

GOODWOOD CAPITAL LIMITED

Condensed Interim Financial Statements

For the six months ended 30 September 2022

Condensed Interim Financial Statements

For the six months ended 30 September 2022

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23 November 2022

Dear Shareholder

Acquisition of WasteCo Holdings NZ Limited

As previously advised to shareholders, the goal of the Board has been to find a suitable business to acquire and effectively “reverse list” into the Company.

You will have all received by now a copy of the materials that have been sent out to you to support the proposed acquisition of 100% of the shares on issue in WasteCo Holdings NZ Limited (“WasteCo”) by the Company.

The Board is seeking shareholder approval for the implementation of a significant operational and capital restructure which has been negotiated and endorsed by the Board of the Company relating to the conditional acquisition of WasteCo which was announced to the market on 26 April 2022, subject to shareholder approval.

WasteCo operates a diversified waste, refuse and industrial services business with operations in Christchurch, Ashburton, Timaru, Oamaru, Dunedin and Balclutha through six subsidiaries.

The proposed restructure of GWC can be best described as a reverse takeover transaction, often referred to as an “RTO”. The in-substance commercial effect of the restructure is that GWC would acquire WasteCo in consideration for the issue of 504 million new GWC shares to the existing shareholders of WasteCo. In conjunction with the acquisition of WasteCo, GWC would also issue an additional 170,636,073 new GWC shares to a number of third parties, including financial investors into WasteCo, new investors into GWC, and to Mounterowen Limited. The details of these various allotments of GWC shares are referred to in the Notice of Special Meeting sent out to shareholders recently.

Board recommendation

The WasteCo business operations are both profitable and are experiencing year on year growth since the date of their inception.

WasteCo is led by a team of passionate and experienced executives committed to the ongoing growth and success of the business.

The Board considers that the acquisition of WasteCo Holdings NZ Limited and the collateral capital raising represents an exciting opportunity for the Company and its shareholders and strongly recommends that all shareholders read the Profile, the Independent Advisor’s Report and Appraisal Report that have been made available to all shareholders.

The Board of Goodwood Capital Limited is very pleased to present the WasteCo Acquisition to shareholders for their consideration. We encourage shareholders to approve all of the resolutions at the Special Meeting.

Half Year Result for the six-month period ended 30 September 2022

The financial result for the Company for the six-month period ended 30 September 2022 is a loss after taxation of NZ\$220,161 which is largely due to costs associated with maintaining an NZX listing, directors fees, accounting and administration costs and costs associated with the WasteCo Holdings NZ Limited transaction.

Yours sincerely

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

Sean Joyce
Chair

Statement of Comprehensive Income

For the six months ended 30 September 2022

		6 mths ended 30 Sep 2022 (unaudited) NZ\$	6 mths ended 30 Sep 2021 (unaudited) NZ\$
Revenue		-	-
Administrative expenses	3	(213,386)	(87,118)
Interest expense		(6,781)	(2,298)
Loss before income tax		(220,167)	(89,416)
Income tax benefit		-	158
Loss for the period attributable shareholders		(220,167)	(89,258)
Total comprehensive loss for the period attributable to shareholders		(220,167)	(89,258)
Earnings/(loss) per share from continuing operations:			
- basic and diluted loss per share (NZ\$)	5	(0.0165)	(0.0068)

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.

Statement of Changes in Equity

For the six months ended 30 September 2022

	Note	Share capital NZ\$	Accumulated losses NZ\$	Total equity NZ\$
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	7	14,400	-	14,400
Balance at 30 September 2021 (unaudited)		12,900,176	(13,121,006)	(220,830)
Balance at 1 April 2022 (audited)		12,900,176	(13,200,155)	(299,979)
Loss attributable to shareholders of the company		-	(220,167)	(220,167)
Balance at 30 September 2022 (unaudited)		12,900,176	(13,420,322)	(520,146)

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.

Statement of Financial Position

As at 30 September 2022

	Note	30 Sep 2022 (unaudited) NZ\$	31 Mar 2022 (audited) NZ\$
ASSETS			
Current assets			
Cash and cash equivalents		13,628	14,413
Receivables and other current assets		15,218	4,460
Total current assets		28,846	18,873
Non-current assets			
NZX bond		20,000	20,000
Total non-current assets		20,000	20,000
Total assets		48,846	38,873
LIABILITIES			
Current liabilities			
Trade and other payables		28,510	25,151
Total current liabilities		28,510	25,151
Non-current liabilities			
Loan advances (unsecured)	6	540,482	313,701
Total non-current liabilities		540,482	313,701
Total liabilities		568,992	338,852
Net assets		(520,146)	(299,979)
EQUITY			
Share capital	7	12,900,176	12,900,176
Accumulated losses		(13,420,322)	(13,200,155)
Total equity		(520,146)	(299,979)

The financial statements were approved by the Board on 23 November 2022.

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.

Statement of Cash Flows

For the six months ended 30 September 2022

	6 mths ended 30 Sep 2022 (unaudited) NZ\$	6 mths ended 30 Sep 2021 (unaudited) NZ\$
Cash flows used in operating activities		
Payments to suppliers	(220,785)	(88,816)
Income tax refunded	-	158
Net cash used in operations	(220,785)	(88,658)
	8	
Cash flows from investing activities	-	-
Cash flows from financing activities		
Loan advances received	220,000	40,000
Proceeds from issue of share capital	-	14,400
Net cash from financing activities	220,000	54,400
	6.1	
	7	
Net decrease in cash and cash equivalents	(785)	(34,258)
Cash and cash equivalents at the beginning of the period	14,413	51,368
Cash and cash equivalents at the end of the period	13,628	17,110

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 Interim Financial Statements

For the six months ended 30 September 2022

1. General Information

These unaudited condensed interim financial statements are for Goodwood Capital Limited (“Goodwood Capital” or “the Company”).

Goodwood Capital is a limited liability company incorporated and domiciled in New Zealand.

The Company is currently non trading. There are no seasonal or cyclical influences on these interim results.

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

These unaudited condensed interim financial statements for the six months ended 30 September 2022 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 interim 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 condensed interim 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 2022 which have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and International Financial Reporting Standards (“IFRS”).

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

The condensed interim financial statements are unaudited. The comparative information as at 31 March 2022 is audited.

2.2. Going concern

The Company ceased its business operations in December 2018 and was placed into liquidation on 14 March 2019. Subsequently, 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 2022 the Company has reported net liabilities of \$520,146 (31 March 2022: \$299,979). The Company incurred a loss for the 6 months of \$220,167 (6 months ended 30 September 2021: \$89,258 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 2022 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 the date of approval of these financial

Condensed Notes to the Interim Financial Statements

For the six months ended 30 September 2022

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 \$248,707 of the Group's debts. Separately, during that year, the Company received several loan advances from Mounterowen, amounting to \$91,930 in aggregate.

In July 2021 the Company received an additional loan advance of \$40,000 from Mounterowen.

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 made available a funding line of \$200,000. Interest accrues 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. In November 2021 the Company received an initial loan advance of \$50,000 from Mounterowen under this loan facility, with further advances of \$50,000 received in April 2022 and \$100,000 in June 2022.

In addition, the Company received further loans from Mounterowen of \$70,000 in August 2022, \$20,000 in October 2022 and \$62,000 in November 2022, on similar terms to the working capital loan facility agreement.

The funding is used to assist with costs associated with activities relating to the reverse listing opportunity, maintaining an NZX listing, directors' fees, and accounting and administration costs.

Mounterowen is a company controlled by the Chairman of the Goodwood Board, Sean Joyce.

Mounterowen has provided undertakings to the Company that:

1. it intends to capitalise \$531,803 of the indebtedness owed by the Company to Mounterowen into 10,636,073 new shares in the Company should the reverse takeover transaction involving WasteCo Holdings NZ Limited ("RTO") complete (refer note 10.1);
2. the balance of any indebtedness owed by the Company to Mounterowen will be repaid to Mounterowen by the Company in cash from the funds raised by the Company from the placement of new shares contemplated by the RTO, should the RTO complete;
3. in the event that the RTO does not complete, then Mounterowen will not seek to enforce the debt owed to it by the Company within the period of 12 months from the date of approval of these half year financial statements;
4. in the event that the RTO does not proceed, it will not seek to enforce the debt (or the balance of the debt as the case may be) owed to it by the Company 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
5. it will not assign any part of the debt to any third party without first obtaining from the third party and delivering to Goodwood, a written undertaking (which will be enforceable by Goodwood against the third party) that the third party will honour Mounterowen's undertakings as set out in paragraphs 3 and 4 above.

In addition, Sean Joyce has provided a personal undertaking to the Company that should the RTO not proceed, then he shall provide all reasonable financial support to the Company so as to ensure that the

Condensed Notes to the Interim Financial Statements

For the six months ended 30 September 2022

Company meets its obligations under the solvency test at section 4 of the Companies Act 1993 for at least 12 months from the date of approval of these interim financial statements.

On 24 April 2022 the Company entered into a reverse listing agreement with Wasteco Holdings NZ Limited ('Wasteco'). The transaction is subject to approval by the Company's shareholders. If the transaction completes:

- \$531,803 of the principal indebtedness of the Company to Mounterowen (anticipated to be circa \$650,000 as at the date of the completion of the transaction) will be capitalised into 10,636,073 fully paid ordinary shares at an issue price of NZ\$0.05 per share. This will extinguish the Company's principal indebtedness and ensure that the Company is largely debt free, with the exception of an outstanding balance owing to Mounterowen and certain trade payables incurred in the ordinary course of business immediately prior to completion of the transaction; and
- the Company will undertake a capital raising to raise \$4 million of new capital through the issue of fully paid ordinary shares to wholesale investors.

The transaction is subject to approval by the Company's shareholders at a special shareholders meeting to be held on 5 December 2022.

The Board considers the Company's current funding arrangements will be sufficient to meet most, if not all, of its cash requirements up until completion of the reverse listing transaction, and that further interim funding will be available should it be required.

The Board of Directors acknowledge that there are uncertainties with respect to the going concern of the Company. In the event that the Wasteco reverse listing transaction does not complete and that cash flows from continued external support are not sufficient to fund ongoing operating expenses, 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 Statement of Financial Position. In addition, the Company may have to provide for further liabilities that might arise in the Statement of Financial Position.

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.

2.3. Accounting policies

The condensed interim 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 2022. For details of the accounting policies please refer to the 2022 Annual Report.

Condensed Notes to the Interim Financial Statements

For the six months ended 30 September 2022

3. Administrative expenses

	6 mths ended 30 Sep 2022 (unaudited) NZ\$	6 mths ended 30 Sep 2021 (unaudited) NZ\$
Accounting fees	(13,580)	(22,036)
Audit fees	(8,350)	(8,250)
Directors' fees	(36,000)	(36,000)
Legal fees	(58,244)	(1,571)
NZX fees	(18,063)	(8,200)
Consulting and advisory	(62,858)	-
Other expenses	(16,292)	(11,061)
	(213,386)	(87,118)

4. 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.

5. Earnings/(loss) per share

	6 mths ended 30 Sep 2022 (unaudited) NZ\$	6 mths ended 30 Sep 2021 (unaudited) NZ\$
Earnings/(loss) per share:		
- from continuing operations	(0.0165)	(0.0068)

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 2022	6 mths ended 30 Sep 2021
Loss from continuing operations (NZ\$)	(220,167)	(89,258)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share (post adjustment for 2.5 to 1 share consolidation)	13,363,926	13,212,763

On 5 May 2022 the Company undertook a 2.5 to 1 share consolidation. The earnings per share calculation for both the current and comparative periods reflects the impact of this share consolidation.

Condensed Notes to the Interim Financial Statements

For the six months ended 30 September 2022

At 30 September 2022, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (2021: nil). Accordingly, basic and diluted earnings/(loss) per share are identical for the accounting periods being reported on.

6. Related party transactions**6.1. Related party loan advances**

	30 Sep 2022 (unaudited)	31 Mar 2022 (audited)
	NZ\$	NZ\$
Loan advances from Mounterowen Limited	540,482	313,701
	540,482	313,701

During the 6 months to 30 September 2022 the Company received additional working capital loans of \$220,000 (6 months to 30 September 2021: \$40,000) from Mounterowen Limited ('Mounterowen'), a company controlled by the current chair, Sean Joyce.

During the 6 months to 30 September 2022 the interest payable on these loan advances was \$6,781 (6 months to 30 September 2021: \$2,298). The payment of the interest by the Company has been deferred at this time.

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 should the RTO referred to in note 2.2 not proceed (refer note 2.2: Going Concern).

6.2. Directors' remuneration

	6 mths ended 30 Sep 2022 (unaudited)	6 mths ended 30 Sep 2021 (unaudited)
	NZ\$	NZ\$
Directors fees		
A Cooper	12,000	12,000
R Gower	12,000	12,000
S Joyce	12,000	12,000
Total remuneration of directors	36,000	36,000

A Cooper's director fees are invoiced by Agile Projex, a business that he controls. R Gower's director fees are invoiced by Roger Gower and Associates Limited. R Gower is the sole director and a shareholder of Roger Gower and Associates Limited. S Joyce's director fees are invoiced by Mounterowen Limited. S Joyce is the sole director and shareholder of Mounterowen Limited.

6.3. Related party transactions

During the 6 months ended 30 September 2022 the Company paid \$43,000 for professional services relating to the WasteCo RTO restructure to Corporate Counsel, an entity owned and controlled by S Joyce (6 months ended 30 September 2021: nil).

At 30 September 2022 the accounts payable balance included \$3,450 payable to Corporate Counsel (31 March 2022: \$3,450).

Condensed Notes to the Interim Financial Statements

For the six months ended 30 September 2022

7. Share capital

	No. of shares	NZ\$
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 at 30 September 2021 (unaudited)	33,409,809	12,900,176
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 at 31 March 2021 (audited)	33,409,809	12,900,176
Ordinary shares at 1 April 2022 (audited)	33,409,809	12,900,176
2.5 for 1 share consolidation	(20,045,882)	-
Ordinary shares as 30 September 2022 (unaudited)	13,363,927	12,900,176

8. Reconciliation operating cash flows

	6 mths ended 30 Sep 2022 (unaudited) NZ\$	6 mths ended 30 Sep 2021 (unaudited) NZ\$
Net loss attributable to shareholders	(220,167)	(89,258)
Adjustments for:		
Interest on related party advances	6,781	2,298
	(213,386)	(86,960)
Movements in working capital		
Decrease/(increase) in receivables and other current assets	(10,758)	13,478
(Decrease)/increase in trade and other payables	3,359	(15,176)
Net cash used in operations	(220,785)	(88,658)

9. Contingent liabilities

There are no contingent liabilities as at 30 September 2022 (30 September 2021: nil).

Condensed Notes to the Interim Financial Statements

For the six months ended 30 September 2022

10. Commitments

10.1. Conditional reverse listing agreement

On 24 April 2022 the Company entered into a reverse listing agreement with WasteCo Holdings NZ Limited ('WasteCo'), a diversified waste, refuse and industrial services business.

The transaction is subject to approval by the Company's shareholders at a special shareholders meeting to be held on 5 December 2022.

The in-substance commercial effect of the restructure is that the Company will acquire 100% of WasteCo in consideration for the issue of 504 million new Goodwood shares to the existing shareholders of WasteCo. In conjunction with the acquisition of WasteCo, Goodwood would also issue an additional 170,636,073 new shares to a number of third parties, including financial investors into WasteCo, new investors into Goodwood and to Mounterowen Limited.

The transaction agreed between the parties values Wasteco at \$29.2 million, whilst the listed shell of Goodwood has been valued at circa \$1.2 million (post the capitalisation of the existing indebtedness of the Company to Mounterowen Limited).

If the transaction completes, the purchase price will be settled by the issue of 504 million fully paid ordinary shares in the Company to WasteCo's existing shareholders at an issue price of NZ\$0.05 per share as consideration for all of the shares in WasteCo. In addition, the Company will issue 80,000,000 fully paid ordinary shares to the holders of \$4 million of mandatory convertible notes previously issued by WasteCo.

In conjunction with the completion of the reverse listing transaction, \$531,803 of the indebtedness owed by the Company to Mounterowen (expected to amount to circa \$650,000 by the date of the completion of the transaction) shall be capitalised into 10,636,073 fully paid ordinary shares at an issue price of NZ\$0.05 per share. This initiative will extinguish the Company's principal indebtedness, and ensure that the Company is largely debt free, with the exception of an outstanding balance owing to Mounterowen and certain trade creditors incurred in the ordinary course of business immediately prior to completion of the transaction.

The Company will also undertake a capital raising initiative to raise \$4 million of new capital through the issue of 80 million fully paid ordinary shares to wholesale investors (as defined in the Financial Markets Conduct Act 2013) at an issue price of \$0.05 per share to raise additional new capital for the Company post completion of the transaction.

There were no commitments as at 30 September 2021.

11. Events subsequent to reporting date

Mounterowen made further loan advances to the Company of \$20,000 on 10 October 2022 and \$62,000 on 23 November 2022, on the same terms as previous loan advances.

On 16 November 2022 the Company announced a special meeting of shareholders to be held on 5 December 2022 to approve the proposed reverse listing transaction (refer note 10.1).

Company number	3202682
Incorporated	20 November 2010
Registered office	84 Coates Avenue Orakei Auckland
Share register	Link Market Services Limited PO Box 91976, Auckland 1142 Phone: 09 3755999
Auditor	Baker Tilly Staples Rodway Tower Centre, 45 Queen Street Auckland 1010, New Zealand
Solicitors	Chapman Tripp Level 34, PwC Tower 15 Customs Street West Auckland, 1010
Bankers	ANZ Bank Limited Auckland
Board of Directors	S Joyce A Cooper R Gower