

BoatCo R3500-11 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 (dated 22 September 2021) 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 30 March 2021 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 1 February 2022. If you do not understand the financial information, you can seek advice from a financial advisor or an accountant.

BoatCo R3500-11 Limited

Prospective Statement of Cashflows

For the periods ending

31 March 2022
(2 months)

31 March 2023
(12 months)

31 March 2024
(12 months)

Operating Activities

Cash to be provided from
Shareholder use charges

14,133	84,800	84,800
<u>14,133</u>	<u>84,800</u>	<u>84,800</u>

Cash to be distributed to
Management Fees to Ownaship
Direct Operating Costs

(4,633)	(27,800)	(27,800)
(9,500)	(57,000)	(57,000)
<u>(14,133)</u>	<u>(84,800)</u>	<u>(84,800)</u>

Net forecast cashflows from operating activities

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Investment Activities

Cash to be distributed to

Purchase of 2022 Rayglass 3500 Legend boat
Net forecast cashflows from investment
activities

(795,000)	-
<u>(795,000)</u>	<u>-</u>

Financing Activities

Cash to be provided from			
Shareholder ordinary shares subscription	810,000		-
	<u>810,000</u>		-
Cash to be distributed to			
Payment of share issue costs	(15,000)	-	-
Net forecast cashflows from financing activities	<u>795,000</u>		-
Net Increase(Decrease) in cash held	-	-	-
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	<u>-</u>	<u>-</u>	<u>-</u>

BoatCo R3500-11 Limited

Prospective Statement of Profit or Loss

For the periods ending

	31 March 2022 (2 months)	31 March 2023 (12 months)	31 March 2024 (12 months)
Income			
Shareholder use charges	14,133	84,800	84,800
	<u>14,133</u>	<u>84,800</u>	<u>84,800</u>
Expenses			
Management Fees to Ownaship	(4,633)	(27,800)	(27,800)
Direct Operating Costs	(9,500)	(57,000)	(57,800)
Depreciation	(13,250)	(78,105)	(70,358)
	<u>(27,383)</u>	<u>(162,975)</u>	<u>(155,158)</u>
Net Total Comprehensive Income (Loss)	<u>(13,250)</u>	<u>(78,175)</u>	<u>(70,358)</u>

BoatCo R3500-11 Limited

Prospective Statement of Changes in Equity

For the periods ending

Opening Balance	-	781,750	703,575
Shareholder ordinary shares subscription	774,000	-	-
Payment of share issue costs	(15,000)	-	-
Net Profit(Loss)	(13,250)	(78,175)	(70,358)
Closing Balance	<u>781,750</u>	<u>703,575</u>	<u>633,217</u>

BoatCo R3500-11 Limited
Prospective Statement of Financial Position
As at

	31 March 2022	31 March 2023	31 March 2024
Current Assets	-	-	-
Non-Current Assets			
2022 Rayglass 3500 Legend boat	781,750	703,575	633,217
TOTAL ASSETS	781,750	703,575	633,217
Current Liabilities	-	-	-
Non-Current Liabilities	-	-	-
NET ASSETS	781,750	703,575	633,217
Equity			
Share Capital	774,000	810,000	810,000
Accumulative Deficit	(28,250)	(106,425)	(176,783)
TOTAL EQUITY	781,750	703,575	633,217

BoatCo R3500-11 Limited
Statement of Accounting Policies
For the 2 months ending 31 March 2022 and year ended 31 March 2023

Measurement Base

The accounting principles recognised 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 2 month period ending 31 March 2022 and year ended 31 March 2023 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 2022
- Costs of \$15,000 will be incurred in relation to the issue of shares in the Company
- Boat is operational from 1 February 2022
- The prospective financial information is based upon the following assumptions:

Purchase of 2022 Rayglass 3500

The cost of the purchase of the 2022 Rayglass 3500 Legend is based on the price agreed with Ownaship (with settlement occurring on 1 February 2022) being \$795,000.00 including GST.

Shareholder Use Charges

Shareholder Use Charges are based on 6 charges of \$2,355.55 for the 2-month period ending 31 March 2022, and 6 charges of \$14,133.33 for the 12 months ended 31 March 2023.

Management fees to Ownaship Limited include the following:

To 31 March 2022 a pro-rated allowance of \$4,633 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 2023 an annual allowance of \$27,800 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 2 months ended 31 March 2022 include the following:

- a. A pro-rated allowance of \$166 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 \$1,500 for berth rental. Berthing of this Vessel will be in the marine facility at Westhaven, Auckland;
- c. A prorated allowance of \$833 for general marine insurance based on a quotation provided by an insurance broker, assuming a value of \$720,000 at a rate 0.65% (rounded);
- d. A prorated allowance of \$1,500 for general maintenance. This includes \$83 for upkeep of the cabin and its furnishings, \$83 for repairs and maintenance of onboard electronics, \$833 for general touch-ups and maintenance of other equipment and \$500 for haul outs and anti-foul;
- e. A monthly allowance of \$666.67 for cleaning by a subcontractor;
- f. A pro-rated allowance for 1 scheduled engine and ancillary services per year at \$2,666 each, plus an allowance of \$1,166 for unscheduled breakdown and/or repairs. Recognition is given to the fact that the twin Mercury diesel 270 HP engines in this Vessel are new and under warranty for up to 1 year or 500 hours (whichever comes first);

- g. A pro-rated contingency reserve of \$333 being approximately 6.9% (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 2023 include the following:

- a. An annual allowance of \$1,000 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. An annual allowance of \$9,000 for berth rental. Berthing of this Vessel will be in the marine facility at Westhaven, Auckland;
- c. An annual allowance of \$5,000 for general marine insurance based on a quotation provided by an insurance broker, assuming a value of \$759,000 at a rate of 0.65% (rounded);
- d. An annual allowance of \$9,000 for general maintenance. This includes \$500 for upkeep of the cabin and its furnishings, \$500 for repairs and maintenance of onboard electronics, \$5,000 for general touch-ups and maintenance of other equipment and \$3,000 for haul outs and anti-foul;
- e. A monthly allowance of \$666.67 for cleaning by a subcontractor;
- f. A pro-rated annual allowance for 5 scheduled engine and ancillary services per year at \$3,200 each, plus an allowance of \$7,000 for unscheduled breakdown and/or repairs. Recognition is given to the fact that the twin Mercury diesel 270 HP engines in this Vessel are new and under warranty for up to 1 year or 500 hours (whichever comes first);
- g. A pro-rated annual contingency reserve of \$2,000 being approximately 6.9% (rounded) of the expense allowances made within d and f above;

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