

GOODWOOD CAPITAL LIMITED

Unaudited Interim Financial Statements

For the six months ended 30 September 2020

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For the six months ended 30 September 2020

Table of Contents

Letter from the Chair	2
Consolidated statement of comprehensive income	4
Consolidated statement of changes in equity	5
Consolidated statement of financial position	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8

17 November 2020

Further steps in Company restructure

Following the Company's removal from liquidation pursuant to an order of the High Court dated 9 October 2020, the Board's immediate focus is on restructuring the Company with a view to seeking the lifting of the trading suspension in the Company's shares that was imposed when the Company was originally placed into liquidation several years ago.

The Company continues to work with NZX to advance the lifting of the suspension on the trading on the Company's shares and will report to shareholders with any material developments in that regard.

The Board is actively looking to identify a suitable business opportunity to invest in and/or acquire through a reverse takeover transaction (RTO). Currently, there are no initiatives being investigated, but the Company will provide the market with any updates as to material developments in due course.

Mounterowen Limited (Mounterowen) (a company controlled by director Sean Joyce) has continued to support the Company. Initially Mounterowen acquired all outstanding liquidation debts of approximately \$250,000 and has agreed to defer the repayment of that debt. For further details of the deferment, please refer to the going concern note on page 8 of the financial statements comprised in this report.

Subsequently, Mounterowen has also made several additional loan advances amounting to \$100,509 in aggregate to the Company to assist with costs associated with the application made to the High Court to terminate the liquidation, liquidators' costs, and accounting and administration costs. These advances are repayable at the earlier of 12 months from the date of the loan advances, provided the Company is solvent at the time, and the date upon which the Company enters into a major transaction.

When the new Board assumed their roles as directors of the Company, the Company had no cash reserves, and no assets, other than a cash bond held by NZX. In order to provide the Company with additional working capital to fund the costs associated with the Company being listed, the Company has undertaken a capital raise of \$52,669 through the issue of 2,633,451 new ordinary shares to wholesale investors at an issue price of 2 cents per share. The new shares were issued on 13 November 2020.

In addition, with a view to strengthening the Company's balance sheet, and to provide additional working capital which the Company can deploy against the payment of potential costs to be incurred in advancing an RTO, when a suitable opportunity is identified, the Board proposes to seek the approval of shareholders to the following two initiatives at the Annual Meeting of the Company to be held in December 2020:

- The capitalisation of up to \$200,000 of the loan advances previously made by Mounterowen Limited into new shares in the Company, at an issue price of 2 cents per share.
- The issue of 5 million new ordinary fully paid shares to wholesale investors, at an issue price of 2 cents per share, to raise \$100,000.

Company's financial position

The Company's financial position at 17 November 2020, following the \$52,669 capital raise noted above, is shown in the table below.

The table also shows a proforma balance sheet which reflects the potential financial position of the Company as at 17 November 2020, had the conversion of \$200,000 of the Mounterowen loan, and the \$100,000 capital raise, occurred at this date.

	As at 17 Nov 2020 NZ\$	Proforma 17 Nov 2020 NZ\$
Assets		
Cash	38,000	138,000
Receivables and other current assets	37,000	37,000
NZX bond	20,000	20,000
Total assets	95,000	195,000
Liabilities		
Payables	32,000	32,000
Loan advances - Mounterowen Limited	349,000	149,000
Total liabilities	381,000	181,000
Net (liabilities)/assets	(286,000)	14,000
Net tangible asset backing per share	(0.0142)	0.0004

Result

The financial result for the Group for the six months ended 30 September 2020 is a loss after taxation of NZD \$57,481 which is largely due to costs associated with the Company's removal from liquidation, and accounting and administration costs.

The Company intends to hold an annual meeting of shareholders in mid December 2020 and will confirm the date and provide details of the venue in due course.

Yours sincerely



Sean Joyce
 Chair
 Goodwood Capital Limited

Consolidated statement of comprehensive income

For the six months ended 30 September 2020

		6 mths ended 30 Sep 2020 (unaudited) NZ\$	6 mths ended 30 Sep 2019 (unaudited) NZ\$
	Note		
Continuing operations			
Revenue		-	-
Administrative expenses	1	(45,285)	(107)
Loss before income tax		(45,285)	(107)
Income tax expense		-	-
Loss from continuing operations		(45,285)	(107)
Discontinued operations			
(Loss)/gain from discontinued operations (net of tax)	6	(12,196)	55,114
(Loss)/gain from discontinued operations		(12,196)	55,114
Net (loss)/gain after taxation attributable to shareholders		(57,481)	55,007
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		12,196	(63,134)
Total comprehensive loss for the period attributable to shareholders		(45,285)	(8,127)
Total comprehensive loss for the period attributable to shareholders			
Continuing operations		(45,285)	(107)
Discontinued operations		-	(8,020)
		(45,285)	(8,127)
Earnings/(loss) per share from continuing operations:			
- basic and diluted loss per share (NZ\$)	3	(0.0026)	(0.0000)
Earnings/(loss) per share from continuing and discontinued operations:			
- basic and diluted (loss)/earnings per share (NZ\$)	3	(0.0033)	0.0031

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Consolidated statement of changes in equity

For the six months ended 30 September 2020

	Share capital NZ\$	Accumulated losses NZ\$	Foreign currency translation reserve NZ\$	Total Equity NZ\$
Balance at 1 April 2019 (audited)	12,583,107	(12,767,382)	(64,594)	(248,869)
Loss attributable to shareholders of the company	-	55,114	-	55,114
Exchange differences on translating overseas subsidiary	-	-	(63,134)	(63,134)
Balance at 30 September 2019 (unaudited)	12,583,107	(12,712,268)	(127,728)	(256,889)
Balance at 1 April 2020 (audited)	12,583,107	(12,712,459)	(142,693)	(272,045)
Loss attributable to shareholders of the company	-	(57,481)	-	(57,481)
Exchange differences on translating overseas subsidiary	-	-	12,196	12,196
Balance at 30 September 2020 (unaudited)	12,583,107	(12,769,940)	(130,497)	(317,330)

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Consolidated statement of cash flows

For the six months ended 30 September 2020

	30 Sep 2020 (unaudited)	31 Mar 2020 (audited)
Note	NZ\$	NZ\$
ASSETS		
Current assets		
Cash and cash equivalents	1,515	1,659
Receivables and other current assets	19,982	-
Total current assets	21,497	1,659
Non current asset		
NZX bond	20,000	20,000
Total non-current assets	20,000	20,000
Total assets	41,497	21,659
LIABILITIES		
Current liabilities		
Trade and other payables	51,240	293,704
Total current liabilities	51,240	293,704
Non-current liabilities		
Loan advances (unsecured)	5 307,587	-
Total non-current liabilities	307,587	-
Total liabilities	358,827	293,704
Net assets/(liabilities)	(317,330)	(272,045)
EQUITY		
Share capital	12,583,107	12,583,107
Accumulated losses	(12,769,940)	(12,712,459)
Foreign currency translation reserve	(130,497)	(142,693)
Total equity	(317,330)	(272,045)

For and on behalf of the Board:



Director



Director

Dated: 17 November 2020

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Consolidated statement of cash flows

For the six months ended 30 September 2020

		6 mths ended 30 Sep 2020 (unaudited) NZ\$	6 mths ended 30 Sep 2019 (unaudited) NZ\$
	Note		
Cash flows used in operating activities			
Payments to suppliers		(144)	(8,119)
Net cash flows used in operating activities	7	(144)	(8,119)
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net decrease in cash and cash equivalents		(144)	(8,119)
Cash and cash equivalents at the beginning of the period		1,659	9,838
Cash and cash equivalents at the end of the period		1,515	1,719

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Condensed notes to the consolidated financial statements

For the six months ended 30 September 2020

A. General Information

These unaudited interim consolidated financial statements are for Goodwood Capital Limited (“the Company”) and its subsidiary, Snakk Media Pte. Limited (together “the Group”).

The Company was placed into liquidation on 14 March 2019. In July 2020, an application was made to the High Court to restore the Company from liquidation. The Company was restored from liquidation on 9 October 2020 by order of the High Court and the restoration was completed on 19 October 2020.

The Company is incorporated and domiciled in New Zealand. Its registered office is at 84 Coates Avenue, Orakei, Auckland.

Snakk Media Pte. Limited is registered and domiciled in Singapore. On 9 July 2020 the Company gave approval for Snakk Media Pte. Limited to be struck off the Singapore Companies Register.

The Group is currently non trading.

There are no seasonal or cyclical influences on these interim results.

B. Summary of Significant Accounting Policies

Basis of preparation

These unaudited interim consolidated financial statements for the six months ended 30 September 2020 have been prepared in accordance New Zealand Generally Accepted Accounting Practice (“NZ GAAP”), with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting (“NZ IAS 34”) and with International Accounting Standard 34: Interim Financial Reporting (“IAS 34”).

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is listed on the NZX Market. These financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules. While the Company was in liquidation it did not, nor was it required to, report in accordance with these requirements.

The interim consolidated financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements included in the annual report for the year ended 31 March 2020 which have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and International Financial Reporting Standards (“IFRS”).

The interim consolidated financial statements are presented in New Zealand dollars.

The interim consolidated financial statements are unaudited. The comparative information as at 31 March 2020 is audited.

Going concern

The Group ceased operations in December 2018 and the Company was placed into liquidation on 14 March 2019. An application to the High Court to restore the Company from liquidation was approved on 9 October 2020. The Company was restored from liquidation on 19 October 2020.

As at 30 September 2020 the Group has reported net liabilities of \$317,330 (30 September 2019: \$256,889).

The considered view of the Board of Directors of the Company is that, after making enquiries, there is a reasonable expectation that the Company will have access to adequate resources and commitments from its creditors, that will enable it to meet its financial obligations for the foreseeable future.

Condensed notes to the consolidated financial statements

For the six months ended 30 September 2020

For this reason, the Board of Directors considers the adoption of the going concern basis in preparing the financial statements for the six months ended 30 September 2020 to be appropriate. The Board of Directors has reached this conclusion having regard to circumstances which it considers likely to affect the Company during the period of at least one year from November 2020, and to circumstances which it considers will occur after that date which will affect the validity of the going concern basis.

The Directors are satisfied, based on their review of the financial forecasts, that, during the 12 months after the date of signing these interim consolidated financial statements, there will be adequate cash flows available to meet the financial obligations of the Group as they arise. This consideration is made with reference to the following events:

During the six months ended 30 September 2020, Mounterowen Limited ('Mounterowen') acquired \$248,706 of the Group's debts. Separately, in September and October 2020, Mounterowen has also made several loan advances amounting to \$100,509 in aggregate to the Company to assist with costs associated with the application made to the High Court to terminate the liquidation, liquidators' costs, and accounting and administration costs. Mounterowen is a company controlled by the current chair, Sean Joyce. Mounterowen has provided an undertaking to the Company dated 28 September 2020 that it:

1. will not seek to enforce the debt currently owed by the Company to it within the period of 12 months from the date the High Court Termination Order had effect and the Liquidators ceased to hold office;
2. will provide reasonable financial support to the Company so as to ensure that the Company meets its obligations under the solvency test at section 4 of the Companies Act 1993 for at least 12 months post the Termination Order coming into effect;
3. will not seek to enforce the debt owed to it by the Company (or the balance of the debt as the case may be) after the 12 month period, unless and until, the Company has the financial resources to pay the debt (or the balance of the debt) whilst still complying with the solvency test; and
4. will not assign any part of the debt owed to it by the Company to any third party, without first obtaining from the third party and delivering to the Company a written undertaking (which will be enforceable by the Company against the third party) that the third party will honour Mounterowen's undertakings as set out at in paragraphs 1, 2 and 3 above.

After balance date the Company has also reached agreement with certain wholesale investors to subscribe for, and be issued by the Company, 2,633,453 fully paid shares for a total subscription price of \$52,669. In the Directors' considered view this amount, together with the loan advances and Mounterowen's undertaking to provide financial support described above, will enable the Group to continue in its current form for the foreseeable future, being not less than 12 months from signing date.

The focus of the board going forward is to identify a suitable business opportunity to invest in and/or acquire through a reverse takeover transaction.

The Board of Directors acknowledge that there are material uncertainties with respect to the going concern of the Group. In the event that the cash flows from the share subscription are not sufficient to fund the operating expenses, or the Group is unable to identify a suitable business opportunity to invest in and/or acquire, this would give rise to a material uncertainty in relation to the Group's ability to continue as a going concern. If the Group was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise in the consolidated statement of financial position.

Condensed notes to the consolidated financial statements

For the six months ended 30 September 2020

Accounting policies

The interim consolidated financial statements have been prepared using the same accounting policies and methods of computation detailed in the audited financial statements for the year ended 31 March 2020. For details of the accounting policies please refer to the 2020 Annual Report.

These unaudited interim consolidated financial statements have been approved for issue by the Board of Directors on 17 November 2020.

Condensed notes to the consolidated financial statements

For the six months ended 30 September 2020

1 Administrative expenses

	6 mths ended 30 Sep 2020 (unaudited) NZ\$	6 mths ended 30 Sep 2019 (unaudited) NZ\$
Accounting fees	(24,240)	-
Audit fees	(7,500)	-
Legal fees	(9,300)	-
NZX fees	(4,100)	-
Other expenses	(145)	(107)
	(45,285)	(107)

2 Segment information

Following the discontinuation of the Group's operations in December 2018, the Group is organised into one operating segment and one geographical segment in New Zealand.

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Board of Directors. The segment information reported does not include any amounts for the discontinued operations, which are described in more detail in note 6.

3 Loss per share

	6 mths ended 30 Sep 2020 (unaudited)	6 mths ended 30 Sep 2019 (unaudited)
Basic & diluted (loss)/earnings per share (NZ\$):		
From continuing operations	(0.0026)	(0.0000)
From discontinued operations	(0.0007)	0.0031
Total (loss)/earnings per share	(0.0033)	0.0031

The losses and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

	6 mths ended 30 Sep 2020	6 mths ended 30 Sep 2019
Loss from continuing operations (NZ\$)	(45,285)	(107)
Loss/(gain) from discontinued operations (NZ\$)	(12,196)	55,114
	(57,481)	55,007

Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share

17,556,359	17,556,359
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Condensed notes to the consolidated financial statements

For the six months ended 30 September 2020

At 30 September 2020, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (2019: nil). Accordingly, basic and diluted loss per share are identical for the accounting periods being reported on.

4 Net tangible asset backing

	30 Sep 2020 (unaudited)	31 Mar 2020 (audited)
Net tangible assets/(liabilities) (NZ\$)	(317,332)	(272,045)
Issued shares at balance date	17,556,359	17,556,359
Net tangible assets/(liabilities) per share (NZ\$)	(0.0181)	(0.0155)

Net tangible assets are calculated as total assets minus intangible assets, and less all liabilities.

5 Related party transactions

During the six months ended 30 September 2020, Mounterowen Limited, a company controlled by the current chair, Sean Joyce, acquired \$248,706 of the Group's debts.

On 10 September 2020, Mounterowen made an additional loan advance of \$58,881 to the Company, at an interest rate of 5% per annum, to assist with costs associated with the application made to the High Court to terminate the liquidation, liquidators' costs, and accounting and administration costs.

Mounterowen has provided an undertaking to the Company dated 28 September 2020 that it will not seek to enforce the debt currently owed by the Company to it within the period of 12 months from the date the High Court Termination Order had effect and the Liquidators ceased to hold office (refer Going Concern note on page 8).

	30 Sep 2020 (unaudited) NZ\$	31 Mar 2020 (audited) NZ\$
Loan advances from Mounterowen Limited	307,587	-
	307,587	-

Condensed notes to the consolidated financial statements

For the six months ended 30 September 2020

6 Discontinued operations

The Group ceased its operations in December 2018. The results of the Group's previous operations and ongoing costs related to the wind up of those operations are disclosed as discontinued operations.

	6 mths ended 30 Sep 2020 (unaudited) NZ\$	6 mths ended 30 Sep 2019 (unaudited) NZ\$
Accounting fees	-	(8,216)
Foreign exchange (loss)/gain	(12,196)	63,330
(Loss)/gain before income tax	(12,196)	55,114
Income tax expense	-	-
(Loss)/gain after tax from discontinued operations	(12,196)	55,114
Comprehensive gain/(loss) from discontinued operations	(12,196)	55,114

(Loss)/earnings per share for loss attributable to shareholders for discontinued operations:

- Basic and diluted (loss)/gain per share	(0.0007)	0.0031
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	6 mths ended 30 Sep 2020 (unaudited) NZ\$	6 mths ended 30 Sep 2019 (unaudited) NZ\$
Net cashflows attributable to discontinued operations:		
Net cash outflows from operating activities	-	(8,226)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net cash used by discontinued operations	-	(8,226)

Condensed notes to the consolidated financial statements

For the six months ended 30 September 2020

7 Reconciliation of operating cash flows

	6 mths ended 30 Sep 2020 (unaudited) NZ\$	6 mths ended 30 Sep 2019 (unaudited) NZ\$
Net loss after taxation	(57,481)	55,007
Adjustments for:		
Non cash component of loss/(gain) from discontinued operations	12,196	(63,134)
Other non-cash adjustments	-	-
	(45,285)	(8,127)
Movements in working capital		
(Increase)/decrease in receivables and other current assets	(19,982)	-
(Decrease)/increase in trade and other payables	(242,464)	8
Increase/(decrease) in loan advances	307,587	-
Net cash outflows from operating activities	(144)	(8,119)

8 Contingent liabilities

There are no contingent liabilities as at 30 September 2020 (30 September 2019: nil).

9 Commitments

There are no commitments as at 30 September 2020 (30 September 2019: nil)

10 Events subsequent to interim balance date

In July 2020, an application was made to the High Court to restore the Company from liquidation. The Company was restored from liquidation on 19 October 2020. As part of the restoration, the Company's sole director, Peter James, resigned and Angus Cooper, Roger Gower and Sean Joyce were appointed.

In October 2020 Mounterowen (a company controlled by the current chair, Sean Joyce) provided an additional loan to the Company of \$41,630.

In October 2020, the Company reached agreement with certain wholesale investors to subscribe for, and issue, 2,633,451 fully paid ordinary shares for \$52,669. The shares were issued on 13 November 2020.

On 20 October 2020, the Company changed its name to Goodwood Capital Limited.