

BoatCo X50-1 Limited's financial information

Prospective financial information

- 1.1 This document contains prospective financial information, which is based on the Company's assessment of events and conditions existing at the date of the PDS (PDS dated 12 December 2019) and have been prepared in accordance with NZ Financial Reporting Standard FRS-42. You should read the information in light of the assumptions that accompany the prospective financial information.
- 1.2 The Company was incorporated on 29 November 2019 and has not yet commenced business operations. The Company will purchase the Vessel from Ownaship (which is an asset), however there has been no business acquisition. Accordingly, no financial statements for the Company have been prepared or registered under the Companies Act 1993 and the Financial Reporting Act 2013.
- 1.3 The table below provides key prospective financial information about the Company on the basis that it purchases the Vessel by 5 September 2020. If you do not understand the financial information, you can seek advice from a financial advisor or an accountant.

BoatCo X50-1 Limited

Prospective Statement of Cashflows For the periods ending

	31 March 2021 (7 months)	31 March 2022 (12 months)	31 March 2023 (12 months)
Operating Activities			
Cash to be provided from Shareholder use charges	81,900	140,400	140,400
Cash to be distributed to Management Fees to Ownaship	(18,667)	(32,000)	(32,000)
Direct Operating Costs	(63,233)	(108,400)	(108,400)
	()	()	()
Net forecast cashflows from operating activities	-	-	-

Investment Activities

Cash to be distributed to

Purchase of 2020 Maritimo X50	(2,379,000)
Net forecast cashflows from investment activities	(2,379,000)

Financing Activities

Cash to be provided from

Shareholder ordinary shares subscription	2,394,000	-
	<u>2,394,000</u>	<u>-</u>

Cash to be distributed to

Payment of share issue costs	(15,000)	-
Net forecast cashflows from financing activities	<u>2,379,000</u>	<u>-</u>

Net Increase(Decrease) in cash held

- - -

Cash and cash equivalents at beginning of period

- - -

Cash and cash equivalents at end of period

- - -**BoatCo X50-1 Limited****Prospective Statement of Profit or Loss****For the periods ending****31 March 2021**
(months)**31 March 2022**
(12 months)**31 March 2023**
(12 months)**Income**

Shareholder use charges	81,900	140,400	140,400
	<u>81,900</u>	<u>140,400</u>	<u>140,400</u>

Expenses

Management Fees to Ownaship	(18,667)	(32,000)	(32,000)
Direct Operating Costs	(63,233)	(108,400)	(108,400)
Depreciation	(138,775)	(224,023)	(201,620)
	<u>(220,675)</u>	<u>(364,423)</u>	<u>(342,020)</u>

Net Total Comprehensive Income (Loss)(138,775) (224,023) (201,620)**BoatCo X50-1 Limited****Prospective Statement of Changes in Equity****For the periods ending**

Opening Balance	-	2,240,225	2,016,202
Shareholder ordinary shares subscription	2,394,000	-	-
Payment of share issue costs	(15,000)	-	-
Net Profit(Loss)	<u>(138,775)</u>	<u>(224,023)</u>	<u>(201,620)</u>
Closing Balance	<u>2,240,225</u>	<u>2,016,202</u>	<u>1,814,582</u>

BoatCo X50-1 Limited**Prospective Statement of Financial Position**

As at	31 March 2021	31 March 2022	31 March 2023
Current Assets	-	-	-
Non-Current Assets			
2020 Maritimo X50 boat	2,240,225	2,016,202	1,814,582
TOTAL ASSETS	2,240,225	2,016,202	1,814,582
Current Liabilities	-	-	-
Non-Current Liabilities	-	-	-
NET ASSETS	2,240,225	2,016,202	1,814,582
Equity			
Share Capital	2,394,000	2,394,000	2,394,000
Accumulative Deficit	(153,775)	(377,798)	(579,418)
TOTAL EQUITY	2,240,225	2,016,202	1,814,582

BoatCo X50-1 Limited**Statement of Accounting Policies****For the 7 months ending 31 March 2021 and year ended 31 March 2022****Measurement Base**

The accounting principles recognized as appropriate for the measurement and reporting of earnings and financial positions on a historical basis are followed by the Company and complies with Generally Accepted Accounting Practice in New Zealand

Specific accounting policies**I. Revenue recognition**

Income shown in the Prospective Statement of Profit and Loss and Comprehensive Income comprises the amounts expected to be received by the Company in the ordinary course of business from shareholders and is accounted for on an accruals basis but it is assumed that all income is "paid" within the financial year.

II. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is calculated at maximum rates allowed by the Inland Revenue Department at 10% on a diminishing value basis over the estimated useful life of the asset being 20 years.

III. GST

The financial statements have been prepared on a GST inclusive basis.

The financial statements above have been prepared in accordance with the requirements of Financial Reporting Standard No 42: Prospective Financial Statements.

The actual financial statements for the 7 month period ending 31 March 2020 and year ended 31 March 2021 are likely to vary from the Prospective Financial Statements. Such variations may be material.

Key Assumptions:

- It is assumed all 6 shares are sold prior to 31 March 2021
- Costs of \$15,000 will be incurred in relation to the issue of shares in the Company
- Boat is operational from 8 October 2020
- The prospective financial information is based upon the following assumptions:

Purchase of 2020 Maritimo X50

The cost of the purchase of the 2020 Maritimo X50 is based on the price agreed with Ownaship (with settlement occurring on 15 September 2020) being \$2,379,000 including GST.

Shareholder Use Charges

Shareholder Use Charges are based on 7 charges of \$13,650 for the 7-month period ending 31 March 2021, and 6 charges of \$23,400 for the 12 months ended 31 March 2022.

Management fees to Ownaship Limited include the following:

To 31 March 2021 a pro-rated allowance of \$18,666 for a management fee to Ownaship, such fee being fixed on a yearly basis in accordance with the Management Agreement between Ownaship and the Company.

To 31 March 2022 an annual allowance of \$32,000 for a management fee to Ownaship, such fee being fixed on a yearly basis in accordance with the Management Agreement between Ownaship and the Company.

Direct Operating Costs for the 7 months ended 31 March 2021 include the following:

- a. A pro-rated allowance of \$1,167 for legal and accounting fees, made on the assumption that Ownaship will undertake the day to day accounting work, with minimal end of year costs for statements of accounts and tax returns, and minor legal fees for the Company's transactions with new Shareholders. Major legal costs relating to the form and content of the various agreements involved have already been absorbed by Ownaship;
- b. A prorated allowance of \$11,667 for berth rental. Berthing of this Vessel will be in the marine facility at Westhaven, Auckland;
- c. A prorated allowance of \$8,750 for general marine insurance based on a quotation provided by an insurance broker, assuming a value of \$2,100,000 at a rate of 0.71% (rounded);
- d. A prorated allowance of \$11,959 for general maintenance. This includes \$1,167 for upkeep of the cabin and its furnishings, \$1,167 for repairs and maintenance of onboard electronics, \$5,833 for general touch-ups and maintenance of other equipment and \$3,792 for haul outs and anti-foul;
- e. A monthly allowance of \$1,333.33 for cleaning by a subcontractor;
- f. A pro-rated allowance for 2 scheduled engine and ancillary services per year at \$6,679 each, plus an allowance of \$5,833 for unscheduled breakdown and/or repairs. Recognition is given to the fact that the Twin Volvo 670HP-D11 engines in this Vessel are new and under warranty for up to 5 year or 2,000 hours (whichever comes first);

- g. A pro-rated contingency reserve of \$1,167 being approximately 3.75% (rounded) of the expense allowances made within d and f above;

It is assumed that there are no “additional use charges”.

Direct Operating Costs for the year ended 31 March 2022 include the following:

- a. An annual allowance of \$2,000 for legal and accounting fees, made on the assumption that Ownship will undertake the day to day accounting work, with minimal end of year costs for statements of accounts and tax returns, and minor legal fees for the Company’s transactions with new Shareholders. Major legal costs relating to the form and content of the various agreements involved have already been absorbed by Ownship;
- b. An annual allowance of \$20,000 for berth rental. Berthing of this Vessel will be in the marine facility at Westhaven, Auckland;
- c. An annual allowance of \$15,000 for general marine insurance based on a quotation provided by an insurance broker, assuming a value of \$2,100,000 at a rate of 0.71% (rounded);
- d. An annual allowance of \$20,500 for general maintenance. This includes \$2,000 for upkeep of the cabin and its furnishings, \$2,000 for repairs and maintenance of onboard electronics, \$10,000 for general touch-ups and maintenance of other equipment and \$6,500 for haul outs and anti-foul;
- e. A monthly allowance of \$1,333.33 for cleaning by a subcontractor;
- f. A pro-rated annual allowance for 2 scheduled engine and ancillary services per year at \$11,450 each, plus an allowance of \$10,000 for unscheduled breakdown and/or repairs. Recognition is given to the fact that the twin Volvo 670HP D-11 engines in this Vessel are new and under warranty for up to 5 years or 2,000 hours (whichever comes first);
- g. A pro-rated annual contingency reserve of \$2,000 being approximately 3.75% (rounded) of the expense allowances made within d and f above;

It is assumed that there are no “additional use charges”.