0225/00020764/en
Half-Yearly Financial Report
Parsifal Yachting Holding Public Ltd
PAYA

Correction To:0225/00020763

Half Yearly Financial Report

Please see attachment.

Attachments:

1. **Announcement - Half Yearly Financial Report**
2. **Half Yearly Financial Report**
3. **Half Yearly Financial Report**

Non Regulated

Publication Date: 11/08/2017

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

KOLOKOTRONI 6, 1ST FLOOR, OFFICE 6, AGIOS DOMETIOS 1101, NICOSIA CYPRUS
Reg. No. 352884

ANNOUNCEMENT

Nicosia, 11 August 2017

By fax and email

CEO
The Cyprus Stock Exchange
71-73 Byron Avenue,
1096, Nicosia, Cyprus

Fax: 22570308
E-mail: announcements@cse.com.cy

RE: Approval of the Financial Statements as of 30 June 2017.

Dear Sirs,

We wish to inform you that the Board of Directors of Parsifal Yachting Holding Public Ltd (the "Company"), at the meeting held on 11th of August 2017, examined and approved the Financial Statements of the Company as of June 2017, which are attached.

The enclosed copy of the Financial Statements of the Company will not be sent by mail to the shareholders but it will be available at the registered office of the Company.

Kind regards,

Secretarial Ltd
Cyprus

Secretary

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 June 2017

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 June 2017

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Lazaros Ioannou Savvas Theofilou Chrysanthi Vourna - appointed on 2 March 2016 Nikolaos Chidiroglou - resigned on 2 March 2016
Company Secretary:	NSC Secretarial Limited 6 Kolokotroni Street 1st Floor, Office 6 1101 Nicosia Cyprus
Registered office:	6 Kolokotroni Street 1st Floor, Office 6 1101 Nicosia Cyprus
Bankers:	Hellenic Bank Public Company Ltd EFG Bank SA (Switzerland)
Registration number:	HE352884

MANAGEMENT REPORT

The Board of Directors presents its report and unaudited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the period from 1 January 2017 to 30 June 2017.

Principal activities and nature of operations of the Group
The principal activities of the Company, which are unchanged from prior period, are the chartering of crewed yachts, brokerage of second hand yachts, yacht management, agency services and to act as a holding company.

Review of current position, future developments and performance of the Group's business
The Group's development to date, financial results and position as presented in the consolidated financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Group's losses.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 4 and 5 of the consolidated financial statements.

Results
The Group's results for the period are set out on page 3.

Share capital
There were no changes in the share capital of the Company during the period under review.

Implementation and compliance to the Code of Corporate Governance
The Board of Directors, as at the date of this report has not decided to adopt the Corporate Governance Code.

Board of Directors
The members of the Company's Board of Directors as at 30 June 2017 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2017 to 30 June 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the reporting period
There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Related party transactions
Disclosed in note 19 of the consolidated financial statements.

By order of the Board of Directors,

Lazaros Ioannou
Director

Nicosia, 31 July 2017

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2017 to 30 June 2017

	Note	**1/1/2017-30/6/2017 €**	1/3/2016-30/6/2016 €
Services rendered		**-**	21.000
Direct services received		**(25.528)**	(6.300)
Gross (loss)/profit		**(25.528)**	14.700
Administration expenses	6	**(47.139)**	(27.014)
Other expenses	7	**(1.921)**	(5.915)
Operating loss		**(74.588)**	(18.229)
Finance costs	9	**(71.900)**	(843)
(Loss) before tax		**(146.488)**	(19.072)
Tax	10	**-**	-
Net loss for the period		**(146.488)**	(19.072)
Other comprehensive income			
Change in the fair value of vessel		**-**	159.999
Other comprehensive income for the period		**-**	159.999
Total comprehensive income for the period		**(146.488)**	140.927

The notes on pages 7 to 18 form an integral part of these consolidated financial statements.

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2017

	Note	30/6/2017 €	2016 €
ASSETS			
Non-current assets			
Property, plant and equipment	11	**136.000**	144.000
Intangible assets	12	**3.553**	3.553
		139.553	147.553
Current assets			
Trade and other receivables	13	**37.955**	36.195
Cash at bank	14	**6.108.871**	6.737.904
		6.146.826	6.774.099
Total assets		**6.286.379**	6.921.652
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**50.000**	50.000
Share premium	15	**1.150.000**	1.150.000
Other reserves		**143.999**	143.999
Retained earnings		**401.957**	548.445
Total equity		**1.745.956**	1.892.444
Non-current liabilities			
Borrowings	16	**4.448.621**	4.916.119
		4.448.621	4.916.119
Current liabilities			
Trade and other payables	17	**21.035**	17.457
Payables to related companies	19	**10.959**	16.959
Payables to parent	19	**59.808**	59.518
Current tax liabilities	18	**-**	19.155
		91.802	113.089
Total liabilities		**4.540.423**	5.029.208
Total equity and liabilities		**6.286.379**	6.921.652

On 31 July 2017 the Board of Directors of Parsifal Yachting Holding Public Limited authorised these consolidated financial statements for issue.

.... Lazaros Ioannou Director	.... Savvas Theofilou Director	.... Chrysanthi Vourna Director

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period from 1 January 2017 to 30 June 2017

	Note	Share capital €	Share premium €	Fair value reserve - vessel €	Retained earnings €	Total €
Issue of share capital on 1 March 2016 (incorporation date)		**50.000**	**1.150.000**	**-**	**-**	**1.200.000**
Other comprehensive income for the period		-	-	159.999	-	159.999
Total comprehensive income for the period		-	-	159.999	(19.072)	140.927
Goodwill on consolidation		-	-	-	3.553	3.553
Restatement		-	-	(16.000)	563.964	547.964
Balance at 30 June 2016/ 1 January 2017		**50.000**	**1.150.000**	**143.999**	**548.445**	**1.892.444**
Total comprehensive income for the period		-	-	-	(146.488)	(146.488)
Balance at 30 June 2017		**50.000**	**1.150.000**	**143.999**	**401.957**	**1.745.956**

Share premium is not available for distribution.

The fair value reserve for the vessel arises on the revaluation of the vessel.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
Period from 1 January 2017 to 30 June 2017

	Note	**1/1/2017-30/6/2017 €**	1/3/2016-30/6/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		**(146.488)**	(19.072)
Adjustments for:			
Depreciation of property, plant and equipment	11	**8.000**	8.000
Interest expense	9	**8.254**	-
		(130.234)	(11.072)
Changes in working capital:			
Increase in trade and other receivables		**(1.760)**	(36.195)
Increase in trade and other payables		**3.578**	17.457
(Decrease)/increase in payables to related companies		**(6.000)**	16.959
Increase in payables to parent		**290**	59.518
Cash (used in)/generated from operations		**(134.126)**	46.667
Tax (paid)/refunded		**(19.155)**	19.155
Net cash (used in)/generated from operating activities		**(153.281)**	65.822
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	12	**-**	(3.553)
Payment for purchase of property, plant and equipment	11	**-**	(1)
Net cash used in investing activities		**-**	(3.554)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**-**	1.200.000
Repayments of borrowings		**(475.752)**	-
Proceeds from borrowings		**-**	4.916.119
Net cash (used in)/generated from financing activities		**(475.752)**	6.116.119
Net (decrease)/increase in cash and cash equivalents		**(629.033)**	6.178.387
Cash and cash equivalents at beginning of the period		**6.737.904**	559.517
Cash and cash equivalents at end of the period	14	**6.108.871**	6.737.904

The notes on pages 7 to 18 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 June 2017

1. Incorporation and principal activities

Country of incorporation

The Company Parsifal Yachting Holding Public Limited (the "Company") was incorporated in Cyprus on 1 March 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 6 Kolokotroni Street, 1st Floor, Office 6, 1101 Nicosia, Cyprus.

2. Unaudited financial statements

The consolidated financial statements for the six months ended on 30 June 2016 and 2017 respectively, have not been audited by the external auditors of the Company.

Principal activities

The principal activities of the Company, which are unchanged from prior period, are the chartering of crewed yachts, brokerage of second hand yachts, yacht management, agency services and to act as a holding company.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention.

Functional and presentation currency

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Group.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company Parsifal Yachting Holding Public Limited and the financial statements of the subsidiary company Loknath Shipping Limited.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

3. Significant accounting policies (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3. Significant accounting policies (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Revenue recognition

Revenues earned by the Group are recognised on the following bases:

- **Rendering of services**

  Rendering of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) **Functional and presentation currency**
Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Group's functional and presentation currency.

(2) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. Significant accounting policies (continued)

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. The fair value reserve, which had been created following the upward revaluation of the vessel, is reduced annually by the depreciation charge of the vessel and will be eliminated at the end of the useful economic life of the vessel.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Vessel cost	10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. Significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

3. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. Financial risk management

Financial risk factors
The Group is exposed to capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

4.1 Capital risk management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last period.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

5. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Vessel life and impairment**

  The carrying value of the Group's vessel represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of years from the date the vessel was originally delivered from the shipyard. In the shipping industry, use of life in this range has become the standard. The actual life of a vessel may be different. If the economic life assigned to the vessel proves to be too long because of new regulations or other future events, higher depreciation expense and impairment losses could result in future periods related to a reduction in the useful life of the vessel.

  The carrying value of the Group's vessel may not represent its fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical. The Group records impairment losses only when events occur that cause the Group to believe that future cash flows for the vessel will be less than its carrying value. The carrying amount of vessel held and used by the Group is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the vessel may not be fully recoverable. In such instances, an impairment charge would be recognized if the estimate of the discounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount.

  In developing estimates of future cash flows, the Group must make assumptions about future charter rates, ship operating expenses and the estimated remaining useful life of the vessel. These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective.

6. Administration expenses

	1/1/2017- 30/6/2017 €	1/3/2016- 30/6/2016 €
Staff costs	**10.035**	-
Annual levy	**700**	700
Insurance	**1.352**	-
Repairs and maintenance	**3.501**	-
Telephone and postage	**196**	-
Courier expenses	**42**	50
Auditors' remuneration	**2.042**	-
Accounting fees	**898**	595
Directors' fees	**4.980**	-
Other professional fees	**5.575**	17.669
Overseas travelling	**500**	-
Port expenses	**7.000**	-
Fuel expenses	**2.318**	-
Depreciation	**8.000**	8.000
	47.139	27.014

7. Other expenses

	1/1/2017- 30/6/2017 €	1/3/2016- 30/6/2016 €
Incorporation expenses	**-**	4.165
Stock exchange fees	**1.921**	1.750
	1.921	5.915

8. Staff costs

	1/1/2017- 30/6/2017 €	1/3/2016- 30/6/2016 €
Salaries	**9.000**	-
Social security costs	**1.035**	-
	10.035	-
Average number of employees	**1**	-

9. Finance costs

	1/1/2017- 30/6/2017 €	1/3/2016- 30/6/2016 €
Net foreign exchange losses	**62.531**	-
Interest expense	**8.254**	-
Sundry finance expenses	**1.115**	843
	71.900	843

10. Tax

The corporation tax rate is 12,5%.

11. Property, plant and equipment

	Vessel cost €
Cost	
Additions	1
Adjustment on revaluation	159.999
Balance at 30 June 2016/ 1 January 2017	**160.000**
Balance at 30 June 2017	**160.000**
Depreciation	
Charge for the period	8.000
Restatement	8.000
Balance at 30 June 2016/ 1 January 2017	**16.000**
Charge for the period	8.000
Balance at 30 June 2017	**24.000**
Net book amount	
Balance at 30 June 2017	**136.000**
Balance at 30 June 2016	**144.000**

On 21 April 2016 the Company acquired a pleasure yacht, Marti London (Official Number: 903486), with a cost of €1. The yacht has been revalued to €160.000, which reflects the pre-acquisition contract price. The yacht is insured for €175.000.

The yacht is depreciated at a rate of 10% per annum.

12. Intangible assets

	Goodwill €
Cost	
Additions	3.553
Balance at 30 June 2016/ 1 January 2017	**3.553**
Balance at 30 June 2017	**3.553**
Net book amount	
Balance at 30 June 2017	**3.553**
Balance at 30 June 2016	**3.553**

Goodwill represents the premium paid to acquire the subsidiary company, Loknath Shipping Limited and is measured at cost less any accumulated impairment losses.

13. Trade and other receivables

	30/6/2017 €	2016 €
Trade receivables	**35.000**	-
Deposits and prepayments	**508**	508
Accrued income	-	35.000
Refundable VAT	**2.447**	687
	37.955	36.195

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 June 2017

13. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

14. Cash at bank

Cash balances are analysed as follows

	30/6/2017	2016
	€	€
Cash at bank	6.108.871	6.737.904

15. Share capital and share premium

Under its Memorandum the Company fixed its share capital at 200.000 ordinary shares of nominal value of €1 each.

Issued and fully paid	Number of shares	Share capital	Share premium	Total
		€	€	€
Issue of share capital on 1 March 2016 (incorporation date)	50.000	50.000	1.150.000	1.200.000
Balance at 30 June 2016/ 1 January 2017	**50.000**	**50.000**	**1.150.000**	**1.200.000**
Balance at 30 June 2017	**50.000**	**50.000**	**1.150.000**	**1.200.000**

16. Borrowings

	30/6/2017	2016
	€	€
Balance at 1 January/1 March	4.916.119	-
Additions	-	4.914.193
Repayments	(475.752)	-
Interest charge	8.254	1.926
Balance at 30 June	4.448.621	4.916.119

	30/6/2017	2016
	€	€
Non-current borrowings		
Loan from parent company (Note 19.3)	4.448.621	4.916.119

Maturity of non-current borrowings:

	30/6/2017	2016
	€	€
Between two and five years	4.448.621	4.916.119

17. Trade and other payables

	30/6/2017	2016
	€	€
Trade payables	**500**	3.010
Accruals	**3.780**	6.546
Other creditors	**16.755**	7.901
	21.035	17.457

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Current tax liabilities

	30/6/2017	2016
	€	€
Corporation tax	**-**	19.155

19. Related party transactions

The Company is controlled by Carleson Limited, incorporated in Cyprus, which owns 98% of the Company's shares.

The following transactions were carried out with related parties:

19.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	1/1/2017-30/6/2017	1/3/2016-30/6/2016
	€	€
Chrysanthi Vourna	**4.980**	-

19.2 Payables to related parties

Name	Nature of transactions	30/6/2017 €	2016 €
Carleson Limited	Finance	**59.808**	59.518
Pacifica Yachting Limited	Finance	**579**	579
Parsifal Yachting S.A	Trade	**10.380**	16.380
		70.767	76.477

The payables to related parties were provided interest free, and there was no specified repayment date.

19.3 Loans from related undertakings (Note 16)

	30/6/2017	2016
	€	€
Carleson Limited	**4.448.621**	4.916.119

The loan from parent company Carleson Limited bears interest of 0,35% per annum and is repayable by 9 September 2021.

20. Participation of Directors in the company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190-2007-04), as at 30 June 2017 and 27 July 2017 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	30 June 2017	**27 July 2017**
	%	**%**
Lazaros Ioannou	0,22	0,22

21. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 30 June 2017 and 27 July 2017 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	30 June 2017	**27 July 2017**
	%	**%**
Carleson Limited	98	98

22. Significant agreements with management

At the end of the year, no significant agreements existed between the Group and its management.

23. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 June 2017

CONTENTS

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Lazaros Ioannou Savvas Theofilou Chrysanthi Vourna - appointed on 2 March 2016 Nikolaos Chidiroglou - resigned on 2 March 2016
Company Secretary:	NSC Secretarial Limited 6 Kolokotroni Street 1st Floor, Office 6 1101 Nicosia Cyprus
Registered office:	6 Kolokotroni Street 1st Floor, Office 6 1101 Nicosia Cyprus
Bankers:	Hellenic Bank Public Company Ltd EFG Bank SA (Switzerland)
Registration number:	HE352884

MANAGEMENT REPORT

The Board of Directors presents its report and unaudited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the period from 1 January 2017 to 30 June 2017.

Principal activities and nature of operations of the Group
The principal activities of the Company, which are unchanged from prior period, are the chartering of crewed yachts, brokerage of second hand yachts, yacht management, agency services and to act as a holding company.

Review of current position, future developments and performance of the Group's business
The Group's development to date, financial results and position as presented in the consolidated financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Group's losses.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 4 and 5 of the consolidated financial statements.

Results
The Group's results for the period are set out on page 3.

Share capital
There were no changes in the share capital of the Company during the period under review.

Implementation and compliance to the Code of Corporate Governance
The Board of Directors, as at the date of this report has not decided to adopt the Corporate Governance Code.

Board of Directors
The members of the Company's Board of Directors as at 30 June 2017 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2017 to 30 June 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the reporting period
There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Related party transactions
Disclosed in note 19 of the consolidated financial statements.

By order of the Board of Directors,

Lazaros Ioannou
Director

Nicosia, 31 July 2017

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2017 to 30 June 2017

	Note	**1/1/2017- 30/6/2017 €**	1/3/2016- 30/6/2016 €
Services rendered		**-**	21.000
Direct services received		**(25.528)**	(6.300)
Gross (loss)/profit		**(25.528)**	14.700
Administration expenses	6	**(47.139)**	(27.014)
Other expenses	7	**(1.921)**	(5.915)
Operating loss		**(74.588)**	(18.229)
Finance costs	9	**(71.900)**	(843)
(Loss) before tax		**(146.488)**	(19.072)
Tax	10	**-**	-
Net loss for the period		**(146.488)**	(19.072)
Other comprehensive income			
Change in the fair value of vessel		**-**	159.999
Other comprehensive income for the period		**-**	159.999
Total comprehensive income for the period		**(146.488)**	140.927

The notes on pages 7 to 18 form an integral part of these consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2017

	Note	**30/6/2017** €	2016 €
ASSETS			
Non-current assets			
Property, plant and equipment	11	**136.000**	144.000
Intangible assets	12	**3.553**	3.553
		139.553	147.553
Current assets			
Trade and other receivables	13	**37.955**	36.195
Cash at bank	14	**6.108.871**	6.737.904
		6.146.826	6.774.099
Total assets		**6.286.379**	6.921.652
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**50.000**	50.000
Share premium	15	**1.150.000**	1.150.000
Other reserves		**143.999**	143.999
Retained earnings		**401.957**	548.445
Total equity		**1.745.956**	1.892.444
Non-current liabilities			
Borrowings	16	**4.448.621**	4.916.119
		4.448.621	4.916.119
Current liabilities			
Trade and other payables	17	**21.035**	17.457
Payables to related companies	19	**10.959**	16.959
Payables to parent	19	**59.808**	59.518
Current tax liabilities	18	**-**	19.155
		91.802	113.089
Total liabilities		**4.540.423**	5.029.208
Total equity and liabilities		**6.286.379**	6.921.652

On 31 July 2017 the Board of Directors of Parsifal Yachting Holding Public Limited authorised these consolidated financial statements for issue.

....	....	....
Lazaros Ioannou	Savvas Theofilou	Chrysanthi Vourna
Director	Director	Director

The notes on pages 7 to 18 form an integral part of these consolidated financial statements.

PARSIFAL YACHTING HOLDING PUBLIC LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period from 1 January 2017 to 30 June 2017

	Note	Share capital €	Share premium €	Fair value reserve - vessel €	Retained earnings €	Total €
Issue of share capital on 1 March 2016 (incorporation date)		**50.000**	**1.150.000**	**-**	**-**	**1.200.000**
Other comprehensive income for the period		-	-	159.999	-	159.999
Total comprehensive income for the period		-	-	159.999	(19.072)	140.927
Goodwill on consolidation		-	-	-	3.553	3.553
Restatement		-	-	(16.000)	563.964	547.964
Balance at 30 June 2016/ 1 January 2017		**50.000**	**1.150.000**	**143.999**	**548.445**	**1.892.444**
Total comprehensive income for the period		-	-	-	(146.488)	(146.488)
Balance at 30 June 2017		**50.000**	**1.150.000**	**143.999**	**401.957**	**1.745.956**

Share premium is not available for distribution.

The fair value reserve for the vessel arises on the revaluation of the vessel.

The notes on pages 7 to 18 form an integral part of these consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
Period from 1 January 2017 to 30 June 2017

	Note	**1/1/2017-30/6/2017 €**	1/3/2016-30/6/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		**(146.488)**	(19.072)
Adjustments for:			
Depreciation of property, plant and equipment	11	**8.000**	8.000
Interest expense	9	**8.254**	-
		(130.234)	(11.072)
Changes in working capital:			
Increase in trade and other receivables		**(1.760)**	(36.195)
Increase in trade and other payables		**3.578**	17.457
(Decrease)/increase in payables to related companies		**(6.000)**	16.959
Increase in payables to parent		**290**	59.518
Cash (used in)/generated from operations		**(134.126)**	46.667
Tax (paid)/refunded		**(19.155)**	19.155
Net cash (used in)/generated from operating activities		**(153.281)**	65.822
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	12	**-**	(3.553)
Payment for purchase of property, plant and equipment	11	**-**	(1)
Net cash used in investing activities		**-**	(3.554)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**-**	1.200.000
Repayments of borrowings		**(475.752)**	-
Proceeds from borrowings		**-**	4.916.119
Net cash (used in)/generated from financing activities		**(475.752)**	6.116.119
Net (decrease)/increase in cash and cash equivalents		**(629.033)**	6.178.387
Cash and cash equivalents at beginning of the period		**6.737.904**	559.517
Cash and cash equivalents at end of the period	14	**6.108.871**	6.737.904

The notes on pages 7 to 18 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 June 2017

1. Incorporation and principal activities

Country of incorporation

The Company Parsifal Yachting Holding Public Limited (the "Company") was incorporated in Cyprus on 1 March 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 6 Kolokotroni Street, 1st Floor, Office 6, 1101 Nicosia, Cyprus.

2. Unaudited financial statements

The consolidated financial statements for the six months ended on 30 June 2016 and 2017 respectively, have not been audited by the external auditors of the Company.

Principal activities

The principal activities of the Company, which are unchanged from prior period, are the chartering of crewed yachts, brokerage of second hand yachts, yacht management, agency services and to act as a holding company.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention.

Functional and presentation currency

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Group.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company Parsifal Yachting Holding Public Limited and the financial statements of the subsidiary company Loknath Shipping Limited.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

3. Significant accounting policies (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3. Significant accounting policies (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Revenue recognition

Revenues earned by the Group are recognised on the following bases:

- **Rendering of services**

  Rendering of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Group's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. Significant accounting policies (continued)

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. The fair value reserve, which had been created following the upward revaluation of the vessel, is reduced annually by the depreciation charge of the vessel and will be eliminated at the end of the useful economic life of the vessel.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Vessel cost	10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. Significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

3. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. Financial risk management

Financial risk factors
The Group is exposed to capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

4.1 Capital risk management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last period.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

5. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Vessel life and impairment**

  The carrying value of the Group's vessel represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of years from the date the vessel was originally delivered from the shipyard. In the shipping industry, use of life in this range has become the standard. The actual life of a vessel may be different. If the economic life assigned to the vessel proves to be too long because of new regulations or other future events, higher depreciation expense and impairment losses could result in future periods related to a reduction in the useful life of the vessel.

  The carrying value of the Group's vessel may not represent its fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical. The Group records impairment losses only when events occur that cause the Group to believe that future cash flows for the vessel will be less than its carrying value. The carrying amount of vessel held and used by the Group is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the vessel may not be fully recoverable. In such instances, an impairment charge would be recognized if the estimate of the discounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount.

  In developing estimates of future cash flows, the Group must make assumptions about future charter rates, ship operating expenses and the estimated remaining useful life of the vessel. These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective.

6. Administration expenses

	1/1/2017-30/6/2017 €	1/3/2016-30/6/2016 €
Staff costs	**10.035**	-
Annual levy	**700**	700
Insurance	**1.352**	-
Repairs and maintenance	**3.501**	-
Telephone and postage	**196**	-
Courier expenses	**42**	50
Auditors' remuneration	**2.042**	-
Accounting fees	**898**	595
Directors' fees	**4.980**	-
Other professional fees	**5.575**	17.669
Overseas travelling	**500**	-
Port expenses	**7.000**	-
Fuel expenses	**2.318**	-
Depreciation	**8.000**	8.000
	47.139	27.014

7. Other expenses

	1/1/2017-30/6/2017 €	1/3/2016-30/6/2016 €
Incorporation expenses	**-**	4.165
Stock exchange fees	**1.921**	1.750
	1.921	5.915

8. Staff costs

	1/1/2017-30/6/2017 €	1/3/2016-30/6/2016 €
Salaries	**9.000**	-
Social security costs	**1.035**	-
	10.035	-
Average number of employees	**1**	-

9. Finance costs

	1/1/2017-30/6/2017 €	1/3/2016-30/6/2016 €
Net foreign exchange losses	**62.531**	-
Interest expense	**8.254**	-
Sundry finance expenses	**1.115**	843
	71.900	843

10. Tax

The corporation tax rate is 12,5%.

11. Property, plant and equipment

	Vessel cost
	€
Cost	
Additions	1
Adjustment on revaluation	159.999
Balance at 30 June 2016/ 1 January 2017	**160.000**
Balance at 30 June 2017	**160.000**
Depreciation	
Charge for the period	8.000
Restatement	8.000
Balance at 30 June 2016/ 1 January 2017	**16.000**
Charge for the period	8.000
Balance at 30 June 2017	**24.000**
Net book amount	
Balance at 30 June 2017	**136.000**
Balance at 30 June 2016	**144.000**

On 21 April 2016 the Company acquired a pleasure yacht, Marti London (Official Number: 903486), with a cost of €1. The yacht has been revalued to €160.000, which reflects the pre-acquisition contract price. The yacht is insured for €175.000.

The yacht is depreciated at a rate of 10% per annum.

12. Intangible assets

	Goodwill
	€
Cost	
Additions	3.553
Balance at 30 June 2016/ 1 January 2017	**3.553**
Balance at 30 June 2017	**3.553**
Net book amount	
Balance at 30 June 2017	**3.553**
Balance at 30 June 2016	**3.553**

Goodwill represents the premium paid to acquire the subsidiary company, Loknath Shipping Limited and is measured at cost less any accumulated impairment losses.

13. Trade and other receivables

	30/6/2017	2016
	€	€
Trade receivables	**35.000**	-
Deposits and prepayments	**508**	508
Accrued income	**-**	35.000
Refundable VAT	**2.447**	687
	37.955	36.195

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 June 2017

13. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

14. Cash at bank

Cash balances are analysed as follows

	30/6/2017	2016
	€	€
Cash at bank	**6.108.871**	6.737.904

15. Share capital and share premium

Under its Memorandum the Company fixed its share capital at 200.000 ordinary shares of nominal value of €1 each.

Issued and fully paid	**Number of shares**	**Share capital**	**Share premium**	**Total**
		€	**€**	**€**
Issue of share capital on 1 March 2016 (incorporation date)	50.000	50.000	1.150.000	1.200.000
Balance at 30 June 2016/ 1 January 2017	**50.000**	**50.000**	**1.150.000**	**1.200.000**
Balance at 30 June 2017	**50.000**	**50.000**	**1.150.000**	**1.200.000**

16. Borrowings

	30/6/2017	2016
	€	€
Balance at 1 January/1 March	**4.916.119**	-
Additions	**-**	4.914.193
Repayments	**(475.752)**	-
Interest charge	**8.254**	1.926
Balance at 30 June	**4.448.621**	4.916.119

	30/6/2017	2016
	€	€
Non-current borrowings		
Loan from parent company (Note 19.3)	**4.448.621**	4.916.119

Maturity of non-current borrowings:

	30/6/2017	2016
	€	€
Between two and five years	**4.448.621**	4.916.119

17. Trade and other payables

	30/6/2017	2016
	€	€
Trade payables	500	3.010
Accruals	3.780	6.546
Other creditors	16.755	7.901
	21.035	17.457

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Current tax liabilities

	30/6/2017	2016
	€	€
Corporation tax	-	19.155

19. Related party transactions

The Company is controlled by Carleson Limited, incorporated in Cyprus, which owns 98% of the Company's shares.

The following transactions were carried out with related parties:

19.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	1/1/2017-30/6/2017	1/3/2016-30/6/2016
	€	€
Chrysanthi Vourna	4.980	-

19.2 Payables to related parties

Name	Nature of transactions	30/6/2017	2016
		€	€
Carleson Limited	Finance	59.808	59.518
Pacifica Yachting Limited	Finance	579	579
Parsifal Yachting S.A	Trade	10.380	16.380
		70.767	76.477

The payables to related parties were provided interest free, and there was no specified repayment date.

19.3 Loans from related undertakings (Note 16)

	30/6/2017	2016
	€	€
Carleson Limited	4.448.621	4.916.119

The loan from parent company Carleson Limited bears interest of 0,35% per annum and is repayable by 9 September 2021.

20. Participation of Directors in the company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190-2007-04), as at 30 June 2017 and 27 July 2017 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	30 June 2017	**27 July 2017**
	%	**%**
Lazaros Ioannou	0,22	0,22

21. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 30 June 2017 and 27 July 2017 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	30 June 2017	**27 July 2017**
	%	**%**
Carleson Limited	98	98

22. Significant agreements with management

At the end of the year, no significant agreements existed between the Group and its management.

23. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.