



The yacht owner's ideal solution to beating the credit crunch

Yacht Charter Management Scheme 2012

Keep your yacht, drop your overheads

In an environment where personal expenditure is at the forefront of many minds, Yacht Charter Management offers an attractive option to yacht owners who wish to off set their costs, whilst continuing to enjoy sailing when they want.

Hot Liquid Sailing is an established RYA Sea School with bases in Southampton and Gibraltar. We instruct thousands of individuals each year using both our own yachts and those we manage. By chartering your yacht to Hot Liquid Sailing you will discover a cost effective way of retaining your ownership and have the peace of mind that your investment is being professionally maintained, alleviating the worries and commitments of private ownership.

Arranging for your yacht to be chartered is a straightforward process although we appreciate that you will have further questions regarding your particular yacht and we'd be delighted to discuss your individual requirements. For more information on the advantages of Hot Liquid Yacht Charter Management, please contact us on 02380 211914 or info@hotliquid.co.uk.

HOT LIQUID SAILING LTD

Shamrock Quay Marina, William Street, Southampton, Hampshire, SO14 5QL

T: 02380 211914 F: 02380 211915

E: info@hotliquid.co.uk www.hotliquid.co.uk

Company Registration No. 623365 VAT No. 895 6255 71



Yacht Charter Management Scheme 2012

Owners Information

Our policy is to provide a professional yacht charter management service and we are committed to ensuring yachts under our management obtain a maximum revenue alongside a high standard of maintenance and care. We do this in a way that is simple to apply and straightforward to manage for all parties.

Hot Liquid Sailing operates from its Solent based marina at Shamrock Quay, Southampton and Queensway Quay in Gibraltar. Charter bookings are taken through our central booking office at Shamrock Quay.

Hot Liquid has extensive RYA tuition and cruising client databases, which are continually growing. We extensively market our organisation and teach thousands of individuals each year using both our own yachts and those under our management.

Contract terms and financials

The Yacht Charter Management Scheme agreement with Hot Liquid is on an exclusive basis with an annually renewable contract.

We operate on an industry standard of 60/40 percentage split with the owner receiving 60% of the charter revenue. Hot Liquid will issue a charter schedule at the end of each month detailing the yachts charter income for the month including any maintenance expenses deducted if applicable. Payment to the owner will be made by cheque within the first 7 days of the following month.

The owner will be responsible through our Charter Management Scheme for the following finances:

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- MCA Coding
- Commercial yacht insurance. It is essential that all yachts are insured for commercial use throughout the English Channel area (usually from Brest to Elbe)
- Berthing
- Maintenance (excluding accidental damaged cause whilst on charter)

Berthing

Yachts using our Charter Management Scheme are required to be permanently berthed in Shamrock Quay marina or in Queensway Quay marina in Gibraltar depending upon the contract terms. Easy access is necessary for both customer and Hot Liquid maintenance staff.

Maintenance

Pre and post charter checks are carried out by our maintenance staff to a high standard thus ensuring that your yacht remains in spotless condition. Examples of yachts that have been under our Charter for 3-5 years are available for your inspection along with references from existing and past owners using our charter management scheme.

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The yacht is always checked back and cleaned after charter. The check back procedure comprises of a comprehensive hand over sheet that includes for example the unfurling and lifting of sails, checks on all instrumentation and engine operation. A copy of our check back procedure sheet is available on request.

Regulations

In order to comply with UK Law, all Charter Yachts must be Maritime & Coastguard Agency (MCA) Coded. In essence this means your yacht carries all the necessary safety equipment and is deemed to be a 'safe vessel' by the MCA. The code requires the yacht to pass a stability calculation along with a survey carried out by an appointed Marine Surveyor (purchase surveys are not acceptable).

The coding process is the responsibility of the owner, however Hot Liquid can arrange and manage this work on your behalf if required.

All work would be undertaken by Hot Liquid's maintenance staff and will be carried out with the utmost care for your yacht. All safety equipment is placed as discreetly as possible while adhering to the relevant MCA code.

What does MCA Coding entail?

- 1 All paperwork relating to the SCV1, SCV2, Stability Category Allocation.
- 2 Complete Stability test with full compliment of passengers, crew, safety equipment and stores.
- 3 Write the required Training Manual, which will be specific to the vessel.
- 4 Provide and fit all safety sign writing as required.
- 5 Organise and oversee the necessary skilled professionals to complete work on the mechanics, electrics and the boat building modifications.
- 6 Source and fit all required safety equipment.
- 7 Liaise and meet with the Surveyor for all necessary inspections.

For further information about the MCA Code of Practice for small commercial vessels please contact Hot Liquid or visit their website www.mca.gov.uk.

Livery

We do not insist upon branding our Yachts under Charter Management, seeing this as intrusive upon the owner's enjoyment of their boat.

Summary

We will endeavour to provide you with the maximum return possible whilst ensuring that your yacht remains in excellent condition.

Financial overheads of owning a yacht are significantly reduced with the assistance of regular charter revenue and reduced mooring fees, service parts and chandlery discounts.

We hope you decide to place your yacht with Hot Liquid and will be more than happy to run through the possibilities of charter management in more detail.

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Frequently Asked Questions

Is my yacht suitable?

Popular yachts include: Bavaria's, Jeanneau, Beneteau and Elan. Size ideally 34 – 40ft with 3 cabins.

How much could my yacht earn?

Our existing owners receive around £12 - £18k per annum through chartering.

Will my yacht have to be altered?

It is a requirement that it is Maritime & Coastguard Agency (MCA) Coded. In essence this means your yacht carries all the necessary safety equipment and is deemed to be a 'safe vessel' by the MCA. Hot Liquid Sailing are able to arrange the coding process including the coding survey. The yacht owner is responsible for this cost, although we will ensure you obtain services and equipment at discounted rates.

What happens if my yacht gets damaged?

In the unlikely event of your yacht being damaged or causing damage whilst being chartered by Hot Liquid we will be responsible for the repairs and any necessary insurance claims.

Where will my yacht be kept?

We will arrange for a berth in either Shamrock Quay Marina, Southampton or in Queensway Quay Marina in Gibraltar. If necessary we will either sail your yacht to the agreed location or you can arrange this yourself. The owner is responsible for this cost.

Will my yacht be looked after?

We professionally maintain all the yachts under our care in a pristine manner, after each use your yacht is thoroughly cleaned and we arrange a routine maintenance programme.

Are there any tax implications?

It is possible that you could derive a significant income from your Yacht Charter Management and we would recommend that you consult with a financial advisor prior to commencement.

When can I use my yacht?

You can use your yacht whenever it suits you. We will simply maximise its use when you say it's available.

What will my yacht be used for?

Providing RYA practical training courses under the guidance of a professional sailing instructor.

Will my insurance change?

Your insurance will have to alter to cover RYA training. It is possible to obtain discounts via our fleet scheme.

Will I have to get involved in arranging the charters?

No, arrange all charters via our centralised booking office in Southampton.

How do I get started?

Call us on 02380 211914 or email us at info@hotliquid.co.uk for further details.

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