Visitor contracts	**66**	57
	860	869
Revenue generated from superyachts:		
Annual service charges to berth owners	**218**	222
Annual contracts	**124**	140
Seasonal contracts	**101**	252
Visitor contracts	**173**	74
	616	688
Revenue from contracts with customers	**1,476**	1,557
Revenue from ancillary services	**452**	535
Total revenue as reported in note 10.1	**1,928**	2,092

10 Revenue (continued)

10.3 Contract balances

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

	June 2021	Dec 2020
Group and Company	**€000**	€000
Receivables, which are included in 'trade and other receivables' (note 20.1)	**859**	721
Contract liabilities on trade receivables (note 24)	**1,375**	1,124

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 €824k recognised in contract liabilities at the beginning of the year has been recognised as revenue for the period ended 30 June 2021. The remaining amount of €300k has been deferred to the second half of 2021 and first half of 2022 as this consideration relates to berthing contracts spanning into the period subsequent to the reporting period.

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

	June 2021 €000	June 2020 €000
Group and company		
Cost of sales:		
Direct costs	**385**	440
Operating expenses:		
Directors' remuneration	**19**	19
Wages and salaries (net of €47k government grant as per note 6)	**293**	244
Compulsory social security contributions	**23**	22
Selling and marketing expenses	**12**	15
Repairs and maintenance	**30**	35
Variable lease expense	**40**	50
Auditors' remuneration	**23**	22
Impairment loss on financial assets (see note 25.5)	**-**	4
Gain on asset write-off	**(10)**	(3)
Operator fees (see note 26.2)	**96**	99
Other operating expenses	**122**	147
Total expenses recognised in statement of profit or loss	**1,033**	1,094

12. Net finance costs

	June 2021 €000	June 2020 €000
Group and company		
Finance income:		
Interest income under the effective interest method on:		
Loans to Parent company - measured at amortised cost	**73**	33
Corporate debt securities - at FVOCI	**89**	92
Corporate debt securities- at FVOCI:		
Gain on derecognition reclassified from OCI	**5**	1
Finance income	**167**	126
Finance costs:		
Interest expense on financial liabilities measured at amortised cost	**(334)**	(335)
Interest expense on lease liabilities (see note 19.1)	**(187)**	(191)
Reversal of interest income on lease receivable	**-**	(23)
Amortisation of bond issue costs (see note 22.4)	**(18)**	(17)
Net foreign exchange losses	**(1)**	(1)
Expected credit losses on investment in corporate debt securities at FVOCI	**-**	(1)
Finance costs	**(540)**	(568)
Net finance costs recognised in statement of profit or loss	**(373)**	(442)

13. Income taxes

13.1 Amount recognised in statement of 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, excluding that arising from the sale of long-term superyacht berths. During the periods ended 30 June 2021 and 31 December 2020, the Company did not conclude any such sale. Similarly, deferred tax charges and credits relate only to the marina business activity.

	June 2021 €000	June 2020 €000
Group and company		
Current tax		
Charge during the period	**(192)**	(234)
	(192)	(263)
Deferred tax		
Movement in temporary differences	**12**	99
	12	99
Income tax expense on continuing operations recognised in statement of profit or loss	**(180)**	(135)

14. Property, plant and equipment

14.1

Group and Company	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 2020	9,485	4,299	3,521	890	47	574	154
Additions	58	3	14	2	8	12	19
Assets written off	(15)	-	(15)	-	-	-	-
Balance at 31 December 2020	9,528	4,302	3,520	892	55	586	173
Balance at 1 January 2021	**9,528**	**4,302**	**3,520**	**892**	**55**	**586**	**173**
Additions	**30**	**-**	**10**	**6**	**9**	**5**	**-**
Reclassification	**-**	**-**	**-**	**-**	**-**	**22**	**(22)**
Balance at 30 June 2021	**9,558**	**4,302**	**3,530**	**898**	**64**	**613**	**151**

14. Property, plant and equipment (continued)

14.1 (continued)

Group and Company	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
Accumulated depreciation and impairment	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Balance at 1 January 2020	4,426	1,159	2,109	630	42	486	-
Depreciation charged for the year	278	86	141	24	6	21	-
Assets written off	(7)	-	(7)	-	-	-	-
Balance at 31 December 2020	4,697	1,245	2,243	654	48	507	-
Balance at 1 January 2021	**4,697**	**1,245**	**2,243**	**654**	**48**	**507**	**-**
Depreciation charged for the year	**140**	**43**	**71**	**12**	**2**	**12**	**-**
Balance at 30 June 2021	**4,837**	**1,288**	**2,314**	**666**	**50**	**519**	**-**
Carrying amounts							
Balance at 1 January 2020	5,059	3,140	1,412	260	5	88	154
Balance at 31 December 2020	4,831	3,057	1,277	238	7	79	173
Balance at 30 June 2021	**4,721**	**3,014**	**1,216**	**232**	**14**	**94**	**151**

14. Property, plant & equipment (continued)

14.2 Capital commitments

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

15. Investment in subsidiary

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

16. Equity-accounted investee

16.1 Carrying amount of investment in joint venture

	June 2021 Group €000	**June 2021 Company €000**	Dec 2020 Group €000	Dec 2020 Company €000
Fair value of net identifiable assets at date of acquisition	**1,082**	**1,082**	1,082	1,082
Goodwill inherent in the cost of investment	**848**	**848**	848	848
Consideration paid upon acquisition	**1,930**	**1,930**	1,930	1,930
Cumulative capital contributions	**244**	**244**	244	244
Cost of investment as at 1 January and end of period/ year	**2,174**	**2,174**	2,174	2,174
Share of post-acquisition (losses)/ profits brought forward	**(314)**		536	
Share of loss for the period/ year	**(404)**		(850)	
Depreciation of fair value uplift on acquisition brought forward	**(330)**		(318)	
Depreciation of fair value uplift on acquisition for the period/ year	**(6)**		(12)	
Foreign currency translation brought forward	**(228)**		(97)	
Foreign currency translation difference for the period/ year	**50**		(131)	
Equity-accounted investee closing balance	**942**		1,302	

16.2 Summary of financial information of joint venture

The Group's share of loss in its equity accounted investee as at 30 June 2021, inclusive of the depreciation of fair value uplift upon acquisition, amount to €410k (Dec 2020: loss of €862k). 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.

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.

	June 2021 €000	Dec 2020 €000
Non-current assets	**9,531**	10,881
Current assets (including cash and cash equivalent of €2,592k, Dec 2020: €3,161k)	**3,115**	3,358
Non-current liabilities	**(7,321)**	(7,727)
Current liabilities	**(6,385)**	(6,786)
IC Cesme net liabilities (100%) at end of period/ year	**(1,060)**	(274)
Group's share of net liabilities (45%)	**(477)**	(123)
Fair value uplift on date of acquisition (less deferred tax impact)	**907**	907
Cumulative depreciation on fair value uplift, adjusted on consolidation	**(336)**	(330)
Goodwill	**848**	848
Carrying amount of interest in joint venture, as per Statement of financial position	**942**	1,302

Revenue	**1,604**	3,347
Operating expenses	**(682)**	(1,735)
Depreciation	**(88)**	(228)
Results from operating activities	**834**	1,384
Net finance costs	**(1,523)**	(3,750)
Loss before tax for the period/ year	**(689)**	(2,366)
Taxation (charge)/ credit	**(209)**	478
Total comprehensive income for the period/ year (100%)	**(898)**	(1,888)
Group's share of total comprehensive income (45%)	**(404)**	(850)
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	**(410)**	(862)
Foreign currency translation difference arising during the period/ year	**50**	(131)
Decrease in carrying amount of interest in joint venture, before adjustment	**(360)**	(993)
Transfer to equity-accounted investee	**-**	(48)
Decrease in carrying amount of interest in joint venture	**(360)**	(1,041)

16. Equity-accounted investee (continued)

16.3 Impairment assessment of investment in joint venture

The Company acquired its investment in IC Cesme Marina Yatırım 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 in order 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, 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 a market comparison / income capitalisation valuation technique, whereby EBITDA for a reasonably efficient operator ("REO") is multiplied by a capitalisation multiple, and adjusted for other non-operating assets, net debt and a discount for joint control.

EBITDA has been based on the 2022 budgeted performance for IC Cesme, adjusted for any normalisations applicable to REO. This EBITDA has been capitalised at a rate of 7.69% for the remainder of the term of 46 years for the BOT contract giving a capitalisation multiple of 12.57. The capitalisation rate was estimated on the basis of market information on transactions involving marinas.

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

17. Investment in corporate debt securities

17.1

	June 2021 €000	Dec 2020 €000
Group and Company		
Non-current corporate debt securities		
Opening fair value	**5,894**	**5,651**
Acquisitions	**-**	**474**
Disposals	**(151)**	**(135)**
Realised fair value gain on disposals	**(5)**	**(1)**
Net increase/ (decrease) in fair value, recognised in OCI	**125**	**(95)**
Unwinding of premium paid upon acquisition	**(5)**	**-**
Closing fair value	**5,858**	**5,894**
Impairment loss on corporate debt securities, recognised in OCI	**-**	**(1)**

During 2021, the Company did not acquire any corporate debt securities (Dec 2020: €474k).

During the year, the Company disposed €156k corporate debt securities held within the company's investment portfolio, realising a fair value gain of €5k, which was recycled from OCI to profit or loss. The unrealised fair value gain of €125k (Dec 2020: unrealised fair value loss of €95k) on the investment in debt securities held as at 30 June 2021 has been presented in OCI and included in the fair value reserve.

As at 30 June 2021, the value of such investments, by reference to quoted market prices on the Malta Stock Exchange, amounted to €5,858k (Dec 2020: €5,894k). Such a value was classified as a Level 2 investment by reference to the fair value hierarchy.

Corporate debt securities at FVOCI have stated interest rates ranging from 3.25% to 6%, with maturity dates ranging from 2023 to 2029.

17.2 The investments are considered to be held within a held to collect and sell business model consistent with the Group's continuing measurement of such investments.

18. Loans to Parent company

18.1

	June 2021 €000	Dec 2020 €000
Group and Company		
At 1 January	**6,172**	3,922
Loans (repaid)/ advanced (see note 18.1)	**(1)**	2,254
Increase in expected credit losses	**-**	(4)
Total	**6,171**	6,172
Non-current	**3,697**	4,242
Current	**2,474**	1,930

18. Loans to Parent company (continued)

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

The Company's joint venture, IC Cesme has a loan with Isbank in the form of a Term Facility Agreement which as at 30 June 2021 amounts to €1.61 million (Dec 2020: €2.69 million), repayable in semi-annual instalments subject to a nominal interest rate of six-month Euribor plus 4.5% per annum (in the event of a negative six-month Euribor, the rate would be 4.5% per annum). Following the repayment of €1.08 million on 5 February 2021, €538k on 26 July 2021, and €538k on 5 August 2021, the balance payable on this loan as at 23 August 2021 amounts to €538k, planned to be repaid on 20 July 2022.

In addition to the Term Facility referred to above, Isbank provides other sub-loans to IC Cesme in the form of a General Cash and Non-Cash Credit Agreement ("Subordinated Loans) which as at 30 June 2021 amounts to €6.52 million (Dec 2020: €6.52 million), subject to nominal rates of interest ranging from 1% to 1.85%, with the various drawdowns maturing at different dates (see below table).

The Subordinated Loans are secured by cash pledges by the shareholders of IC Cesme. The cash pledge continues to be held in the name of the Company's parent ("CNMIL"), but in terms of the sale agreement, the Company has lodged an equivalent sum with CNMIL in anticipation of Isbank agreeing to complete the legal formalities relating to this substitution, which has not yet been completed. Accordingly, CNMIL acts as a guarantor and sponsor of IC Cesme's repayment obligations under the Term Facility and the Subordinated Loans to the extent of 45% (reflective of the Company's beneficial interest in IC Cesme) for any failure by IC Cesme to honour repayments.

In the meantime, the Company indemnified CNMIL in the event that Isbank enforces any of its rights under the Term Facility and has irrevocably instructed and authorized the Company's Parent company to hold and apply the cash pledge in conformity with all the obligations under the Isbank documents.

As a result, the Company's loan receivable from its Parent company, pledged in favour of Isbank for the Subordinated Loans taken out, amounts to €2,953k (Dec 2020: €2,954k). The details of these subloans as at 30 June 2021 are as follows:

	Amount (€000)	Interest p.a.	Maturity date
Subloan 1	182	0.05%	21/06/2022
Subloan 2	236	0.05%	21/06/2022
Subloan 3	521	0.05%	12/11/2021
Subloan 4	551	0.15%	03/02/2022
Subloan 5	765	0.05%	13/07/2022
Subloan 6	180	0.05%	20/07/2022
Subloan 7	518	0.05%	10/08/2022
Total cash pledged in favour of Isbank	**2,953**		

Albeit an expected credit loss of €30k has been recognised (Dec 2020: €30k), as explained in note 25.5.3, based on the cash projections prepared, the directors expect that IC Cesme will be able to generate sufficient cash flow to be able repay its other existing loan commitments under the term facility and will also be in a position to roll forward and agree new repayment terms, in respect of any outstanding balance due on the sub-loans, to a period beyond 2022 in such a way which will not necessitate the bank to make recourse to the cash pledge.

18. Loans to Parent company (continued)

18.3 Related terms and conditions on other loans to Parent company

In addition to the above pledged loan between the Company and its parent company, additional upstream loans to the Parent company amount to €3,250k (Dec 2020: €3,250k). The details of these loans are as follows:

	June 2021			Dec 2020		
	Amount €000	**Interest p.a.**	**Maturity date**	Amount €000	Interest p.a.	Maturity date
Loan Note 1	400	4.00%	31/12/2021	400	4.00%	31/12/2021
Loan Note 2	600	4.00%	31/12/2021	600	4.00%	31/12/2021
Loan Note 3	2,250	4.50%	30/09/2022	2,250	4.50%	30/09/2022
	3,250			**3,250**		

All loans to the parent company are unsecured. Related expected credit losses arising on these loans are set out in note 25.5.3.

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

	Water space		**Other Properties**		**Total**	
	June 2021 €000	Dec 2020 €000	**June 2021 €000**	Dec 2020 €000	**June 2021 €000**	Dec 2020 €000
Group and company						
Balance at 1 January	**4,647**	4,706	**756**	444	**5,403**	5,150
Recognition of right-of-use asset	**-**	-	**-**	358	**-**	358
Adjustment for inflation	**-**	-	**-**	4	**-**	4
Depreciation on right-of-use asset	**(30)**	(59)	**(42)**	(50)	**(72)**	(109)
Closing balance	**4,617**	4,647	**714**	756	**5,331**	5,403

There were no additions to the right-of-use assets during 2021. Recognition and derecognition of right-of-use asset recognised in 2020 was a result of terminating a finance sub-lease.

19. Leases (continued)

19.1 As a lessee (continued)

19.1.2 Lease liability (continued)

	Water space		Other Properties		Total	
	June 2021 €000	Dec 2020 €000	**June 2021 €000**	Dec 2020 €000	**June 2021 €000**	Dec 2020 €000
Group and company						
Balance at 1 January	**5,370**	5,292	**803**	863	**6,173**	6,155
Adjustment for inflation	**-**	-	**-**	3	**-**	3
Interest expense on lease liabilities (see note 12)	**168**	332	**18**	50	**186**	382
Lease payments related to the period/ year	**(126)**	(254)	**(55)**	(113)	**(181)**	(367)
Closing balance	**5,412**	5,370	**766**	803	**6,178**	6,173

19.2 As a lessor

Lease income from lease contracts in which the Group acts as a lessor is as below.

	June 2021 €000	Dec 2020 €000
Net investment lease receivable		
Group and Company		
Balance at 1 January	**3**	410
Derecognition of net investment lease receivable	**-**	(358)
Adjustment for inflation	**-**	(2)
Lease receipts related to the period/ year	**(1)**	(24)
Reversal of unearned interest income on lease receivable	**-**	(23)
Closing balance	**2**	3

20. Trade and other receivables

20.1

	June 2021 €000	Dec 2020 €000
Group and Company		
Trade receivables, excluding related parties	**859**	721
Amounts due from related parties (see notes 26.2)	**1,399**	633
Prepayments and other receivables	**405**	480
Closing balance	**2,663**	1,834

20. Trade and other receivables (continued)

20.2 Amounts due from related parties includes €1,300k advanced by the Company to its sister company 'Camper & Nicholsons Marinas International Limited' during 2021 (2020: €500k), to financially assist the latter in its working capital requirements. This amount, together with the interest receivable of €99k from the Parent company (2020: €133k), is unsecured, interest free and repayable on demand. For further details, see note 26.2.

20.3 Information about the Group's exposure to credit risks and impairment losses for trade and other receivables are disclosed in note 25.5.

21. Cash and cash equivalents

	June 2021 €000	Dec 2020 €000
Group and Company		
Cash in hand	**3**	3
Bank balances	**1,335**	1,526
	1,338	1,529
Expected credit loss on cash and cash equivalents (see note 25.5.4)	**(1)**	(1)
Cash and cash equivalents in the statement of financial position	**1,337**	1,528
Cash and cash equivalents in the statement of cash flows	**1,337**	1,528

22. Loans and borrowings

22.1 This note provides information about the contractual terms of the Group's interest-bearing borrowings which are measured at amortised cost. For more information about the Company's exposures to liquidity risk, see note 25.6.

	June 2021 €000	Dec 2020 €000
Non-current		
Debt securities in issue (see note 22.4)	**14,731**	14,713
Current		
Bank overdraft (see note 22.3)	**-**	-

22. Loans and borrowings (continued)

22.2 Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Nominal int rate	Year of maturity	June 2021 Face value €000	June 2021 Carrying amount €000	Dec 2020 Face value €000	Dec 2020 Carrying amount €000
Bank overdraft	4.85%	Repayable on demand	**-**	**-**	-	-
Unsecured bond	4.50%	2027	**15,000**	**14,731**	15,000	14,713
Total interest-bearing liabilities			**15,000**	**14,731**	15,000	14,713

22.3 Bank overdraft

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

22.4 Debt securities in issue

By virtue of the Prospectus dated 26 June 2018, the Company announced the early redemption of the 7% unsecured €12 million bond issued in 2010, from the proceeds of a new unsecured bond for an amount of €15 million, to which the existing bondholders and shareholders were given the option to subscribe. The bond had a nominal value of €100 per bond and was issued at par. The bond is subject to a fixed interest rate of 4.5% per annum payable semi-annually in arrears on 22 February and 22 August of each year. All bonds are redeemable at par (€100 for each bond) on the 23 August 2027.

The proceeds from the bond issue, net of bond issue expenses of €0.4m, amounting to €14.6 million will be used by the Company for the following purposes:

1. €11 million already used for the redemption of the 7% unsecured bond;
2. €3.5 million for further waterside investment within the Marina which is envisaged to take place in two separate stages; and
3. €50k for general corporate and operational purposes.

22. Loans and borrowings (continued)

22.4 Debt securities in issue (continued)

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:

	June 2021 €000	Dec 2020 €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	**115**	79
Amortisation charge for the period/ year (see note 12)	**18**	36
Unamortised bond issue costs as at end of period/ year	**(269)**	(287)
Amortised cost and closing carrying amount of the bond liability	**14,731**	14,713

The bonds have been admitted to the Official List of the Malta Stock Exchange. The quoted market price of the bonds at 30 June 2021 was €102.50 (Dec 2020: €101.50), which in the opinion of the directors represented the fair value of these financial liabilities.

23. Trade and other payables

23.1

	June 2021 €000	Dec 2020 €000
Group and Company		
Trade payables, excluding related parties	**220**	440
Amounts due to related parties (see notes 23.2 and 26.2)	**40**	87
Other trade payables (see note 23.4)	**258**	218
Accrued expenses	**649**	661
Closing balance	**1,167**	1,406

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

23.3 Other trade payables relate to VAT payable by the Group as at 30 June 2021.

24. Contract liabilities

24.1

	2021	2020
	€000	€000
Group and Company		
Customer advances on berthing contracts (see note 24.2)	**1,375**	1,124
	1,375	1,124

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

25. Financial instruments – fair values and risk management

25.1 Accounting classification and fair values

At 30 June 2021 and 31 December 2020, the carrying amount of financial assets and financial liabilities approximated their fair values (note 5.2). The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

.

25. Financial instruments – fair values and risk management (continued)

25.1 Accounting classification and fair values (continued)

	Carrying amount							
	Financial assets at FVOCI		Financial assets at amortised cost		Other financial liabilities		Total	
	June 2021	Dec 2020	**June 2021**	Dec 2020	**June 2021**	Dec 2020	**June 2021**	Dec 2020
	€000	€000	**€000**	€000	**€000**	€000	**€000**	€000
Investment in corporate debt securities	**5,858**	5,894	**-**	-	**-**	-	**5,858**	5,894
Loans to Parent company	**-**	-	**6,171**	6,172	**-**	-	**6,171**	6,172
Trade and other receivables*	**-**	-	**2,258**	1,354	**-**	-	**2,258**	1,354
Cash and cash equivalents	**-**	-	**1,337**	1,528	**-**	-	**1,337**	1,528
Unsecured debt securities in issue	**-**	-	**-**	-	**(14,731)**	(14,713)	**(14,731)**	(14,713)
Trade and other payables*	**-**	-	**-**	-	**(260)**	(527)	**(260)**	(527)

*Other receivables and other payables that are not financial instruments are not included

25. Financial instruments – fair values and risk management (continued)

25.2 Measurement of fair values

Valuation techniques and significant unobservable inputs

At 30 June 2021, corporate debt securities at FVOCI with a carrying amount of €5,858k (Dec 2020: €5,894k) were measured using level 2 of the fair value hierarchy, by referring to their respective quoted prices in the local market.

At 30 June 2021, unsecured debt securities in issue were measured at amortised cost with a carrying amount of €14,731k (Dec 2020: €14,713k). The fair value of this financial liability as at 30 June 2021 amount to €15,375k (Dec 2020: €15,225k) were measured using level 2 of the fair value hierarchy, by referring to their respective quoted prices in the local market.

25.3 Financial risk management

The Group, from its use of financial instruments, has exposure to credit and liquidity risks.

25.4 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

25.5 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's bank balances, receivables from customers, loans receivable from the Parent company and investments in corporate debt securities. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognised in the statement of profit or loss were as follows (see note 11.1):

	June 2021 €000	Dec 2020 €000
Impairment loss on corporate debt securities at FVOCI (see note 25.5.2)	**-**	1
Impairment loss on cash pledged in favour of Isbank (see note 25.5.3)	**-**	3
Impairment loss on loans to Parent company (see note 25.5.3)	**-**	1
Reversal of impairment loss on cash and cash equivalents (see note 25.5.4)	**-**	(1)
Impairment loss on trade receivables (see note 25.5.1)	**-**	-
	-	4

25. Financial instruments – fair values and risk management (continued)

25.5 Credit risk (continued)

25.5.1 Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration of revenue are included in note 10.2. The Group's revenue is not concentrated in a small number of customers but is rather dispersed on a large client base made up of local and foreign clients coming from all over the world. Moreover, the Group limits its exposure to credit risk by entering into agreement with clients requiring full payment in advance of their berthing period and having the right to exercise a general lien in case of payment default.

The majority of the Group's customers have been transacting with the Group for over five years, and only 0.08% of these customers' balances have been written off or credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, industry, trading history with the Group and existence of previous financial difficulties.

At 30 June 2021, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	June 2021 €000	Dec 2020 €000
Individuals	**160**	119
Legal entities	**402**	438
Agents	**297**	164
	859	721

The following table provides information about the ageing of trade receivables as at end of period/ year:

	June 2021 €000	Dec 2020 €000
Past due but not impaired		
Current (not past due)	**273**	110
1–30 days past due	**232**	234
31–60 days past due	**42**	85
61–90 days past due	**61**	69
More than 90 days past due	**251**	223
	859	721

25. Financial instruments – fair values and risk management (continued)

25.5 Credit risk (continued)

25.5.1 Trade receivables (continued)

25.5.1.1 ECL assessment for corporate and individual customers as at 1 January and 30 June 2021

With regards to corporate customers, the Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. With regards to individual customers, the Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Since loss rates are based on actual credit loss experience over the past five years, the Group's weighted average loss rate for its receivables is less than 0.08% (2020: 0.12%), and therefore no expected credit losses for trade receivables are registered as at 30 June 2021 (2020: €nil). Moreover, the loss given default of only 1% (due to the general lien which the Company can exercise) is a reflection of the low exposure to credit risk.

25.5.2 Investment in corporate debt securities

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

The Group concluded there was no significant change in credit risk on these financial assets due to the COVID-19 pandemic, and therefore calculated loss allowance equal to 12-month ECLs. In the absence of individual investment grades to local corporate debt issuers, in calculating the probability of default, the Group looked at the credit rating enjoyed by the jurisdiction in which these corporate debt issuers operate, being Malta. The rating of A, despite remaining unchanged from the previous year, was lowered to BBB for the purpose of this assessment to reflect the uncertainty brought about by the COVID situation, hence maintaining the probability of default used in calculating the ECLs to 0.06% (December 2020: 0.06%). The Company measured loss allowance on the investment in corporate debt securities at an amount equal to 12-month ECLs, which amounted to €4k (2020: €4k). The loss allowance is charged to profit or loss under administrative expenses and is recognised in OCI.

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

	June 2021 €000	Dec 2020 €000
Country		
Malta (see note 17)	**5,858**	5,894

25. Financial instruments – fair values and risk management (continued)

25.5 Credit risk (continued)

25.5.3 Loans to Parent company

In the opinion of the directors, the loans to the Parent company of €2,953k (2020: €2,.954k) pledged in favour of Isbank's subordinated loan to Cesme have maintained last year's level of credit risk due to the ongoing political uncertainty in Turkey, the COVID-19 pandemic and the devaluation of the functional currency of IC Cesme.

The Group has therefore measured loss allowance equal to lifetime ECLs, through a probability-weighted calculation based on the following scenarios:

- Base case- 50% weighting (Dec 2020: 50%)- the probability of default on such loan would be equivalent to the current credit rating of Turkey, being BB emerging, resulting in a lifetime ECL of €7k (Dec 2020: €7k);
- Best case- 25% weighting (Dec 2020: 25%)- the probability of default on such loan would be equivalent to one higher scale than the current credit rating of Turkey, being BBB emerging, resulting in a lifetime ECL of €1k (Dec 2020: €1k); and
- Worst case- 25% weighting (Dec 2020: 25%)- the probability of default on such loan would be equivalent to one lower scale than the current credit rating of Turkey, being B emerging, resulting in a lifetime ECL of €22k (Dec 2020: €22k).

This totalled to a lifetime ECL of €30k (Dec 2020: €30k). The difference in loss allowance, if any, is deducted from the gross carrying amount of the asset and presented separately in the statement of profit or loss under "Impairment loss on financial assets".

The loss allowance on the other loans to Parent company of €3,250k has been measured at 12-month ECL, which amounted to €2k (Dec 2020: €2k) and has been included in that financial statement caption. The COVID-19 pandemic did not affect the ECLs on this loan due to the healthy asset value and jurisdiction in which the Parent company operates. The exposure to credit risk for the loan to Parent company at amortised cost, net of expected credit losses, at the reporting date by geographic region was as follows:

	June 2021 €000	Dec 2020 €000
Country		
Turkey (see note 18.2)	**2,923**	2,924
Guernsey (see note 18.3)	**3,248**	3,248
	6,171	6,172

25. Financial instruments – fair values and risk management (continued)

25.5 Credit risk (continued)

25.5.4 Cash and cash equivalents

The Group held cash and cash equivalents of €1,337k at 30 June 2021 (Dec 2020: €1,528k). The cash and cash equivalents are held with HSBC, which has a short-term rating of A-2 as per Standard and Poor's (S&P's) (Dec 2020: A-2).

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external ratings of S&P's. The loss allowance amounted to €1k (Dec 2020: €1k). The difference in loss allowance, if any, is recognized under "Impairment loss on financial asset" in the statement of profit or loss.

25.5.5 Guarantees and letters of financial support

As explained in note 18.2, the Company has pledged the amount due by the Company's parent as security for funds borrowed.

25.6 Liquidity risk

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

The Group monitors its cash flow requirements on a weekly basis and ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The Company mitigated losses emanating from the COVID-19 pandemic by focusing on alternative targets and strategies, such as identifying cost-cutting opportunities, such as local marketing events which used to be held on a weekly basis, and which were halted to prevent local transmission of the pandemic. Apart from the internal change in strategies, the Company also availed and benefitted from Government intervention in the form of wage subsidy programs (see notes 6 and 11.1).

26. Related parties

26.1 Parent and ultimate controlling party

The Company is a subsidiary of Camper & Nicholsons Marina Investments Limited ("CNMIL"), the registered office of which is situated at Bordage House, Le Bordage, St Peter Port Guernsey GY1 1BU. 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 99.57% of CNMIL's issued share capital (Dec 2020: 99.57%). As of 23 August 2021, CNMIL holds 17,393,590 shares, equivalent to 86.97% of the Company's total issued share capital.

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

26.2 Related party relationships, transactions and balances

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

	June 2021 €000	Dec 2020 €000
Camper & Nicholsons Marinas Limited		
Balance payable at 1 January	**(34)**	(88)
As per Marina Services Agreement:		
Recruitment, operational service fees (2.5% of revenue subject to a minimum fee of GBP18k per annum)	**(48)**	(101)
Sales and marketing fees (fixed fee of GBP3.2k per month)	**(23)**	(43)
Management, finance and other related services and expenses	**(8)**	(10)
Cash movements	**98**	208
Balance payable at end of period/year (see note 23.1)	**(15)**	(34)
Camper & Nicholsons Marinas International Limited		
Balance payable at 1 January	**(53)**	(54)
Royalty fees (1.5% of revenue excluding direct costs of utilities) as per Trade Mark License Agreement	**(25)**	(53)
Cash movements	**53**	54
Balance payable at end of period/year (see note 23.1)	**(25)**	(53)
Balance receivable at 1 January	**500**	-
Cash movements (see note 20.2)	**800**	500
Balance receivable at end of period/year (see note 20.1)	**1,300**	500

26. Related parties (continued)

26.2 Related party relationships, transactions and balances (continued)

	June 2021 €000	Dec 2020 €000
Camper & Nicholsons Marina Investments Limited		
Principal in respect of Cesme Cash Collateral (see note 18.2)	**2,954**	2,950
Principal (received)/ advanced during the period/year	**(1)**	4
Interest accrued at beginning of the period/year	**133**	251
Interest accrued during the period/year	**2**	23
Interest received during the period/year	**(36)**	(141)
Subtotal	**3,052**	3,087
Principal in respect of Loan Note 1 (see note 18.3)	**400**	400
Interest accrued during the period/year	**8**	16
Interest received during the period/year	**(8)**	(16)
Subtotal	**400**	400
Principal in respect of Loan Note 2 (see note 18.3)	**600**	600
Interest accrued during the period/year	**12**	24
Interest received during the period/year	**(12)**	(24)
Subtotal	**600**	600
Principal in respect of Loan Note 3 (see note 18.3)	**2,250**	-
Principal advanced during the period/year	**-**	2,250
Interest accrued during the period/year	**50**	28
Interest received during the period/year	**(50)**	(28)
Subtotal	**2,250**	2,250
Balance receivable at end of period/year	**6,302**	6,337
Balance receivable, excluding principal of €6,203k (Dec 2020: €6,204k) at end of period/year	**99**	133

26.3 Transactions with key management personnel

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

27. Subsequent events

From 1 July 2021 to 23 August 2021, the Group recognised an additional €5k of government grants to wage subsidy programs related to July 2021 payroll expenses.

28. Litigation and claims

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

i) IC Cesme is disputing a claim and lawsuit by a former tenant of Cesme Marina, Bolluca Turizm Gida San. ve Dis Tic.Ltd.Sti., which started a legal case against IC Cesme after its contract was terminated in 2011 due to the lack of rental payments. The Board of Directors of IC Cesme, having consulted the company's Attorney, consider that the claim is not valid. 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 16th October 2020 and a decision of non-jurisdiction is expected for the combined cases. 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 €634k (Dec 2020: €730k) with the Group's share being €285k (Dec 2020: €329k).

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

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

- The condensed consolidated interim financial statements give a true and fair view of the financial position of Grand Harbour Marina p.l.c (the “company”) and its subsidiary, (together referred to as the “**Group**”) as at 30 June 2021, 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
23 August 2021