

Charter Management opportunities on the French Inland Waterways with Linssen France and France Afloat



Linssen 35.0AC

Introduction

Linssen France, France Afloat and France Fluviale are trading names of a French limited company, Burgundy Cruisers S.A.R.L. This company has been operating boats on the inland waterways of France since 1979.

In essence Charter Management gives you the opportunity to own a boat in France, to enjoy annual holidays on this boat and to be safe in the knowledge that not only are there no running costs for the vessel, but that you will also be receiving an income from your investment.

Linssen France and France Afloat only accept suitable vessels from the Linssen Yachts range and the EuroClassic range and have been operating this programme with Linssen since 2008. This document explains the principles of the scheme and is applicable to both the EuroClassics and the Linssens. The examples cover the Linssen Yachts and if you would like financial details for the EuroClassics please contact us.

Equipping the boat is at our expense; we will provide all the bedding, towels, galley equipment, crockery, cutlery, glassware and life-jackets

The Charter Management programme offers four weeks owners use in the season. You may chose, four consecutive weeks, four separate weeks or any combination of multiples of 7-day periods. For the rest of the year we will look after everything.

Below you will find a simulation of the figures generated by this programme based on four different Linssen models. Simulations for other suitable Linssen motor yachts are available on request.

You will see that the income can represent a return of around 4.5% on the price of the vessel. If the running costs associated with boat ownership (insurance, Vignette, maintenance and mooring fees) are taken into account, then this increases to approximately 7.5%. Thereafter, if you add the value of the 4 weeks use, the return can attain an impressive 11%.

It is also reasonable to expect an increase in the hire fees, as well as in the overheads involved in the running costs incurred by France Afloat. These increases will result in an increase in your income and in the contract value.

You may choose the duration of the contract between 3 and 10 years. The contract may be renewed or extended up to a maximum total duration of ten years. That means that the total value of the contract over the maximum duration may exceed the purchase price of the boat.

Income

The tables at the end are intended to illustrate the potential earnings and sponsorship income of the more popular models of Linssen Yachts over a 5 year period.

The figures are based on the brochure prices for 2018. The calculations reflect the averages attained by similar boats (the Linssen GS 33.9AC and 34.9AC) since their availability; they also assume that the boat has been available throughout the charter season. The final figure is calculated after deduction of French VAT (currently at 20%).

Holidays

You will have four week's use of the boat for your holidays, free of hire charge, with your choice of the number of week long periods. So you may choose any permutation of week-long periods (four consecutive weeks, two fortnights, a fortnight plus two separate weeks etc.) within your allocation of four weeks. Your week's holidays are not fixed during the duration of the contract (as they would be under a time-share contract), you may reserve your choice of weeks every year.

The calculation below reflects 4 weeks usage in period C.

Your holiday usage is intended for the use by you and your immediate family. You may not sub-let your boat.

During the winter months (November to March) you may use your boat as a static holiday home, unless the boat is required for maintenance.

Costs

All the costs associated with the normal operating of the boat, as a holiday hire boat, are at our cost. Included in these costs are: the boat's equipment (bedding, towels, crockery, cutlery, pots and pans), insurance, annual vignette, mooring in one of France Afloat's marinas and general maintenance (this includes painting, taking the boat out of the water to control the anodes and to re-do the antifouling).

The costs incurred by the owner are a turn-round fee of €200 per period of holiday use, the cost of consumables during the owners use (approximately €200 per week, according to the engine hours) and any improvements or modifications to the boat that may be required.

Depreciation

We only accept steel motor boats under our charter management programme – a material already associated with quality and longevity. It is clear that steel boats retain their value far more than those made of fibreglass. A steel boat does not suffer from osmosis or become brittle following exposure to the sun (ultraviolet light) as does a fibreglass boat.

Linssen Classic Sturdy 32AC



Canal du Midi



Buying your Linssen Yacht for Charter Management

Here is a sample pricing in Euros for a Linssen 35.0AC with a “charter specification” :

| Spécification Linssen Grand Sturdy 35.0AC | Price ex VAT |
|--|---------------------|
| Linssen Grand Sturdy 35.0AC base price | €235,000.00 |
| Teak on the aft deck | €11,875.00 |
| Battery charger/invertor 12V/220V 100A/2200W and two extra service batteries | €1,945.00 |
| Shower in the aft cabin | €9,240.00 |
| Boat name, home port and registration on the hull | €375.00 |
| Bimini on the aft deck | €3,285.00 |
| | |
| Minimum charter specification ex vat | €261,720.00 |

Boat finance

Linssen France can recommend financing your boat purchase.

Either via a French Marine leasing plan referred to as L.O.A. (Location avec Option d'Achat) Marine, commonly known as “French Leasing”. Several major French banks propose this scheme under the names Marin Azur, Lixxbail, CGMer or April Marine. To be able to apply for an L.O.A. contract, you require an address in France, a French bank account and the boat to be registered in France. An L.O.A. contract over the minimum authorized contract period can allow you to reduce your French VAT obligation.

Obviously, any finance scheme is subject to a satisfactorily completed application form.

Contract Period

The period can be between 3 and 10 years. During the period of the contract one can expect the charter prices to increase, the value of your holidays to increase and the value of the services that we provide to also increase. All that does is increase the value of the contract and the return on your investment.

Conclusion

Nearly everybody would love to have their cake and eat it, but it is not always easy!

Were you to invest the same amount of money required to buy one of these fabulous Linssen Yachts, you may well find an interest rate of around 4%. But you are unlikely to enjoy your investment. Eventually your investment may well earn you sufficient interest to be able to afford 4 weeks hire on a Linssen Yacht. So all you have is your investment and your concerns.

But if you invest in a steel motor yacht under a Charter Management contract with France Afloat, it is possible to have your cake and eat it !

Your motor yacht would earn you an income of around 5%; you would be able to take your holidays on board your boat without paying hire fees; your boat will be looked after and maintained by a well-established professional, without you incurring costs; you can sleep soundly knowing that it is in the interests of France Afloat to maximize the income of your boat. After all that, you would still be left with your investment in the form of your motor yacht.

You have your cake and you may eat it!

Contact

For more information on the purchase of your motor yacht through the charter management programme with France Afloat, contact Mike Gardner-Roberts on mjgr@orange.fr or by telephone on 0033 6 32 64 57 08 if phoning from outside France, or 0632645708 if calling from a French phone.

Intérieur Linssen 35.0AC



Linssen 35.0AC



Value estimations of a Charter Management contract

Linssen Grand Sturdy 35.0AC

Linssen 35.0AC Owner's income estimation

| Tariff Periods (1) | Price (2) | Reservations (3) | Revenue (4) | Ex VAT (5) |
|--------------------|-----------|------------------|-----------------|-----------------|
| A | 2,050 € | 1 | 1,845 € | 1,538 € |
| B | 2,400 € | 1 | 2,160 € | 1,800 € |
| C | 2,700 € | 3 | 7,290 € | 6,075 € |
| D | 2,900 € | 12 | 31,320 € | 26,100 € |
| C | 2,700 € | 1 | 2,430 € | 2,025 € |
| B | 2,400 € | 1 | 2,160 € | 1,800 € |
| A | 2,050 € | 1 | 1,845 € | 1,538 € |
| Total | | 20 | 49,050 € | 40,875 € |

| | |
|------------------------------------|-----------------|
| 30% Commission to the owner | 12,263 € |
|------------------------------------|-----------------|

Value of Owner's use

| Tariff Periods (1) | Price (2) | Number of weeks | Total |
|--------------------|-----------|-----------------|-----------------|
| A | 2,050 € | 0 | 0 € |
| B | 2,400 € | 0 | 0 € |
| C | 2,700 € | 2 | 5,400 € |
| D | 2,900 € | 2 | 5,800 € |
| Total | | 4 | 11,200 € |

Linssen 35.0AC annual costs

| Insurance | Vignette | Moorings | Maintenance | Total |
|-----------------------|----------|----------|-------------|------------|
| 1,632 € | 750 € | 1,902 € | 2,500 € | 6,784 € |
| Costs to Owner | | | | € 0 |

Linssen 35.0AC annual valuation estimation

| Revenue | Holidays | Annual costs | Total |
|----------------------------|----------|--------------|------------------|
| 12,263 € | 11,200 € | 6,784 € | 30,247 € |
| Value after 7 years | | | 211,726 € |

Linssen 30.9AC & Linssen 290AC

Linssen 30.9AC Owner's income estimation

| Tariff periods (1) | Price (2) | Reservations (3) | Revenue (4) | Ex VTA (5) |
|--------------------|-----------|------------------|-----------------|-----------------|
| A | 1,600 € | 1 | 1,440 € | 1,200 € |
| B | 1,850 € | 1 | 1,665 € | 1,388 € |
| C | 2,100 € | 3 | 5,670 € | 4,725 € |
| D | 2,300 € | 12 | 24,840 € | 20,700 € |
| C | 2,100 € | 1 | 1,890 € | 1,575 € |
| B | 1,850 € | 1 | 1,665 € | 1,388 € |
| A | 1,600 € | 1 | 1,440 € | 1,200 € |
| Total | | 20 | 38,610 € | 32,175 € |

| | |
|--------------------------------|----------------|
| 30% commission to owner | 9,653 € |
|--------------------------------|----------------|

Value of Owner's use

| Tariff periods (1) | Price (2) | Number of weeks | Total |
|--------------------|-----------|-----------------|----------------|
| A | 1,600 € | 0 | 0 € |
| B | 1,850 € | 0 | 0 € |
| C | 2,100 € | 2 | 4,200 € |
| D | 2,300 € | 2 | 4,600 € |
| Total | | 4 | 8,800 € |

Linssen 30.9AC annual costs

| Insurance | Vignette | Moorings | Maintenance | Total |
|-----------------------|----------|----------|-------------|----------------|
| 1,100 € | 650 € | 1,559 € | 2,500 € | 5,809 € |
| Costs to owner | | | | € 0 |

Linssen 30.9AC annual valuation estimation

| Revenue | Holidays | Annual costs | Total |
|----------------------------|----------|--------------|------------------|
| 9,653 € | 8,800 € | 5,809 € | 24,262 € |
| Value after 7 years | | | 169,831 € |

Linssen Classic Sturdy 32AC

Linssen Classic Sturdy 32AC Owner's income estimation

| Tariff periods (1) | Price (2) | Reservations (3) | Revenue (4) | Ex VAT (5) |
|--------------------|-----------|------------------|-----------------|-----------------|
| A | 1,950 € | 1 | 1,755 € | 1,463 € |
| B | 2,250 € | 1 | 2,025 € | 1,688 € |
| C | 2,550 € | 3 | 6,885 € | 5,738 € |
| D | 2,850 € | 12 | 30,780 € | 25,650 € |
| C | 2,550 € | 1 | 2,295 € | 1,913 € |
| B | 2,250 € | 1 | 2,025 € | 1,688 € |
| A | 1,950 € | 1 | 1,755 € | 1,463 € |
| Total | | 20 | 47,520 € | 39,600 € |

| | |
|--------------------------------|-----------------|
| 30% Commission to owner | 11,880 € |
|--------------------------------|-----------------|

Value of Owner's use

| Tariff periods (1) | Price (2) | Number of weeks | Total |
|--------------------|-----------|-----------------|-----------------|
| A | 1,950 € | 0 | 0 € |
| B | 2,250 € | 0 | 0 € |
| C | 2,550 € | 2 | 5,100 € |
| D | 2,850 € | 2 | 5,700 € |
| Total | | 4 | 10,800 € |

Linssen CS 32AC annual costs

| Insurance | Vignette | Moorings | Maintenance | Total |
|-----------------------|----------|----------|-------------|----------------|
| 1,450 € | 750 € | 1,872 € | 3,000 € | 7,072 € |
| Costs to owner | | | | 0 € |

Linssen CS 32AC annual valuation estimation

| Revenue | Holidays | Annual costs | Total |
|----------------------------|----------|--------------|------------------|
| 11,880 € | 10,800 € | 7,072 € | 29,752 € |
| Value after 7 years | | | 208,264 € |

Notes :

- 1) Periods according to the France Fluviale tariff 2019.
- 2) Prices for 2019.
- 3) Examples : since the introduction of the Linssen 29.9AC in 2008, this boat has

- worked an average of 25 weeks per charter season. In 2013 the CS 32AC also worked for 25 weeks and for the 2018 season, the 35.0AC worked 25 weeks.
- 4) In the event of 10% discount or agent commission on every booking.
 - 5) French VAT at 20% is deducted.

Current used Linssen Yachts owned by Linssen France for sale under this Charter Management scheme.

We can offer you the chance to purchase one of these used Linssens currently in our hire fleet. This will enable you to use your boat for the remainder of the 2019 season and start benefiting from the scheme from the day you become the owner. As we do not alter the charter tariffs of the boats according to their age, these boats would earn the same as a new boat. However, they will cost you less than a new boat and so your return on investment percentage is greater.

We currently have possibilities of boats on the Canal du Midi and in Burgundy :

| <u>Second hand Linssen – Burgundy</u> | |
|--|--------------------|
| Grand Sturdy 33.9 Sedan - Ilse – 2009 | |
| Engine hours : | 1050 |
| Price inclusive of VAT | |
| | €155 000.00 |

| <u>Second hand Linssen – Canal du Midi</u> | |
|---|--------------------|
| Classic Sturdy 32 AC - Ringo – 2015 | |
| Engine hours : | 2800 |
| Price inclusive of VAT | |
| | €200 000.00 |

| <u>Second hand Linssen – Burgundy</u> | |
|---|--------------------|
| Grand Sturdy Linssen 290 AC - Ziggy - 2017 | |
| Engine hours : | 780 |
| Price inclusive of VAT | |
| | €225 000.00 |

| <u>Second hand Linssen – Burgundy</u> | |
|--|--------------------|
| Grand Sturdy Linssen 34.9 AC - Mokum - 2014 | |
| Engine hours : | 2200 |
| Price inclusive of VAT | |
| | €214 800.00 |