

GOODWOOD CAPITAL LIMITED

Interim Financial Statements

For the six months ended 30 September 2021

Interim Financial Report

For the six months ended 30 September 2021

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26 November 2021

During the course of the 6 month period ended 30 September 2021, the following material events have occurred:

- Mounterowen Limited (Mounterowen) (a company controlled by director Sean Joyce) has continued to support the Company. To date, during the financial year ending 31 March 2022 Mounterowen has provided further unsecured loan advances to the Company amounting to \$90,000. These advances have been applied towards funding the ongoing costs associated with the Company maintaining its listing on the NZX Main Board.
- The Company issued 720,000 new shares at an issue price of \$0.02 per share to raise \$14,400 in aggregate. These funds were raised to assist funding the Company's ongoing working capital requirements.

Half Year Result for the six month period ended 30 September 2021

The financial result for the Company for the six month period ended 30 September 2021 is a loss after taxation of NZ\$89,258 which is largely due to costs associated with maintaining an NZX listing, directors fees, and accounting and administration costs.

Going Forward

The Board is actively looking to identify a suitable business opportunity to invest in and/or acquire through a reverse takeover transaction (RTO). Discussions have been had with potential acquisition targets to date, but so far none of those discussions have developed into a tangible transaction.

What is an RTO?

An RTO is a transaction structured such that the Company would acquire 100% of the business assets, or the shares in the company that owns the business assets, in consideration for the payment of cash and/or the issue of new shares in the Company, to the vendors, to fund the acquisition.

The new business acquired would then effectively become a subsidiary of the Company (the listed company), trading on the NZX Main Board. The stakeholders in the business acquired, would become shareholders in the Company as part of the RTO, and would have representation at the Board level as appropriate.

In conjunction with the RTO process, the Company would seek to raise additional growth capital to assist in funding the future growth of the business.

Investment Criteria

The Board is focusing on business opportunities that satisfy one or more of the following investment criteria:

- The business has excellent personnel and management
- The business operates in an attractive and positive business sector
- The business has a robust business model
- The business has solid historical earnings, or alternatively has a sound business platform from which to implement its business plan and generate strong earnings in the future;

- The business owns proprietary intellectual property
- The business has potential to grow organically, via acquisition, or through the further investment in capital plant
- The business has the potential to scale internationally
- The business would benefit from being able to raise additional capital on the market
- Is likely to generate superior returns for the Company and its existing shareholders

The Board continues to investigate all credible investment opportunities that present themselves and are hopeful of having a transaction underway during the course of this year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Joyce', written in a cursive style.

Sean Joyce

Chair

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2021

		6 mths ended 30 Sep 2021 (unaudited) NZ\$	6 mths ended 30 Sep 2020 (unaudited) NZ\$
	Note		
Continuing operations			
Revenue		-	-
Administrative expenses	1	(89,416)	(45,285)
Loss before income tax		(89,416)	(45,285)
Income tax benefit		158	-
Loss from continuing operations		(89,258)	(45,285)
Discontinued operations			
Foreign exchange loss		-	(12,196)
Loss from discontinued operations (net of tax)		-	(12,196)
Net loss after taxation attributable to shareholders		(89,258)	(57,481)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		-	12,196
Total comprehensive loss for the period attributable to shareholders		(89,258)	(45,285)
Total comprehensive loss for the period attributable to shareholders			
Continuing operations		(89,258)	(45,285)
Discontinued operations		-	-
		(89,258)	(45,285)
Earnings/(loss) per share from continuing operations:			
- basic and diluted loss per share (NZ\$)	3	(0.0027)	(0.0026)
Earnings/(loss) per share from continuing and discontinued operations:			
- basic and diluted (loss)/earnings per share (NZ\$)	3	(0.0027)	(0.0033)

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 2021

	Note	Share capital NZ\$	Accumulated losses NZ\$	Foreign currency translation reserve NZ\$	Total equity NZ\$
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)
Balance at 1 April 2021 (audited)		12,885,776	(13,031,748)	-	(145,972)
Loss attributable to shareholders of the company		-	(89,258)	-	(89,258)
Issue of ordinary shares	6	14,400	-	-	14,400
Balance at 30 September 2021 (unaudited)		12,900,176	(13,121,006)	-	(220,830)

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 Financial Position

As at 30 September 2021

	Note	30 Sep 2021 (unaudited) NZ\$	31 Mar 2021 (audited) NZ\$
ASSETS			
Current assets			
Cash and cash equivalents		17,110	51,368
Receivables and other current assets		13,827	27,305
Total current assets		30,937	78,673
Non-current assets			
NZX bond		20,000	20,000
Total non-current assets		20,000	20,000
Total assets		50,937	98,673
LIABILITIES			
Current liabilities			
Trade and other payables		11,406	26,582
Total current liabilities		11,406	26,582
Non-current liabilities			
Loan advances (unsecured)	5	260,361	218,063
Total non-current liabilities		260,361	218,063
Total liabilities		271,767	244,645
Net assets		(220,830)	(145,972)
EQUITY			
Share capital	6	12,900,176	12,885,776
Accumulated losses		(13,121,006)	(13,031,748)
Total equity		(220,830)	(145,972)

The financial statements were approved by the Board on 26 November 2021.

Signed on behalf of the Board:



Sean Joyce
Director



Roger Gower
Director

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 2021

	Note	6 mths ended 30 Sep 2021 (unaudited) NZ\$	6 mths ended 30 Sep 2020 (unaudited) NZ\$
Cash flows used in operating activities			
Payments to suppliers		(88,816)	(144)
Income tax refunded		158	-
Net cash used in operations	7	(88,658)	(144)
Cash flows from investing activities			
		-	-
Cash flows from financing activities			
Loan advances received	5.1	40,000	-
Proceeds from issue of share capital	6	14,400	-
Net cash from financing activities		54,400	-
Net decrease in cash and cash equivalents		(34,258)	(144)
Cash and cash equivalents at the beginning of the period		51,368	1,659
Cash and cash equivalents at the end of the period		17,110	1,515

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 2021

A. General Information

These unaudited interim condensed financial statements are for Goodwood Capital Limited (“Goodwood Capital” or “the Company”). The comparative amounts for the six months to 30 September 2020 include the results of the Company’s subsidiary, Snakk Media Pte. Limited (“Snakk Media Pte”). Snakk Media Pte was wound up and removed from the Singapore Companies Register on 16 December 2020.

Goodwood Capital is a limited liability company incorporated and domiciled in New Zealand. Its registered office is at 84 Coates Avenue, Orakei, Auckland.

The Company 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 condensed consolidated financial statements for the six months ended 30 September 2021 have been prepared in accordance with 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.

The interim condensed 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 2021 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 condensed consolidated financial statements are presented in New Zealand dollars.

The interim condensed consolidated financial statements are unaudited. The comparative information as at 31 March 2021 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 and the Company was restored from liquidation on 19 October 2020.

As at 30 September 2021 the Company has reported net liabilities of \$220,830 (31 March 2021: \$145,972). The Company incurred a loss for the 6 months of \$89,258 (6 months ended 30 September 2020: \$45,285 loss)

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.

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 2021 to be appropriate. The Board of Directors has reached this conclusion having regard to circumstances which it considers likely to affect

Condensed Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

the Company during the period of at least one year from the date of approval of these financial statements, 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 financial statements, there will be adequate cash flows available to meet the financial obligations of the Company as they arise. This consideration is made with reference to the following events:

During the year to 31 March 2021, Mounterowen Limited ('Mounterowen') acquired \$248,706 of the Company's debts. Separately, in September and October 2020, Mounterowen also made several loan advances amounting to \$91,931 in aggregate to the Company to assist with costs associated with the application made to the High Court to terminate the liquidation, liquidator's costs, and accounting and administration costs. In July 2021, Mounterowen made an additional loan advanced of \$40,000 to the Company to further assist the Company with meeting its accounting, compliance and administrative costs. On 10 November 2021 the Company entered into an unsecured working capital loan facility agreement with Mounterowen. In accordance with the terms of the agreement, Mounterowen has made available a further funding line of \$200,000 to ensure that the Company is able to meet its financial obligations for at least 12 months from the date of approval of the interim financial statements. The loan becomes repayable when the Company completes a reverse takeover transaction and is repayable either in new shares issued at the same price as the shares issued for the reverse takeover transaction, or in cash, at the discretion of Mounterowen. On 10 November 2021 the Company received an initial loan advance of \$50,000 under this loan facility.

Mounterowen is a company controlled by the Chairman of the Goodwood Capital board, Sean Joyce. Mounterowen has provided an undertaking to the Company that, during the period of 12 months from the date of the approval of the Company's 2021 interim financial statements:

1. it 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;
2. it will not seek to enforce the debt owed to it by the Company (or the balance of the debt as the case may be), 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.

In the Directors' considered view the current available funds, together with the undertakings 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 Company. In the event that the cash flows from continued external support are not sufficient to fund the operating expenses, or the Company 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 Company's ability to continue as a going concern. If the Company 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 Company 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 2021

Notwithstanding the above, if the financial statements were prepared on a basis other than going concern, there would be no material changes to the amounts disclosed. The long-term assets and liabilities would be reclassified to current, but the balances would be unaffected.

Accounting policies

The interim condensed 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 2021. For details of the accounting policies please refer to the 2021 Annual Report.

1. Administrative expenses

	6 mths ended 30 Sep 2021 (unaudited) NZ\$	6 mths ended 30 Sep 2020 (unaudited) NZ\$
Accounting fees	(22,036)	(24,240)
Audit fees	(8,250)	(7,500)
Directors' fees	(36,000)	-
Legal fees	(1,571)	(9,300)
NZX fees	(8,200)	(4,100)
Other expenses	(13,359)	(145)
	(89,416)	(45,285)

2. Segment information

The Company 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.

3. Earnings/(loss) per share

	6 mths ended 30 Sep 2021 (unaudited) NZ\$	6 mths ended 30 Sep 2020 (unaudited) NZ\$
Earnings/(loss) per share:		
- from continuing operations	(0.0027)	(0.0026)
- from discontinued operations	-	(0.0007)
Total earnings/(loss) per share	(0.0027)	(0.0033)

Condensed Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

The earnings and weighted average number of ordinary shares used in the calculation of earnings/(loss) per share are as follows:

	6 mths ended 30 Sep 2021	6 mths ended 30 Sep 2020
Loss from continuing operations (NZ\$)	(89,258)	(45,285)
Loss from discontinued operations (NZ\$)	-	(12,196)
	(89,258)	(57,481)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	33,031,908	17,556,359

At 30 September 2021, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (2020: nil). Accordingly, basic and diluted earnings/(loss) per share are identical for the accounting periods being reported on.

4. Net tangible asset backing

	30 Sep 2021 (unaudited)	31 Mar 2021 (audited)
Net tangible assets/(liabilities) (NZ\$)	(220,830)	(145,972)
Issued shares at balance date	33,409,809	32,689,809
Net tangible assets/(liabilities) per share (NZ\$)	(0.0066)	(0.0045)

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

5. Related party transactions

5.1. Related party loan advances

	30 Sep 2021 (unaudited) NZ\$	31 Mar 2021 (audited) NZ\$
Loan advances from Mounterowen Limited	260,361	218,063
	260,361	218,063

During the year ended 31 March 2021 Mounterowen Limited ('Mounterowen'), a company controlled by the current chair, Sean Joyce, acquired \$248,707 of the debts owed by the Group to third parties, thus becoming the ultimate creditor of the Group.

Separately, in September and October 2020, Mounterowen advanced \$91,931 in aggregate to the Company under two separate loan agreements. The balance payable under these loan agreements incurs interest at a rate of 5% per annum. During the 6 months to 30 September 2021 the interest payable on these loan agreements was \$2,298 (6 months to 30 September 2020: \$nil). The payment of the interest by the Company has been deferred as at this time.

Condensed Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

On 15 December 2020, as part of a capital raising initiative undertaken by the Company, \$125,000 of the loan advance was converted to ordinary share capital. Following this, the total shares held by Mounterowen Limited is 6,249,999.

In July 2021 Mounterowen advanced a further \$40,000 to the Company under a new loan agreement. The balance payable under this loan agreement is not interest bearing.

Mounterowen has provided undertakings to the Company to not seek to enforce the debt currently owed by the Company to it within the period of 12 months from the date of approval of these financial statements (refer Going Concern note on page 8).

5.2. Snakk Media Pty Limited

Snakk Media Pty Limited was previously an uncontrolled subsidiary of the Company and had been recognised as a related party from the date it was deconsolidated from the Group.

At 31 March 2021 \$3,278,276 was receivable from Snakk Media Pty Limited. This balance was not considered recoverable and had been fully provided for. Snakk Media Pty Limited has now been deregistered and this receivable and the related provision have now been written off, with no net impact to the net loss in the current period.

6. Share capital

	No. of shares	NZ\$
Ordinary shares at 1 April 2020 (audited)	17,556,359	12,583,107
Ordinary shares issued during the period	-	-
Ordinary shares as at 30 September 2020 (unaudited)	32,689,809	12,583,107
Ordinary shares at 1 April 2020 (audited)	17,556,359	12,583,107
Ordinary shares issued during the period	15,133,450	302,669
Ordinary shares as at 31 March 2021 (audited)	32,689,809	12,885,776
Ordinary shares at 1 April 2021 (audited)	32,689,809	12,885,776
Ordinary shares issued during the period	720,000	14,400
Ordinary shares as 30 September 2021 (unaudited)	33,409,809	12,900,176

Condensed Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

7. Reconciliation operating cash flows

	6 mths ended 30 Sep 2021 (unaudited) NZ\$	6 mths ended 30 Sep 2020 (unaudited) NZ\$
Net loss attributable to shareholders	(89,258)	(57,481)
Adjustments for:		
Effect of foreign exchange rates	-	12,196
Payables settled through related party loan advances	2,298	307,587
	(86,960)	262,302
Movements in working capital		
Decrease/(increase) in receivables and other current assets	13,478	(19,982)
(Decrease)/increase in trade and other payables	(15,176)	(242,464)
Net cash used in operations	(88,658)	(144)

8. Contingent liabilities

There are no contingent liabilities as at 30 September 2021 (30 September 2020: nil).

9. Commitments

There are no commitments as at 30 September 2021 (30 September 2020: nil)

10. Events subsequent to interim balance date

On 10 November 2021 the Company entered into an unsecured working capital loan facility agreement with Mounterowen. In accordance with the terms of the agreement, Mounterowen has made available a funding line of \$200,000. Interest will accrue at 5% p.a. on advances made under the facility. The loan becomes repayable when the Company completes a reverse takeover transaction and is repayable either in new shares issued at the same price as the shares issued for the reverse takeover transaction, or in cash, at the discretion of Mounterowen. On 10 November 2021 the Company received an initial loan advance of \$50,000 from Mounterowen under this loan facility.

There are no other subsequent events after the reporting date.