

Statement of Comprehensive Income
For the interim period ended 31 December 2021

	Note	For the period 24 August to 31 December 2021 \$'000	For the period 1 October to 31 December 2021 \$'000
Net gains on financial instruments at fair value through profit or loss	7	886	884
Total Income		886	884
Administration costs	10	9	9
Total Expenses		9	9
Net profit after tax and total comprehensive income		877	875

Statement of changes in net assets attributable to unitholders
For the interim period ended 31 December 2021

	31 December 2021 \$'000
Net assets at the beginning of the reporting period	-
Proceeds from units issued	4,993
Net profit after tax and total comprehensive income	877
Net assets attributable to unitholders at the end of the reporting period	5,870

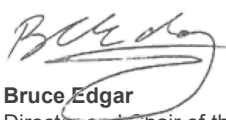
Statement of Financial Position
As at 31 December 2021

	Note	31 December 2021 \$'000
Assets		
Cash and cash equivalents	6	20
Financial assets at fair value through profit or loss	7	5,859
Total Assets		5,879
Liabilities		
Other payables		9
Total Liabilities		9
Net assets attributable to unitholders		5,870
<i>Represented by:</i>		
Net assets attributable to unitholders		5,870

For and on behalf of Booster Investment Management Limited who authorised the issue of these financial statements on 27 January 2022:



John Selby
 Director and Chair of the Board



Bruce Edgar
 Director and Chair of the Audit, Risk, and Compliance Committee

Statement of Cash Flows

For the interim period ended 31 December 2021

	Note	31 December 2021 \$'000
<i>Cash was provided from/(applied to):</i>		
Purchase of financial instruments at fair value through profit or loss		(1,233)
Net cash (outflows) from operating activities	6	(1,233)
Proceeds from units issued		1,253
Net cash inflows from financing activities		1,253
Net increase in cash held		20
Cash and cash equivalents at beginning of reporting period		-
Cash and cash equivalents at end of reporting period	6	20

Notes to the financial statements

1. Reporting entity

These interim financial statements are for the Booster Innovation Scheme's only fund, the Booster Innovation Fund (the Fund) as at 31 December 2021 (reporting date). The Scheme was established on 22 October 2020, and the first transaction occurred on 24 August 2021. Given this there are no comparatives to disclose.

The Booster Innovation Scheme is established and domiciled in New Zealand and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013. The Scheme is a managed investment scheme. The Scheme is comprised of one investment fund at the reporting date. The Fund's aim is to provide investors with an opportunity to invest in early stage companies founded on intellectual property originated or developed in New Zealand that we believe have the potential to become commercially successful globally.

The Scheme was initially established under a Trust Deed dated 22 October 2020.

The Manager of the Scheme is Booster Investment Management Limited, and the Supervisor is Public Trust.

These interim financial statements have been prepared for the only Fund within the Scheme and not the Scheme as a whole in accordance with the Financial Markets Conduct (Financial Statements for Schemes Consisting Only of Separate Funds) Exemption Notice 2017.

The unaudited interim financial statements were adopted and authorised for issue by the Board of Directors of the Manager on 27 January 2022.

2. Basis of preparation

a) Statement of compliance

The interim financial statements of the Fund have been prepared in accordance with the Trust Deed governing the Scheme, section 7 of the Financial Markets Conduct Act 2013 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purpose of complying with NZ GAAP, the Fund is a for-profit entity. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and other applicable financial reporting standards as appropriate for profit oriented entities. The financial statements of the Fund have been prepared in accordance with Tier 1 for profit reporting requirements outlined in the External Reporting Board's Accounting Standards Framework (XRB-A1) and they have been prepared on the assumption that the Fund operates on a going concern basis.

b) Basis of measurement

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected assets and liabilities for which the fair value basis of accounting has been applied.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not classified between current or non-current.

The financial statements are stated exclusive of GST where applicable.

c) Functional and presentation currency

The functional currency of the Fund is New Zealand dollars (NZD).

The financial statements are presented in NZD and rounded to the nearest thousand (\$'000) unless otherwise stated.

d) Uses of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of 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 accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

Fair Value of Financial Assets at Fair Value through Profit or Loss

The most significant judgement made in the preparation of these financial statements relates to the reliance on the the Manager's valuation of Level 3 financial assets. Significant judgements, estimates and assumptions were used to derive the value of the level 3 financial assets at fair value through profit or loss. Refer to note 7 for further detail about the value of these investments.

e) Taxation

The Scheme has elected to be a Portfolio Investment Entity (PIE) under the Income Tax Act 2007. Under the PIE regime the income is effectively taxed in the hands of the Unitholders and therefore the Scheme has no tax expense or deferred tax assets or deferred tax liabilities.

As a PIE, the Scheme pays no income tax on the taxable income of the Scheme and Fund and all taxable income and tax credits are attributable to the Unitholders in proportion to the units they hold on the days when the taxable income and credits arise. The Scheme deducts tax from each Unitholder's allocation using each Unitholder's Notified Prescribed Investor Rate (PIR), or if a rate has not been notified, at the default PIR of 28%.

f) Investment entities

The Fund meets the definition of an investment entity. The Manager determined that the Fund meets the definition of an investment entity by considering the number of unitholders in the Fund, the Fund's business purpose which is to generate a return to unitholders from capital appreciation and that substantially all of the funds financial assets are measured and evaluated on a fair value basis.

g) Unitholders' funds

Units issued by the Fund provide the unitholders with the right to require redemption for cash at the value proportionate to the unitholders' share in the Funds net asset value.

The units qualify as 'puttable instruments' and are classified as equity.

3. Accounting Policies

Significant accounting policies that summarise the measurement used and are relevant to the understanding of these financial statements are provided throughout the accompanying notes.

The accounting policies adopted have been consistently applied throughout the periods presented in these financial statements.

4. Standards, amendments, and interpretations to existing standards

There are no new standards that are considered relevant to the Fund's financial statements, that have been issued but not yet effective.

5. Dividend and interest revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Fund and the revenue can be readily measured.

Interest Revenue is recognised using the effective interest rate method, and includes revenue earned on cash equivalents.

Net realised and unrealised gains or losses on financial instruments at fair value through profit or loss are calculated as the difference between the fair value at sale or redemption, or at reporting date, and the fair value recorded at the date of the last valuation. This difference includes both realised and unrealised gains and losses but does not include interest or dividend revenue.

6. Cash and Cash Equivalents

Cash at bank represents cash and on-call deposits with New Zealand banks registered with the Reserve Bank of New Zealand, with the result that they are subject to insignificant risk of changes in value.

Cash and cash equivalents are classified as financial assets measured at amortised cost in accordance with NZ IFRS 9 Financial Instruments.

	31 December 2021 \$'000
Cash at bank - Total	20

Reconciliation of net profit after tax to net cash from operating activities

Payments and receipts relating to the purchase and sale of financial assets are classified as cash flows from operating activities, as income from and movements in the fair value of these securities represent the Fund's main income generating activity.

	31 December 2021 \$'000
Net profit after tax	877
<i>Movement in assets and liabilities</i>	
Purchase of financial instruments at fair value through profit or loss	(1,233)
Change in other payables	9
Net (Gains)/losses on financial instruments at fair value through profit or loss	(886)
Net cash outflows from operating activities	(1,233)

The purchases of NZ Innovation Booster LP units (24 August 2021 and 22 October 2021) were completed as an in-specie transfer and didn't result in any cash movements.

7. Financial assets at fair value through profit or loss

Financial instruments are recognised initially at fair value. Subsequent to initial recognition, all financial instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss within the statement of comprehensive income, resulting in transaction costs being reflected in the movement in fair value for the period.

	31 December 2021 \$'000
NZ Innovation Booster LP	4,809
New Zealand Unlisted Shares	1,050
Total financial assets held at fair value through profit or loss	5,859

* The Fund holds units in NZ Innovation Booster LP, refer to note 10 Related parties for more information.

NZ IFRS 13 Fair Value Measurement, requires the Fund to measure and disclose fair values using the following fair value hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data.

The Fund's financial assets and liabilities at fair value through profit or loss are classified as follows:

NZ IFRS 13 Fair Value Measurement	31 December 2021 \$'000
Level 1	-
Level 2	-
Level 3	5,859
Total financial assets held at fair value through profit or loss	5,859

7. Financial assets at fair value through profit or loss (continued)

Measurement of fair value of financial instruments classified as Level 3

Financial instruments classified as being Level 3 relate to shares in registered New Zealand unlisted companies and New Zealand Limited Partnerships (as noted above).

Where the Fund holds the investment directly, the last price at which capital was raised by the relevant business is used as a reference price. The Manager also considers how recently the business last raised capital and its relevance given changes in the business, as well as any changes to its target market or its progress towards the commercialisation of its intellectual property since the last capital raise. An assessment will be made of the extent to which the business has achieved its business plan since the last capital raise, its remaining cash available, and any capital raising activity in progress, on at least a quarterly basis. Any other new information received in respect of an investment that may be material to the Fund's unit price is considered on a monthly basis prior to the issue or redemption of units in the Fund.

Where the Fund holds the investment indirectly, the valuation will be initially determined by the Manager/ Board of the relevant underlying investment entity and reviewed by the Fund's Advisory Board prior to approval by the Fund's Investment Committee. We also assess the valuation approach taken by our investment partners for consistency with the valuation approach described for investments in level 3 assets below. For example, this valuation approach is consistent with the approach applied by NZ Innovation Booster Limited Partnership in respect of its investments. Applying the criteria described above, where we assess the value of an investment may have materially changed, a more comprehensive assessment of value is made including consideration of other indicators of value such as industry valuation benchmarks, similar investment company comparisons or third-party pricing events where available.

The table below provides information about how the fair value of financial assets valued at fair value through profit or loss for level 3 inputs have been determined.

Valuation Methodology	Key inputs	Unobservable inputs	Sensitivity analysis
Price of recent investment supported by other observable data including achievement to business plan, recent capital raising activity and remaining cash balance.	Price of recent investment, business plan achievement, last capital raise valuation, recent capital raising activity.	Management's assessment of performance against business plan.	Fair value is influenced by how the business is progressing towards commercialisation objectives, which may be evidenced through the share price of capital raises, any partially complete capital raises may result in a material change in fair value. Review of any unobservable inputs will be reviewed to the extent that they may affect the fair value.

Reconciliation of level 3 investments for the year:	31 December 2021
	\$'000
Opening balance	-
Acquisitions	4,973
Fair value adjustments	886
Closing balance	5,859

The following table represents the Funds interest based on shares issued at the reporting date for level 3 financial assets:

Company	Business sector	Business sub-sector	Development stage	% share interest
Alimetry Limited ¹	Life sciences and medical technologies	Screening and diagnostics – human health	Early stage	1.1%
Amaroq Therapeutics Limited ¹	Life sciences and medical technologies	Life sciences – human health	Seed	2.8%
Avalia Immunotherapies Limited ^{1,2}	Life sciences and medical technologies	Life sciences – human health	Seed	10.8%
Codify Asset Solutions (CAS) Limited ¹	Information technology services	Building industry software	Early stage	2.4%
Chitogel Limited ¹	Life sciences and medical technologies	Biotechnology – human health	Expansion	1.6%
Ferronova Pty Limited	Life sciences and medical technologies	Screening and diagnostics - human health	Expansion	4.1%
Inhibit Coatings Limited ¹	Materials and technology	Material coatings	Early Stage	2.4%
InsituGen Limited ¹	Life sciences and medical technologies	Screening and diagnostics – animal health	Early Stage	18.1%
Jaipuna Limited (trading as Amy ai)	Information technology services	Education technologies	Early stage	1.4%
Ligar Limited Partnership ¹	Materials and technology	Biotechnology materials	Expansion	0.9%
Marama Labs Limited ¹	Information technology services	Software and measurement hardware	Early Stage	10.2%
Mekonos Inc ¹	Life sciences and medical technologies	Life sciences – human health	Expansion	0.4%
PowerON Limited	Materials and technology	Soft Robotics	Early stage	5.6%
Sensor Holdings limited (trading as StretchSense) ²	Information technology services	Augmented and virtual reality	Expansion	1.2%
XFrame Pty Limited ¹	Materials and technology	Construction materials	Early Stage	6.7%

¹ Investments are held indirectly via an interest in NZ Innovation Booster LP

² Investments are held via a convertible note, percentage indicates estimated equity position on conversion

7. Financial assets at fair value through profit or loss (continued)

Company formation (or sometimes referred to as 'seed')

This is the pre-revenue company establishment stage once the intellectual property is ready for commercialisation. It involves the employment of initial staff, formation of the Board, confirmation of the business model including product development, market validation and initiating the company intellectual property strategy. Typically, the company secures initial investment in the order of \$1m and this takes the company through the first 18 months of its existence.

Early stage (or sometimes referred to as 'start-up')

This stage frequently involves more than one investment which provides funding for product development, pilot production, team expansion and the first sales. Capital funding typically provides the business with sufficient cash for 2-4 years.

Expansion (or sometimes referred to as Series A and B)

At this stage the company has proven its technology and is seeking to expand its market share and scale its business operations and capability.

8. Financial risk management

As at reporting date, the Scheme's only Fund is invested in an unlisted limited partnership and three New Zealand unlisted companies. Risks arising from holding financial instruments are managed through a process of on-going identification, measurement and monitoring. The Fund may be exposed to credit risk, market price risk and liquidity and cash flow risk arising from the financial instruments it holds.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to Unitholders of the Fund from reasonably possible changes in the relevant risk variables.

Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Manager. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept, with additional emphasis on selected industries. This information is prepared and reported to relevant parties within the Manager on a regular basis (ranging from daily to monthly depending on the nature of the information) as deemed appropriate.

In order to avoid excessive concentrations of risk, the Manager monitors the Fund's exposure to ensure concentrations of risk remain within acceptable levels. The risk management policies employed by the Manager to manage these risks are discussed below.

Credit risk

Credit risk represents the risk that the counterparty will fail to discharge an obligation and cause the Fund to incur a financial loss.

With respect to credit risk arising from the financial assets of the Fund, the Fund's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the statement of net assets. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Concentrations of credit risk are minimised in the Fund primarily by:

- Ensuring due diligence is completed on the counterparties and regular reviews are completed against milestones throughout the year; and
- Ensuring that transactions are undertaken with a large number of counterparties.

The carrying amount of financial assets best represents the maximum credit risk exposure at each reporting date. This relates also to financial assets carried at amortised cost, as they have a short term to maturity.

The Manager does not consider there to be significant credit risk in relation to the Fund as there is no accounts receivable or cash equivalents.

8. Financial risk management (continued)

Market price risk

Market price risk is the risk that the value of the Fund will fluctuate as a result of changes in market prices. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's only exposure to interest rate risk is on its cash and cash equivalents.

Cash and cash equivalents are current and the Fund does not consider there to exist any significant interest rate risk.

Price risk

The Fund is exposed to security price risk. This arises from investments held by the Fund for which prices in the future are uncertain.

The analysis below shows the effect on profit or loss and equity that would result in reasonable changes in market fluctuations where a fund has invested in a limited partnership or directly in equity securities.

The analysis below shows the effect of fair value changes on profit or loss and net assets that would result from reasonable changes in market fluctuations.

	31 December 2021
	\$'000
Financial instruments exposed to market price risk	5,859
Market -30%	(1,758)
Market +30%	1,758

Liquidity and cash flow risk

Liquidity risk is the risk that the Fund will experience difficulty in either realising assets or raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that future cash flows derived from holding financial instruments will fluctuate.

This risk applies in relation to withdrawing units. Unlisted shares in early stage companies by nature have relatively long return timeframes. As a result, an investment in the Fund should be considered as not redeemable on demand. The Fund aims to have a limited amount of cash available for withdrawals on a quarterly basis.

When an underlying investment is sold, the Manager may make some or all of the proceeds of the sale available for withdrawal.

Should full realisation of assets be required, it is reasonable to expect this may take greater than six months due to the nature of the underlying assets the Fund invests in.

9. Capital Risk Management

The Fund's capital is represented by redeemable units and is reflected in the Statement of Net Assets as net assets attributable to Unitholders.

The Fund's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide long-term returns for unitholders on the investment activities thereof.

The Manager monitors capital on the basis of the value of net assets attributable to unitholders. Compliance with investment management mandate limits is monitored by the Manager with oversight from the Supervisor.

10. Auditor's remuneration

	31 December 2021
	\$'000
Audit fees - Ernst & Young	9
Total	9

The Fund will contribute to an expense recovery account for audit fees during the year. The audit fees are paid from the expense recovery account. This account will be shown in the statement of comprehensive income. Fees are limited to \$30,000 a year, any amount over this is paid by the Manager.

11. Related parties

The related parties as at 31 December 2021 are presented as follow:

a) Responsible Entities

Booster Investment Management Limited (BIML) is the Manager of the Scheme. BIML is a wholly owned subsidiary of Booster Financial Services Limited (BFS). BFS holds units in the Fund as noted in 11(g) below.

Public Trust is the Supervisor for the Scheme. Public Trust does not hold or has ever held units in the Fund.

Asset Custodian Nominees Limited (ACNL) is wholly owned by Booster Financial Services Limited. ACNL holds units in the Fund on behalf of investors in its capacity as a custodian company for the Booster Wrap Administration System.

b) Key management personnel

Directors

The Directors of BIML are considered to be Key Management Personnel. The Directors of the Manager in office during the year or up to the date of signing of these financial statements were:

	Appointed
Allan Seng Tong Yeo	29 April 1999
Bruce Adrian Edgar	3 October 2016
John Ross Selby	16 May 2016
Paul Gerard Foley	30 April 2013
Melanie Templeton	1 February 2021

'No amounts have been paid by the Fund to the Directors in their capacity as Directors of the Manager.

Advisory Board

The advisory board are considered to be Key Management Personnel. The advisory board members during the year and up to the date of signing of these financial statements were:

	Appointed
Jenny Morel	11 February 2021
John Ross Selby	11 February 2021

Investment Committee

The Investment Committee are considered to be Key Management Personnel. The Investment Committee members during the year and up to the date of signing of these financial statements were:

	Appointed
David Beattie	24 August 2021
Nic Craven	24 August 2021
Brendon Doyle	24 August 2021
Duncan Wylie	24 August 2021

Key Management Team Personnel

Other Key Management Team Personnel members during the year and up to the date of signing of these financial statements were:

	Appointed
Melissa Yiannoutsos	26 January 2021
Alison Payne	5 March 2007

Key Management personnel may hold units in the Fund in their capacity as Members of the Fund. All transactions between these parties are pursuant to, and governed by, the terms of the Trust Deed of the Scheme.

As at the reporting date Key Management Personnel held the following interests in the Scheme, which were pending distribution from Booster Financial Services Limited:

	31 December 2021
	\$
Allan Seng Tong Yeo	1,000
Bruce Adrian Edgar	1,000
John Ross Selby	2,000
Paul Gerard Foley	1,000
Melanie Templeton	1,000
Jenny Morel	1,000
David Beattie	2,000
Brendon Doyle	2,000
Duncan Wylie	1,000
Melissa Yiannoutsos	1,000
Alison Payne	1,000

11. Related parties (continued)

c) Manager's management fees and other transactions

Under the terms of the Trust Deed, the Manager is entitled to receive performance management fees from the Fund within the Scheme. These fees are disclosed in the Statement of Comprehensive Income as "performance management fee". The fee is payable to the Manager in units. As at reporting date no performance fee is payable, however please refer to note 12 contingent liabilities.

d) Fees paid to the Supervisor

Under the terms of the Trust Deed, the Supervisor is entitled to receive Supervisor fees. The Manager pays these fees on behalf of the Fund.

e) Investment in NZ Innovation Booster Limited Partnership (NZIB)

NZIB is a limited partnership registered under the Limited Partnerships Act 2008. It is not a registered managed investment scheme under the Financial Markets Conduct Act 2013.

The general partner of NZIB is NZ Innovation GP Limited and Booster Financial Services Limited is a 50% shareholder of the general partner.

The table below shows the Fund's fair value investment into NZIB:

	31 December 2021 \$'000
NZ Innovation Booster Limited Partnership	4,809

The above holding represents 51% holding in NZIB.

f) Investment by funds managed by related parties

Other funds managed by BIML invest in the Fund, as follows as at reporting date:

	31 December 2021 \$'000
Booster KiwiSaver Scheme	
Booster KiwiSaver High Growth Fund	756
Booster KiwiSaver Balanced Fund	583
Booster KiwiSaver Moderate Fund	139
Booster KiwiSaver Geared Growth Fund	317
Booster KiwiSaver Balanced Growth Fund	594
Booster SuperScheme	
Booster SuperScheme Conservative Portfolio	49
Booster SuperScheme Balanced Portfolio	288
Booster SuperScheme Growth Portfolio	233
Booster SuperScheme High Growth Portfolio	76
Booster Investment Scheme	
Defensive Fund	1
Moderate Fund	22
Balanced Fund	81
Growth Fund	41
High Growth Fund	32

g) Investment by ultimate parent company of the Manager

Booster Financial Services Limited	2,460
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12. Contingent Assets, Liabilities, and Commitments

The Fund has a contingent liability for the performance based fee. The performance based fee is payable to the Manager in the form of units when the Funds performance exceeds the hurdle rate of return (of 10% per annum). The fee is equal to 20% of the excess return. The fee is calculated daily, however it is only paid on an annual basis following release of the audited accounts (based on the annual return).

As at reporting date, the Fund's return has exceeded the hurdle rate, however the return of the fund for the year is not known as it is ongoing, changes in investment valuations would impact the existence and/or value of the performance based fee.

There are no other outstanding contingent assets or liabilities or commitments at the reporting date.

13. Events occurring after reporting date

Subsequent to reporting date NZ Innovation Booster Limited Partnership completed a follow on investment in X-Frame Pty Limited for AUD \$67,236 as at 21 January 2022, which was funded by Booster Innovation Fund purchasing more units in NZ Innovation Booster Limited Partnership. This increased the Fund's ownership interest from 6.7% to 7.2%.

No other significant events have occurred since the reporting date which would impact on the financial position of the Fund or on the financial performance and cash flows of the Fund for the year ended on that date.